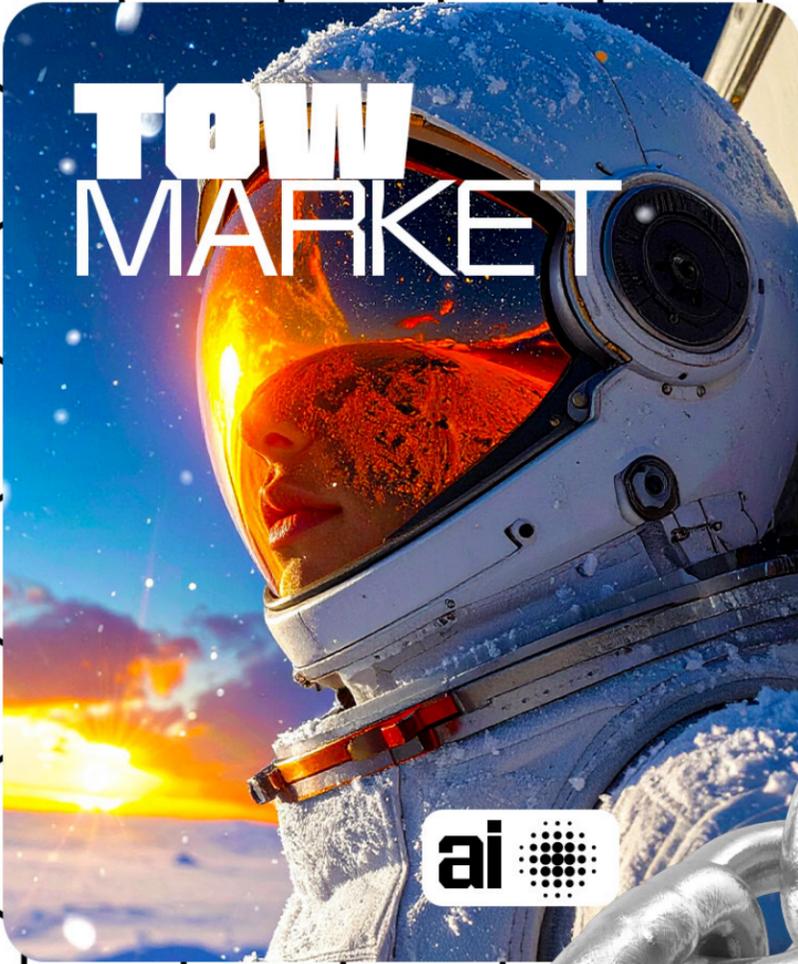


TOW MARKET

scale
matrix



AI BOOKKEEPING

INSURANCE INTEGRATIONS

AI PRICING ENGINE

AI DISPATCH



TOW MARKET

THE AI-POWERED OPERATING SYSTEM FOR THE GLOBAL TOWING & RECOVERY INDUSTRY



JUNK YARD

MODEL 1.0



Tow.Market

The First AI powered Uber-Like Operating System for The Towing & Recovery Industry developed for 3 years

Vision

Tow.Market is **the first true Uber-like software platform for towing, recovery, and roadside logistics.**

We are not a towing company.

We are the infrastructure software layer that standardizes how tow trucks are dispatched, insured, tracked, and paid — at national scale.

Executive Summary

The towing industry is a **\$70B+** global market still operating on phone calls, fragmented dispatch, and unmanaged insurance exposure.

Tow.Market replaces this with:

- Real-time AI dispatch
- Verified operators and equipment
- Predictable ETAs
- Claims-ready documentation
- Embedded insurance logic
- Multi-sided recurring revenue

This is category creation, not incremental improvement.

9:41



TOW MARKET

VERIFIED DRIVERS
LICENSED & INSURED
SECURE PAYMENTS
DIGITAL RECEIPTS
SUPPORT BUILT INTO
THE PLATFORM



The Problem (Why This Market Is Broken)

The towing industry moves tens of billions of dollars annually, yet operates with:

- Phone-based dispatch
- Zero real-time pricing logic
- No standardized insurance per tow
- High claim disputes and fraud
- No financial tooling or data layer
- Systemic failures across the industry:
 - No real-time dispatch intelligence
 - No standardized execution
 - No audit trail or insurance control
 - High loss leakage for insurers
 - Inefficient fleet operations
 - Poor consumer experience

Result: millions lost annually, fragmented across departments and never fixed.

For insurers, towing is a loss center, not a managed operation.

For tow companies, growth is capped by chaos and inefficiency.

No technology player has modernized this layer — until now.

—

The Breakthrough: Insured, AI-Driven Towing

Tow.Market transforms towing into a controlled, insurable, data-driven system.

Each tow includes:

- Verified driver + vehicle
- GPS-tracked route & timestamps
- AI-priced job acceptance
- Per-job insurance coverage
- Digital proof of service

This reduces claims, disputes, and fraud — creating immediate financial value for insurers and fleets.

Why Insurance Changes the Game

Every Tow.Market job includes embedded, per-transaction insurance, removing one of the biggest friction points in towing:

- Reduces liability disputes
- Protects drivers, companies, and consumers
- Makes the platform enterprise- and insurer-friendly
- Enables partnerships with insurers and fleets

This turns Tow.Market into insured roadside infrastructure, not just an app.

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Market Size

- U.S. towing market: ~\$11B annually
- Roadside assistance & recovery: \$30B+
- Global towing & roadside logistics: \$70B+

Even modest penetration yields massive upside:

- 1% of U.S. market → \$110M GMV
- 10–20% platform take rate → \$11–\$22M

revenue

This is a high-frequency, non-discretionary market with repeat usage and emergency demand.

Business Model

Tow.Market monetizes across multiple layers:

1. Marketplace Fee
 - 10–20% per completed tow
2. Driver Subscriptions
 - \$29–\$79/month for priority jobs, AI pricing, bookkeeping
3. Tow Company Subscriptions
 - \$99–\$499/month for dispatch, analytics, fleet tools
4. Logistics & Add-Ons
 - Junkyard drops
 - Auction & dealer transport
 - Roadside services (jumpstarts, tire changes, lockouts)

This hybrid marketplace + SaaS model creates predictable recurring revenue alongside transaction growth.

Seed Round Structure & Valuation Logic

Current raise:

- **\$1.5M at \$15M pre-money**
- **\$16.5M post-money**

Example allocation:

- **\$500K investment = ~5% ownership**

This seed round establishes:

- Market validation
- Pricing benchmarks
- Platform traction

As a result, the next round is priced higher by design, not dilution-based:

- Technology risk removed
- Network effects activated
- Revenue visibility established

Seed investors benefit from valuation anchoring, not discount dilution.

Why the Next Round Is More Expensive

Post-seed, Tow.Market will have:

- Live marketplace data
- Active driver & company networks
- Insurance partnerships enabled
- Proven unit economics

Comparable marketplace platforms typically reprice at 2–4x the seed valuation once infrastructure is live.

Target Series A valuation range:

\$40M–\$75M, depending on city expansion and GMV.

Insurance Economics: Loss Elimination (Not Added Spend)

The Current Reality for Insurers

Large auto insurers and roadside assistance providers already spend millions per year on towing-related losses — not because towing is expensive, but because it is uncontrolled.

Typical annual loss drivers:

- Disputed tow claims
- Overbilling & price gouging
- Fraudulent or unverifiable service
- Secondary liability insurance payouts
- Legal & administrative leakage

These losses exist today — with or without Tow.Market.

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Real-World Example: \$3M Annual Loss

Insurer Profile

- Regional / national auto insurer
- ~40,000 roadside tow incidents per year

Current Financial Reality

- Average claim cost leakage: ~\$75 per tow
- Annual uncontrolled losses:

$$40,000 \times \$75 = \$3,000,000$$

This \$3M is pure loss — not service cost, not premium income, and not recoverable.

State Farm

Focus: Scale, consistency, loss containment

Executive Context

At State Farm's scale, towing inefficiencies are not isolated events — they are systemic operational losses that compound across regions. The issue is not tow pricing, but variance, re-dispatch, and lack of real-time control.

Where State Farm Is Losing Money Today (Quietly)

- Failed dispatch due to wrong equipment (EVs, AWD, clearance)
- Re-tows caused by missed ETAs or unavailable operators
- High call-center volume during towing events
- Inconsistent documentation that slows claims resolution

These losses are already on the P&L — just distributed across teams.

Tow.market's Role

Tow.market sits on top of your existing tow spend and adds:

- **AI-based tow triage (right truck, first time)**
- **Real-time truck tracking**
- **Predictable ETAs**
- **Structured, claims-ready documentation**

We do not renegotiate tow rates.

We remove inefficiency.

Financial Framing (Conservative)

- Avoidable inefficiency: ~\$30 per tow
- Tow.market orchestration fee: \$20
- Net effect: ~\$10 saved per incident

At 100,000 tows/year:

- **Avoided loss: \$3.0M**
- **Tow.market fee: \$2.0M**
- **Net savings: \$1.0M annually**

No new budget required.

The Current Market: Fragmented Consumption

Today, towing is consumed, not orchestrated.

The market operates through:

- Phone calls
- Local dispatch lists
- Rotations
- Manual referrals
- Insurance workarounds
- Inconsistent pricing
- Zero real-time visibility

Each tow is treated as a one-off event, not part of a system.

There is no brand, only vendors.

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Slide — What Fragmentation Looks Like in Practice

In the current model:

- A consumer doesn't know who is coming
- An insurer doesn't control execution
- A city can't audit performance
- A fleet can't predict downtime
- A driver doesn't know demand ahead of time

Every participant experiences towing differently

—

because there is no shared operating layer.

This creates:

- Inefficiency
- Loss leakage
- Poor trust
- No scalability



Tow.Market Is the Opposite of Fragmentation

Tow.Market is not another towing provider.

We turn towing from:

- Local → National
- Manual → Real-time
- Anonymous → Verified
- Reactive → Predictable
- Disconnected → Networked

Tow.Market introduces standardization where none existed.

Tow.Market as a Brand

Tow Market stands for:

- Consistency – the same experience everywhere
- Control – real-time visibility and accountability
- Trust – verified operators and claims-ready data
- Efficiency – no re-tows, no guessing, no chaos
- Infrastructure – software, not a service

This is the first time the towing industry has a single, recognizable platform brand.

Revenue /p1

Insurance Tow Volume Assumptions

- Insurers: 3
 - Insured vehicles per insurer: 10M
 - Tow rate per policy/year: 3%
 - Tows per insurer/year: 300,000
 - Total insurer tows/year: 900,000
-

Revenue From Tow Volumes

Insurance segment:

- 900,000 tows × \$20 fee = \$18M/year

Driver marketplace segment:

- 25,000,000 tows × \$15 fee = \$375M/year
(or \$200M at \$8 fee)

At a conservative platform fee, this delivers multi-hundred-million recurring revenue once core segments fully onboard.

Revenue /p2

Why Car Rental Companies Care (Hertz, Avis, Enterprise)

Rental fleets face frequent breakdowns, accidents, and off-airport recoveries.

Today's roadside handling is fragmented and inconsistent, leading to vehicle downtime, lost utilization, and poor customer experience.

Tow.Market's Role

Tow.Market provides a national recovery orchestration layer:

- AI-based triage ensures correct equipment on first dispatch
 - Real-time tracking and ETAs reduce operational uncertainty
 - Structured documentation accelerates damage assessment and reconciliation
-

Use Cases

- Airport breakdown recovery
 - Accident vehicle retrieval
 - Off-airport roadside recovery
 - Dealer, auction, and maintenance transport
 - Salvage and end-of-life logistics
-

Revenue Model & Impact

- Per-event orchestration fee (\$15–\$30 per recovery)
- Enterprise subscription for national coverage and analytics

Illustrative economics:

- ~200,000 recoveries annually
- ~\$20 Tow.Market fee per event
- **~\$4.0M annual revenue**

Revenue /p3 EV market

Tow.Market's Role

- AI-based recovery triage for EV and autonomous requirements
 - Certified flatbed-only dispatch when required
 - Verified, EV-trained operators and equipment
 - Real-time tracking, ETAs, and digital proof of service
-

Use Cases

- EV roadside breakdowns
 - Autonomous vehicle incident response
 - Dealer and service-center transport
 - Battery fault and post-collision recovery
-

Revenue & Growth Economics

- Per-event orchestration fee: \$25–\$40
- OEM and fleet enterprise subscriptions

Illustrative impact (today):

- ~150,000 EV/AV recoveries annually
- ~\$30 average Tow.Market fee
- **~\$4.5M annual revenue**

Growth driver:

As EV adoption accelerates, recovery volume increases disproportionately due to higher technical complexity—expanding this revenue line materially over time.

9:41



TOW MARKET

THE AI-POWERED
OPERATING SYSTEM
FOR THE GLOBAL
TOWING & RECOVERY
INDUSTRY



Asking

Seed Entry

- Valuation: \$15M pre-money
- Initial 5% at \$120K per 1% (\$600K)
- Optional up to 15% at the same price (\$1.8M)
- Anchors valuation before insurance, OEM, and fleet scale

Valuation Step-Up

- Post-seed risk shifts from product to execution
- Infrastructure platforms typically reprice 2–4x
- Target Series A: \$40M–\$75M

Equity Incentive / Stock Option Pool

- Option pool: **5%**
- Duration: **10 months from the day of signing**
- Pricing: Locked at current rate
- — \$120,000 per 1%

Equity Allocation by Round — Tow.Market

Seed Round (Current)

- Capital raised: \$600K
 - Equity sold: 5%
 - Price: \$120K per 1%
 - Implied valuation: \$12M–\$15M
-

Series A (≈ 24–34 Months Post-Seed)

Target Raise

- Capital raised: \$10M
- Target valuation: \$150M–\$250M

Equity Sold

- 5%–8% (standard for infrastructure Series A)
-

Series B (Growth Round)

Target Raise

- **Capital raised: \$50M**
- Valuation step-up from Series A

Equity Sold

- 10%–15% (growth capital, not survival capital)

Use of Funds

- Global expansion
- OEM + government contracts
- EV & autonomous dominance
- Strategic M&A

One-Line Summary

- Seed: 5%
- Series A: ~5–8%
- Series B: ~10–15%
- Total dilution after B: ~20–25%

That's a very strong cap table for a company targeting a \$300M–\$500M+ exit.

Entry Terms returns

- Investment: \$1,800,000
- Ownership: 15%
- Price: \$120,000 per 1%
- Implied valuation at entry: \$12M–\$15M

This is pre-scale, pre-Series A pricing.

Value at Key Milestones

At Series A (24–34 Months)

- Target valuation: \$150M–\$250M
- Investor's 15% stake value:
 - \$22.5M at \$150M valuation
 - \$37.5M at \$250M valuation

Paper multiple:

12.5x – 20.8x

At Series B

- Expected valuation range: \$300M–\$400M
- Investor's 15% stake value:
 - \$45M – \$60M

This is before any liquidity events or strategic premiums.

At 3-Year Strategic Exit

- Target exit valuation: \$300M–\$500M+
- Investor's 15% stake value:
 - **\$45M – \$75M**



Use of Funds — 16 Months

Total Raise: \$1.5M

Runway: 16 months

Goal: Reach Series A readiness with insurer, fleet, OEM, and public-sector traction

- Product & Engineering (40%) — \$600K
Core platform, AI dispatch, insurance logic, APIs
- Network Build (25%) — \$375K
Driver, fleet, junkyard, EV-certified onboarding
- Enterprise Partnerships (20%) — \$300K
Insurers, OEMs, rentals, municipalities
- Operations & Infrastructure (10%) — \$150K
Cloud, payouts, support, compliance
- Buffer (5%) — \$75K
Contingency and execution flexibility

Outcome:

Production-grade infrastructure, live enterprise contracts, and Series A readiness within 16 months.

Tow.Market — Executive Summary

What We Are

Tow.Market is the first AI-powered, insured software platform for towing and roadside logistics. We modernize a fragmented industry by standardizing dispatch, execution, and accountability at national scale—without changing tow rates or adding insurance cost.

The Problem

Insurers, municipalities, and fleets lose millions each year to failed dispatch, re-tows, call-center overload, poor documentation, and slow claims. These losses already sit on the P&L but remain unmanaged.

The Solution

Tow.Market sits on top of existing tow spend and removes inefficiency through AI-based triage, real-time tracking, predictable ETAs, and claims-ready documentation. We don't change pricing—we eliminate variance.

Revenue Model

Tow.Market generates high-margin revenue across insurance loss-elimination fees, driver subscriptions, fleet subscriptions, junkyard and salvage logistics, and private memberships. Projected annual revenue at scale exceeds \$128.6M.

Market Opportunity

The U.S. towing market exceeds \$11B annually within a \$70B+ global roadside logistics opportunity. Tow.Market is the only true infrastructure platform in the space, enabling expansion into OEMs, car rentals, moving services, and public-sector towing.

Traction & Exit

With three insurers onboarded, Tow.Market already generates \$6M in annual insurance revenue while reducing partner losses. With a clear path to \$100M+ ARR, the company targets a strategic exit within three years at a **\$300M–\$500M+ valuation.**

TOW MARKET

Made By Eli Ofel

Founder & CEO — Tow.Market

Eli Ofel is a serial entrepreneur and platform builder with a proven track record of scaling complex, regulated businesses. He previously **founded Leaa Health, a concierge healthcare platform that generated over \$30M in revenue in four years**, demonstrating capital-efficient execution in high-friction industries.

He founded Tow.Market to bring the same infrastructure-first approach to towing and roadside logistics—building the first Uber-like software platform for towing and recovery, designed for insurers, fleets, municipalities, OEMs, and drivers at national scale.

Vision: Replace fragmentation with software and make Tow.Market the standard operating system for roadside recovery.

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