

# The key

---

Smarter fob that makes your daily life simpler and safer



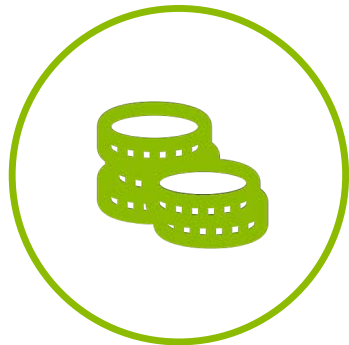
# Problem

300 million people in the North America<sup>1</sup> are being forced to use various applications and interaction methods when they interact with their physical environment that's becoming increasingly digital

## Various types of interactions



Personal ID



Payments



Membership



Transportation



Locks

1: Urban population, US: 83.7%, Canada: 81.4%, Sources: US Census Bureau and Statistics Canada, 2017

# Our Solution



The Key



## NFC-enabled key fob

Pass an alphanumeric code to the terminal  
Low cost & Long battery life



## Built-in fingerprint sensor

For authentication  
Fingerprint data remains on the fob



## Smartphone app

Load the user's ID onto the fob  
Interact with the service and scale up their usage  
with in-app purchase of higher-value ID packages





# Why now?

## Market Trend

**\$3.45 Billion<sup>1</sup>**

Market Size of  
Identity and Access Management Market  
in North America in 2017

**12.7% CAGR<sup>1</sup>**

From 2018 to 2025

**70 + Cities<sup>2</sup>**

Participating in the  
White House Smart Cities initiative in 2016

## First Mover Advantage

**28 States<sup>3</sup>**

Enacted Cybersecurity legislation in 2017

**240 Regulatory Bills<sup>3</sup>**

For solutions related to cybersecurity were  
introduced by 42 states in the US in 2017

**59 Companies<sup>4</sup>**

Will build different Solutions by 2025

1. Grand view research. Identity and Access Management (IAM) Market Analysis Report By Deployment (Cloud, Hybrid, On-Premise), By End Use (BFSI, Telecom & IT, Public Sector, Healthcare), And Segment Forecasts, 2018 - 2025

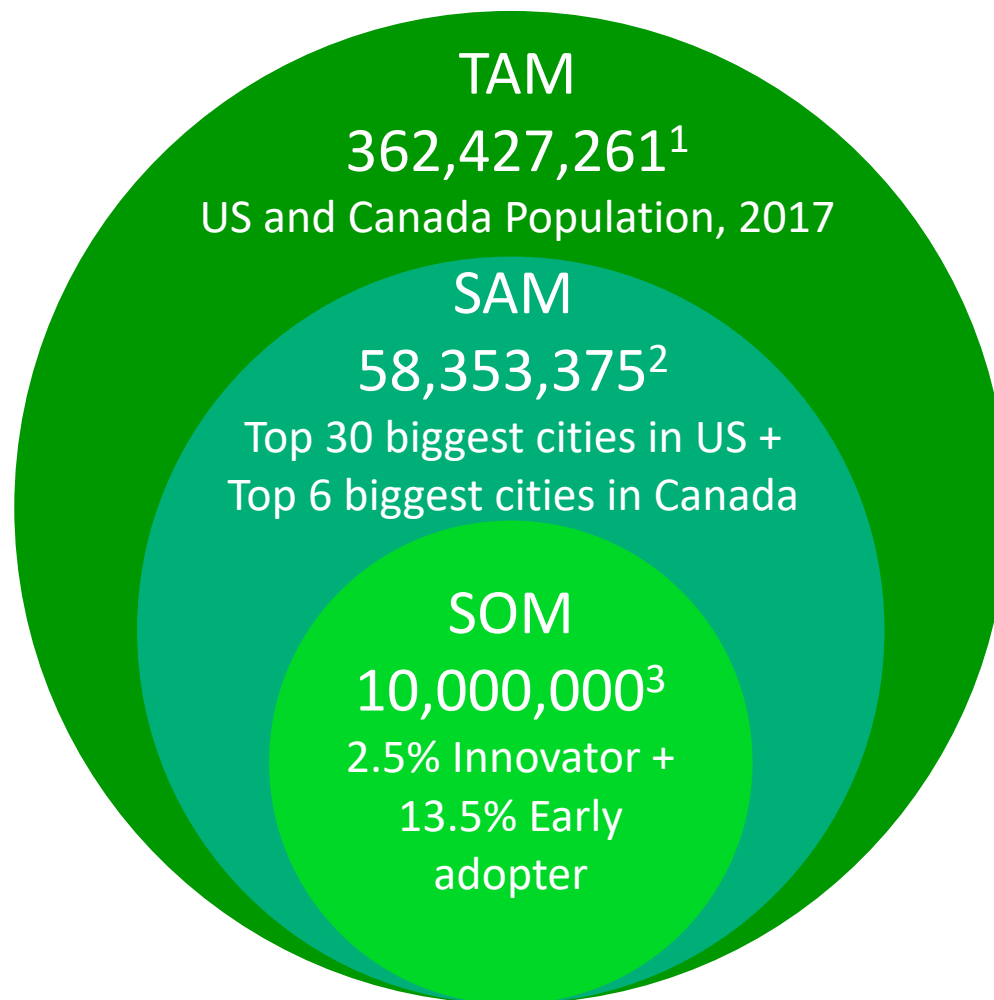
2. The White House. FACT SHEET: Announcing Over \$80 million in New Federal Investment and a Doubling of Participating Communities in the White House Smart Cities Initiative

3. National Conference of State Legislatures

4. Identity Management Institute. Identity and Access management Vendor List.



# Market size



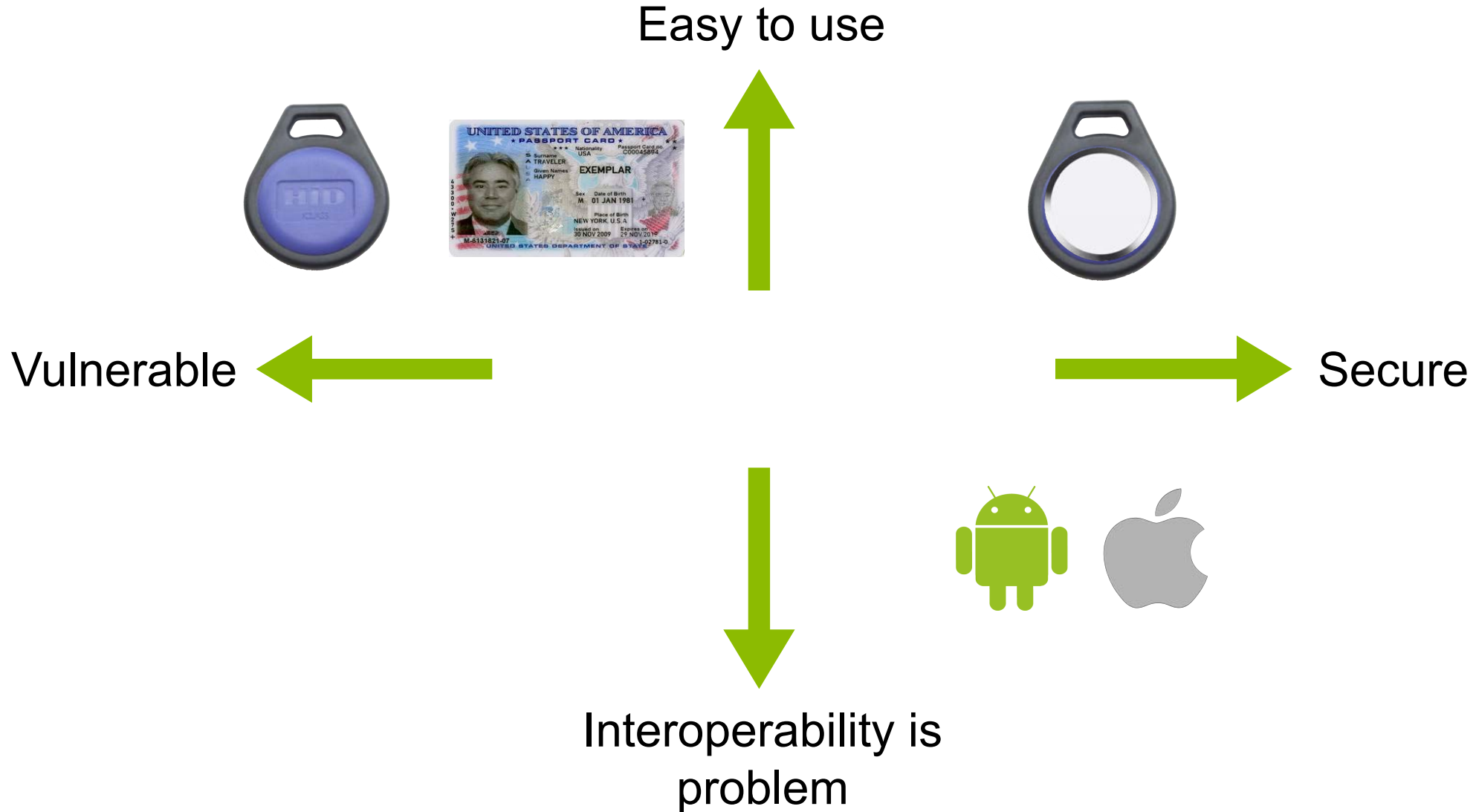
1&2 sources: US Census Bureau and Statistics Canada

3 source: Everett Rogers, Diffusion of innovations

# Competition



The Key



# Competitive advantages



The Key



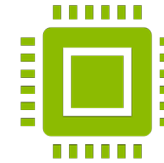
## Security

Fingerprint Sensor



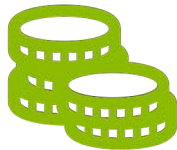
## Ease of use

NFC, Just tap!!!



## All-in-one

Multiple accounts



## Price Point

Competitive % fee



## Portable

Less than 2 grams



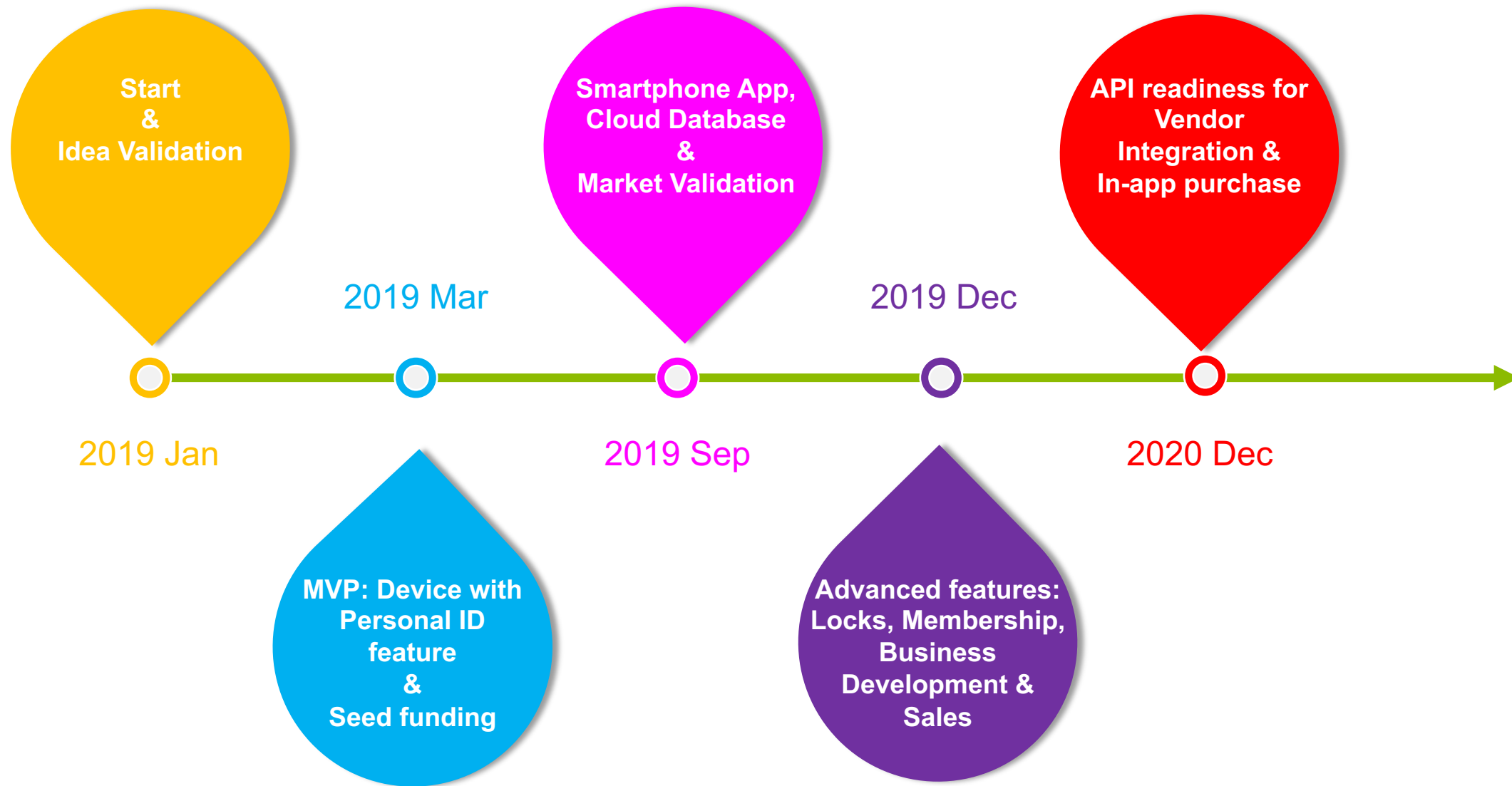
## Long-lasting

consume small amounts of energy



The Key

# Product Roadmap





# Business Model

## Problem



Numerous applications for a variety of interactions/transaction purposes, eg. ID, payments, memberships, etc. in a world that's becoming increasingly digital

## Solution



NFC enabled key fob  
Fingerprint sensor  
Smartphone app

## Key Metrics



# of transactions  
# of users

## Value Proposition



Combining ID, payments, memberships, transportation, locks, etc. into a single hardware and software application that protects identity and increases security

## Unfair Advantage



Secure exclusive use in smart cities while they are in the planning stage making porting costs high

## Channels



Digital marketing  
On-site advertising  
On-line and mobile sign up

## Customer Segments



All members of the public living in smart cities Millennials will be the most eager to adopt

## Revenue Streams



2.75% transaction fees paid by vendors with no minimum transaction fees  
Markup on terminals and fobs

## Cost Structure

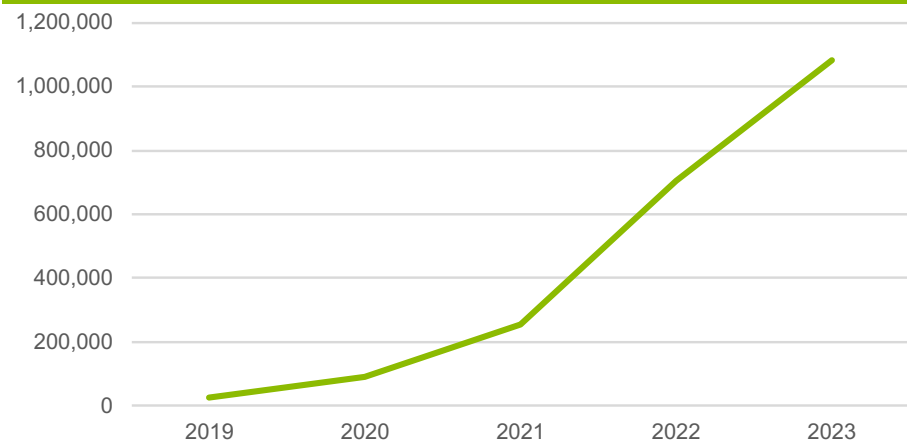


\$350k upfront cost for on-line platform with similar annual maintenance costs  
\$100k for mobile platform  
Manufacturing of hardware outsourced, G&A

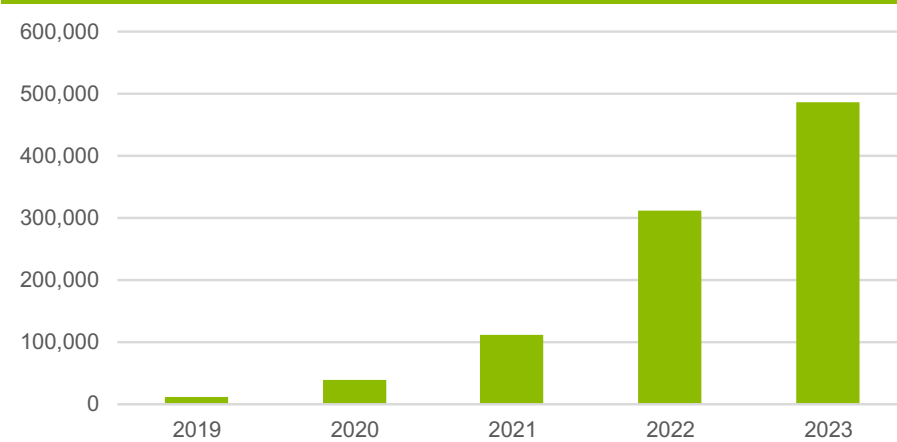


# Financial Projections

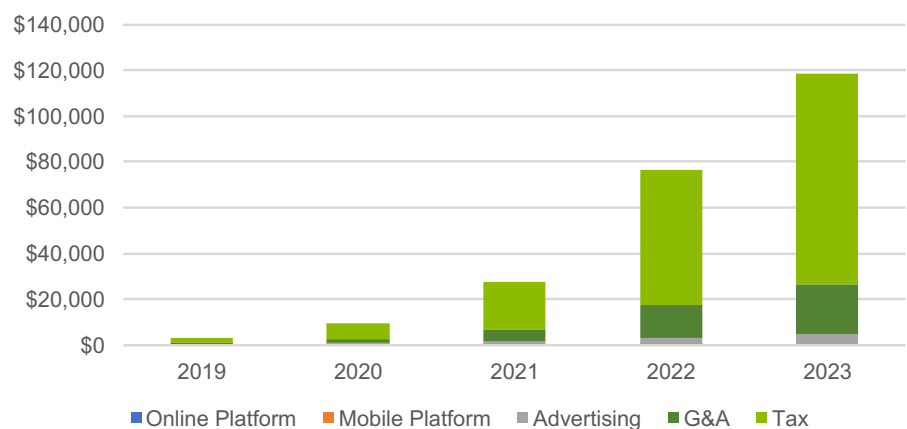
### Number of Users



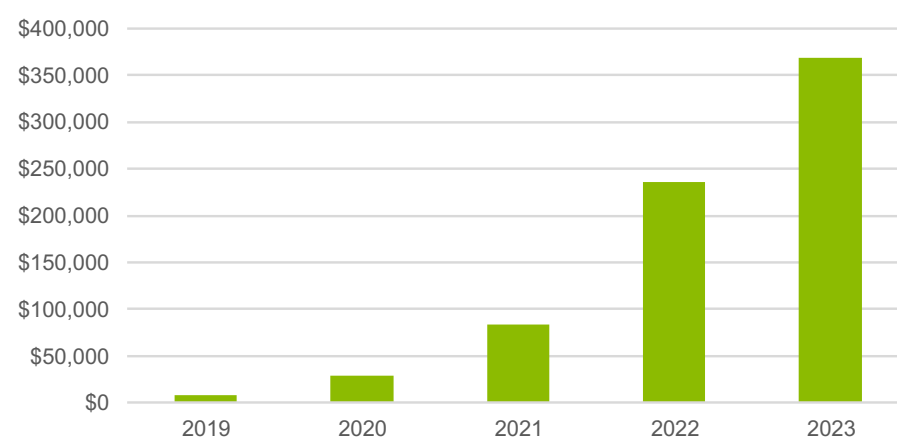
### Total Revenue (\$000s)



### Expenses (\$000s)



### Cash Flow (\$000s)



# Meet the Team



The Key



**Michael D'Ercole, CEO**

Rotman MBA Candidate 2019  
Founder @ Michael D'Ercole Films

Responsible for Business Development



**Dante Vertolli, CTO**

Rotman MBA Candidate 2019  
Genius Administrator @ Apple

Responsible for Product Development



**Andrew Gannon, CFO**

Rotman MBA Candidate 2019, CFA  
Research Associate @ GMP Securities LP

Responsible for Fundraising



**Jiajie Li, CMO**

Rotman MBA Candidate 2019  
Marketing Supervisor @ Nestle

Responsible for User Acquisition

# Appendix



The Key

# Financial Projections



The Key

## Assumptions

Growth Rate	18%	Annual discretionary spending	\$15,000
Cost of Terminals	\$300	Transaction Fee	2.75%
Markup on Terminal	25%	Cost of online platform	\$350,000
Profit on Terminals	75	Cost of mobile platform	\$100,000
Inflation	2%	Cost of Advertising	\$100,000
Fob Signup Revenue	\$12	Cost per professional	\$100,000
Fob Cost	\$8	Initial # of professionals	5
Fob Profit	\$4	Tax	20%

# Financial Projections



The Key

Income Statement	2019	2020	2021	2022	2023
<b>Revenue</b>					
<b>Consumers</b>	25,000	29,600	35,046	41,495	49,130
Smart City 1	0	30,000	35,520	42,056	49,794
Smart City 2	0	30,000	35,520	42,056	49,794
Smart City 3	0	0	50,000	59,200	70,093
Smart City 4	0	0	50,000	59,200	70,093
Smart City 5	0	0	50,000	59,200	70,093
Smart City 6	0	0	0	100,000	118,400
Smart City 7	0	0	0	100,000	118,400
Smart City 8	0	0	0	100,000	118,400
Smart City 9	0	0	0	100,000	118,400
Smart City 10	0	0	0	0	250,000
<b>Total</b>	25,000	89,600	256,086	703,206	1,082,596
<i>Growth rate</i>		258%	186%	175%	54%
Number of new consumers	25,000	64,600	166,486	447,120	379,390
Revenue from fob sales	100	258	666	1,788	1,518

# Financial Projections



The Key

	2019	2020	2021	2022	2023
<b>Vendors</b>	900	1,066	1,262	1,494	1,769
Smart City 1	0	1,800	2,131	2,523	2,988
Smart City 2	0	1,800	2,131	2,523	2,988
Smart City 3	0	0	3,600	4,262	5,047
Smart City 4	0	0	3,600	4,262	5,047
Smart City 5	0	0	3,600	4,262	5,047
Smart City 6	0	0	0	7,200	8,525
Smart City 7	0	0	0	7,200	8,525
Smart City 8	0	0	0	7,200	8,525
Smart City 9	0	0	0	7,200	8,525
Smart City 10	0	0	0	0	14,400
<b>Total</b>	900	4,666	16,324	48,128	71,383
Number of new consumers	900	3,766	11,658	31,804	23,255
Revenue from fob sales	68	282	874	2,385	1,744
Annual discretionary spending/consi	15,000	15,300	15,606	15,918	16,236
<i>Transaction fee</i>	2.75%	2.75%	2.75%	2.75%	2.75%
Revenue from transaction fees	10,313	37,699	109,903	307,827	483,383
<b>Total Revenue</b>	<b>10,480</b>	<b>38,240</b>	<b>111,444</b>	<b>312,001</b>	<b>486,644</b>

# Financial Projections



The Key

<b>Expenses</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Online Platform	\$350	\$350	\$350	\$350	\$350
Mobile Platform	\$100	\$100	\$100	\$100	\$100
Advertising	\$100	\$358	\$1,024	\$2,813	\$4,330
G&A	\$500	\$1,792	\$5,122	\$14,064	\$21,652
<b>Total Expenses</b>	<b>\$1,050</b>	<b>\$2,600</b>	<b>\$6,596</b>	<b>\$17,327</b>	<b>\$26,432</b>
<b>Gross Profit</b>	<b>\$9,430</b>	<b>\$35,640</b>	<b>\$104,848</b>	<b>\$294,674</b>	<b>\$460,212</b>
Tax	\$1,886	\$7,128	\$20,970	\$58,935	\$92,042
<b>Net Profit</b>	<b>\$7,544</b>	<b>\$28,512</b>	<b>\$83,878</b>	<b>\$235,739</b>	<b>\$368,170</b>