RONCALO

RONALCO

(MJ GREEN SOLUTION FZ-LLC)

Feasibility Study - 2026

Prepared by: WBS Management Consultants

RONCALO

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Executive Summary

2. Executive Summary

2.1. Strategic Rationale and Core Competitive Advantage

The establishment of a specialized production facility for Octane Booster and fuel additives in a Dubai Free Zone (e.g., Jebel Ali Free Zone/JAFZA) is assessed as **highly feasible** and strategically imperative for achieving RONALCO's goal of creating a globally compliant, export-oriented product line. RONALCO's foundational expertise lies in **nanotechnology** and catalyst development, providing a significant technological edge in the fuel additive market. The selection of a Dubai Free Zone is mandatory to secure the necessary operational and financial foundation for international trade, specifically leveraging **100% foreign ownership**, zero customs duties on exports, and streamlined logistics access to global shipping lanes . This strategy positions RONALCO to capitalize on the structural growth of the global fuel additive market, which is projected to expand at a Compound Annual Growth Rate **(CAGR) of 5.9% through 2032**.

2.2. Product Portfolio and Unparalleled Performance

RONALCO's market entry is powered by two technologically superior product lines that address critical needs in the gasoline and diesel segments:

- **IFA133 Nano Diesel Additive:** This nano-based, multifunctional additive targets high-consumption diesel sectors (Marine, heavy-duty transport). Its core value proposition is derived from utilizing multiple metal oxides for catalytic combustion, leading to two major impacts:

- **Economic Impact:** Delivers substantial fuel consumption reduction of up to **18%**. For large fleet operators, this can yield annual savings of up to **$200,000** per large container vessel.
- **Environmental Impact:** Functions as a critical compliance tool by significantly reducing pollutants, including Particulate Matter (PM/Soot) by up to **51%** and CO2 emissions by up to **18%**. Its use is estimated to reduce the overall economic burden of pollutant emissions by **$1.25 billion** annually in large industrial contexts.

- **OCTANIQUE Unique Octane Booster:** OCTANIQUE provides an **unparalleled** increase in gasoline octane rating by **9 to 12 numbers**. This level of performance dramatically surpasses common market boosters (typically offering 2 to 4 numbers), securing a high-margin premium position by effectively eliminating engine knock, enhancing engine health, and improving power output.

2.3. Regulatory Compliance: The Global Gateway

The export-oriented nature of the Dubai facility dictates that regulatory compliance must be treated as a primary capital and time expenditure. The facility must meet the most stringent standards globally to ensure market access across key trade blocs:

- **Critical Export Approvals:** Mandatory chemical safety and fuel composition registrations include the **REACH Registration** (EU, 2 months) and **EPA Fuel Additive Registration** (USA, 1–2 months).
- **Regional Market Access:** Entry into the GCC requires the **G-Mark Certification** (GCC member states, 3 weeks) and **Made in UAE Certification** (UAE origin, 2 weeks).

- **Validation:** All performance claims (e.g., 18% fuel efficiency) must be validated through rigorous testing by accredited international bodies, including **Advanced Engine Bench Tests** (6–8 weeks) and foundational ISO Quality (9001), Environmental (14001), and Safety (45001) certifications (4-6 weeks).

2.4. Operational Setup and Financial Context

The operational strategy must be tailored for high-volume, specialized chemical manufacturing within a Free Zone, such as the JAFZA Chemical Zone . This strategic location maximizes export efficiency and financial incentives . Financial planning should be based on industry benchmarks for comparable facilities:

Cost Component	Estimated Benchmark	Strategic Context
Total Project Investment (CAPEX/Initial OPEX)	**~AED 50 Million**	Benchmark based on a recent 16,000 sqm large-scale chemical facility established in the JAFZA Chemical Zone .
Annual Operational Estimate	**~AED 1,000,000+**	Recurring costs for license renewal, compliance, audits, and workforce visas .

The model relies on a premium pricing strategy justified by the products' superior performance and maximized profitability through the Free Zone's zero-tax and zero-customs environment, requiring a sustained **strict export focus**.

2.5. Market Highlights

- The Global **Fuel Additives Market** is expected to be worth around **USD 12.2 billion** by 2034, up from **USD 8.0 billion** in 2024, and is projected to grow at a **CAGR of 4.3%** from 2025 to 2034. With a **38.90% share, North America's** market size was **USD 3.1 Bn**.
- The Middle East lubricant additives market size was estimated at **USD 412.2 million** in 2024 and is projected to reach **USD 572.4 million** by 2033, growing at a **CAGR of 3.9%** from 2025 to 2033.
- The fuel additive market size in the UAE was valued at approximately **$67.342 million** in **2025**, and is projected to reach **$110.306 million** by **2033**, growing at a compound annual growth rate (CAGR) of **6.363%**.

2.6. Financial Outlook - A Positive and Profitable Future

The company's financial future shines brightly with a projected five-year journey of consistent growth and profitability. We anticipate a steady climb in revenue, starting at USD 56.37 Million in the first year and reaching USD 101.04 Million by year five. This upward trajectory signifies a promising market for our offerings, paving the way for long-term success.

Beyond revenue, we expect healthy profit margins throughout the next five years. Our projected net profit margin varies slightly between **25%** and **35%**, highlighting not only profitability but also our ability to adapt to potential market fluctuations and operating expenses.

To embark on this exciting journey, an initial investment of USD 22.00 Million is necessary. This investment serves as the foundation for our success, covering crucial areas like Land & Building, Plant and Machinery, Desing and Fit out Cost, Equipment, furniture, software license, office marketing, and

working capital. By acquiring the necessary equipment, we ensure efficient operations and high-quality service delivery. Creating a functional and professional work environment through furniture strengthens our internal operations and fosters a positive impression for potential clients. Effective marketing strategies, funded by the allocated budget, will raise brand awareness, attract new clients, and establish a strong market presence. Finally, working capital ensures we can cover ongoing operational expenses until our revenue generation reaches a point of self-sustainability.

2.6.1. Project Snapshot

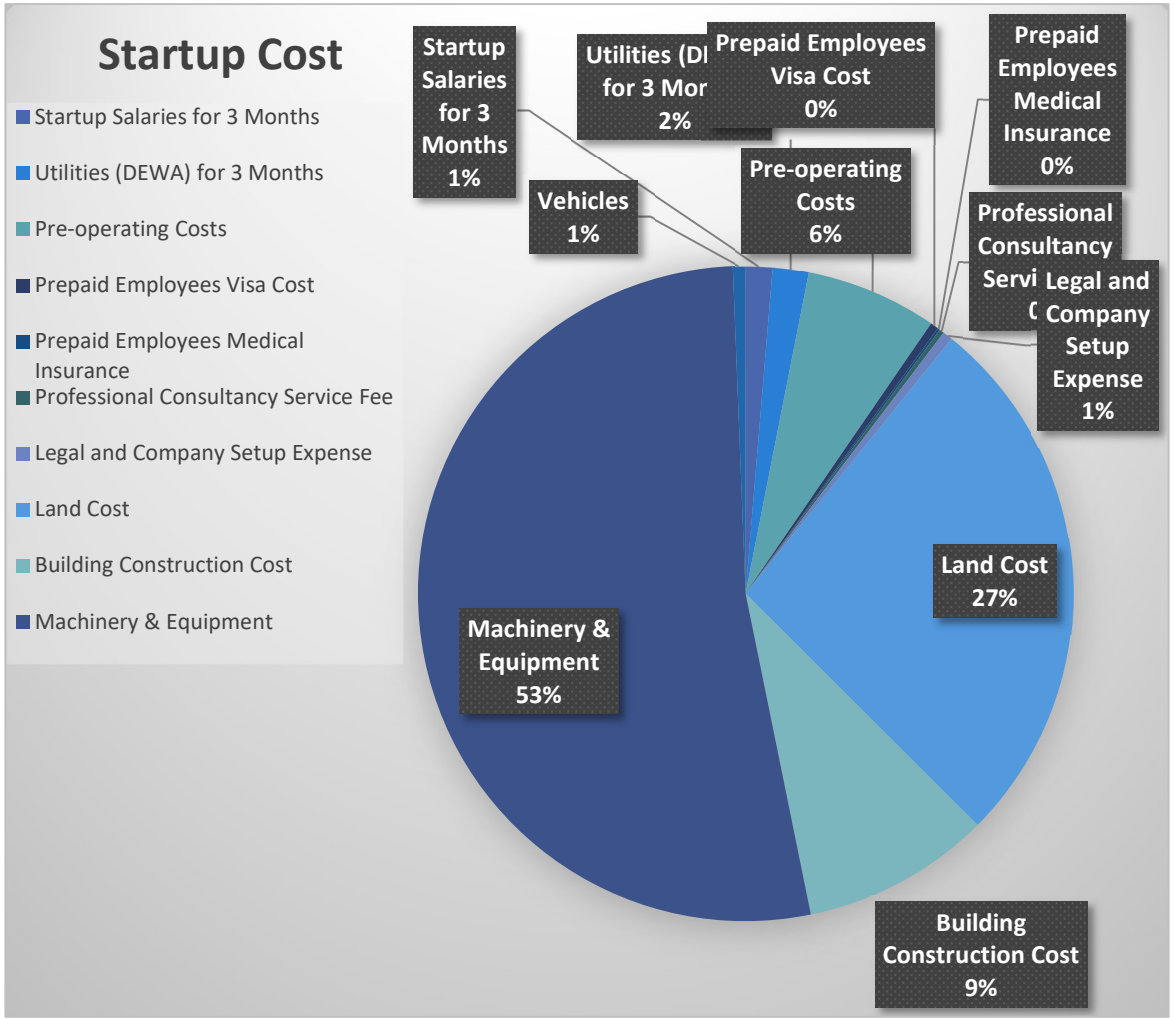
This project requires initial investment of USD 22.00 Million to cover this project. Net cash flows are sum of CAPEX plus OPEX benefit. Discount factors as per Octane Booster and fuel additives at 29% Discount rate by considering the Risk and Growth factors and NPV for this investment would be USD 133.620 Million. The IRR of this project would be 75% whereas Payback occurs when net cash is zero which is after 3 Years and 2 months, and Discounted Payback is 4 Years and 6 months Approximately.

The capital budgeting decision rules are to invest if the NPV > 0, if the IRR > r, or if the PI > 1.0. There are no decision rules for the payback period, discounted payback period, and AAR because they are not always sound measures.

2.7. Financial Highlights

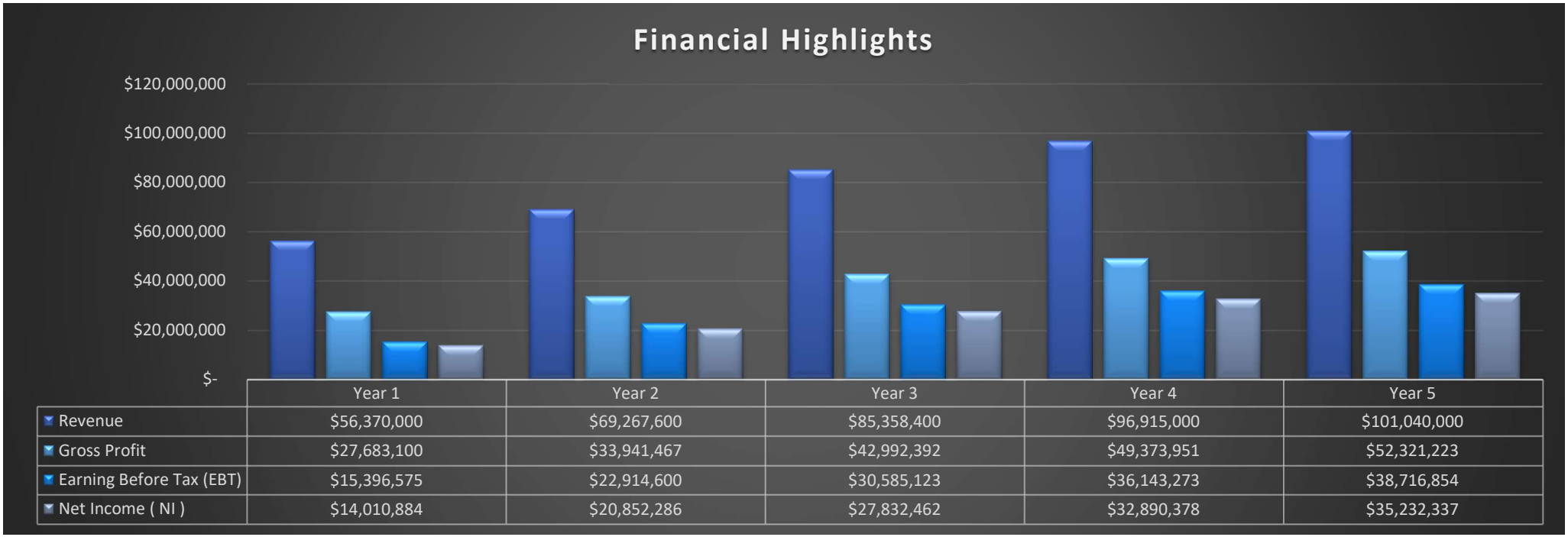
Startup Cost Indicator - Key Performance Indicator (KPI)

Start-up Expenses	Amount	
Startup Salaries for 3 Months	$	272,400
Utilities (DEWA) for 3 Months	$	369,538
Utilities (Telephone & Internet) for 3 Months	$	21,000
Pre-operating Costs	$	1,340,000
Business Stationery	$	1,089
Prepaid Employees Visa Cost	$	82,000
Prepaid Partner Visa Cost	$	14,000
Prepaid Employees Medical Insurance	$	25,068
Supplies (Cleaning Material etc.)	$	1,361
Prepaid Plant & Machinery Insurance	$	21,781
Startup Branding & Marketing Cost	$	220,000
Accounting & CRM Software	$	3,675
Website Development Costs	$	6,806
Professional Consultancy Service Fee	$	50,000
Legal and Company Setup Expense	$	100,000
Total Start-up Expenses	**$**	**2,528,719**
Start-up Assets	**Amount**	
Building Construction Cost	$	1,928,940
Machinery & Equipment	$	10,873,000
Vehicles	$	130,000
Private Vehicle	$	-
Security deposit (DEWA)	$	5,000
Startup Inventory	$	700,000
Cash Reserve for Working Capital	$	321,136
Total Start-up Assets - Capital Outflow	**$**	**19,471,281**
Total Capital Requirement	**$**	**22,000,000**
Project Financing	**Amount**	
Owner's Capital	$	22,000,000



Projected Income Statement

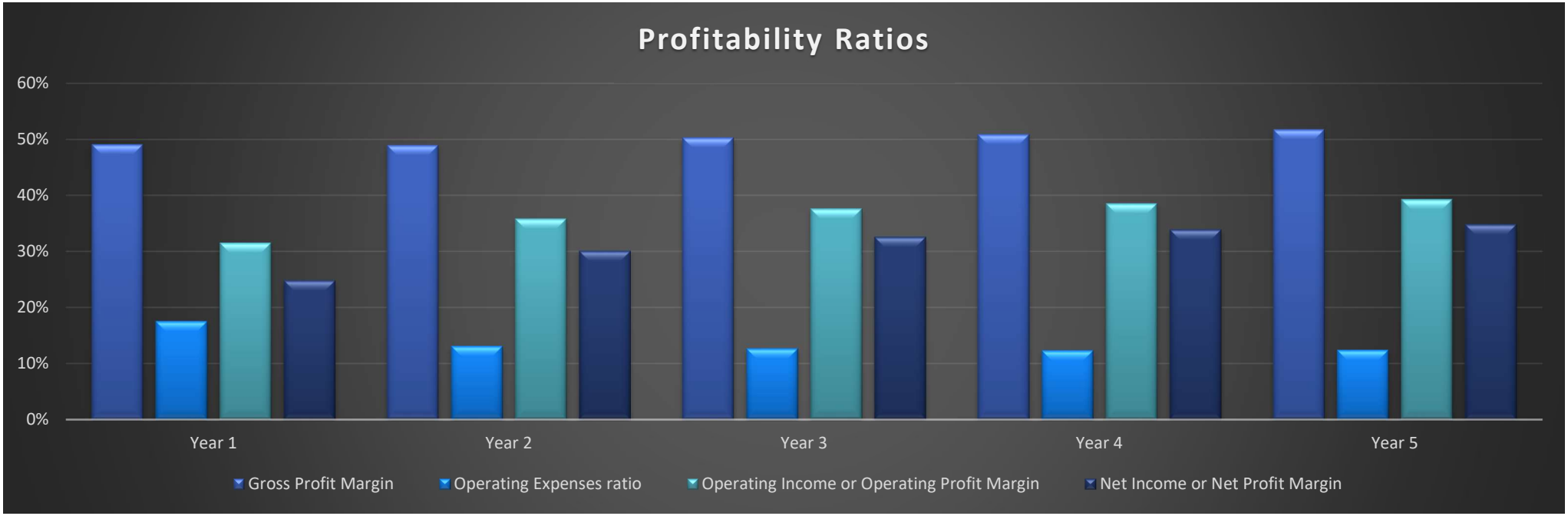
Projected Income Statement	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast	Total
Revenue	$ 56,370,000	$ 69,267,600	$ 85,358,400	$ 96,915,000	$ 101,040,000	$ 408,951,000
Less: Cost of Revenue	$ 28,686,900	$ 35,326,133	$ 42,366,008	$ 47,541,049	$ 48,718,777	$ 202,638,868
Gross Profit	**$ 27,683,100**	**$ 33,941,467**	**$ 42,992,392**	**$ 49,373,951**	**$ 52,321,223**	**$ 206,312,132**
Less: Operating Expenses	$ 9,893,031	$ 9,092,782	$ 10,842,640	$ 11,963,351	$ 12,576,445	$ 54,368,250
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	**$ 17,790,069**	**$ 24,848,685**	**$ 32,149,752**	**$ 37,410,599**	**$ 39,744,778**	**$ 151,943,883**
Less: Depreciation & Amortization	$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924	$ 8,187,457
Earning Before Interest and Tax (EBIT)	**$ 15,396,575**	**$ 22,914,600**	**$ 30,585,123**	**$ 36,143,273**	**$ 38,716,854**	**$ 143,756,426**
Less: Finance Cost (Bank charges)	$ -	$ -	$ -	$ -	$ -	$ -
Earning Before Tax (EBT)	**$ 15,396,575**	**$ 22,914,600**	**$ 30,585,123**	**$ 36,143,273**	**$ 38,716,854**	**$ 143,756,426**
Less: Corporate Tax	$ 1,385,692	$ 2,062,314	$ 2,752,661	$ 3,252,895	$ 3,484,517	$ 12,938,078
Net Income (NI)	**$ 14,010,884**	**$ 20,852,286**	**$ 27,832,462**	**$ 32,890,378**	**$ 35,232,337**	**$ 130,818,347**



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$56,370,000	$69,267,600	$85,358,400	$96,915,000	$101,040,000
Gross Profit	$27,683,100	$33,941,467	$42,992,392	$49,373,951	$52,321,223
Earning Before Tax (EBT)	$15,396,575	$22,914,600	$30,585,123	$36,143,273	$38,716,854
Net Income (NI)	$14,010,884	$20,852,286	$27,832,462	$32,890,378	$35,232,337

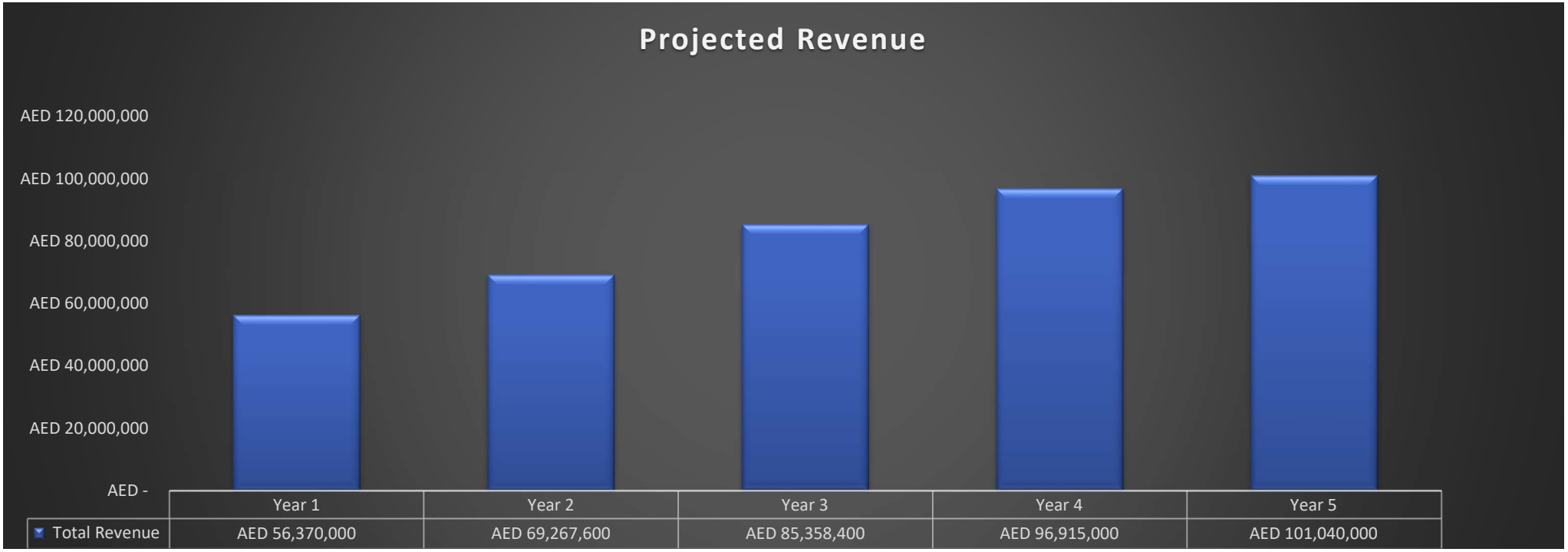
Projected Income Statement -Key Performance Indicator (KPI) in % age

Key Financial Ratios	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted	Forecasted Average
Revenue ratio	100%	100%	100%	100%	100%	100%
Cost of Revenue ratio	51%	51%	50%	49%	48%	50%
Gross Margin ratio	49%	49%	50%	51%	52%	50%
Operating Expense ratio	18%	13%	13%	12%	12%	13%
EBITDA ratio	32%	36%	38%	39%	39%	37%
Depreciation Expense ratio	4%	3%	2%	1%	1%	2%
Corporate Tax Expense ratio	2%	3%	3%	3%	3%	3%
Net Margin ratio	25%	30%	33%	34%	35%	32%



Projected Revenue year by year

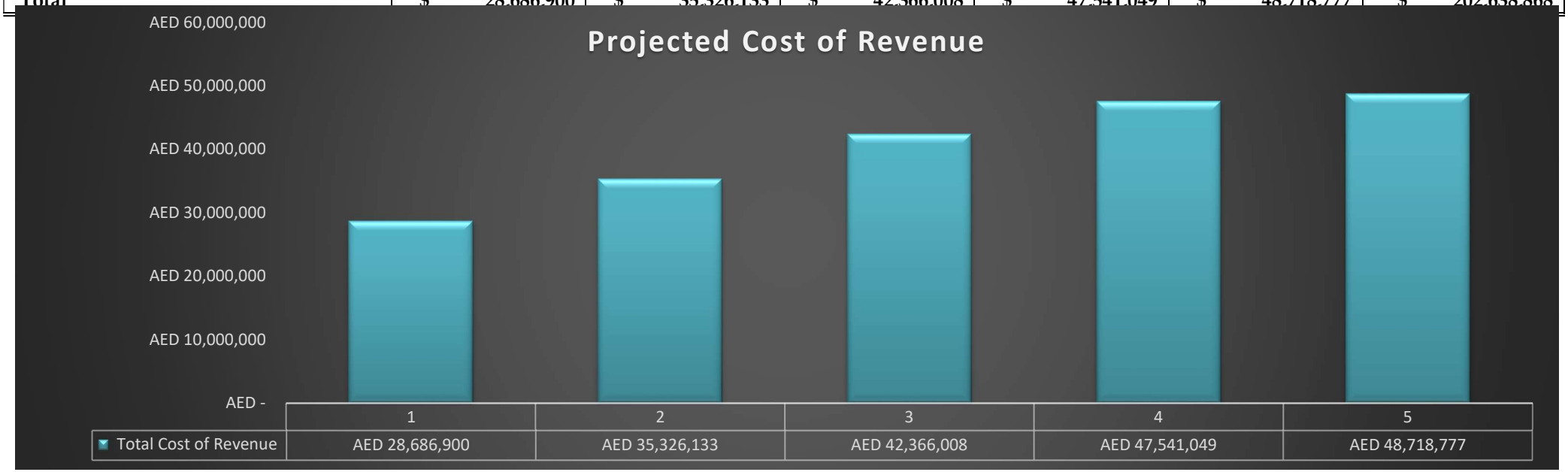
Projected Revenue by Year	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted	Total
Octane Booster	$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000	**$ 138,531,000**
Nano Fuel Additive	$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000	**$ 270,420,000**
Total	**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**	**$ 408,951,000**



Projected Cost of Revenue

Projected Cost of Revenue by Year	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted	Total
Factory Staff Salaries	$ 495,900	$ 718,862	$ 780,444	$ 846,214	$ 903,757	$ 3,745,177
Direct Material Cost & Operational Cost	$ 28,191,000	$ 34,607,272	$ 41,585,564	$ 46,694,835	$ 47,815,020	$ 198,893,690

Total	**$ 28,686,900**	**$ 35,326,133**	**$ 42,366,008**	**$ 47,541,049**	**$ 48,718,777**	**$ 202,638,868**



Corporate Tax Ratio

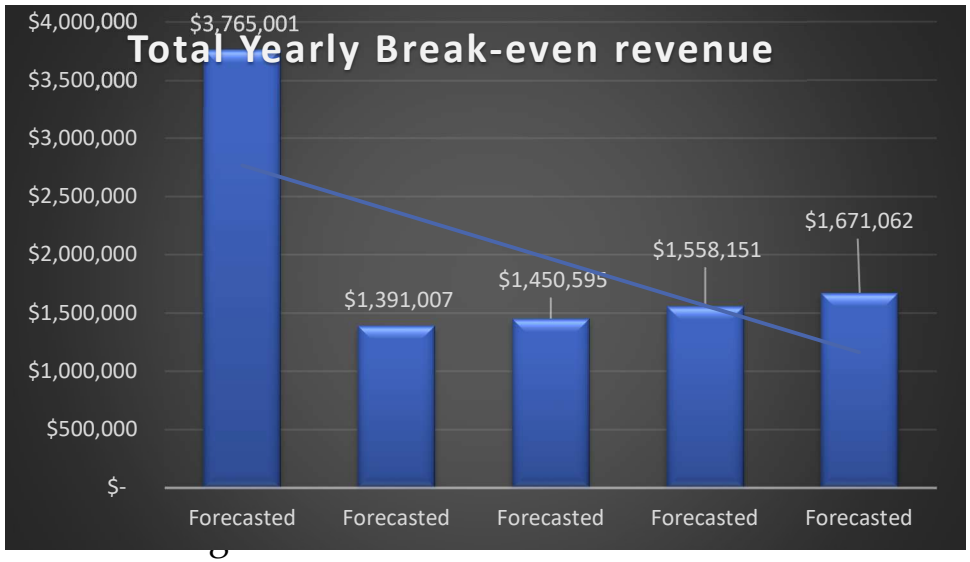
Profitability Ratios	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Gross Profit Margin	> 30%	49%	49%	50%	51%	52%
Operating Expenses ratio	10% - 15%	18%	13%	13%	12%	12%
Operating Income or Operating Profit Margin	> 10%	32%	36%	38%	39%	39%
Net Income or Net Profit Margin	> 5%	25%	30%	33%	34%	35%
Return on Assets (ROA)	> 0.2	0.9	1.5	2.2	2.9	3.4
Return on Investment (ROI)	> 0.2	64%	95%	127%	150%	160%
Return on equity (ROE)	> 0.2	39%	37%	33%	28%	23%
Return on Capital Employed (ROCE)	> 0.2	70%	64%	54%	43%	33%
Return on Invested Capital	> 0.2	64%	95%	127%	150%	160%
EBITDA Margin	>10%	32%	36%	38%	39%	39%
EBIT Margin	>10%	27%	33%	36%	37%	38%
Corporate Tax Ratio	< 5%	2%	3%	3%	3%	3%

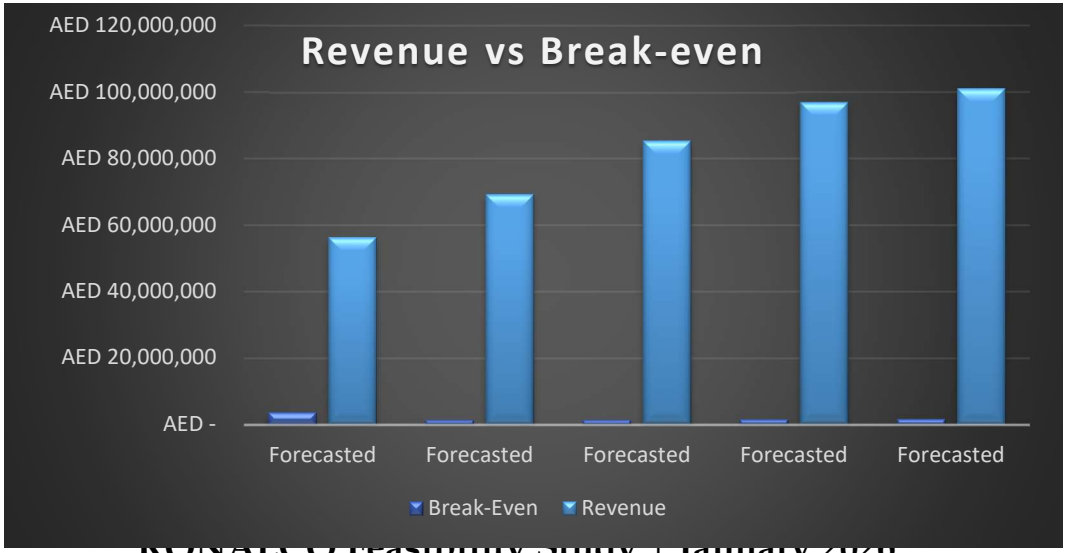
Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Current Ratio	> 1	10.3	15.3	19.5	24.4	30.5
Quick Ratio	> 1	10.3	15.3	19.5	24.4	30.5

Projected Summary Sheet of Breakeven Analysis

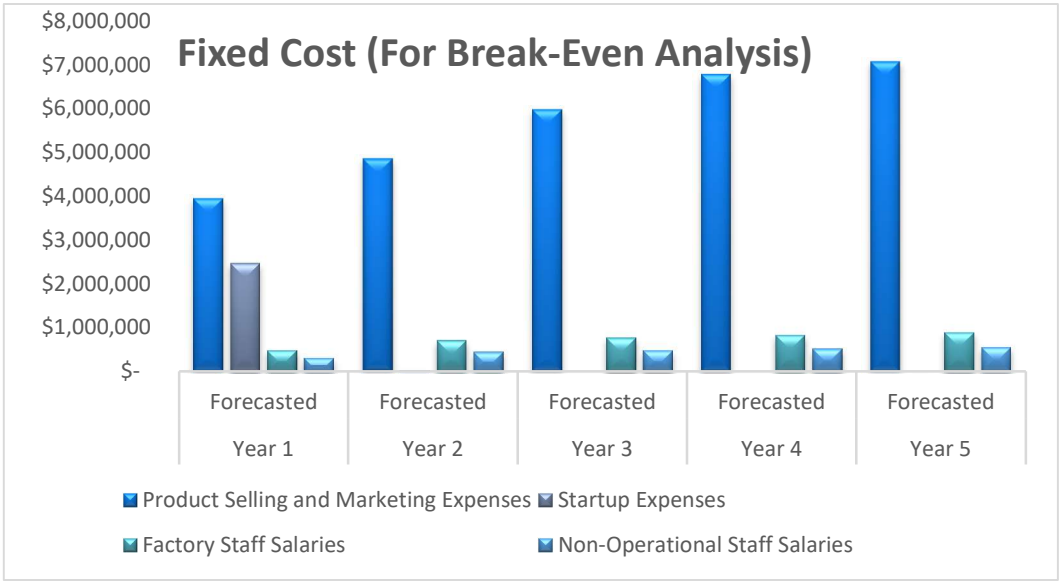
Multiproduct Breakeven	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Fixed Cost	$ 3,290,919	$ 1,217,393	$ 1,274,088	$ 1,373,425	$ 1,471,818
Weighted Average Selling Price	$ 36.76	$ 37.57	$ 38.51	$ 38.29	$ 38.67
Weighted Average Variable Cost	$ 4.63	$ 4.69	$ 4.69	$ 4.54	$ 4.61
Weighted Average Multiproduct Contribution Margin	$ 32.14	$ 32.88	$ 33.83	$ 33.75	$ 34.06
Weighted Average Multiproduct Contribution Margin Ratio (CM Ratio)	0.87	0.88	0.88	0.88	0.88
Breakeven Point in Multiproduct (Revenue (No. of Litters))	**162,302 Litters**	**58,558 Litters**	**59,446 Litters**	**65,114 Litters**	**69,462 Litters**
Weighted Average Breakeven Point in Multiproduct Revenue (in USD)	**$ 3,765,001**	**$ 1,391,007**	**$ 1,450,595**	**$ 1,558,151**	**$ 1,671,062**





Yearly Breakeven Analysis in Amount (USD)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Per Year----------				
Octane Booster	$ 1,212,254	$ 449,306	$ 467,204	$ 545,268	$ 605,313
Nano Fuel Additive	$ 2,552,747	$ 941,700	$ 983,392	$ 1,012,882	$ 1,065,749
Total Yearly Break-even Revenue	**$ 3,765,001**	**$ 1,391,007**	**$ 1,450,595**	**$ 1,558,151**	**$ 1,671,062**

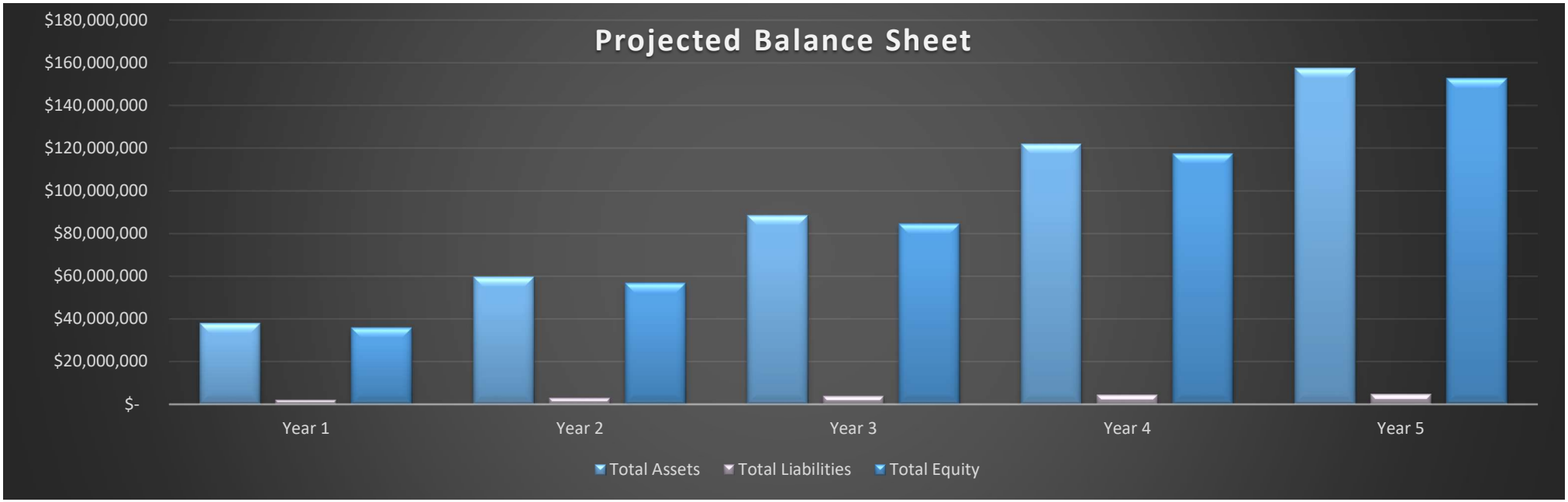
Normal Projected Yearly Revenue (USD)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Per Year----------				
Octane Booster	$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000
Nano Fuel Additive	$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000
Total	**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**



Yearly Breakeven Analysis in Revenue (No. of Litters)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Per Year----------				
Octane Booster	110,205 Litters	39,762 Litters	40,276 Litters	45,821 Litters	49,616 Litters
Nano Fuel Additive	52,097 Litters	18,796 Litters	19,169 Litters	19,293 Litters	19,846 Litters
Total	**162,302 Litters**	**58,558 Litters**	**59,446 Litters**	**65,114 Litters**	**69,462 Litters**

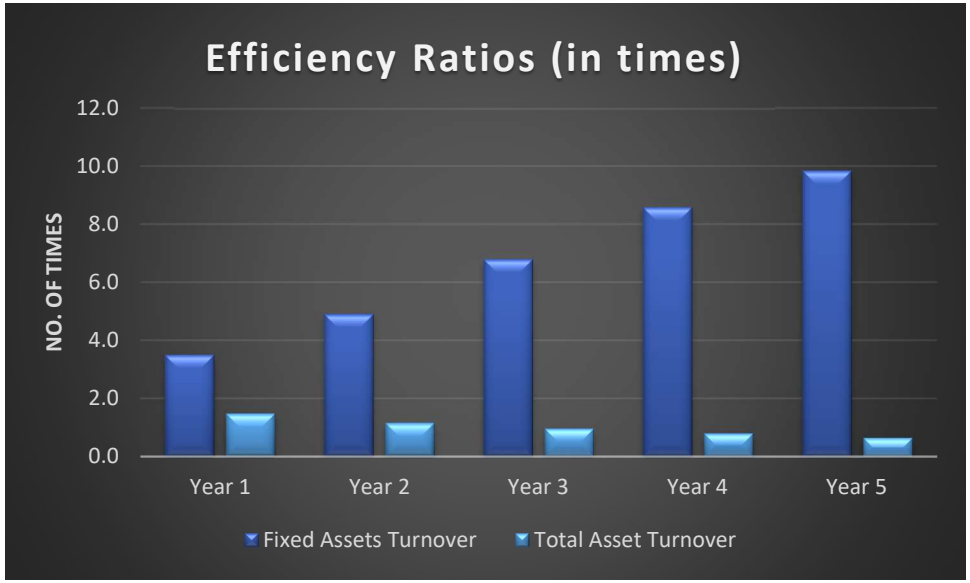
Projected Balance Sheet

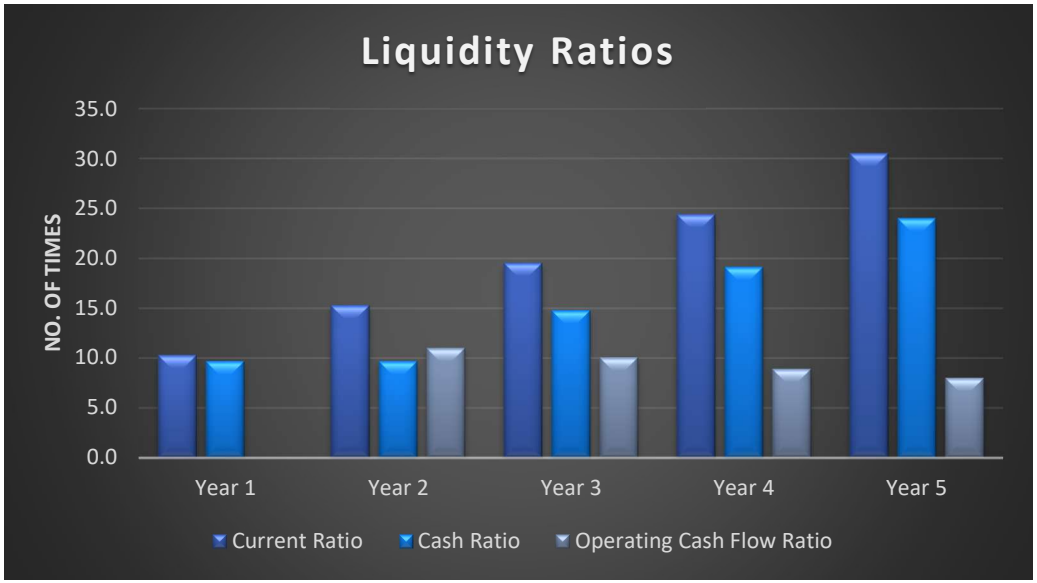
Projected Balance Sheet	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Non-Current Assets	$ 16,097,651	$ 14,122,566	$ 12,557,938	$ 11,290,611	$ 10,262,688
Current Assets	$ 22,035,114	$ 45,715,979	$ 76,012,925	$ 110,821,970	$ 147,370,195
Total Assets	**$ 38,132,765**	**$ 59,838,545**	**$ 88,570,863**	**$ 122,112,581**	**$ 157,632,883**
Non-Current Liabilities	$ -	$ -	$ -	$ -	$ -
Current Liabilities	$ 2,135,882	$ 2,989,376	$ 3,889,231	$ 4,540,571	$ 4,828,535
Total Liabilities	**$ 2,135,882**	**$ 2,989,376**	**$ 3,889,231**	**$ 4,540,571**	**$ 4,828,535**
Total Equity	$ 36,010,884	$ 56,863,170	$ 84,695,632	$ 117,586,010	$ 152,818,347
Total Equity and Liabilities	**$ 38,146,765**	**$ 59,852,545**	**$ 88,584,863**	**$ 122,126,581**	**$ 157,646,883**



Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted	Forecasted Average
Current Ratio	10	15	20	24	31	20
Quick Ratio	10	15	20	24	31	20
Return on Assets (ROA)	1	1	2	3	3	2
Return on equity (ROE)	39%	37%	33%	28%	23%	32%
Return on Capital Employed (ROCE)	70%	64%	54%	43%	33%	53%





2.8. Project Financial Analysis

Based on the financial analysis, the proposed business is found to be financially Profitable, with a projected internal rate of return on investment of 32% over the period of five years.

2.8.1. Forecast Revenue Analysis

Annual Revenue growth has been projected over the period of 5 years from Year 1 to Year 5 with annual growth rate of Automotive Adhesives (Fuel-Saving Relevant) Market 14.60% by the amount of USD 56.37 Million to USD 101.04 Million. Strong annual revenue Growth over the period of 5 years from Year 1 to Year 5 (YOY) from (25% to 35%) along with CAGR that would be 15.71%.

2.8.2. Forecast Costs of Revenue & Operating expense Analysis

Cost of revenue is 51% as USD 28.69 Million and operating expenses is 18% as USD 9.89 Million in year 1 of the total revenue as USD 56.37 Million.

Whereas it has been observed that the decreasing trend from 18% - 12% (YOY) for operating expenses from USD 9.89 Million to USD 12.58 Million as well as 51% - 48% showing the increasing trend for Costs of revenue as USD 28.69 Million to USD 48.72 Million over the forecasted period of 5 years from Year 1 to Year 5.

2.8.3. Forecast EBITDA analysis.

Octane Booster and fuel additives' large portion of total costs are of variable nature. Management forecasts EBITDA to increase from USD 17.79 Million in FY1 to USD 39.74 Million in FY5, with margins 32% to 39% over the same period by (YOY). From our discussions with Management, we understand this is based on

the Forecast Period. It will use its capital effectively to generate profit – EBITDA in the coming 5 years from as an annual growth rate of 32% to 39% (YOY) along with CAGR rate would be 22.26% over the period.

Taking EBITDA of USD 17.79 Million or 32% of total operating revenue USD 56.37 Million in year 1 by the increasing ratio over the forecasted period of 5 years from (YOY) Year 1 to Year 5 from USD 17.79 Million to USD 39.74 Million.

2.8.4. Forecast Net Income Analysis.

It has been observed that Net income in year 1 is 25% of the total operating revenue of USD 14.01 Million whereas we have projected the Net income margin over the period of 5 years from Year 1 to Year 5 with the growth rate of 25% to 35%(YOY).

It is anticipated that the forecasted period of Net income will be an average of 31% and it is increasing proportionally as compared to Total operating revenue 49% to 7% (YOY). However, total revenue is anticipated to improve by approximately from USD 56.37 Million to USD 101.04 Million over the period of 5 years from (YOY) Year 1 to Year 5.

Growth in Annual Earnings or Net Income with increasing Profit Margin (YOY) from (49% to + 7 %) over the period of 5 years along with CAGR would be 14.01%.

2.8.5. Current Assets & Current Liabilities Analysis

Current Assets will be grown from USD 22.04 Million to USD 147.37 Million over the period of 5 years from Year 1 to Year 5 with the CAGR 60.81% whereas Current Liabilities from USD 2.14 Million to USD 4.83 Million will also be grown over the period of 5 years from Year 1 to Year 5 with CAGR 22.62% But

the ratio of Current Assets to Current liabilities is very ideal which is more than 2 for the future funds flow position of the Company. Company has good current ratio over the period of 5 years (YOY) from +10 to + 31.

These improving of EBITDA results reflect Business will be in its ramp up phase. When analyzing the Year-to-Date (YTD) Year 1 to Year 5 data points the same trend of higher rate continued for the Octane Booster and fuel additives vs the competitive set, resulting in a higher KPIs.

2.9. Economics Analysis of Project

We used several important criteria to evaluate capital investments. The two most comprehensive measures of whether a project is profitable or unprofitable are the present net value (NPV) and internal rate of return (IRR). In addition to this, we present four other criteria that are frequently used: the payback period, discounted payback period, average accounting rate of return (AAR), and profitability index (PI). We fully understand the economic logic behind each of these investment decision criteria as well as its strengths and limitations in practice.

Net Present Value (NPV)

Net Present Value (NPV) is an effective front end management tool for assessing the Capital investment in the project.Net Present Value (NPV) is the value of all future cash flows (positive and negative) over the entire life of an investment discounted to the present. NPV analysis is a form of intrinsic valuation and is used extensively to value a business, investment security, capital project, new venture, cost reduction program, and anything that involves cash flow.

Project Economics

Project Financial Feasibility Analysis

Description	Value
Return on Investment (ROI)	32%
Net Present Value (NPV)	$ 133,620,057
Cost of Capital (WACC) - Discount Rate used for NPV	30%
Project Internal Rate of Return (IRR)	75%
Undiscounted Payback Period (PBP)	0 Year and 6 month approximately
Discounted Payback Period (PBP)	0 Year and 8 month approximately
Projection years	5 Years
Accounting Rate of Return (ARR)	119%
Profitability Index (PI)	7.1

Note : The financial feasibility analysis provides the information regarding projected IRR, NPV and payback period of the study, which is shown in above Table.

Project Financing

Description	Details
Total Equity (100%)	$ 22,000,000
Bank Loan (0%)	$ -
Annual Markup to the Borrower – Long Term Loan	$ -
Tenure of the Loan (Years)	$ -
Annual Markup to the Borrower – Short Term Debt	$ -

Accounting Rate of Return (ARR)

Accounting Rate of Return	Forecast
Initial Investment	$ 22,000,000
Average Net Income	$ 26,163,669
ARR	119%

Financial Assumptions for Debt: Equity Model

Description	Details
Debt	0%
Equity	100%
Interest Rate on Debt	-
Debt Tenure	-
Debt Payment / Year	-

Its primary role is to confirm the financial viability of an investment over a long time period, by looking at net discounted cash inflows and discounted cash outflows that a project will generate over its lifecycle and converting these into a single Net Present Value. Net present value is the difference between the present values of the cash inflows and cash outflows experienced by a Project over a period of time.

A positive NPV (profit) indicates that the Income generated by the investment exceeds the costs of the project. A negative NPV (loss) indicates that the whole life costs of the investment are less than the income generated. The Discounted value of cash takes into account the fact that money in the present is worth more than the same amount in the future. The Discount rate of 29% to be used for project lasting 1 to 5 years. If the net present value of a project or investment, is negative it means the expected rate of return that will be earned on it is less than the discount rate (required rate of return or hurdle rate). This doesn't necessarily mean the project will "lose money." It may very well generate accounting profit (net income), but since the rate of return generated is less than the discount rate, it is considered to destroy value. If the NPV is positive, it creates value.

NPV analysis is used to help determine how much an investment, project, or any series of cash flows is worth. We can lay out this information in a financial model to show all expected cash flows over the useful life of an investment, and then apply a discount rate that reduces the cash flows to what they would be worth at the present date. This calculation is known as net present value analysis. Net present value is the traditional approach to evaluating capital proposals, since it is based on a single factor – cash flows – that can be used to judge any proposal. It is an all-encompassing metric, as it takes into account all revenues, expenses, and capital costs associated with an investment in its Free Cash Flow (FCF).In addition to factoring all revenues and costs, it also takes into account the timing of each cash flow that can result in a large impact on the present value of an investment. For example, it's better to see cash inflows sooner and

cash outflows later, compared to the opposite. Because the NPV is the amount by which the investor's wealth increases as a result of the investment, the decision rule for the NPV is as follows:

Invest if	NPV > 0
Do not invest if	NPV < 0

Profitability Index

The profitability index (PI) is the present value of a project's future cash flows divided by the initial investment. It can be expressed as the profitability index (PI) is the present value of a project's future cash flows divided by the initial investment:

You can see that the PI is closely related to the NPV. The PI is the ratio of the PV of future cash flows to the initial investment, while an NPV is the difference between the PV of future cash flows and the initial investment.

Whenever the NPV is positive, the PI will be greater than 1.0, and conversely, whenever the NPV is negative, the PI will be less than 1.0. The investment decision rule for the PI is as follows:

Invest if	PI > 1.0
Do not invest if	PI < 1.0

The PI indicates the value you are receiving in exchange for one unit of currency invested. Although the PI is used less frequently than the NPV and IRR, it is sometimes used as a guide in capital rationing. The PI is usually called the profitability index in corporations, but it is commonly referred to as a "benefit-cost ratio" in governmental and not-for-profit organizations.

Internal Rate of Return (IRR)

The internal rate of return (IRR) is one of the most frequently used concepts in capital budgeting and in Business analysis. For a project with one investment outlay, made initially, the IRR is the discount rate that makes the present value of the future after-tax cash flows equal that investment outlay. IRR, or internal rate of return, is a metric used in financial analysis to estimate the profitability of potential investments. IRR is a discount rate that makes the net present value (NPV) of all cash flows equal to zero in a discounted cash flow analysis.

Internal Rate of Return (IRR)

Years	Cash flows	DF @ 29.5%	DF @ 39.5%	Present value
Year 0	$ (22,000,000)	1.00	1	$ (22,000,000)
Year 1	$ 43,895,378	0.77	0.72	$ 31,466,221
Year 2	$ 57,374,876	0.60	0.51	$ 29,483,114
Year 3	$ 70,994,334	0.46	0.37	$ 26,151,769
Year 4	$ 80,802,334	0.36	0.26	$ 21,336,691
Year 5	$ 95,025,909	0.27	0.19	$ 17,987,508
				$ 104,425,302
IRR	**75%**			

When calculating IRR, expected cash flows for a project or investment are given and the NPV equals zero. Put another way, the initial cash investment for the beginning period will be equal to the present value of the *future* cash flows of that investment. (Cost paid = present value of future cash flows, and hence, the *net* present value = 0).Once the internal rate of return is determined, it is typically compared to a

company's hurdle rate or cost of capital. If the IRR is greater than or equal to the cost of capital, the company would accept the project as a good investment. (That is, of course, assuming this is the sole basis for the decision). The decision rule for the IRR is to invest if the IRR exceeds the required rate of return for a project.

Invest if	IRR > r
Do not invest if	IRR < r

Typically, investors and Project Managers of the Project look at both NPV and IRR in conjunction with other figures when making a decision. The internal rate of return (IRR) is the discount rate at which the net present value of an investment is equal to zero. Put another way, it is the compound annual return an investor expects to earn (or actually earned) over the life of an investment.

For example, if a Project offers a series of cash flows with an NPV of $500,000 and an investor pays exactly $500,000 for it, then the investor's NPV is $0. It means they will earn whatever the discount rate is on the Project. Ideally, an investor would pay less than $500,000 and therefore earn an IRR that's greater than the discount rate.

Payback Period

The payback period is the length of time required to recover the costs of an investment. This differs from the NPV calculation as it ignores the time value of money. This indicator is used more where income (cash) is generated by the project and not on infrastructure type investments. So, the payback (undiscounted) period is Six Months.

Payback Period (PBP)

Years	Undiscounted	Discounted	
	Cash flows	Cash flows	Cumulative cash flows
Year 0	$ (22,000,000)	$ (22,000,000)	$ (22,000,000)
Year 1	$ 43,895,378	$ 33,896,045	$ 11,896,045
Year 2	$ 57,374,876	$ 34,212,296	$ 46,108,341
Year 3	$ 70,994,334	$ 32,689,960	$ 78,798,300
Year 4	$ 80,802,334	$ 28,730,609	$ 107,528,909
Year 5	$ 95,025,909	$ 26,091,148	$ 133,620,057

Payback Period	Years
Undiscounted	**0 Year and 6 month approximately**
Discounted	**0 Year and 8 month approximately**

Because it is not economically sound, the payback period has no decision rule like that of the NPV or IRR. If the payback period is being used (perhaps as a measure of liquidity), Project owner should also use an NPV or IRR to ensure that their decisions also reflect the profitability of the projects being considered.

The payback period is the number of years required to recover the original investment in a project. The payback is based on cash flows. For example, if you invest $10 million in a project, how long will it be until you recover the full original investment? Financial Table below illustrates the calculation of the payback period by following an investment's cash flows and cumulative cash flows. The payback period has many drawbacks—it is a measure of payback and not a measure of profitability. By itself, the payback period would be a dangerous criterion for evaluating capital projects. Its simplicity, however, is an

advantage. The payback period is very easy to calculate and to explain. The payback period may also be used as an indicator of project liquidity. A project with a two-year payback may be more liquid than another project with a longer payback.

Discounted Payback Period

The discounted payback period is the number of years it takes for the cumulative discounted cash flows from a project to equal the original investment. The discounted payback period partially addresses the weaknesses of the payback period.

The discounted payback does account for the time value of money and risk within the discounted payback period, but it ignores cash flows after the discounted payback period is reached. This drawback has two consequences. First, the discounted payback period is not a good measure of profitability (like the NPV or IRR) because it ignores these cash flows. Second, another idiosyncrasy of the discounted payback period comes from the possibility of negative cash flows after the discounted payback period is reached. It is possible for a project to have a negative NPV but to have a positive cumulative discounted cash flow in the middle of its life and, thus, a reasonable discounted payback period. The NPV and IRR, which consider all of a project's cash flows, do not suffer from this problem.

The discounted payback period relies on discounted cash flows, much as the NPV criterion does. If a project has a negative NPV, it will usually not have a discounted payback period since it never recovers the initial investment.

Average Accounting Rate of Return

Sales revenues and cash operating expenses for each year. The table also shows the annual income taxes and the net income. The average accounting rate of return (AAR) can be explained with the help of below example as follows: The average accounting rate of return is 119%.

Accounting Rate of Return (ARR)

Particulars	Amount
Initial Investment	$ 22,000,000
Average Net Income	$ 26,163,669
ARR	**119%**

The advantages of the AAR are that it is easy to understand and easy to calculate. The AAR has some important disadvantages, however. Unlike the other capital budgeting criteria discussed here, the AAR is based on accounting numbers and not based on cash flows. This is an important conceptual and practical limitation. The AAR also does not account for the time value of money, and there is no conceptually sound cutoff for the AAR that distinguishes between profitable and unprofitable investments. The AAR is frequently calculated in different ways, so the analyst should verify the formula behind any AAR numbers that are supplied by someone else. We should know the AAR and its potential limitations in practice, but we should rely on more economically sound methods like the NPV and IRR.

Return on Investment (ROI)

Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost.

To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment. The result is expressed as a percentage or a ratio

- Return on Investment (ROI) is a popular profitability metric used to evaluate how well an investment has performed.
- ROI is expressed as a percentage and is calculated by dividing an investment's net profit (or loss) by its initial cost or outlay.
- ROI can be used to make apples-to-apples comparisons and rank investments in different projects or assets.
- ROI does not take into account the holding period or passage of time, and so it can miss opportunity costs of investing elsewhere.

Whether or not something delivers a good ROI should be compared relative to other available opportunities what qualifies as a "good" ROI will depend on factors such as the risk tolerance of the investor and the time required for the investment to generate a return. All else being equal, investors who are more risk-averse will likely accept lower ROIs in exchange for taking less risk. Likewise, investments that take longer to pay off will generally require a higher ROI in order to be attractive to investors. The ROI of an investment is an indicator of the efficiency of an investment, it measures the assumed return against the estimated costs, the result being expressed as a percentage.

Ranking Conflicts between NPV and IRR

For a single conventional project, the NPV and IRR will agree on whether to invest or to not invest. For independent, conventional projects, no conflict exists between the decision rules for the NPV and IRR.

2.10. Risk Analysis of Project

Sensitivity Analysis – Standalone Method

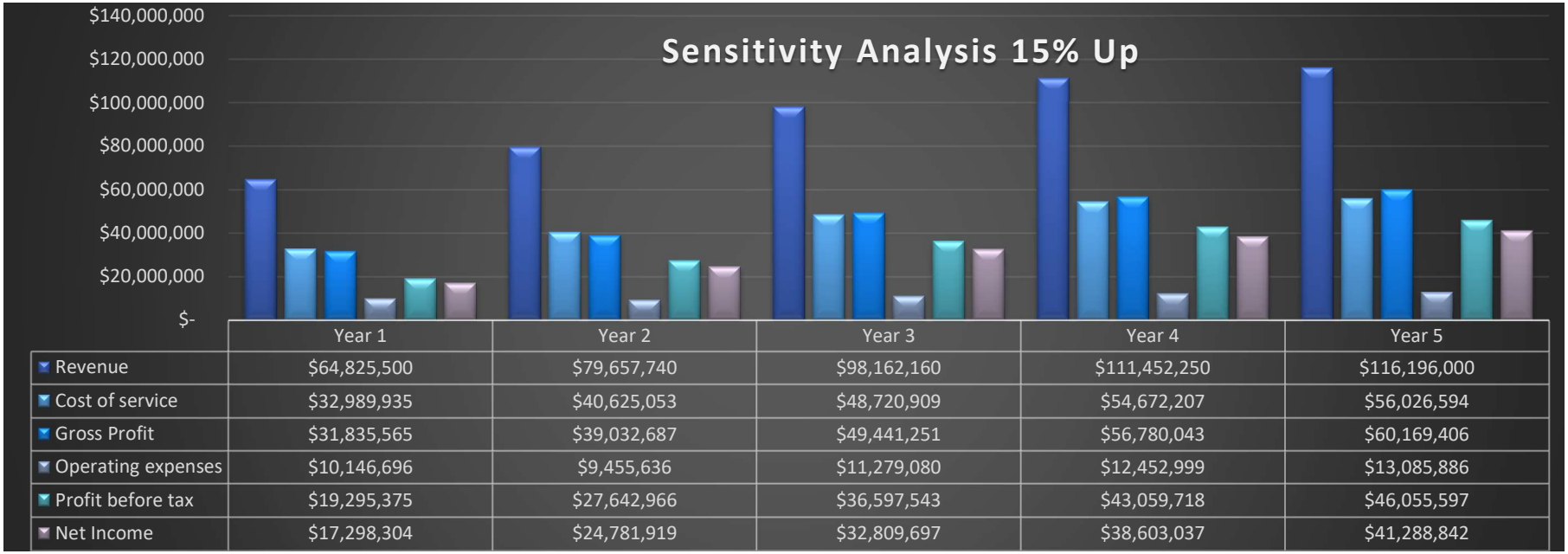
Sensitivity analysis calculates the effect on the NPV of changes in one input variable at a time. The base case above has several input variables. If we wish to do a sensitivity analysis of several of them, we must specify the changes in each that we wish to evaluate.

Project Risk Analysis 1 -Sensitivity Analysis

Description	Note	Low Value (85%)	Base Value (100%)	High Value (115%)
Weighted Average Price per Product (@ 15 %)		$ 31.25	$ 36.76	$ 42.28
Average Variable Cost per Product		$ 3.93	$ 4.63	$ 5.32
Advertising & Marketing		$ 1,766,323.80	$ 2,078,028.00	$ 2,389,732.20
Tax rate		8%	9%	10%
Average Profit After Tax		(21,136,720)	26,163,669	30,956,360

Sensitivity Analysis 15% Up	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Revenue	$ 64,825,500	$ 79,657,740	$ 98,162,160	$ 111,452,250	$ 116,196,000
Cost of service	$ 32,989,935	$ 40,625,053	$ 48,720,909	$ 54,672,207	$ 56,026,594
Gross Profit	$ 31,835,565	$ 39,032,687	$ 49,441,251	$ 56,780,043	$ 60,169,406
Operating expenses	$ 10,146,696	$ 9,455,636	$ 11,279,080	$ 12,452,999	$ 13,085,886

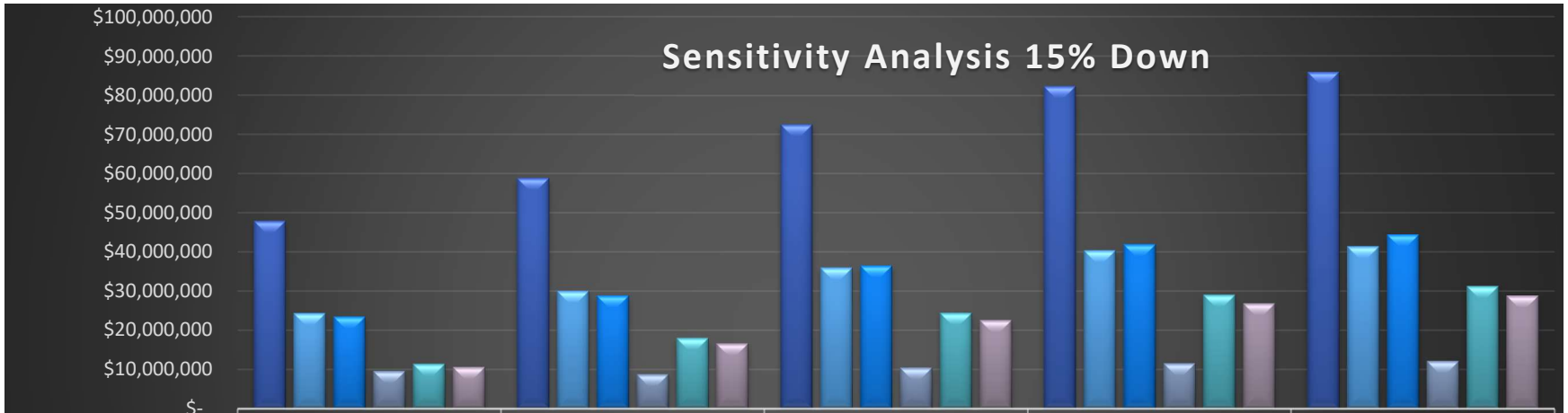
Profit before tax	$ 19,295,375	$ 27,642,966	$ 36,597,543	$ 43,059,718	$ 46,055,597
Net Income	$ 17,298,304	$ 24,781,919	$ 32,809,697	$ 38,603,037	$ 41,288,842



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$64,825,500	$79,657,740	$98,162,160	$111,452,250	$116,196,000
Cost of service	$32,989,935	$40,625,053	$48,720,909	$54,672,207	$56,026,594
Gross Profit	$31,835,565	$39,032,687	$49,441,251	$56,780,043	$60,169,406
Operating expenses	$10,146,696	$9,455,636	$11,279,080	$12,452,999	$13,085,886
Profit before tax	$19,295,375	$27,642,966	$36,597,543	$43,059,718	$46,055,597
Net Income	$17,298,304	$24,781,919	$32,809,697	$38,603,037	$41,288,842

Sensitivity Analysis 15% Down	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast

Revenue	$ 47,914,500	$ 58,877,460	$ 72,554,640	$ 82,377,750	$ 85,884,000
Cost of service	$ 24,383,865	$ 30,027,213	$ 36,011,107	$ 40,409,892	$ 41,410,960
Gross Profit	$ 23,530,635	$ 28,850,247	$ 36,543,533	$ 41,967,858	$ 44,473,040
Operating expenses	$ 9,639,366	$ 8,832,228	$ 10,510,854	$ 11,580,764	$ 12,176,526
Profit before tax	$ 11,497,775	$ 18,083,934	$ 24,468,051	$ 29,119,767	$ 31,268,590
Net Income	$ 10,618,196	$ 16,700,513	$ 22,596,245	$ 26,892,105	$ 28,876,543



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$47,914,500	$58,877,460	$72,554,640	$82,377,750	$85,884,000
Cost of service	$24,383,865	$30,027,213	$36,011,107	$40,409,892	$41,410,960
Gross Profit	$23,530,635	$28,850,247	$36,543,533	$41,967,858	$44,473,040
Operating expenses	$9,639,366	$8,832,228	$10,510,854	$11,580,764	$12,176,526
Profit before tax	$11,497,775	$18,083,934	$24,468,051	$29,119,767	$31,268,590
Net Income	$10,618,196	$16,700,513	$22,596,245	$26,892,105	$28,876,543

The most likely scenario is the same as the base case we used above for sensitivity analysis, and the NPV for the most likely scenario is USD 9.251Million. To form the pessimistic and optimistic scenarios, we change several of the assumptions for each scenario.

Project Risk Analysis 2 -Scenario Analysis

Net Income (Effect on Net Income in each Scenario Analysis)

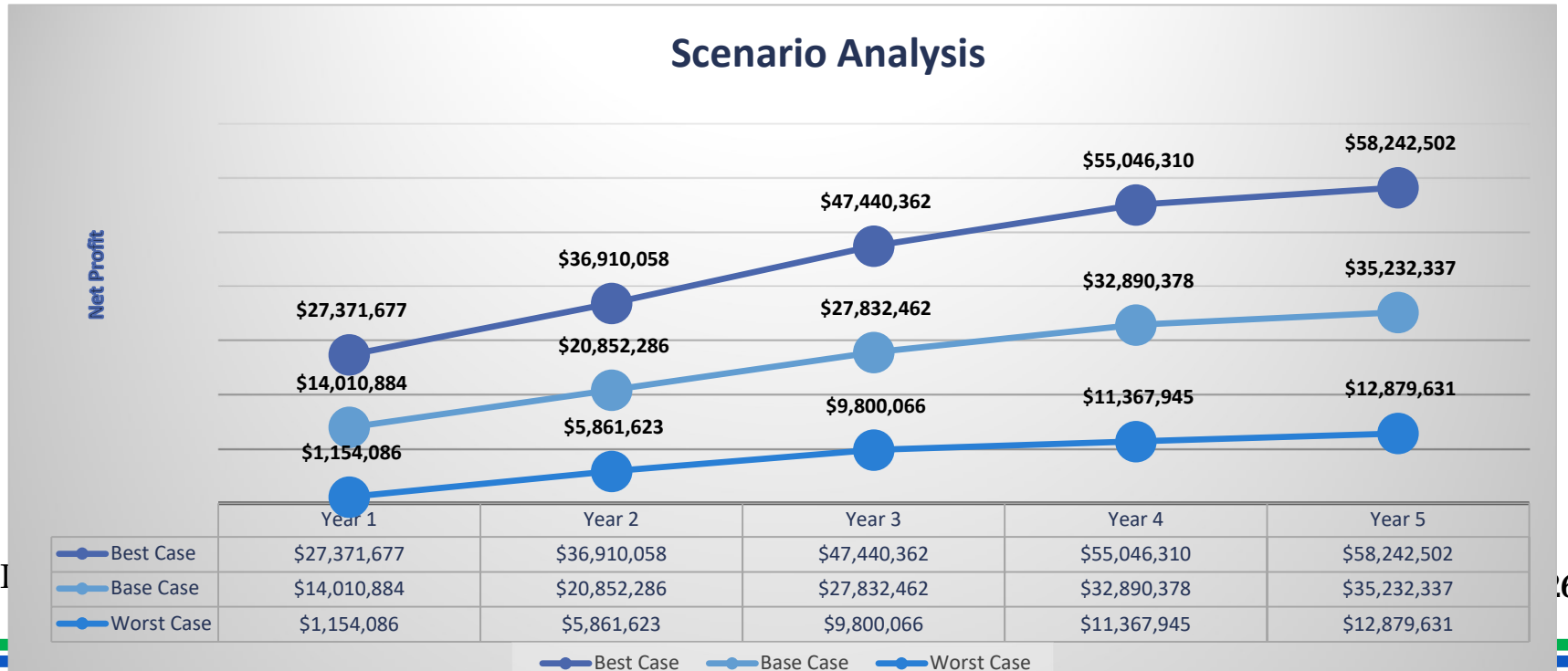
Scenario	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Best Case	$ 27,371,677	$ 36,910,058	$ 47,440,362	$ 55,046,310	$ 58,242,502
Base Case	$ 14,010,884	$ 20,852,286	$ 27,832,462	$ 32,890,378	$ 35,232,337
Worst Case	$ 1,154,086	$ 5,861,623	$ 9,800,066	$ 11,367,945	$ 12,879,631

Net Present Value (NPV) Effect in each Scenario

Scenario	NPV
Worst Case	$ (242,989)
Base Case	$133,620,057
Best Case	$ 98,091,181

Internal Rate of Return (IRR) Effect in each Scenario

Scenario	IRR
Worst Case	9%
Base Case	75%
Best Case	58%



For the pessimistic scenario, several of the input variables are changed to reflect higher costs, lower revenues, and a higher required rate of return. As the table shows, the result is a negative NPV for the pessimistic scenario and an IRR that is less than the pessimistic scenario's 1percent required rate of return.

For the optimistic scenario, the more favorable revenues, costs, and required rate of return result in very good NPV and IRR. For this example, the scenario analysis reveals the possibility of an unprofitable investment, with a negative NPV and with an IRR less than the cost of capital.

The range for the NPV is fairly large compared to the size of the initial investment, which indicates that the investment is fairly risky. We have included three scenarios for which management wants to know the profitability of the investment for each set of assumptions. Other scenarios can be investigated if management chooses to do so.

2.11. Recommendations

Based on the findings of the feasibility study, the recommendation is to proceed with the project, but it requires a lot of effort and high management expertise and experience to make the positive Cash flows from Negative Cash flows in the early years of Project to give the benefits to the investor and the company. The project is expected to increase Octane Booster and fuel adhesives' share, customer satisfaction, brand recognition, and profitability. The project is also expected to create new opportunities for innovation, collaboration, and growth in the industry. The project is feasible in terms of market, financial, and organizational aspects, and the potential risks are manageable and outweighed by the potential rewards.

The feasibility study report provides more details and supporting data for the findings and recommendations. The report also includes a detailed action plan and a timeline for the project implementation. The report is attached as an appendix to this executive summary.

2.11.1. Key Recommendations

The project is highly viable, leveraging a unique technological advantage and Dubai's superior trade infrastructure. The primary risk lies in effectively navigating the complex international regulatory path.

Key Recommendations:

1. **Prioritize Regulatory Affairs:** Immediately initiate the time-critical REACH, EPA, and G-Mark certification processes in parallel with facility development.
2. **Secure Capital:** Commit the necessary CAPEX funding, referencing the **USD 50 million** benchmark, ensuring specialized nano-blending equipment and regulatory overhead are covered .

Target Compliance-Driven Clients: Focus the commercial strategy on large, heavy-duty fleet operators by marketing IFA133 not just for fuel savings but as a critical **environmental compliance and risk mitigation solution**.

2.12. Conclusion

This project required initial investment of USD 22.00 Million to cover this project.Net cash flows are sum of CAPEX plus OPEX benefit. Discount factors as per Octane Booster and fuel additives at 29% Discount rate by considering the Risk and Growth factors and NPV for this investment would be USD 133.620 Million. The IRR of this project would be 75% whereas Payback occurs when net cash is zero which is after 0.5 months or 6 months, and Discounted Payback is more than 8~9 months. According to our projected financial data, the company return on investment is an average of 32%. The investment in this Project will be recovered in approximately within a 1 years (Discounted payback period), which is a very reasonable time-period for such investment.

The capital budgeting decision rules are to invest if the NPV > 0, if the IRR > r, or if the PI > 1.0. There are no decision rules for the payback period, discounted payback period, and AAR because they are not always sound measures.

We are confident that based on our conservative financial projections, generating a gross revenue of USD 56.37 Million in year one after the starting of the project with the 5.10% of the average industry growth rate and will be able to achieve a turnover of approximately USD 101.04 Million within five years if the Management use their proper expertise and experience in this project.

Annual Revenue growth rate from 25% to 35% has been projected over the period of 5 years from Year 1 to Year 5 with Industry growth rate 5.10% by the amount of USD 56.37 Million to USD 101.04 Million as CAGR 15.71%. Strong annual revenue Growth over the period of 5 years from Year 5 to Year 1 (YOY) from (49% to +7%) along with CAGR that would be 14.01%.

Based on the above financial indicators, we firmly believe that the start of this business has the potential to become a highly regarded resource in local and regional markets. We can conclude that this business has an opportunity to make more profits for the future. This business will also be able to stand strongly and will continuously concentrate in the business strategies, especially in terms of marketing and quality control, to ensure that the business is well known to the customers.

Based on market demand dynamics, strategic location, diversified academic offerings, and scalable delivery model, ABC Octane Booster and fuel additives represents a commercially viable and strategically sound higher-education investment in the UAE. The institution is well positioned to address regional nursing workforce shortages while leveraging Dubai's role as a global education hub and Africa's unmet demand for quality nursing education. The feasibility assessment supports proceeding to detailed

regulatory planning, financial modeling, and licensing applications as the next phase of project development.

Vision & Mission

3. Vision & Mission

The greatest nanotechnology development company in the fields of energy and environment in Asia.

To meet Energy and Environment Nexus Technology Development using nanotechnology.

Innovation, focus, Result Oriented endeavor for a better world.

Description of

Business Concept

4. Description of Business Concept

The business concept centers on leveraging proprietary **nanotechnology** in a stable, export-focused hub (Dubai, UAE) to capture significant market share in the high-performance and environmental compliance segments of the global fuel additive market. The strategy is built upon the dual efficacy and technical superiority of two specialized products: a nano-based diesel fuel additive and a unique high-performance octane booster.

4.1. Company Profile and Core Competency

RONALCO (RONALCO) is an established entity rooted in Tehran, Iran, dedicated to innovation and research, operating under the mantra: "Innovation, Focus, Result-oriented endeavor for a better world".[1] The company's core technological competence is firmly anchored in **nanotechnology** and **catalyst development** [1], claiming "revolutionary power" in the field of catalysts.[1] RONALCO's existing product portfolio includes specialized catalysts (e.g., Naphtha Reforming Catalyst) and its flagship fuel additive line, the Diesel Fuel Nano Additive (IFA133).

4.2. Strategic Expansion Rationale: The UAE Hub

The current project shifts RONALCO from a regional technology provider to a **global chemical manufacturer** by establishing a production facility in Dubai, UAE. This move is strategically essential to achieve the core project objective: developing a high-quality, **export-oriented** product line compliant with the most rigorous international standards (e.g., EU and USA). Utilizing a specialized industrial Free Zone in Dubai provides the necessary platform for streamlined global logistics, 100% foreign ownership, and tax efficiencies critical for maintaining competitive pricing in global export markets.

4.3. Proposed Product Line I: IFA133 Nano Diesel Additive

IFA133 is a **multifunctional, nano-based diesel fuel additive** designed to address the intertwined challenges of operational efficiency and environmental compliance in high-consumption sectors.

Technology and Mechanism:

The additive operates on a unique scientific premise: it utilizes the **oxygen-carrying capacity of multiple metal oxides**. This catalytic release of oxygen occurs at the lower temperature of the combustion chamber, promoting **complete combustion** of hydrocarbon deposits. This mechanism effectively removes carbon buildup and cleans the engine without increasing the engine's operating temperature, thereby protecting engine life. The additive is simple to use, requiring a highly concentrated blend ratio of **1:1000** with bulk fuel.

Value Proposition and Performance Metrics:

IFA133's performance is defined by significant economic savings and powerful environmental mitigation:

Performance Metric	Quantifiable Value	Strategic Significance
Fuel Consumption Reduction	Reduces consumption by 7% to **up to 18%**	Enables massive operational cost savings for large fleets, estimated at up to **$200,000 annually** per large container ship.

Particulate Matter (PM/Soot) Reduction	Reduces PM by up to **51%**	Positions the product as a critical compliance tool, particularly for reducing urban pollution and meeting stringent port regulations.
CO2 Emission Reduction	Decreases CO2 output by up to **18%**	Directly supports corporate and national commitments against global warming (e.g., Kyoto/Paris Accords).
Pollution Cost Mitigation	Reduces the overall economic burden of pollutant emissions by **30%**, equivalent to **$1.25 billion annually** in large industrial contexts.	Shifts the value proposition from simple fuel savings to essential **corporate risk mitigation** against environmental penalties.

Target Markets:

The primary target markets are sectors with high fuel usage and high regulatory pressure, including **Marine Transportation** (fishing vessels, merchant ships, tankers) and **Off-road & On-road Transportation** (public transport companies, trucks, construction machinery).

4.4. Proposed Product Line II: OCTANIQUE Unique Octane Booster

OCTANIQUE is an advanced solution engineered to optimize gasoline engine performance and overcome issues associated with low-octane fuel, such as engine knock and reduced efficiency.

Unique Performance Differentiation:

OCTANIQUE distinguishes itself by offering an unparalleled boost in the Research Octane Number (RON) of gasoline by an impressive **9 to 12 numbers**. This performance level is substantially superior to common, inexpensive market boosters, which typically achieve only a **2 to 4 number** increase, securing a premium niche for the product.

Key Benefits:

The high octane boost leads to a range of performance and maintenance benefits:

- **Stops Engine Knock and Ping:** Prevents premature detonation, which **protects the motor** from damage.
- **Enhanced Power and Acceleration:** Ensures more complete combustion, delivering **increased engine power** and better overall performance.
- **Engine Health:** Reduces the buildup of harmful deposits, **extending engine life** and lowering maintenance costs.
- **Reduced Emissions:** Promotes complete fuel combustion, which significantly reduces the emission of harmful pollutants like carbon monoxide (CO1), unburned hydrocarbons (HC), and nitrogen oxides (NO).

Target Markets:

OCTANIQUE is compatible with all 2-stroke and 4-stroke gasoline engines. It is ideal for the high-margin segment, including **high-performance vehicles, racing vehicles, classic cars**, and sophisticated motorcycles and boats.

4.5. Business Concept Synthesis

The overall business concept is to dominate the premium end of the global fuel additive market by leveraging nanotechnology-driven performance advantages. The Dubai facility enables a dual approach:

1. **Industrial/Compliance (IFA133):** Targeting large-scale commercial customers with a product that is mission-critical for **cost savings** and **environmental compliance**, mitigating severe financial risks associated with pollution penalties.
2. **Premium/Performance (OCTANIQUE):** Targeting high-value consumer and specialty applications with a **demonstrably superior product** that justifies a premium price point and high-margin model due to its unique octane boost capabilities.

The UAE manufacturing base provides the cost structure and international compliance framework required to successfully scale these unique technological advantages into global revenue streams.

Company Profile

5. Company Profile

5.1. Corporate Identity and Mission

RONALCO is an established industrial technology enterprise currently headquartered in Tehran, Iran. The company operates with a clear mandate focused on high-tech innovation and applied science. The corporate ethos is encapsulated in its mission: "Innovation, Focus, Result-oriented endeavor for a better world." This philosophy guides the company's efforts in developing solutions that improve economic efficiency and address environmental challenges within the energy and transportation sectors.

5.2. Core Technological Competency

The fundamental strength and core competitive advantage of RONALCO stem from its profound expertise in **nanotechnology** and **catalyst development**. The company views this proficiency as possessing "revolutionary power" in the field of catalysis.

This specialization in advanced material science enables RONALCO to engineer highly differentiated chemical products that surpass conventional market offerings, particularly in the performance and environmental compliance aspects of fuel additives. The company's focus is explicitly on "Realizing Innovative Ideas" through the application of nanotechnology to commercial industrial problems.

5.3. Product Portfolio and Service Offerings

RONALCO maintains a focused portfolio of specialized products and services targeted at the petroleum, chemical, and transportation industries.

A. Flagship Fuel Additive Products

The current Dubai expansion project is centered on scaling the production of two premium fuel additive products, both of which embody the company's commitment to nanotechnology and high performance:

1. **IFA133 Nano Diesel Additive:** This is a multifunctional, nanotechnology-based diesel fuel additive. It is engineered to reduce fuel consumption, significantly cut pollutant emissions, and actively clean engine deposits.
2. **OCTANIQUE Unique Octane Booster:** This product, developed through high-level chemical engineering and proprietary formulation, is designed to provide an unparalleled increase in the octane rating of gasoline, targeting the premium and performance segments.

B. Other Catalysts

Beyond the fuel additives, RONALCO's product line includes highly specialized catalysts integral to refinery and petrochemical processes:

- Naphtha Reforming Catalyst
- Paraffin Dehydrogenation Catalyst
- Fuel Born Catalyst (IFBC313)

C. Specialized Services

In addition to its product manufacturing, RONALCO offers specialized consulting and testing services to the chemical and energy industries, leveraging its in-house expertise:

- Catalyst Characterization

- Catalyst Pilot Testing

5.4. Strategic Objective for Dubai Expansion

The move to establish a sophisticated manufacturing facility in Dubai, UAE, represents a critical strategic step. It is a direct response to the need to transition RONALCO's proprietary technology into a global, export-ready format. This operational shift is designed to leverage Dubai's robust international logistics framework and tax-efficient Free Zone environment, ensuring that the technologically superior IFA133 and OCTANIQUE products can achieve global market penetration while adhering to the highest international quality and regulatory standards.

Products & Services

6. Products & Services

The RONALCO product and service portfolio is deeply rooted in advanced materials science, with a particular focus on applied **nanotechnology** and catalyst development. The offerings are designed to address the pressing needs of the global energy and transportation sectors, specifically targeting fuel efficiency, reduced emissions, and enhanced mechanical performance.

6.1. Flagship Fuel Additive Products (The UAE Export Line)

The core focus of the Dubai expansion is the manufacturing and export of two proprietary, high-performance fuel additive products that command premium market positioning due to their superior technical efficacy.

6.1.1. IFA133 Nano Diesel Additive

IFA133 is a multifunctional, nano-based diesel fuel additive engineered to deliver dramatic improvements in both engine performance and environmental outcomes for high-consumption diesel operations.

1. Mechanism and Technology

IFA133 utilizes the unique oxygen-carrying capacity of multiple metal oxides. This proprietary nanotechnology enables the catalytic release of oxygen at the lower operating temperature of the combustion chamber. This critical function promotes more complete combustion of the fuel and effectively removes carbon deposits (soot) from engine components, protecting engine life without raising the engine's operating temperature. The product is easily blended with bulk fuel at a highly concentrated ratio of 1:1000.

2. Core Performance and Economic Benefits

The superior performance of IFA133 is quantified by a dual benefit profile:

Performance Metric	Quantifiable Impact	Strategic Value
Fuel Consumption Reduction	Reduces diesel consumption by 7% to up to 18%.	Delivers multi-million dollar annual savings for large fleet operators.
Particulate Matter (PM/Soot) Reduction	Reduction by up to 51%.	Mitigates major contributors to air pollution, helping clients meet strict environmental mandates.
CO2 Emission Reduction	Decrease in CO2 output by up to 18%.	Supports national and corporate commitments to climate change mitigation (e.g., Kyoto/Paris Accords).
Pollutant Reduction	Carbon Monoxide (CO) reduced up to 35%; Unburned Hydrocarbons (HC) reduced up to 30%; Nitrogen Monoxide (NOx) reduced up to 16%.	Functions as a critical environmental compliance tool, dramatically reducing the economic burden associated with pollution penalties.
Engine Health	Removes engine deposits, improves performance conditions, and increases engine lifetime.	Reduces maintenance costs and downtime for expensive commercial fleets.

3. Target Markets for IFA133

The additive is engineered for major industrial and transportation consumers globally:

- **Marine Transportation:** Merchant ships, giant tankers, cruises, fishing vessels, and warships.
- **On-road & Off-road Transportation:** Public transport companies, large commercial trucks, intercity and intracity buses, and heavy-duty construction machinery (e.g., loaders).

6.1.2. OCTANIQUE Unique Octane Booster

OCTANIQUE is a high-technology solution for the gasoline segment, engineered to overcome the chronic performance and efficiency problems associated with low-octane gasoline.

1. Unique Selling Proposition (USP)

OCTANIQUE's key differentiator is its unparalleled ability to increase the octane number of gasoline by an impressive 9 to 12 numbers. This performance level is significantly superior to that of common, less expensive market boosters, which typically achieve an increase of only 2 to 4 numbers, securing a premium position for the product.

2. Engine Performance and Protection

The resulting high octane rating provides comprehensive benefits for the engine and vehicle operation:

- **Prevents Knocking and Pinging:** The higher octane resistance stops premature detonation, thereby protecting the motor from damage.

- **Increased Power and Efficiency:** Ensures more complete and controlled combustion, resulting in smoother engine operation, greater power output, better acceleration, and enhanced fuel efficiency.
- **Enhanced Engine Health:** Regular use helps reduce the buildup of harmful deposits, extending the engine's operational life and minimizing maintenance frequency and costs.

3. Environmental and Usage Specifications

- **Reduced Emissions:** The complete combustion facilitated by the octane boost significantly reduces the emission of harmful pollutants, including CO, HC, and NOx.
- **Versatility:** The product is compatible with all 2-stroke and 4-stroke gasoline engines.
- **Target Markets:** High-performance, luxury, and specialty vehicles, including racing cars, motorcycles, classic cars, and boats.

6.2. Specialized Catalysts and Ancillary Products

Beyond the flagship fuel additive line being manufactured in Dubai, RONALCO's product portfolio includes advanced chemical catalysts essential for the energy and petrochemical industries, further demonstrating the company's high-tech chemical manufacturing capabilities.

- **Naphtha Reforming Catalyst:** A specialized catalyst used in refinery processes to convert low-octane naphtha into high-octane gasoline components, often associated with meeting cutting-edge catalytic technology standards.
- **Paraffin Dehydrogenation Catalyst:** Used in petrochemical processes, typically for converting paraffin to olefins, a crucial step in the production of various plastics and polymers.

- **Fuel Born Catalyst (IFBC313):** A specialized catalyst product designed for fuel applications, complementing the IFA133 line.

6.3. Technical Services

RONALCO leverages its deep technical expertise to offer specialized services that support industrial clients in research, quality control, and process optimization.

- **Catalyst Characterization:** Providing advanced analysis and testing of chemical catalysts to determine their physical, chemical, and structural properties, essential for process optimization and quality assurance.
- **Catalyst Pilot Testing:** Offering facilities and expertise to conduct small-scale or pilot tests of catalysts under simulated industrial conditions, enabling clients to validate performance before large-scale deployment.

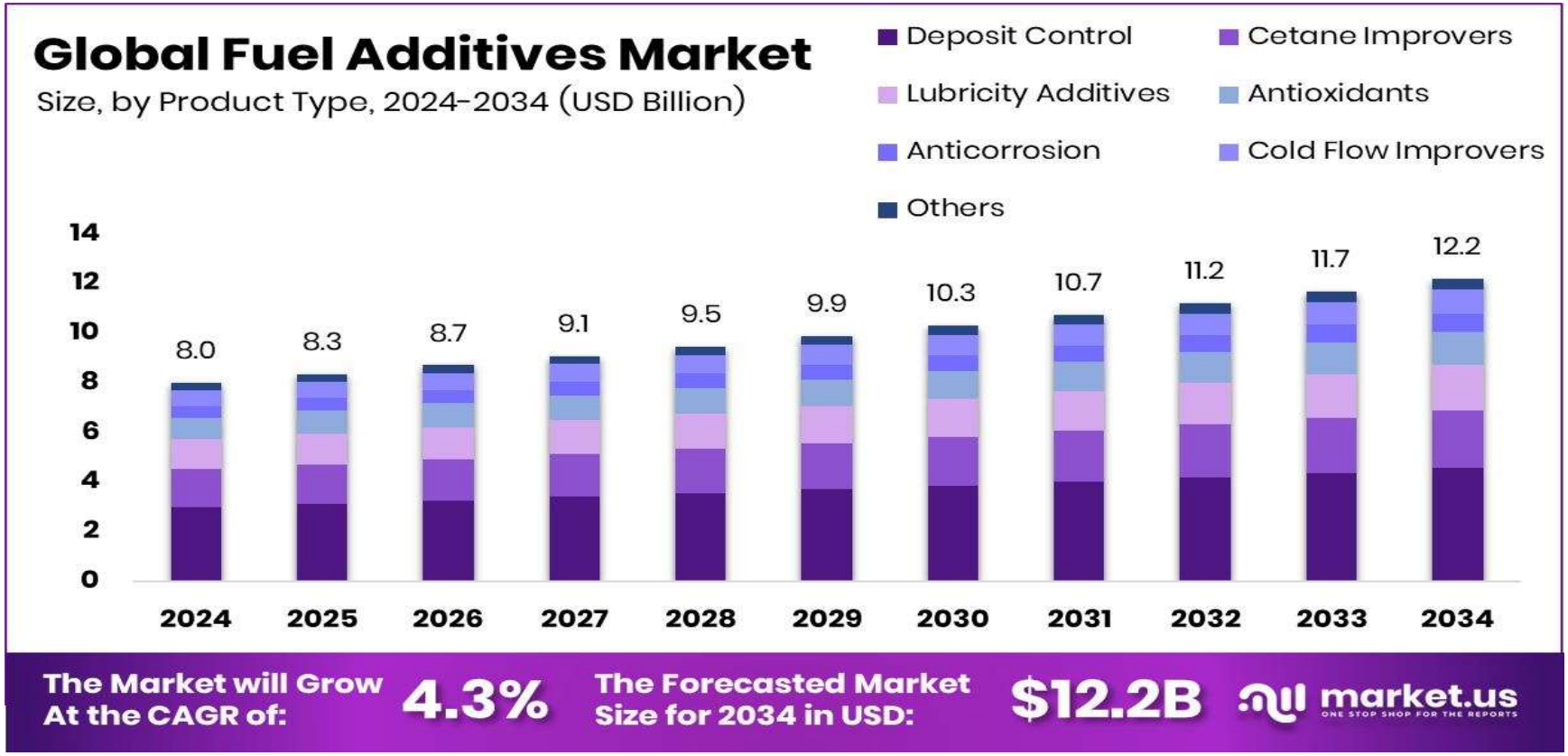
Industry & Market

Analysis

7. Industry & Market Analysis

7.1. The Global Market

The Global **Fuel Additives Market** is expected to be worth around **USD 12.2 billion** by 2034, up from **USD 8.0 billion** in 2024, and is projected to grow at a **CAGR of 4.3%** from 2025 to 2034. With a **38.90% share, North America's** market size was **USD 3.1 Bn**.



The fuel additives market refers to the global industry focused on the development, production, and application of these compounds across transportation, aviation, industrial machinery, and power generation. The market is gaining attention due to the rising demand for cleaner fuels, stricter emission norms, and technological advancements in fuel efficiency.

In recent years, investment activity has increased, such as Beavercreek defense contractor Defense Engineering Corp. securing **$9 million** in additional Air Force contracts, and Doorstep diesel delivery startup The Fuel Delivery raising **$2 million** in funding from Drake Trade, reflecting the growing commercial and defense-related interest in fuel innovation.[1]

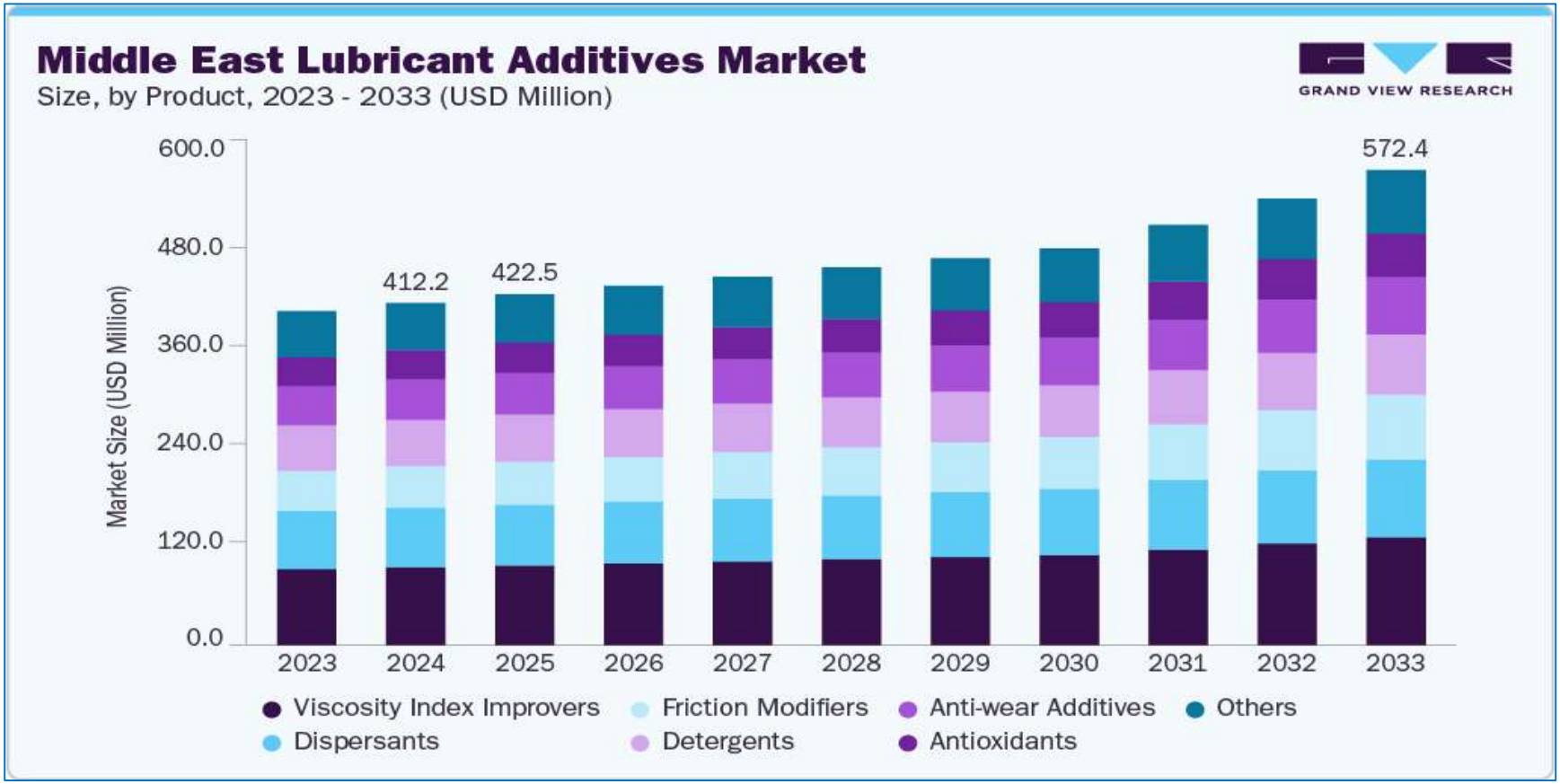
Key Takeaways

- The Global **Fuel Additives Market** is expected to be worth around **USD 12.2 billion** by 2034, up from **USD 8.0 billion** in 2024, and is projected to grow at a **CAGR of 4.3%** from 2025 to 2034.
- By Product Type, **deposit control additives** hold **37.4%**, ensuring cleaner engines and improved fuel performance.
- By Application, **diesel** dominates with **48.6%**, highlighting strong demand for efficiency and emission reduction solutions.
- The Fuel Additives Market in **North America** reached **USD 3.1 Bn, about 38.90%**.

[1] https://market.us/report/global-fuel-additives-market/

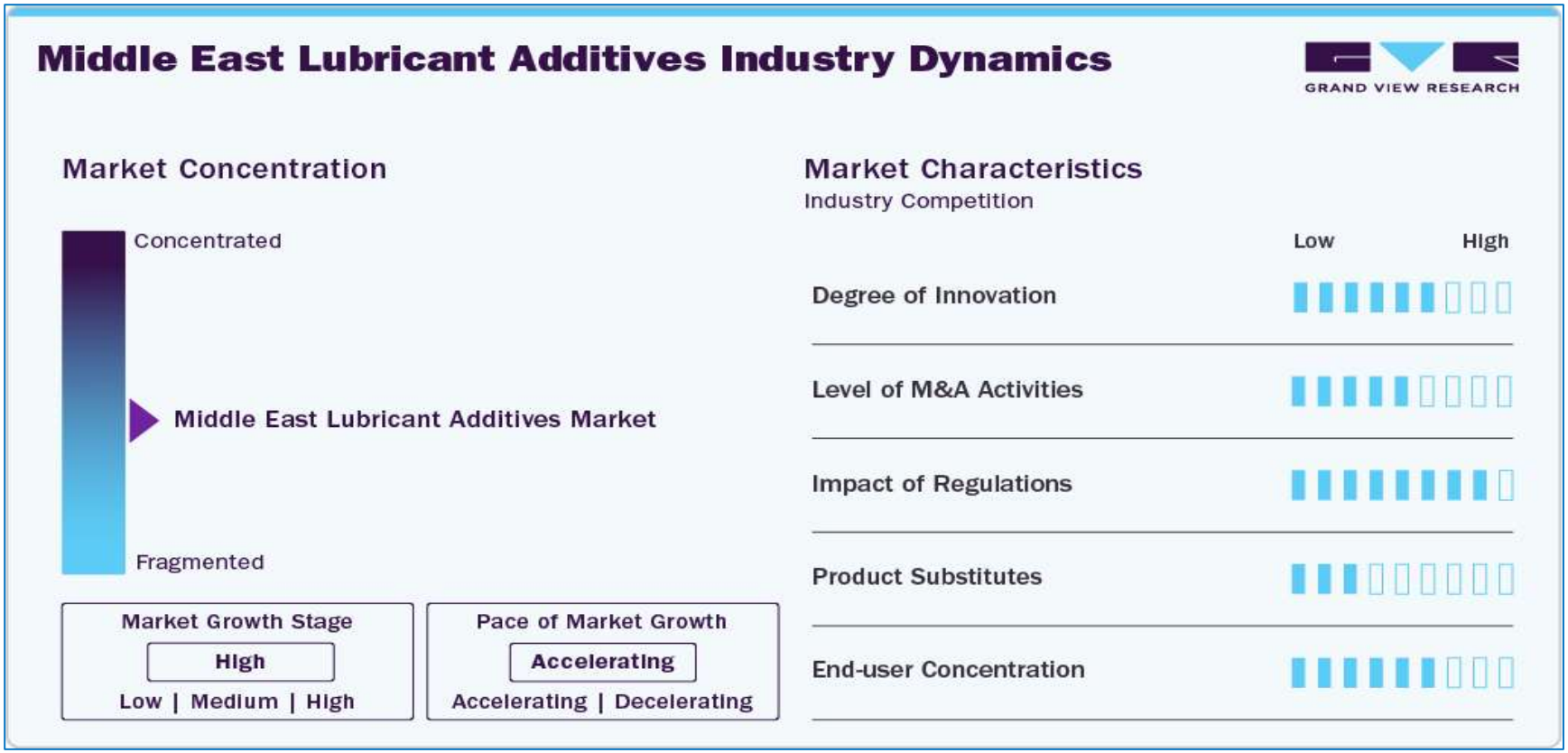
7.2. Middle East Market

The Middle East lubricant additives market size was estimated at **USD 412.2 million** in 2024 and is projected to reach **USD 572.4 million** by 2033, growing at a CAGR of 3.9% from 2025 to 2033. [2]



[2] https://www.grandviewresearch.com/industry-analysis/middle-east-lubricant-additives-market-report

The Middle East lubricant additives market is moderately fragmented. The industry is dominated by global majors such as Lubrizol, BASF SE, Chevron Oronite Company LLC, Afton Chemical Corp., and Afton Chemical Corp. These players hold strong market positions through their established global supply networks, extensive product portfolios covering dispersants, detergents, VI improvers, antioxidants, and friction modifiers, and robust technical support infrastructure. Regional blenders and national oil company-affiliated brands leverage strategic partnerships with these additive suppliers to expand their offerings and meet evolving performance specifications.



7.3. United Arab Emirates (UAE) Market

The fuel additive market size in the UAE was valued at approximately **$67.342 million** in **2025**, and is projected to reach **$110.306 million** by **2033**, growing at a compound annual growth rate (CAGR) of **6.363%**.

The market growth is primarily driven by factors such as stricter environmental regulations and the increasing demand for fuel-efficient vehicles and cleaner fuels to reduce emissions.

UAE Fuel Additives Market Projection

The market is expected to exhibit steady growth over the forecast period.

Key Drivers and Trends

- **Environmental Regulations:** Stricter government mandates for cleaner emissions are a primary driver for the adoption of fuel additives, pushing fleets toward low-ash and low-sulfur formulations.
- **Demand for Efficiency:** There is an increasing demand for fuel-efficient vehicles and extended engine life, which advanced fuel additives help achieve.

- **Automotive Sector:** The automotive industry is a key end-user segment for fuel additives, driven by both passenger and commercial vehicle usage.
- **Infrastructure & Tourism:** The UAE's focus on heavy industry as part of initiatives like "Make it in the Emirates," growing tourism, and the accompanying transportation needs are also contributing factors to market growth. [3]

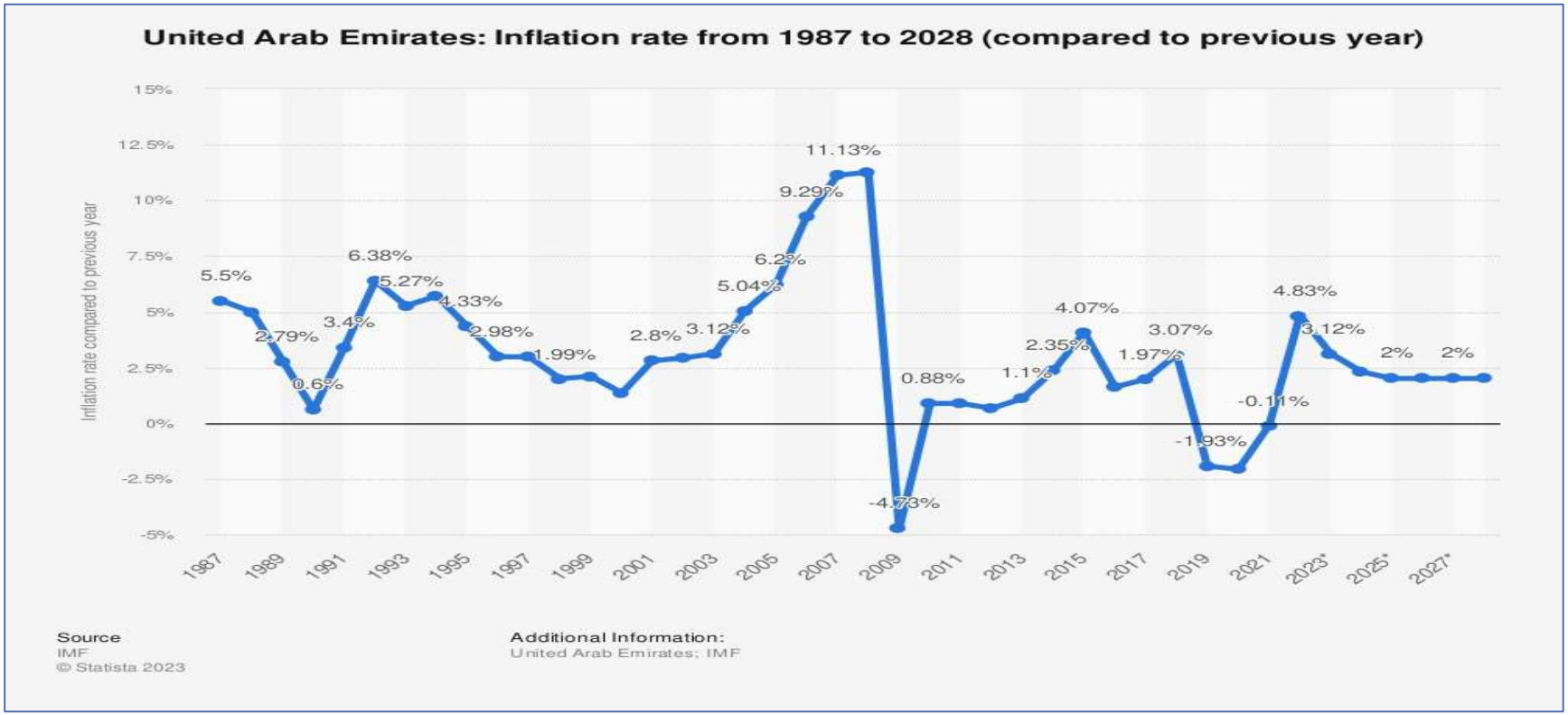
Challenges

- The rapid electrification of taxi fleets in Dubai and volatile crude pricing are noted as potential headwinds for market growth.
- Counterfeit products can also be a challenge in the market.

[3] https://www.mordorintelligence.com/industry-reports/uae-lubricants-market-industry#:~:text=Engine%20oils%20held%2055.75%25%20of,that%20tolerate%20desert%20dust%20ingress.

7.4. Inflation Rate UAE

In 2019, the inflation rate of the United Arab Emirates was at 1.93 percent compared to the previous year. For 2018, estimates show a sharp increase of over 3.07 percent, before inflation slumps back to around **2 percent** in **2028.**[4]



[4] United Arab Emirates - inflation rate 2028 | Statista

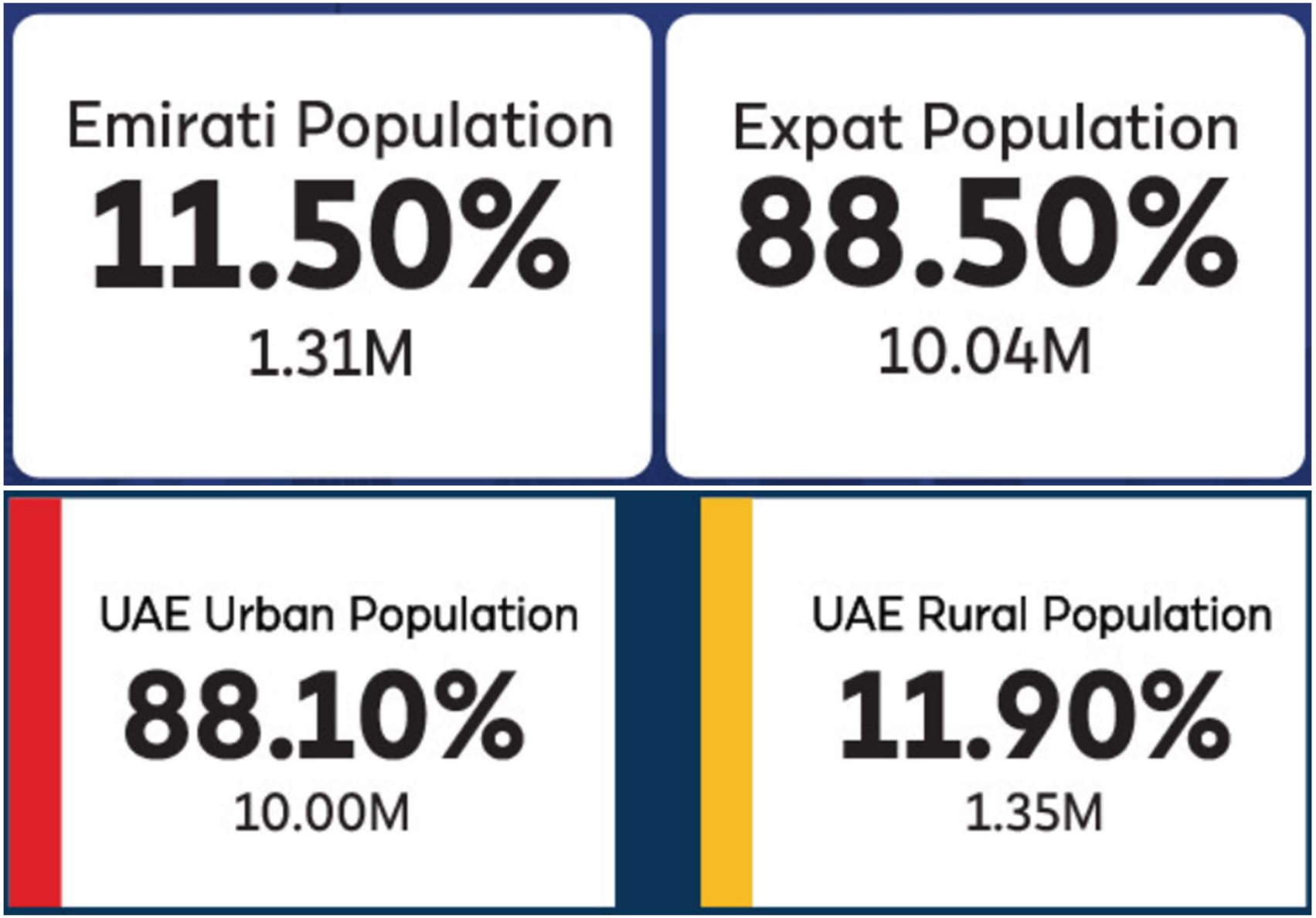
7.5. Population of UAE

UAE Population 2025 (Key Statistics)

- As of June 2025, the population of the United Arab Emirates stands at 11.35 million, based on data collected by the GMI research team. This figure includes both UAE nationals and expatriates living across the seven emirates.
- Dubai's population reached 3.95 million in June 2025, mainly due to more people moving in for work and better living. The city keeps growing as a popular place for business and modern living
- According to the latest Abu Dhabi census 2023, the population of Abu Dhabi stands at 3.78 Million.
- The total male population in the UAE in 2025 is approximately **7.24 million**
- The total female population in the UAE in 2025 is 4.11 million
- According to research by the GMI Team, the total expat population in the UAE in 2025 is 10.04 million, while the number of Emirati citizens is 1.31 million. This mix of people is important for the country's growth and culture.
- In 2025, the Indian community in the UAE is estimated to number nearly 4.36 million, accounting for approximately 38.45% of the country's total population. They represent the largest expatriate group and contribute significantly to the UAE's economy and daily life.
- The largest age bracket in the UAE's population falls between 25 and 54 years, making up 7.28 million people.
- In 2025, the UAE's urban population reached 10 million, with 1.35 million people living in rural areas. This highlights the country's strong focus on city life and development.
- In 2025, the UAE has a population density of 159.7 people per square kilometer, showing how closely people live together in key areas, especially in major cities like Dubai and Abu Dhabi.

5

[5] https://www.globalmediainsight.com/blog/uae-population-statistics/#UAE_Population_2025_Key_Statistics


Emirati Population
11.50%
1.31M
Expat Population
88.50%
10.04M
UAE Urban Population
88.10%
10.00M
UAE Rural Population
11.90%
1.35M

Country Level Analysis

8. Country Level Analysis

The strategic decision by RONALCO to establish a manufacturing and export hub in Dubai, UAE, is subject to a complex set of Political, Economic, Sociocultural, Technological, Environmental, and Legal factors that define the project's success, market potential, and operational requirements.

8.1. P - Political Factors

The political environment is highly favorable, driven by the UAE's industrial ambitions and the stability offered by Free Zone operations.

- **Pro-Industrial Government Strategy:** The UAE's "Operation 300bn" Industrial Strategy aims to significantly boost the industrial sector's contribution to the GDP by 2031. This national goal explicitly supports the growth of future industries, drives R&D, and promotes **exports to global markets**, aligning perfectly with RONALCO's mandate.[6]
- **Operational Stability and Ownership:** Locating within a Dubai Free Zone, such as Jebel Ali Free Zone (JAFZA), grants the company **100% foreign ownership**, eliminating the need for a local sponsor. This structure provides operational stability and leverages the UAE's neutral, internationally recognized financial system, effectively insulating the global business from geopolitical volatility associated with the company's established base.[7]

[6] https://alfazoneuae.com/manufacturing-companies-in-uae-an-overview/
[7] https://www.jafza.ae/business-setup/company-formation/

- **Trade Facilitation:** The Free Zone status ensures exemption from customs duties on imported raw materials and exported finished goods, which directly enhances the competitiveness and profitability of the export-oriented product line.

8.2. E - Economic Factors

The project benefits from favorable macroeconomic trends, targeted tax advantages, and clear benchmarks for capital investment.

- **Robust Market Growth:** The investment is timed to capitalize on significant structural growth in the target sectors. The **global fuel additive market** is forecast to grow at a Compound Annual Growth Rate (CAGR) of 4.0% through 2032. Specifically, the **Octane Booster market** is anticipated to grow at a CAGR of 6.50% from 2024 to 2030, driven by the expanding transportation and power generation sectors.[8]
- **Competitive Cost Structure:** Operating within a Free Zone provides **tax-free status** and reduces customs duty exposure. This is crucial for maintaining competitive pricing necessary for global high-volume export.[9]
- **High Capital Requirement:** Establishing a large-scale, modern chemical blending facility in JAFZA requires significant capital expenditure (CAPEX). A comparable chemical facility recently established in the JAFZA Chemical Zone involved an investment benchmark of approximately **AED**

[8] https://www.fortunebusinessinsights.com/fuel-additives-market-102913#:~:text=The%20global%20fuel%20additives%20market,reduction%20will%20benefit%20the%20market.

[9] https://trilinkftz.com/ftz-duty-free-warehousing-solutions/foreign-trade-zone-benefits-2025-how-businesses-can-cut-costs-optimize-supply-chains/

50 million. Annual operational costs for a large-scale manufacturing plant in Dubai are estimated to exceed **AED 1,000,000**.

8.3. S - Sociocultural Factors

Market demand is increasingly influenced by consumer and corporate shifts toward high performance, environmental consciousness, and the desire for premium goods.

- **Demand for Premium Performance:** There is a rising global and regional demand for high-performance and premium fuels, particularly in the automotive and motorsport sectors.[8] This trend is fueled by increasing disposable incomes and consumer interest in luxury goods.[9] RONALCO's OCTANIQUE, with its unique 9-to-12-number octane boost, directly captures this high-margin premium segment.[10]
- **Environmental Consciousness:** Corporate and governmental institutions are under escalating pressure to meet stringent environmental standards. This creates a massive market for compliance-facilitating products like IFA133, which is positioned not merely as an efficiency tool but as a critical solution for corporate risk mitigation against pollution costs.
- **Skilled Workforce Availability:** Dubai's Free Zone system facilitates flexible labor regulations, enabling RONALCO to easily recruit and employ the specialized international experts and chemical engineers required to manage sophisticated nano-chemical manufacturing and rigorous global quality control processes.[11]

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[10] https://www.kenresearch.com/industry-reports/global-luxury-car-market

[11] https://thedocs.worldbank.org/en/doc/439d70682d02f6acf84ff11225c85db9-0360012025/original/247550-EAP-Economic-Update-Embargoed-P4.pdf

8.4. T - Technological Factors

RONALCO's proprietary nanotechnology represents the project's most significant competitive advantage, requiring specialized manufacturing and R&D support.

- **Proprietary Nano-Catalysis:** RONALCO's core competency in **nanotechnology** and the use of **multiple metal oxides** for combustion catalysis forms the technical foundation of IFA133. This technology allows for unparalleled performance, such as up to 18% fuel reduction and up to 51% soot reduction, creating a substantial technological barrier to entry for competitors.
- **Advanced Formulation:** OCTANIQUE's high-technology, proprietary formula allows for a dramatic 9-to-12-number octane increase, far exceeding the 2-to-4-number boost of conventional products.
- **UAE Focus on Future Industries:** The UAE's industrial strategy prioritizes driving **research and development (R&D)** and deploying advanced manufacturing technologies. This commitment creates a supportive ecosystem for RONALCO's high-tech, innovative product line.[12]

[12] https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/industry-science-and-technology/the-uae-industrial-strategy

8.5. E - Environmental Factors

Environmental regulations act as both a constraint on operations and the primary driver of demand for RONALCO's products.

- **Global Emission Reduction Mandates:** International accords (like the Kyoto and Paris agreements) and stringent regional standards (EU, USA) necessitate continuous improvement in fuel efficiency and emissions control.[10] This fuels demand for IFA133, which is proven to reduce five major pollutants and decrease **CO2 emissions by up to 18%**.[13]
- **Local Compliance Standards:** The facility must adhere to strict UAE environmental regulations, including **Local Order 61 and Federal Order 24** related to noise control.[12] This ensures that the manufacturing process itself meets high sustainability and urban compatibility standards.
- **Pollution Cost Avoidance:** The economic burden of pollution is substantial. IFA133's ability to reduce pollution costs by an estimated **$1.25 billion per year** in large industrial contexts highlights the product's critical role in helping corporate clients meet **sustainable economic growth** commitments.[14]

[13] https://climate.ec.europa.eu/eu-action/transport-decarbonisation/reducing-emissions-aviation_en
[14] https://pubmed.ncbi.nlm.nih.gov/39164785/

8.6. L - Legal and Regulatory Factors

Regulatory compliance represents the highest barrier to entry and the most time-critical component of the operational timeline.

- **Mandatory International Chemical Registrations:** To access the most valuable export markets, RONALCO must secure:
    - **REACH Registration** with the ECHA (EU chemical safety, 2 months).
    - **EPA Fuel Additive Registration** (USA market access, 1–2 months).
    - Compliance with **EN 228/EN 590** (European fuel quality standards).
- **Regional Compliance:** Market access within the GCC is mandatory via the **G-Mark Certification** (3 weeks). Furthermore, obtaining the **Made in UAE Certification** (2 weeks) is essential for leveraging regional trade advantages.[15]
- **Quality Management:** Foundational certification of the manufacturing facility for export eligibility includes mandatory international management systems: **ISO 9001:2015** (Quality), **ISO 14001:2015** (Environmental), and **ISO 45001** (Safety).[16]
- **Intellectual Property (IP) Protection:** Establishing the business within Dubai provides a stable and robust legal framework, essential for protecting the proprietary nano-catalysis technology that defines the product portfolio.[17]

[15] https://watheeq.com.sa/media_center/g-mark-certification-gulf-guide-2025/
[16] https://www.iso.org/management-system-standards-list.html
[17] https://www.meydanfz.ae/blog/understanding-intellectual-property-in-the-uae-a-complete-guide

Industry Analysis

9. Industry Analysis

This analysis evaluates the competitive landscape of the global fuel additive and octane booster market, specifically assessing the external forces that will influence the profitability and strategic positioning of RONALCO's new UAE-based export operation.

9.1. Competitive Rivalry Among Existing Firms (High)

Rivalry in the global fuel additive market is intense, characterized by the presence of large, established, global chemical and oil corporations.

- **Presence of Major Global Incumbents:** The market is dominated by well-capitalized multinational players in the Middle East and globally, including major oil and specialty chemical companies.[1] These firms possess scale, integrated supply chains, and established distribution networks, making direct price competition challenging for new entrants.[18]
- **Market Growth as a Buffer:** The forecast growth in the global fuel additive market (CAGR of 4.0% to 6.50% through 2030–2032) slightly mitigates the rivalry by providing new market share opportunities rather than forcing firms to compete solely over existing segments.[19]
- **RONALCO's Differentiation Strategy:** RONALCO is strategically positioned in a niche defined by extreme performance, leveraging its proprietary **nanotechnology**. This positioning—where the performance superiority (e.g., 9–12 octane boost vs. 2–4 market average) [6] and economic savings (up

[18] https://thedocs.worldbank.org/en/doc/c9af0143184de77cb58ddd5adf024508-0350012021/related/9781464816833-ch2-1.pdf
[19] https://www.fortunebusinessinsights.com/fuel-additives-market-102913

to 18% fuel reduction) are substantial—allows RONALCO to avoid direct, debilitating price rivalry with commodity additive producers.

Conclusion: Rivalry is high, driven by powerful incumbents, but RONALCO's patented, high-performance product differentiation creates a competitive buffer in the premium and compliance-driven segments.

9.2. Threat of New Entrants (Low to Moderate)

The threat of new competitors entering the high-performance, globally compliant fuel additive manufacturing space is moderated by significant barriers to entry.

- **High Capital Investment Barrier:** Establishing a modern, large-scale chemical blending facility is prohibitively expensive, with industry benchmarks suggesting an investment of approximately **AED 50 million** for a comparable chemical plant in the Jebel Ali Free Zone (JAFZA).[7] This high initial Capital Expenditure (CAPEX) screens out many potential competitors.[20]
- **Rigorous Regulatory Barriers (Compliance Gateway):** The requirement for mandatory international compliance acts as a substantial, costly, and time-consuming barrier. New entrants must navigate complex and mandatory certifications, including **REACH Registration** (EU, 2 months), **EPA Fuel Additive Registration** (USA, 1–2 months), and **G-Mark Certification** (GCC).[6] Compliance costs and specialized testing (6–8 weeks for Advanced Engine Bench Tests) elevate the regulatory hurdle significantly.[21]

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[20] https://www.jafza.ae/resource-centre/media/news/amarak-chemicals-to-establish-aed-50-million-manufacturing-facility-in-jafza-to-support-agriculture/

[21] https://europa.eu/youreurope/business/product-requirements/chemicals/registering-chemicals-reach/index_en.htm

- **Proprietary Technology:** RONALCO's reliance on proprietary nano-catalysis [5] creates an intellectual property barrier, as replication of the unique "multiple metal oxides oxygen carrying capacity" mechanism is difficult and costly.

Conclusion: The threat is low, primarily due to the high capital requirement and the need to secure complex, multi-jurisdictional compliance before any sales can commence.

9.3. Bargaining Power of Buyers (Moderate)

The power of RONALCO's buyers varies by market segment, but is generally contained by the product's unique value proposition.

- **B2B Buyers (Fleets and Industrial Consumers):** Large consumers in the Marine and heavy-duty transport sectors (target markets for IFA133) purchase in high volumes, typically increasing their bargaining power. However, RONALCO's product is not a commodity; it is a solution that delivers quantifiable, mission-critical value:
    - **Cost Avoidance:** The ability of IFA133 to reduce the financial burden of pollution costs by an estimated **$1.25 billion per year** in large contexts makes the product essential for compliance, severely limiting the buyer's leverage on price.
    - **Quantified Savings:** Guaranteed savings of up to **$200,000 annually** per large container ship provide an overwhelming Return on Investment (ROI) that reduces price sensitivity.[22]

[22] https://stormgeo.com/insights/the-hidden-roi-of-ship-routing-services

- **Specialty/Performance Buyers (OCTANIQUE):** Buyers for the octane booster are often high-performance vehicle owners, racing teams, or luxury consumers.[6] These buyers prioritize the superior performance (9–12 octane boost) over marginal cost savings, reducing their power to push prices down.

Conclusion: Buyer power is moderate. While buyers are large, the demonstrated, superior efficacy and economic necessity of RONALCO's products create a high switching cost and allow for a **premium pricing strategy**, mitigating buyer leverage.

9.4. Threat of Substitute Products or Services (Moderate)

The availability of alternative solutions poses a moderate long-term threat, though RONALCO's products offer immediate superiority over current chemical substitutes.

- **Chemical Substitutes (Inferior Performance):** Existing, common, and inexpensive octane boosters that offer only a 2-to-4-number octane increase or standard diesel additives that lack the multifunctionality of IFA133 are not viable performance substitutes. RONALCO is effectively substituting these lower-grade products.[23]
- **Long-Term Technology Substitutes (Alternative Energy):** The shift toward lower-emission energy sources, such as electric vehicles and biofuels, represents the most significant long-term threat. As this transition occurs, the addressable market for hydrocarbon fuel additives will shrink.[24]

[23] https://www.researchgate.net/publication/281059433_Octane_Rating_of_Gasoline_and_Octane_Booster_Additives
[24] https://www.sciencedirect.com/science/article/pii/S2666188825000267

- **Mitigation through Compliance:** RONALCO's IFA133, by enabling significant pollutant reductions (up to 51% soot, 18% CO reduction), allows existing diesel fleets to maximize their operational life and remain compliant with increasingly strict environmental regulations, effectively acting as a **bridge technology** that temporarily counters the immediate threat of replacement by alternative fuels.

***Conclusion**:* The immediate threat is low, as RONALCO's products outperform chemical rivals. The long-term threat is moderate, driven by technological shifts toward alternative energy, which requires ongoing R&D to address.

9.5. Bargaining Power of Suppliers (Moderate)

Supplier power is segmented based on the complexity of the materials required.

- **Specialized Nano-Component Suppliers (High Power):** The core technology relies on a proprietary formula involving **multiple metal oxides** and **nano-catalysts**. If these specialized components are sourced from a limited number of vendors or require highly specific intellectual property licensing, the suppliers of these unique raw materials will possess high bargaining power.[25]
- **Commodity Chemical Suppliers (Low Power):** For bulk blending components and standard chemicals, numerous global suppliers exist. This high level of choice keeps the power of commodity suppliers low.[26]

[25] https://www.sciencedirect.com/science/article/pii/S266697812500056X
[26] https://www.sciencedirect.com/topics/engineering/chemical-commodity-production

- **Logistics and Operational Suppliers (Low Power):** The location in a specialized Free Zone like JAFZA, with its established infrastructure, excellent warehousing, and streamlined customs processes, minimizes the leverage of suppliers of logistics, storage, and port services.[27]

Conclusion: Supplier power is moderate. RONALCO must carefully manage its sourcing strategy to mitigate dependence on vendors providing the highly specialized, high-tech components that define the product's performance advantage.

[27] https://www.uaeshelving.com/blogs/the-state-of-the-logistics-and-warehousing-industry-in-the-uae-2025-report


Business Model

10. Business Model

The business model for RONALCO's UAE operation is structured as a **High-Technology Export Manufacturer** leveraging proprietary nanotechnology to service premium and compliance-driven segments of the global fuel additive market.

10.1. Value Proposition: Superior Performance and Compliance

RONALCO's value proposition is centered on delivering **unparalleled technical performance** that translates directly into massive economic and environmental benefits for clients.

- **Nano-Catalytic Efficiency (IFA133):** The core value lies in the multifunctional nature of IFA133, a nano-based diesel additive that acts simultaneously as a combustion efficiency booster, an engine cleaner, and a profound pollutant reducer.[1] Its ability to reduce fuel consumption by up to **18%** and Particulate Matter (PM) by up to **51%** is significantly higher than conventional market offerings [2, 2]. This is critical for large industrial clients, where the additive is a necessity for achieving strict environmental compliance and **reducing pollution costs** (estimated at $1.25 billion annually in large industrial contexts).
- **Premium Performance (OCTANIQUE):** For the gasoline segment, the value proposition is rooted in the unique ability of OCTANIQUE to increase the octane rating by an exceptional **9 to 12 numbers**, a boost four to five times greater than standard boosters.[1] This superior performance secures the engine, enhances power, and justifies a premium price point in the high-performance and specialty vehicle markets.

10.2. Target Customer Segments

The model targets two distinct, high-value customer segments globally:

Segment	Primary Product Focus	Key Client Motivation
Industrial B2B Fleet Operators	IFA133 Nano Diesel Additive	**Cost Savings and Regulatory Compliance:** Clients are large organizations in Marine Transportation (tankers, container ships) and Heavy-Duty Transport (trucks, construction machinery) [2, 2]. They prioritize solutions that ensure compliance with emissions standards and deliver substantial, measurable fuel cost reduction (up to $200,000 annual saving per large container ship).
Premium Performance Consumer/Specialty	OCTANIQUE Unique Octane Booster	**Optimized Performance and Engine Protection:** Clients include high-performance vehicle owners, racing teams, and classic car enthusiasts. They prioritize the elimination of engine knock, enhanced power output, and long-term engine health.

10.3. Channels and Distribution Strategy

The distribution strategy is built around efficient, export-centric supply chains enabled by the Dubai Free Zone location.

- **Dubai Free Zone Hub:** The Jebel Ali Free Zone (JAFZA) is the primary channel platform, offering streamlined customs processes, large-scale storage, and direct access to Jebel Ali Port, which is crucial for maximizing global trade efficiency.
- **Global Distribution Network:** Products will be distributed through specialized international chemical distributors and agents who possess the required regulatory knowledge and established relationships with industrial fleet operators and retail channels in target regions (EU, USA, Asia, GCC).
- **Direct B2B Sales:** For high-value industrial contracts (Marine and heavy-duty fleets), RONALCO will utilize a dedicated, technically proficient sales force to directly manage relationships, focusing on the quantified ROI derived from fuel savings and pollution cost avoidance [2, 2].

- **IV. Key Resources and Activities**

The success of the model hinges on safeguarding and maximizing RONALCO's specialized assets:

- **Key Resources:**
    - **Proprietary Nanotechnology IP:** The unique chemical formula and catalytic mechanism for both IFA133 and OCTANIQUE.
    - **Specialized Manufacturing Facility:** The purpose-built, high-specification chemical blending and packaging plant located in the Dubai Free Zone.

- **Regulatory Compliance Dossiers:** The extensive and costly certifications (REACH, EPA, G-Mark, ISO suite) that act as a global passport to premium markets [2, 2].

- **Key Activities:**

- **Advanced Formulation and Blending:** Precision manufacturing and quality control necessary to maintain the integrity of the nano-based additives.
- **Regulatory Management:** Continuous engagement with international and regional certification bodies to maintain compliance and facilitate product registration across multiple jurisdictions (e.g., renewing G-Mark every 3 years).
- **Performance Validation:** Ongoing engine bench testing and field trials to substantiate and expand performance claims, which is vital for premium pricing and marketing credibility.

10.4. Cost Structure and Revenue Streams

The financial structure is characterized by high fixed costs associated with entry barriers and a high-margin, export-driven revenue model.

A. Cost Structure (High Fixed Costs)

The cost structure is heavily weighted towards initial capital and mandatory compliance requirements:

- **High CAPEX:** Significant upfront investment in land lease, construction, and specialized nano-blending machinery (benchmarked at approximately **AED 50 million**).
- **Compliance and Certification Costs:** High fixed costs associated with achieving and maintaining global regulatory standards (e.g., REACH, EPA, ISO, G-Mark), specialized testing, and audit fees.

- **Personnel Costs:** Requirement for a highly skilled workforce, including chemical engineers and regulatory affairs experts.

B. Revenue Streams (Premium Pricing)

Revenue generation relies on a premium pricing strategy supported by superior product performance:

- **Premium Product Sales:** Selling IFA133 and OCTANIQUE at prices significantly higher than conventional additives, justified by the quantified performance value (e.g., 9–12 octane boost; 18% fuel efficiency) [2, 2].
- **Export Maximization:** Leveraging the Free Zone's **zero-tax and zero-customs duty** status to maximize profitability on all exported volumes.
- **Volume Sales to B2B Clients:** Securing long-term, high-volume contracts with corporate fleets, which guarantees stable, recurring revenue.

10.5. Key Partnerships

Strategic partnerships are essential for minimizing risks and maximizing global market reach:

- **International Testing and Certification Bodies:** Partnerships with accredited bodies like SGS, Intertek, and AVL are essential for mandatory product testing and performance validation (e.g., Engine Bench Tests).
- **Logistics and Warehousing Partners:** Collaborating with Free Zone-approved logistics providers to manage storage, distribution, and efficient port handling in JAFZA.
- **Regional Distributors/Agents:** Utilizing established, locally compliant distributors in key export markets to handle in-country regulation, sales, and localized packaging requirements.

The overall model is a textbook example of a "Technology-to-Market" strategy, using the stable, tax-efficient platform of Dubai to globalize a proprietary, high-value, nano-chemical intellectual property.


SWOT Analysis

11. SWOT Anlaysis

This analysis examines the internal strengths and weaknesses of RONALCO and the external opportunities and threats presented by the global fuel additive market and the chosen Dubai, UAE, manufacturing location.

11.1. Strengths (Internal Factors)

Strengths are the intrinsic capabilities and resources RONALCO possesses that provide a competitive edge.

- **Proprietary Nanotechnology Advantage:** The core strength is RONALCO's established expertise in nanotechnology and catalyst development.[1] This proprietary technology is the basis for its unique products, creating a substantial intellectual property barrier against common competitors.[3]
- **Superior Product Performance (IFA133):** The Nano Diesel Additive (IFA133) offers a quantifiable and unique advantage: up to **18% fuel consumption reduction** and pollutant reductions of up to **51% PM/Soot** and **18% CO_2**.[3] This performance is significantly higher than many conventional alternatives.[3]
- **Unmatched Octane Boost (OCTANIQUE):** The Octane Booster (OCTANIQUE) is highly differentiated, achieving an "impressive" increase in octane number by **9 to 12 numbers**, compared to the typical market average of 2 to 4 numbers.[6] This secures a strong position in the high-margin, premium segment.

- **Strategic UAE Manufacturing Hub:** Locating in a Dubai Free Zone offers immediate operational strengths, including **100% foreign ownership** and **tax-free status** on imported raw materials and exported finished products.[8] This minimizes operating costs and maximizes export profitability.[5]
- **Mission-Critical Compliance Value:** IFA133 is positioned not just as a performance enhancer, but as a critical tool for environmental compliance, helping large corporate clients avoid massive pollution penalties (estimated at $1.25 billion annually in large contexts).

11.2. Weaknesses (Internal Factors)

Weaknesses are internal limitations that may hinder the achievement of the project's objectives.

- **High Capital Expenditure (CAPEX) Barrier:** The specialized nature of nano-chemical blending requires significant initial investment. The benchmark for a comparable state-of-the-art facility in the JAFZA Chemical Zone is estimated at approximately **AED 50 million**.[2] This high barrier demands robust, conservative financing.
- **Strict Reliance on Regulatory Compliance:** The business model is predicated entirely on achieving and maintaining rigorous international certifications (REACH, EPA, ISO standards).[3] Any delays or failures in this complex regulatory path will halt all export revenues and delay the return on the significant capital investment.
- **Specialized Workforce Dependency:** The complexity of the product and the required quality control protocols necessitate a highly specialized workforce, including nano-chemical engineers and regulatory affairs experts.[5] Recruiting and retaining this talent adds to operational complexity and cost.

- **New Market Entry Challenges:** Although RONALCO is established in Iran [1], the Dubai facility is a new entry into the fiercely competitive, globally regulated export market, requiring rapid establishment of trust, new distribution networks, and brand recognition outside its home market.
- **Operational Constraints of Free Zone:** To maintain the tax and customs benefits, the company is strictly limited to export activities. Direct sales to the lucrative UAE mainland market require separate, cost-intensive arrangements, limiting local market revenue streams.

11.3. Opportunities (External Factors)

Opportunities are favorable external conditions that RONALCO can exploit.

- **Growing Global Market Demand:** The global fuel additive market is experiencing structural growth, forecast to expand at a CAGR of 4.0% through 2032. The high-margin Octane Booster segment is growing even faster, with a projected CAGR of 6.50% through 2030.
- **Increasing Environmental and Regulatory Stringency:** Stricter global and regional emissions standards (e.g., in the EU, USA, and GCC) are continuously increasing the demand for highly efficient, compliance-focused additives like IFA133. This external pressure creates a non-negotiable need for RONALCO's product.
- **UAE Industrial Strategy Support:** The project aligns directly with the UAE's **Operation 300bn Industrial Strategy**, which aims to boost national industrial output, drive R&D, and promote exports. This provides a supportive political and industrial ecosystem.
- **Access to Major Global Shipping Routes:** The Dubai location, particularly JAFZA, provides unparalleled access to global maritime and air transit routes, maximizing distribution efficiency to target regions in Europe, Asia, and Africa.

- **Market Need for Superior Diesel Solutions:** Marine and heavy-duty sectors require solutions that can provide massive cost savings alongside emission reduction.[3] RONALCO's product, with its quantified ROI, directly addresses this high-value need.

11.4. Threats (External Factors)

Threats are external factors that could negatively impact the project or reduce profitability.

- **Intense Competition from Global Incumbents:** The market is populated by large, established, and well-funded specialty chemical and oil companies (e.g., BASF, BP, Shell). These giants possess integrated supply chains and established market trust.
- **Regulatory Change and Non-Compliance Risk:** Changes in chemical substance regulations (e.g., new restrictions on certain compounds used in fuel additives) could force expensive product reformulation and require renewal of the multi-jurisdictional compliance dossiers.
- **Alternative Energy Transition:** The long-term global shift toward low- or zero-emission solutions, such as electric vehicles and biofuels, represents a structural threat that could eventually erode the addressable market for hydrocarbon fuel additives.
- **Supplier Power for Specialized Materials:** If the specialized metal oxides and nano-catalytic components essential for the proprietary formulations are sourced from a limited number of high-power suppliers, RONALCO could face cost volatility and supply chain disruption.
- **Geopolitical and Economic Volatility:** While the UAE hub offers stability, the global export focus exposes RONALCO to international economic downturns, currency fluctuations, and trade disputes in target markets.


Sales & Marketing
Strategies

12. Sales & Marketing Strategies

RONALCO's sales and marketing strategy is dual-focused, reflecting the distinct nature of its two flagship products: a high-volume, compliance-driven approach for the B2B diesel market (IFA133), and a premium, performance-focused approach for the B2C/Specialty gasoline market (OCTANIQUE). The entire strategy leverages the high-technology branding and the logistical advantages of the Dubai Free Zone base.

12.1. Overarching Positioning and Brand Strategy

The core brand strategy emphasizes **technological superiority** and **environmental responsibility**, leveraging RONALCO's proprietary expertise in nanotechnology.

- **Core Message:** The brand is positioned as a revolutionary force in chemical solutions, embodying "Innovation, Focus, Result-oriented endeavor for a better world" and "Realizing Innovative Ideas". This high-tech identity justifies the premium pricing model and distinguishes RONALCO from manufacturers of conventional, commodity-grade additives.
- **Proof of Performance:** All marketing materials and sales pitches must be rigorously supported by the results from **Advanced Engine Bench Tests**. This independent verification of performance claims (e.g., up to 18% fuel reduction or 9–12 octane boost) is essential for establishing credibility in regulated international markets (EU, USA) and securing major industrial contracts.
- **Compliance Gateway:** Marketing materials must highlight the global compliance achieved by the Dubai facility, emphasizing ISO, REACH, EPA, and G-Mark certifications as proof of quality and safety necessary for international trade.

12.2. Sales Strategy for IFA133 Nano Diesel Additive (B2B: Compliance and Cost Avoidance)

IFA133 targets high-volume industrial clients where profitability is measured by operational efficiency and regulatory risk management.

A. Target Market Segmentation

The focus is on the highest-consumption, most regulated sectors:

- **Marine Transportation:** Giant tankers, container ships, merchant ships, and cruise lines.[2]
- **Heavy-Duty Land Transportation:** Public transport companies, governmental institutions, commercial trucking fleets, and construction machinery.

B. Sales and Messaging Strategy

The sales approach must be **data-driven and consultative**, focused on the financial return on investment (ROI) and risk mitigation.

- **Quantified ROI Focus:** The primary sales message is the direct economic saving: translating the fuel reduction of up to **18%** into hard currency savings (e.g., up to **$200,000 annual saving** for a large container ship; up to **$4,000/year** for a bus).
- **Pollution Cost Avoidance:** A critical component is positioning IFA133 as a **risk mitigation tool**. Sales literature should highlight the product's capacity to reduce the cost imposed by pollutant emissions by approximately **30%**, which translates to an estimated **$1.25 billion annual saving** in

large industrial contexts. This frames the product as necessary risk insurance against environmental penalties and taxes.

- **Channel:** Direct B2B sales force engagement with fleet operations managers, procurement officers, and sustainability/compliance heads of major corporations and governmental bodies.

12.3. Marketing Strategy for OCTANIQUE Octane Booster (Premium: Performance and Protection)

OCTANIQUE targets segments that prioritize high-level performance and engine protection over absolute price sensitivity.

A. Target Market Segmentation

The product targets the premium and specialty markets [2]:

- **High-Performance and Luxury Automotive:** Owners of engines requiring higher octane levels for optimal performance.
- **Motorsport and Specialty Vehicles:** Racing cars, motorcycles, historic/classic cars, and specialized boats.

B. Marketing and Messaging Strategy

The marketing message focuses on the product's technical superiority and the resulting driving experience.

- **Unparalleled Performance USP:** Marketing must lead with the **9 to 12 number octane increase**, contrasting it visually and technically with the 2 to 4 number boost offered by common competitors.[2] The message should emphasize that ordinary is not enough.
- **Engine Protection:** Highlight the benefits of **stopping engine knock and pinging**, ensuring more complete combustion, and **reducing the buildup of harmful deposits**. This appeals to owners who value the longevity and maintenance of high-value engines.
- **Channel:**
    - **Specialty Retail and Distribution:** Utilizing international networks of specialty chemical distributors, performance parts retailers, and authorized service centers compatible with high-end vehicles.
    - **Digital and Print:** Targeted advertising in motorsport, classic car, and luxury lifestyle publications. Digital content should focus on technical comparisons and testimonials demonstrating enhanced power, smoother operation, and better acceleration.

12.4. Distribution and Logistics Strategy

The efficiency and cost-effectiveness of the supply chain, rooted in the UAE facility, are a crucial part of the value delivery.

- **Free Zone Export Efficiency:** The entire operational structure is designed for export.[3] Distribution channels must utilize the Jebel Ali Free Zone's proximity to the port and customs advantages to ensure rapid and cost-effective distribution of packaged goods (e.g., 1000L IBCs or smaller consumer packs) to international markets.

- **Channel Partner Selection:** Partnerships must be established with distributors who are certified or capable of managing the local regulatory requirements in target regions (e.g., handling specific fuel standards like EN 228/EN 590).
- **Packaging and Versatility:** The packaging line must be versatile (equipped to handle from 1000L IBCs down to 200ML consumer packs) to serve both the high-volume B2B fleet segment and the B2C specialty segment effectively.

Critical Success Factors

13. Critical Success Factors

The success of RONALCO's expansion into the UAE is contingent upon the successful management and execution of several interconnected factors. These Critical Success Factors (CSFs) are the strategic areas where performance must be exemplary to ensure the long-term profitability and global viability of the business.

13.1. Technological Integrity and IP Protection

The foundation of RONALCO's entire business model rests on the technological superiority of its products, rooted in proprietary nano-catalysis.

- **Maintaining Nano-Catalytic Integrity:** It is critical to ensure that the manufacturing process in the Dubai facility perfectly replicates the performance of RONALCO's proprietary technology. The unique formulation, particularly the utilization of multiple metal oxides to provide catalytic combustion, must be handled with specialized equipment to sustain the structural integrity and, consequently, the extreme performance claims (e.g., up to 18% fuel efficiency and 9–12 octane boost).[28]
- **Intellectual Property (IP) Defense:** The proprietary nature of the nano-catalysis and the unique formula for the Octane Booster must be vigorously protected under the stable legal framework of

[28] https://nchr.elsevierpure.com/en/publications/catalytic-and-structural-properties-of-oxide-nanocomposites-based/

the UAE. Successfully defending the intellectual property is paramount, as the competitive advantage is based on efficacy that rivals cannot easily replicate.[29]

13.2. Achievement of Global Regulatory Compliance

For an export-oriented business, the regulatory framework is the non-negotiable gateway to market access. Compliance failure or delays constitute a complete project failure.

- **Front-Loaded Compliance Management:** RONALCO must treat the entire regulatory roadmap (REACH, EPA, G-Mark) as a concurrent capital project, running in parallel with facility construction.[1] Key approvals, such as the **REACH Registration** (EU, 2 months) and **EPA Fuel Additive Registration** (USA, 1–2 months), must be prioritized to prevent delays in accessing the world's most valuable markets.[30]
- **Mandatory Certification and Validation:** The organization must achieve and maintain foundational management certifications (ISO 9001, 14001, 45001) within the first 4–6 weeks of operation.[1] Furthermore, all performance claims must be continuously validated through rigorous, accredited **Advanced Engine Bench Tests** (6–8 weeks) to ensure credibility and compliance with regulatory substantiation requirements.[31]

[29] https://gist.github.com/StevenACoffman
[30] http://en.reach24h.com/news/insights/chemical/2025-global-chemical-regulatory-landscape
[31] https://www.abacus-int.com/blog/2023/08/29/how-to-become-a-iso-45001-certified-organization/

- **Regional Market Passport:** Immediate priority must be given to securing the **G-Mark Certification** (GCC, 3 weeks) and **Made in UAE Certification** (UAE origin, 2 weeks) to capitalize on regional trade advantages while complex international filings proceed.[32]

13.3. Financial and Operational Efficiency

Success requires deploying the significant required capital efficiently and maximizing the advantages of the UAE operational structure.

- **Securing and Deploying Benchmark CAPEX:** The project's specialized nature dictates a high initial investment, benchmarked at approximately **AED 50 million** for a comparable chemical manufacturing plant. Securing and judiciously allocating this capital for specialized nano-blending equipment and large-scale facility construction is non-negotiable for achieving the necessary production capacity.[33]
- **Sustained Export Focus:** The entire financial model is predicated on operating within a Dubai Free Zone, which grants zero customs duties and tax-free status on exports.[5] Any attempt to divert significant effort or resources into the UAE mainland market—which would trigger duties and complex local partnership requirements—must be managed separately to prevent undermining the cost-competitive, export-centric model.[34]

[32] https://www.gso.org.sa/en/conformity/gcc-conformity-mark/
[33] https://pcma.org.pk/pcma-secures-usd-2-5-billion-chinese-investment-in-petrochemical-sector/
[34] https://g12.ae/business-setup-in-dubai-free-zone-guide-for-beginners/

- **Supply Chain Resilience:** RONALCO must establish a robust and secure supply chain for specialized raw materials (e.g., metal oxides) and manage the logistics from the Jebel Ali Free Zone, minimizing reliance on any single, potentially volatile, source.[35]

13.4. Effective Commercialization of Economic Value

The sales strategy must pivot from selling a chemical product to selling a quantifiable economic and environmental solution.

- **Consultative B2B Sales Penetration:** The commercial team must successfully convince major fleet operators (Marine and heavy-duty transport) that IFA133 is an essential **risk mitigation tool** rather than a discretionary purchase. The sales pitch must focus on the superior ROI provided by **pollution cost avoidance** (up to $1.25 billion annually in large industrial contexts) and verified fuel savings (up to 18%) [2, 2].[36]
- **Premium Pricing Strategy:** Given the market average octane booster provides only a 2–4 number boost compared to OCTANIQUE's 9–12 number advantage, RONALCO must successfully execute a **premium pricing model** for both products. This strategy is vital to ensuring high margins are achieved, which are necessary to cover the high fixed costs of compliance and specialized manufacturing.[37]

[35]https://www.researchgate.net/publication/371929701_Impact_of_supply_chain_robustness_and_resilience_on_firm_performance_A_perspective_of_Pakistan_textile_industry
[36] https://arisegtm.com/blog/consultative-selling-playbook-for-b2b-saas
[37] https://spp.co/blog/premium-pricing-strategy/

- **Rapid Distribution Network Establishment:** Quickly establishing reliable and certified international distribution partnerships is critical to ensuring the products reach key markets in the EU, USA, and GCC as soon as regulatory clearance is obtained, maximizing the monetization period of the product's technological advantage.[38]

[38]https://www.researchgate.net/publication/339763125_Management_of_the_international_distribution_channels_in_the_SMEs_international_business_strategy

Operational Plan

14. Operational Plan

The Operational Plan outlines the blueprint for establishing and running RONALCO's high-tech chemical manufacturing and export facility in Dubai, UAE. This plan is designed to maximize export efficiency, uphold stringent international quality standards, and ensure the successful, continuous delivery of proprietary fuel additive products globally.

14.1. Site Selection and Infrastructure Deployment

The operational base must be situated within a specialized industrial zone to align with the export-oriented business model and capital requirements.

- **Location Strategy:** The facility must be located in a **Dubai Free Zone**, such as the Jebel Ali Free Zone (JAFZA).[1] This location is mandatory as it provides **100% foreign ownership**, a **tax-free status** on imported raw materials and exported finished goods, and streamlined customs processes.
- **Infrastructure Advantage:** JAFZA's proximity to **Jebel Ali Port** is critical for efficient logistics, facilitating the bulk import of raw materials and the high-volume export of finished products.
- **Facility Scale:** Based on industry benchmarks for comparable chemical facilities in JAFZA, the facility must be scaled for large-volume production. This requires substantial land allocation (e.g., a 16,000 sqm plot) and capital investment (benchmarked at approximately **AED 50 million**) to cover construction, equipment, and working capital.

14.2. Manufacturing and Production Strategy

The production system must be engineered to handle complex, nano-based chemical blending and to accommodate both B2B and B2C packaging requirements.

- **Specialized Nano-Blending:** The production line must incorporate sophisticated, state-of-the-art blending technology capable of maintaining the structural integrity and dispersion of the proprietary **nano-catalysts** used in IFA133 and OCTANIQUE.
- **Volume Requirements:** The process must be optimized for large-scale blending, adhering to the highly concentrated mixing ratios (e.g., **1:1000** for IFA133).
- **Packaging Versatility:** The filling and packaging lines must be flexible, capable of handling a wide range of product sizes to serve different market segments effectively. This includes large-volume **1000L IBCs** for industrial fleet clients (IFA133) and smaller **200ML consumer packs** for the retail performance market (OCTANIQUE).

14.3. Supply Chain and Inventory Management

A robust supply chain is essential for ensuring the reliable procurement of specialized raw materials and efficient export flow.

- **Sourcing Strategy:** Bulk commodity chemicals and solvents will be sourced based on competitive global pricing. However, a secure, dual-sourcing strategy for the specialized **multiple metal oxides** and **nano-catalytic** precursors is required to mitigate supply chain risks associated with proprietary components.

- **Logistics Hub Utilization:** The Free Zone status will be leveraged to eliminate customs duties on all imported raw materials, reducing procurement costs.[2] Inventory management will focus on maintaining optimal levels of specialized ingredients to avoid manufacturing downtime.
- **Export Logistics:** All outbound logistics will be streamlined through JAFZA's optimized customs and port facilities, utilizing established relationships with global shipping providers to ensure fast, cost-effective distribution to export markets in the EU, USA, Asia, and the GCC.

14.4. Quality Assurance and R&D Integration

Quality control is the key to maintaining brand trust and securing export credentials.

- **Quality Management Systems (QMS):** The facility must secure and maintain **ISO 9001:2015** (Quality), **ISO 14001:2015** (Environmental), and **ISO 45001** (Safety) certifications. This QMS governs every stage, from raw material receipt to final product dispatch.
- **Accredited Testing:** Mandatory product testing will be performed by internationally accredited bodies (e.g., Intertek, SGS). This includes **Fuel Property Tests** (ASTM D975/D6751/D7467), **Octane/Cetane Number Tests**, and **Corrosion & Stability Tests**.
- **Performance Validation:** To substantiate RONALCO's superior performance claims, rigorous **Advanced Engine Bench Tests** (estimated duration: 6–8 weeks) must be conducted by specialized engineering firms (e.g., AVL, Mahle Powertrain).[4] This data is crucial for regulatory submissions and premium marketing.

14.5. Regulatory Compliance Critical Path

Compliance is the critical path element. Operations must prioritize key certifications simultaneously to accelerate time-to-market.

Certification/Test	Target Market	Average Duration	Strategic Priority
ISO 9001/14001/45001	Global/Internal	4–6 weeks	Foundational: Must begin immediately to establish professional operation.
G-Mark Certification	GCC Member States	3 weeks	Regional Priority: Required for sales across the Gulf Cooperation Council.
REACH Registration	European Union (EU)	2 months	High Priority: Longest and most complex chemical registration for EU market access.
EPA Fuel Additive Registration	USA	1–2 months	High Priority: Mandatory for US market access.
Engine Bench Tests	Global Validation	6–8 weeks	Concurrent: Provides necessary technical data for all regulatory filings and marketing.

14.6. Human Resources and Health, Safety, and Environment (HSE)

The operation requires a specialized workforce managed under strict safety and environmental protocols.

- **Specialized Personnel:** Recruitment must focus on chemical engineers proficient in nano-formulation, specialized Quality Control (QC) analysts, and dedicated Regulatory Affairs experts capable of managing complex dossiers (REACH, EPA). The Free Zone simplifies the hiring of international experts.
- **HSE Compliance:** The facility must adhere strictly to UAE industrial safety codes. This includes compliance with **Local Order 61 and Federal Order 24** regarding noise control. Furthermore, internal operational protocols must meet stringent international safety standards, such as those set by the **Occupational Safety and Health Administration (OSHA)**.
- **Training and Culture:** Continuous training programs must be implemented for all staff, focusing on chemical handling, emergency response, and adherence to the certified ISO 14001 and ISO 45001 environmental and safety management systems.

Human Resource Plan

15. Human Resource Plan

The Human Resource (HR) plan for RONALCO's Dubai manufacturing facility is designed to secure and develop a highly specialized workforce capable of managing sophisticated nano-chemical production, rigorous international regulatory compliance, and high-volume global export logistics. The HR strategy leverages the flexibility of the UAE Free Zone labor environment to recruit specialized international talent.

15.1. Strategic HR Mandate and Competency Focus

The primary mandate is to transition RONALCO's proprietary nanotechnology expertise into a high-quality, internationally compliant manufacturing operation. This requires a workforce proficient in three core competency areas:

1. **Nano-Chemical Science:** Expertise in complex blending, formulation science, and maintaining the integrity of proprietary nano-catalysts.
2. **Global Regulatory Affairs:** Deep knowledge of, and experience with, multi-jurisdictional compliance filings, specifically REACH (EU), EPA (USA), and G-Mark (GCC).
3. **Industrial HSE and Quality Control:** Strict adherence to international quality management systems (ISO 9001/14001/45001) and local industrial safety codes.

15.2. Proposed Organizational Structure

The organizational structure is lean and focused on the key functional areas critical for export manufacturing and high-tech quality control:

Role Level	Position	Key Function
Executive Management	General Manager (GM) – Free Zone	Overall strategic direction, financial performance, and Free Zone governance oversight.
Technical & Operations	Head of Production & Operations	Oversees day-to-day manufacturing, blending, facility maintenance, and supply chain logistics.
	Chief Chemical Engineer	Manages all proprietary formulation, blending protocols, process optimization, and technical R&D integration.
Compliance & Quality	Head of Quality Control & Regulatory Affairs (QC/RA)	Manages all mandated certifications (ISO, REACH, EPA, G-Mark) and oversees laboratory testing/product validation.
	QC Technician / Lab Analyst	Executes all required product testing (e.g., Octane/Cetane, Corrosion & Stability Tests).
Commercial & Support	Head of Sales & Export Logistics	Manages global distribution, B2B fleet contracts, and coordination with international distributors.
	Finance & Administrative Manager	Manages Free Zone licensing, finance, HR administration, and compliance with UAE labor laws.

15.3. Critical Technical and Management Roles

Success is dependent on securing experts for the following specialized roles:

- **Chief Chemical Engineer:** Must possess advanced degrees in chemical engineering or materials science, with demonstrable experience in **nanotechnology** applications and complex chemical blending processes. Responsible for translating proprietary lab-scale formulations into large-scale manufacturing protocols.
- **Regulatory Affairs Manager:** A dedicated role required to manage the highly detailed and time-critical international documentation (dossiers for REACH, EPA).[2] This role is vital for securing market access and preventing product liability risks.
- **HSE & Operations Supervisor:** Responsible for ensuring the facility adheres to all UAE industrial safety codes, including **Local Order 61 and Federal Order 24** (noise control) [3], and implementing international standards such as **OSHA** requirements for chemical handling and occupational safety.
- **QC Analysts:** Personnel trained in specific international testing methodologies (e.g., ASTM standards for fuel properties) and equipped to run accredited product performance tests.

15.4. Talent Acquisition and Workforce Management

The recruitment strategy focuses on utilizing the unique advantages of the Dubai Free Zone to attract a specialized, global workforce.

- **International Recruitment:** Leveraging the Free Zone's **flexible labor regulations** [4] to recruit global experts—particularly in nano-chemistry and specialized regulatory fields—who may not be available regionally.

- **Visa and Compliance Management:** The HR function must be efficient in managing the residency and visa processes for international staff. Annual costs for workforce visas and compliance should be budgeted conservatively (estimated at **AED 200,000+** per year for a large-scale operation).
- **Staffing Levels:** Initial staffing will be lean, focusing on high-skill positions (engineering, QC, management), complemented by locally sourced and trained production and logistics staff.

15.5. Training and Development

Training must be mandatory, recurrent, and centered on quality, safety, and compliance to maintain global certifications.

- **Mandatory ISO Certification Training:** All personnel must undergo training related to the certified management systems: **ISO 9001** (Quality Management), **ISO 14001** (Environmental Management), and **ISO 45001** (Occupational Health and Safety). These initial certifications typically require a 4–6 week timeline.
- **Technical Formulation Training:** Continuous training for chemical and production staff on the handling of nano-materials and advanced blending equipment to ensure product efficacy (e.g., maintaining the 1:1000 mixing ratio for IFA133).
- **HSE Compliance Training:** Rigorous, documented training on chemical spill procedures, emergency response, and adherence to all local and international safety standards (OSHA).

15.6. Health, Safety, and Environment (HSE) Requirements

HSE is integrated into the HR plan, recognizing that safety compliance in chemical manufacturing is paramount and non-negotiable.

- **Adherence to UAE Industrial Codes:** The HSE function is responsible for ensuring full compliance with UAE governmental industrial standards, including **Local Order 61 and Federal Order 24**.
- **Safety Documentation:** Maintaining up-to-date **Material Safety Data Sheet (MSDS) Certification** for all products and ensuring all production staff are trained on the safe handling and storage of chemical components.
- **Risk Management:** Implementing comprehensive risk assessment protocols across the entire manufacturing and packaging process to minimize occupational hazards associated with advanced chemical production.

Risks & Mitigation

Strategies

16. Risks and Mitigation Strategies

The success of RONALCO's expansion is dependent on mitigating high-impact risks across regulatory compliance, specialized technology, and competitive market penetration. The following is an analysis of the critical risks and the corresponding mitigation strategies required for the Dubai operation.

16.1. Compliance and Regulatory Risk (The Highest Barrier)

The greatest threat to the project's timeline and financial viability is the failure or delay in securing mandatory international chemical and fuel-specific certifications.

Risk Description	Impact	Mitigation Strategy
Failure to Achieve Export Certifications	Inability to access target markets (EU, USA) due to failure to secure time-critical and complex registrations like **REACH** (EU) and **EPA Fuel Additive Registration** (USA). This results in total revenue loss for those markets.	**Front-Loaded Regulatory Management:** Treat compliance as a parallel capital project.[1] Immediately initiate the **REACH** (2 months) and **EPA** (1–2 months) processes, leveraging accredited international bodies. Secure the regional **G-Mark Certification** (3 weeks) immediately to enable GCC sales while global filings proceed.
Non-Compliance	Products may be rejected if they fail to conform to regional fuel quality	**Mandatory External Validation:** Ensure mandatory adherence to rigorous testing

with Fuel Standards	specifications, such as **EN 228/EN 590** in Europe.	standards, including **Fuel Property Tests** (ASTM D975/D6751/D7467) and **Octane/Cetane Number Tests**, conducted by internationally recognized third-party labs (e.g., SGS, TÜV).

16.2. Technical Integrity and Intellectual Property Risk

The entire value proposition rests on the integrity and exclusivity of RONALCO's nanotechnology.

Risk Description	Impact	Mitigation Strategy
Compromise of Nano-Catalyst Efficacy	Improper handling or large-scale blending may compromise the structural integrity of the **multiple metal oxides** and **nano-catalytic precursors** [1], thereby reducing the product's claimed performance (e.g., loss of the 18% fuel efficiency or 9–12 octane boost).	**Specialized Infrastructure and Quality Control:** Invest in cutting-edge blending technology and ensure strict adherence to certified **ISO 9001:2015** Quality Management Systems. Mandate specialized chemical engineering oversight to ensure the precise **1:1000 mixing ratio** is maintained at all times.

Inaccurate Performance Claims	Inability to scientifically substantiate high-level claims (e.g., **51% soot reduction** or **12-number octane boost**) can lead to regulatory penalties and loss of market trust.	**Rigorous Bench Testing:** Prioritize and budget for comprehensive, independent **Advanced Engine Bench Tests** (6–8 weeks duration) conducted by accredited global engineering firms (e.g., AVL, Mahle Powertrain).[1] This data provides the necessary scientific proof for all marketing and regulatory submissions.
Intellectual Property (IP) Theft	Loss of proprietary formula (the unique catalyst and high-technology formula) [1] to competitors, eliminating the core competitive edge.	**Secure Legal Framework:** Leverage the stable and robust legal framework of the Dubai Free Zone to register and protect IP locally. Implement strict operational security protocols within the facility to guard chemical and formulation data.

16.3. Financial and Capital Expenditure Risk

The project requires substantial non-recoverable initial capital, making financial planning and cost control critical.

Risk Description	Impact	Mitigation Strategy
Under-Budgeting of Initial CAPEX	Failure to allocate sufficient capital for specialized equipment and the high cost of Free Zone setup, resulting in project stoppage or scaling back the facility below the required export capacity.	**Conservative Financial Benchmarking:** Base the CAPEX budget conservatively on industry standards, referencing the **AED 50 million** investment benchmark for a comparable JAFZA Chemical Zone facility. Allocate a substantial contingency for specialized nano-blending equipment and regulatory filing costs.
Erosion of Tax Efficiency	Attempting to trade directly into the lucrative UAE mainland market, thereby forfeiting the Free Zone's **tax-free status** and **customs duty exemption**.	**Strict Export Focus Mandate:** Commit legally and operationally to a strictly export-oriented model. Any required local UAE mainland sales must utilize a separate legal entity (e.g., a mainland distributor or branch) to ensure the Free Zone's cost advantages remain intact.

16.4. Operational Scalability and Sourcing Risk

Risks related to establishing a new, high-volume production facility and securing its raw materials.

Risk Description	Impact	Mitigation Strategy
Single-Source Dependency	Over-reliance on a single supplier for the specialized, proprietary raw materials, particularly the **multiple metal oxides** used in IFA133, leading to supply disruption and cost inflation.	**Dual-Sourcing Strategy:** Establish secure, dual-sourcing contracts for all specialized nano-catalytic precursors, even if procurement costs are initially higher. For commodity inputs, leverage the global network accessible from Dubai to ensure consistent supply.
Delay in Facility Construction	Construction delays in the Jebel Ali Free Zone [3] push back the start of production and time-to-market, increasing fixed operational costs (e.g., land lease and personnel salaries).	**Dedicated Project Management:** Engage an experienced industrial project management firm specializing in UAE Free Zone construction to ensure adherence to timelines, compliance with local codes (e.g., **Local Order 61/Federal Order 24** noise control), and swift handover to the operations team.

16.5. Market Penetration and Competitive Threat

Threats from large, established global chemical producers who dominate the market.

Risk Description	Impact	Mitigation Strategy
Competition from Global Incumbents	Inability to capture market share against entrenched global chemical producers (e.g., BASF, Shell) who have established trust and massive distribution networks.	**Targeted Value Selling:** Avoid direct price competition. Instead, focus B2B sales (IFA133) on the unparalleled **quantified economic benefit** and **compliance value** derived from the 18% fuel efficiency and the massive reduction in pollution costs.[1] Target the niche premium segment for OCTANIQUE based on its superior 9–12 octane boost.
Threat of Substitute Technologies	Long-term erosion of the addressable market due to the structural global shift toward **alternative energy sources** (e.g., electric vehicles, biofuels).	**Position as Bridge Technology:** Market IFA133 as an essential **bridge technology** that maximizes the operational life and compliance of existing diesel infrastructure.[1] Continuously invest in R&D to ensure future products can adapt to evolving fuel specifications (e.g., higher biofuel blends allowed under standards like EN 590).

16.6. Workforce and HSE Compliance Risk

Risks associated with personnel management and operating a chemical facility under strict safety rules.

Risk Description	Impact	Mitigation Strategy
Inadequate Specialized Personnel	Failure to recruit key technical and regulatory experts required to manage complex blending and international compliance dossiers.	**Strategic Global Recruitment:** Leverage the Free Zone's flexible labor regulations [4] to attract and retain highly specialized global talent in nano-chemistry and regulatory affairs. Budget adequately for competitive salaries and relocation costs.
HSE Violation or Incident	Chemical spills or safety breaches lead to regulatory fines, production shutdowns, and brand damage.	**Mandatory HSE Protocols:** Implement and enforce rigorous adherence to **ISO 45001** (Safety Certification) and **ISO 14001** (Environmental Certification).[1] Ensure all facility design and operations comply strictly with local UAE environmental and safety codes, including **Local Order 61** and **Federal Order 24**.

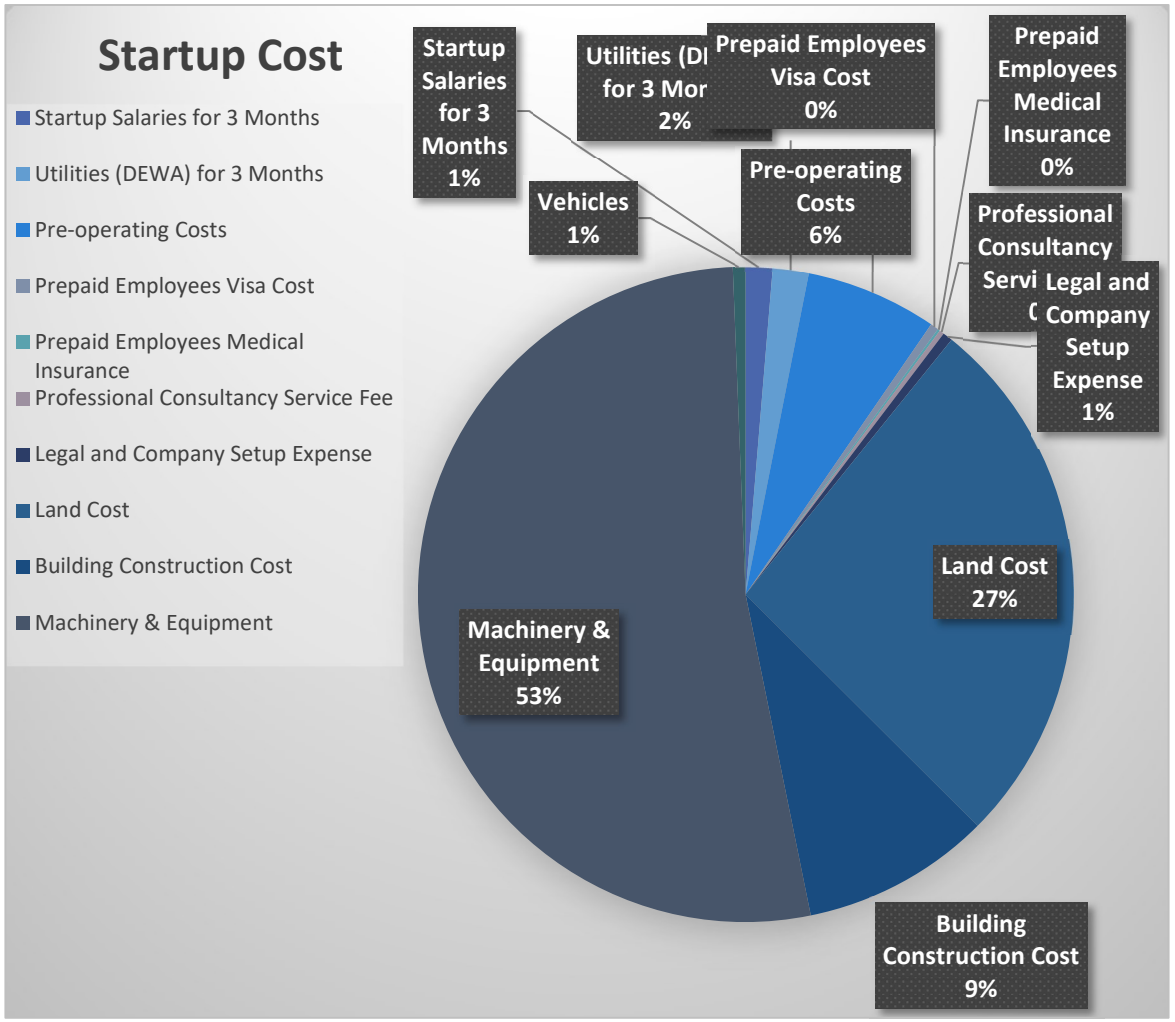
Financial Plan

17. Financial Plan

17.1. Financial Highlights

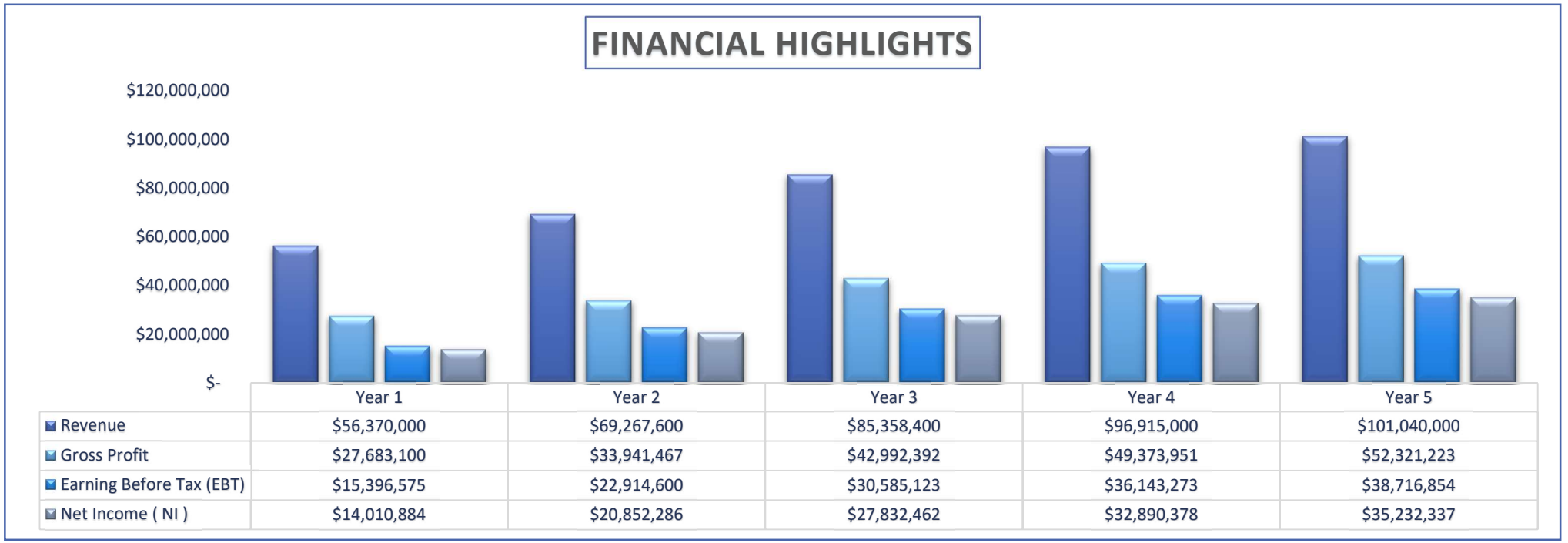
Startup Cost Indicator - Key Performance Indicator (KPI)

Start-up Expenses	Amount	
Startup Salaries for 3 Months	$	272,400
Utilities (DEWA) for 3 Months	$	369,538
Utilities (Telephone & Internet) for 3 Months	$	21,000
Pre-operating Costs	$	1,340,000
Business Stationery	$	1,089
Prepaid Employees Visa Cost	$	82,000
Prepaid Partner Visa Cost	$	14,000
Prepaid Employees Medical Insurance	$	25,068
Supplies (Cleaning Material etc.)	$	1,361
Prepaid Plant & Machinery Insurance	$	21,781
Startup Branding & Marketing Cost	$	220,000
Accounting & CRM Software	$	3,675
Website Development Costs	$	6,806
Professional Consultancy Service Fee	$	50,000
Legal and Company Setup Expense	$	100,000
Total Start-up Expenses	**$**	**2,528,719**
Start-up Assets	**Amount**	
Building Construction Cost	$	1,928,940
Machinery & Equipment	$	10,873,000
Vehicles	$	130,000
Private Vehicle	$	-
Security deposit (DEWA)	$	5,000
Startup Inventory	$	700,000
Cash Reserve for Working Capital	$	321,136
Total Start-up Assets - Capital Outflow	**$**	**19,471,281**
Total Capital Requirement	**$**	**22,000,000**
Project Financing	**Amount**	
Owner's Capital	$	22,000,000



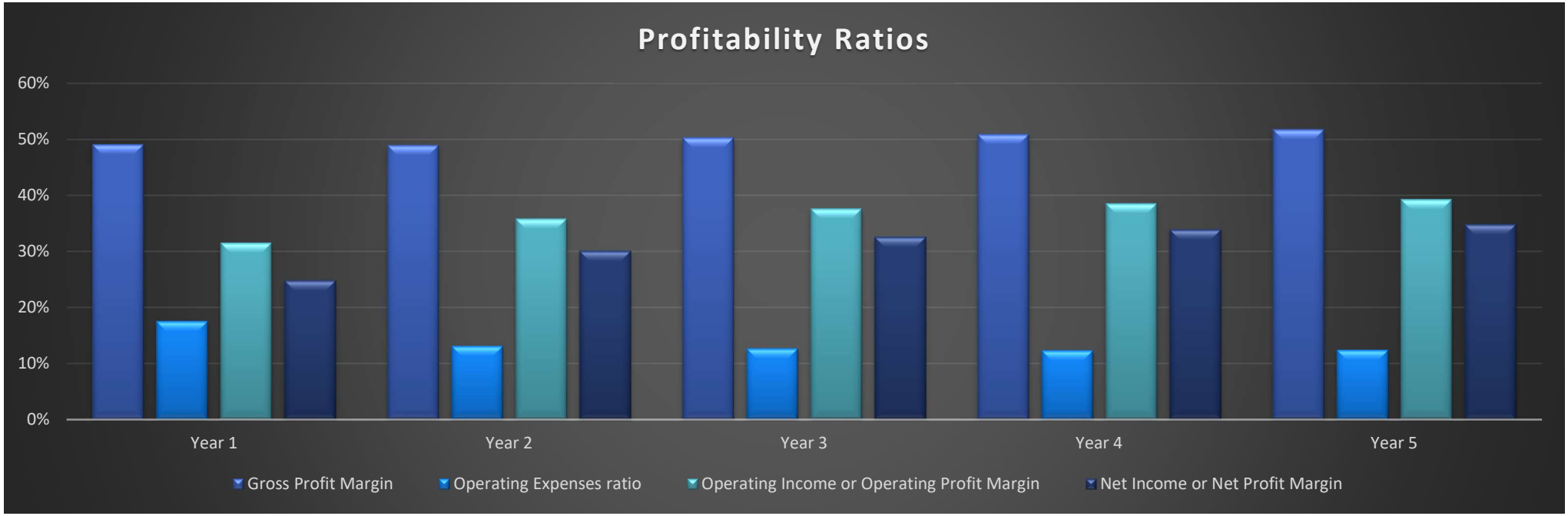
Projected Income Statement

Projected Income Statement	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast	Total
Revenue	$ 56,370,000	$ 69,267,600	$ 85,358,400	$ 96,915,000	$ 101,040,000	$ 408,951,000
Less: Cost of Revenue	$ 28,686,900	$ 35,326,133	$ 42,366,008	$ 47,541,049	$ 48,718,777	$ 202,638,868
Gross Profit	**$ 27,683,100**	**$ 33,941,467**	**$ 42,992,392**	**$ 49,373,951**	**$ 52,321,223**	**$ 206,312,132**
Less: Operating Expenses	$ 9,893,031	$ 9,092,782	$ 10,842,640	$ 11,963,351	$ 12,576,445	$ 54,368,250
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	**$ 17,790,069**	**$ 24,848,685**	**$ 32,149,752**	**$ 37,410,599**	**$ 39,744,778**	**$ 151,943,883**
Less: Depreciation & Amortization	$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924	$ 8,187,457
Earning Before Interest and Tax (EBIT)	**$ 15,396,575**	**$ 22,914,600**	**$ 30,585,123**	**$ 36,143,273**	**$ 38,716,854**	**$ 143,756,426**
Less: Finance Cost (Bank charges)	$ -	$ -	$ -	$ -	$ -	$ -
Earning Before Tax (EBT)	**$ 15,396,575**	**$ 22,914,600**	**$ 30,585,123**	**$ 36,143,273**	**$ 38,716,854**	**$ 143,756,426**
Less: Corporate Tax	$ 1,385,692	$ 2,062,314	$ 2,752,661	$ 3,252,895	$ 3,484,517	$ 12,938,078
Net Income (NI)	**$ 14,010,884**	**$ 20,852,286**	**$ 27,832,462**	**$ 32,890,378**	**$ 35,232,337**	**$ 130,818,347**



Projected Income Statement -Key Performance Indicator (KPI) in % age

Key Financial Ratios	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted	Forecasted Average
Revenue ratio	100%	100%	100%	100%	100%	100%
Cost of Revenue ratio	51%	51%	50%	49%	48%	50%
Gross Margin ratio	49%	49%	50%	51%	52%	50%
Operating Expense ratio	18%	13%	13%	12%	12%	13%
EBITDA ratio	32%	36%	38%	39%	39%	37%
Depreciation Expense ratio	4%	3%	2%	1%	1%	2%
Corporate Tax Expense ratio	2%	3%	3%	3%	3%	3%
Net Margin ratio	25%	30%	33%	34%	35%	32%

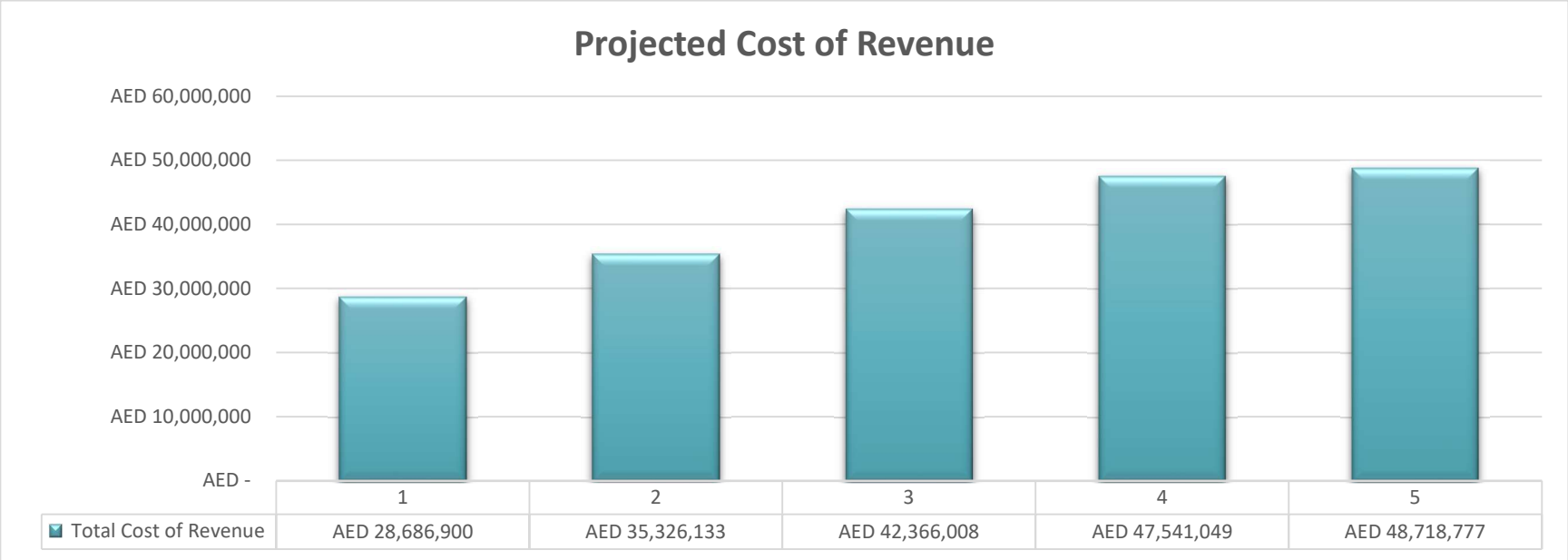


Projected Revenue year by year

Projected Revenue by Year	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted	Total
Octane Booster	$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000	**$ 138,531,000**
Nano Fuel Additive	$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000	**$ 270,420,000**
Total	**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**	**$ 408,951,000**

Projected Cost of Revenue

Projected Cost of Revenue by Year	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted	Total
Factory Staff Salaries	$ 495,900	$ 718,862	$ 780,444	$ 846,214	$ 903,757	$ 3,745,177
Direct Material Cost & Operational Cost	$ 28,191,000	$ 34,607,272	$ 41,585,564	$ 46,694,835	$ 47,815,020	$ 198,893,690
Total	**$ 28,686,900**	**$ 35,326,133**	**$ 42,366,008**	**$ 47,541,049**	**$ 48,718,777**	**$ 202,638,868**



Corporate Tax Ratio

Profitability Ratios	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Gross Profit Margin	> 30%	49%	49%	50%	51%	52%
Operating Expenses ratio	10% - 15%	18%	13%	13%	12%	12%

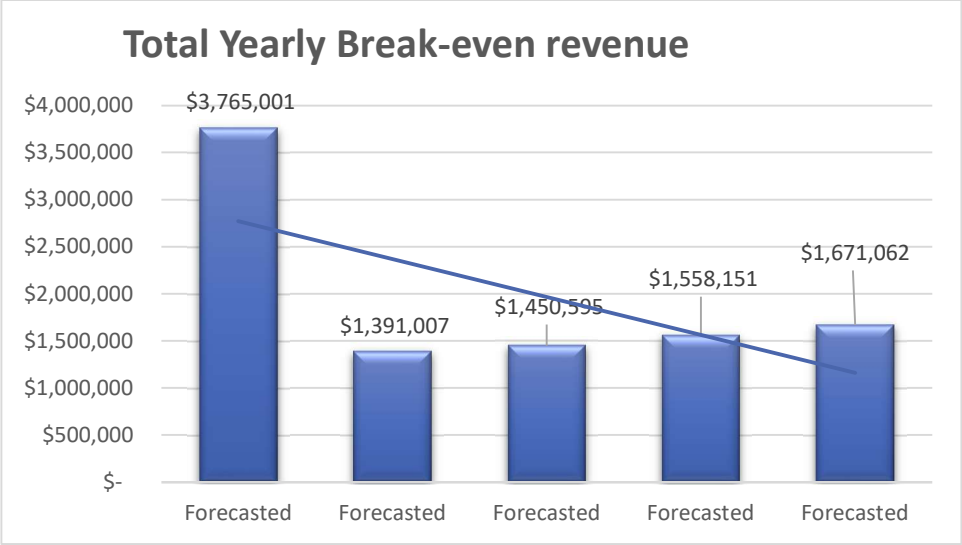
Operating Income or Operating Profit Margin	> 10%	32%	36%	38%	39%	39%
Net Income or Net Profit Margin	> 5%	25%	30%	33%	34%	35%
Return on Assets (ROA)	> 0.2	0.9	1.5	2.2	2.9	3.4
Return on Investment (ROI)	> 0.2	64%	95%	127%	150%	160%
Return on equity (ROE)	> 0.2	39%	37%	33%	28%	23%
Return on Capital Employed (ROCE)	> 0.2	70%	64%	54%	43%	33%
Return on Invested Capital	> 0.2	64%	95%	127%	150%	160%
EBITDA Margin	>10%	32%	36%	38%	39%	39%
EBIT Margin	>10%	27%	33%	36%	37%	38%
Corporate Tax Ratio	< 5%	2%	3%	3%	3%	3%

Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Current Ratio	> 1	10.3	15.3	19.5	24.4	30.5
Quick Ratio	> 1	10.3	15.3	19.5	24.4	30.5

Projected Summary Sheet of Breakeven Analysis

Multiproduct Breakeven	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Fixed Cost	$ 3,290,919	$ 1,217,393	$ 1,274,088	$ 1,373,425	$ 1,471,818
Weighted Average Selling Price	$ 36.76	$ 37.57	$ 38.51	$ 38.29	$ 38.67
Weighted Average Variable Cost	$ 4.63	$ 4.69	$ 4.69	$ 4.54	$ 4.61
Weighted Average Multiproduct Contribution Margin	$ 32.14	$ 32.88	$ 33.83	$ 33.75	$ 34.06
Weighted Average Multiproduct Contribution Margin Ratio (CM Ratio)	0.87	0.88	0.88	0.88	0.88
Breakeven Point in Multiproduct (Revenue (No. of Litters))	**162,302 Litters**	**58,558 Litters**	**59,446 Litters**	**65,114 Litters**	**69,462 Litters**
Weighted Average Breakeven Point in Multiproduct Revenue (in USD)	**$ 3,765,001**	**$ 1,391,007**	**$ 1,450,595**	**$ 1,558,151**	**$ 1,671,062**


Total Yearly Break-even revenue
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$-
$3,765,001
$1,391,007
$1,450,595
$1,558,151
$1,671,062
Forecasted
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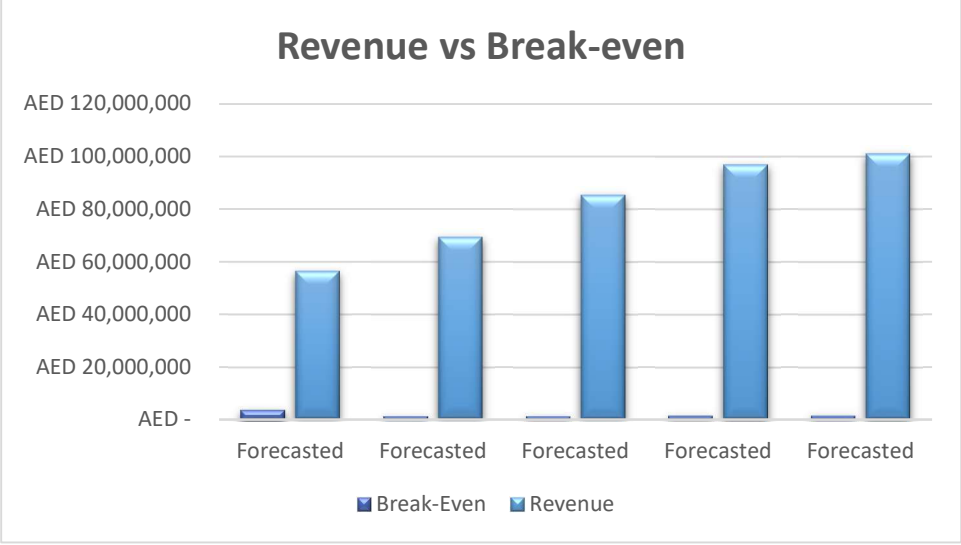
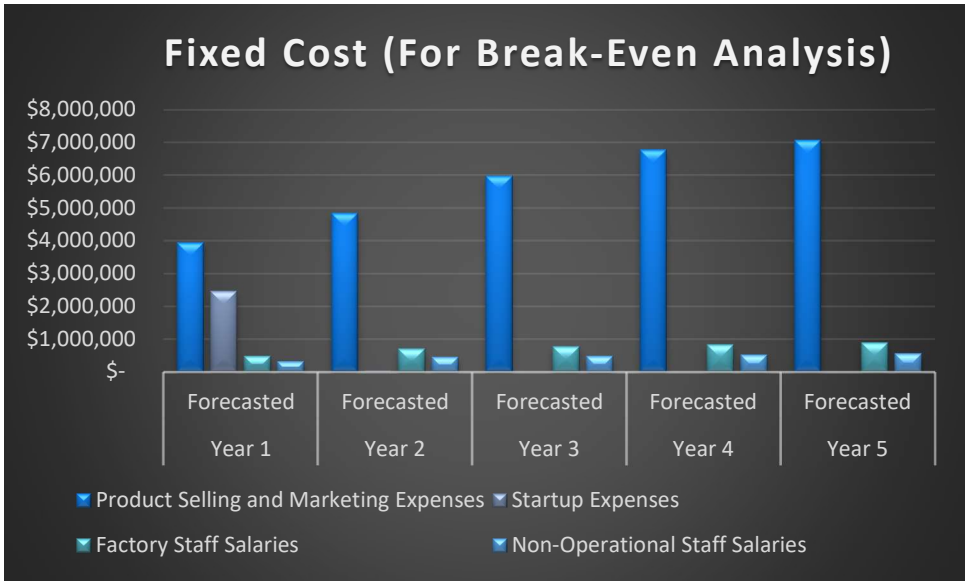

Revenue vs Break-even
AED 120,000,000
AED 100,000,000
AED 80,000,000
AED 60,000,000
AED 40,000,000
AED 20,000,000
AED -
Forecasted
Forecasted
Forecasted
Forecasted
Forecasted
Break-Even
Revenue

Yearly Breakeven Analysis in Amount (USD)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Per Year----------				
Octane Booster	$ 1,212,254	$ 449,306	$ 467,204	$ 545,268	$ 605,313
Nano Fuel Additive	$ 2,552,747	$ 941,700	$ 983,392	$ 1,012,882	$ 1,065,749
Total Yearly Break-even Revenue	**$ 3,765,001**	**$ 1,391,007**	**$ 1,450,595**	**$ 1,558,151**	**$ 1,671,062**

Normal Projected Yearly Revenue (USD)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Per Year----------				
Octane Booster	$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000
Nano Fuel Additive	$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000
Total	**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**



Yearly Breakeven Analysis in Revenue (No. of Litters)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Per Year----------				
Octane Booster	110,205 Litters	39,762 Litters	40,276 Litters	45,821 Litters	49,616 Litters
Nano Fuel Additive	52,097 Litters	18,796 Litters	19,169 Litters	19,293 Litters	19,846 Litters
Total	**162,302 Litters**	**58,558 Litters**	**59,446 Litters**	**65,114 Litters**	**69,462 Litters**

Project Economics

Project Financial Feasibility Analysis

Description	Value
Return on Investment (ROI)	32%
Net Present Value (NPV)	$ 133,620,057
Cost of Capital (WACC) - Discount Rate used for NPV	30%
Project Internal Rate of Return (IRR)	75%
Undiscounted Payback Period (PBP)	0 Year and 6 month approximately
Discounted Payback Period (PBP)	0 Year and 8 month approximately
Projection years	5 Years
Accounting Rate of Return (ARR)	119%
Profitability Index (PI)	7.1

Note : The financial feasibility analysis provides the information regarding projected IRR, NPV and payback period of the study, which is shown in above Table.

Project Financing

Description	Details
Total Equity (100%)	$ 22,000,000
Bank Loan (0%)	$ -
Annual Markup to the Borrower – Long Term Loan	$ -
Tenure of the Loan (Years)	$ -
Annual Markup to the Borrower – Short Term Debt	$ -

Accounting Rate of Return (ARR)

Accounting Rate of Return	Forecast
Initial Investment	$ 22,000,000
Average Net Income	$ 26,163,669
ARR	119%

Financial Assumptions for Debt: Equity Model

Description	Details
Debt	0%
Equity	100%
Interest Rate on Debt	-
Debt Tenure	-
Debt Payment / Year	-

Recommendations

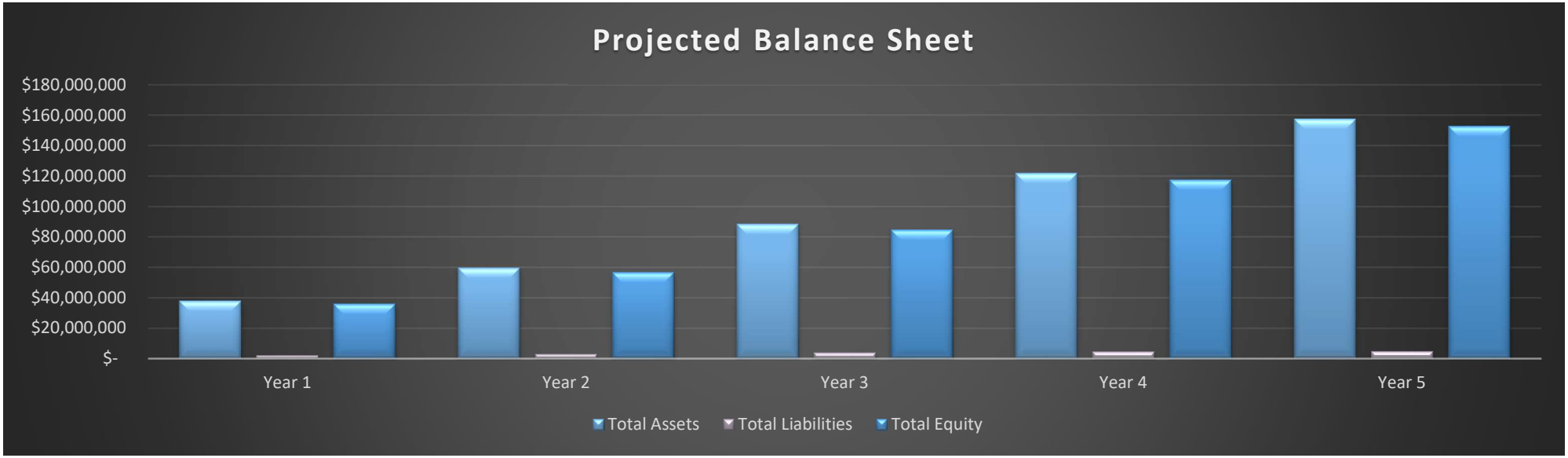
Based on the detailed financial and operational analysis, it is recommended to proceed with the implementation of the proposed project. The study indicates strong financial performance, with a projected ROI of 22%, IRR of 77%, and a Net Present Value of USD 15.62 million, making the investment highly attractive. Management should focus on maintaining robust marketing strategies, quality assurance systems, and continuous innovation to ensure competitiveness and sustainable growth. Furthermore, attention should be given to market trend analysis, customer feedback, and service diversification to capitalize on emerging opportunities and strengthen market presence over the long term.

Conclusion

In conclusion, the feasibility study confirms that the project is financially viable, strategically sound, and operationally feasible. With projected revenue growth of 42% over five years—from USD 11.335 million in Year 1 to USD 16.148 million in Year 5—and a short discounted payback period of approximately seven months, the business demonstrates exceptional potential for profitability and early return on investment. The project's success will depend on effective execution, strong management oversight, and sustained focus on customer satisfaction and innovation. Overall, the business presents a promising opportunity to establish a highly regarded and profitable enterprise within both local and regional markets.

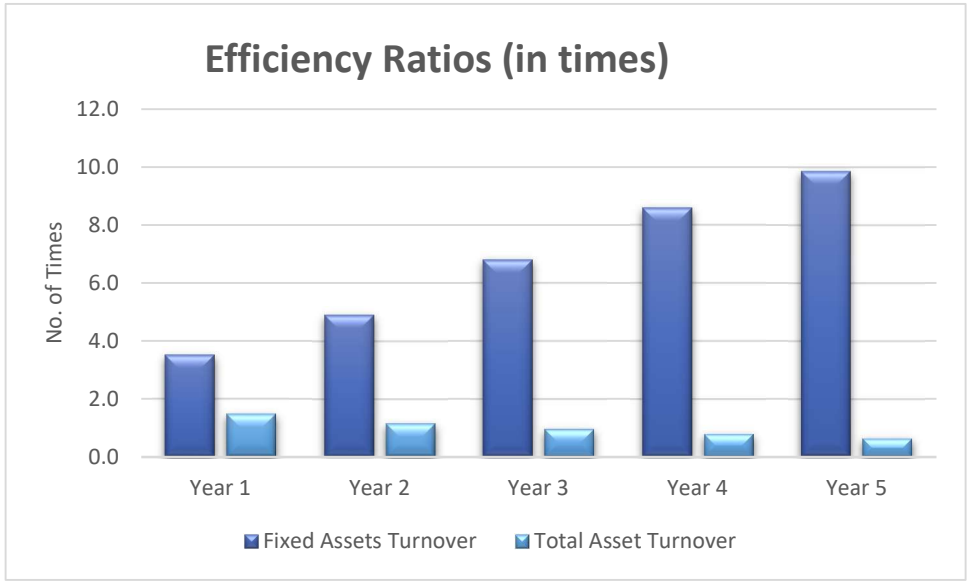
Projected Balance Sheet

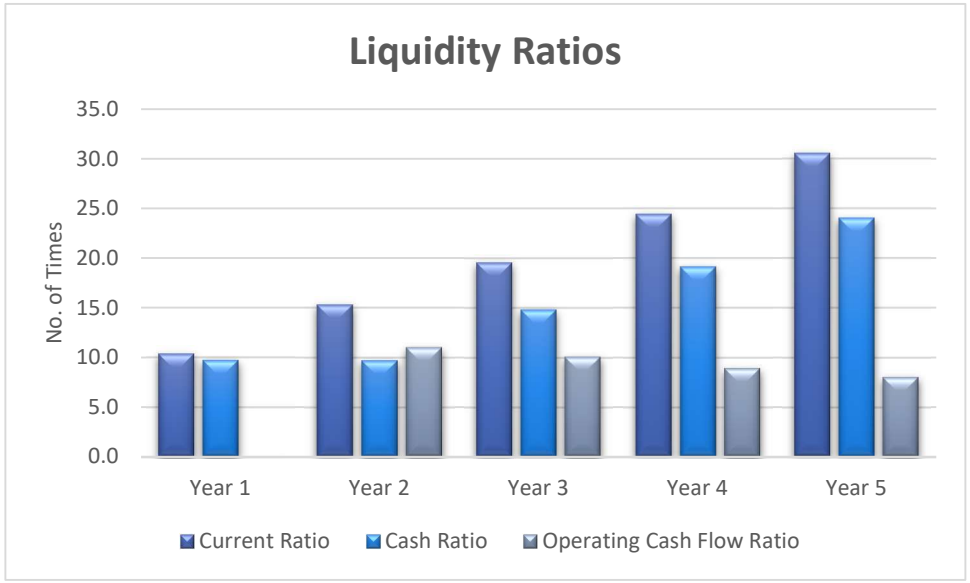
Projected Balance Sheet	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Non-Current Assets	$ 16,097,651	$ 14,122,566	$ 12,557,938	$ 11,290,611	$ 10,262,688
Current Assets	$ 22,035,114	$ 45,715,979	$ 76,012,925	$ 110,821,970	$ 147,370,195
Total Assets	**$ 38,132,765**	**$ 59,838,545**	**$ 88,570,863**	**$ 122,112,581**	**$ 157,632,883**
Non-Current Liabilities	$ -	$ -	$ -	$ -	$ -
Current Liabilities	$ 2,135,882	$ 2,989,376	$ 3,889,231	$ 4,540,571	$ 4,828,535
Total Liabilities	**$ 2,135,882**	**$ 2,989,376**	**$ 3,889,231**	**$ 4,540,571**	**$ 4,828,535**
Total Equity	$ 36,010,884	$ 56,863,170	$ 84,695,632	$ 117,586,010	$ 152,818,347
Total Equity and Liabilities	**$ 38,146,765**	**$ 59,852,545**	**$ 88,584,863**	**$ 122,126,581**	**$ 157,646,883**



Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Year 1	Year 2	Year 3	Year 4	Year 5	Forecasted Average
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Current Ratio	10	15	20	24	31	20
Quick Ratio	10	15	20	24	31	20
Return on Assets (ROA)	1	1	2	3	3	2
Return on equity (ROE)	39%	37%	33%	28%	23%	32%
Return on Capital Employed (ROCE)	70%	64%	54%	43%	33%	53%

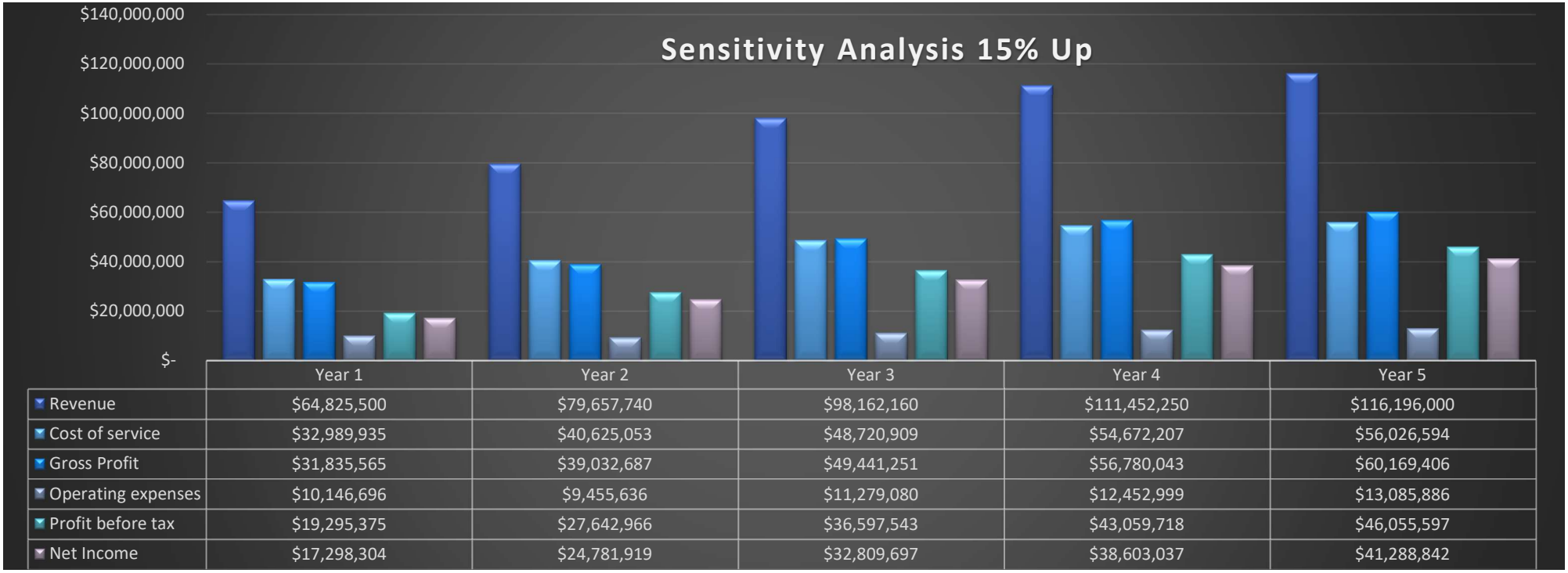




Project Risk Analysis 1 -Sensitivity Analysis

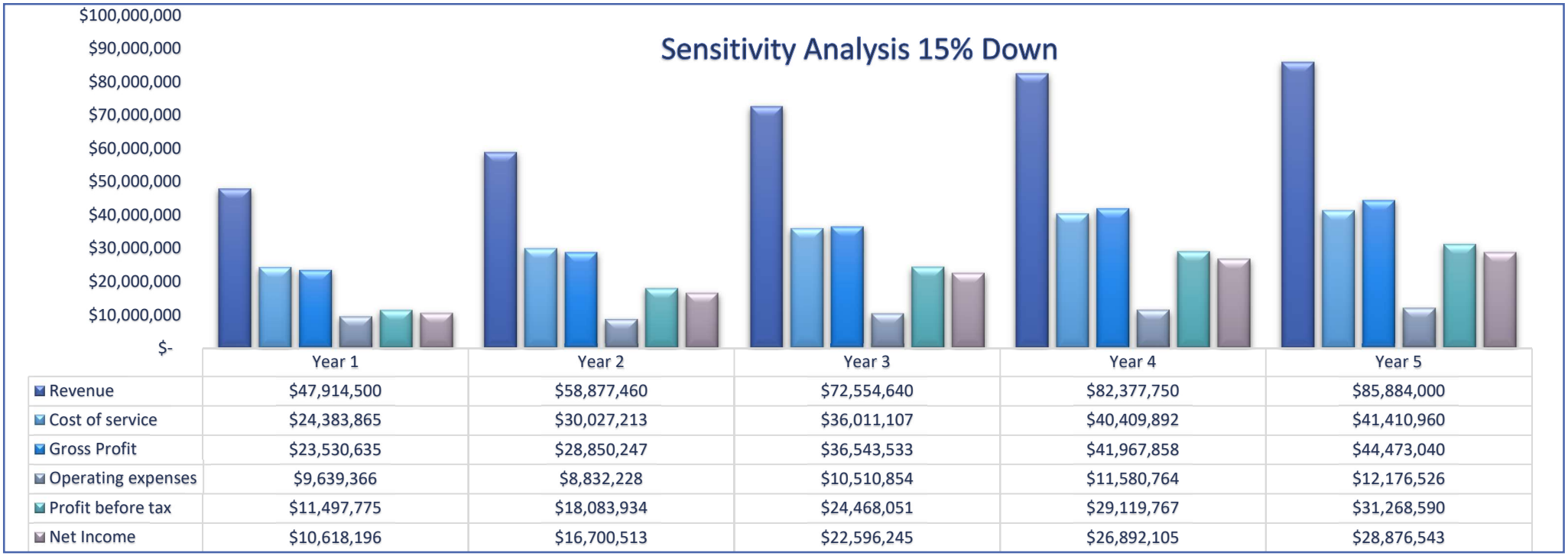
Description	Note	Low Value (85%)	Base Value (100%)	High Value (115%)
Weighted Average Price per Product (@ 15 %)		$ 31.25	$ 36.76	$ 42.28
Average Variable Cost per Product		$ 3.93	$ 4.63	$ 5.32
Advertising & Marketing		$ 1,766,323.80	$ 2,078,028.00	$ 2,389,732.20
Tax rate		8%	9%	10%
Average Profit After Tax		(21,136,720)	26,163,669	30,956,360

Sensitivity Analysis 15% Up	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Revenue	$ 64,825,500	$ 79,657,740	$ 98,162,160	$ 111,452,250	$ 116,196,000
Cost of service	$ 32,989,935	$ 40,625,053	$ 48,720,909	$ 54,672,207	$ 56,026,594
Gross Profit	$ 31,835,565	$ 39,032,687	$ 49,441,251	$ 56,780,043	$ 60,169,406
Operating expenses	$ 10,146,696	$ 9,455,636	$ 11,279,080	$ 12,452,999	$ 13,085,886
Profit before tax	$ 19,295,375	$ 27,642,966	$ 36,597,543	$ 43,059,718	$ 46,055,597
Net Income	$ 17,298,304	$ 24,781,919	$ 32,809,697	$ 38,603,037	$ 41,288,842



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$64,825,500	$79,657,740	$98,162,160	$111,452,250	$116,196,000
Cost of service	$32,989,935	$40,625,053	$48,720,909	$54,672,207	$56,026,594
Gross Profit	$31,835,565	$39,032,687	$49,441,251	$56,780,043	$60,169,406
Operating expenses	$10,146,696	$9,455,636	$11,279,080	$12,452,999	$13,085,886
Profit before tax	$19,295,375	$27,642,966	$36,597,543	$43,059,718	$46,055,597
Net Income	$17,298,304	$24,781,919	$32,809,697	$38,603,037	$41,288,842

Sensitivity Analysis 15% Down	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	$ 47,914,500	$ 58,877,460	$ 72,554,640	$ 82,377,750	$ 85,884,000
Cost of service	$ 24,383,865	$ 30,027,213	$ 36,011,107	$ 40,409,892	$ 41,410,960
Gross Profit	$ 23,530,635	$ 28,850,247	$ 36,543,533	$ 41,967,858	$ 44,473,040
Operating expenses	$ 9,639,366	$ 8,832,228	$ 10,510,854	$ 11,580,764	$ 12,176,526
Profit before tax	$ 11,497,775	$ 18,083,934	$ 24,468,051	$ 29,119,767	$ 31,268,590
Net Income	$ 10,618,196	$ 16,700,513	$ 22,596,245	$ 26,892,105	$ 28,876,543



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$47,914,500	$58,877,460	$72,554,640	$82,377,750	$85,884,000
Cost of service	$24,383,865	$30,027,213	$36,011,107	$40,409,892	$41,410,960
Gross Profit	$23,530,635	$28,850,247	$36,543,533	$41,967,858	$44,473,040
Operating expenses	$9,639,366	$8,832,228	$10,510,854	$11,580,764	$12,176,526
Profit before tax	$11,497,775	$18,083,934	$24,468,051	$29,119,767	$31,268,590
Net Income	$10,618,196	$16,700,513	$22,596,245	$26,892,105	$28,876,543

Project Risk Analysis 2 -Scenario Analysis

Net Income (Effect on Net Income in each Scenario Analysis)

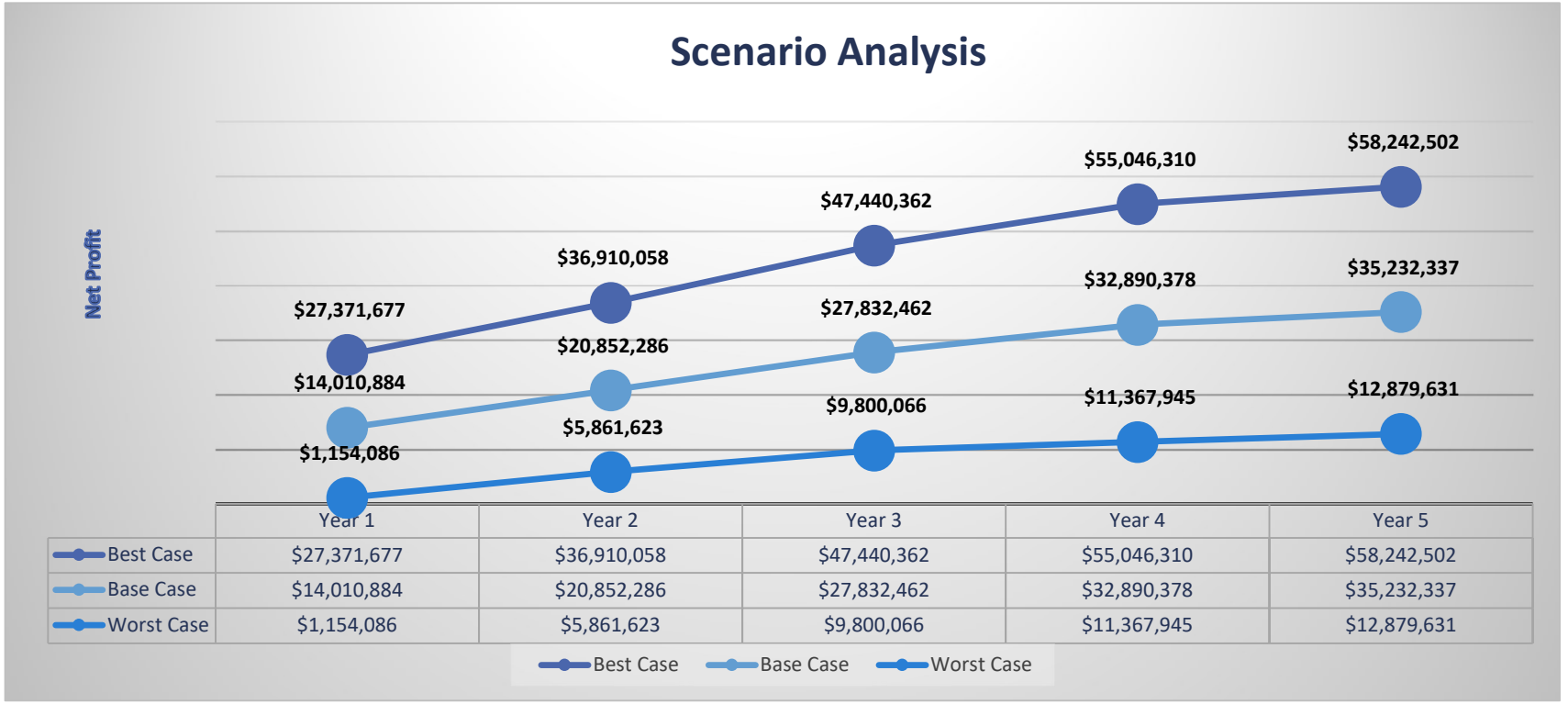
Scenario	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Best Case	$ 27,371,677	$ 36,910,058	$ 47,440,362	$ 55,046,310	$ 58,242,502
Base Case	$ 14,010,884	$ 20,852,286	$ 27,832,462	$ 32,890,378	$ 35,232,337
Worst Case	$ 1,154,086	$ 5,861,623	$ 9,800,066	$ 11,367,945	$ 12,879,631

Net Present Value (NPV) Effect in each Scenario

Scenario	NPV
Worst Case	$ (242,989)
Base Case	$133,620,057
Best Case	$ 98,091,181

Internal Rate of Return (IRR) Effect in each Scenario

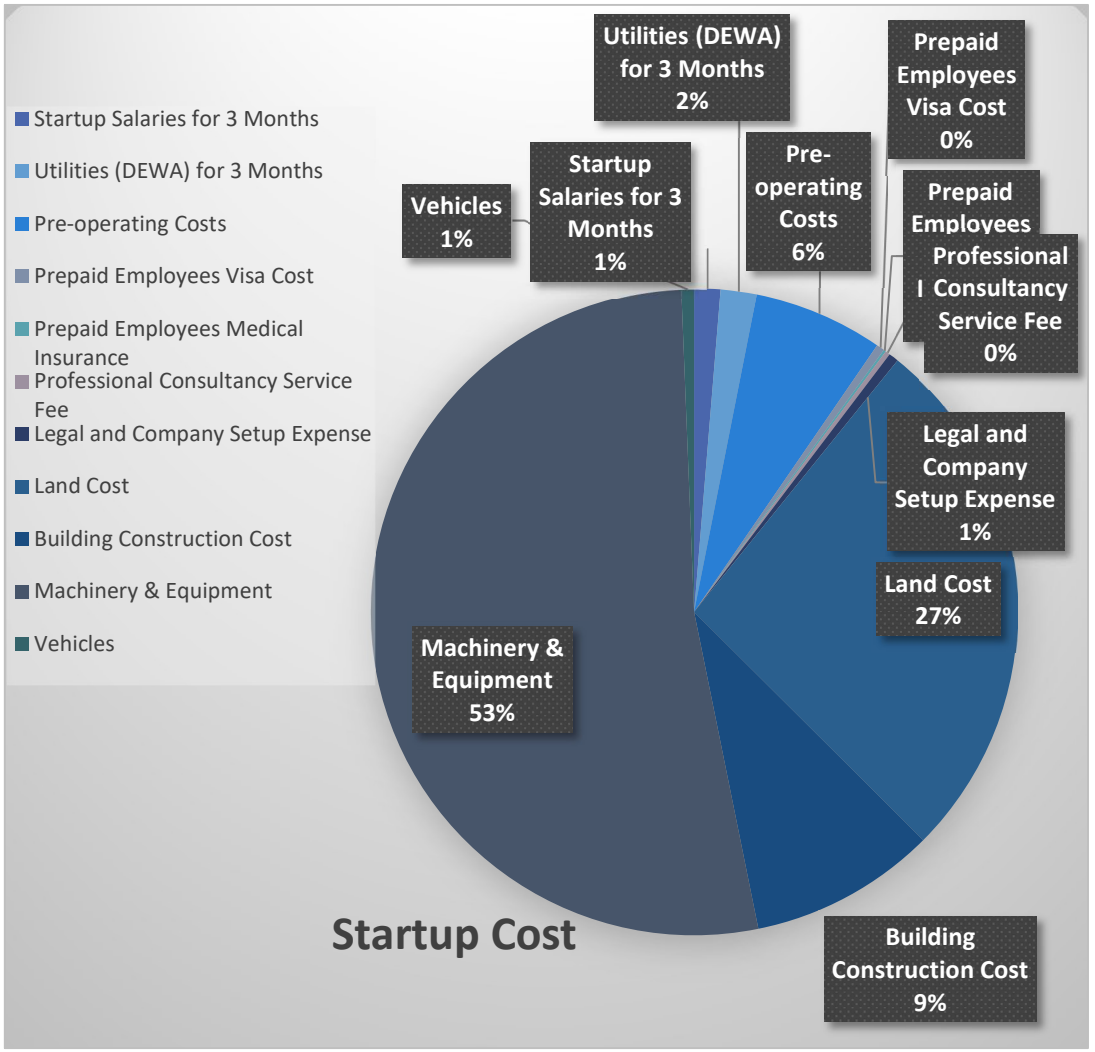
Scenario	IRR
Worst Case	9%
Base Case	75%
Best Case	58%



	Year 1	Year 2	Year 3	Year 4	Year 5
Best Case	$27,371,677	$36,910,058	$47,440,362	$55,046,310	$58,242,502
Base Case	$14,010,884	$20,852,286	$27,832,462	$32,890,378	$35,232,337
Worst Case	$1,154,086	$5,861,623	$9,800,066	$11,367,945	$12,879,631

17.2. Project Startup Cost / Pre-Operational Cost

Project Start-up Expenses - Breakup	Note	Amount
Startup Salaries for 3 Months	1	$ 272,400
Utilities (DEWA) for 3 Months	2	$ 369,538
Utilities (Telephone & Internet) for 3 Months	2	$ 21,000
Pre-operating Costs	3	$ 1,340,000
Business Stationery		$ 1,089
Prepaid Employees Visa Cost	1	$ 82,000
Prepaid Partner Visa Cost		$ 14,000
Prepaid Employees Medical Insurance	1	$ 25,068
Supplies (Cleaning Material etc.)		$ 1,361
Prepaid Plant & Machinery Insurance		$ 21,781
Startup Branding & Marketing Cost	4	$ 220,000
Accounting & CRM Software		$ 3,675
Website Development Costs		$ 6,806
Professional Consultancy Service Fee	5	$ 50,000
Legal and Company Setup Expense	6	$ 100,000
Total Start-up Expenses		**$ 2,528,719**
Project Start-up Assets - Breakup		**Amount**
Land Cost	7	$ 5,513,205
Building Construction Cost	9	$ 1,928,940
Machinery & Equipment	9	$ 10,873,000
Vehicles	10	$ 130,000
Security deposit (DEWA)		$ 5,000
Startup Inventory	11	$ 700,000
Cash Reserve for Working Capital		$ 321,136
Total Start-up Assets - Capital Outflow		**$ 19,471,281**
Total Capital Requirement		**$ 22,000,000**
Project Financing		**Amount**
Owner's Capital		$ 22,000,000



Note 1 Salary of 3 months is considered. Salary, Employees Visa and Insurance breakup is shown in below in table.

Designations	Number	Total Salary Per Month	Total Salary for 3 month	Prepaid Employees Visa Cost	Total Prepaid Employees Visa Cost	Prepaid Employee Medical Insurance / Per Employee	Total Prepaid Employee Medical Insurance
Factory Staff / Operational Staff							
Production Manager	2	$ 6,000	$ 18,000	$ 2,000	$ 4,000	$ 545	$ 1,090
Department Supervisor	3	$ 7,500	$ 22,500	$ 2,000	$ 6,000	$ 545	$ 1,635
Equipment Technician	8	$ 13,600	$ 40,800	$ 2,000	$ 16,000	$ 545	$ 4,360
Quality Control (QC) Officer	4	$ 10,000	$ 30,000	$ 2,000	$ 8,000	$ 545	$ 2,180
Equipment Operator	10	$ 15,000	$ 45,000	$ 2,000	$ 20,000	$ 545	$ 5,450
Warehouse Staff	2	$ 3,000	$ 9,000	$ 2,000	$ 4,000	$ 545	$ 1,090
Total Operational Staff	**29**	**$ 55,100**	**$ 165,300**	**$ 12,000**	**$ 58,000**	**$ 3,270**	**$ 15,804**
Indirect Staff / Non-Operational Staff							
Managing Director	1	$ 5,000	$ 15,000	$ 4,000	$ 4,000	$ 1,090	$ 1,090
Finance Manager / Accountant	2	$ 4,000	$ 12,000	$ 2,000	$ 4,000	$ 545	$ 1,090
Marketing and Sales Staff	5	$ 22,500	$ 67,500	$ 2,000	$ 10,000	$ 1,090	$ 5,450
Driver	1	$ 1,400	$ 4,200	$ 2,000	$ 2,000	$ 545	$ 545
Security Staff	1	$ 1,400	$ 4,200	$ 2,000	$ 2,000	$ 545	$ 545
Cleaning & Janitorial Staff	1	$ 1,400	$ 4,200	$ 2,000	$ 2,000	$ 545	$ 545
Total Non-Operational Staff	**11**	**$ 35,700**	**$ 107,100**	**$ 14,000**	**$ 24,000**	**$ 4,360**	**$ 9,264**
Grand Total	**40**	**$ 90,800**	**$ 272,400**	**$ 26,000**	**$ 82,000**	**$ 7,629**	**$ 25,068**

Headcount Table Year Wise

Description	Projected Number of Total Employees					Avg. Monthly salary per employee	Total Salary Per Month
	Year 1	Year 2	Year 3	Year 4	Year 5		
Factory Staff / Operational Staff							
Production Manager	2	3	4	5	5	$ 3,000	$ 6,000
Department Supervisor	3	4	5	6	6	$ 2,500	$ 7,500
Equipment Technician	8	9	10	11	11	$ 1,700	$ 13,600
Quality Control (QC) Officer	4	5	6	7	7	$ 2,500	$ 10,000
Equipment Operator	10	11	12	13	13	$ 1,500	$ 15,000

Warehouse Staff	2	3	4	5	5	$ 1,500	$ 3,000
Total Operational Staff	**29**	**35**	**41**	**47**	**47**		**$ 55,100**
Indirect Staff / Non-Operational Staff							
Managing Director	1	1	2	2	3	$ 5,000	$ 5,000
Finance Manager / Accountant	2	2	2	2	2	$ 2,000	$ 4,000
Marketing and Sales Staff	5	5	5	5	5	$ 4,500	$ 22,500
Driver	1	1	1	1	1	$ 1,400	$ 1,400
Security Staff	1	1	1	1	1	$ 1,400	$ 1,400
Cleaning & Janitorial Staff	1	1	1	1	1	$ 1,400	$ 1,400
Total Non-Operational Staff	**11**	**11**	**12**	**12**	**13**		**$ 35,700**
Grand Total	**40**	**46**	**53**	**59**	**60**		**$ 90,800**

Startup Expenses Amortization Break-up

Description	Note	Total Amount	Amount to be Amortized for 1 Month	Monthly Amortization Amount first 3 Months	Monthly Amortization Amount after 3 Months	Total Useful Period
Startup Salaries for 3 Months		$ 272,400	$ 90,800	$ 90,800	$ -	3 Months
Utilities (DEWA) for 3 Months		$ 369,538	$ 123,179	$ 123,179	$ -	3 Months
Utilities (Telephone & Internet) for 3 Months		$ 21,000	$ 7,000	$ 7,000	$ -	3 Months
Pre-operating Costs		$ 1,340,000	$ 111,667	$ 111,667	$ 111,667	1 Year
Business Stationery		$ 1,089	$ 1,089	$ -	$ -	1 Year
Prepaid Employees Visa Cost		$ 82,000	$ 3,417	$ 3,417	$ 3,417	2 Year
Prepaid Partner Visa Cost		$ 14,000	$ 583	$ 583	$ 583	2 Year
Prepaid Employees Medical Insurance		$ 25,068	$ 2,089	$ 2,089	$ 2,089	1 Year
Supplies (Cleaning Material etc.)		$ 1,361	$ 454	$ 454	$ -	3 Months
Prepaid Plant & Machinery Insurance		$ 21,781	$ 1,815	$ 1,815	$ 1,815	1 Year
Startup Branding & Marketing Cost		$ 220,000	$ 18,333	$ 18,333	$ 18,333	1 Year
Accounting & CRM Software		$ 3,675	$ 306	$ 306	$ 306	1 Year
Website Development Costs		$ 6,806	$ 567	$ 567	$ 567	1 Year
Professional Consultancy Service Fee		$ 50,000	$ 4,167	$ 4,167	$ 4,167	1 Year
Legal and Company Setup Expense		$ 100,000	$ 8,333	$ 8,333	$ 8,333	1 Year
Total Start-up Expenses		**$ 2,528,719**	**$ 373,800**	**$ 372,711**	**$ 151,278**	

Note 2 Utilities of 3 months is considered. Utilities include Energy, Water (DEWA), Gas and Diesel Fuel, Internet, and Telephone bill. The estimated breakup of utility bill is following.

Average Utilities	Utility	Annual Consumption	Monthly Consumption	Per Month	Per Year	Total for 3 Months
Energy & Water Bill (DEWA)*	Electricity	2,910,000 kWh	242,500 kWh	$ 30,074	$ 365,599	$ 91,400
	Water	75,000 m³	6,250 m³	$ 55,090	$ 661,084	$ 165,271
Gas	Gas	180,000 m³	15,000 m³	$ 34,713	$ 416,553	$ 104,138
Diesel Fuel	Fuel	45,000 L	3,750 L	$ 2,910	$ 34,917	$ 8,729
Telephone				$ 5,000	$ 60,000	$ 15,000
Internet				$ 2,000	$ 24,000	$ 6,000
Total				**$ 129,786**	**$ 1,562,153**	**$ 390,538**

Note 3 Pre-operating Project preparation Costs as per following

Description	Total Amount
Octane Booster Equipment's	
Project preparation, consulting, and licensing costs	$ 85,000
Installation and commissioning	$ 120,000
Training and process pre-commissioning	$ 30,000
Total Octane Booster Pre-operating Costs	**$ 235,000**
Nano Fuel Additive Equipment's	
Electrical cabling, power distribution, and UPS systems	$ 85,000
HVAC and air handling systems	$ 900,000
Fire Detection and Firefighting System	$ 120,000
Total Nano Fuel Additive Pre-operating Costs	**$ 1,105,000**
Grand Total	**$ 1,340,000**

Note 4 Brand Promotion Expenses – Launch of the pre-opening campaign, Brand, creative, launch production.

Note 5 Professional Consultancy Service Fee for this Project

Note 6 Legal and Company Setup Expenses include preliminary costs such as company registration, Articles of Association, license issuance.

sNote 7 Land acquisition cost based on the following assumptions

Land Cost

Description	Area in m²	Cost per m²	Total Amount
Octane Booster	1,000 m²	$ 1,225.16	$ 1,225,157
Nano Fuel Additive	3,500 m²	$ 1,225.16	$ 4,288,048
Grand Total	**4,500 m²**		**$ 5,513,205**

Note 8

Building Construction Expenses as per following

Building Construction Expenses

Description	Built-up Area in m²	Cost per m²	Total Amount
Production Hall	2,800 m²	$ 544.51	$ 1,524,639
Raw Material Warehouse	400 m²	$ 326.71	$ 130,683
Finished Goods Warehouse	400 m²	$ 326.71	$ 130,683
Administrative Building: Administrative & Financial, Sales	350 m²	$ 408.39	$ 142,935
Grand Total	**3,950 m²**		**$ 1,928,940**

Note 9

Machinery & Equipment detail as per following.

9.1 Machinery & Equipment

Description	Unit	Cost Per Unit	Total Amount
Octane Booster Machinery			
Engineering, design, fabrication, and supply of tanks, mixers, reactors, pumps, condensers, evaporators, separators, and related equipment.	1	$ 7,800,000.00	$ 7,800,000
Instrumentation & Control Systems (I&C)	1	$ 750,000.00	$ 750,000
Control Systems and Software	1	$ 450,000.00	$ 450,000
Total Octane Booster Machinery	**3**		**$ 9,000,000**
Nano Fuel Additive Machinery			
Engineering, design, fabrication, and supply of tanks, mixers, reactors, pumps, condensers, evaporators, separators, and related equipment.	1	$ 1,200,000.00	$ 1,200,000
Instrumentation & Control Systems (I&C)	1	$ 150,000.00	$ 150,000
Control Systems and Software	1	$ 90,000.00	$ 90,000
Total Nano Fuel Additive Machinery	**3**		**$ 1,440,000**
Grand Total	**6**		**$ 10,440,000**

9.2 Equipment Detail

Description	Unit	Cost Per Unit	Total Amount
Octane Booster Equipment's			
Electrical cabling, power distribution, and UPS systems	1	$ 13,000.00	$ 13,000
HVAC and air handling systems	1	$ 12,000.00	$ 12,000
Fire Detection and Firefighting System	1	$ 15,000.00	$ 15,000
Petroleum Fuel Storage Tank	2	$ 4,000.00	$ 8,000
Ventilation fans, ventilation systems, and cleanroom	1	$ 20,000.00	$ 20,000
Total Octane Booster Equipment's	**6**		**$ 68,000**
Nano Fuel Additive Equipment's			
Electrical cabling, power distribution, and UPS systems	1	$ 52,000.00	$ 52,000
HVAC and air handling systems	1	$ 70,000.00	$ 70,000
Fire Detection and Firefighting System	1	$ 85,000.00	$ 85,000
Petroleum Fuel Storage Tank	2	$ 9,000.00	$ 18,000
Ventilation fans, ventilation systems, and cleanroom	1	$ 140,000.00	$ 140,000
Total Nano Fuel Additive Equipment's	**6**		**$ 365,000**
Grand Total	**12**		**$ 433,000**

Note 10

Vehicle detail as per following.

Vehicle Detail

Description	Qty	Amount
Forklift	1	$ 70,000.00
Pickup Trucks and Passenger Cars	2	$ 60,000.00
Grand Total	**3**	**$ 130,000.00**

Note 11 The startup inventory cost reflects the expenditure for inventory for Plant for Production the Adhesive.

Sources

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Office Equipment's	Office Equipment for sale | eBay
Office Furniture & Fixture	https://officemaster.ae/content/office-furniture-abu-dhabi/
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Utility Bills	https://utilitybilluae.com/vat-on-utility-bills-uae/

17.3. Project - Financial Feasibility

ROI (Average of 5 years for whole project)	Note 15	32%
Net Present Value (NPV)	Note 16	$ 133,620,057
Cost of Capital (WACC)	Note 17	30%
Project Internal Rate of Return (IRR)	Note 18	75%
Undiscounted Payback Period (PBP)	Note 19	0 Year and 6 month approximately
Discounted Payback Period (PBP)	Note 20	0 Year and 8 month approximately
Accounting Rate of Return (ARR)	Note 21	119%
Profitability Index (PI)	Note 22	7.1

Return on Investment (ROI)

Years	Year 0	Year 1	Year 3	Year 4	Year 5
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Investment	$ 22,000,000	$ 36,010,884	$ 84,695,632	$ 117,586,010	$ 152,818,347
Per Year Profit		$ 14,010,884	$ 27,832,462	$ 32,890,378	$ 35,232,337
Per Year ROI		39%	33%	28%	23%
Average ROI	32%				

Net Present Value (NPV)

Particulars	Year 0	Year 1	Year 3	Year 4	Year 5
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Initial outflow:					
Fixed Asset Investment	$ (20,964,864)				
Working Capital Investment	$ (1,035,136)				
Total Investment Value	**$ (22,000,000)**				
After-tax Annual Cash flows					
Revenue		$ 56,370,000	$ 85,358,400	$ 96,915,000	$ 101,040,000
Variable Cost		$ (7,098,012)	$ (10,386,372)	$ (11,489,670)	$ (12,047,176)
Fixed Cost		$ (5,684,413)	$ (2,838,716)	$ (2,640,752)	$ (2,499,742)
Operating Income (EBIT)		$ 43,587,575	$ 72,133,313	$ 82,784,578	$ 86,493,082

Tax at 9%		$ (1,385,692)	$ (2,752,661)	$ (3,252,895)	$ (3,484,517)
Operating Income after tax		$ 42,201,884	$ 69,380,652	$ 79,531,683	$ 83,008,565
Add back Depreciation		$ 2,393,494	$ 1,564,628	$ 1,267,327	$ 1,027,924
Change in Working Capital		$ (700,000)	$ 49,054	$ 3,324	$ (64,283)
After-tax Operating Cash flows		$ 43,895,378	$ 70,994,334	$ 80,802,334	$ 83,972,205
Terminal Cash Flows					
Return of Working Capital					$ 1,714,658
Salvage Value (Book Value at year 5)					$ 10,262,688
Tax on Salvage Value					$ (923,642)
Total After-Tax Cash Flows	**$ (22,000,000)**	**$ 43,895,378**	**$ 70,994,334**	**$ 80,802,334**	**$ 95,025,909**
Discount Period	0	1	3	4	5
Discount Factor @ 28% (WACC)	1.00	0.77	0.46	0.36	0.27
Present Value	**$ (22,000,000)**	**$ 33,896,045**	**$ 32,689,960**	**$ 28,730,609**	**$ 26,091,148**

Net Present Value	**$ 133,620,057**

Internal Rate of Return (IRR)

Years	Cash flows	DF @ 29.5%	DF @ 39.5%	Present value
Year 0	$ (22,000,000)	1.00	1	$ (22,000,000)
Year 1	$ 43,895,378	0.77	0.72	$ 31,466,221
Year 2	$ 57,374,876	0.60	0.51	$ 29,483,114
Year 3	$ 70,994,334	0.46	0.37	$ 26,151,769
Year 4	$ 80,802,334	0.36	0.26	$ 21,336,691
Year 5	$ 95,025,909	0.27	0.19	$ 17,987,508
				$ 104,425,302

IRR	**75%**

Payback Period (PBP)

Years	Undiscounted	Discounted	
	Cash flows	Cash flows	Cumulative cash flows
Year 0	$ (22,000,000)	$ (22,000,000)	$ (22,000,000)
Year 1	$ 43,895,378	$ 33,896,045	$ 11,896,045
Year 2	$ 57,374,876	$ 34,212,296	$ 46,108,341
Year 3	$ 70,994,334	$ 32,689,960	$ 78,798,300
Year 4	$ 80,802,334	$ 28,730,609	$ 107,528,909
Year 5	$ 95,025,909	$ 26,091,148	$ 133,620,057

Payback Period	Years
Undiscounted	**0 Year and 6 month approximately**
Discounted	**0 Year and 8 month approximately**

Accounting Rate of Return (ARR)

Particulars	Amount
Initial Investment	$ 22,000,000
Average Net Income	$ 26,163,669
ARR	**119%**

WACC Calculation

Discount Rate Calculation (WACC)	%
Discount rate for Private Company	25.5%
Lack of Liquidity Discount	1.5%
Lack of Marketability Discount	2.5%
Weighted Average Cost of Capital (WACC)	**30%**

Recommendations and Conclusion

Based on the above financial indicators, we firmly believe that our business has the potential to become a highly regarded resource in local and regional markets.

We can conclude that this business has an opportunity to gain more profits in the future. This business will also be able to stand strongly and will continuously concentrate on its business strategies, especially in terms of marketing and quality control, to ensure that the business remains competitive and resilient. By focusing on these key areas, the business can improve customer satisfaction, enhance brand reputation, and drive sustainable growth. Furthermore, continuous innovation and adaptation to market trends will be crucial in maintaining its position in the industry and capitalizing on emerging opportunities.

We are confident that we can achieve our conservative financial projections, generating a gross Revenue of USD 56.37 million in year one after the opening of the Octane Booster. With the CAGR of 5.1% of industry and growth rate of cases we will able to achieve a turn over of approximately USD 101.04 million within five years.

There will be 79% increase in Revenue in five years that is from USD 56.37 million in year 1 to USD 101.04 million in year 5 due to increase in service provided per year.

According to our projected financial data, The return on investment is an average 32%, with a Project IRR of 75% and Net Present Value of USD 133,620,057

The investment in this business will be recovered in approximately 0 Year and 8 month approximately (Discounted payback period), which is a very reasonable time period for such investment.

Note 15

ROI is a key performance indicator used to measure the efficiency and profitability of an investment. It is important because it allows investors to determine the profitability of their investments, compare different investments, and make informed decisions about where to allocate their capital.

Note 16

A useful metric for evaluating a projected likelihood of success, defined as a project which increases the overall enterprise's value, is the Net Present Value (NPV).

Net present value is used to determine whether or not an investment, project, or business will be profitable down the line. Essentially, the NPV of an investment is the sum of all future cash flows over the investment's lifetime, discounted to the present value

The NPV of an investment project is the discounted value of the differences over time between monetary costs and benefits in each period of the project. For this project the investors seeking to determine whether to invest in a project or not, the NPV analysis provides a financial investment basis for determining whether to accept the decision to invest in a project or reject it.

Investors may employ a NPV analysis to evaluate an investment's potential impact on this project's financial profile, as well as on its needs for total available capital and allocation decisions related to utilization of existing capital.

Investors should seek to determine whether the additions to net cash flow generated from the proposed investment over the lifetime of the investment, will be greater than the initial start-up and ongoing expenses of the project after consideration of the enterprise's cost of capital, as well as, the probability of obtaining both a return and a return of the investment capital.

Any positive NPV would suggest that the investment in the proposed projects will add to the enterprise value of the investors investing in the project, i.e., there will be an incremental increase in the perceived value of the investing enterprise.

The NPV analysis calculates the present value, discounted at the appropriate required rate of return for an equally risky investment, of all future net economic benefits, i.e., benefits in excess of the Projected costs, including capital and operating costs, for a project. The Projected initial investment required to undertake the project is then deducted from the calculated present value of the net economic benefits to determine the net present value, which represents the additional value created by the project beyond the return on and return of investment paid to the investors.

The sum of the Discounted Net Cash Flows from the first five years of the discrete projection was then added together with the discounted capitalized value of the terminal/residual period, to calculate an estimate of the value of the total invested capital. From this amount, the total initial investment required for this project is subtracted to determine the net present value of the Project.

Note 17

Company leaders use cost of capital to gauge how much money new endeavors need to generate to offset Prepaid costs and achieve profit. They also use it to analyze the potential risk of future business decisions. Cost of capital is extremely important to investors and analysts.

Note 18

There are some benefits from using the IRR in evaluating projects. First, the IRR of a project is equal to its Projected rate of return, second if the IRR exceeds the cost of funds used to finance the project, then a surplus will remain after paying for capital and this surplus accrues to the project's investors and here the IRR will be a measure of the increase in the investors' wealth.
The ultimate goal of IRR is to identify the rate of discount, which makes the present value of the sum of annual nominal cash inflows equal to the initial net cash outlay for the investment. IRR is ideal for analyzing capital budgeting projects to understand and compare potential rates of annual return over time.
Internal Rate of Return ("IRR") is the interest rate that equates the present value of the Projected future cash flows, or receipts, to the initial cost outlay. The cash flows include, in the last year, a residual income stream based on the last year's cash flow. The IRR rate is the rate deceased to make the Net Present Value of all the cash flows zero.
Based on the projections and calculations, the project IRR (75%) is higher than the cost of equity (30%) and hence, the project is financially feasible.

Note 19

The Payback Period shows how long it takes for a business to recoup an investment. This type of analysis allows firms to compare alternative investment opportunities and decide on a project that returns its investment in the shortest time if that criteria is important to them.

Note 20

A discounted payback period gives the number of years it takes to break even from undertaking the initial expenditure, by discounting future cash flows and recognizing the time value of money. The metric is used to evaluate the feasibility and profitability of a given project.

Note 21

The accounting rate of return (ARR) is a simple formula that allows investors and managers to determine the profitability of an asset or project. Because of its ease of use and determination of profitability, it is a handy tool in making decisions. The accounting rate of return, also known as the return on investment, gives the annual accounting profits arising from an investment as a percentage of the investment made.

Note 22

The profitability index (PI) is a measure of the attractiveness of a project or investment. It is calculated by dividing the present value of future Projected cash flows by the initial investment amount in the project. The formula for Profitability Index is simple and it is calculated by dividing the present value of all the future cash flows of the project by the initial investment in the project. It can be further expanded as below, Profitability Index = (Net Present value + Initial investment) / Initial investment.

The profitability index is used for comparison and contrast when a company has several investments and projects it is considering undertaking. The PI is especially useful when a company has limited resources and can't pursue all potential projects, as it can be used to prioritize which projects to pursue first.

The profitability index rule is a decision-making exercise that helps evaluate whether to proceed with a project. The index itself is a calculation of the potential profit of the proposed project. The rule is that a profitability index or ratio greater than 1 indicates that the project should proceed.

Source

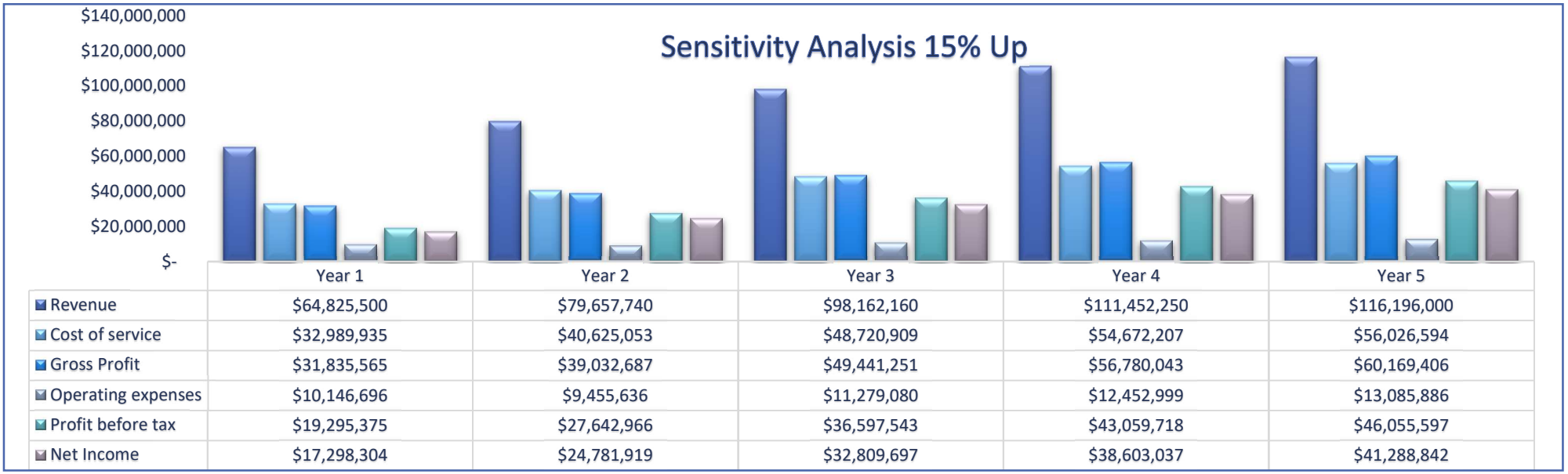
UAE equity risk premiums	https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html
UAE GDP	https://en.wikipedia.org/wiki/Economy_of_the_United_Arab_Emirates#:~:text=%24501.3%20billion%20(nominal%2C%202022%20est.)
UAE Inflation	https://www.statista.com/statistics/297779/uae-inflation-rate/
Risk free rate	https://www.centralbank.ae/en/forex-eibor/eibor-rates/
Discount rate for private Companies	https://www.cfainstitute.org/en/research/cfa-digest/2013/05/private-equity-performance-and-liquidity-risk-digest-summary

17.4. Project Sensitivity Analysis Risk Analysis

Description	Low Value (85%)	Base Value (100%)	High Value (115%)
Weighted Average Price per Product (@ 15 %)	$ 31	$ 37	$ 42
Average Variable Cost per Product	$ 4	$ 5	$ 5
Advertising & Marketing	$ 1,766,324	$ 2,078,028	$ 2,389,732
Tax rate	8%	9%	10%

Sensitivity Analysis 15% Up	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Revenue	$ 64,825,500	$ 79,657,740	$ 98,162,160	$ 111,452,250	$ 116,196,000
Cost of Revenue	$ 32,989,935	$ 40,625,053	$ 48,720,909	$ 54,672,207	$ 56,026,594
Gross Profit	$ 31,835,565	$ 39,032,687	$ 49,441,251	$ 56,780,043	$ 60,169,406
% of Revenue	49%	49%	50%	51%	52%
Operating expenses	$ 10,146,696	$ 9,455,636	$ 11,279,080	$ 12,452,999	$ 13,085,886
% of Revenue	16%	12%	11%	11%	11%
Operating Income	$ 21,688,869	$ 29,577,050	$ 38,162,171	$ 44,327,045	$ 47,083,520
Depreciation & Amortization	$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924
Finance cost	$ -	$ -	$ -	$ -	$ -
Profit Before Tax	$ 19,295,375	$ 27,642,966	$ 36,597,543	$ 43,059,718	$ 46,055,597
Provision for taxation	$ 1,997,071	$ 2,861,047	$ 3,787,846	$ 4,456,681	$ 4,766,754
Net Profit / Income	$ 17,298,304	$ 24,781,919	$ 32,809,697	$ 38,603,037	$ 41,288,842
% of Revenue	27%	31%	33%	35%	36%

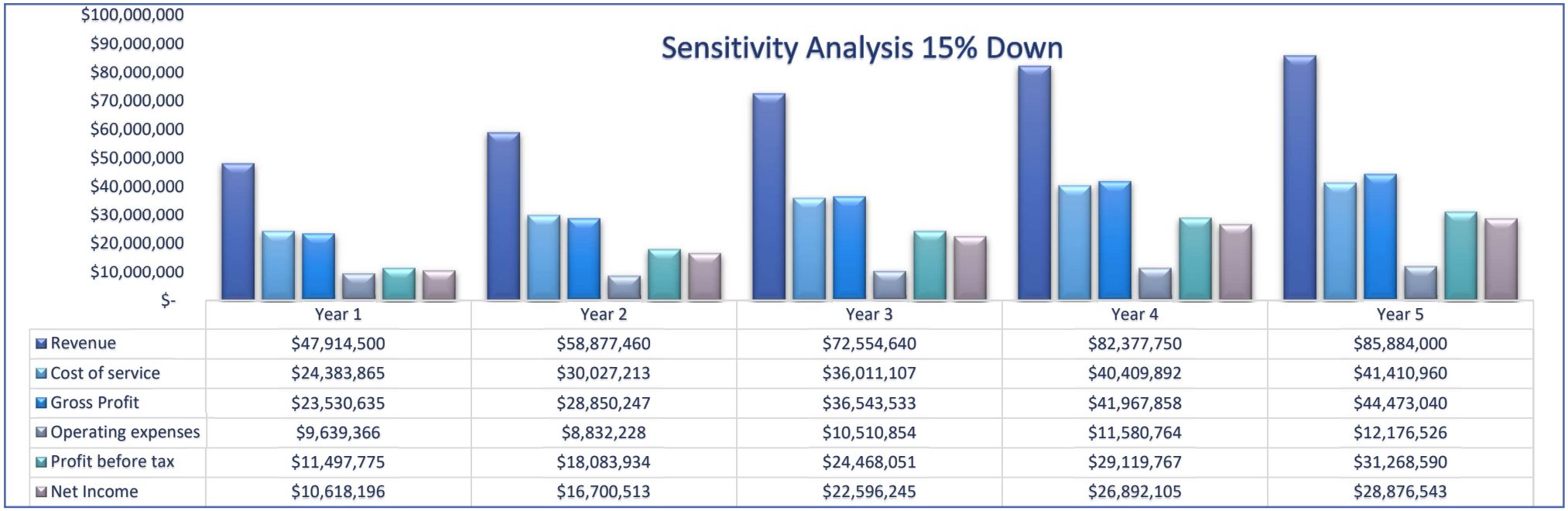
Revenue	$ 64,825,500	$ 79,657,740	$ 98,162,160	$ 111,452,250	$ 116,196,000
Cost of service	$ 32,989,935	$ 40,625,053	$ 48,720,909	$ 54,672,207	$ 56,026,594
Gross Profit	$ 31,835,565	$ 39,032,687	$ 49,441,251	$ 56,780,043	$ 60,169,406
Operating expenses	$ 10,146,696	$ 9,455,636	$ 11,279,080	$ 12,452,999	$ 13,085,886
Profit before tax	$ 19,295,375	$ 27,642,966	$ 36,597,543	$ 43,059,718	$ 46,055,597
Net Income	$ 17,298,304	$ 24,781,919	$ 32,809,697	$ 38,603,037	$ 41,288,842



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$64,825,500	$79,657,740	$98,162,160	$111,452,250	$116,196,000
Cost of service	$32,989,935	$40,625,053	$48,720,909	$54,672,207	$56,026,594
Gross Profit	$31,835,565	$39,032,687	$49,441,251	$56,780,043	$60,169,406
Operating expenses	$10,146,696	$9,455,636	$11,279,080	$12,452,999	$13,085,886
Profit before tax	$19,295,375	$27,642,966	$36,597,543	$43,059,718	$46,055,597
Net Income	$17,298,304	$24,781,919	$32,809,697	$38,603,037	$41,288,842

Sensitivity Analysis 15% Down	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	$ 47,914,500	$ 58,877,460	$ 72,554,640	$ 82,377,750	$ 85,884,000
Cost of Revenue	$ 24,383,865	$ 30,027,213	$ 36,011,107	$ 40,409,892	$ 41,410,960
Gross Profit	$ 23,530,635	$ 28,850,247	$ 36,543,533	$ 41,967,858	$ 44,473,040
% of Revenue	49%	49%	50%	51%	52%
Operating expenses	$ 9,639,366	$ 8,832,228	$ 10,510,854	$ 11,580,764	$ 12,176,526
% of Revenue	20%	15%	14%	14%	14%
Operating Income	$ 13,891,269	$ 20,018,019	$ 26,032,679	$ 30,387,094	$ 32,296,513
Depreciation & Amortization	$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924
Finance cost	$ -	$ -	$ -	$ -	$ -
Profit Before Tax	$ 11,497,775	$ 18,083,934	$ 24,468,051	$ 29,119,767	$ 31,268,590
Provision for taxation	$ 879,580	$ 1,383,421	$ 1,871,806	$ 2,227,662	$ 2,392,047
Net Profit / Income	$ 10,618,196	$ 16,700,513	$ 22,596,245	$ 26,892,105	$ 28,876,543
% of Revenue	22%	28%	31%	33%	34%

Revenue	$ 47,914,500	$ 58,877,460	$ 72,554,640	$ 82,377,750	$ 85,884,000
Cost of service	$ 24,383,865	$ 30,027,213	$ 36,011,107	$ 40,409,892	$ 41,410,960
Gross Profit	$ 23,530,635	$ 28,850,247	$ 36,543,533	$ 41,967,858	$ 44,473,040
Operating expenses	$ 9,639,366	$ 8,832,228	$ 10,510,854	$ 11,580,764	$ 12,176,526
Profit before tax	$ 11,497,775	$ 18,083,934	$ 24,468,051	$ 29,119,767	$ 31,268,590
Net Income	$ 10,618,196	$ 16,700,513	$ 22,596,245	$ 26,892,105	$ 28,876,543



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$47,914,500	$58,877,460	$72,554,640	$82,377,750	$85,884,000
Cost of service	$24,383,865	$30,027,213	$36,011,107	$40,409,892	$41,410,960
Gross Profit	$23,530,635	$28,850,247	$36,543,533	$41,967,858	$44,473,040
Operating expenses	$9,639,366	$8,832,228	$10,510,854	$11,580,764	$12,176,526
Profit before tax	$11,497,775	$18,083,934	$24,468,051	$29,119,767	$31,268,590
Net Income	$10,618,196	$16,700,513	$22,596,245	$26,892,105	$28,876,543

17.5. Project Scenario Analysis Risk Analysis 2

Description	Worst Case		Base Case		Best Case	
	%age	Amount in Year 1	%age	Amount in Year 1	%age	Amount in Year 1
Revenue	85%	$ 47,914,500	100%	$ 56,370,000	115%	$ 64,825,500
Cost of Revenue	115%	$ 32,989,935	100%	$ 28,686,900	85%	$ 24,383,865
Operating Expenses	115%	-	100%	-	85%	-
Non-Operational Staff Salaries	115%	$ 369,495	100%	$ 321,300	85%	$ 273,105
Startup Expenses	115%	$ 2,844,777	100%	$ 2,473,719	85%	$ 2,102,661
Advertising & Marketing	115%	$ 1,944,765	100%	$ 1,691,100	85%	$ 1,437,435
Utilities (DEWA)	115%	$ 311,261	100%	$ 270,662	85%	$ 230,062
Utilities (Telephone & Internet)	115%	$ 4,537,785	100%	$ 3,945,900	85%	$ 3,354,015
Product Selling and Marketing Expenses	115%	$ 57,500	100%	$ 50,000	85%	$ 42,500
Repair & Maintenance Cost - Plant & Equipment	115%	$ -	100%	$ -	85%	$ -
Amortization Employees Visa Cost	115%	$ -	100%	$ -	85%	$ -
Amortization Partner Visa Cost	115%	$ -	100%	$ -	85%	$ -
Amortization Employees Medical Insurance	115%	$ -	100%	$ -	85%	$ -
Amortization Business Insurance	115%	$ -	100%	$ -	85%	$ -
Website Maintenance Cost	115%	$ -	100%	$ -	85%	$ -
Accounting & CRM Software	115%	$ -	100%	$ -	85%	$ -
Supplies (Cleaning Material etc.)	115%	$ 4,695	100%	$ 4,083	85%	$ 3,471
Printing and Stationary	115%	$ -	100%	$ -	85%	$ -
Legal and Professional Expense	115%	$ -	100%	$ -	85%	$ -
Office Administrative Expenses	115%	$ 80,500	100%	$ 70,000	85%	$ 59,500
Miscellaneous Expenses	115%	$ 1,150,000	100%	$ 1,000,000	85%	$ 850,000
Tax rate	10%	$ -	9%	$ 1,385,692	8%	$ 2,267,388

Earning After Tax in each Scenario

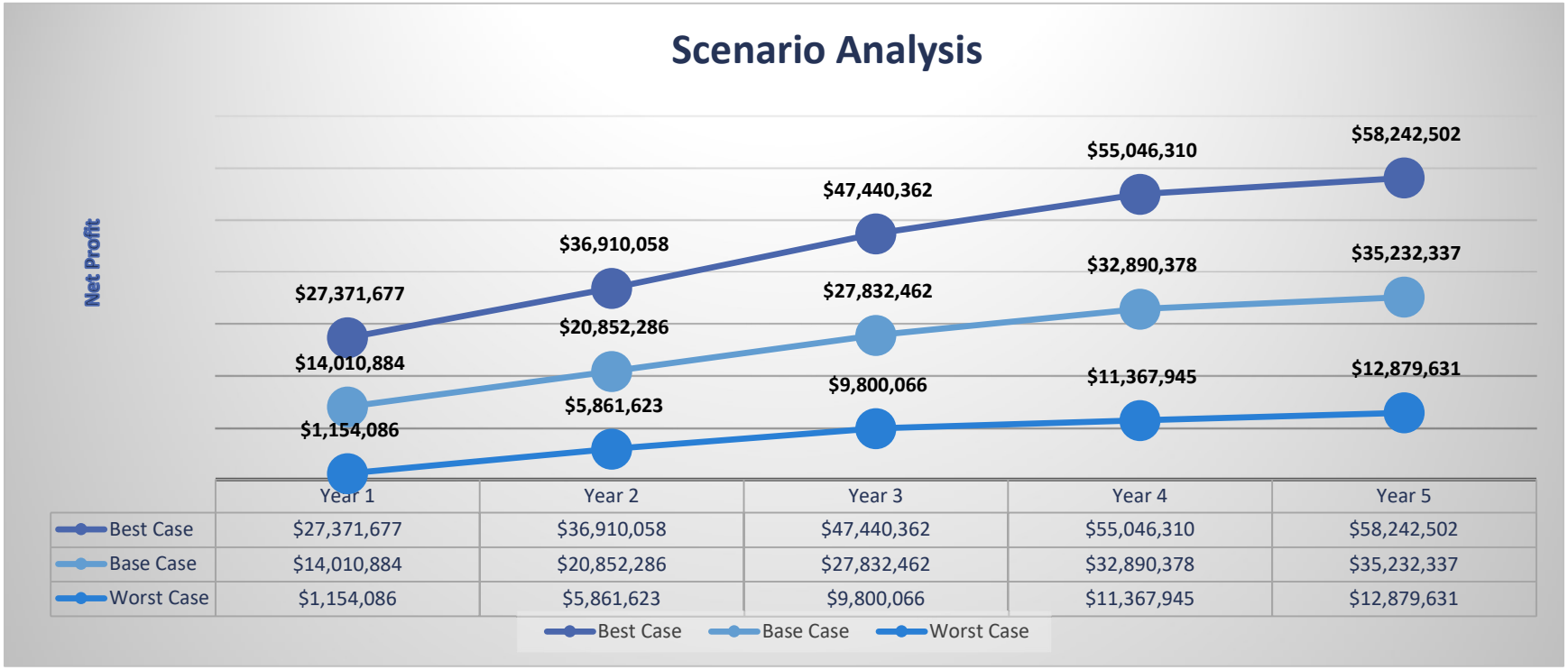
Scenario	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Best Case	$ 27,371,677	$ 36,910,058	$ 47,440,362	$ 55,046,310	$ 58,242,502
Base Case	$ 14,010,884	$ 20,852,286	$ 27,832,462	$ 32,890,378	$ 35,232,337
Worst Case	$ 1,154,086	$ 5,861,623	$ 9,800,066	$ 11,367,945	$ 12,879,631

Worst Case	Year 1	Year 2	Year 3	Year 4	Year 5

	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	$ 47,914,500	$ 58,877,460	$ 72,554,640	$ 82,377,750	$ 85,884,000
Cost of Revenue	$ (32,989,935)	$ (40,625,053)	$ (48,720,909)	$ (54,672,207)	$ (56,026,594)
Gross Profit	**$ 14,924,565**	**$ 18,252,407**	**$ 23,833,731**	**$ 27,705,543**	**$ 29,857,406**
% of Revenue	31%	31%	33%	34%	35%
Operating expenses	**$ (11,376,985)**	**$ (10,456,700)**	**$ (12,469,036)**	**$ (13,757,854)**	**$ (14,462,912)**
% of Revenue	24%	18%	17%	17%	17%
Operating Income	$ 3,547,580	$ 7,795,707	$ 11,364,694	$ 13,947,689	$ 15,394,494
Depreciation	$ (2,393,494)	$ (1,934,085)	$ (1,564,628)	$ (1,267,327)	$ (1,027,924)
Finance cost	$ -	$ -	$ -	$ -	$ -
Earning Before Tax	**$ 1,154,086**	**$ 5,861,623**	**$ 9,800,066**	**$ 12,680,362**	**$ 14,366,571**
Provision for taxation	$ -	$ -	$ -	$ (1,312,418)	$ (1,486,940)
Earning After Tax	**$ 1,154,086**	**$ 5,861,623**	**$ 9,800,066**	**$ 11,367,945**	**$ 12,879,631**
% of Revenue	2%	10%	14%	14%	15%

Base Case	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	$ 56,370,000	$ 69,267,600	$ 85,358,400	$ 96,915,000	$ 101,040,000
Cost of Revenue	$ (28,686,900)	$ (35,326,133)	$ (42,366,008)	$ (47,541,049)	$ (48,718,777)
Gross Profit	**$ 27,683,100**	**$ 33,941,467**	**$ 42,992,392**	**$ 49,373,951**	**$ 52,321,223**
% of Revenue	49%	49%	50%	51%	52%
Operating expenses	**$ (9,893,031)**	**$ (9,092,782)**	**$ (10,842,640)**	**$ (11,963,351)**	**$ (12,576,445)**
% of Revenue	18%	13%	13%	12%	12%
Operating Income	$ 17,790,069	$ 24,848,685	$ 32,149,752	$ 37,410,599	$ 39,744,778
Depreciation	$ (2,393,494)	$ (1,934,085)	$ (1,564,628)	$ (1,267,327)	$ (1,027,924)
Finance cost	$ -	$ -	$ -	$ -	$ -
Earning Before Tax	**$ 15,396,575**	**$ 22,914,600**	**$ 30,585,123**	**$ 36,143,273**	**$ 38,716,854**
Provision for taxation	$ (1,385,692)	$ (2,062,314)	$ (2,752,661)	$ (3,252,895)	$ (3,484,517)
Earning After Tax	**$ 14,010,884**	**$ 20,852,286**	**$ 27,832,462**	**$ 32,890,378**	**$ 35,232,337**
% of Revenue	25%	30%	33%	34%	35%

Best Case	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	$ 64,825,500	$ 79,657,740	$ 98,162,160	$ 111,452,250	$ 116,196,000
Cost of Revenue	$ (24,383,865)	$ (30,027,213)	$ (36,011,107)	$ (40,409,892)	$ (41,410,960)
Gross Profit	**$ 40,441,635**	**$ 49,630,527**	**$ 62,151,053**	**$ 71,042,358**	**$ 74,785,040**
% of Revenue	62%	62%	63%	64%	64%
Operating expenses	**$ (8,409,076)**	**$ (7,728,865)**	**$ (9,216,244)**	**$ (10,168,848)**	**$ (10,689,978)**
% of Revenue	13%	10%	9%	9%	9%
Operating Income	$ 32,032,559	$ 41,901,662	$ 52,934,809	$ 60,873,510	$ 64,095,061
Depreciation	$ (2,393,494)	$ (1,934,085)	$ (1,564,628)	$ (1,267,327)	$ (1,027,924)
Finance cost	$ -	$ -	$ -	$ -	$ -
Earning Before Tax	**$ 29,639,065**	**$ 39,967,577**	**$ 51,370,181**	**$ 59,606,183**	**$ 63,067,138**
Provision for taxation	$ (2,267,388)	$ (3,057,520)	$ (3,929,819)	$ (4,559,873)	$ (4,824,636)
Earning After Tax	**$ 27,371,677**	**$ 36,910,058**	**$ 47,440,362**	**$ 55,046,310**	**$ 58,242,502**
% of Revenue	42%	46%	48%	49%	50%



17.6. Projected Balance Sheet

Description	Note	Year 0 Forecast	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Assets							
Non-Current Assets							
Land Cost	7	$ 5,513,205	$ 5,513,205	$ 5,513,205	$ 5,513,205	$ 5,513,205	$ 5,513,205
Building Construction Cost		$ 1,928,940	$ 1,736,046	$ 1,562,441	$ 1,406,197	$ 1,265,578	$ 1,139,020
Machinery & Equipment	8	$ 10,873,000	$ 8,698,400	$ 6,958,720	$ 5,566,976	$ 4,453,581	$ 3,562,865
Vehicles		$ 130,000	$ 104,000	$ 83,200	$ 66,560	$ 53,248	$ 42,598
Private Vehicle		$ -	$ -	$ -	$ -	$ -	$ -
Security deposit (DEWA)		$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Major Preliminary Expenses	11	$ 2,514,719	$ 41,000	$ -	$ -	$ -	$ -
Total Non-Current Assets		**$ 20,964,864**	**$ 16,097,651**	**$ 14,122,566**	**$ 12,557,938**	**$ 11,290,611**	**$ 10,262,688**
Current Assets							
Inventory		$ 700,000	$ 1,050,000	$ 1,130,000	$ 1,210,000	$ 1,300,000	$ 1,400,000
Trade Receivables		$ -	$ 281,850	$ 346,338	$ 426,792	$ 484,575	$ 505,200
Cash and cash equivalents		$ 321,136	$ 20,703,264	$ 44,239,641	$ 74,376,133	$ 109,037,395	$ 145,464,995
Total Current Assets		**$ 1,021,136**	**$ 22,035,114**	**$ 45,715,979**	**$ 76,012,925**	**$ 110,821,970**	**$ 147,370,195**
Total Assets		**$ 21,986,000**	**$ 38,132,765**	**$ 59,838,545**	**$ 88,570,863**	**$ 122,112,581**	**$ 157,632,883**
Liabilities							
Current Liability							
Income tax payable	9	$ -	$ 1,385,692	$ 2,062,314	$ 2,752,661	$ 3,252,895	$ 3,484,517
Trade Payable		$ -	$ 394,590	$ 484,873	$ 597,509	$ 678,405	$ 707,280
Accrued liabilities		$ -	$ 355,600	$ 442,189	$ 539,061	$ 609,272	$ 636,738
Zakat Deduction		$ -	$ -	$ -	$ -	$ -	$ -
Total Current Liabilities		**$ -**	**$ 2,135,882**	**$ 2,989,376**	**$ 3,889,231**	**$ 4,540,571**	**$ 4,828,535**
Non Current Liability							

Bank Loan		$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities		**$ -**	**$ 2,135,882**	**$ 2,989,376**	**$ 3,889,231**	**$ 4,540,571**	**$ 4,828,535**
Equity							
Capital	**10**	$ 22,000,000	$ 22,000,000	$ 22,000,000	$ 22,000,000	$ 22,000,000	$ 22,000,000
Accumulated profits		$ -	$ 14,010,884	$ 34,863,170	$ 62,695,632	$ 95,586,010	$ 130,818,347
Total Equity		**$ 22,000,000**	**$ 36,010,884**	**$ 56,863,170**	**$ 84,695,632**	**$ 117,586,010**	**$ 152,818,347**
Total Liabilities and Equity		**$ 22,000,000**	**$ 38,146,765**	**$ 59,852,545**	**$ 88,584,863**	**$ 122,126,581**	**$ 157,646,883**
		(14,000)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)

Note 7 Octane Booster Owner will purchase land and building for this project.

Note 8 Machiery and equipment include professional tools, and storage units, all designed to promote a conducive working environment.

Note 9 It include tax expense at each year end.

Note 10 The project is financed through owner equity of amounting to USD 22,000,000

Note 11: Major Preliminary Expenses Break-up:

Description	Note	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Startup Salaries for 3 Months		$ 272,400	$ -	$ -	$ -	$ -	$ -
Utilities (DEWA) for 3 Months		$ 369,538	$ -	$ -	$ -	$ -	$ -
Utilities (Telephone & Internet) for 3 Months		$ 21,000	$ -	$ -	$ -	$ -	$ -
Pre-operating Costs		$ 1,340,000	$ -	$ -	$ -	$ -	$ -
Business Stationery		$ 1,089	$ -	$ -	$ -	$ -	$ -
Prepaid Employees Visa Cost		$ 82,000	$ 41,000	$ -	$ -	$ -	$ -
Prepaid Employees Medical Insurance		$ 25,068	$ -	$ -	$ -	$ -	$ -
Supplies (Cleaning Material etc.)		$ 1,361	$ -	$ -	$ -	$ -	$ -
Prepaid Plant & Machinery Insurance		$ 21,781	$ -	$ -	$ -	$ -	$ -
Startup Branding & Marketing Cost		$ 220,000	$ -	$ -	$ -	$ -	$ -

Accounting & CRM Software		$ 3,675	$ -	$ -	$ -	$ -	$ -
Website Development Costs		$ 6,806	$ -	$ -	$ -	$ -	$ -
Professional Consultancy Service Fee		$ 50,000	$ -	$ -	$ -	$ -	$ -
Legal and Company Setup Expense		$ 100,000	$ -	$ -	$ -	$ -	$ -
Total		**$ 2,514,719**	**$ 41,000**	**$ -**	**$ -**	**$ -**	**$ -**

17.7. Projected Income Statement

Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast	TOTAL
Revenue	Appendix 1	$ 56,370,000	$ 69,267,600	$ 85,358,400	$ 96,915,000	$ 101,040,000	**$ 408,951,000**
Less: Cost of Revenue	Appendix 2	$ (28,686,900)	$ (35,326,133)	$ (42,366,008)	$ (47,541,049)	$ (48,718,777)	**$ (202,638,868)**
Gross Profit		**$ 27,683,100**	**$ 33,941,467**	**$ 42,992,392**	**$ 49,373,951**	**$ 52,321,223**	**$ 206,312,132**
Gross Margin %		*49%*	*49%*	*50%*	*51%*	*52%*	*50%*
Less: Operating expenses							
Non-Operational Staff Salaries	Appendix 3	$ 321,300	$ 457,531	$ 493,643	$ 527,211	$ 568,061	**$ 2,367,747**
Startup Expenses		$ 2,473,719	$ 41,000	$ -	$ -	$ -	**$ 2,514,719**
Advertising & Marketing		$ 1,691,100	$ 2,078,028	$ 2,560,752	$ 2,907,450	$ 3,031,200	**$ 12,268,530**
Utilities (DEWA)		$ 270,662	$ 369,182	$ 377,674	$ 386,360	$ 395,246	**$ 1,799,124**
Utilities (Telephone & Internet)		$ 63,000	$ 85,932	$ 87,908	$ 89,930	$ 91,999	**$ 418,769**
Product Selling and Marketing Expenses		$ 3,945,900	$ 4,848,732	$ 5,975,088	$ 6,784,050	$ 7,072,800	**$ 28,626,570**
Repair & Maintenance Cost - Plant & Equipment		$ 50,000	$ 51,150	$ 52,326	$ 53,530	$ 54,761	**$ 261,768**
Amortization Employees Visa Cost		$ -	$ -	$ 92,576	$ -	$ 103,871	**$ 196,447**
Amortization Partner Visa Cost		$ -	$ -	$ 14,952	$ -	$ 15,969	**$ 30,921**
Amortization Employees Medical Insurance		$ -	$ 25,645	$ 26,235	$ 26,838	$ 27,455	**$ 106,172**
Amortization Business Insurance		$ -	$ 22,282	$ 22,794	$ 23,318	$ 23,855	**$ 92,248**
Website Maintenance Cost		$ -	$ 5,115	$ 5,233	$ 5,353	$ 5,476	**$ 21,177**

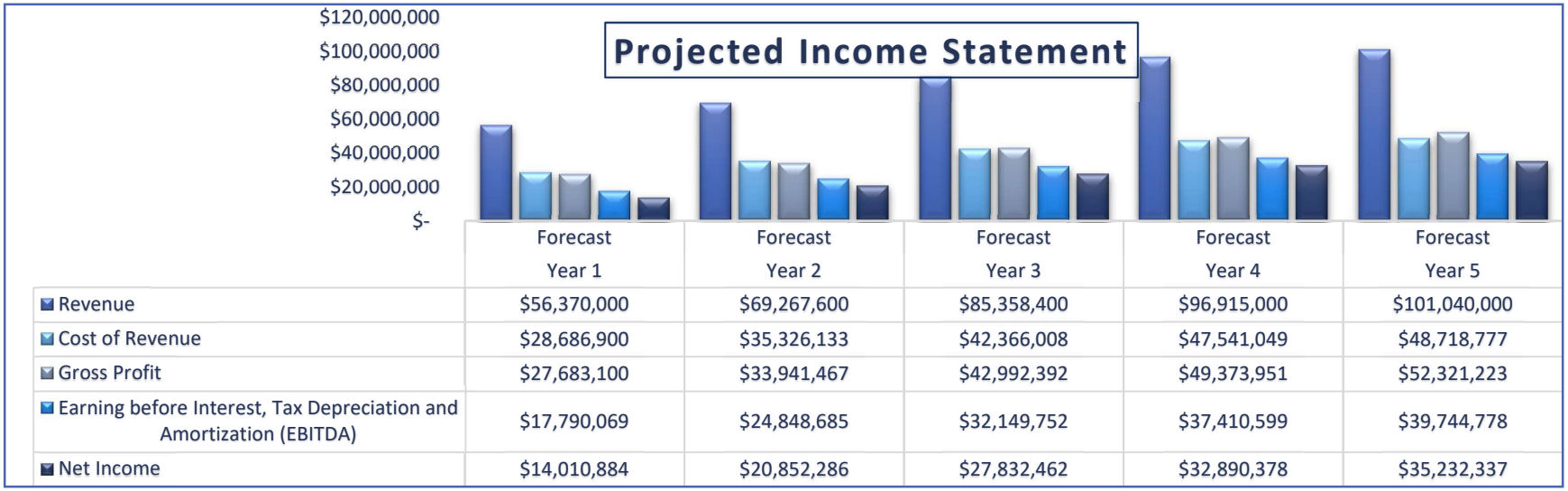
Accounting & CRM Software		$	-	$	3,760	$	3,846	$	3,935	$	4,025	**$**	**15,567**
Supplies (Cleaning Material etc.)		$	4,083	$	5,569	$	5,697	$	5,828	$	5,962	**$**	**27,140**
Printing and Stationary		$	3,267	$	4,456	$	4,559	$	4,664	$	4,771	**$**	**21,716**
Office Administrative Expenses		$	70,000	$	71,400	$	72,828	$	74,285	$	75,770	**$**	**364,283**
Miscellaneous Expenses		$	1,000,000	$	1,023,000	$	1,046,529	$	1,070,599	$	1,095,223	**$**	**5,235,351**
Total Operating expenses	12	**$**	**(9,893,031)**	**$**	**(9,092,782)**	**$**	**(10,842,640)**	**$**	**(11,963,351)**	**$**	**(12,576,445)**	**$**	**(54,368,250)**
EBITDA		**$**	**17,790,069**	**$**	**24,848,685**	**$**	**32,149,752**	**$**	**37,410,599**	**$**	**39,744,778**	**$**	**151,943,883**
Depreciation & Amortization		$	(2,393,494)	$	(1,934,085)	$	(1,564,628)	$	(1,267,327)	$	(1,027,924)	**$**	**(8,187,457)**
Operating Income (EBIT)		**$**	**15,396,575**	**$**	**22,914,600**	**$**	**30,585,123**	**$**	**36,143,273**	**$**	**38,716,854**	**$**	**143,756,426**
Less: Finance cost		$	-	$	-	$	-	$	-	$	-	$	-
Earning Before Tax (EBT)		**$**	**15,396,575**	**$**	**22,914,600**	**$**	**30,585,123**	**$**	**36,143,273**	**$**	**38,716,854**	**$**	**143,756,426**
Provision for taxation 9%	13	$	(1,385,692)	$	(2,062,314)	$	(2,752,661)	$	(3,252,895)	$	(3,484,517)	$	(12,938,078)
Net Income(NI)		**$**	**14,010,884**	**$**	**20,852,286**	**$**	**27,832,462**	**$**	**32,890,378**	**$**	**35,232,337**	**$**	**130,818,347**

Short Financial Summary

Description	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast	TOTAL
Revenue	$ 56,370,000	$ 69,267,600	$ 85,358,400	$ 96,915,000	$ 101,040,000	**$ 408,951,000**
Cost of Revenue	$ 28,686,900	$ 35,326,133	$ 42,366,008	$ 47,541,049	$ 48,718,777	**$ 202,638,868**
Gross Profit	$ 27,683,100	$ 33,941,467	$ 42,992,392	$ 49,373,951	$ 52,321,223	**$ 206,312,132**
Operating expenses	$ 9,893,031	$ 9,092,782	$ 10,842,640	$ 11,963,351	$ 12,576,445	**$ 54,368,250**
Earning before Interest, Tax Depreciation and Amortization (EBITDA)	$ 17,790,069	$ 24,848,685	$ 32,149,752	$ 37,410,599	$ 39,744,778	**$ 151,943,883**
Earning before Interest and Tax (EBIT)	$ 15,396,575	$ 22,914,600	$ 30,585,123	$ 36,143,273	$ 38,716,854	**$ 143,756,426**
Net Income	$ 14,010,884	$ 20,852,286	$ 27,832,462	$ 32,890,378	$ 35,232,337	**$ 130,818,347**

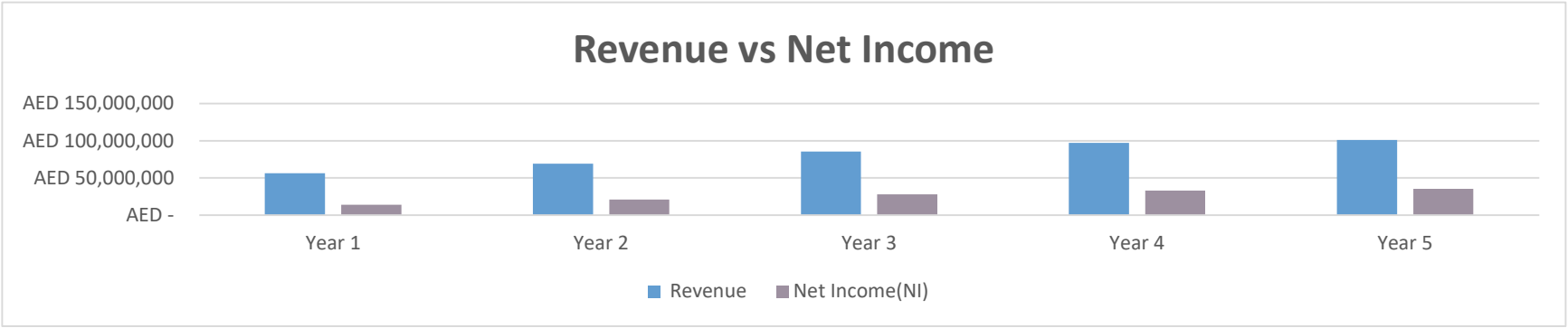
Note 12 It includes all General, Administration and Marketing expenses. These expenses are projected as per the growth rate mentioned in Key Assumptions.

Note 13 The 9% Tax in UAE, A 9% threshold for taxable profits up to and including AED 375,000. which is incorporated in the Financials.



Projected Income Statement

	Forecast Year 1	Forecast Year 2	Forecast Year 3	Forecast Year 4	Forecast Year 5
Revenue	$56,370,000	$69,267,600	$85,358,400	$96,915,000	$101,040,000
Cost of Revenue	$28,686,900	$35,326,133	$42,366,008	$47,541,049	$48,718,777
Gross Profit	$27,683,100	$33,941,467	$42,992,392	$49,373,951	$52,321,223
Earning before Interest, Tax Depreciation and Amortization (EBITDA)	$17,790,069	$24,848,685	$32,149,752	$37,410,599	$39,744,778
Net Income	$14,010,884	$20,852,286	$27,832,462	$32,890,378	$35,232,337



Sources

Tax provision

https://kpmg.com/sa/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html#:~:text=In%20general%2C%20the%20corporation%20tax,public%20and%20private%20limited%20companies.

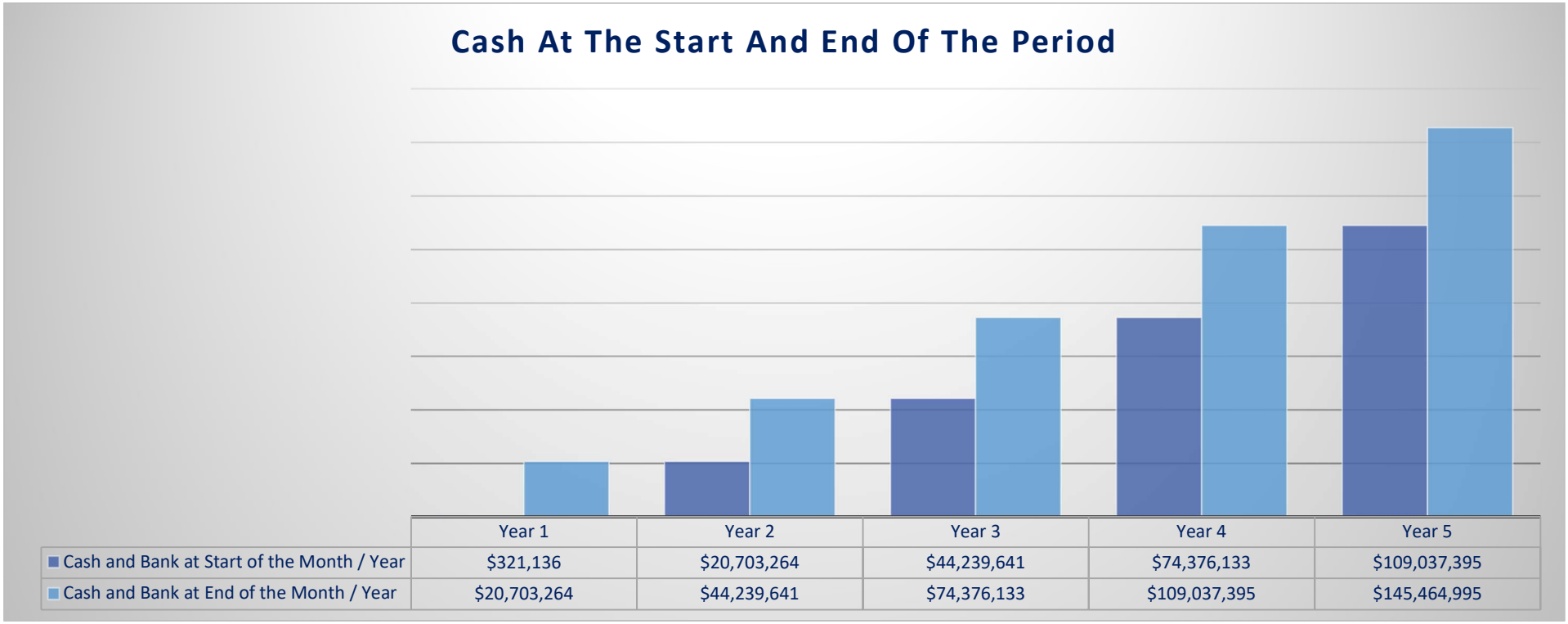
17.8. Projected Cash Flows Statement

Description	Note	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Flow from Operating Activities							
Loss / Profit Before Tax		**$ -**	$ 15,396,575	$ 22,914,600	$ 30,585,123	$ 36,143,273	$ 38,716,854
Adjustment for:							
Depreciation/Amortization		$ -	$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924
Finance cost		$ -	$ -	$ -	$ -	$ -	$ -
Operating (loss)/ gain before working capital changes		**$ -**	**$ 17,790,069**	**$ 24,848,685**	**$ 32,149,752**	**$ 37,410,599**	**$ 39,744,778**
Change in Current Assets		$ (700,000)	$ (631,850)	$ (144,488)	$ (160,454)	$ (147,783)	$ (120,625)
Change in Current Liabilities		$ -	$ 750,190	$ 176,872	$ 209,508	$ 151,107	$ 56,342
Cash used / generated in operations		**$ (700,000)**	**$ 17,908,409**	**$ 24,881,068**	**$ 32,198,806**	**$ 37,413,923**	**$ 39,680,494**
Finance cost paid		$ -	$ -	$ -	$ -	$ -	$ -
Tax paid		$ -	$ -	$ (1,385,692)	$ (2,062,314)	$ (2,752,661)	$ (3,252,895)
Zakat Expense		$ -	$ -	$ -	$ -	$ -	$ -
Net Cash (Outflows)/ Inflows for Operating Activities		**$ (700,000)**	**$ 17,908,409**	**$ 23,495,377**	**$ 30,136,492**	**$ 34,661,262**	**$ 36,427,600**
Cash Flow from Investing Activities	14						
Land Cost		$ (5,513,205)	$ -	$ -	$ -	$ -	$ -
Building Construction Cost		$ (1,928,940)	$ -	$ -	$ -	$ -	$ -
Machinery & Equipment		$ (10,873,000)	$ -	$ -	$ -	$ -	$ -
Vehicles		$ (130,000)	$ -	$ -	$ -	$ -	$ -
Security deposit (DEWA)		$ (5,000)	$ -	$ -	$ -	$ -	$ -
Major Preliminary Expenses		$ (2,528,719)	$ 2,473,719	$ 41,000	$ -	$ -	$ -
Net Cash (Outflows)/Inflows from Investing Activities		**$ (20,978,864)**	**$ 2,473,719**	**$ 41,000**	**$ -**	**$ -**	**$ -**
Cash Flow from Financing Activities							
Proceed from Equity	15	$ 22,000,000	$ -	$ -	$ -	$ -	$ -
Proceeds from borrowings		$ -	$ -	$ -	$ -	$ -	$ -
Repayment of Borrowing		$ -	$ -	$ -	$ -	$ -	$ -

Net Cash Inflows from Financial Activities		**$ 22,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Increase in Cash Flows during the Month / Year		$ 321,136	$ 20,382,128	$ 23,536,377	$ 30,136,492	$ 34,661,262	$ 36,427,600
Cash and Bank at Start of the Month / Year		$ -	$ 321,136	$ 20,703,264	$ 44,239,641	$ 74,376,133	$ 109,037,395
Cash and Bank at End of the Month / Year		**$ 321,136**	**$ 20,703,264**	**$ 44,239,641**	**$ 74,376,133**	**$ 109,037,395**	**$ 145,464,995**

Note 14 The company purchased Fixed Asset amounting to USD 18.315 Million at startup.

Note 15 The project is financed through owner equity of amounting to USD 22,000,000



17.9. Project Financial Analysis

Projected Income Statement	Notes	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Revenue		$ 56,370,000	$ 69,267,600	$ 85,358,400	$ 96,915,000	$ 101,040,000
Less: Cost of Revenue		$ 28,686,900	$ 35,326,133	$ 42,366,008	$ 47,541,049	$ 48,718,777
Gross Profit		**$ 27,683,100**	**$ 33,941,467**	**$ 42,992,392**	**$ 49,373,951**	**$ 52,321,223**
Less: Operating Expenses		$ 9,893,031	$ 9,092,782	$ 10,842,640	$ 11,963,351	$ 12,576,445
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)		**$ 17,790,069**	**$ 24,848,685**	**$ 32,149,752**	**$ 37,410,599**	**$ 39,744,778**
Less: Depreciation & Amortization		$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924
Earning Before Interest and Tax (EBIT)		**$ 15,396,575**	**$ 22,914,600**	**$ 30,585,123**	**$ 36,143,273**	**$ 38,716,854**
Less: Finance Cost (Bank charges)		$ -	$ -	$ -	$ -	$ -
Earning Before Tax (EBT)		**$ 15,396,575**	**$ 22,914,600**	**$ 30,585,123**	**$ 36,143,273**	**$ 38,716,854**
Less: Corporate Tax		$ 1,385,692	$ 2,062,314	$ 2,752,661	$ 3,252,895	$ 3,484,517
Net Income (NI)		**$ 14,010,884**	**$ 20,852,286**	**$ 27,832,462**	**$ 32,890,378**	**$ 35,232,337**

Description		Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Profitability Ratios	**Result**						
Gross Profit Margin	% age	> 30%	49%	49%	50%	51%	52%
Operating Expenses ratio	% age	10% - 15%	18%	13%	13%	12%	12%
Operating Income or Operating Profit Margin	% age	> 10%	32%	36%	38%	39%	39%
Net Income or Net Profit Margin	% age	> 5%	25%	30%	33%	34%	35%
Return on Assets (ROA)	Times	> 0.2	0.9	1.5	2.2	2.9	3.4
Return on Investment (ROI)	% age	> 0.2	64%	95%	127%	150%	160%
Return on equity (ROE)	% age	> 0.2	39%	37%	33%	28%	23%
Return on Capital Employed (ROCE)	% age	> 0.2	70%	64%	54%	43%	33%
Return on Invested Capital	% age	> 0.2	64%	95%	127%	150%	160%
EBITDA Margin	% age	>10%	32%	36%	38%	39%	39%
EBIT Margin	% age	>10%	27%	33%	36%	37%	38%
Corporate Tax Ratio	% age	< 5%	2%	3%	3%	3%	3%

Projected Balance Sheet	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Non-Current Assets	$ 16,097,651	$ 14,122,566	$ 12,557,938	$ 11,290,611	$ 10,262,688
Current Assets	$ 22,035,114	$ 45,715,979	$ 76,012,925	$ 110,821,970	$ 147,370,195
Total Assets	**$ 38,132,765**	**$ 59,838,545**	**$ 88,570,863**	**$ 122,112,581**	**$ 157,632,883**
Non-Current Liabilities	$ -	$ -	$ -	$ -	$ -
Current Liabilities	$ 2,135,882	$ 2,989,376	$ 3,889,231	$ 4,540,571	$ 4,828,535
Total Equity	$ 36,010,884	$ 56,863,170	$ 84,695,632	$ 117,586,010	$ 152,818,347
Total Equity and Liabilities	**$ 38,146,765**	**$ 59,852,545**	**$ 88,584,863**	**$ 122,126,581**	**$ 157,646,883**

Description		Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Efficiency Ratios							
Fixed Assets Turnover	Times	> 1	3.5	4.9	6.8	8.6	9.8
Total Asset Turnover	Times	> 1	1.5	1.2	1.0	0.8	0.6
Inventory Turnover	Times	N/A	N/A	N/A	N/A	N/A	N/A
Accounts Receivable Turnover	Times	N/A	N/A	N/A	N/A	N/A	N/A
Accounts Payable Turnover	Times	N/A	N/A	N/A	N/A	N/A	N/A
Liquidity Ratios							
Current Ratio	Times	> 1	10.3	15.3	19.5	24.4	30.5
Quick Ratio / Acid Test Ratio	Times	> 1	10.3	15.3	19.5	24.4	30.5
Working Capital Ratio	Times	> 1	10.3	15.3	19.5	24.4	30.5
Cash Ratio	Times	> 1	9.7	9.7	14.8	19.1	24.0
Cash return on Assets	Times		0.5	0.4	0.3	0.3	0.2
Operating Cash Flow Ratio	Times	> 1	#DIV/0!	11.0	10.1	8.9	8.0

Solvency Ratios							
Debt to Equity ratio	Times	> 1	#DIV/0!	0	0	0	0
Total Assets to Debt ratio	% age	> 1	N/A	N/A	N/A	N/A	N/A
Debt to Asset Ratio	% age	> 1	N/A	N/A	N/A	N/A	N/A
Financial Leverage Ratio	Times	> 1	N/A	N/A	N/A	N/A	N/A
Fixed Charge Ratio	Times		N/A	N/A	N/A	N/A	N/A
Interest Coverage Ratio	Times	> 1	N/A	N/A	N/A	N/A	N/A

Financial Ratios List

1 Current ratio = Current assets ÷ Current liabilities
2 Quick ratio = (Cash + Short-term marketable investments + Receivables) ÷ Current liabilities
3 Cash ratio = (Cash + Short-term marketable investments) ÷ Current liabilities
4 Defensive interval ratio = (Cash + Short-term marketable investments + Receivables) ÷ Daily cash expenditures
5 **Receivables turnover ratio = Total Revenue ÷ Average receivables**
6 **Days of Revenue outstanding (DSO) = Number of days in period ÷ Receivables turnover ratio**
7 Inventory turnover ratio = Cost of goods sold ÷ Average inventory
8 Days of inventory on hand (DOH) = Number of days in period ÷ Inventory turnover ratio
9 Payables turnover ratio = Purchases ÷ Average trade payables
10 Number of days of payables = Number of days in period ÷ Payables turnover ratio
11 Cash conversion cycle (net operating cycle) = DOH + DSO – Number of days of payables
12 **Working capital turnover ratio = Total Revenue ÷ Average working capital**
13 **Fixed asset turnover ratio = Total Revenue ÷ Average net fixed assets**
14 **Total asset turnover ratio = Total Revenue ÷ Average total assets**
15 **Gross profit margin = Gross profit ÷ Total Revenue**
    1. Gross Profit (GP) = Revenues /Revenue - Cost of Revenue (COGS)
    2. Operating Expenses = Selling , General & Administrative expenses (Operating Expenses)
    3. Non -Operating Expenses = Depreciation & Amortization
16 **Operating profit margin = Operating profit ÷ Total Revenue**
    1. Operating Income = Gross Profit - Selling , General & Administrative expenses (Operating expenses) - Depreciation & Amortization (Non - Operati
    2. Operating Income or Operating Profit = Gross Profit - Operating Expenses - Depreciation & Amortization (Non-operating expenses)
    3. Operating Profit or (EBIT) or Earning Before Interest & Tax or Operating Income = Revenue/ Revenue - Cost of Revenue - Operating Expenses - Non
17 **Pretax margin = Earnings before tax but after interest ÷ Total Revenue**
    1. Earning before Tax (EBT) = Operating Income or Operating Profit (EBIT) - Interest on loan
    2. Earning Before Interest & Tax (EBIT) = Revenue / Revenue - Cost of Revenue (COGS) - Operating Expenses - Non Operating expenses
    3. Earning Before Interest & Tax (EBIT) = Net Income + Interest + Taxes
    4. Earning Before Interest & Tax (EBIT) or Operating Profit
18 **Net profit margin = Net income ÷ Total Revenue**
    1. Net Profit or Net Income = Earning Before Tax (EBT) - Tax on profit
19 Operating return on assets = Operating income ÷ Average total assets
20 Return on assets = Net income ÷ Average total assets

21 Return on equity = Net income ÷ Average shareholders' equity
22 Return on total capital = Earnings before interest and taxes ÷ (Interest bearing debt + Shareholders' equity)
23 Return on common equity = (Net income – Preferred dividends) ÷ Average common shareholders' equity
24 Tax burden = Net income ÷ Earnings before taxes
25 Interest burden = Earnings before taxes ÷ Earnings before interest and taxes
26 **EBIT margin = Earnings before interest and taxes ÷ Total Revenue**
27 Financial leverage ratio (equity multiplier) = Average total assets ÷ Average shareholders' equity
28 Total debt = The total of interest-bearing short-term and long-term debt, excluding liabilities such as accrued expenses and accounts payable
29 Debt-to-assets ratio = Total debt ÷ Total assets
30 Debt-to-equity ratio = Total debt ÷ Total shareholders' equity
31 Debt-to-capital ratio = Total debt ÷ (Total debt + Total shareholders' equity)
32 Interest coverage ratio = Earnings before interest and taxes ÷ Interest payments
33 Fixed charge coverage ratio = (Earnings before interest and taxes + Lease payments) ÷ (Interest payments + Lease payments)
34 Dividend payout ratio = Common share dividends ÷ Net income attributable to common shares
35 Retention rate = (Net income attributable to common shares – Common share dividends) ÷ Net income attributable to common shares = 1 – Payout ratio
36 Sustainable growth rate = Retention rate × Return on equity
37 Earnings per share = (Net income – Preferred dividends) ÷ Weighted average number of ordinary shares outstanding
38 Book value per share = Common stockholders' equity ÷ Total number of common shares outstanding
39 Free cash flow to equity (FCFE) = Cash flow from operating activities – Investment in fixed capital + Net borrowing
40 Free cash flow to the firm (FCFF) = Cash flow from operating activities + Interest expense × (1 – Tax rate) – Investment in fixed capital
(Interest expense should be added back only if it was subtracted in determining cash flow from operating activities.

This may not be the case for companies electing an alternative treatment under IFRS.)

41. Capital Employed = Total Assets - Current Liabilities

42. ROA(Return on Assets) is usually expressed as a percentage. A higher ROA means the company has more earnings per dollar invested in assets.

The average value varies from industry to industry, but generally, any number lower than 10% is considered bad.

43. ROE -What is a good return on equity(ROE)? While average ratios, as well as those considered "good" and "bad",

can vary substantially from sector to sector, a return on equity ratio of 15% to 20% is usually considered good.

44. Return on Investment

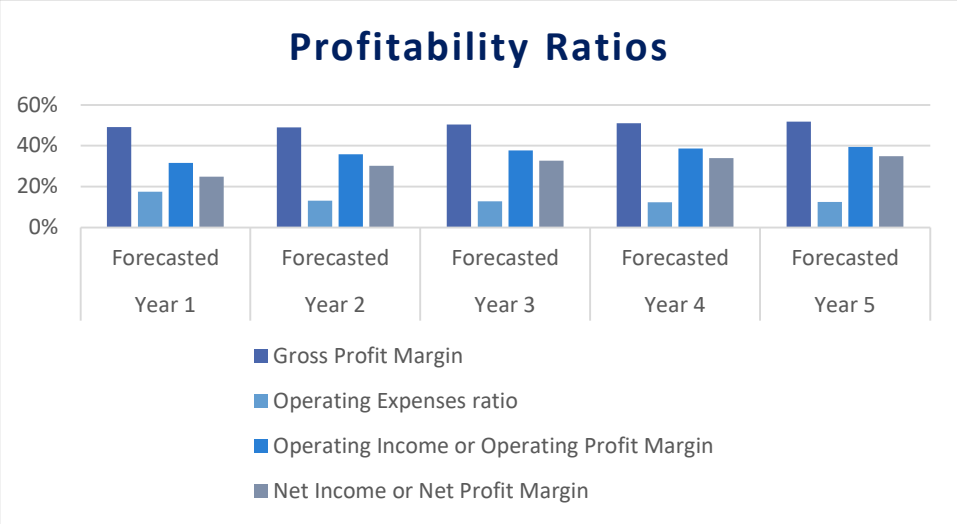
Return on investment (ROI) is calculated by dividing the profit earned on an investment by the cost of that investment or Original Investment or

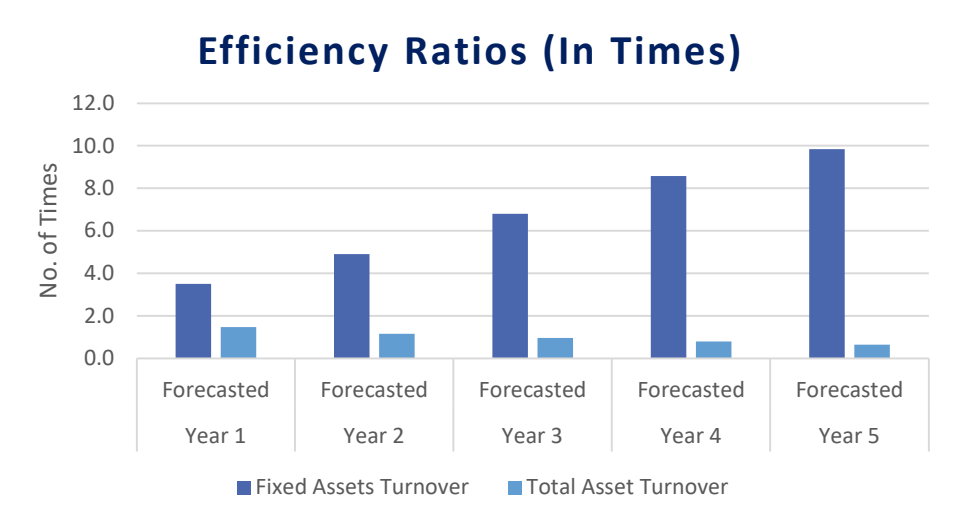
Initial Investment .

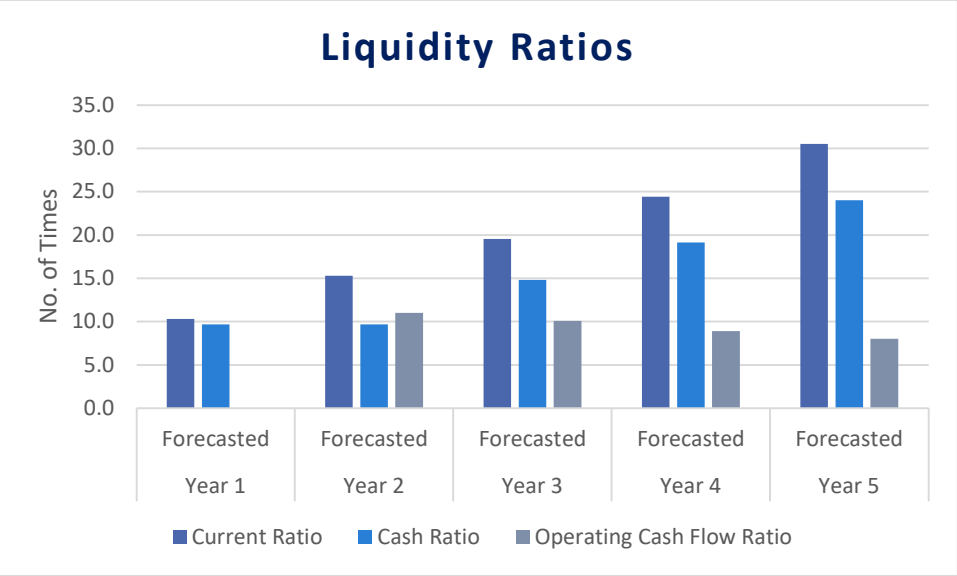
For instance, an investment with a profit of $100 and a cost of $100 would have an ROI of 1, or 100% when expressed as a percentage.

Profitability ratios assess a company's ability to earn profits from its Revenue or operations, balance sheet assets, or shareholders' equity.

They indicate how efficiently a company generates profit and value for shareholders. Profitability ratios include margin ratios and return ratios.







17.10. Project - Breakeven Analysis

Projected Summary Sheet of Breakeven Analysis

Multiproduct Breakeven	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Fixed Cost	$ 3,290,919	$ 1,217,393	$ 1,274,088	$ 1,373,425	$ 1,471,818
Weighted Average Selling Price	$ 36.76	$ 37.57	$ 38.51	$ 38.29	$ 38.67
Weighted Average Variable Cost	$ 4.63	$ 4.69	$ 4.69	$ 4.54	$ 4.61
Weighted Average Multiproduct Contribution Margin	$ 32.14	$ 32.88	$ 33.83	$ 33.75	$ 34.06
Weighted Average Multiproduct Contribution Margin Ratio (CM Ratio)	0.87	0.88	0.88	0.88	0.88
Breakeven Point in Multiproduct (Revenue (No. of Litters))	**162,302 Litters**	**58,558 Litters**	**59,446 Litters**	**65,114 Litters**	**69,462 Litters**
Weighted Average Breakeven Point in Multiproduct Revenue (in USD)	**AED 3,765,001**	**AED 1,391,007**	**AED 1,450,595**	**AED 1,558,151**	**AED 1,671,062**

Yearly Breakeven Analysis in Amount (USD)	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
	----------Per Year----------				
Octane Booster	$ 1,212,254	$ 449,306	$ 467,204	$ 545,268	$ 605,313
Nano Fuel Additive	$ 2,552,747	$ 941,700	$ 983,392	$ 1,012,882	$ 1,065,749
Total Yearly Break-even Revenue	**$ 3,765,001**	**$ 1,391,007**	**$ 1,450,595**	**$ 1,558,151**	**$ 1,671,062**

Yearly Breakeven Analysis in Revenue (No. of Litters)	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecasted Breakeven	Forecasted Breakeven	Forecasted Breakeven	Forecasted Breakeven	Forecasted Breakeven
	----------Yearly Revenue (No. of Litters)----------				
Octane Booster	110,205 Litters	39,762 Litters	40,276 Litters	45,821 Litters	49,616 Litters
Nano Fuel Additive	52,097 Litters	18,796 Litters	19,169 Litters	19,293 Litters	19,846 Litters
Total	**162,302 Litters**	**58,558 Litters**	**59,446 Litters**	**65,114 Litters**	**69,462 Litters**

Monthly Breakeven Analysis in Amount (USD)	Year 1-Monthly Forecasted	Year 2-Monthly Forecasted	Year 3-Monthly Forecasted	Year 4-Monthly Forecasted	Year 5-Monthly Forecasted
	----------Per month----------				
Octane Booster	$ 101,021	$ 37,442	$ 38,934	$ 45,439	$ 50,443
Nano Fuel Additive	$ 212,729	$ 78,475	$ 81,949	$ 84,407	$ 88,812
Total Monthly Break-even Revenue	**$ 313,750**	**$ 115,917**	**$ 120,883**	**$ 129,846**	**$ 139,255**

Monthly Breakeven Analysis in Revenue (No. of Litters)	Year 1-Monthly Forecasted	Year 2-Monthly Forecasted	Year 3-Monthly Forecasted	Year 4-Monthly Forecasted	Year 5-Monthly Forecasted
	----------Monthly Revenue (No. of Litters) ----------				
Octane Booster	9,184 Litters	3,313 Litters	3,356 Litters	3,818 Litters	4,135 Litters
Nano Fuel Additive	4,341 Litters	1,566 Litters	1,597 Litters	1,608 Litters	1,654 Litters
Total Monthly Break-even quantity	**13,525 Litters**	**4,880 Litters**	**4,954 Litters**	**5,426 Litters**	**5,789 Litters**
Normal Projected Yearly Revenue (USD)	**Year 1 Forecasted**	**Year 2 Forecasted**	**Year 3 Forecasted**	**Year 4 Forecasted**	**Year 5 Forecasted**
	----------Per Year----------				
Octane Booster	$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000
Nano Fuel Additive	$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000
Total	**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**

Normal Projected Yearly (No. of Litters)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Yearly Revenue (No. of Litters) ----------				
Octane Booster	1,650,000 Litters	1,980,000 Litters	2,370,000 Litters	2,850,000 Litters	3,000,000 Litters
Nano Fuel Additive	780,000 Litters	936,000 Litters	1,128,000 Litters	1,200,000 Litters	1,200,000 Litters
Total	**2,430,000 Litters**	**2,916,000 Litters**	**3,498,000 Litters**	**4,050,000 Litters**	**4,200,000 Litters**

Projected Monthly Revenue (USD)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
	----------Per month----------				
Octane Booster	$ 1,512,500	$ 1,864,500	$ 2,291,000	$ 2,826,250	$ 3,050,000
Nano Fuel Additive	$ 3,185,000	$ 3,907,800	$ 4,822,200	$ 5,250,000	$ 5,370,000
Total	**$ 4,697,500**	**$ 5,772,300**	**$ 7,113,200**	**$ 8,076,250**	**$ 8,420,000**

Projected Monthly Revenue (No. of Litters)	Year 1-Monthly Forecasted	Year 2-Monthly Forecasted	Year 3-Monthly Forecasted	Year 4-Monthly Forecasted	Year 5-Monthly Forecasted
	----------Monthly Revenue (No. of Litters) ----------				
Octane Booster	137,500 Litters	165,000 Litters	197,500 Litters	237,500 Litters	250,000 Litters
Nano Fuel Additive	65,000 Litters	78,000 Litters	94,000 Litters	100,000 Litters	100,000 Litters
Total	**202,500 Litters**	**243,000 Litters**	**291,500 Litters**	**337,500 Litters**	**350,000 Litters**

Projected Fee Value will charge on Monthly Basis	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Octane Booster	$ 11	$ 11	$ 12	$ 12	$ 12
Nano Fuel Additive	$ 49	$ 50	$ 51	$ 53	$ 54
Total	**$ 60**	**$ 61**	**$ 63**	**$ 64**	**$ 66**

Variable Cost Per Revenue (No. of Litters)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Octane Booster	$ 1.39	$ 1.41	$ 1.41	$ 1.41	$ 1.45
Nano Fuel Additive	$ 6.17	$ 6.25	$ 6.24	$ 6.22	$ 6.40
Total	**$ 7.56**	**$ 7.66**	**$ 7.65**	**$ 7.63**	**$ 7.86**

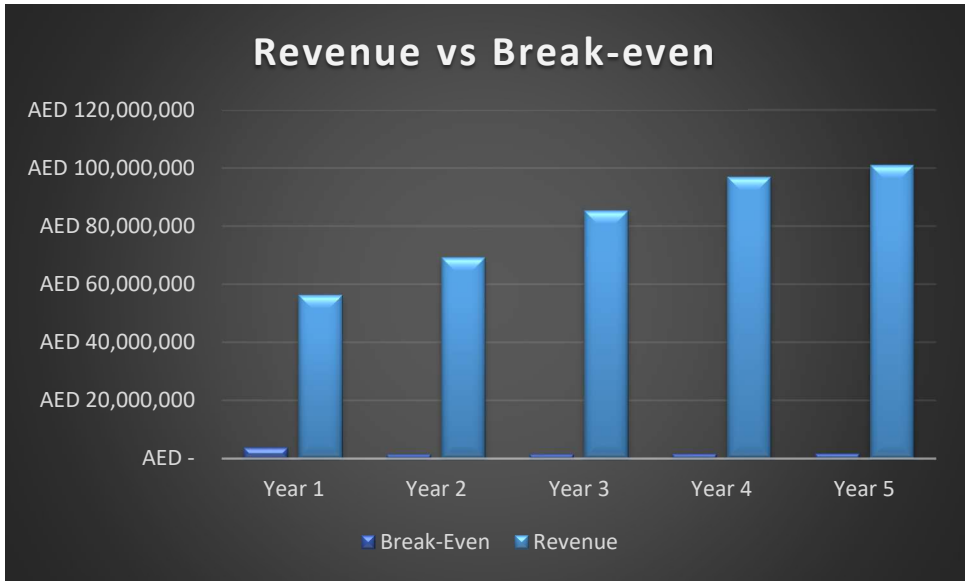
Contribution Margin	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Octane Booster	$ 10	$ 10	$ 10	$ 10	$ 11
Nano Fuel Additive	$ 43	$ 44	$ 45	$ 46	$ 47
Total	**$ 52**	**$ 54**	**$ 55**	**$ 57**	**$ 58**

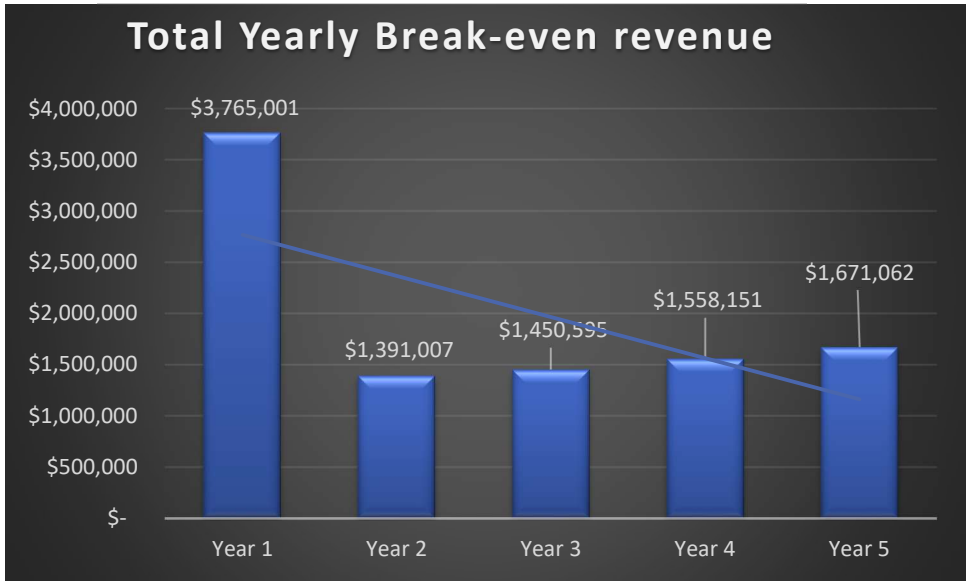
Projected Yearly Revenue (No. of Litters) in % age	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Octane Booster	32%	32%	32%	35%	36%
Nano Fuel Additive	68%	68%	68%	65%	64%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Weighted Average Contribution Margin by Applying the %age	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Octane Booster	$ 3	$ 3	$ 3	$ 4	$ 4
Nano Fuel Additive	$ 29	$ 30	$ 31	$ 30	$ 30
Total	**$ 32**	**$ 33**	**$ 34**	**$ 34**	**$ 34**

Variable Operating Expenses (V.C)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Advertising & Marketing	$ 1,691,100	$ 2,078,028	$ 2,560,752	$ 2,907,450	$ 3,031,200
Utilities (DEWA)	$ 270,662	$ 369,182	$ 377,674	$ 386,360	$ 395,246
Utilities (Telephone & Internet)	$ 63,000	$ 85,932	$ 87,908	$ 89,930	$ 91,999
Product Selling and Marketing Expenses	$ 3,945,900	$ 4,848,732	$ 5,975,088	$ 6,784,050	$ 7,072,800
Repair & Maintenance Cost - Plant & Equipment	$ 50,000	$ 51,150	$ 52,326	$ 53,530	$ 54,761
Amortization Employees Visa Cost	$ -	$ -	$ 92,576	$ -	$ 103,871
Amortization Employees Medical Insurance	$ -	$ 25,645	$ 26,235	$ 26,838	$ 27,455
Amortization Business Insurance	$ -	$ 22,282	$ 22,794	$ 23,318	$ 23,855
Website Maintenance Cost	$ -	$ 5,115	$ 5,233	$ 5,353	$ 5,476
Accounting & CRM Software	$ -	$ 3,760	$ 3,846	$ 3,935	$ 4,025
Supplies (Cleaning Material etc.)	$ 4,083	$ 5,569	$ 5,697	$ 5,828	$ 5,962
Printing and Stationary	$ 3,267	$ 4,456	$ 4,559	$ 4,664	$ 4,771
Legal and Professional Expense	$ -	$ 51,150	$ 52,326	$ 53,530	$ 54,761
Office Administrative Expenses	$ 70,000	$ 71,400	$ 72,828	$ 74,285	$ 75,770
Miscellaneous Expenses	$ 1,000,000	$ 1,023,000	$ 1,046,529	$ 1,070,599	$ 1,095,223
Total Variable Operating Expenses (V.C)	**$ 7,098,012**	**$ 8,645,401**	**$ 10,386,372**	**$ 11,489,670**	**$ 12,047,176**

Fixed Expenses (F.C)	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Startup Expenses	$ 2,473,719	$ 41,000	$ -	$ -	$ -
Factory Staff Salaries	$ 495,900	$ 718,862	$ 780,444	$ 846,214	$ 903,757
Non-Operational Staff Salaries	$ 321,300	$ 457,531	$ 493,643	$ 527,211	$ 568,061
Total Fixed Expenses (F.C)	**$ 3,290,919**	**$ 1,217,393**	**$ 1,274,088**	**$ 1,373,425**	**$ 1,471,818**


Revenue vs Break-even
AED 120,000,000
AED 100,000,000
AED 80,000,000
AED 60,000,000
AED 40,000,000
AED 20,000,000
AED -
Year 1
Year 2
Year 3
Year 4
Year 5
Break-Even
Revenue


Total Yearly Break-even revenue
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
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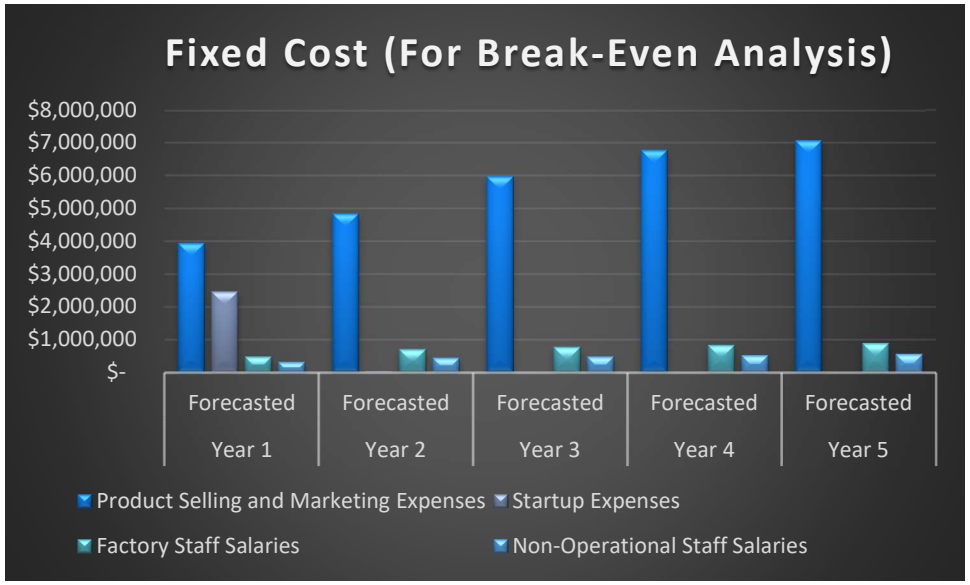
$1,671,062
Year 1
Year 2
Year 3
Year 4
Year 5


Fixed Cost (For Break-Even Analysis)
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
Forecasted Year 1
Forecasted Year 2
Forecasted Year 3
Forecasted Year 4
Forecasted Year 5
Product Selling and Marketing Expenses
Startup Expenses
Factory Staff Salaries
Non-Operational Staff Salaries

17.11. Projected Revenue Appendix 1

Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Octane Booster	16	$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000
Nano Fuel Additive		$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000
Total Revenue		**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**

Note 16

Projected Total Revenue Increase on a Year by Year Basis

Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Octane Booster		$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000
Nano Fuel Additive		$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000
Gross Revenue		**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**

Projected Quantity Sale Increase Year on Year Basis

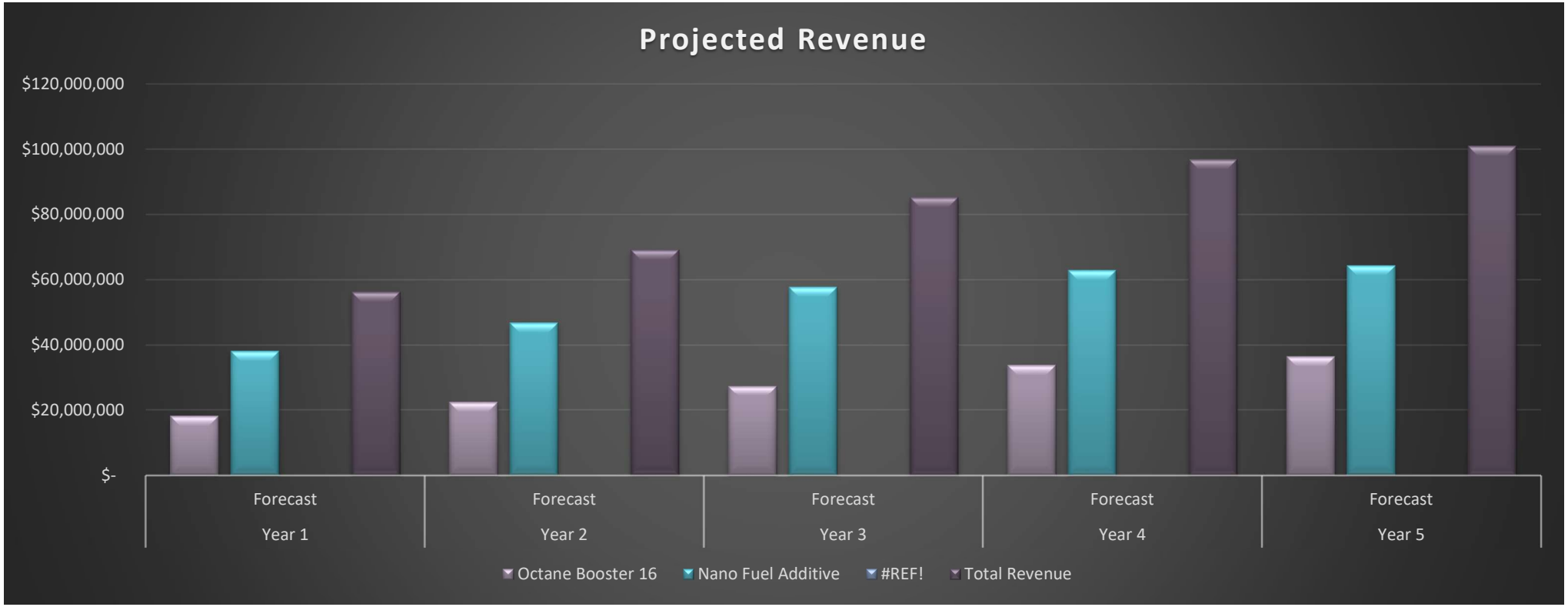
Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Octane Booster		1,650,000 Litters	1,980,000 Litters	2,370,000 Litters	2,850,000 Litters	3,000,000 Litters
Nano Fuel Additive		780,000 Litters	936,000 Litters	1,128,000 Litters	1,200,000 Litters	1,200,000 Litters
Grand Total		**2,430,000 Litters**	**2,916,000 Litters**	**3,498,000 Litters**	**4,050,000 Litters**	**4,200,000 Litters**

Projected Price Increase on a Year by Year Basis

Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Octane Booster		$ 11.00	$ 11.30	$ 11.60	$ 11.90	$ 12.20
Nano Fuel Additive		$ 49.00	$ 50.10	$ 51.30	$ 52.50	$ 53.70

Projected 1st Year Revenue - Assumptions

Description	Note	Production Capacity	Production Capacity Utilization	Production	Price Per Litter	Total Monthly Revenue
Octane Booster		3.0 Million Litter	55%	1,650,000 Litters	$ 11.00	$ 18,150,000.00
Nano Fuel Additive		1.2 Million Litter	65%	780,000 Litters	$ 49.00	$ 38,220,000.00
Grand Total		**4.2 Million Litter**		**2,430,000 Litters**		**$ 56,370,000.00**



17.12. Projected Cost of Revenue Appendix 2

Projected Cost of Revenue by Year	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Direct Material Cost & Operational Cost	18	$ 28,191,000	$ 34,607,272	$ 41,585,564	$ 46,694,835	$ 47,815,020
Factory Staff Salaries	17	$ 495,900	$ 718,862	$ 780,444	$ 846,214	$ 903,757
Total Cost of Revenue		**$ 28,686,900**	**$ 35,326,133**	**$ 42,366,008**	**$ 47,541,049**	**$ 48,718,777**

Note 17

Direct Operational Cost on a Year by Year Basis

Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Direct Material Cost						
Octane Booster		$ 10,560,000	$ 12,963,456	$ 15,516,864	$ 18,659,520	$ 19,641,600
Nano Fuel Additive		$ 14,040,000	$ 17,235,504	$ 20,770,992	$ 22,096,800	$ 22,096,800
Total Direct Material Cost		**$ 24,600,000**	**$ 30,198,960**	**$ 36,287,856**	**$ 40,756,320**	**$ 41,738,400**
Other Operational Expenses (License etc.)						
Octane Booster		$ 1,485,000	$ 1,822,986	$ 2,182,059	$ 2,623,995	$ 2,762,100
Nano Fuel Additive		$ 2,106,000	$ 2,585,326	$ 3,115,649	$ 3,314,520	$ 3,314,520
Total Other Operational Expenses		**$ 3,591,000**	**$ 4,408,312**	**$ 5,297,708**	**$ 5,938,515**	**$ 6,076,620**
Total Direct Material and Direct Operational Cost		**$ 28,191,000**	**$ 34,607,272**	**$ 41,585,564**	**$ 46,694,835**	**$ 47,815,020**

Note 18

Direct Attributable Staff Salaries Detail as per following

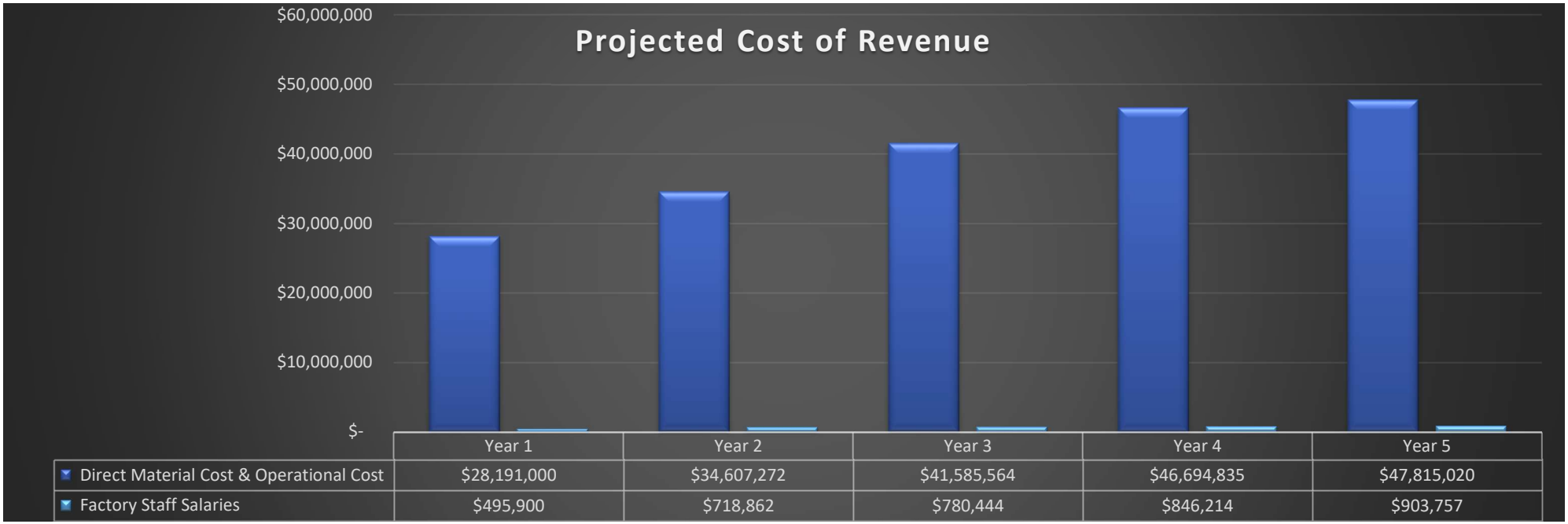
Description	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Factory Staff / Operational Staff					
Production Manager	$ 54,000	$ 79,896	$ 88,329	$ 97,335	$ 103,954
Department Supervisor	$ 67,500	$ 98,620	$ 107,826	$ 117,658	$ 125,659
Equipment Technician	$ 122,400	$ 175,998	$ 189,665	$ 204,263	$ 218,153
Quality Control (QC) Officer	$ 90,000	$ 130,660	$ 142,045	$ 154,204	$ 164,690
Equipment Operator	$ 135,000	$ 193,740	$ 208,414	$ 224,086	$ 239,324
Warehouse Staff	$ 27,000	$ 39,948	$ 44,164	$ 48,668	$ 51,977
Total Factory Staff Salaries	**$ 495,900**	**$ 718,862**	**$ 780,444**	**$ 846,214**	**$ 903,757**

18.1 Headcount Table Year Wise

Description	Projected Number of Total Employees					Avg. Monthly salary per employee
	Year 1	Year 2	Year 3	Year 4	Year 5	
Factory Staff / Operational Staff						
Production Manager	2	3	4	5	5	$ 3,000
Department Supervisor	3	4	5	6	6	$ 2,500
Equipment Technician	8	9	10	11	11	$ 1,700
Quality Control (QC) Officer	4	5	6	7	7	$ 2,500
Equipment Operator	10	11	12	13	13	$ 1,500
Warehouse Staff	2	3	4	5	5	$ 1,500
Total Factory Staff Salaries	**29**	**35**	**41**	**47**	**47**	

18.2 Calculation of Total Staff Yearly Salaries

Description	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Factory Staff / Operational Staff					
Production Manager	$ 54,000	$ 79,896	$ 88,329	$ 97,335	$ 103,954
Department Supervisor	$ 67,500	$ 98,620	$ 107,826	$ 117,658	$ 125,659
Equipment Technician	$ 122,400	$ 175,998	$ 189,665	$ 204,263	$ 218,153
Quality Control (QC) Officer	$ 90,000	$ 130,660	$ 142,045	$ 154,204	$ 164,690
Equipment Operator	$ 135,000	$ 193,740	$ 208,414	$ 224,086	$ 239,324
Warehouse Staff	$ 27,000	$ 39,948	$ 44,164	$ 48,668	$ 51,977
Total Factory Staff Salaries	**$ 495,900**	**$ 718,862**	**$ 780,444**	**$ 846,214**	**$ 903,757**



	Year 1	Year 2	Year 3	Year 4	Year 5
Direct Material Cost & Operational Cost	$28,191,000	$34,607,272	$41,585,564	$46,694,835	$47,815,020
Factory Staff Salaries	$495,900	$718,862	$780,444	$846,214	$903,757

17.13. Projected Operating Expenses Appendix 3

Projected Operating Expense	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Non-Operational Staff Salaries	**20**	$ 321,300	$ 457,531	$ 493,643	$ 527,211	$ 568,061
Startup Expenses	**21**	$ 2,473,719	$ 41,000	$ -	$ -	$ -
Advertising & Marketing	**22**	$ 1,691,100	$ 2,078,028	$ 2,560,752	$ 2,907,450	$ 3,031,200
Utilities (DEWA)	**23**	$ 270,662	$ 369,182	$ 377,674	$ 386,360	$ 395,246
Utilities (Telephone & Internet)	**23**	$ 63,000	$ 85,932	$ 87,908	$ 89,930	$ 91,999
Product Selling and Marketing Expenses		$ 3,945,900	$ 4,848,732	$ 5,975,088	$ 6,784,050	$ 7,072,800
Repair & Maintenance Cost - Plant & Equipment		$ 50,000	$ 51,150	$ 52,326	$ 53,530	$ 54,761
Amortization Employees Visa Cost		$ -	$ -	$ 92,576	$ -	$ 103,871
Amortization Partner Visa Cost		$ -	$ -	$ 14,952		$ 15,969
Amortization Employees Medical Insurance		$ -	$ 25,645	$ 26,235	$ 26,838	$ 27,455
Amortization Business Insurance		$ -	$ 22,282	$ 22,794	$ 23,318	$ 23,855
Website Maintenance Cost		$ -	$ 5,115	$ 5,233	$ 5,353	$ 5,476
Accounting & CRM Software		$ -	$ 3,760	$ 3,846	$ 3,935	$ 4,025
Supplies (Cleaning Material etc.)		$ 4,083	$ 5,569	$ 5,697	$ 5,828	$ 5,962
Printing and Stationary		$ 3,267	$ 4,456	$ 4,559	$ 4,664	$ 4,771
Legal and Professional Expense		$ -	$ 51,150	$ 52,326	$ 53,530	$ 54,761
Office Administrative Expenses		$ 70,000	$ 71,400	$ 72,828	$ 74,285	$ 75,770
Miscellaneous Expenses		$ 1,000,000	$ 1,023,000	$ 1,046,529	$ 1,070,599	$ 1,095,223
Total		**$ 9,893,031**	**$ 9,143,932**	**$ 10,894,967**	**$ 12,016,881**	**$ 12,631,206**

Note 20

Operational staff include the salaries of the Accountant, Sale & Marketing Staff, Cleaning Staff, and Security Staff. These costs are calculated in the table below based on the number of employees. These costs are calculated in the table below based on the number of employees.

Headcount Table Year Wise

Description	Projected Number of Total Employees					Avg. Monthly salary per employee
	Year 1	Year 2	Year 3	Year 4	Year 5	
Indirect Staff / Non-Operational Staff						
Managing Director	1	1	2	2	3	$ 5,000
Finance Manager / Accountant	2	2	2	2	2	$ 2,000
Marketing and Sales Staff	5	5	5	5	5	$ 4,500
Driver	1	1	1	1	1	$ 1,400
Security Staff	1	1	1	1	1	$ 1,400
Cleaning & Janitorial Staff	1	1	1	1	1	$ 1,400
Total Non-Operational Staff Salaries	**11**	**11**	**12**	**12**	**13**	

Calculation of Total Staff Yearly Salaries

Description	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Indirect Staff / Non-Operational Staff					
Managing Director	$ 60,000	$ 64,080	$ 73,437	$ 78,431	$ 88,765
Finance Manager / Accountant	$ 48,000	$ 51,264	$ 54,750	$ 58,473	$ 62,449
Marketing and Sales Staff	$ 270,000	$ 288,360	$ 307,968	$ 328,910	$ 351,276
Driver	$ 16,800	$ 17,942	$ 19,162	$ 20,466	$ 21,857
Security Staff	$ 16,800	$ 17,942	$ 19,162	$ 20,466	$ 21,857
Cleaning & Janitorial Staff	$ 16,800	$ 17,942	$ 19,162	$ 20,466	$ 21,857
Total Non-Operational Staff	**$ 428,400**	**$ 457,531**	**$ 493,643**	**$ 527,211**	**$ 568,061**

Note 21

Startup Expenses Amortization Break-up

Description	Total Amount	Amount to be Amortized for 1 Month	Monthly Amortization Amount First 3 Months	Monthly Amortization Amount after 3 Months	Total Useful Tenure
Startup Salaries for 3 Months	$ 272,400	$ 90,800	$ 90,800	$ -	3 Months
Factory Staff Salaries	$ 165,300	$ 55,100	$ 55,100	$ -	3 Months

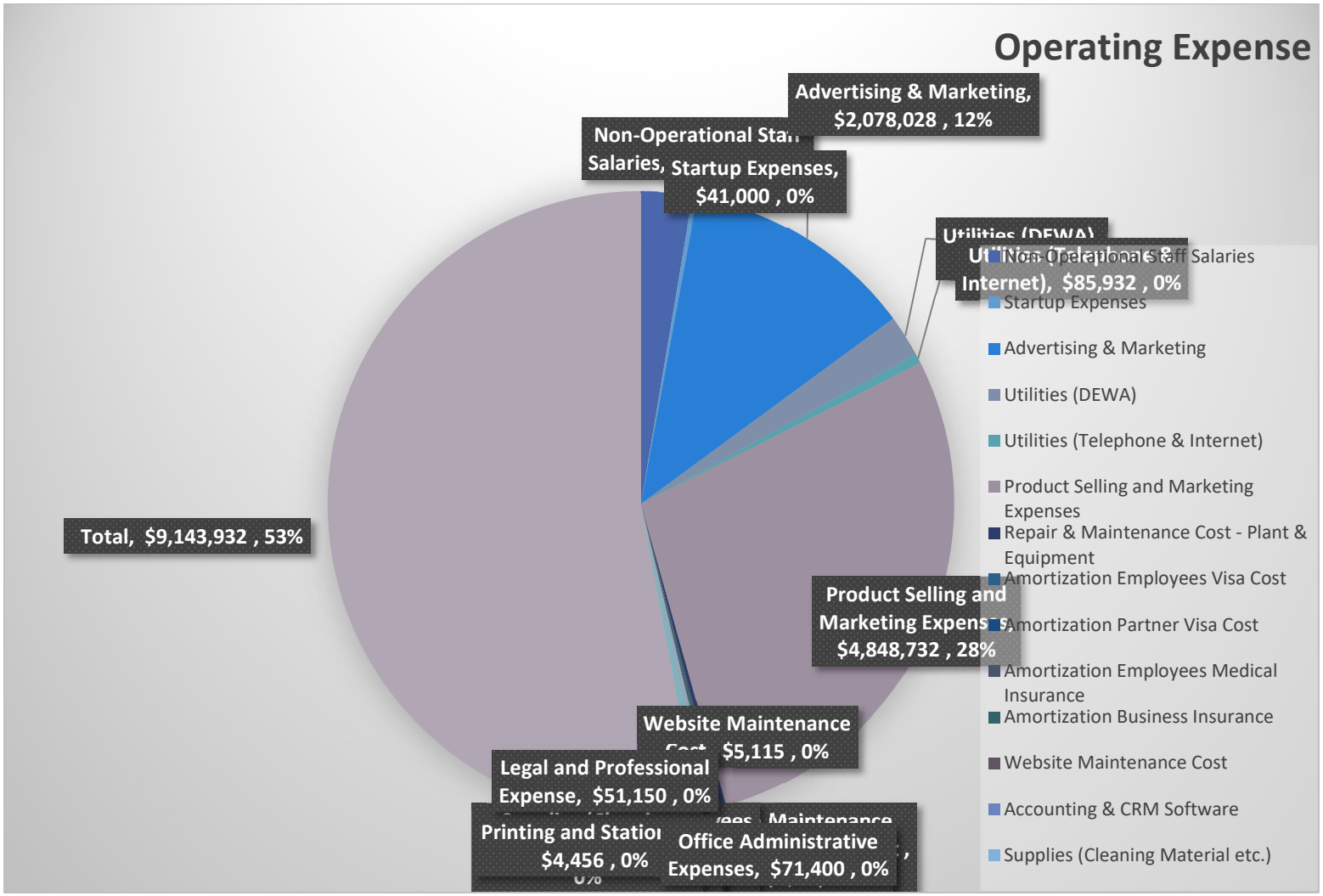
Non-Operational Staff Salaries	$ 107,100	$ 35,700	$ 35,700	$ -	3 Months
Utilities (DEWA) for 3 Months	$ 369,538	$ 123,179	$ 123,179	$ -	3 Months
Utilities (Telephone & Internet) for 3 Months	$ 21,000	$ 7,000	$ 7,000	$ -	3 Months
Pre-operating Costs	$ 1,340,000	$ 111,667	$ 111,667	$ 111,667	1 Year
Business Stationery	$ 1,089	$ 1,089	$ -	$ -	1 Year
Prepaid Employees Visa Cost	$ 82,000	$ 3,417	$ 3,417	$ 3,417	2 Year
Prepaid Partner Visa Cost	$ 14,000	$ 583	$ 583	$ 583	2 Year
Prepaid Employees Medical Insurance	$ 25,068	$ 2,089	$ 2,089	$ 2,089	1 Year
Supplies (Cleaning Material etc.)	$ 1,361	$ 454	$ 454	$ -	3 Months
Prepaid Plant & Machinery Insurance	$ 21,781	$ 1,815	$ 1,815	$ 1,815	1 Year
Startup Branding & Marketing Cost	$ 220,000	$ 18,333	$ 18,333	$ 18,333	1 Year
Accounting & CRM Software	$ 3,675	$ 306	$ 306	$ 306	1 Year
Website Development Costs	$ 6,806	$ 567	$ 567	$ 567	1 Year
Professional Consultancy Service Fee	$ 50,000	$ 4,167	$ 4,167	$ 4,167	1 Year
Legal and Company Setup Expense	$ 100,000	$ 8,333	$ 8,333	$ 8,333	1 Year
Total Start-up Expenses	**$ 2,528,719**	**$ 464,600**	**$ 463,511**	**$ 151,278**	

Note 23

Utilities include the expenses of Energy, Telephone & Internet. It is calculated in the table below.

Calculation of Total Yearly Utilities

Average Utilities	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Electricity	$ 365,599	$ 374,008	$ 382,610	$ 391,410	$ 400,412
Water	$ 661,084	$ 676,289	$ 691,844	$ 707,756	$ 724,035
Gas	$ 416,553	$ 426,134	$ 435,935	$ 445,962	$ 456,219
Fuel	$ 34,917	$ 35,720	$ 36,542	$ 37,382	$ 38,242
Telephone	$ 60,000	$ 61,380	$ 62,792	$ 64,236	$ 65,713
Internet	$ 24,000	$ 24,552	$ 25,117	$ 25,694	$ 26,285
Total	**$ 1,562,153**	**$ 1,598,083**	**$ 1,634,839**	**$ 1,672,440**	**$ 1,710,906**


Operating Expense
Advertising & Marketing, $2,078,028 , 12%
Startup Expenses, $41,000 , 0%
Utilities (DEWA)
Internet), $85,932 , 0%
Total, $9,143,932 , 53%
Product Selling and Marketing Expens
$4,848,732 , 28%
Website Maintenance
$5,115 , 0%
Legal and Professional Expense, $51,150 , 0%
Printing and Statio
$4,456 , 0%
Office Administrative Expenses, $71,400 , 0%
Non-Operational Staff Salaries
Startup Expenses
Advertising & Marketing
Utilities (DEWA)
Utilities (Telephone & Internet)
Product Selling and Marketing Expenses
Repair & Maintenance Cost - Plant & Equipment
Amortization Employees Visa Cost
Amortization Partner Visa Cost
Amortization Employees Medical Insurance
Amortization Business Insurance
Website Maintenance Cost
Accounting & CRM Software
Supplies (Cleaning Material etc.)

17.14. Fixed Asset Schedule Appendix 4

Description	Land Cost	Building Construction Cost	Machinery & Equipment	Vehicles	Private Vehicle	Total
Opening	-	$ -	$ -	$ -	$ -	$ -
Addition	AED 5,513,205	$ 1,928,940	$ 10,873,000	$ 130,000	$ -	$ 18,445,145
Amortization / Depreciation	AED -	$ (192,894)	$ (2,174,600)	$ (26,000)	$ -	$ (2,393,494)
Net Book Value as at Year 1	**AED 5,513,205**	**$ 1,736,046**	**$ 8,698,400**	**$ 104,000**	**$ -**	**$ 16,051,651**
Addition	AED -	$ -	$ -	$ -	$ -	$ -
Amortization / Depreciation	AED -	$ (173,605)	$ (1,739,680)	$ (20,800)	$ -	$ (1,934,085)
Net Book Value as at Year 2	**AED 5,513,205**	**$ 1,562,441**	**$ 6,958,720**	**$ 83,200**	**$ -**	**$ 14,117,566**
Addition	AED -	$ -	$ -	$ -	$ -	$ -
Amortization / Depreciation	AED -	$ (156,244)	$ (1,391,744)	$ (16,640)	$ -	$ (1,564,628)
Net Book Value as at Year 3	**AED 5,513,205**	**$ 1,406,197**	**$ 5,566,976**	**$ 66,560**	**$ -**	**$ 12,552,938**
Addition	AED -	$ -	$ -	$ -	$ -	$ -
Amortization / Depreciation	AED -	$ (140,620)	$ (1,113,395)	$ (13,312)	$ -	$ (1,267,327)
Net Book Value as at Year 4	**AED 5,513,205**	**$ 1,265,578**	**$ 4,453,581**	**$ 53,248**	**$ -**	**$ 11,285,611**
Addition	AED -	$ -	$ -	$ -	$ -	wbs
Amortization / Depreciation	AED -	$ (126,558)	$ (890,716)	$ (10,650)	$ -	$ (1,027,924)
Net Book Value as at Year 5	**AED 5,513,205**	**$ 1,139,020**	**$ 3,562,865**	**$ 42,598**	**$ -**	**$ 10,257,688**

Depreciation Rate	**0%**	**10%**	**20%**	**20%**	**20%**	

17.15. Project Scenario Analysis (Working) Appendix 5

Description	Worst Case		Base Case		Best Case	
	%age	Amount In Year 1	%age	Amount In Year 1	%age	Amount In Year 1
Revenue	85%	$ 47,914,500	100%	$ 56,370,000	115%	$ 64,825,500
Cost of Revenue	115%	$ 32,989,935	100%	$ 28,686,900	85%	$ 24,383,865
Operating Expenses	115%	-	100%	-	85%	-
Non-Operational Staff Salaries	115%	$ 369,495	100%	$ 321,300	85%	$ 273,105
Startup Expenses	115%	$ 2,844,777	100%	$ 2,473,719	85%	$ 2,102,661
Advertising & Marketing	115%	$ 1,944,765	100%	$ 1,691,100	85%	$ 1,437,435
Utilities (DEWA)	115%	$ 311,261	100%	$ 270,662	85%	$ 230,062
Utilities (Telephone & Internet)	115%	$ 72,450	100%	$ 63,000	85%	$ 53,550
Product Selling and Marketing Expenses	115%	$ 4,537,785	100%	$ 3,945,900	85%	$ 3,354,015
Repair & Maintenance Cost - Plant & Equipment	115%	$ 57,500	100%	$ 50,000	85%	$ 42,500
Amortization Employees Visa Cost	115%	$ -	100%	$ -	85%	$ -
Amortization Partner Visa Cost	115%	$ -	100%	$ -	85%	$ -
Amortization Employees Medical Insurance	115%	$ -	100%	$ -	85%	$ -
Amortization Business Insurance	115%	$ -	100%	$ -	85%	$ -
Website Maintenance Cost	115%	$ -	100%	$ -	85%	$ -
Accounting & CRM Software	115%	$ -	100%	$ -	85%	$ -
Supplies (Cleaning Material etc.)	115%	$ 4,695	100%	$ 4,083	85%	$ 3,471
Printing and Stationary	115%	$ 3,757	100%	$ 3,267	85%	$ 2,777
Legal and Professional Expense	115%	$ -	100%	$ -	85%	$ -
Office Administrative Expenses	115%	$ 80,500	100%	$ 70,000	85%	$ 59,500
Miscellaneous Expenses	115%	$ 1,150,000	100%	$ 1,000,000	85%	$ 850,000
Tax rate	10%	$ -	9%	$ 1,385,692	8%	$ 2,267,388
Cost of Capital	34%	-	30%	-	25%	-
Salvage Value	85%	$ 8,723,285	100%	$ 10,262,688	115%	$ 11,802,091

Description	Year 1			Year 2			Year 3		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	$ 47,914,500	$ 56,370,000	$ 64,825,500	$ 58,877,460	$ 69,267,600	$ 79,657,740	$ 72,554,640	$ 85,358,400	$ 98,162,160
Cost of Revenue	$ (32,989,935)	$ (28,686,900)	$ (24,383,865)	$ (40,625,053)	$ (35,326,133)	$ (30,027,213)	$ (48,720,909)	$ (42,366,008)	$ (36,011,107)
Gross Profit	**$ 14,924,565**	**$ 27,683,100**	**$ 40,441,635**	**$ 18,252,407**	**$ 33,941,467**	**$ 49,630,527**	**$ 23,833,731**	**$ 42,992,392**	**$ 62,151,053**
% of Revenue	31%	49%	62%	31%	49%	62%	33%	50%	63%
Operating expenses									
Non-Operational Staff Salaries	$ 369,495	$ 321,300	$ 273,105	$ 526,161	$ 457,531	$ 388,902	$ 567,690	$ 493,643	$ 419,597
Startup Expenses	$ 2,844,777	$ 2,473,719	$ 2,102,661	$ 47,150	$ 41,000	$ 34,850	$ -	$ -	$ -
Advertising & Marketing	$ 1,944,765	$ 1,691,100	$ 1,437,435	$ 2,389,732	$ 2,078,028	$ 1,766,324	$ 2,944,865	$ 2,560,752	$ 2,176,639
Utilities (DEWA)	$ 311,261	$ 270,662	$ 230,062	$ 424,560	$ 369,182	$ 313,805	$ 434,325	$ 377,674	$ 321,023
Utilities (Telephone & Internet)	$ 72,450	$ 63,000	$ 53,550	$ 98,822	$ 85,932	$ 73,042	$ 101,095	$ 87,908	$ 74,722
Product Selling and Marketing Expenses	$ 4,537,785	$ 3,945,900	$ 3,354,015	$ 5,576,042	$ 4,848,732	$ 4,121,422	$ 6,871,351	$ 5,975,088	$ 5,078,825
Repair & Maintenance Cost - Plant & Equipment	$ 57,500	$ 50,000	$ 42,500	$ 58,823	$ 51,150	$ 43,478	$ 60,175	$ 52,326	$ 44,477
Amortization Employees Visa Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ 106,462	$ 92,576	$ 78,690
Amortization Partner Visa Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,195	$ 14,952	$ 12,709
Amortization Employees Medical Insurance	$ -	$ -	$ -	$ 29,491	$ 25,645	$ 21,798	$ 30,170	$ 26,235	$ 22,299
Amortization Business Insurance	$ -	$ -	$ -	$ 25,624	$ 22,282	$ 18,939	$ 26,213	$ 22,794	$ 19,375
Website Maintenance Cost	$ -	$ -	$ -	$ 5,882	$ 5,115	$ 4,348	$ 6,018	$ 5,233	$ 4,448

Accounting & CRM Software	$ -	$ -	$ -	$ 4,324	$ 3,760	$ 3,196	$ 4,423	$ 3,846	$ 3,270
Supplies (Cleaning Material etc.)	$ 4,695	$ 4,083	$ 3,471	$ 6,405	$ 5,569	$ 4,734	$ 6,552	$ 5,697	$ 4,843
Printing and Stationary	$ 3,757	$ 3,267	$ 2,777	$ 5,125	$ 4,456	$ 3,788	$ 5,242	$ 4,559	$ 3,875
Legal and Professional Expense	$ -	$ -	$ -	$ 58,823	$ 51,150	$ 43,478	$ 60,175	$ 52,326	$ 44,477
Office Administrative Expenses	$ 80,500	$ 70,000	$ 59,500	$ 82,110	$ 71,400	$ 60,690	$ 83,752	$ 72,828	$ 61,904
Miscellaneous Expenses	$ 1,150,000	$ 1,000,000	$ 850,000	$ 1,176,450	$ 1,023,000	$ 869,550	$ 1,203,508	$ 1,046,529	$ 889,550
Total Operating expenses	**$ 11,376,985**	**$ 9,893,031**	**$ 8,409,076**	**$ 10,515,522**	**$ 9,143,932**	**$ 7,772,342**	**$ 12,529,212**	**$ 10,894,967**	**$ 9,260,722**
% of Revenue	24%	18%	13%	18%	13%	10%	17%	13%	9%
Operating Income	$ 3,547,580	$ 17,790,069	$ 32,032,559	$ 7,736,885	$ 24,797,535	$ 41,858,184	$ 11,304,519	$ 32,097,425	$ 52,890,331
Depreciation	$ (2,393,494)	$ (2,393,494)	$ (2,393,494)	$ (1,934,085)	$ (1,934,085)	$ (1,934,085)	$ (1,564,628)	$ (1,564,628)	$ (1,564,628)
Finance cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Earning Before Tax	$ 1,154,086	$ 15,396,575	$ 29,639,065	$ 5,802,800	$ 22,863,450	$ 39,924,100	$ 9,739,891	$ 30,532,797	$ 51,325,703
Provision for taxation		$ (1,385,692)	$ (2,267,388)	$ -	$ (2,057,710)	$ (3,054,194)	$ -	$ (2,747,952)	$ (3,926,416)
Net Income (EAT)	$ 1,154,086	$ 14,010,884	$ 27,371,677	$ 5,802,800	$ 20,805,739	$ 36,869,906	$ 9,739,891	$ 27,784,845	$ 47,399,287
% of Revenue	2%	25%	42%	10%	30%	46%	13%	33%	48%

Description	Year 4			Year 5		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	$ 82,377,750	$ 96,915,000	$ 111,452,250	$ 85,884,000	$ 101,040,000	$ 116,196,000
Cost of Revenue	$ (54,672,207)	$ (47,541,049)	$ (40,409,892)	$ (56,026,594)	$ (48,718,777)	$ (41,410,960)
Gross Profit	**$ 27,705,543**	**$ 49,373,951**	**$ 71,042,358**	**$ 29,857,406**	**$ 52,321,223**	**$ 74,785,040**
% of Revenue	34%	51%	64%	35%	52%	64%
Operating expenses						
Non-Operational Staff Salaries	$ 606,293	$ 527,211	$ 448,129	$ 653,271	$ 568,061	$ 482,852
Startup Expenses	$ -	$ -	$ -	$ -	$ -	$ -
Advertising & Marketing	$ 3,343,568	$ 2,907,450	$ 2,471,333	$ 3,485,880	$ 3,031,200	$ 2,576,520

Utilities (DEWA)	$	444,314	$	386,360	$	328,406	$	454,533	$	395,246	$	335,959
Utilities (Telephone & Internet)	$	103,420	$	89,930	$	76,441	$	105,799	$	91,999	$	78,199
Product Selling and Marketing Expenses	$	7,801,658	$	6,784,050	$	5,766,443	$	8,133,720	$	7,072,800	$	6,011,880
Repair & Maintenance Cost - Plant & Equipment	$	61,559	$	53,530	$	45,500	$	62,975	$	54,761	$	46,547
Amortization Employees Visa Cost	$	-	$	-	$	-	$	119,452	$	103,871	$	88,290
Amortization Partner Visa Cost	$	-	$	-	$	-	$	18,364	$	15,969	$	13,573
Amortization Employees Medical Insurance	$	30,864	$	26,838	$	22,812	$	31,573	$	27,455	$	23,337
Amortization Business Insurance	$	26,816	$	23,318	$	19,821	$	27,433	$	23,855	$	20,276
Website Maintenance Cost	$	6,156	$	5,353	$	4,550	$	6,298	$	5,476	$	4,655
Accounting & CRM Software	$	4,525	$	3,935	$	3,345	$	4,629	$	4,025	$	3,422
Supplies (Cleaning Material etc.)	$	6,703	$	5,828	$	4,954	$	6,857	$	5,962	$	5,068
Printing and Stationary	$	5,363	$	4,664	$	3,964	$	5,486	$	4,771	$	4,055
Legal and Professional Expense	$	61,559	$	53,530	$	45,500	$	62,975	$	54,761	$	46,547
Office Administrative Expenses	$	85,427	$	74,285	$	63,142	$	87,136	$	75,770	$	64,405
Miscellaneous Expenses	$	1,231,189	$	1,070,599	$	910,009	$	1,259,506	$	1,095,223	$	930,940
Total Operating expenses	**$**	**13,819,413**	**$**	**12,016,881**	**$**	**10,214,349**	**$**	**14,525,887**	**$**	**12,631,206**	**$**	**10,736,525**
% of Revenue		17%		12%		9%		17%		13%		9%
Operating Income	$	13,886,130	$	37,357,069	$	60,828,009	$	15,331,519	$	39,690,017	$	64,048,514
Depreciation	$	(1,267,327)	$	(1,267,327)	$	(1,267,327)	$	(1,027,924)	$	(1,027,924)	$	(1,027,924)
Finance cost	$	-	$	-	$	-	$	-	$	-	$	-
Earning Before Tax	$	12,618,803	$	36,089,743	$	59,560,682	$	14,303,596	$	38,662,093	$	63,020,591
Provision for taxation	$	-	$	(3,248,077)	$	(4,556,392)	$	-	$	(3,479,588)	$	(4,821,075)
Net Income (EAT)	$	12,618,803	$	32,841,666	$	55,004,290	$	14,303,596	$	35,182,505	$	58,199,515
% of Revenue		15%		34%		49%		17%		35%		50%

Effect on NPV

Worst Case

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Initial outflow:						
Total Investment Value	$ (22,000,000)					
Earning After Tax		$ 1,154,086	$ 5,802,800	$ 9,739,891	$ 12,618,803	$ 14,303,596
Add back Depreciation		$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924
After-tax Operating Cashflows		**$ 3,547,580**	**$ 7,736,885**	**$ 11,304,519**	**$ 13,886,130**	**$ 15,331,519**
Return on WC						$ 1,714,658
Salvage Value (Book Value at year 5)						$ 8,723,285
Tax on Salvage Value						$ (902,860)
Net Cash flows	**$ (22,000,000)**	**$ 3,547,580**	**$ 7,736,885**	**$ 11,304,519**	**$ 13,886,130**	**$ 24,866,601**
Discount Period	0	1	2	3	4	5
Discount Factor @ 32% (WACC)	1.00	0.75	0.56	0.42	0.31	0.23
Present Value	**$ (22,000,000)**	**$ 2,648,930**	**$ 4,313,629**	**$ 4,706,165**	**$ 4,316,528**	**$ 5,771,759**

Net Present Value	**$ (242,989)**

Best Case

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Initial outflow:						
Total Investment Value	$ (22,000,000)					
Earning After Tax		$ 27,371,677	$ 36,869,906	$ 47,399,287	$ 55,004,290	$ 58,199,515
Add back Depreciation		$ 2,393,494	$ 1,934,085	$ 1,564,628	$ 1,267,327	$ 1,027,924
After-tax Operating Cashflows		**$ 29,765,171**	**$ 38,803,991**	**$ 48,963,915**	**$ 56,271,617**	**$ 59,227,439**
Return on WC						$ 1,714,658
Salvage Value (Book Value at year 5)						$ 11,802,091
Tax on Salvage Value						$ (902,860)
Net Cash flows	**$ (22,000,000)**	**$ 29,765,171**	**$ 38,803,991**	**$ 48,963,915**	**$ 56,271,617**	**$ 71,841,328**
Discount Period	0	1	2	3	4	5
Discount Factor @ 24% (WACC)	1.00	0.80	0.64	0.51	0.41	0.33
Present Value	**$ (22,000,000)**	**$ 23,797,858**	**$ 24,804,779**	**$ 25,024,453**	**$ 22,993,620**	**$ 23,470,470**

Net Present Value	**$ 98,091,181**

Project Scenario Analysis

Description	Year 1			Year 2			Year 3		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	$ 47,914,500	$ 56,370,000	$ 64,825,500	$ 58,877,460	$ 69,267,600	$ 79,657,740	$ 72,554,640	$ 85,358,400	$ 98,162,160
Cost of Revenue	$ 32,989,935	$ 28,686,900	$ 24,383,865	$ 40,625,053	$ 35,326,133	$ 30,027,213	$ 48,720,909	$ 42,366,008	$ 36,011,107
Operating expenses	$ 11,376,985	$ 9,893,031	$ 8,409,076	$ 10,515,522	$ 9,143,932	$ 7,772,342	$ 12,529,212	$ 10,894,967	$ 9,260,722
Net Income	$ 1,154,086	$ 14,010,884	$ 27,371,677	$ 5,802,800	$ 20,805,739	$ 36,869,906	$ 9,739,891	$ 27,784,845	$ 47,399,287

Project Scenario Analysis Summary

Description	Year 4			Year 5		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	$ 82,377,750	$ 96,915,000	$ 111,452,250	$ 85,884,000	$ 101,040,000	$ 116,196,000
Cost of Revenue	$ 54,672,207	$ 47,541,049	$ 40,409,892	$ 56,026,594	$ 48,718,777	$ 41,410,960
Operating expenses	$ 13,819,413	$ 12,016,881	$ 10,214,349	$ 14,525,887	$ 12,631,206	$ 10,736,525
Net Income	$ 12,618,803	$ 32,841,666	$ 55,004,290	$ 14,303,596	$ 35,182,505	$ 58,199,515

17.16. General Key Assumptions

Country Level - Assumptions

Description	Note	Market	Forecast
Industry Growth Rate		Automotive Adhesives (Fuel-Saving Relevant)	5.10%
Inflation Rate	2	UAE	2.30%
		Total	7.40%
Salary Increment		**UAE**	4.50%
Total change in Salaries (Increment + Inflation)	4		6.80%
Tax Rate in UAE	10		9.00%

Plant Annual Capacity

Description	Note		Avg. Annual Capacity
Octane Booster		Octane Booster Additive: 3,000,000 liters/year	**3.0 Million Litter**
Nano Fuel Additive		Nano Deisel Fuel Additive: 1,200,000 liters/year	**1.2 Million Litter**

Projected 1st Year Revenue - Assumptions

Description	Note	Avg. Annual Capacity	Estimated Capacity Utilization	Estimated Output Production	Price Per Litter	Expected Monthly Revenue
Octane Booster		3.0 Million Litter	55%	1,650,000 Litters	$ 11.00	$ 18,150,000
Nano Fuel Additive		1.2 Million Litter	65%	780,000 Litters	$ 49.00	$ 38,220,000
Grand Total		**4.2 Million Litter**		**2,430,000 Litters**		**$ 56,370,000**

Projected Capacity Achievement - Assumptions

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Octane Booster		55%	66%	79%	95%	100%
Nano Fuel Additive		65%	78%	94%	100%	100%

Projected Quantity Sale Increase on a Year by Year Basis

Description	Note	``	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Octane Booster		1,650,000 Litters	1,980,000 Litters	2,370,000 Litters	2,850,000 Litters	3,000,000 Litters
Nano Fuel Additive		780,000 Litters	936,000 Litters	1,128,000 Litters	1,200,000 Litters	1,200,000 Litters
Grand Total		**2,430,000 Litters**	**2,916,000 Litters**	**3,498,000 Litters**	**4,050,000 Litters**	**4,200,000 Litters**

Projected Sale Price Increase on a Year by Year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Octane Booster		$ 11.00	$ 11.30	$ 11.60	$ 11.90	$ 12.20
Nano Fuel Additive		$ 49.00	$ 50.10	$ 51.30	$ 52.50	$ 53.70

Projected Total Revenue Increase on a Year by Year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Octane Booster		$ 18,150,000	$ 22,374,000	$ 27,492,000	$ 33,915,000	$ 36,600,000
Nano Fuel Additive		$ 38,220,000	$ 46,893,600	$ 57,866,400	$ 63,000,000	$ 64,440,000
Gross Revenue		**$ 56,370,000**	**$ 69,267,600**	**$ 85,358,400**	**$ 96,915,000**	**$ 101,040,000**

Projected Cost of Revenue Increase on a Year by Year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Direct Material Cost & Operational Cost		$ 28,191,000	$ 34,607,272	$ 41,585,564	$ 46,694,835	$ 47,815,020
Factory Staff Salaries		$ 495,900	$ 718,862	$ 780,444	$ 846,214	$ 903,757
Gross Cost of Revenue		**$ 28,686,900**	**$ 35,326,133**	**$ 42,366,008**	**$ 47,541,049**	**$ 48,718,777**

Fixed Expenses (F.C)		Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Startup Expenses		$ 2,473,719	$ 41,000	$ -	$ -	$ -
Factory Staff Salaries		$ 495,900	$ 718,862	$ 780,444	$ 846,214	$ 903,757
Non-Operational Staff Salaries		$ 321,300	$ 457,531	$ 493,643	$ 527,211	$ 568,061
Total Fixed Expenses (F.C)		**$ 3,290,919**	**$ 1,217,393**	**$ 1,274,088**	**$ 1,373,425**	**$ 1,471,818**

Variable Operating Expenses (V.C)	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Advertising & Marketing	5	$ 1,691,100	$ 2,078,028	$ 2,560,752	$ 2,907,450	$ 3,031,200
Utilities (DEWA)		$ 270,662	$ 369,182	$ 377,674	$ 386,360	$ 395,246
Product Selling and Marketing Expenses		$ 3,945,900	$ 4,848,732	$ 5,975,088	$ 6,784,050	$ 7,072,800
Utilities (Telephone & Internet)		$ 63,000	$ 85,932	$ 87,908	$ 89,930	$ 91,999
Repair & Maintenance Cost - Plant & Equipment		$ 50,000	$ 51,150	$ 52,326	$ 53,530	$ 54,761
Amortization Employees Visa Cost		$ -	$ -	$ 92,576	$ -	$ 103,871
Amortization Employees Medical Insurance		$ -	$ 25,645	$ 26,235	$ 26,838	$ 27,455
Amortization Business Insurance		$ -	$ 22,282	$ 22,794	$ 23,318	$ 23,855
Website Maintenance Cost		$ -	$ 5,115	$ 5,233	$ 5,353	$ 5,476
Accounting & CRM Software		$ -	$ 3,760	$ 3,846	$ 3,935	$ 4,025
Supplies (Cleaning Material etc.)		$ 4,083	$ 5,569	$ 5,697	$ 5,828	$ 5,962
Printing and Stationary		$ 3,267	$ 4,456	$ 4,559	$ 4,664	$ 4,771
Legal and Professional Expense		$ -	$ 51,150	$ 52,326	$ 53,530	$ 54,761
Office Administrative Expenses		$ 70,000	$ 71,400	$ 72,828	$ 74,285	$ 75,770
Miscellaneous Expenses		$ 1,000,000	$ 1,023,000	$ 1,046,529	$ 1,070,599	$ 1,095,223
Total Other Variable Operating Expenses		**$ 7,098,012**	**$ 8,645,401**	**$ 10,386,372**	**$ 11,489,670**	**$ 12,047,176**

Projected Operating Expenses as %age including Inflation year by year

Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Operational Staff Salaries (% Change)	4	0.0%	6.8%	6.8%	6.8%	6.8%
Non-Operational Staff Salaries (% Change)		0.0%	6.8%	6.8%	6.8%	6.8%
Advertising & Marketing (% of Revenue)	5	3.0%	3.0%	3.0%	3.0%	3.0%
Utilities (DEWA)	6	0.0%	2.3%	2.3%	2.3%	2.3%
Utilities (Telephone & Internet)		0.0%	2.3%	2.3%	2.3%	2.3%
Product Selling and Marketing Expenses		0.0%	2.3%	2.3%	2.3%	2.3%
Repair & Maintenance Cost - Plant & Equipment		0.0%	2.3%	2.3%	2.3%	2.3%
Amortization Employees Visa Cost		0.0%	2.3%	2.3%	2.3%	2.3%
Amortization Employees Medical Insurance		0.0%	2.3%	2.3%	2.3%	2.3%
Amortization Business Insurance		0.0%	2.3%	2.3%	2.3%	2.3%
Website Maintenance Cost		0.0%	2.3%	2.3%	2.3%	2.3%
Accounting & CRM Software		0.0%	2.3%	2.3%	2.3%	2.3%
Supplies (Cleaning Material etc.)		0.0%	2.3%	2.3%	2.3%	2.3%
Printing and Stationary		0.0%	2.3%	2.3%	2.3%	2.3%
Legal and Professional Expense		0.0%	2.3%	2.3%	2.3%	2.3%
Office Administrative Expenses		0.0%	2.0%	2.0%	2.0%	2.0%
Miscellaneous Expenses		0.0%	2.3%	2.3%	2.3%	2.3%

Amortization / Depreciation- Assumptions rate on a Year by Year Basis

Description	Note	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Land Cost		0%	0%	0%	0%	0%
Building Construction Cost		10%	10%	10%	10%	10%
Machinery & Equipment		20%	20%	20%	20%	20%
Vehicles		20%	20%	20%	20%	20%
Depreciation Policy (For All Fixed Asset)	7	**Reducing Balance**	**Reducing Balance**	**Reducing Balance**	**Reducing Balance**	**Reducing Balance**

Balance Sheet Assumptions

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Owners Equity		$ 22,000,000	$ 22,000,000	$ 22,000,000	$ 22,000,000	$ 22,000,000
Accrued Liabilities	8	One month Salaries & utility	One month Salaries & utility	One month Salaries & utility	One month Salaries & utility	One month Salaries & utility

General Note:

Note 1 This growth is anticipated to continue with an annual growth rate

Note 2 The 1st Year Revenue value price charged for each service is determined from market research.

Note 3 The effect of product Revenue growth is incorporated into the yearly Revenue calculations. The product growth rates are obtained from industry growth rates and market research.

Note 4 A growth rate of 6.8% is incorporated in salaries which includes a salary increment of 4.5% and an inflation rate of 2.3%. It is calculated as per the number of employees in Appendix 3 Sheet.

Note 5 Advertising & Marketing expense is 3% of Revenue.

Note 6 All the operating expenses(except salaries and advertisement) are inflated at a rate of 2.3% i.e. inflation rate of UAE.

Note 7 The depreciation policy of the Reducing balance method is used in which declining depreciation expense is charged on basis of the Net Book Value of an asset in each accounting period.

Note 8 Accrued liabilities are expenses a company owes but that have not yet been invoiced for payment. Last month's salary expense and utility bill of each respective year are unpaid in that year which is shown as accrued liability in the balance sheet.

Note 9 These financials have been prepared in US Dollar (USD), which is the company's functional currency.

Note 10 Corporate tax in Dubai 0% for taxable income of around AED 375,000 & 9% for taxable income above AED 375,000

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