

# NOVOMOTO

## 2021 Report

### *Dear investors,*

Dear Investors,

We are excited to inform you that 2021 was an amazing year for NovoMoto and we accomplished our goals. You can see more details about our progress in 2021 in our [Annual Newsletter](#) that was published in January.

In order to continue our growth, we would like to inform you that we are going to raise our Series Seed round for \$2.5m at a \$9m pre-money valuation. We would be happy to have you as a part of our Series Seed as well. Please let us know if you are interested to know more about the details of our raise.

#### **We need your help!**

We are raising our Seed Round. First, we are planning to start with accredited investors and later will start a crowdfunding campaign for non-accredited investors.

We will be happy to have a conversation with you if you or anyone in your network is interested to invest in the new round of NovoMoto.

Our long term goal is to provide electricity to 1 million people by the end of 2026.

*Sincerely,*

*Aaron Olson*

Co-founder

*Mehrdad Arjmand*

Co-founder/CEO

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## Our Mission

Our goal is to bring reliable electricity to 1 million customers across multiple markets in Sub-Saharan Africa. To date, we have done over 300 installations. Our goal for 2020 is to do 5000 total installations.

[See our full profile](#)



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## How did we do this year?

## Report Card

A-



### The Good

Sales was increased from \$87,303 in 2020 to \$466,416 in 2021

Collection rate was increased from 63% in 2020 to 100% in 2021

Churn rate was decreased from 37% in 2020 to 1% in 2021



### The Bad


We were not able to raise our Seed Round while we were selling the kits and now are out of stock

We are facing major delays due to the global supply chain challenges

We did a pilot project in northern Uganda to assess the opportunity of expanding, but the results were not promising

## 2021 At a Glance

January 1 to December 31

  
**\$466,420** +329%  
Revenue

  
**-\$363,123**  
Net Loss

  
**\$1,201,981** +313%  
Short Term Debt

  
**\$0**  
Raised in 2021

  
**\$30,000**  
Cash on Hand  
As of 03/31/22

INCOME

BALANCE

NARRATIVE

### Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes and other financial information included elsewhere in this offering. Some of the information contained in this discussion and analysis, including information regarding the strategy and plans for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

#### Overview

NovoMoto sells high-quality solar systems for off-grid homes and small businesses in Sub-Saharan Africa. The systems transform customers' lives! Customers use our systems to improve how their children study, boost their business activities & save money. NovoMoto's systems are made affordable with payment plans. They are secured with technology that enables customers to use electricity only when they are up to date with their payments. All NovoMoto systems include customer service & a warranty.

Our goal is to bring reliable electricity to 1 million customers across multiple markets in Sub-Saharan Africa. To date, we have done over 1500 installations. Our goal for 2022 is to do 5000 total installations.

#### Milestones

NovoMoto Inc. was incorporated in the State of Delaware in January 2022. Before that, NovoMoto was an LLC based in Wisconsin from November 2015 until December 2021.

Since the incorporation of the company in November 2015, we have:

- Provided electricity to 1500 homes (~7500 people)
- Reduced the CO2 emissions by 320 Tonnes

- Created 10 jobs in DRC
- Provided more than \$500,000 in expected 5 years customer savings

#### Historical Results of Operations

Our company was organized in January 2022 and has limited operations upon which prospective investors may base an evaluation of its performance.

- *Revenues & Gross Margin.* For the period ended December 31, 2021, the Company had revenues of \$466,420. Our gross margin was 35.53%.
- *Assets.* As of December 31, 2021, the Company had total assets of \$390,339, including \$50,848 in cash.
- *Net Loss.* The Company has had net losses of \$363,123 for 2021.
- *Liabilities.* The Company's liabilities totaled \$1,201,981 for 2021.

#### Liquidity & Capital Resources

To-date, the company has been financed with \$70,000 in debt and around \$1,000,000 in convertibles.

We will likely require additional financing in excess of the proceeds from the Offering in order to perform operations over the lifetime of the Company. We plan to raise capital immediately. Except as otherwise described in this Form C, we do not have additional sources of capital other than the proceeds from the offering. Because of the complexities and uncertainties in establishing a new business strategy, it is not possible to adequately project whether the proceeds of this offering will be sufficient to enable us to implement our strategy. This complexity and uncertainty will be increased if less than the maximum amount of securities offered in this offering is sold. The Company intends to raise additional capital in the future from investors. Although capital may be available for early-stage companies, there is no guarantee that the Company will receive any investments from investors.

#### Runway & Short/Mid Term Expenses

NovoMoto Inc. cash in hand is \$30,000, as of March 2022. Over the last three months, revenues have averaged \$30,000/month, cost of goods sold has averaged \$0/month, and operational expenses have averaged \$30,000/month, for an average burn rate of \$0 per month.

A significant portion of the convertible notes were converted to equity. This means that our current liability is reduced from \$1,201,381 at the beginning of 2022 to \$280,252.

We are out of stock now and hence our revenue (accrual) will be zero for the next 6 months. However, we expect to collect our receivables (\$279,517) in the next 6 months. We are expecting to receive our new shipments from Q4-2022 and hence will resume to generate revenue.

No, we are not profitable at the moment. Based on our financial projections, we will need \$14m in equity and debt financing to become profitable. If we achieve our milestones on time and there are no unexpected delays, we are expecting to become profitable by 2024.

We are planning to reach out to venture capital groups, social impact groups, angel groups and individual angel investors outside of a crowdfunding campaign.

We will collect and use our receivables to cover the short term burn while we are raising our round.

Net Margin: -78%    Gross Margin: 36%    Return on Assets: -93%    Earnings per Share: -\$435.92

Revenue per Employee: \$38,868    Cash to Assets: 13%    Revenue to Receivables: 167%    Debt Ratio: 308%

[Novomoto\\_LL\\_C-AUDITED\\_FS\\_FINAL.pdf](#)

We ❤️ Our  
317 Investors

Thank You For Believing In Us

Dan Olszewski  
Dawn Lett  
Carlos Gonzalez  
Steel Van Winkel  
Deka Gabriel  
Terri Denise Reister

Ben Rugg  
Cody Heisinger  
Andre Herrell  
Frank D Herrel  
Cynthia Hintz  
Pichou Etinde

Clinton Noel Foster, SR  
Devin Curry  
Joseph Bernard Forque  
Barbara Ann Inman  
Helga Bluestone  
Ken Linse

Timothy Andrew Countiss  
Travis S Silman  
Shaeda Bhagan  
Jordan Myers  
Abdulrah A. Zahrani  
Kirit K Patel

Basilios Dimitriou  
Teresa Straughter  
Lori Laraine Sockhoo  
Jon Arid Valme  
Nicholas Heyward  
Dr. John R Patrick

Alexander Clarence McInt...  
Chris Brown  
Derwin Gary  
Curtiss Sykes  
Logan Lanz  
Finn Kuusisto

Gabriel Ugalde  
Alicia McCalla  
Randy Kirk  
Carl Cornwell  
William F. Coleman, III  
Stuart Watkins

Marvin Mitchell  
Mario Beltran  
William F. Coeman, II  
Mary Olive Linn Malloy  
Jeffrey Fafard  
Derek Haviland Tobias  
Christopher Grundy  
David Taylor  
Joanne Cretney-Tisdle  
Antoinette Munneke  
Anthony Lee  
Madeleine L Jackson-Starr  
Casey Cox  
Herman Aww  
Alex Lebon  
William Mendez  
R.H. Johnson  
A.G.  
Sento Siragusa  
Mario M Teel Jr.  
Sheron Salmon  
Jacob Adelstein  
Matthew J Linn  
Mary Godinez  
Brian Morris  
Joaquias Velez  
Carla Roberts  
Sara E Collins  
Mario Beltran  
Alex Gray  
Randel Debo  
Wagner De Moraes Perez  
Mick Hall  
Brian RUNFT  
Maggie C. Tuo  
Andrew S Helving  
Christopher Kergie  
Jeffery Brayner  
Tom Karamontis  
Korab Krasnjic

Midian Jones  
Jaime Bustamante  
Ben Rabinov  
Emily Garber  
Nathaniel Pike  
Erritt Decoster  
Christopher Grundy  
Brian Leyde  
Nathan Brown  
Massimo Menghi  
John J. F.cwvers Jr  
Elijah P Albert  
Catherine Murray  
Marc Blonid  
Mahreen Adha  
Mynal Smith  
Thomas Everette  
Benjamin Gaddy  
Evelyn Hilton  
Yolanda Leves  
Kishawanda Mathis  
Theobald Mwa  
Ernest Isominger  
Robert Labelle  
Boris Epstein  
Matthew Braund  
James J Jewett II  
Susan Mc Guinness Getz ...  
Trinto Elyden  
Lee Smallwood  
Karel Emmanuel  
Walter Kownczee  
Kathlene Place  
Mario Beltran  
Robert CHESNEY  
Jason Kaunas  
Stephanie Wiliang  
Puneet Gupta  
Ann Vertovet  
Jonny Price

Sahana Zutshi  
Yasmin Korimbous  
Kwon Smith  
Bill Robinson  
Jeffrey Richard  
Joe Hayes  
Antony Retchaganathan  
Eduard Abramov  
Yashua Aliazirzer  
Mitchell Nadell  
Jerry Vliniemi  
Theophilus D. McClellan  
Patrick Locke  
Albert Sancier  
Jackson Chau  
Chris Hoque  
Teleson Kampaing  
Holly Walter Kerby  
Matthew S LaVallie  
Nathan Euckenberger  
Chris Ngang  
Daniel Ruppert  
Veda Fisher Kennedy  
Moric Constant  
Mario Beltran  
Charles L Roseboro  
Ian Chaboux  
Susan Parker  
Jacob Saur  
Doug Ritter  
George Russell  
Cystein Kopstad  
Maxmilan Pracec  
Ricardo Ramos  
Felicja Carter  
Carlene M  
John William Polakony  
Thabasi Nagaraju  
Terry Mickelson

Gregory Fries  
Thomas Kiefer  
David Burman  
Gwendolyn Jones  
Alicia Garner  
Peter Lee Geffrand  
Michael Otis  
Matt Kelly  
Michelle Evans-Cornish  
Adrian Lai  
Andrew Mitchell  
Fred Dailey  
Scott C Musinski  
Teresa Marlin  
Paula Ladne  
Derrick Gates  
Shalom Bakhtimov  
Melrose Golden  
Hung Lou  
Vinay S  
Kathleen Armit  
Alexander Groh  
Kevin WHITE  
Dovorn Bozja  
Ron Nelson  
Sandra COULTER  
Jose Flores  
Josephine R Wilkie-Smith  
Julika Matti Karhu  
Adam Bobbs  
Dani Holburn  
Sid Subramanian  
Kachell J Incor  
Hope Oja  
Shan Hermit  
Hector Salvador Lopez  
Kevin Ch  
Dorian Nasby  
Onkematou P Kibitwa

Steve Dooyens  
Justin Bean  
Rony Paul  
Jorge I Soria  
Robert Buchholz  
John Henry Page Too  
Frank Prieffer  
Joseph CHRISTY  
Everette SPIGNER  
David Chang  
Samarth Beri  
Bradford Traywick  
Yasine Aliboua  
Danie Couch  
Larry Anderson  
David Muller  
Harrison James Silvers  
Shree Kallur  
Michael Aspradakis  
Marilyn Hackett  
Kyle Hurling  
Matt Jarrigan  
Neville George  
Moacyr K Timas  
Daniel Nwosu  
Manjus Oskemra  
John Krook  
Denold Jean Louis  
John Carruth  
Craig Throne  
S. Leo Langdon  
Fabr ce Ndzikou Jarkeu  
Nandin Shartacharya  
Sean MacKandrick  
Kerrett Ross  
Felix Lu  
Kevin Furl  
Michael Brady  
Pasca Marsoid

Jared Cantrell  
Jerry Tsai  
Xinq Wang  
James Washington  
Cameron Brown  
Yvonne Yaboah  
Arthur Mitchell  
Chetan Panichari  
Mehran Chowdhury  
Shane Pittson  
John Pullan  
Anas Alsalih  
Susan Baughman  
Pamela S GREENE  
Frank Besse  
Diana Richardson  
Fred Dailey  
Kisanga Gray  
Daniel Szweczyk  
Godwin Amegashie  
Evan Richards  
Mauricio Lillo  
Alice Arthur  
David Rucci  
Josh Colencia  
Eric Schmitt  
Kajash G. Hivacta  
Cidalia Grami  
Everett Popo  
Mahabab Karver  
Sai Radhakrishna Galla  
Amilia Alcega  
Prince Koumajou  
Shree Kalluri  
Basel Esswan  
Francis Kumassah  
Mark D Stansard  
Karthik Thenkondar  
Alex Olson

Ahlan Subramaniam  
Todd A. Theman  
Munir Ahmed  
Anthony Lee  
Thema Bentley  
Hope Okereke  
David Archer  
Danyael Thomas  
Carolyn Smith  
Tami Evaldassen  
Violeta Labuguen  
Richard R Haas  
Aman Gupta  
Leahila L Williams  
Judv Von Berger  
Jonathan A Cannon  
Richard R Haas  
Ngilene Oton  
David Palmer  
Gloria Su  
Mark Henknot  
Nan-em Hood  
Carole Trone  
Comora Johnson  
Jason E Penderler  
Mara Kennedy  
Dany Lalagran  
Mitchell Shane Orgill  
Danny Mosby  
Jeremy IVE  
Ramon Sundararajan  
Neville George  
Kamrey Iyidbi  
Peter Costello  
Ron Nelson  
Jo Smith  
Marlin Ringwelski  
Abraham Tejada  
Niville George

## Thank You!

From the NovoMoto Team



**Aaron Olson**  
Co-Founder/CEO



**Mehrdad Arjmand**  
Co-Founder/CEO



**Wilfred Audley**

## Details

### The Board of Directors

DIRECTOR	OCCUPATION	JOINED
<a href="#">Aaron Olson</a>	CEO @ Novomoto	2015
<a href="#">Mehrdad Arjmand</a>	CEO @ Novomoto	2015

### Officers

OFFICER	TITLE	JOINED
<a href="#">Aaron Olson</a>		2015
<a href="#">Mehrdad Arjmand</a>	CEO	2015

### Voting Power <sup>Ⓢ</sup>

HOLDER	SECURITIES HELD	VOTING POWER
Mehrdad Arjmand	Membership Interest	50.0%
Aaron Olson	Membership Interest	50.0%

### Past Equity Fundraises

DATE	AMOUNT	SECURITY	EXEMPTION
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06/2016	\$40,000	Preferred Stock	Regulation D, Rule 506(b)
05/2017	\$10,000		Other
04/2018	\$50,000		Other
04/2018	\$10,000		Other
12/2018	\$50,000	Preferred Stock	Regulation D, Rule 506(b)
12/2018	\$50,000	Preferred Stock	Regulation D, Rule 506(b)
12/2018	\$30,000	Preferred Stock	Regulation D, Rule 506(b)
01/2019	\$60,000	Preferred Stock	Regulation D, Rule 506(b)
02/2020	\$18,000		506(c)
03/2020	\$100,000	Preferred Stock	Regulation D, Rule 506(c)
03/2020	\$100,000	Preferred Stock	Regulation D, Rule 506(c)
03/2020	\$100,000	Preferred Stock	Regulation D, Rule 506(c)
06/2020	\$400,461		Regulation Crowdfunding
07/2020	\$400,461		4(a)(6)
12/2020	\$10,000	Preferred Stock	Regulation D, Rule 506(c)

The use of proceeds is to fund general operations.

#### Convertible Notes Outstanding

ISSUED	AMOUNT	INTEREST	DISCOUNT	VALUATION CAP	MATURITY
06/01/2016	\$40,000 <sup>(1)</sup>	8.0%	20.0%	\$3,000,000	02/28/2022 <sup>(2)</sup>
12/01/2018	\$50,000 <sup>(1)</sup>	8.0%	20.0%	\$3,000,000	02/28/2022 <sup>(2)</sup>
12/01/2018	\$50,000 <sup>(1)</sup>	8.0%	20.0%	\$3,000,000	02/28/2022 <sup>(2)</sup>
12/10/2018	\$30,000 <sup>(1)</sup>	8.0%	20.0%	\$3,000,000	02/28/2022
01/25/2019	\$60,000 <sup>(1)</sup>	8.0%	20.0%	\$3,000,000	02/28/2022
03/14/2020	\$100,000 <sup>(1)</sup>	8.0%	20.0%	\$3,600,000	02/28/2022
03/14/2020	\$100,000 <sup>(1)</sup>	8.0%	20.0%	\$3,600,000	02/28/2022
03/19/2020	\$100,000 <sup>(1)</sup>	8.0%	20.0%	\$3,600,000	02/28/2022
06/02/2020	\$400,461 <sup>(1)</sup>				
12/11/2020	\$10,000 <sup>(1)</sup>	8.0%	20.0%	\$4,500,000	02/28/2022

#### Outstanding Debts

ISSUER	ISSUED	AMOUNT	OUTSTANDING	INTEREST	MATURITY	CURRENT <sup>(1)</sup>
MWERC <sup>(2)</sup>	05/01/2017	\$10,000	\$15,000 <sup>(1)</sup>	10.0%	05/01/2022	Yes
WWBIC <sup>(2)</sup>	04/02/2018	\$50,000	\$11,000 <sup>(1)</sup>	9.25%	08/15/2022	Yes
MWERC <sup>(2)</sup>	04/24/2018	\$10,000	\$14,000 <sup>(1)</sup>	10.0%	04/24/2023	Yes

#### Related Party Transactions

None.

#### Capital Structure

CLASS OF SECURITY	SECURITIES (OR AMOUNT) AUTHORIZED	SECURITIES (OR AMOUNT) OUTSTANDING	VOTING RIGHTS
Series Seed 4 Preferred	2,333,333	0	No
Series Seed 3 Preferred	108,468	7,321	No
Series Seed 2 Preferred	1,151,654	519,779	No
Series Seed 1 Preferred	551,264	305,225	No
Class B	900,000	0	No
Class A	9,244,719	2,550,000	Yes

SECURITIES RESERVED FOR ISSUANCE UPON EXERCISE OR CONVERSION

Warrants:	0
Options:	450,000

#### Risks

Technology competitive advantage is another risk in our industry. We are leveraging the first mover advantage in our market and at the same time are working on some ideas to modify the product from a technology standpoint to be the best fit for this market and have an advantage against all the other products in the market.

Having a lean team is another challenge. So far, we have been able to put a small team together and now are working with them and are using their network to bring new talent to the team.

Our future success depends on the efforts of a small management team. The loss of services of the members of the management team may have an adverse effect on the company. There can be no assurance that we will be successful in attracting and retaining other personnel we require to successfully grow our business.

Running a company in a country and fundraising in other countries is another risk to our operations. To address this risk, we are training managers who are capable to run the operations seamlessly at all the times.

Our operations are capital intensive and hence we will need multiple rounds of investment which could be viewed as a risk. However, as soon as we get to multiple thousands of installations, we can use the incoming cash flow to leverage the use of debt financing to reduce our need for equity raise as much as possible.

Lack of adaptivity to the market is another big risk. To mitigate this risk, we are doing ongoing surveys in different segments of the market to observe any changes in the consumption of our user as early as possible.

Slow traction is one of our biggest risks which will cause us to burn our cash on operations instead of growth. To mitigate that risk, we need to raise enough money to be able to grow as fast as possible.

#### Description of Securities for Prior Reg CF Raise

Additional issuances of securities. Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured. The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of



an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

**Issuer repurchases of securities.** The Company may have authority to repurchase its securities from unitholders, which may serve to decrease any liquidity in the market for such securities, decrease the percentage interests held by other similarly situated investors to the Investor, and create pressure on the Investor to sell its securities to the Company concurrently.

**A sale of the issuer or of assets of the issuer.** As a minority owner of the Company, the Investor will have limited or no ability to influence a potential sale of the Company or a substantial portion of its assets. Thus, the Investor will rely upon the executive management of the Company to manage the Company so as to maximize value for unitholders. Accordingly, the success of the Investor's investment in the Company will depend in large part upon the skill and expertise of the executive management of the Company. If the Management of the Company authorizes a sale of all or a part of the Company, or a disposition of a substantial portion of the Company's assets, there can be no guarantee that the value received by the Investor, together with the fair market estimate of the value remaining in the Company, will be equal to or exceed the value of the Investor's initial investment in the Company.

**Transactions with related parties.** The Investor should be aware that there will be occasions when the Company may encounter potential conflicts of interest in its operations. On any issue involving conflicts of interest, the executive management of the Company will be guided by their good faith judgement as to the Company's best interests. The Company may engage in transactions with affiliates, subsidiaries or other related parties, which may be on terms which are not arm's-length, but will be in all cases consistent with the duties of the management of the Company to its unitholders. By acquiring an interest in the Company, the Investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

#### Minority Ownership

An Investor in the Company will likely hold a minority position in the Company, and thus be limited as to its ability to control or influence the governance and operations of the Company.

The marketability and value of the Investor's interest in the Company will depend upon many factors outside the control of the Investor. The Company will be managed by its officers and be governed in accordance with the strategic direction and decision-making of its Management, and the Investor will have no independent right to name or remove an officer or member of the Management of the Company.

Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured.

The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

#### Exercise of Rights Held by Principal Shareholders

As holders of a majority-in-interest of voting rights in the Company, the unitholders may make decisions with which the Investor disagrees, or that negatively affect the value of the Investor's securities in the Company, and the Investor will have no recourse to change these decisions. The Investor's interests may conflict with those of other investors, and there is no guarantee that the Company will develop in a way that is optimal for or advantageous to the Investor.

For example, the unitholders may change the terms of the operating agreement for the company, change the terms of securities issued by the Company, change the management of the Company, and even force out minority holders of securities. The unitholders may make changes that affect the tax treatment of the Company in ways that are unfavorable to you but favorable to them. They may also vote to engage in new offerings and/or to register certain of the Company's securities in a way that negatively affects the value of the securities the Investor owns. Other holders of securities of the Company may also have access to more information than the Investor, leaving the Investor at a disadvantage with respect to any decisions regarding the securities he or she owns. The unitholders have the right to redeem their securities at any time. Unitholders could decide to force the Company to redeem their securities at a time that is not favorable to the Investor and is damaging to the Company. Investors' exit may affect the value of the Company and/or its viability. In cases where the rights of holders of convertible debt, SAFES, or other outstanding options or warrants are exercised, or if new awards are granted under our equity compensation plans, an Investor's interests in the Company may be diluted. This means that the pro-rata portion of the Company represented by the Investor's securities will decrease, which could also diminish the Investor's voting and/or economic rights. In addition, as discussed above, if a majority-in-interest of holders of securities with voting rights cause the Company to issue additional units, an Investor's interest will typically also be diluted.

#### Restrictions on Transfer

The securities offered via Regulation Crowdfunding may not be transferred by any purchaser of such securities during the one year period beginning when the securities were issued, unless such securities are transferred:

- to the issuer;
- to an accredited investor<sup>6</sup>;
- as part of an offering registered with the U.S. Securities and Exchange Commission; or
- to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

#### **Valuation Methodology for Prior Reg CF Raise**

The offering price for the securities offered pursuant to this Form C has been determined arbitrarily by the Company, and does not necessarily bear any relationship to the Company's book value, assets, earnings or other generally accepted valuation criteria. In determining the offering price, the Company did not employ investment banking firms or other outside organizations to make an independent appraisal or evaluation. Accordingly, the offering price should not be considered to be indicative of the actual value of the securities offered hereby.

The initial amount invested in a Convertible Note is determined by the investor, and we do not guarantee that the Convertible Note will be converted into any particular number of units.

As discussed in Question 13, when we engage in an offering of equity involving Units, investors may receive a number of units of Preferred Units calculated as either the conversion price equal to the lesser of (i) 80% of the price paid per unit for Equity Securities by the Investor in the Qualified Financing or (ii) the price equal to the

securities by the investors in the qualified financing or the price equal to the quotient of the valuation cap of \$4,500,000.00 or \$4,000,000 for investors in the first \$250,000 of investment volume (the "Valuation Cap") divided by the aggregate number of outstanding units of the Company's units as of immediately prior to the initial closing of the Qualified Financing (assuming full conversion or exercise of all convertible and exercisable securities then outstanding, but excluding the units of equity securities of the Company issuable upon the conversion of the Notes or any other debt).

Because there will likely be no public market for our securities prior to an initial public offering or similar liquidity event, the price of the Units that investors will receive, and/or the total value of the Company's capitalization, will be determined by our board of directors. Among the factors we may consider in determining the price of Units are prevailing market conditions, our financial information, market valuations of other companies that we believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant. In the future, we will perform valuations of our units that take into account, as applicable, factors such as the following:

- unrelated third party valuations;
- the price at which we sell other securities in light of the relative rights, preferences and privileges of those
- our results of operations, financial position and capital resources;
- current business conditions and projections;
- the marketability or lack thereof of the securities;
- the hiring of key personnel and the experience of our management;
- the introduction of new products;
- the risk inherent in the development and expansion of our products;
- our stage of development and material risks related to our business;
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given the
- market conditions and the nature and history of our business;
- industry trends and competitive environment;
- trends in consumer spending, including consumer confidence;
- overall economic indicators, including gross domestic product, employment, inflation and interest rates; and
- the general economic outlook.

We will analyze factors such as those described above using a combination of financial and market-based methodologies to determine our business enterprise value. For example, we may use methodologies that assume that businesses operating in the same industry will share similar characteristics and that the Company's value will correlate to those characteristics, and/or methodologies that compare transactions in similar securities issued by us that were conducted in the market.

#### **Company**

NovoMoto Inc.  
- Delaware Corporation  
- Organized January 2022  
- 12 employees

155 N Wacker  
FL 42  
Chicago IL 60606

<http://www.novomoto.net>

#### **Business Description**

Refer to the [NovoMoto profile](#).

#### **EDGAR Filing**

The Securities and Exchange Commission hosts the [official version of this annual report](#) on their EDGAR web site. It looks like it was built in 1989.

#### **Compliance with Prior Annual Reports**

NovoMoto is current with all reporting requirements under Rule 202 of Regulation Crowdfunding.

#### **All prior investor updates**

You can refer to the company's [updates page](#) to view all updates to date. Updates are for investors only and will require you to log in to the Wefunder account used to make the investment.