LOCK
GUARDS YOUR RIDE

Executive Summary

BLOCK (biːlɒk) is an Urban Tech scaleup from Budapest, Hungary.

Our mission is to popularize urban micromobility usage (cycling & scooter riding) and to eradicate theft.

We created the next generation of bicycle & scooter docks. Our tangible smart city hardwares enable the most secure and convenient way of (publicly) storing and charging private urban mobility vehicles.
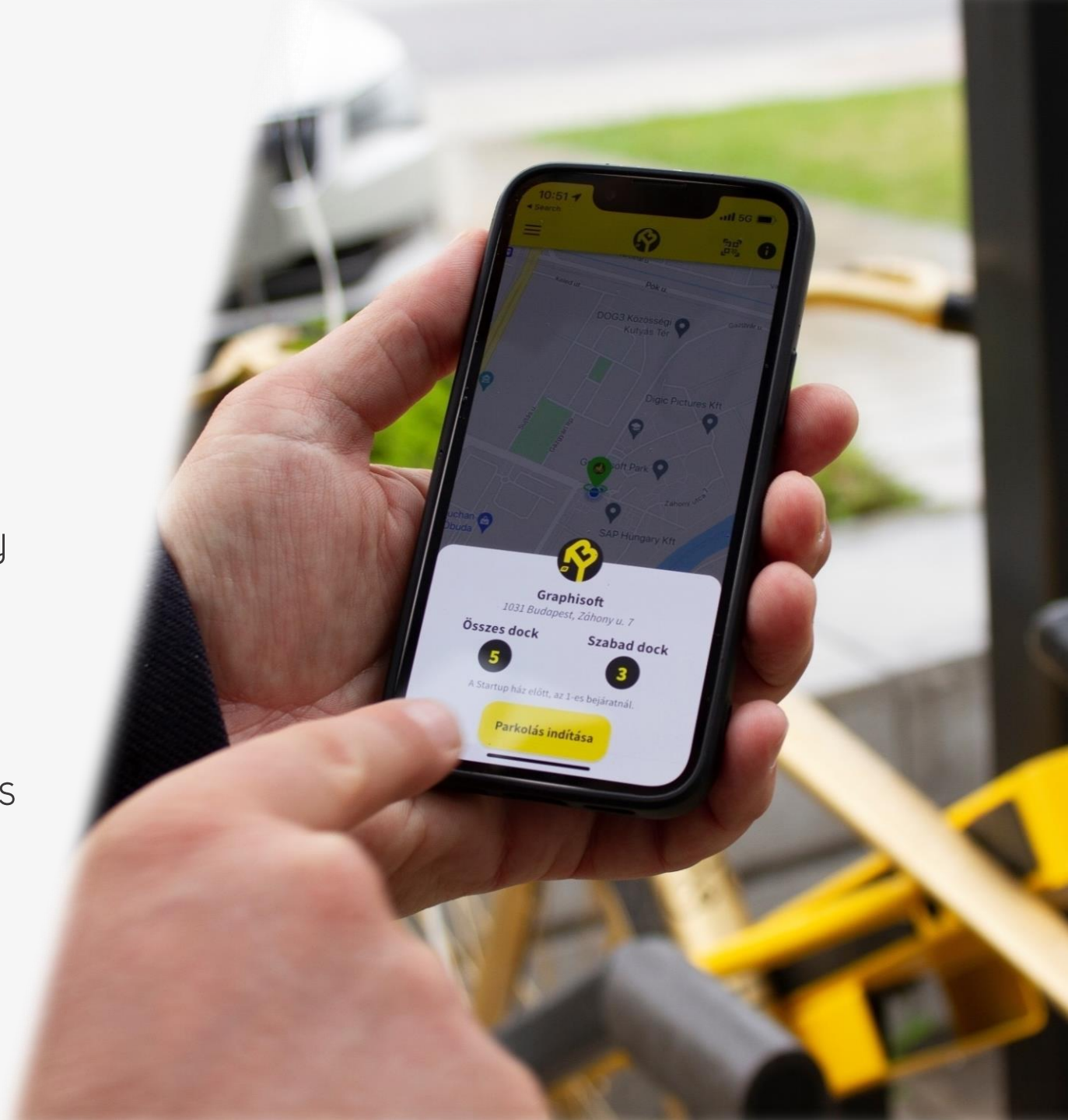
Investment Opportunity

The micromobility market is rapidly expanding, with a projected growth from €63.3 billion in 2022 to **€209.8 billion by 2030**, driven by rapid urbanization and a shift toward sustainable transportation. Within this market, BLOCK is uniquely positioned to capitalize on the increasing need for secure micromobility parking solutions for private vehicles. Their innovative, scalable and tangible infrastructure – which includes mobile app integration and e-bike/e-kickscooter charging capabilities – meets a critical demand as cities worldwide push for greener urban mobility.

BLOCK's strong executive team, strategic partnerships, and alignment with global sustainability trends make it a promising investment. The company's ability to adapt to various environments and integrate with Smart City initiatives further enhances its growth potential. While challenges such as regulatory variations and competition exist, BLOCK's proven technology and easily scaleable sales operations mitigate these risks, offering significant upside in a young, booming industry.

Investment Opportunity

The scaleup to date had received €750 thousand in funding, both from a venture capital firm and from various EU grants and competition wins. Revenue is ramping up but to conquer foreign markets and hire new talents, BLOCK is currently seeking the second half of its Seed round and wishes to carry out a capital increase of €1 million at a €3 million pre-money valuation in exchange for 22% of its shares in Q2 2025.

The current shareholder structure is rather clean, comprising of the Founder & CEO as the majority owner, an institutional investor (Hiventures) and a previous mentor (natural person). ESOP is in progress, but as of August, 2024, none of the employees had claimed their shares.

- Founder
- VC
- Mentor
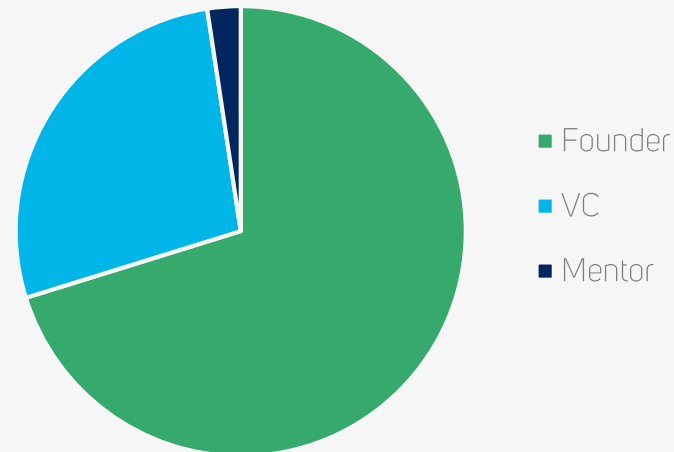
Once-in-a-lifetime market conditions

01 **eBike and eScooter sales skyrocket**
Storing and charging these high-value assets in public requires radically different parking infrastructure.

02 **Smart City initiatives**
All across the globe there is a need for tangible smart micromobility parking solutions with measurable benefits.

03 **Very few competitors**
Yet! One direct competitor focuses on North-America while others in the EU are local and in their infancy.

04 **EU Commission Cycling Strategy**
2024 year of cycling, 2 million more jobs, infrastructure developments, significantly increasing ecosystem investments.

Management team

Szabolcs
Founder & CEO

Environmental engineer
and regional economist.
Strategy, **owner**

Kristóf
CTO

Mechanical engineer
and CAD responsible.
Procurement, **owner**

István
Business dev.

Former VC and took
Euronet to NASDAQ.
Fundraising, **owner**

Bea
Marketing

Former FORD regional
manager, business coach.
Communications, **owner**
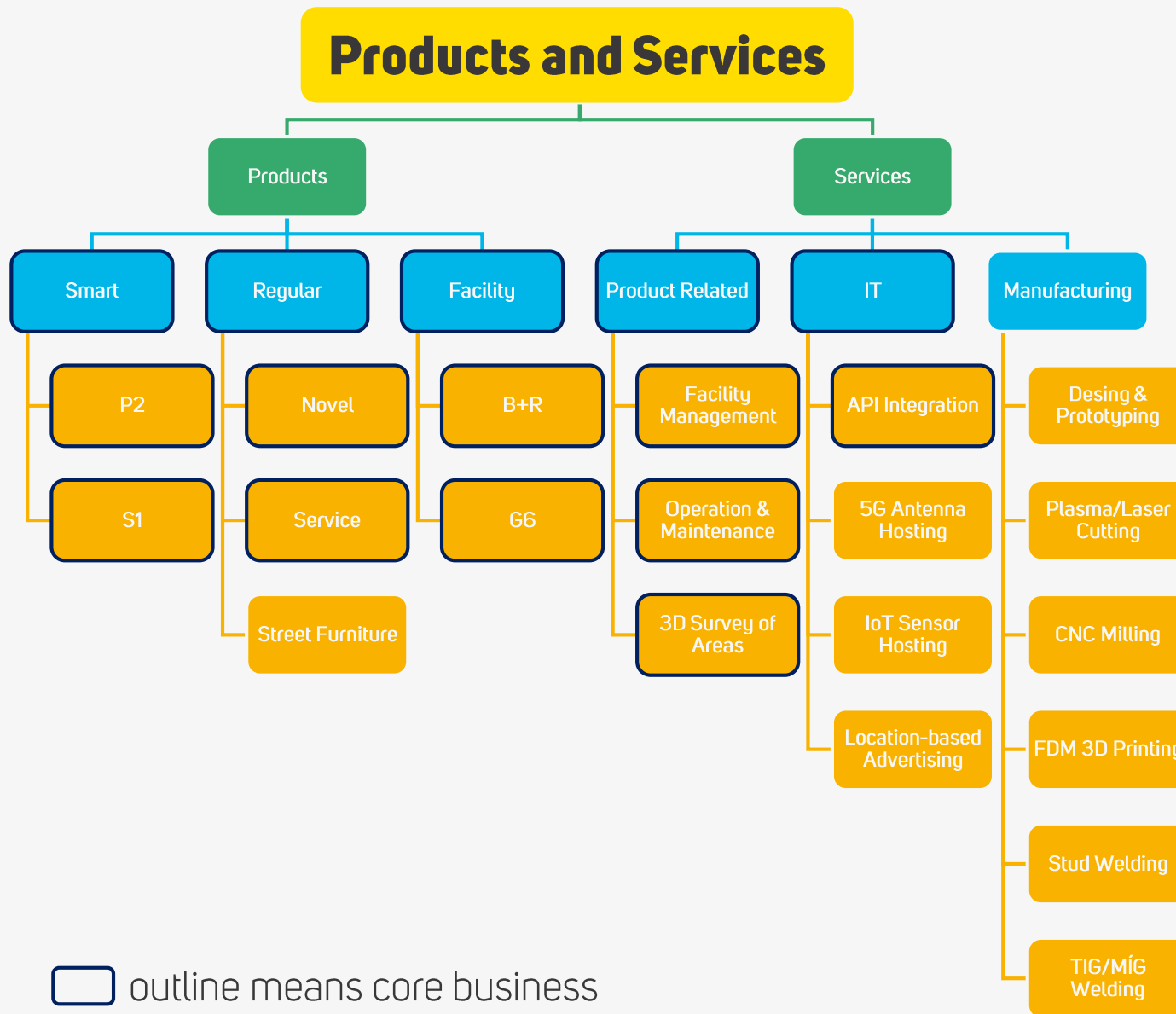
Róbert
Sales

Pivoted from 15 years of
paper industry.
Sales operations, **owner**

László
IT PO

Teacher, talented IT
delevoper and recruiter.
IT systems, **owner**

powered by
HIVENTURES
AZ MFB CSOPORT TAGJA

DESIGN TERMINAL
OPTIMISTS FIRST

eit Urban Mobility

startup campus

SURE5.0

bbb | Bridge to Benefits

·1850· BKIK
BUDAPESTI
KERESKEDELMI
ÉS IPARKAMARA

Products and Services

Products

Smart
- P2
- S1

Regular
- Novel
- Service
- Street Furniture

Facility
- B+R
- G6

Services

Product Related
- Facility Management
- Operation & Maintenance
- 3D Survey of Areas

IT
- API Integration
- 5G Antenna Hosting
- IoT Sensor Hosting
- Location-based Advertising

Manufacturing
- Desing & Prototyping
- Plasma/Laser Cutting
- CNC Milling
- FDM 3D Printing
- Stud Welding
- TIG/MÍG Welding

outline means core business

As an innovative urban micromobility parking service provider, BLOCK developed both hardware and software products to provide an ultimate service and set standards.

Its business model is best described as a **hardware enabled software-as-a-service**. Although **manufacturing is a neccesity, BLOCK is not a factory**, it is a tech scaleup dealing with data-based services.

Smart and Facility categories contain connected hardware solutions while in the Regular category there are simple steel products with modern, functional design, as an added value.
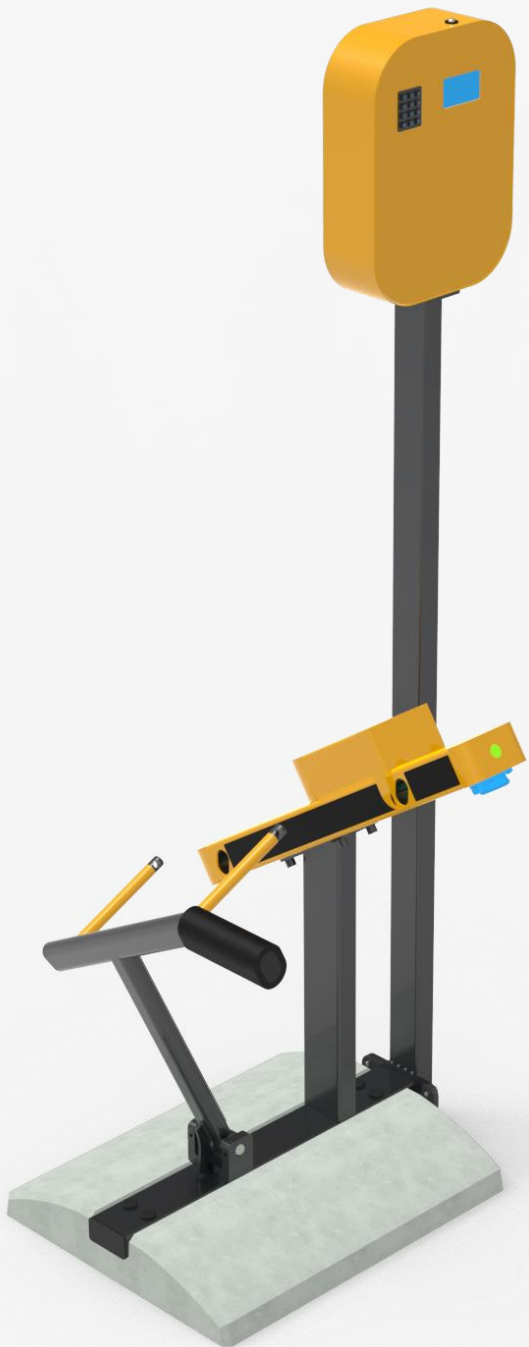
Don't risk your ride with ‚a' lock.
Protect & charge it with BLOCK!

1 simple motion
2 point locking
3 times faster

P2 bike dock

For *private* bicycles

P2 bike dock
For *private* bicycles

Next-gen bicycle parking infrastructure to replace the age-old method of portable locks + whatever structure (rack, fence, tree etc.) is nearby.

Designed with ultimate security and on-site charging in mind, its dual rod locking system is a world-first and provides unparalelled protection and ease of use. Just push a bike in the dock and close the gate. That's it! No more wasted time while fiddling with dirty, heavy and expensive portable locks.

A bicycle is secured when both its wheels and the frame are locked. BLOCK's novel, design-patent protected dock design enables this 2 point locking method with one simple motion. Chargers can be placed in a closed compartment. Electricity is only provided during an active parking session.
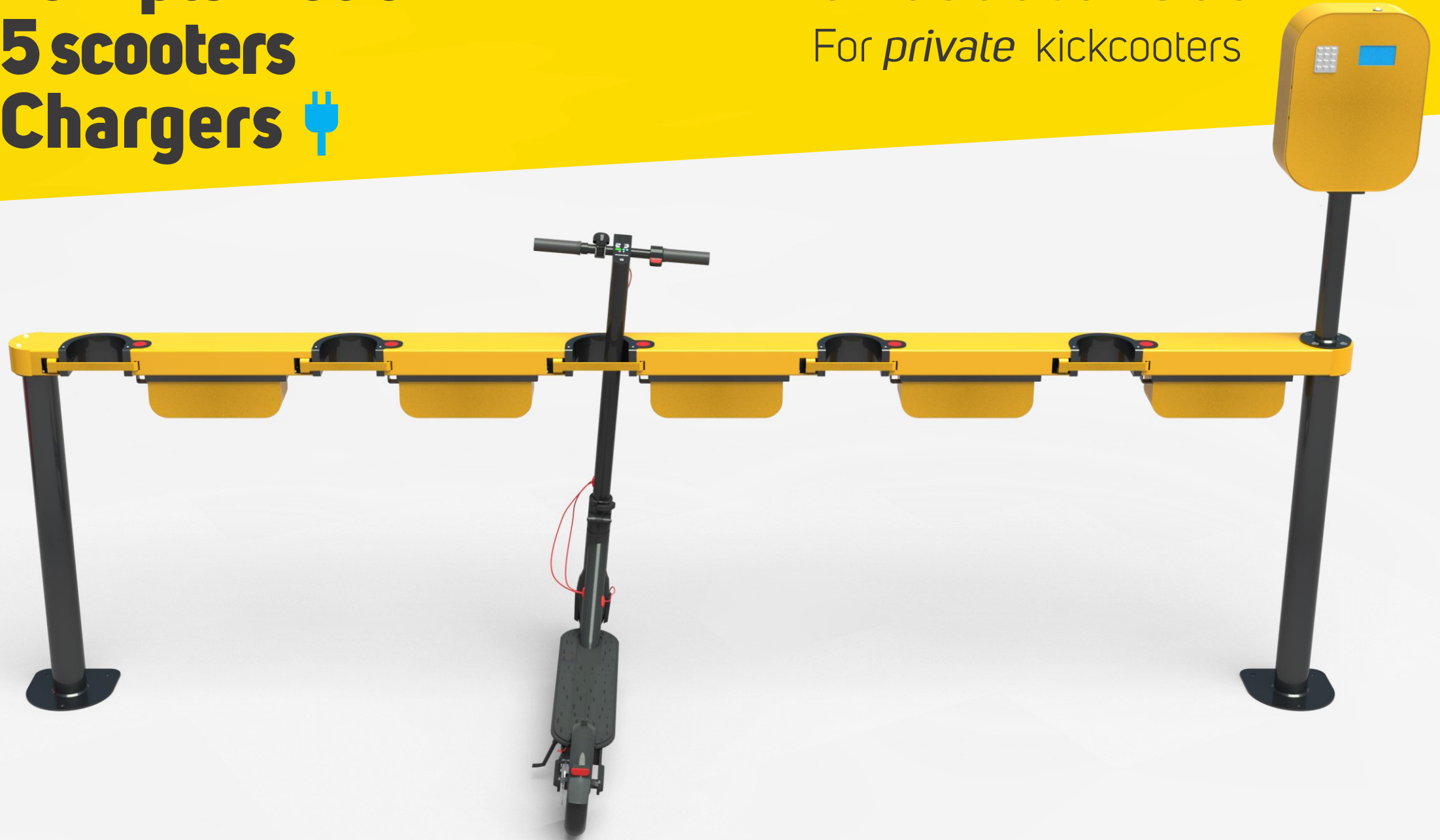
Users - cyclists shoppers, visitors, guests, citizens - use the docks with the free BLOCK – Guards Your Ride iOS and Android App, pre-programmed RFID / NFC cards or with a PIN code. Usage is either free or paid, decided by the host location.

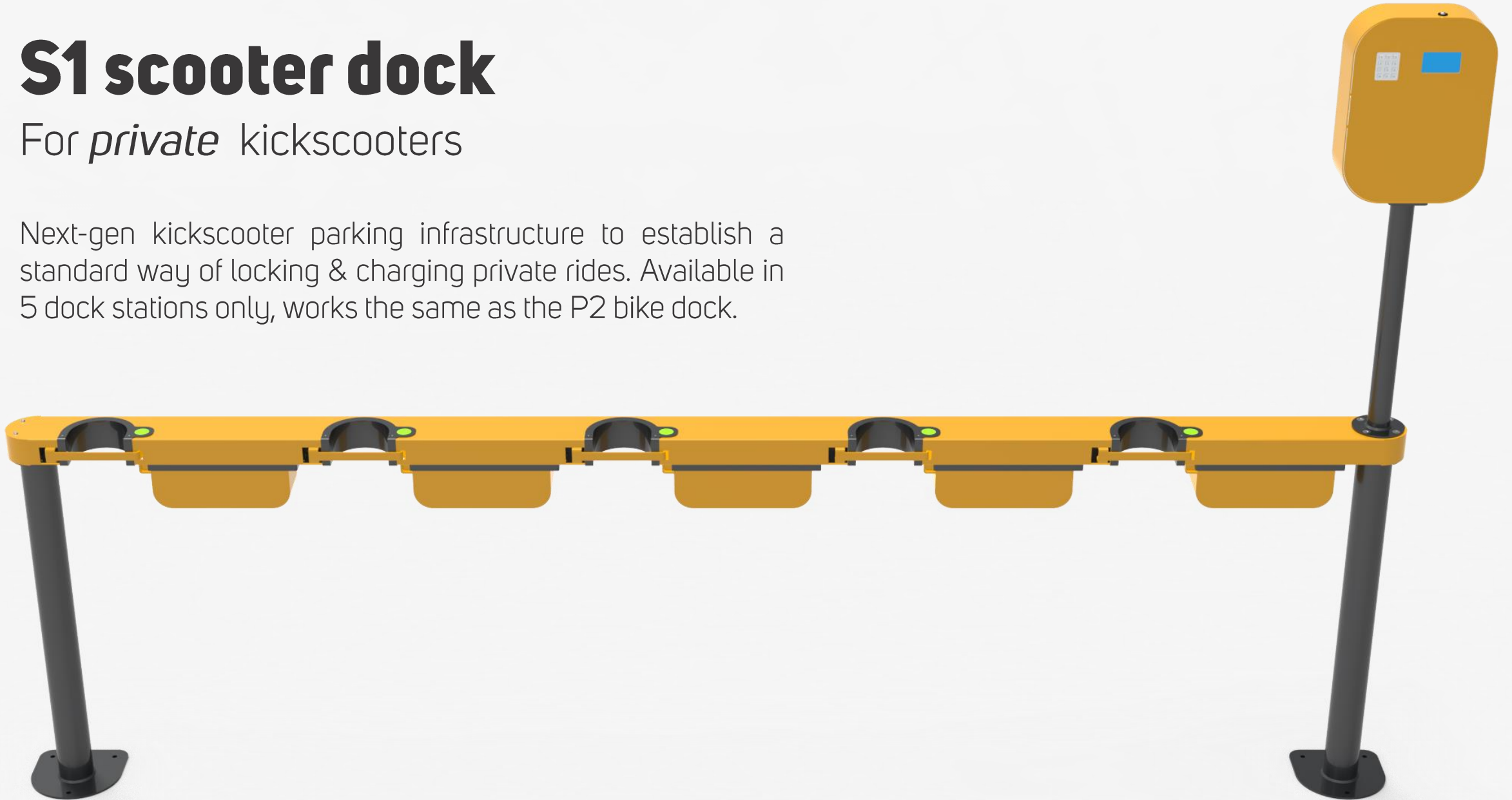P2 docks form stations of 5-50 docks each.

1 simple motion
5 scooters
Chargers 🔌

S1 scooter dock
For *private* kickcooters

S1 scooter dock

For *private* kickscooters

Next-gen kickscooter parking infrastructure to establish a standard way of locking & charging private rides. Available in 5 dock stations only, works the same as the P2 bike dock.

Prototype S1 station
in March, 2023.

Sheltered & locked
# 6 adult bikes
Chargers 🔌

G6 bike garage
For all *personal* bicycles

Debut in Q4, 2024

Thanks to deliberate vertical integration efforts over the years, BLOCK now boasts an impressive manufacturing know-how, allowing contract manufacturing and if ever needed, to operate as a job shop. The main site had already started to implement Industry 5.0 measures, meaning the workflow is shaping to be even more automatized and employee-oriented with more product customization options for the customers.
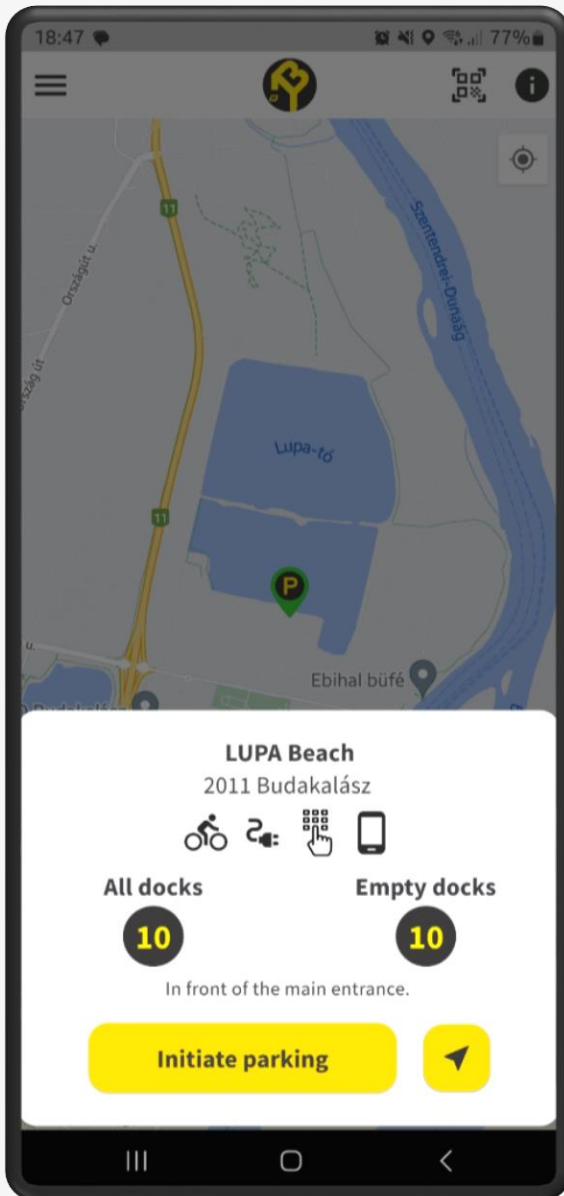
BLOCK — Guards Your Ride

BLOCK developed a 3-sided software system which puts the smart in their Smart City infrastructure. The scaleable backend, the clever firmware and their intuitive frontend application work hand-in-hand for the best possible customer and user experience.

The backend comes with a fully fledged browser-based graphical interface called the BLOCK Admin Portal where station owners can manage their docks (remote open, camera access, analytics etc.).

The firmware runs on custom station and dock controller PCBs which are multifunctional IoT devices meaning they can be used to interface with any device that requires I/O ports and remote access.

Last but not least, the most visible part of this software trio is the free BLOCK — Guards Your Ride app that carries valuable functions and bears limitless options for revenue generation in a freemium model.

Tangible smart amenity

Safety, charging & discounts

SHOPPING MALL

€39
/rack/month

Download on the App Store

GET IT ON Google Play

free or minor fee

Business Model

As stated earlier, the core business model is hardware enabled software-as-a-service which takes shape as a double sided B2B/B2G and B2C operation.

First the hardware is either sold or leased (for 36 months) to B2B or B2G clients (also called customers). These include real estate developers, the operators of shopping malls, offices, apartment buildings, hotels, hospitals, educational and financial institutes, as well as city municipalities with all their possible locations and last-but-not-least, private businesses like gyms, cafés restaurants, zoos and so on. Depending on the location, a parking or renting fee (eg. $0.5/hour) can be configured which is then shared between the host location (the client) and BLOCK, therefore BLOCK's solutions are investments with a definable ROI. A monthly maintenance fee is paid in 3 year periods so there is always recurring revenue present (in case of leasing, it is part of the leasing fee).

Once the hardware is deployed and is in operation, additional services are targeted towards the users (cyclists) and the host. As part of its premium services, BLOCK offers pre-booking, access to the real-time camera watching the stations, insurance and long-term tickets in the BLOCK App creating another source of revenue.

Geofencing and location-based marketing tools can also be implemented as a third revenue source. Although lucrative, it depends on a large number of users in a certain area to work effectively. Merchandise will also be sold.
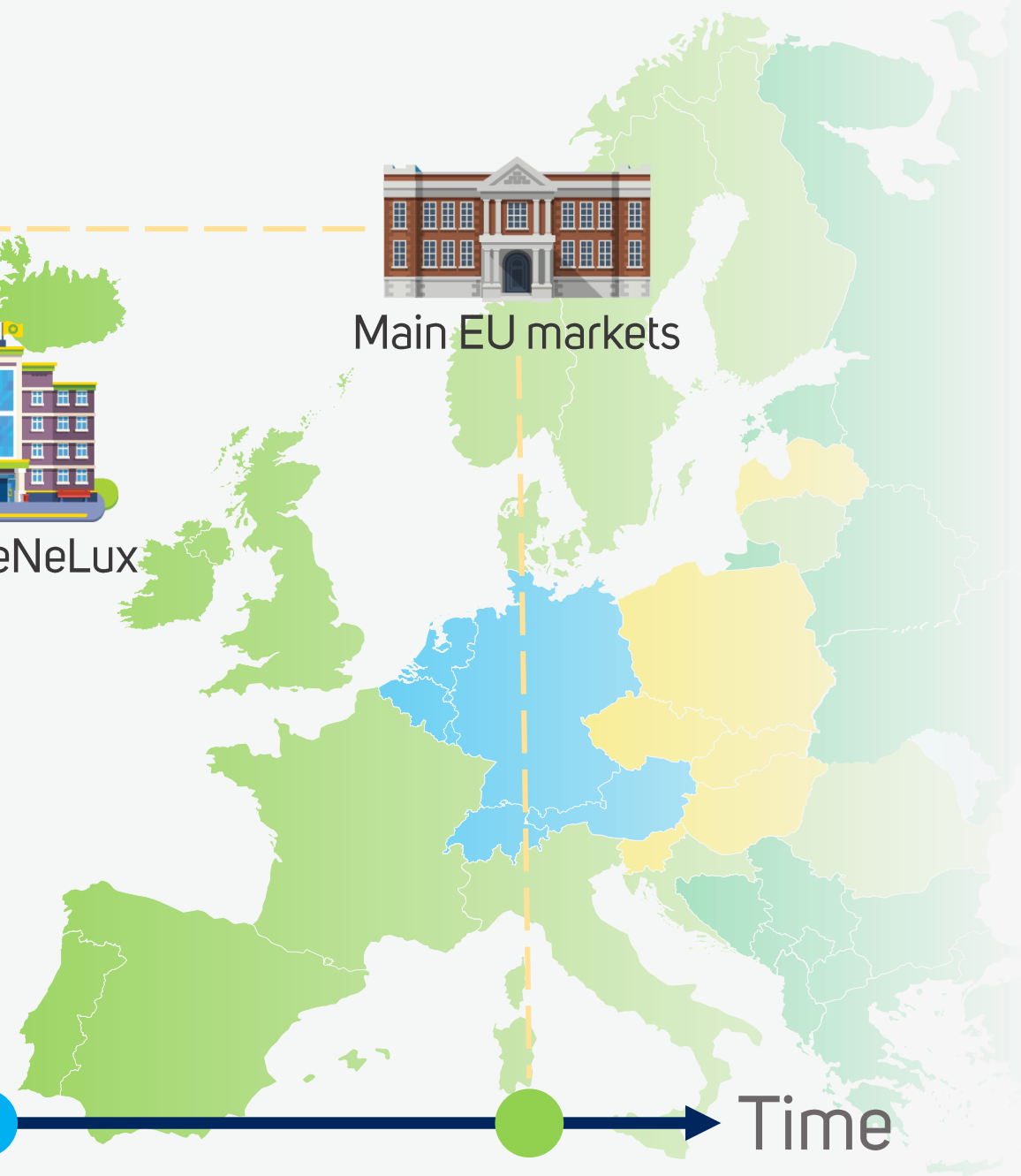
Market Trends

As partially detailed on Slide 5, there are several beneficial and synergic market trends that create favorable market conditions and the overall situation is likely to get even better – worldwide, but especially in Europe where BLOCK wishes to achieve total market domination.

Competition is still scarce. Not because this is not a lucrative business but because it is extremely hard to do smart infrastructure of this scale properly – as the past 5 years of efforts show.

Countries like the Netherlands, Denmark, and Germany offer prime markets for BLOCK's innovative parking solutions but Asian countries such as Taiwan, Japan, Malaysia and South-Korea are also catching up and BLOCK will be the first to offer them the future.

Social & Economic Impact

Short term

BLOCK's secure dock design deters thieves and contributes to more organized public spaces with less vandalism and an overall **better public safety**.

BLOCK helps to normalize micromobility as a viable transportation option, even in cities where infrastructure has previously been a barrier.

BLOCK stations **support local businesses** by making it easier for customers to visit via bike or scooter. It is also a well known fact that cyclist spend more than their car driving counterparts.

With measurable cycling/scooter usage BLOCK enables **data collection for decision makers**. This data acts as supporting evidence to build new cycling paths and launch sustainability campaigns.

Long term

By facilitating the growth of micromobility, cities can reduce their reliance on cars, lower GHG emissions and create more livable urban environments with **reduced noise and air pollution**.

As more people adopt active transportation, the increased physical activity can reduce rates of chronic diseases, leading to **healthier populations**.

BLOCK catalyses a cultural shift toward sustainability. As secure bike parking becomes ubiquitous, this shift can influence public attitudes toward other sustainable practices, contributing to broader environmental awareness and action.

Long-term, the increased adoption of micromobility could **reduce infrastructure costs** for cities.

Environmental Impact

Short term

BLOCK plays mostly an **enabler role**. Replacing short car trips with bike rides can significantly cut down on emissions. A car typically emits about 271 grams of CO_2 per kilometer, while cycling only 21 grams.

Reduced traffic congestion in urban areas not only lowers emissions from idling vehicles but also improves fuel efficiency for those who still drive, contributing to further reductions in overall emissions.

The increased use of bikes and scooters reduces the need for extensive car parking infrastructure. This can **prevent** the **environmental degradation** associated with large parking lots, such as increased urban heat islands and stormwater runoff pollution.

Long term

BLOCK's solutions can be integrated into broader green urban planning initiatives, so cities can reduce the space allocated to cars and instead promote green spaces and pedestrian areas, enhancing biodiversity and reducing – once again – environmental degradation.

Over time, as more people adopt micromobility options facilitated by BLOCK's infrastructure, cities could see a sustained decrease in air pollution levels. This reduction in pollutants would lead to better air quality, benefiting both the environment and public health.

BLOCK **Climate Impact Forecast (CIF) study** has created an EIT validated in 2021 which showed a positive impact through scalable CO_2 reductions.

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Both the P2 and S1 products bear **design protection** in the EU and the UK under EUIPO Nr. 015064455-0001 and Nr. 015064454-0001 respectively.

The innovative products do not contain „laboratory grade" innovation therefore are not eligible for a true patent. Their value lies in product design. The special form of the P2 dock is the **most valuable asset of the company** as there are very limited ways of achieving a universal 2-point locking of bicycles and BLOCK is confident its way is the ultimate solution.

To further strengthen the company's IP state, a **utility model protection** claim will also be filed to account for the unique way an infrastructure solution is accessed with a mobile application – in other words, to tie this new micromobility parking standard to the BLOCK brand.

Speaking of the BLOCK brand, it is – with all its logo variants – a **registered trademark** within the EU and will be used on merchandise products sold on the company's website. Conscious marketing and brand image propaganda will likely result in the brand name word „block" replacing „lock" or „park" in common language – at least that would be a desired outcome within the next 15 years.

Competitive Landscape

Direct

BLOCK's only direct competitor is the Estonian BiKeep (now based in California). Currently prepairing for their €5 million Seed round, they had achieved €4.8 million revenue with €3.7 million investment and have a team of 28 with sales operations in over 25 countries.

Their presence is much appreciated, as the first movers, they had been educating the market since 2016 which is also beneficial for BLOCK. The world is plenty big for both BiKeep and BLOCK, the CEOs have talked in person and don't see each other as fierce competitors. They might be BLOCK's exit partner or BLOCK might buy them at some point – how exciting it is to fancy what the future holds.

Hardware-wise inferior in every aspect, nowadays they mostly focus on software and IoT development with their whitelabel platform.

Indirect

There are two types of indirect competition. First of all, any infrastructure that could occupy the same „square meter" in the urban space as BLOCK would, can be considered a competitive product. This category includes – oddly enough – shared bikes and scooters, traditional bike racks and various other street furniture such as benches and rubbish bins.

The other type are good quality portable locks. Even though at least two is needed to achieve the same level of protection as BLOCK provides – and they can't charge a vehicle, some analog cyclists will still opt to carry and use them – even though they are quite expensive.
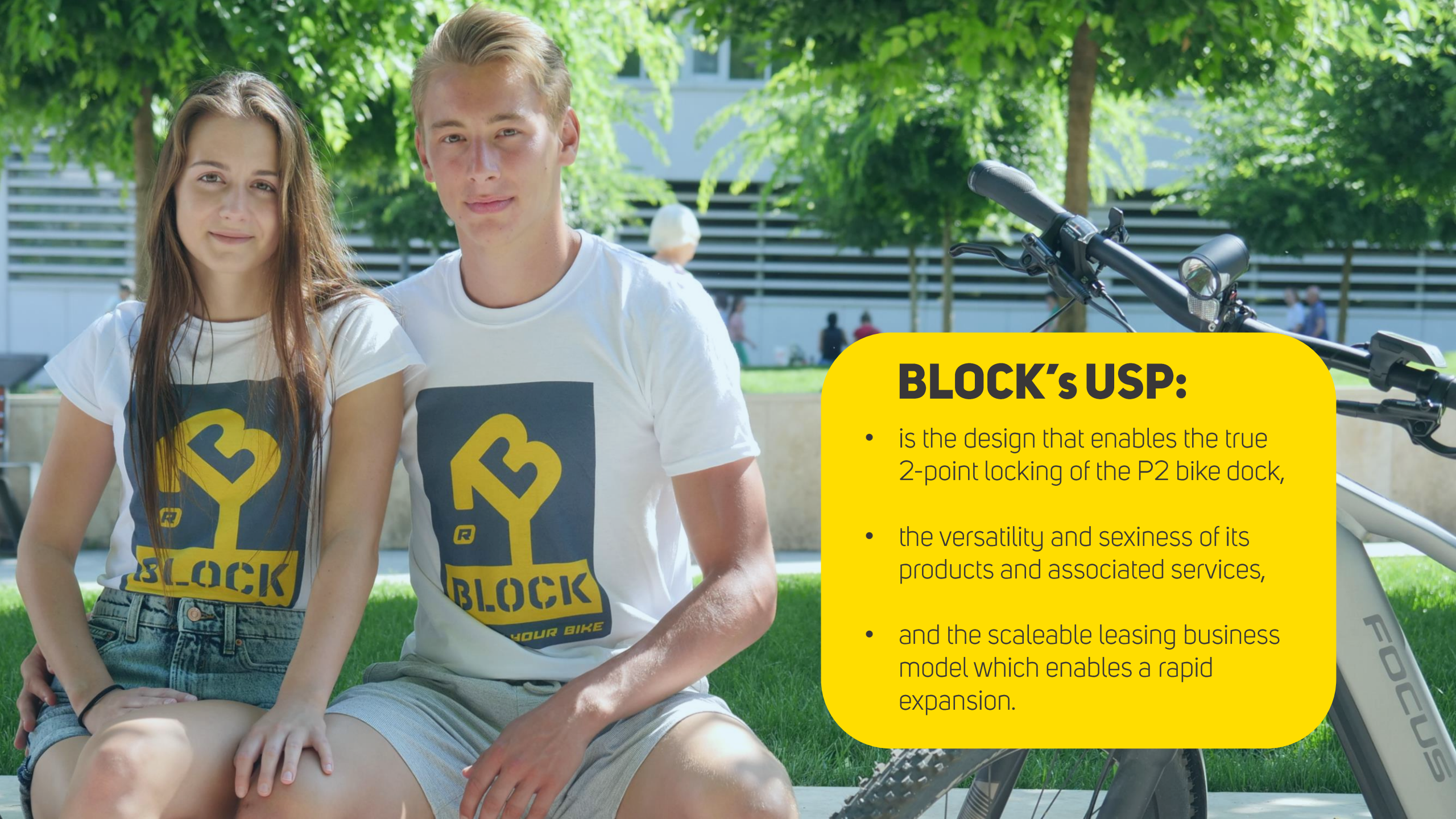
BLOCK's USP:

- is the design that enables the true 2-point locking of the P2 bike dock,

- the versatility and sexiness of its products and associated services,

- and the scaleable leasing business model which enables a rapid expansion.

Strategy

Short term

BLOCK should prioritize **expanding** its presence **in European cities** where micromobility is rapidly growing.

Collaborating with micromobility operators (e.g., Lime, Bird) and **real estate developers** to install BLOCK stations in high-traffic urban areas will be crucial. These partnerships can provide immediate visibility and scale.

Continually improving the technology, such as enhancing security features or integrating solar-powered charging stations for e-bikes, can differentiate BLOCK from emerging competition.

BLOCK will position itself as a **thought leader** in the micromobility space by participating in industry events, contributing to urban mobility discussions, and showcasing case studies of successful implementations.

Mid term

After solidifying a strong presence in Europe, BLOCK can begin **exploring opportunities in emerging markets such as** in the Middle-East, Africa, Asia and even Latin America, and other regions where urbanization is driving the need for sustainable transportation solutions.

To meet growing demand, BLOCK may need to scale its manufacturing capabilities, either through partnerships or by establishing new production facilities closer to key markets.

BLOCK can explore offering a broader range of micromobility and/or **general infrastructure solutions** and might even dip its hypotethical feet in dfferent industries.

Join our mission!

For more information please contact:

sales@blockcity.tech

Or visit:

www.blockcity.tech

Detailed financial information and the complete business plan is available upon request and signing an NDA.