

Great Rate Freight

The Revolution is Here



Mission Statement

- Great Rate Freight's mission is to create a streamlined marketplace using technology to service the needs of trucking companies, owner operators, and customers (shippers).
- We want to change the culture in trucking by creating more informed shippers, giving them up-to-date information, increase their net benefit, and do more business with like minded carriers through technological solutions.
- We want to connect well informed and well educated shippers and connect them with dedicated professional truck drivers who deliver excellent service for a fair wage.

What is Brokerage?

- \$800 Billion Industry
 - Top 10 brokers account for only 4% of the industry
- Top 10 Brokers
 - CH Robinson
 - T.Q.L.
 - XPO
 - Echo Global
 - Coyote
 - Landstar
 - Worldwide Express
 - Sunteck
 - Crane Logistics
 - Mode Transportation

4 reasons people use brokers

1. Ignorance of what a broker actually does
2. Corruption
3. Incompetent shipping department
4. This is the way it's always been done and no one knows a better way.

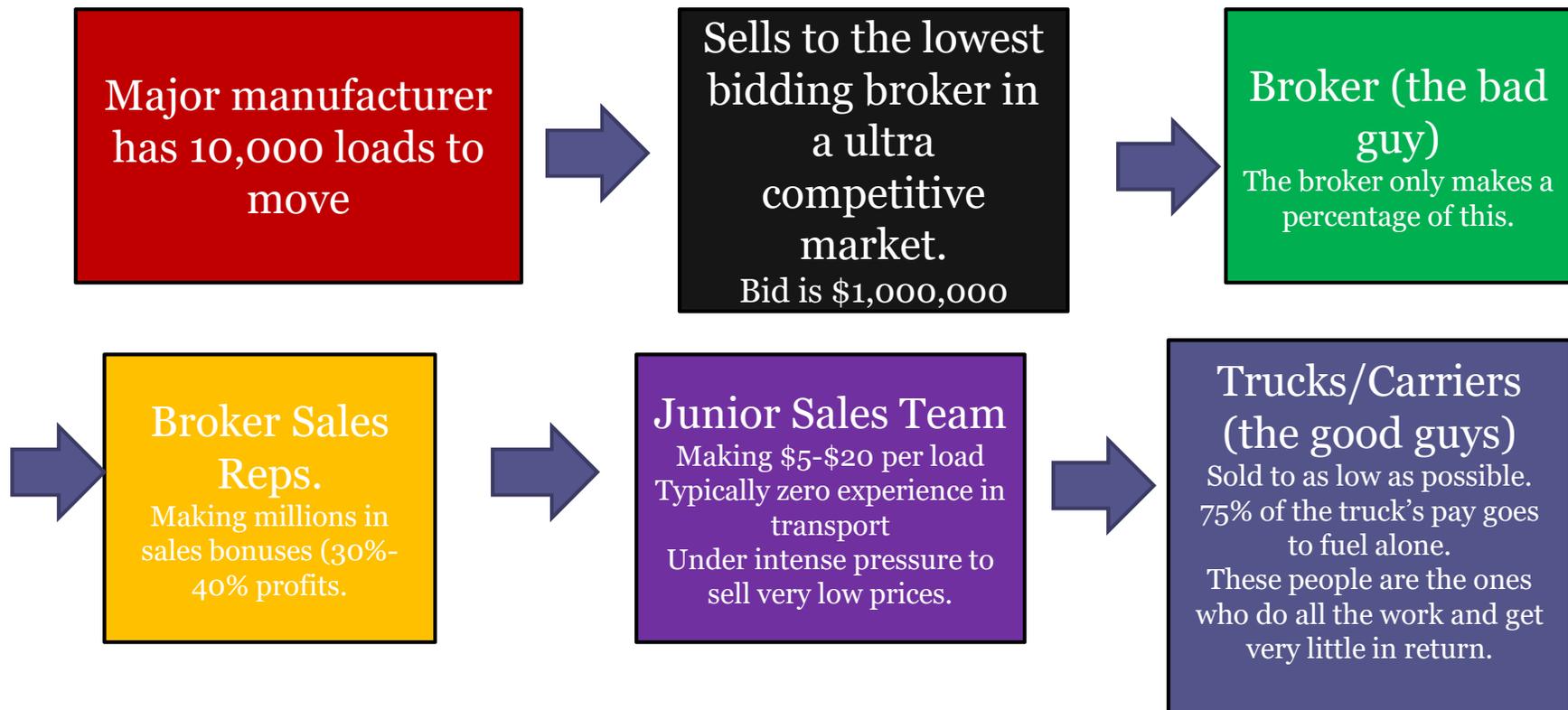
Over 17,500 licensed freight brokers in the U.S., employing over 80,000 agents, with hundreds of thousand more in call centers nationwide.

Common Broker Lies

- “I know my carriers.”
- “You need me.”
- “I’m an expert.”
- “I have more capacity than the other guy.”
- “I exhaustingly qualify my carriers.”
- “I don’t make a lot of money.”
- “I care about your load.”
- “I care about your business.”
- “Truck drivers are idiots. Only through me will you have a chance of success.”
- “I’m paying attention to your load personally.”

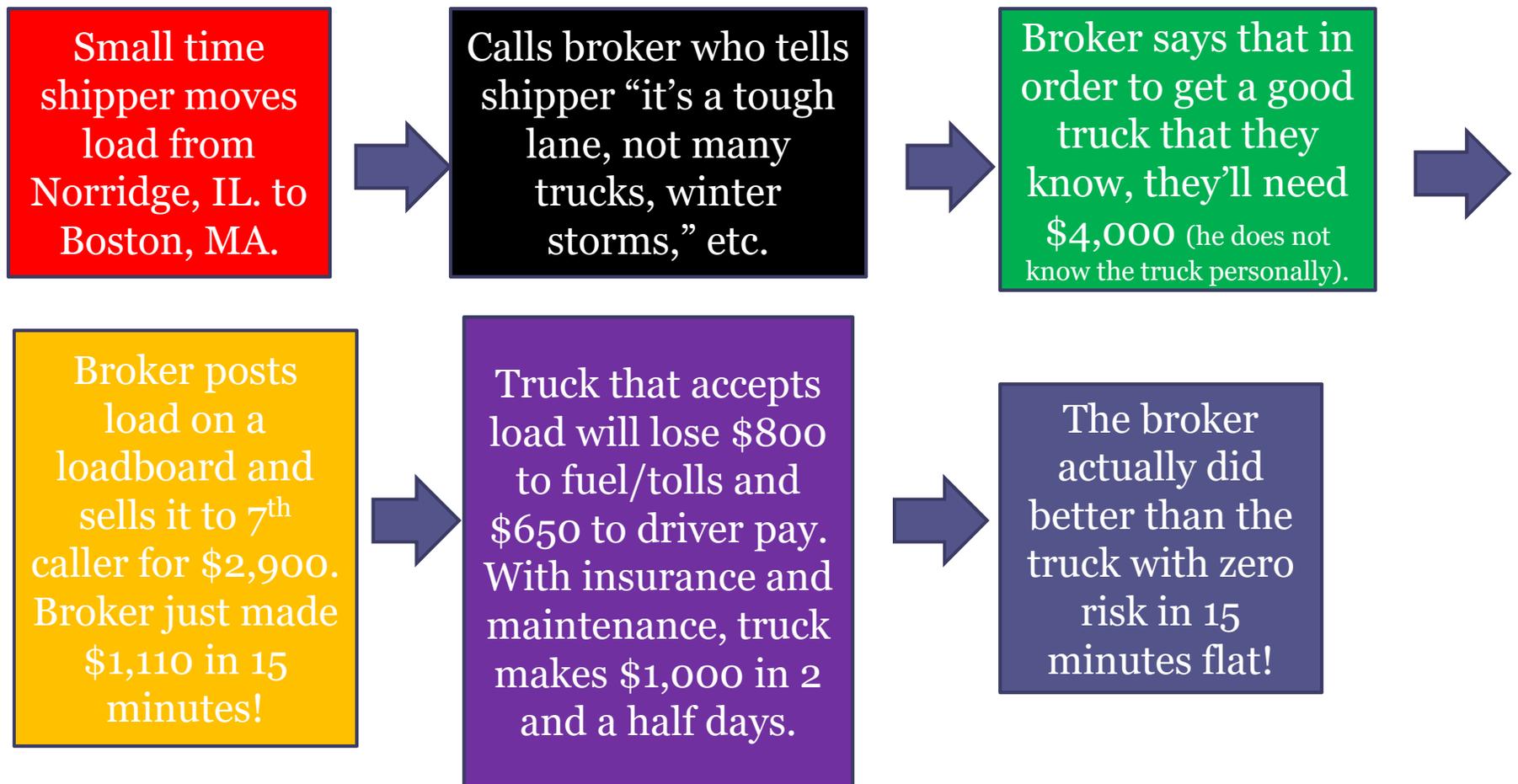
How Brokerage Works

Mass Market

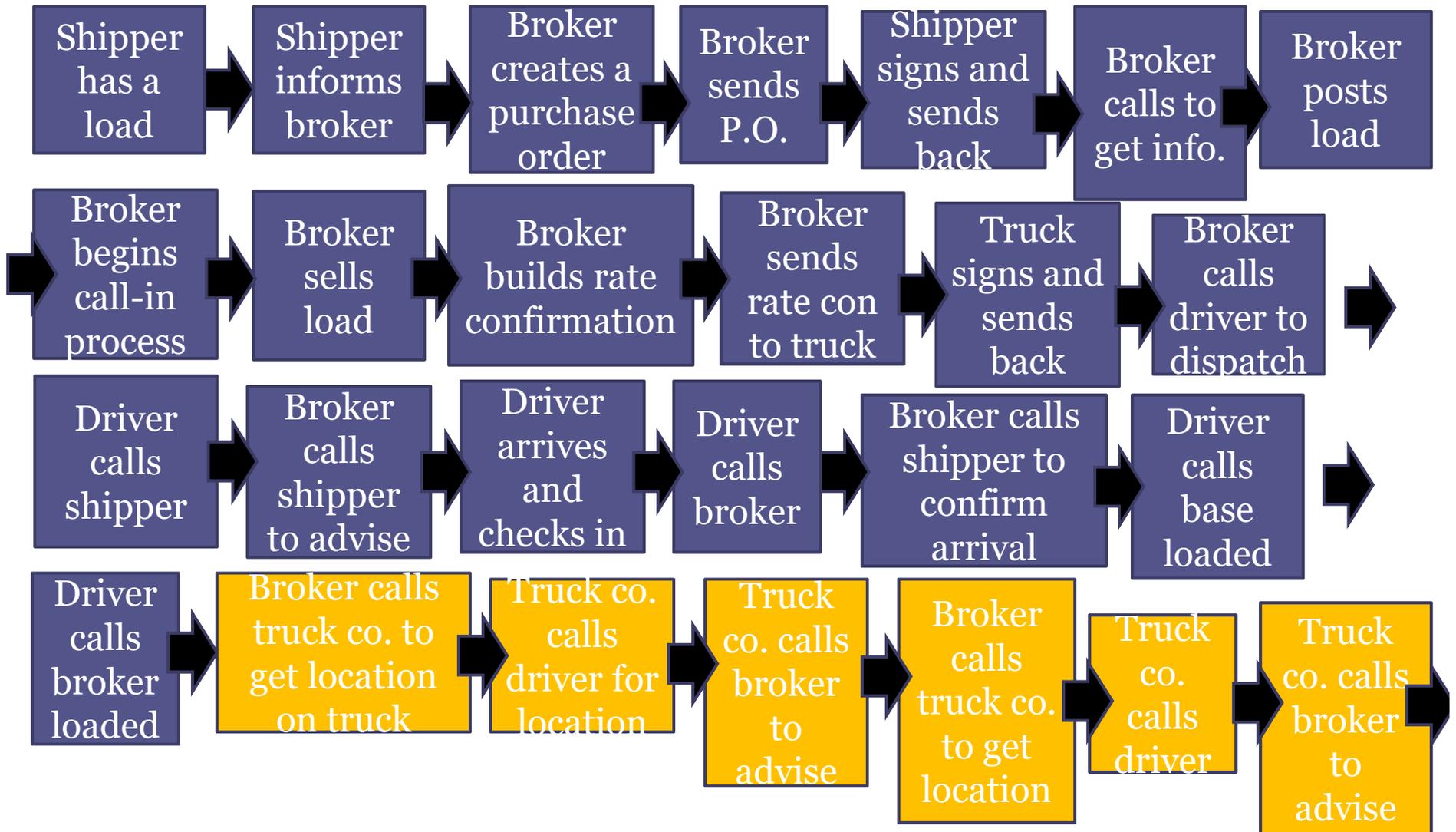


How Brokerage Works

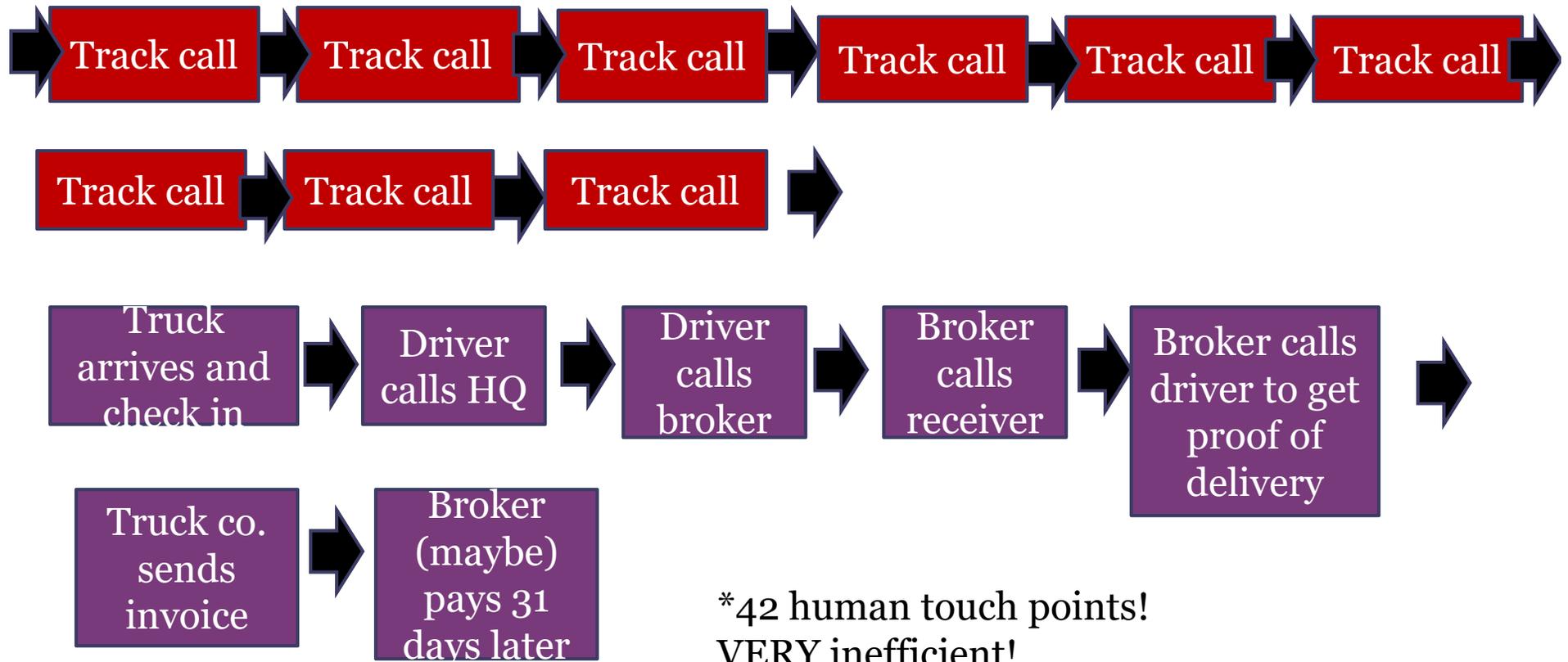
Spot Markets



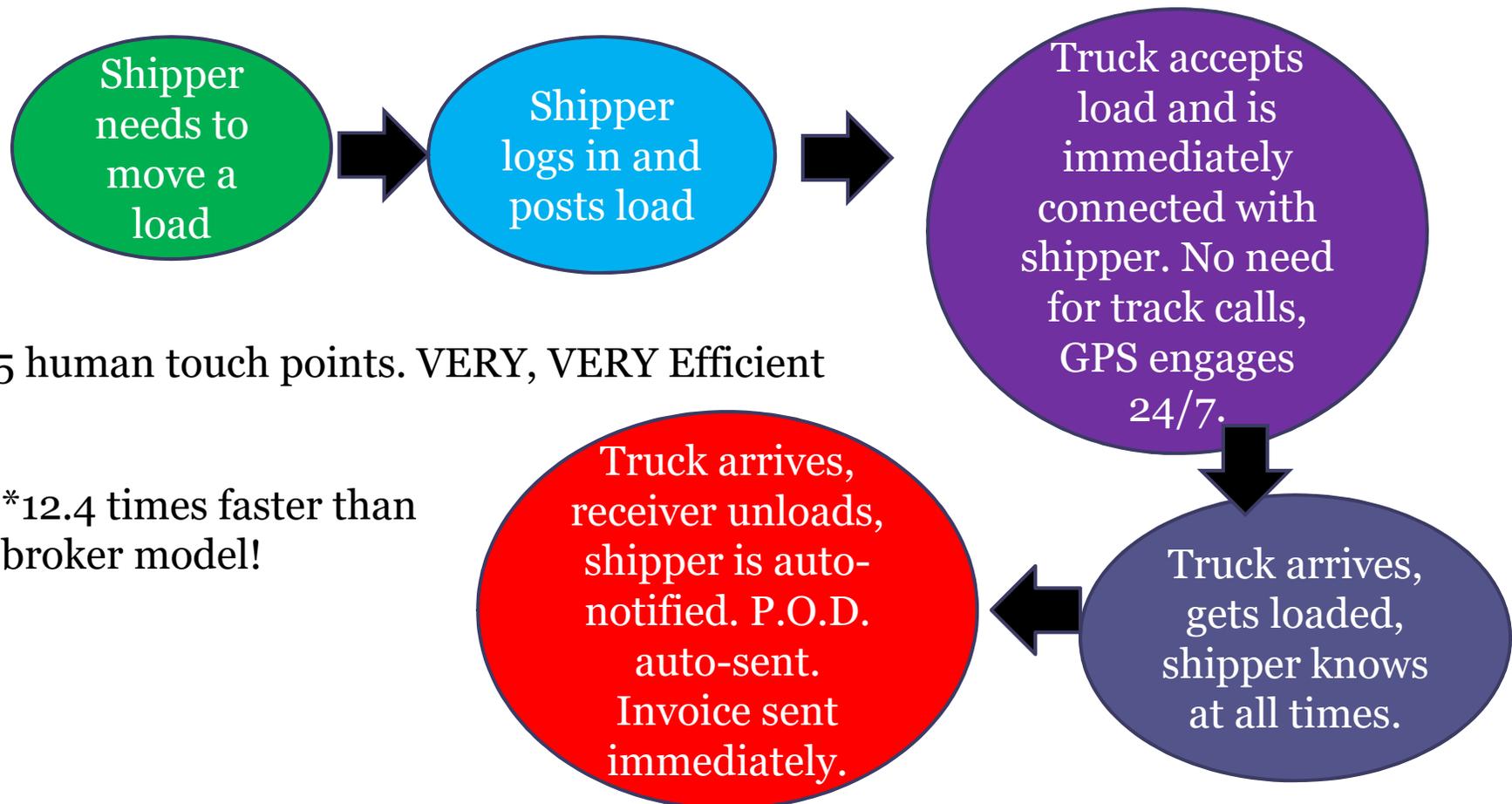
Labor Intensive Broker Model



Broker Model cont.



Great Rate Freight tech model



Great Rate Freight vs. Brokers

- Ease of use, 4 screens or less!
- Web-based, android, and IOS
- Superior customer service 24/7
- Drivers and shippers can make photo or video profiles, greatly eliminating fraud and double-brokering.
- Drivers and shippers have text and video conference.
- 24/7 GPS tracking with route intel and ETA updates.
- Gr8R8Fr8 charges 20% transparently, all parties are shown all payment.
- Our highly efficient tech model involves on 5 HUMAN TOUCH POINTS!
- Invoicing and setup process are all electronic.
- Trucks get paid immediately, for free!
- Our super informative website will cause massive disruption with the broker's corruption.
- Growth potential is eye-popping. We have major global potential in Europe, China and India.
- America's 350,000 owner/operators and the 150,000 small fleet owners will readily adopt this new way of life. They hate the brokers!
- Most only have daytime customer service
- Broker has little defense with zero visual contact, they are literally wide open for theft and fraud.
- Broker has to make intrusive and dangerous phone calls to driver. Distracted driving is a killer.
- Broker charges at least 40%, zero transparency, and often withholds payments for minor, petty reasons.
- Broker system has 42 human touch points to complete a single load. Embarrassingly inefficient!
- Brokers make you wait for 31 days or charge you your hard-earned gross 5%.

The brokers are corrupt and outdated. They have destroyed their industry with dishonesty and shameful overcharging. They were once useful, but Like all corrupt, failing systems, they are replaced by a revolution.

Welcome to the revolution.

Great Rate Freight is superior in every way. It's green, safe, inexpensive, transparent, and designed by truckers for the shippers. It's just better.

Industry

- With Great Rate Freight’s custom “in house” technology, we are focused on disrupting the trucking industry with transparency:
 - 1. Over 15,000 licensed freight broker companies in the USA
 - 2. Nearly all goods transported in the United States move by truck at some point in the journey. Trucks carry over 60% of the annual gross tonnage moved in the US, making trucking the “backbone” of the intermodal (AIR, SEA, LAND) transportation network.
 - 3. Each day, millions of big trucks move freight throughout the United States from one destination to another. These rigs pull various types of cargo ranging from perishable foods, consumer goods to general cargo.
 - 4. 70% of all manufactured and retail goods transported within the U.S. on an annual basis are via truck.
 - 5. Trucking in the U.S. alone is an \$ 800 billion a year industry.
 - 6. Truck driver is the most common job in the U.S.

- 2,3,4,5 source from US Freight Brokers, LLC (<http://www.usfreightbrokers.com/content/industry>)

Features of using the Great Rate Freight Technology Platform

- Driver/Owner Operator
 - • Finding Loads – eliminate man hours of finding loads.
 - • BackHAUL - Bring back more money to every load (no truck is empty on return trip).
 - • Communication - eliminate man hours of making repeat phone calls.
 - • Streamlined invoicing

- Shipper/Customer
 - • GPS – eliminate man hours of making repeat phone calls to know where driver and shipment is: “did you pick it up?”, “are you there yet?”
 - • Save on shipment costs – transparency
 - • Increase productivity
 - • Help inform shippers on ways to save millions of dollars by debunking myths from brokers.
 - • Make informative pages to help educate shippers on ways to save.

Forecasts, Years 1-3

Year	Projected Revenue	Projected Expenses	Tax	Projected Profit
1	\$112,080,000	\$28,397,839	\$17,573,253	\$66,108,909
2	\$126,650,400	\$29,549,839	\$20,391,118	\$76,709,444
3	\$143,896,699	\$30,909,839	\$23,727,240	\$89,259,619

Forecasted Income Table (Vans) (with initial \$5,000,000 investment)

Timeframe	Daily Active Users (DAUs)	Average Charge per load (\$)	Great Rate Freight charged (%)	Great Rate Freight Gross Margin (\$)	Weekly Gross Margin (\$)	Monthly Gross Margin (\$)
1st 2 weeks	150	\$2,000	20%	\$60,000	\$300,000	\$600,000
2nd 2 weeks	200	\$2,000	20%	\$80,000	\$400,000	\$800,000
3 months	260	\$2,000	20%	\$104,000	\$520,000	\$2,080,000
4 months*	500	\$1,500	20%	\$150,600	\$753,000	\$3,012,000
6 months	625	\$1,300	20%	\$162,500	\$812,500	\$3,250,000
8 months	750	\$1,300	20%	\$195,000	\$975,000	\$3,900,000
10 months**	975	\$1,200	20%	\$234,000	\$1,170,000	\$4,680,000
12 months	1,267.50	\$1,200	20%	\$304,200	\$1,521,000	\$6,084,000

*Critical Mass

**Holiday Season

Monthly Gross Revenue (Vans) - Year 1

Month	Gross Revenue	
1	\$1,400,000	
2	\$1,400,000	
3	\$2,080,000	
4	\$3,012,000	
5	\$3,250,000	
6	\$3,250,000	
7	\$3,250,000	
8	\$3,900,000	
9	\$3,900,000	
10	\$4,680,000	
11	\$4,680,000	
12	\$6,084,000	
	\$40,886,000	Year Gross Revenue

Forecasted Revenue (Vans), Years 2 and 3

Year (Van)	Projected Revenue	Projected Expenses	Tax	Projected Profit
2	\$46,201,180	\$9,849,946	\$7,633,759	\$28,717,475
3	\$52,207,333	\$10,303,280	\$8,799,851	\$33,104,202

*Assuming 13% growth year after year

Forecasted Income Table (Reefers)

Timeframe	Daily Active Users (DAUs)	Average Charge per load (\$)	Great Rate Freight charged (%)	Great Rate Freight Gross Margin (\$)	Weekly Gross Margin (\$)	Monthly Gross Margin (\$)
Year 1, Month 4	105	\$ 3,500.00	20	\$ 73,500.00	\$ 367,500.00	\$ 1,470,000.00
Month 5	118	\$ 3,500.00	20	\$ 82,600.00	\$ 413,000.00	\$ 1,652,000.00
Month 6	128	\$ 3,400.00	20	\$ 87,000.00	\$ 435,000.00	\$ 1,740,800.00
Month 7	138	\$ 3,400.00	20	\$ 93,840.00	\$ 469,200.00	\$ 1,876,800.00
Month 8	150	\$ 3,500.00	20	\$ 105,000.00	\$ 525,000.00	\$ 2,100,000.00
Month 9	300	\$ 3,900.00	20	\$ 234,000.00	\$ 1,170,000.00	\$ 4,680,000.00
Month 10	327	\$ 3,900.00	20	\$ 255,060.00	\$ 1,275,300.00	\$ 5,101,200.00
Month 11	357	\$ 3,900.00	20	\$ 278,460.00	\$ 1,392,300.00	\$ 5,569,200.00
Month 12	389	\$ 3,900.00	20	\$ 303,420.00	\$ 1,517,100.00	\$ 6,068,400.00

Month 4: Open to Reefers and Open Decks

Month 9: Open to West Coast and Canada

Monthly Gross Revenue (Reefers) - Year 1

Month	Gross Revenue	
4	\$ 1,470,000.00	
5	\$ 1,652,000.00	
6	\$ 1,740,800.00	
7	\$ 1,876,800.00	
8	\$ 2,100,000.00	
9	\$ 4,680,000.00	
10	\$ 5,101,200.00	
11	\$ 5,569,200.00	
12	\$ 6,068,400.00	
	\$30,258,400	Year Gross Revenue

Forecasted Revenue (Reefers), Years 2 and 3

Year (Reefer)	Projected Revenue	Projected Expenses	Tax	Projected Profit
2	\$34,191,992	\$9,849,946	\$5,111,830	\$19,230,216
3	\$38,636,951	\$10,303,280	\$5,950,071	\$22,383,600

*Assuming 13% growth year after year

Forecasted Income Table (Open Deck)

Timeframe	Daily Active Users (DAUs)	Average Charge per load (\$)	Great Rate Freight charged (%)	Great Rate Freight Gross Margin (\$)	Weekly Gross Margin (\$)	Monthly Gross Margin (\$)
Year 1, Month 4	230	\$ 2,700.00	20	\$ 124,200.00	\$ 621,000.00	\$ 2,484,000.00
Month 5	299	\$ 2,700.00	20	\$ 161,460.00	\$ 807,300.00	\$ 3,229,200.00
Month 6	335	\$ 2,700.00	20	\$ 180,900.00	\$ 904,500.00	\$ 3,618,000.00
Month 7	387	\$ 2,700.00	20	\$ 208,980.00	\$ 1,044,900.00	\$ 4,179,600.00
Month 8	425	\$ 2,600.00	20	\$ 221,000.00	\$ 1,105,000.00	\$ 4,420,000.00
Month 9	476	\$ 2,600.00	20	\$ 247,520.00	\$ 1,237,600.00	\$ 4,950,400.00
Month 10	524	\$ 2,600.00	20	\$ 272,480.00	\$ 1,362,400.00	\$ 5,449,600.00
Month 11	577	\$ 2,600.00	20	\$ 300,040.00	\$ 1,500,200.00	\$ 6,000,800.00
Month 12	635	\$ 2,600.00	20	\$ 330,200.00	\$ 1,651,000.00	\$ 6,604,000.00

Month 4: Open to Reefers and Open Decks

Month 9: Open to West Coast and Canada

Monthly Gross Revenue (Open Deck) - Year 1

Month	Gross Revenue	
4	2,484,000.00	
5	3,229,200.00	
6	3,618,000.00	
7	4,179,600.00	
8	4,420,000.00	
9	4,950,400.00	
10	5,449,600.00	
11	6,000,800.00	
12	6,604,000.00	
	\$40,935,600	Year Gross Revenue

Forecasted Revenue (Open Deck), Years 2 and 3

Year (Open Deck)	Projected Revenue	Projected Expenses	Tax	Projected Profit
2	\$46,257,228	\$9,849,946	\$36,407,282	\$28,761,753
3	\$53,052,415	\$10,303,280	\$42,749,135	\$33,771,817

*Assuming 13% growth year after year

Forecasted Expenses Year 1 (25%)

Gross Margin-\$112,080,000

- Labor - \$4,296,600 (4% of forecasted income)
 - Insurance - \$5,604,000 (5%)
 - Advertising - \$11,208,000 (10%)
 - Real Estate - \$500,000 (0.04%)
 - Partnerships - \$5,604,000 (5%)
 - Office Furniture - \$36,400 (0.003%)
 - Utility Bills - \$100,000 (0.009%)
 - Employee Health Coverage - \$471,289 (0.04%)
 - Daily Operating Cost (Petty Cash) - \$24,000 (0.002%)
 - Employee 401k Contributions - \$207,550 (0.01%)
 - Tech - \$346,000 (0.03%)
 - Servers-\$24,000
 - Phones-\$30,000
 - Laptops- \$24,000
 - Flat screens and computers- \$40,000
 - Misc. Electronics- \$12,000
 - Internet and Phone Service- \$216,000
- Total Forecasted Expenses, Year 1: \$28,397,839

Labor Expenses

Corporate Officers	
CEO	\$100,000
CTO	\$100,000
COO	\$100,000
CPO	\$75,000
CFO	\$75,000
Total	\$450,000
Legal	
In-House Attorney	\$75,000
Retainer Attorney(s)	\$200,000
Front End Specialist	\$80,000
Advertising	\$150,000
Research and Statistics (2 @ 70k)	\$140,000
Human Resources (2 @ 80k)	\$160,000
Human Resources Assistant	\$40,000
Accounts Payable/Accounts Receivable (2 @ 61k)	\$122,000
Network administrators (2 @ 61k)	\$122,000

Salesmen (4 @ \$60,000)	\$240,000
Mail room	\$24,000
Bookkeepers (2 @ 42k)	\$84,000
Accountant	\$84,000
External Auditor	\$70,000
Administrative Assistants (9 @ 32k)	\$288,000
Back End/Database Specialist	\$80,000
Operations/Tech Infrastructure Specialist	\$80,000
Business Developers (2 @ \$85k)	\$170,000
Operations Center (see next slide)	\$1,170,000
Operations Center Manager	\$60,000
Corporate Training Consultant	\$62,000
Total Labor without Bonuses	\$3,906,000
plus 10% insurance tax	\$390,600
	\$4,296,600

Labor Expenses (cont.)

- Call Center employees will increase monthly and will be assigned to a specific geographic location.

Timeframe	Call Center Employees
Month 1	5 People
Month 2	10 People
Month 3	15 People
Month 4	20 People
Month 5	25 People
Month 6	30 People
Month 7	35 People
Month 8	40 People
Month 9	45 People
Month 10	50 People
Month 11	50 People
Month 12	50 People
Average Call Center Salary	\$36,000
New England	10% (of op center employees)
New York City/Long Island	5%
Mid Atlantic	15%
South East	15%
Midwest	15%
Pacific Northwest	15%
Pacific Southwest	15%
Canada	10%

Advertising 10%

- In order to accomplish record growth with maximum disruption, highly effective advertising is critical.
- Advertising is, by far, the single most important factor and as much money as is responsible must be allocated for this purpose.
- Advertising ideas include, but are not limited to:
 - Social Media
 - Billboards
 - Custom wrapped RVs and trailers with logo
 - Truck and car shows and conventions
 - Merchandise and giveaways
 - Television and radio interviews
 - Referral programs
 - YouTube infomercials

Real Estate \$400,000 budget

- 15,000-20,000 square feet of office space is needed.
- Must be near mass transit
- Must be highly desirable location
- Must be highly desirable neighborhood

Market Analysis

- Since 2013, a number of trucking tech companies have been created, all with the purpose of disrupting the \$800 Billion a year trucking industry.
- Companies like UberFreight and Convoy have seen the most success due to large initial investments.
- Smaller trucking tech companies, such as Transfix, Loadsmart and Cargomatic, also receive large investments yearly, but cater to mass market companies and only operate out of certain regions of the U.S.
- Great Rate Freight is similar to all of these tech companies because we too are seeking to disrupt this massive industry. We are different because we are catering to small market, mom-and-pop, independent shippers.

UberFreight

- Launched in May 2017 in an attempt to disrupt the trucking industry, the cloud-based app takes the middle man, or the broker, out of play and directly links shippers with carriers and vice versa.
- Uber Freight also only handles dryvan and refrigerated shipments (“reefers”), and not heavy machinery or military equipment.
- Great Rate Freight differs from UberFreight because not only do we handle reefers and vans, we also anticipate handle open deck loads after four months of operation.
- Great Rate Freight also does not haggle prices. We provide the loadboards for shippers to post loads, at a price determined by them, which is then accepted by the carrier.

Convoy

- Launched in 2015, describing itself as the “Uber for trucking” before UberFreight existed. They pride themselves as being outsiders of the industry, as opposed to UberFreight, which employs industry members.
- Convoy acts like a marketplace that shippers use to post routes, eliminating the need for human brokers, reducing costs for shippers and increasing efficiency for carriers.
- Both UberFreight and Convoy strive to be environmentally friendly by promoting efficient truck routes and cleaner trucks. Both companies also promise payments within days of delivery.
- Great Rate Freight differs from Convoy because we do not handle mass market loads, only small, independent loads.

Loadsmart

- Founded in 2014, users download the Loadsmart app and receive instant quotes on loads they wish to move. Once pricing is determined and agreed upon, the app will ask for the destination of the load and link the shipper up with a carrier.
- Drivers download the app for information about the load, and also so the shipper can track the driver.
- Among Loadsmart's clients are Fortune 500 companies like Anheuser-Busch and Albertsons/Safeway.
- Great Rate Freight is not targeting the mass market like Loadsmart is. We also do not quote any load that comes across our loadboards. That is the responsibility of the shipper.

Transfix

- Founded in 2013 in New York City, the carriers who use Transfix receive daily email notifications on available loads that match their profile. These notifications link to a page that displays all of the information carriers need to feel confident booking a shipment, including the rate, pickup and delivery locations, appointment times and trailer type.
- Users can also track shipments and receive alerts when a shipment will be delayed.
- Since their founding, Transfix has raised \$78.5 million, with \$43 million coming in July 2017 alone.
- Transfix handles retail, food and beverages and manufacturing for Fortune 500 companies. Once again, Great Rate Freight is primarily concerned with the smaller, spot market loads.

Cargomatic

- Founded in 2013, Cargomatic initially operated out of New York City and Southern California. In 2015, they expanded to San Francisco.
- They raised \$11 million in initial investments and conducted business with Bass Pro Shops and Perry Ellis.
- The business attempted to digitally link shippers with carriers, using the method of occupying free space in trucks.
- However, in 2016, they laid off 50% of their staff because they ran out of cash and couldn't raise more money due to a hiring spree that year. They also abandoned their philosophy and had to rely on manual data input as opposed to being digitally integrated.
- Great Rate Freight will not be like Cargomatic. Not only will we handle loads across America and Canada, but we will not be irresponsible with our funding as they have been.

Summary

- Truck drivers/owner operators go to great lengths trying to find loads. Great Rate Freight will let the market dictate the per mile price and not the brokers who are in the middle. This will be done transparently by putting everybody on one system.
- Every owner operator will be on our system because they will make more money per load and they will spend less time on the phone chasing loads.
- Shippers and customers are excellent at doing what they do....making products. They will join the portal because the cost savings will be passed down to them and they can now monitor their shipment.