



Beach-front lockers

Executive Summary

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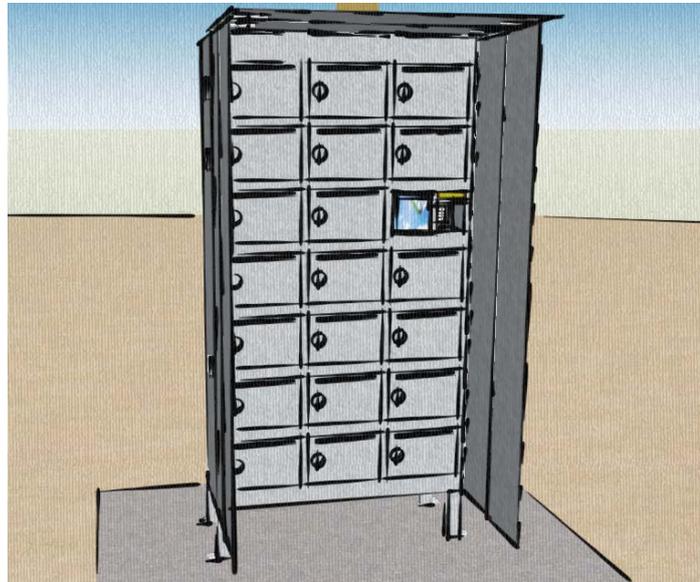
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Introduction

Domino Enterprises has come up with a **patent-pending target market designed outdoor locker system** that we believe will come to dominate the emerging South American market of **short-term personal belongings storage**.

Much of the South American market, including **Brazil**, our main target market over the **next five years**, is characterized by cultural, social and economic conditions that are uncommon and not well understood in the environments where outdoor locker systems have first appeared, evolved and are currently thriving.



Domino lockers provide a **first-to-market solution to an acute problem experienced by most Brazilians and tourists** seeking quality time at beaches and other highly frequented public areas of socialization in Brazil; namely **insecurity about one's personal belongings**. With petty theft very common in Brazil, **the demand is very well established – all that is needed is the offering of a service that adequately satisfies it**.

In the coming years, Domino Enterprises, a young and dynamic company that capitalizes on the **government-level security** research back-ground of its founders, will make it its business to develop, install and support its **patent-pending outdoor locker systems** all over South America, making a startup investment in Brazil.

Domino Enterprises' plan for the deployment of a cutting-edge technology based service in Brazil comes at a time when Brazil is becoming acutely aware and ambitious regarding its 21st century **strategic goals of security, projected financial growth, social stability, technology development and rich service offerings**, especially in light of the just past **2014 FIFA World Cup and the upcoming 2016 Olympic games**, held in Brazil. At this time Domino's system will help make Brazil stand out as a country that actively pursues high-tech ways in ensuring the security and well-being of its citizens and visitors while covering a need that is ongoing and today more felt than ever as Brazil's middle class is growing.

Prior Art

There are a number of **outdoor public area locker systems in use throughout the world today**. All of them, in all operational implementations that we are aware of, are **seriously challenged in the context of a possible deployment in most developing countries** for a number of reasons including inadequate physical security and infeasibility of their suggested business models.



Outdoor public area locker systems, regardless of their type, as they exist today, are either designed for **24-hour access and automatic cash payment collection, something that is simply inconceivable in countries where crime rates increase dramatically during the night**, or provide no built-in extra vandal protection measures during non-operational periods; **measures like metal panels/doors that close and protect the more sensitive front face of the locker system that bears the compartment doors and user interface components.**

Furthermore, existing outdoor locker systems are **suitable for outdoor use either by utilizing precision engineering, expensive materials and complex designs** in order to become waterproof or by requiring **special and separate awning structures to be built on top and around them.**

Another limiting factor with such locker systems is the **difficulty in changing or upgrading their embedded business logic and data as well as connecting that logic and data to local or remote back-end systems in order to create richer, smarter, evolving services.**

On the other hand, in case only **credit cards** and other forms of electronic payment are accepted, the **client base is significantly decreased** and the company operating the lockers needs to **incur the cost, risk and administrative burden of processing electronic payments.** **Locker systems operating on a client membership basis also suffer from a reduced client base.**

The **human administered locker** model fits the Brazilian use case much better mainly because the locker is monitored and protected throughout its operation by a human. However, typical and existing current implementations suffer from serious **“insider” attack threats** and the need for **significant effort for the management of physical tokens**, like keys, RFID tags and smart cards.

For all these reasons it is desirable to have a **weather-proof, low-cost, vandal-proof, easily installable, PIN operated out-door locker system with easily upgradeable software, whereby system administration as well as payment processing is delegated to a local small business or other manned POS (Point of Sales) operating in the area that takes control and responsibility of the physical device via contracting or similar means.**



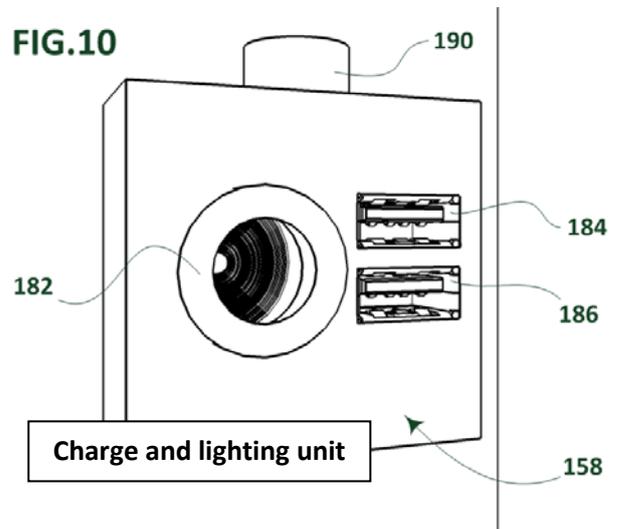


The Service

Domino will be offering secure electronic locker compartments for short-term hire (morning to night) at an **hourly rate of 2 Brazil Reais** (a bit less than 1 Euro or about 1.25 USD).

Multi-compartment locker systems will be mostly located **at beach-side bars and restaurants** (called "barracas" in Brazil - translates to "kiosks") throughout Brazil and administered by their personnel for a percentage of the total locker revenue.

The locker compartment, once hired, will be **accessible only by the person who hired it** via a custom-length PIN (Personal Identification Number). All compartments will be equipped with **laptop and gadget charging** sockets (car lighter and USB). **The human administrator of the locker shall not have the privileges required to open a hired locker compartment** throughout the duration of the paid-for time period (plus a certain grace period).



Competitive Edge

- The Domino solution is geared, by inception, towards **very low operating expenses**, partly due to the **very low number of required man hours**.
- **Low total cost of ownership** yet fully compliant with **UL/CE safety standards**.
- **Patent-pending locker system design** has created a true outdoor locker system (no roof required) at **1/4 the cost of other outdoor systems** while offering **trusted computing capabilities** (TPM chip based encryption and system attestation), **integrated digital signage system** and **compartments with gadget charging capability**.
- Locker is controlled by a **local area human administrator** via an **industrial grade touch-screen panel PC**.
- **Superior physical and electronic security characteristics** of both the locker system and the controlling computer.
- Reliable, high-quality **human managed and monitored** personal storage service.
- **Superior hardware reliability**: 100% solid-state, rugged industrial grade materials and technology.



Strategy to Success

Domino will initially focus its market penetration efforts **where the need for the service is strongest and potential competition is the weakest**; such a place would be the **beaches of**



Bahia and the **city of Salvador**, Brazil. Owned office space and residence by the CEO also helps with the startup at this particular location.

After Domino **becomes a proven and successful paradigm** in Bahia, we will expand to potentially more competitive areas in Brazil, like **Rio de Janeiro (city selected for the 2016 Olympics) and Sao Paulo**. The strong projected profits should help optimize Domino's rate of expansion.

Sales and Profit Projection

Sales are projected to keep increasing, after a short initial traction gaining time, with the help of some advertising and other marketing techniques. **With 100 locker systems installed we expect first year sales to be over 2 million Brazil Reais (880,000 EUR or 1,260,000 USD), reaching about 4.5 million 4 years later (1,980,000 EUR or 2,830,000 USD).**

The **by-design low total cost of ownership** of the locker system combined with the high demand we expect our service to have should yield **net profits that are consistently over 50%**.

Please do take a look at our comprehensive **five-year business plan** that presents what we believe is a financially sound **vision of success and growth** in the high demand market of security services in Brazil.

