

GLOBAL EXPANSION STRATEGY / THE COST OF BEING RIGHT

Where EVR enters next, in what order, and what a wrong call costs.

EVR does not have a market-size problem. It has a sequencing problem. The topology already wins on the merits; the value at risk is the order of entry and the terms of the license. This dossier sets the sequence, the mode per market, and the number.

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HOW TO READ THIS DOSSIER

The audience is technical and will check. So every figure carries its status inline, three tags:

VERIFIED read on the source's own page this engagement.

RANGE an honest estimate; its basis is named.

COMPANY-STATED EVR's own published claim, cited as such. Never independently verified here.

THE SPINE, IN ONE BREATH

Demand is built bottoms-up: verified vehicle volume × motor content per vehicle. Aggregator dollar market sizes are a cross-check band only, never the anchor. The model bets engineering *attention*, not capital – so the story is in the relative dynamics and the sensitivity, not the absolute levels.

ONE COMPANION

A live model sits behind the economics section (the workbook, and an interactive simulator that mirrors it exactly). Move the four highest-leverage levers and every downstream figure updates. This book presents its settled read; the model lets the board test it.

QUESTION ONE

Which markets, and in what order?

QUESTION TWO

By what mode does EVR enter each?

QUESTION THREE

What does getting the order wrong cost?

The technology has already won the argument.

The strategy question is discipline, not discovery.

EVR sells a motor topology that is smaller, lighter, cheaper, and free of the materials the industry cannot control. A buyer who runs the numbers reaches the same conclusion every time. That is precisely why the risk moved: when the product wins on merits, value is created or destroyed by the *order* of entry and the *terms* of the license, not by whether the market is large enough.

This dossier makes four moves. It reframes the asset as a topology whose economics are a royalty annuity, not a unit sale. It isolates the rare-earth-independence moat as the element that opens doors no competitor can open. It scores segment against geography on six criteria and lands on India as position one – by fact, not preference. And it prices the sequence: concentration beats diffusion by a measurable margin at equal spend.

+\$2.40_M

SPEARHEAD ADVANTAGE OVER FAN AT
EQUAL SPEND – THE SEQUENCING
THESIS, QUANTIFIED

3

POSITIONS IN THE
SPEARHEAD: INDIA,
THEN A SECOND 2/3W
GEOGRAPHY, THEN
EUROPE

1

UNKNOWN THAT MOVES
THE CASE MOST: THE
ROYALTY RATE.
SETTLE IT FIRST

Figures from the cost-of-being-right model (Scenarios & Sensitivity sheets), at delivered defaults. Absolute values illustrative pending real licensing terms; the argument is in the relative dynamics.

The asset is a topology, not a motor.

Before any market is named, the shape of what EVR sells decides how it should enter the world. EVR is a B2B technology company. It sells and licenses a patented motor topology, the Trapezoidal Stator RFPM architecture, to the OEMs and Tier-1s who build their powertrains on it. It is not a carmaker and not a parts vendor shipping units from one plant. Three facts about that asset reset the entry logic.

a. The edge is structural, not incremental. The numbers cluster around halves and doublings, not single-digit percentages, because the advantage comes from the geometry itself. That is the signature of a step change: less than half the size and weight at equal power, roughly double the power density, a bill of materials cut by about a third. COMPANY-STATED

b. The economics are a royalty annuity, not a sale. When a topology is licensed and localized, EVR captures a fraction of motor value across every unit an OEM builds – a stream that compounds with the platform, not a one-time margin. This is why entry cost is small and time-to-first-royalty is the number that matters: the model bets engineering attention, not capital.

c. One core tailors to every segment. The same design and tooling flexes from 48V to 800V, air or liquid cooled, standalone or integrated. An OEM standardizes on one architecture across two-wheelers to commercial vehicles instead of sourcing four unrelated motors. That is what makes the asset a platform rather than a product, and it is the bridge the growth story crosses.

The consequence for strategy: a topology spreads by being *built upon*, and the first serious builder in a market is worth more than the largest market. A reference win compounds. A market entered without one does not. Sequencing therefore is not housekeeping – it is the value-creating decision, which \$05 and \$06 price out.

THE TOPOLOGY, BY EVR'S OWN FIGURES

Size & weight vs. state-of-art RFPM	< ½
Power density	×2.0
Torque density	×1.8
BOM per kW	–30%
Assembly time	–30%
Peak / mass (air-cooled)	17kW / 9kg

EVR technology page (evr-motors.com/technology), read 2026-08-15. Comparison stated relevant to US, China, Germany.

COMPANY-STATED

“Disrupts the incremental trajectory of electric-motor development.”

EVR CEO, AMS INTERVIEW

The rare-earth-independence moat.

This is the single strongest element of the case, so it stands alone. Every other advantage helps EVR win a bake-off it was invited to. This one gets EVR invited.

WHAT HAPPENED

In April 2025, China tightened export controls on seven heavy rare-earth elements and the magnets made from them. Heavy rare earths (dysprosium, terbium) are what let a neodymium magnet hold its strength when a motor gets hot. They are concentrated in one supply chain. The controls turned a materials-cost line into a board-level and government-level exposure overnight.

THE NAMED CASUALTIES

Production lines slowed or stopped while buyers scrambled for licensed supply. The exposure is now something every OEM and every government treats as a risk to be engineered out, not merely priced in.

Sources: The Hindu, Reuters, Al Jazeera (Apr 2025 export-control reporting). **RANGE** on downstream volume impact; the direction is verified, exact plant-level figures are not printed here.

EVR sells a way to engineer the exposure out without giving up density.

The reflexive response to the rare-earth shock is a ferrite or a rare-earth-free motor that pays for independence with performance. That trade is the reason “rare-earth-free” has stayed a compliance story rather than a competitive one. Buyers wanted the independence and refused the penalty.

EVR's claim is that its topology reaches power densities normally requiring neodymium in a heavy-rare-earth-free configuration. If that holds at an OEM's operating point, the trade disappears: the buyer keeps the density and loses the exposure. That is not a better motor in a bake-off. It is a motor that is *allowed into rooms* a rare-earth-dependent motor is being shown out of.

Why it is defensible. The topology is patented. The HRE-free result is a property of the geometry and the SMC construction, not a magnet-grade substitution a competitor buys off the shelf. It cannot be matched next quarter by sourcing a different supplier.

THE MOAT, IN THE MODEL

The advantage does not enter the economics as a price premium. It enters as a **design-in win-rate uplift** per market: doors that open where policy bites hardest. It is largest where the buyer is most exposed and the policy most aggressive.

India	+25%
Europe	+20%
SE Asia	+12%

Win-rate uplift, model Assumptions sheet.

ASSUMPTION tune to real design-in evidence.

India highest (policy plus exposure); Europe high but slower; SE Asia rising.

The policy tailwind is durable. Europe's Critical Raw Materials Act and India's localization mandates both push the same direction. The moat widens as governments legislate; it does not depend on the next shock, only on the response to the last one continuing.

Apr 2025

THE EXPORT-CONTROL SHOCK THAT TURNED MATERIALS RISK INTO BOARD RISK

HRE-free

EVR'S CONFIGURATION REACHING NEODYMIUM-CLASS DENSITY

COMPANY-STATED

Patented

A PROPERTY OF THE TOPOLOGY, NOT A SUBSTITUTABLE MAGNET GRADE

THE MOAT, IN ONE SENTENCE

Every other advantage helps EVR *win* a competition. This one decides **which competitions EVR is allowed to enter at all** — and governments are widening it faster than any competitor can close it.

Prioritization is a six-criterion frame, scored.

Market size is one input among six, and rarely the deciding one. A licensing business is won on how fast a reference win arrives, how much a single design-in is worth, and where the moat opens a door. The frame below scores segment against geography on those terms.

01 Time to first royalty How fast the annuity starts. A late stream is worth far less discounted.	02 Value per design-in Motor value × platform volume for each won OEM slot.	03 Moat leverage How much the HRE-free advantage lifts win-rate where policy bites.
04 Reference-win compounding Whether a first win pulls the next. High in concentrated buyer networks.	05 Attention cost Scarce engineering-relationship load. The true constraint, not capital.	06 Existing foothold Whether EVR is already shipping or starting cold.

SEGMENT × GEOGRAPHY, SCORED 1–5 ON THE FRAME · DARKER COPPER IS STRONGER

SEGMENT ↓ / GEOGRAPHY →	INDIA	SE ASIA	EUROPE	CHINA	US
2 & 3-wheelers	5	4	1	2	1
MHEV / HEV (ISG-BSG)	2	1	4	2	2
Passenger & LCV	2	1	3	3	3
Industrial	2	2	2	2	2

Scores are the frame applied to this engagement's read, not a published index. They weight speed-to-royalty, value-per-design-in, and moat leverage above raw volume, per the licensing-annuity logic of \$01.

RANGE

The grid's verdict. The two hottest cells are India 2/3W and Europe MHEV. India 2/3W scores a clean 5: fast royalty, real moat leverage, and a foothold that already exists. That single cell, not a global total, is where the sequence starts.

READ THE HOT CELLS, NOT THE HOT COLUMN China's column looks strong on size alone, but no single China cell clears a 3. The frame rewards where the topology's edge <i>converts</i>, and that is a cell, a segment inside a geography, never a whole country. 03 · PRIORITIZATION FRAME	WHY INDIA 2/3W IS THE 5 It is the only cell that scores high on all six criteria at once: fastest royalty, strongest moat leverage, real reference compounding, and a foothold EVR already holds. Nothing else combines speed and proof.	WHERE THE FRAME POINTS NEXT Europe MHEV is the second-hottest cell: high value, real moat, slow cycle. It becomes position three once India's reference lowers its cost of entry. The next two sections turn these cells into a sequence.
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Where the topology's edge is worth the most money.

The edge is most valuable where size, weight, and cost are hardest constraints and where the moat is most relevant. That points at the small end of the range, not the prestige end. Ranked:

1

Two & three-wheelers

Every centimetre and kilogram saved is critical, the volumes are enormous, the design cycles are short, and the buyers are most exposed to the rare-earth shock. The edge converts directly into a cheaper, lighter vehicle. This is where a reference win arrives fastest and compounds hardest.

MOTOR VALUE / UNIT

RANGE

\$90–210

EDGE RELEVANCE

Highest

2

MHEV / HEV (48V ISG-BSG)

A packaging-constrained wedge where a smaller, denser motor solves a real integration problem, and where Europe's material-independence mandates make the moat directly relevant. Higher value per unit than 2/3W, slower design cycle.

MOTOR VALUE / UNIT

RANGE

~\$275

EDGE RELEVANCE

High

3

Passenger & light commercial

The largest dollar cells, but the slowest cycles, the most entrenched incumbents, and the least willingness to build a program on a new topology without a reference. Worth the most per design-in, worth the least early. A market to earn, not to enter first.

MOTOR VALUE / UNIT

RANGE

~\$1,000

EDGE RELEVANCE

Deferred

4

Industrial

Real and broad, but fragmented across applications with no single reference that pulls the next. An opportunistic follow-on where a specific application fits, not a spearhead position.

MOTOR VALUE / UNIT

RANGE

wide

EDGE RELEVANCE

Selective

The segment read, in one line. Lead with 2/3-wheelers because that is where the edge is worth the most *now* and where a reference win compounds. Hold MHEV as the higher-value second front. Earn passenger and LCV on the strength of the references the first two build. Take industrial opportunistically.

Four markets considered. One screened in as position one.

SCREENED IN – THE SPEARHEAD ORDER

India POSITION 1 **5.0**
Already shipping, moat highest, royalty starts in months.

SE Asia POSITION 2 CANDIDATE **3.6**
Same 2/3W playbook, new geography.
Indonesia-led. Rising moat.

Europe POSITION 3 CANDIDATE **3.4**
Highest value per design-in, slowest cycle.
CRMA is the door.

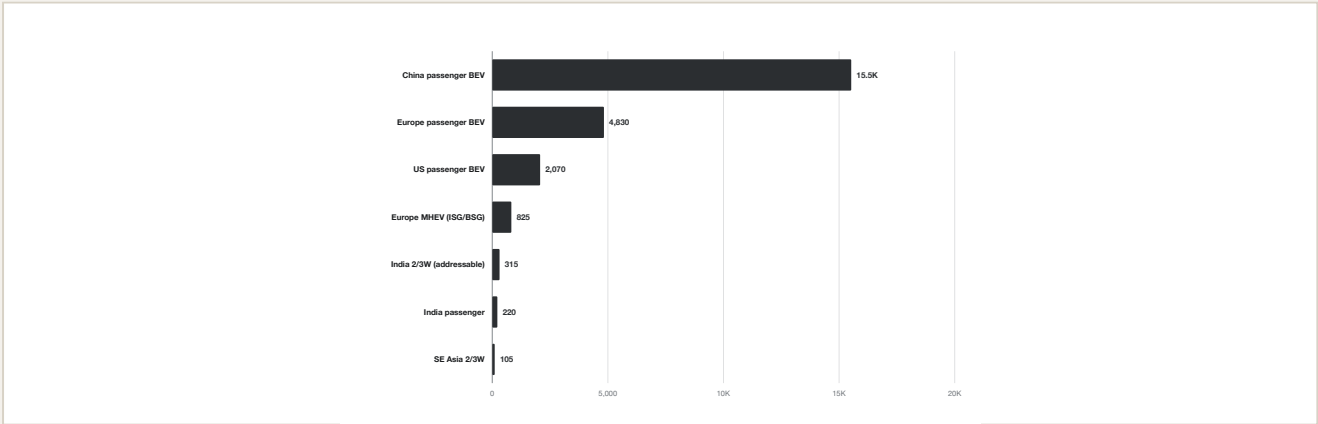
Composite of the six-criterion scores weighted to the licensing-annuity logic. **RANGE** \$06 prices SE Asia against Europe for position two.

SCREENED OUT – AND THE HONEST REASON

CHINA **LARGEST, EXCLUDED**
The largest EV cell in the world by far (\$15.5B sized motor TAM). Excluded as a spearhead position because it is the home turf of the rare-earth exposure EVR sells against, the incumbents are strongest, and the moat is least relevant where the material constraint originates. Size does not survive the frame.

UNITED STATES **LATER**
Real value, but no existing foothold, slow OEM cycles, and a policy environment that rewards local content EVR is not yet positioned to supply. A follow-on once references exist, not a first move.

WHY ONE GLOBAL NUMBER IS MEANINGLESS – THE SIZED CELLS, BOTTOMS-UP (USD M)



Motor TAM = EV volume × motor value × motors/vehicle, per cell. Volumes: IEA Global EV Outlook 2026; FADA FY2026
VERIFIED VOL. Motor values **RANGE**. These are the priority cells, not the whole world; position is chosen on the frame, not the tallest bar. The next spread walks India top-down, from this pie to EVR's royalty.

Two numbers describe this business. The market quotes the big one; EVR banks the small one. Never confuse them.

The ladder below is India, at a five-year (~2030) horizon, base case. Every rung is arithmetic the board can trace: total motor pie, discounted to what is reachable, multiplied by the share EVR-tech captures, and finally metered down to EVR's royalty. It ends in the only two numbers that matter, side by side.

THE LADDER — INDIA, YEAR 5, BASE CASE

India motor TAM VERIFIED VOL **\$1,681M**

RANGE ASP

the whole pie — EV volume ×
motor ASP, ~2030

× accessible share (SAM ÷ TAM) — 58%
serviceable, after in-house OEMs RANGE

= India SAM **\$974M**

the reachable pie

× EVR-tech allocation share of SAM, year 5 25%
ASSUMPTION

= CHANNEL MOTOR
REVENUE

\$243.56M

the market-size /
investor number

× royalty rate — EVR's slice of motor 3.5%
value ASSUMPTION

= EVR ROYALTY

\$8.52M

EVR's actual P&L line

Model, TAM Ladder & Allocation & Channel Rev sheets, India, year 5, base allocation. Volumes VERIFIED (IEA GEVO STEPS 2030 × FADA FY26); ASPs RANGE (Argonne \$/kW anchor); allocation & royalty rate ASSUMPTION.

THE TWO NUMBERS, SIDE BY SIDE — INDIA, BASE, YEAR 5

CHANNEL MOTOR
REVENUE

\$243.56M

units × motor price.
The pie flowing
through the EVR
channel — the number
an investor quotes.

EVR ROYALTY

\$8.52M

a 3.5% slice of
that revenue.
EVR's own P&L,
not the market
size.

THE ARITHMETIC, ON THE PAGE

$\$243.56M \times 3.5\% = \$8.52M$

$\$243.56M \div \$8.52M = 28.6\times$

The quoted number is **28.6×** EVR's take — same motors, different meter. Read the small number as the market size and the case looks a thirtieth of its real scale.

RECONCILING THE ~\$5BN INDIA ANCHOR

Investor anchor CLIENT-STATED **\$5.00B**

Our grounded India bare-motor TAM, ~2030 RANGE **\$1.68B**

\$5bn read as drivetrain ÷ 3.5× e-axle **\$1.43B**

\$5bn is a whole-drivetrain / long-horizon channel TAM; our grounded 5-yr bare-motor TAM is ~\$1.68B; EVR's royalty is a few percent of whichever channel figure you pick. The anchor and our build are not in conflict — they measure different things.

India is position one by fact, not by preference.

The strongest argument for India is that the entry decision has already been partly made and is working. EVR does not choose India; India is where EVR is already proving the topology at industrial scale. The proof stacks in three layers.

THE PROOF LAYER

LAYER 3 · THE ANCHOR

Tier-one industrial group

Anchor OEM customer & co-development / manufacturing partner. Made-in-India ePowertrain program, 2/3-wheeler to CV.



LAYER 2 · THE BUILDERS

Manufacturing & licensing partners

Two-wheeler licensing and OEM manufacturing partners already localizing production in market.



LAYER 1 · THE CORE

EVR India – the coil / topology core

The patented IP, localized. EVR India stood up as the manufacturing and localization beachhead.

Read the stack from the bottom. EVR owns the core: the patented topology, localized through EVR India. Real builders sit on top of it, licensing and manufacturing the motors in market. And an anchor sits above them, a tier-one industrial group that is both an initial OEM customer and a co-development and manufacturing partner.

That third layer is what a skeptical board most wants to see. The first question any buyer asks a new topology is whether anyone serious has committed. In India, the answer is already yes, and it is answered by an industrial group of unambiguous credibility.

HOW THE PARTNERSHIP IS DESCRIBED IN THIS DOSSIER

Anchor OEM customer and co-development / manufacturing partner for a Made-in-India ePowertrain program. Anchor-customer framing per the client's own account; the partnership facts per the public record. No committed unit volume or purchase-order figure is stated, because none was provided.

Public partnership record: L&T press release 27 May 2026; Autocar Professional 30 Jul 2026. Anchor-customer status: client-confirmed. **COMPANY / CLIENT-STATED**



A foothold is not a reference. The spearhead's whole logic is to make India the win that pulls the next win.

India's value in the model is not the India royalty alone. It is that a proven, at-scale India reference lowers the cost and raises the win-rate of every market after it. That only happens if India is pressed past a pilot to platform scale. Three gates mark the path, each a decision the board can hold EVR to.

Gate A

A shipping platform, not a pilot

The anchor program reaches real production run-rate on an OEM platform. First-order run-rate anchors the model at roughly 167k units/yr per design-in.

Run-rate per Autocar Professional.

RANGE

Gate B

A handful of design-ins

Three OEM design-ins reach the bulk of accessible 2/3W volume. The accessible share is below the full market because the largest players build their own motors.

~45% accessible share (SAM < TAM).

RANGE

Gate C

A settled royalty term

The royalty rate as a fraction of motor value moves from placeholder to a real, signed term. This is the single highest-leverage unknown in the whole case.

3.5% placeholder.

ASSUMPTION

settle first.

INDIA ECONOMICS AT FULL RAMP

Addressable 2/3W EV motors / yr	2,100,000
Accessible share	45%
Design-ins won × volume each	3 × 167k
Blended motor value	\$150
Time to first royalty	6 mo
Annual royalty at full ramp	\$3.29M
Net NPV (royalty NPV – entry)	\$7.18M

Model, Entry Economics sheet, India row, 8-yr horizon at 14% WACC. Volumes VERIFIED (IEA + FADA); values & shares

RANGE; royalty rate ASSUMPTION. Absolute level illustrative pending the real term.

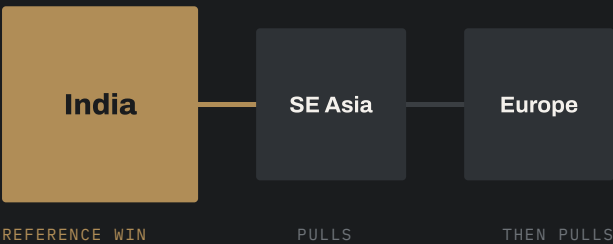
India is the only position where all three gates are already in motion. That is what “position one by fact” means.

The board's role here is not to approve an entry. It is to insist that India be run as a reference-building program with these three gates as its milestones, because the compounding value of the reference, not the India royalty in isolation, is what makes the whole sequence work.

The sequence is a spearhead, not a fan.

The most expensive strategic error available to EVR is not choosing the wrong market. It is choosing all of them at once. A fan spreads scarce engineering attention across three simultaneous entries and forfeits the one thing that makes a topology spread: a reference win that pulls the next.

SPEARHEAD – CONCENTRATE, THEN ADVANCE



One market driven to a real, at-scale reference. Its win compounds: lower cost and higher win-rate in the next. Attention stays concentrated where it converts.

FAN – DIFFUSE ACROSS ALL AT ONCE



Three entries share the same attention budget. No single one reaches reference scale early, so none of them compounds. Ramps run about 35% slower for the loss of reference-win pull.

\$6.85M

SPEARHEAD PORTFOLIO NET NPV

\$4.45M

FAN PORTFOLIO NET NPV, SAME TOTAL SPEND

+\$2.40M

THE SPEARHEAD ADVANTAGE. \$06 DRAWS IT OUT AS THE CLOSING CHART

Model, Scenarios sheet. Fan penalty is a 35% ramp slowdown from diffused attention. **ASSUMPTION** the relative gap is the argument, not the absolute level.

THE DISCIPLINE

Drive India to a real, at-scale reference before market two is opened. Hold the line even when a second opportunity looks ready.

WHY IT IS NOT CAUTION

The spearhead is the higher-return strategy, not the safer one. Concentration is what makes the annuity compound. The model prices the patience.

THE BOARD'S ASK

Approve a sequence, not a portfolio. Fund India to reference scale first; release market two against India's proof, not against the calendar.

The mode follows the market's shape. One playbook does not fit three geographies.

A licensing business has more than one way in. The choice is set by how a market builds motors, how exposed its buyers are, and how fast a design cycle runs. Each mode trades control against speed against capital differently.

MARKET / POSITION	CHOSEN MODE	WHY THIS MODE FITS	WATCH-ITEM
India POSITION 1	License + localized production via the anchor & builder partners	Already the operating model. Localized production meets Make-in-India content mandates, and licensing lets the topology spread through partners rather than one EVR plant. Fastest royalty start of any market.	Settle the royalty term (Gate C). Protect the IP core inside the license.
SE Asia POSITION 2	Replicate the India template license + local partner	Same 2/3W shape, so the India playbook transfers with a fresh partner. Indonesia-led. The India reference does the selling; entry cost is a fresh instance, not a new invention.	Country-split volumes need re-checking. Do not open until India is a real reference.
Europe POSITION 3	Deep design partnership co-development with an OEM / Tier-1	Europe buys differently: longer OEM cycles, higher value per design-in, and material-independence mandates (CRMA) as the door. A deep co-development relationship fits better than arms-length licensing, and justifies the higher entry cost and attention load.	Longest time to royalty (~30 mo). Highest attention cost. Enter only from strength.
China / US not sequenced	Hold	China is where the exposure originates and incumbents are strongest; the moat is least relevant there. The US has no foothold and slow cycles. Both are follow-ons the references unlock, not spearhead positions.	Revisit once two references exist and local-content posture is viable.

THE MODE PRINCIPLE

License where the market builds locally and buys fast. Partner deeply where the market builds slowly and pays more. India and SE Asia license-and-localize; Europe co-develops. The business model (sell *and* license) is wide enough to carry both.

WHY MODE MATTERS TO THE ANNUITY

Mode sets time-to-royalty and attention load, the two levers the model is most sensitive to after the royalty rate. A licensing mode in India starts the stream in months; a co-development mode in Europe starts it in years. Same topology, very different discounted value.

The cost of being right.

The model is built to a single idea: EVR bets engineering *attention*, not capital. Entry costs are small and largely sunk. The value is a royalty annuity that compounds with each platform, discounted for how late it starts. That shape has two consequences the board should hold onto.

6.1 THE DOWNSIDE IS BOUNDED

Because entry cost is a few million dollars of IP and partner qualification, a wrong market call does not sink the company. The worst case is a modestly negative net NPV on one position (SE Asia stands at -\$2.33M alone at defaults) and the attention it consumed. This is a business where being wrong is survivable and being slow is not.

6.2 THE UPSIDE IS AN ANNUITY

A design-in is not a sale, it is a stream: a fraction of motor value across every unit the OEM builds, for as long as the platform runs. The moat enters here, not as a price premium but as a win-rate uplift, more doors that open. A single won platform at India's run-rate throws off royalty for years.

THE ANNUITY, MARKET BY MARKET, AT FULL RAMP

CHANNEL VALUE = THE PIE · ROYALTY = EVR'S SLICE

MARKET	ENTRY COST	TIME TO ROYALTY	ANNUAL CHANNEL MOTOR VALUE, FULL RAMP	ANNUAL EVR ROYALTY, FULL RAMP	NET ROYALTY NPV
India	\$4.0M	6 mo	\$75.15M	\$3.29M	+\$7.18M
SE Asia	\$5.0M	18 mo	\$27.00M	\$1.06M	-\$2.33M
Europe	\$8.0M	30 mo	\$120.00M	\$5.04M	+\$1.99M
Spearhead portfolio	\$17.0M	—	\$222.15M	\$9.39M	+\$6.85M

Model, Entry Economics sheet (the P&L / royalty view), 8-yr horizon at 14% WACC, ramp haircut, start deferred by time-to-royalty. **Channel motor value** is a bottoms-up named-deals run-rate (design-ins × volume/design-in × ASP), a different lens on India's channel than the top-down year-5 ladder (~\$243M); both are honest EVR channel revenue, the NPV deliberately discounts only the royalty on deals in hand. Volumes **VERIFIED**; values & timing **RANGE**; royalty rate **ASSUMPTION**.

Read the columns, not just the totals. The two middle columns are different meters on the same motors: channel motor value is the pie an OEM builds; EVR royalty is EVR's few-percent slice. Europe shows the highest channel value and royalty yet a modest NPV, because it starts 30 months late and discounts hard. Europe's problem is never value. It is timing.

BET PLACED

Engineering attention, not capital. The whole portfolio's entry cost is \$17M of IP and partner qualification, spread across three markets over years.

RETURN SHAPE

A royalty stream of \$9.39M/yr at full ramp across the three positions, compounding with every platform an OEM builds on the topology.

WHAT SETS THE VALUE

Not the size of the bet but two levers: the royalty rate, and how late each stream starts. §6.4 shows how far each one moves the case.

Three ways to be wrong. Only one of them is expensive.

The “cost of being right” is best understood by pricing its opposite. There are three distinct errors available, and the board should worry about them in inverse proportion to how much they are usually discussed.

Error 1 Pick the wrong single market $\approx$ \$2–3M

Enter, say, SE Asia before India is a reference. Cost is one position's negative NPV and the attention it burned. Survivable. The downside is bounded by the small entry cost.

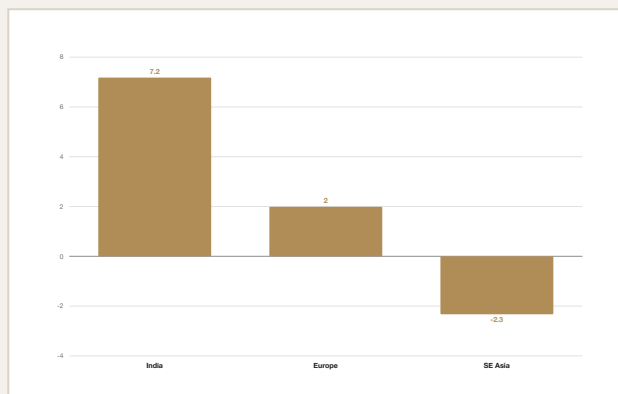
Error 2 Fan instead of spearhead $\approx$ \$2.40M

Run all three at once. No reference compounds; every ramp slows. Same spend, less value. This is the error that is almost never named in a board room and costs as much as picking a whole market wrong.

Error 3 Sign the wrong royalty term $\approx$ \$20M

The royalty rate swinging from 2% to 5% moves the portfolio royalty NPV by more than \$20M. This dwarfs every market-choice error combined. The most expensive mistake is not geographic. It is a signature on a licensing term settled carelessly.

NET NPV BY MARKET, AT DEFAULTS



Model, Entry Economics sheet. **RANGE** · the relative shape is the point.

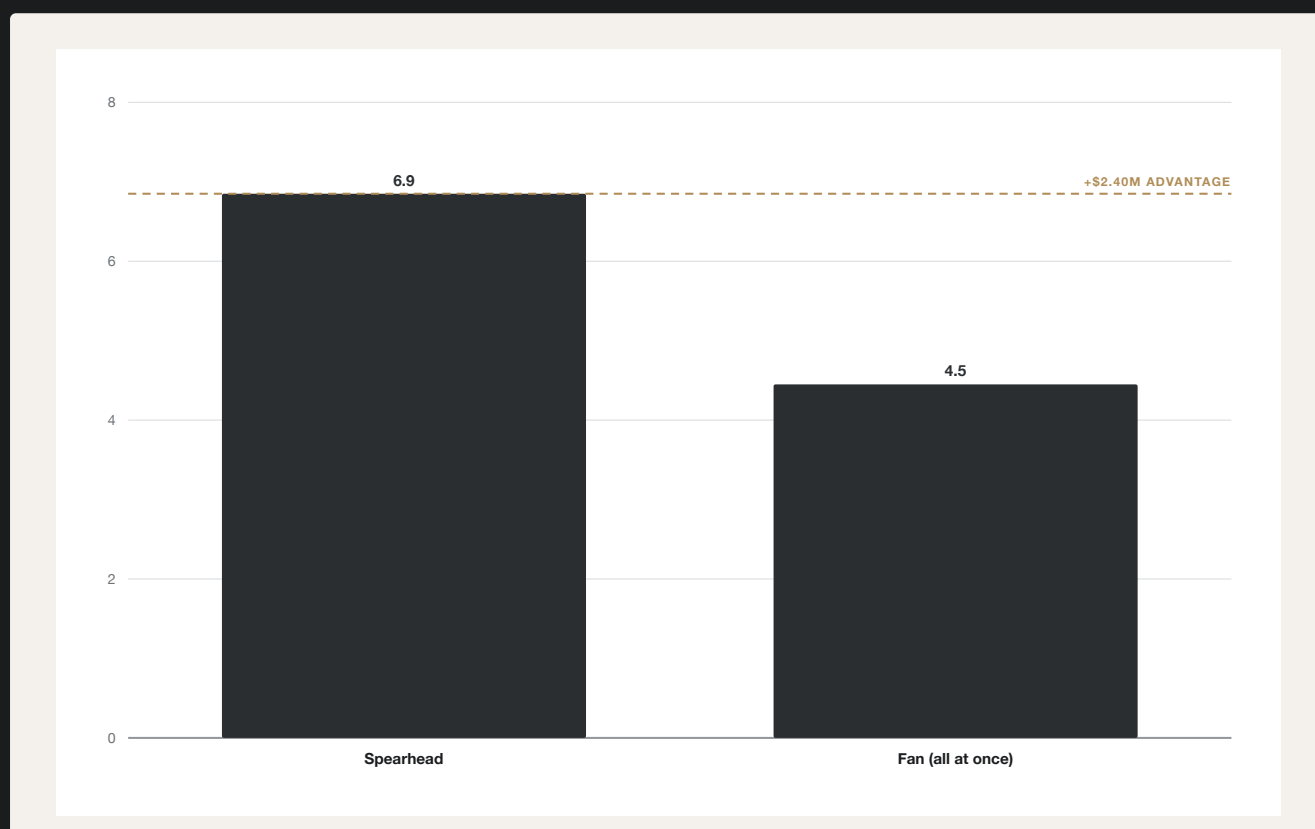
The board's attention, correctly allocated. Spend the least worry on which market is first (the frame already answers it and the downside is bounded), meaningful worry on holding sequencing discipline, and the most worry, by an order of magnitude, on the royalty term. The cheapest thing to get right is also the most valuable.

10×

The royalty term is roughly an order of magnitude more consequential than the market-choice error the board will spend most of its time debating. Negotiate the license as if the whole case depends on it, because it does.

At equal spend, concentration beats diffusion by **\$2.40M.**

If one chart carries the dossier to a vote, it is this one. Same three markets, same total spend, two strategies. The spearhead sequences to reference scale and lets each win pull the next. The fan runs everything at once and forfeits the compounding. The gap is the price of the discipline.



The mechanism

A reference win lowers the cost and raises the win-rate of the next market. Spearhead captures that; fan cannot, because nothing reaches reference scale early.

The number

\$6.85M spearhead against \$4.45M fan. The 35% penalty is the modelled cost of diffused attention. Even halve the penalty and the spearhead still wins.

The decision

Resource India to reference scale before opening market two. The discipline is not caution. It is the higher-return strategy, and the model prices it.

Model, Scenarios sheet, at delivered defaults. Fan penalty **ASSUMPTION** (35% ramp slowdown). The relative gap, not the absolute level, is the argument; the interactive simulator lets the board test the penalty and every other lever.

The case does not rest on a point estimate. It rests on which levers move it.

Q1

What does a 12-month India royalty slip cost?

The price of a slow anchor ramp **-\$1.37M**

Q2

Europe, or a second SE-Asia-equivalent, for position three?

Positive favours Europe **+\$4.32M**

Q3

How much does the royalty rate alone move the case?

Rate swing 2% → 5%, portfolio **\$20.44M**

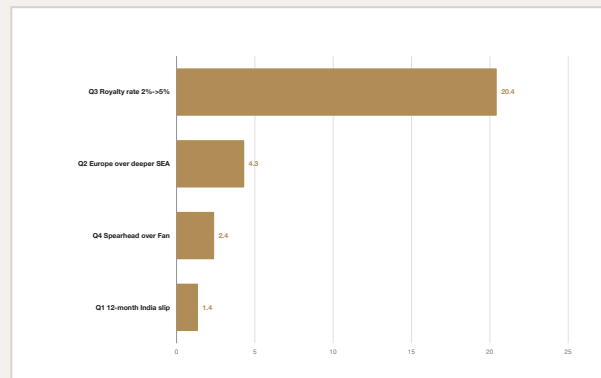
Q4

Spearhead versus fan at equal spend?

Concentration beats diffusion **+\$2.40M**

Model, Sensitivity sheet, mapped to the four CFO questions.
Signs read from the base case. **RANGE**

THE FOUR ANSWERS, TO SCALE (USD M SWING)



One reading dominates. Q3 towers over the rest. The royalty rate is not one variable among four; it is the variable. Every hour spent negotiating the license is worth more than every hour spent debating the market order. The sequence sets the ceiling; the royalty term sets whether EVR reaches it.

COMPANION

The live model

workbook + simulator

These four answers are static reads of a live model. The interactive simulator that ships with this dossier mirrors the workbook exactly: move the royalty rate, India's time-to-royalty, the HRE-free uplift, and the platform volume, and every figure in this section updates. The board is not asked to trust a number. It is handed the instrument that produced it.

WHAT THE SENSITIVITY ASKS THE BOARD TO DO

Settle the royalty term before anything else. Every other decision in this dossier changes the case by single-digit millions. The royalty term changes it by twenty. It is the one lever worth pausing the whole sequence to get right.

Q3 first

FIX THE ROYALTY RATE. THE SINGLE HIGHEST-LEVERAGE UNKNOWN IN THE CASE.

Then sequence

HOLD THE SPEARHEAD. INDIA TO REFERENCE SCALE, THEN MARKET TWO.

Every load-bearing figure, and exactly how much to trust it.

The audience is technical and will check, so the ledger is printed rather than assumed. Where a figure could not be verified on a source's own page, it is a named range or a stated assumption. Nothing is dressed as more certain than it is.

CLAIM	SOURCE	STATUS
Half size & weight, ×2 power density, -30% BOM/kW	EVR technology page, read 2026-08-15	COMPANY
HRE-free config reaching neodymium-class density	EVR homepage / technology page	COMPANY
India addressable 2/3W EV motors (~2.1M/yr)	IEA Global EV Outlook 2026; FADA FY2026	VERIFIED
China / Europe / US BEV volumes	IEA Global EV Outlook 2026	VERIFIED
Anchor partnership, Made-in-India ePowertrain program	L&T press release 27 May 2026; Autocar Prof. 30 Jul 2026	PUBLIC
Anchor OEM-customer status	Client-confirmed to the team	CLIENT
Rare-earth export-control shock (Apr 2025)	The Hindu, Reuters, Al Jazeera	VERIFIED
Motor values per segment (\$90-\$1,000+)	Argonne \$/kW anchor, scaled + margin	RANGE
Volume per India design-in (~167k/yr)	Autocar Professional (first-order run-rate)	RANGE
Royalty rate (3.5% of motor value)	Placeholder, not a known EVR term	ASSUMPTION

WHAT THIS DOSSIER IS NOT

Not a forecast of the anchor deal. No contract value, royalty, or committed volume was provided, so none is stated. India is sized from segment TAM and the partner's stated footprint, as a range. Aggregator dollar market sizes are a cross-check band, never the anchor. Absolute NPV levels are illustrative; the argument lives in the relative dynamics and the sensitivity.

CURRENCY & METHOD

USD millions unless labelled; INR converted at ~83. Royalty annuity = design-ins × volume/design-in × motor value × royalty rate × (1 + HRE uplift), discounted at 14% WACC over an 8-year horizon with a ramp haircut and a start deferred by time-to-royalty. The workbook and simulator carry the full formulas.