

# Business Plan & Valuation Presentation





# Contents



Part 1 Executive Summary

3 - 4



Company & Product Overview

5 - 11



Check List & Risk Overview

12 - 17



Users, Market & Investment

18 - 19



Part 2 Financial Projection

20 - 25



Business Valuation

26 - 28



Glossary & Disclaimer

29 - 30

# OUR VISION & MISSION

## Our Mission

FinVista's mission is to empower individuals and businesses by providing comprehensive, reliable, and personalized financial services that enhance their financial clarity and success. Our offerings—encompassing bookkeeping, tax preparation, financial reporting, and strategic advisory services—are designed with the unique needs of our clients in mind. Leveraging advanced technology and industry expertise, we aim to deliver accurate, timely, and insightful financial solutions. We are committed to excellence and building long-term relationships, ensuring that every client receives the personalized attention and actionable advice necessary for achieving their financial goals.

## Our Vision

FinVista envisions a future where every individual and business enjoys unparalleled financial clarity and success. By continually advancing our technological capabilities and expanding our industry expertise, we aim to be the foremost accounting firm that clients trust for all their financial needs. In twenty years, we aspire to be recognized globally as a leader in innovative financial solutions, empowering our clients to make well-informed decisions and achieve their financial goals with ease and confidence. FinVista will set the standard in accounting excellence, transforming complex financial data into actionable insights for a prosperous future.



# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 312k**

Revenue

**\$ 103k**

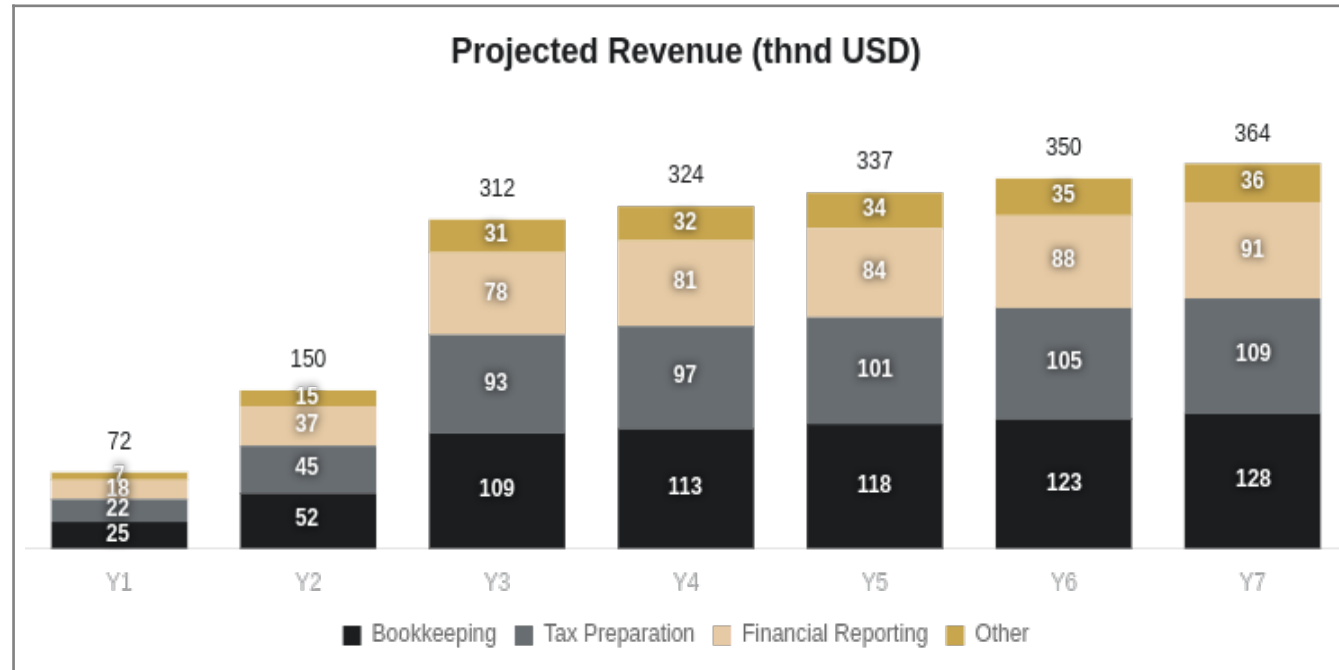
Gross Profit

**\$ 15k**

EBITDA

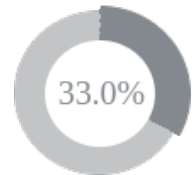
**0.01%**

Target Market Share

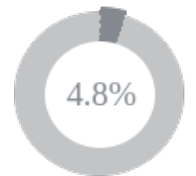


Margins  
(Stabilized by Y3)

GP Margin



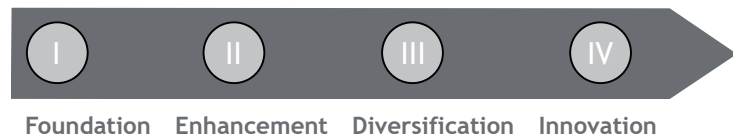
EBITDA Margin



PbT Margin



## Project Phases



Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

Investment will be used to finance CAPEX, WC buffers, etc.

Investment \$ 150k

Y1 CAPEX \$ 150k

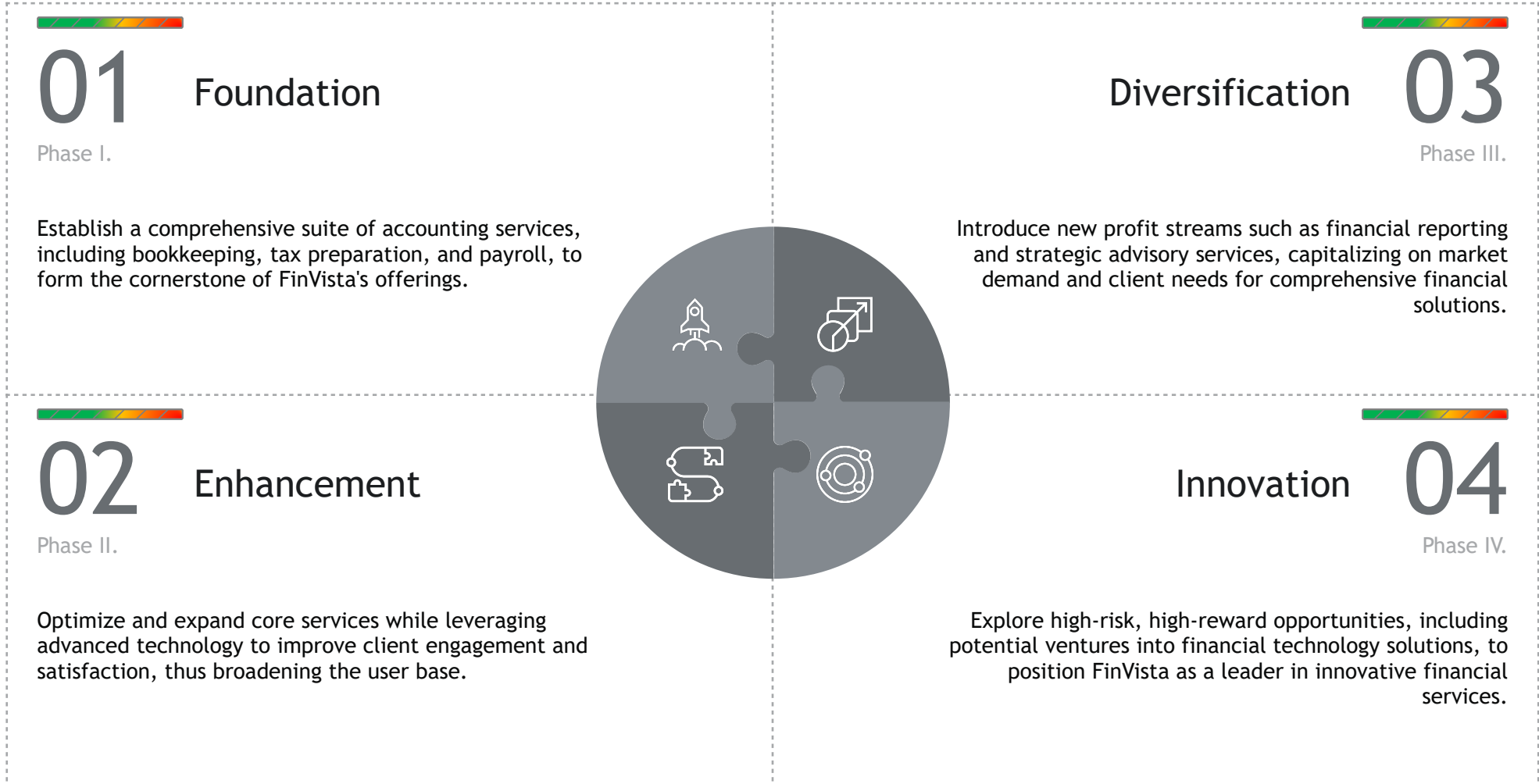
WC \$ 17k







# The Main Phases: Projects & Impacts





# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Clients</b>	<ol style="list-style-type: none"> <li>1. Access to a comprehensive suite of accounting services tailored to individual and business needs.</li> <li>2. Enhanced client satisfaction through advanced technology and personalized service.</li> <li>3. Strategic financial planning and advisory services to promote long-term success.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Opportunities for professional growth and development in a forward-thinking firm.</li> <li>2. Access to the latest technology and tools to streamline accounting processes.</li> <li>3. A supportive work environment that encourages innovation and excellence.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Steady revenue streams from diversified service offerings.</li> <li>2. Potential for high returns through innovative financial technology ventures.</li> <li>3. Confidence in investing in a firm committed to client satisfaction and market leadership.</li> </ol>
<b>Business Partners</b>	<ol style="list-style-type: none"> <li>1. Strong collaborative opportunities through strategic partnerships.</li> <li>2. Mutual growth through shared expertise and market expansion.</li> <li>3. Increased business opportunities from a broadening client base.</li> </ol>
<b>Regulatory Authorities</b>	<ol style="list-style-type: none"> <li>1. Assurance of compliance with industry standards and regulations.</li> <li>2. Contribution to a transparent and accountable financial ecosystem.</li> <li>3. Collaboration in promoting ethical business practices.</li> </ol>
<b>Community</b>	<ol style="list-style-type: none"> <li>1. Economic growth through support of local businesses and individuals.</li> <li>2. Job creation and professional opportunities within the community.</li> <li>3. Financial education and resources to promote financial literacy.</li> </ol>
<b>Technology Providers</b>	<ol style="list-style-type: none"> <li>1. Opportunities to showcase and implement advanced financial technology.</li> <li>2. Long-term partnerships through continuous demand for technological innovation.</li> <li>3. Collaboration in developing cutting-edge solutions for financial services.</li> </ol>



# Key Performance Components

## Competitive Advantage

### Advanced Technology

FinVista leverages cutting-edge technology to provide accurate, timely, and insightful financial solutions, enhancing efficiency and reliability across its comprehensive service offerings.

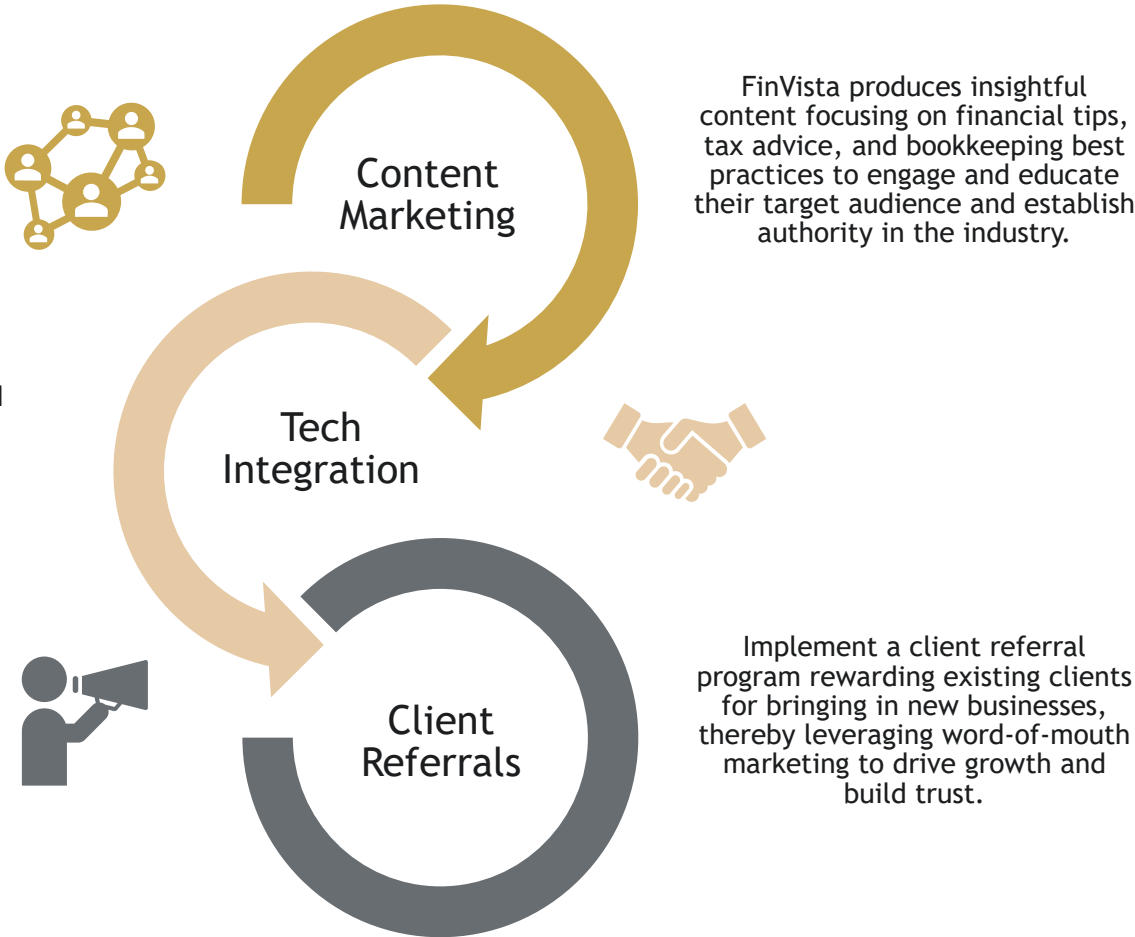
### Client-Centric Approach

FinVista is deeply committed to a client-centric approach, ensuring personalized attention and actionable advice tailored to meet the unique needs of each individual and business client.

### Industry Expertise








With extensive industry expertise, FinVista offers strategic advisory services that are informed by a deep understanding of accounting, tax preparation, and payroll services, ensuring optimal financial planning.

## Marketing and Growth Strategy



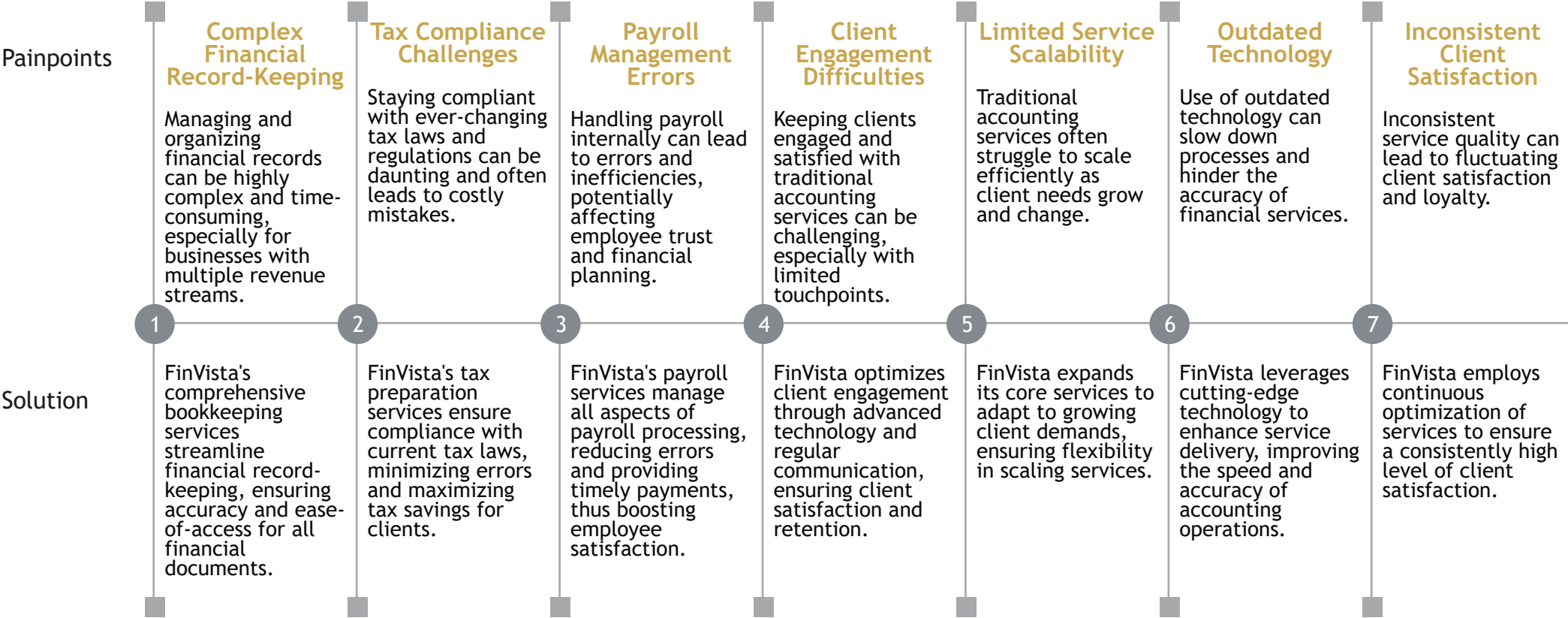


# Target Groups

	Industries	Description
I	 Small and Medium-sized Enterprises (SMEs)	SMEs will benefit from FinVista's comprehensive bookkeeping, payroll, and tax preparation services to manage their finances efficiently.
II	 Startups	Startups can use FinVista's strategic advisory services to build a strong financial foundation and make informed decisions for growth and sustainability.
III	 Freelancers and Self-employed Professionals	Freelancers and self-employed professionals can rely on FinVista for their tax preparation, bookkeeping, and financial reporting needs to ensure compliance and financial stability.
IV	 Non-profit Organizations	Non-profit organizations can utilize FinVista's expertise in financial reporting and tax preparation to maintain transparency and achieve their financial goals.
V	 Corporations	Corporations can outsource their payroll, tax compliance, and strategic financial planning to FinVista for enhanced efficiency and cost-effectiveness.
VI	 Investors and High Net-worth Individuals (HNWIs)	Investors and HNWIs can benefit from FinVista's personalized financial advisory services to manage their investments and achieve long-term financial objectives.
VII	 Legal Firms	Legal firms can leverage FinVista's accurate and timely financial reporting and payroll management to support their operational efficiency.




## Solution from Phase I to Phase IV






# Strategic Analysis: SWOT

**Strength**




1. Diverse service portfolio covering bookkeeping, tax preparation, financial reporting, and strategic advisory services. 2. Strong client-centric approach ensures personalized attention and actionable advice. 3. Leveraging advanced technology for accurate and timely financial solutions. 4. Experienced and knowledgeable team with industry expertise. 5. Reputation for reliability and comprehensive financial services.

**Weaknesses**




1. Dependency on technology necessitates constant updates and staff training. 2. Potential high operational costs due to comprehensive service offerings. 3. Limited geographical presence compared to larger firms. 4. Risk of over-reliance on key clients. 5. Market perception as a smaller player may challenge client acquisition.

**Opportunities**



1. Growth in demand for outsourced financial services among small and medium-sized enterprises. 2. Expansion into new geographic markets. 3. Development of niche services tailored to specific industries. 4. Potential for strategic partnerships and alliances. 5. Increasing automation and AI in accounting to enhance service efficiency.

**Threats**



1. Intense competition from larger, well-established firms. 2. Economic downturns affecting client spending on financial services. 3. Rapid technological changes requiring continuous adaptation. 4. Compliance and regulatory changes impacting service provision. 5. Cybersecurity threats targeting financial data.



# History & Roadmap



**Current Status.**

FinVista's roadmap focuses on advancing technology, expanding client reach, building strategic partnerships, and diversifying services. Starting with product enhancements in Mar 2024, they plan to attract small businesses by Jun 2024. By Sep 2024, AI integrations will streamline tax and financial processes. Strategic partnerships will be established by Dec 2024, followed by regional expansion in Mar 2025. Concluding in Jun 2025, FinVista aims to broaden their offerings in strategic advisory services. This roadmap ensures FinVista remains a pioneering and client-focused financial services firm.





# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Define Company Mission and Vision	●	Not Started	High	CEO 1 month
2	Develop Organizational Structure	●	Not Started	High	COO 2 months
3	Secure Initial Funding	●	Not Started	High	CFO 3 months
4	Establish Legal Entity and Register Business	●	Not Started	High	CLO 1 month
5	Develop Initial Business Plan	●	Not Started	High	CSO 2 months
6	Set Up Office Space and Infrastructure	●	Not Started	Medium	COO 3 months
7	Recruit Key Team Members	●	Not Started	High	CPO 3 months
8	Develop Internal Policies and Procedures	●	Not Started	Medium	COO 4 months
<b>Marketing</b>					
1	Develop Brand Identity	●	Not Started	High	CMO 2 weeks
2	Create Marketing Strategy	●	Not Started	High	CMO 1 month
3	Launch Company Website	●	Not Started	High	CTO 2 months
4	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
5	Implement SEO Strategies	●	Not Started	Medium	CMO 3 months
6	Initiate Email Marketing Campaign	●	Not Started	Medium	CMO 2 months
7	Create Client Testimonials and Case Studies	●	Not Started	Low	CMO 4 months
8	Engage in Partnership with Influencers and Industry Leaders	●	Not Started	Medium	CMO 5 months



# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 1 &amp; Technical Set Up for next Phases</b>						
1	Set up corporate structure and legal framework	●	Not Started	High	CEO	2 weeks
2	Develop service portfolio and pricing strategy	●	Not Started	High	CFO	3 weeks
3	Hire and onboard initial team of accountants	●	Not Started	High	COO	4 weeks
4	Implement accounting software and tools	●	Not Started	Medium	CTO	2 weeks
5	Set up office space and infrastructure	●	Not Started	Medium	COO	3 weeks
6	Create internal processes and workflows	●	Not Started	High	COO	2 weeks
7	Develop financial reporting templates	●	Not Started	Medium	CFO	2 weeks
8	Establish initial client acquisition plan	●	Not Started	High	CRO	3 weeks
<b>Phase 2</b>						
1	Implement Client Feedback System	●	Not Started	High	CRO	2 months
2	Upgrade Bookkeeping Software	●	Not Started	High	CTO	1 month
3	Expand Tax Preparation Services	●	Not Started	Medium	CPO	3 months
4	Launch Mobile App for Client Engagement	●	Not Started	High	CMO	4 months
5	Train Staff on Advanced Payroll Services	●	Not Started	Medium	COO	2 months
6	Optimize Financial Reporting Processes	●	Not Started	High	CFO	3 months
7	Conduct Cybersecurity Audit	●	Not Started	High	CSO	1 month
8	Implement Cloud-Based Storage Solutions	●	Not Started	Medium	CIO	2 months



# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 3</b>						
1	Develop Financial Reporting Templates	●	Not Started	High	CFO	2 months
2	Launch Strategic Advisory Services	●	Not Started	High	CEO	3 months
3	Train Staff on New Service Offerings	●	Not Started	Medium	COO	4 months
4	Implement Marketing Campaign for New Services	●	Not Started	High	CMO	2 months
5	Conduct Market Research for Client Needs	●	Not Started	Medium	CRO	3 months
6	Evaluate and Integrate Client Feedback	●	Not Started	Medium	CSO	3 months
7	Enhance Client Reporting Portal	●	Not Started	High	CTO	4 months
8	Establish Key Performance Indicators (KPIs) for New Services	●	Not Started	High	CIO	2 months
<b>Phase 4</b>						
1	Identify High-Risk Fintech Opportunities	●	Not Started	High	CEO	2 months
2	Develop AI-Driven Financial Tools	●	Not Started	High	CTO	3 months
3	Build Strategic Partnerships with Fintech Firms	●	Not Started	Medium	CRO	4 months
4	Secure Intellectual Property for New Tech	●	Not Started	High	CIO	2 months
5	Pilot Financial Technology Solutions with Select Clients	●	Not Started	High	COO	6 months
6	Integrate Blockchain for Enhanced Security	●	Not Started	Medium	CTO	5 months
7	Seek Seed Funding for Innovation Projects	●	Not Started	High	CFO	3 months
8	Launch Marketing Campaign for New Tech Solutions	●	Not Started	Medium	CMO	4 months





# Core Risks & Migration Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Data Security Breach	CIO	Implement advanced encryption, two-factor authentication, and regular security audits to safeguard client data.
2	System Downtime	CTO	Set up redundant servers and a reliable backup system to ensure business continuity during outages.
3	Employee Turnover	COO	Develop a strong employee retention program, including competitive compensation, career advancement opportunities, and a positive work environment.
4	Inaccurate Financial Reporting	CFO	Implement rigorous quality control processes and continuous employee training to ensure precision in financial reporting.
5	Workflow Disruptions	COO	Establish efficient workflow systems and contingency plans to minimize disruptions and maintain productivity.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Changing Tax Laws	CFO	Implement continuous monitoring of tax legislation and employ experts to ensure compliance.
2	Data Privacy Regulations	CIO	Adopt comprehensive cybersecurity measures and regularly audit data protection protocols to align with GDPR and CCPA requirements.
3	Accounting Standards Compliance	CFO	Regularly train staff on latest Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS).
4	Licensing and Certification	CPO	Ensure ongoing professional development and renew all necessary licenses and certifications in a timely manner.
5	Anti-Money Laundering (AML) Compliance	CRO	Implement thorough client vetting procedures and continuous monitoring to detect and prevent financial crimes.



### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Competition	CEO	Conduct ongoing market research to identify competitive edge and differentiate FinVista's services through unique value propositions.
2	Client Retention	CPO	Develop and implement a robust client engagement strategy that includes regular feedback loops and personalized service enhancements.
3	Technological Disruption	CTO	Invest in ongoing technology advancements and partnerships to ensure FinVista keeps pace with or leads in technological innovations.
4	Service Diversification Challenges	COO	Implement a phased approach to diversification, supported by market analysis and pilot programs to validate new service lines before full-scale rollout.
5	Changing Consumer Preferences	CMO	Leverage data analytics and client feedback to monitor and anticipate shifts in preferences, adapting marketing and service offerings to evolving client needs.

### 4. Finance risk

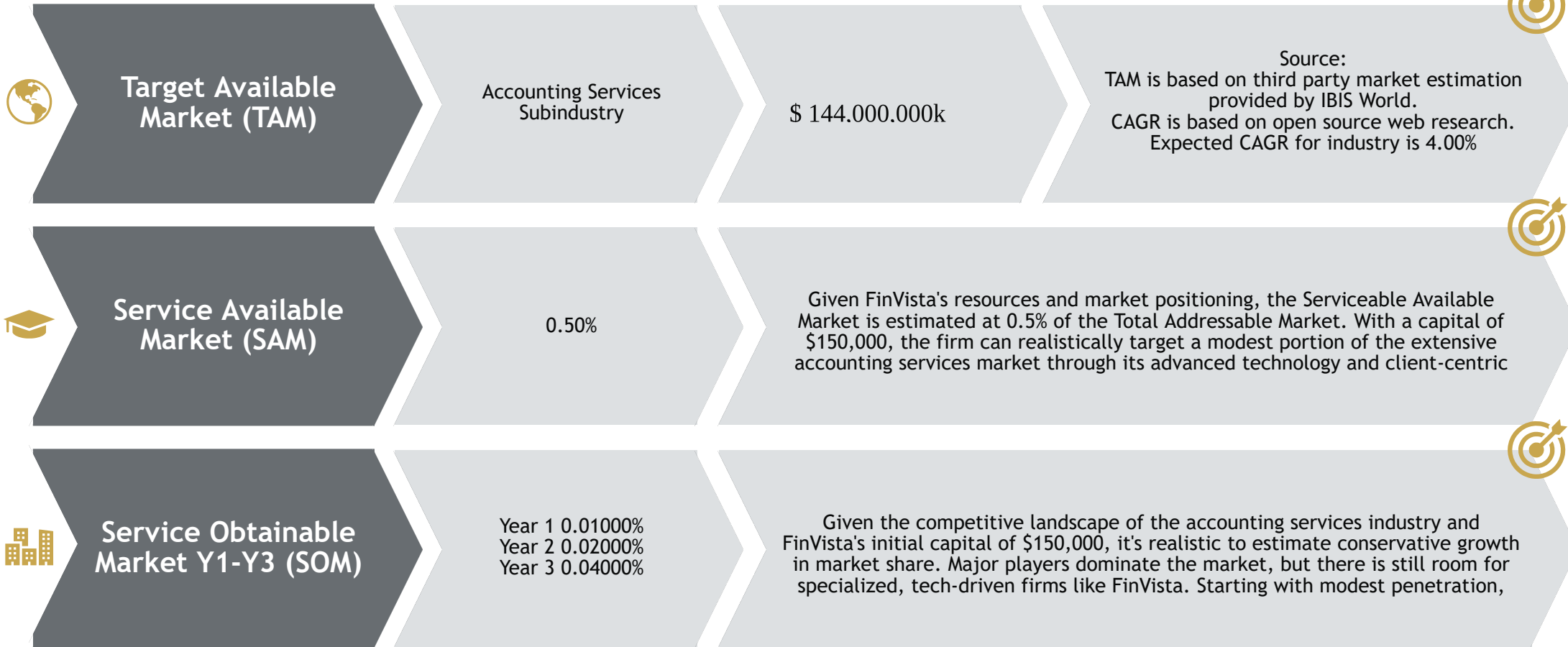
#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Management	CFO	Implement rigorous cash flow forecasting and establish a contingency fund to manage short-term liquidity needs.
2	Revenue Fluctuations	CFO	Diversify service offerings and develop long-term client contracts to create stable and recurring revenue streams.
3	Credit Risk	CRO	Conduct thorough credit assessments and background checks on clients to mitigate the risk of non-payment.
4	Investment Risks	CIO	Adopt a balanced investment strategy and continuously monitor performance to adjust portfolios based on market conditions.
5	Cost Overrun Risks	COO	Implement strict budget controls and regular project cost reviews to identify and mitigate potential overruns early.

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Client Trust and Relationship Management	CRO	Implement a robust client relationship management system and regularly engage with clients to understand and address their needs proactively.
2	Reputation Management	CMO	Develop a comprehensive public relations strategy, including timely responses to feedback and consistent brand messaging across all communication channels.
3	Technology Adaptation	CIO	Invest in continuous IT training programs and stay updated with the latest technology trends to ensure seamless integration and utilization of new technologies.
4	Client Data Security	CTO	Implement advanced cybersecurity measures, including regular security audits and data encryption, to safeguard client information and maintain confidentiality.
5	Human Resource Retention	COO	Develop a strong employee retention plan focusing on career development, competitive compensation packages, and maintaining a positive work environment.



# Market Overview (TAM, SAM and SOM)

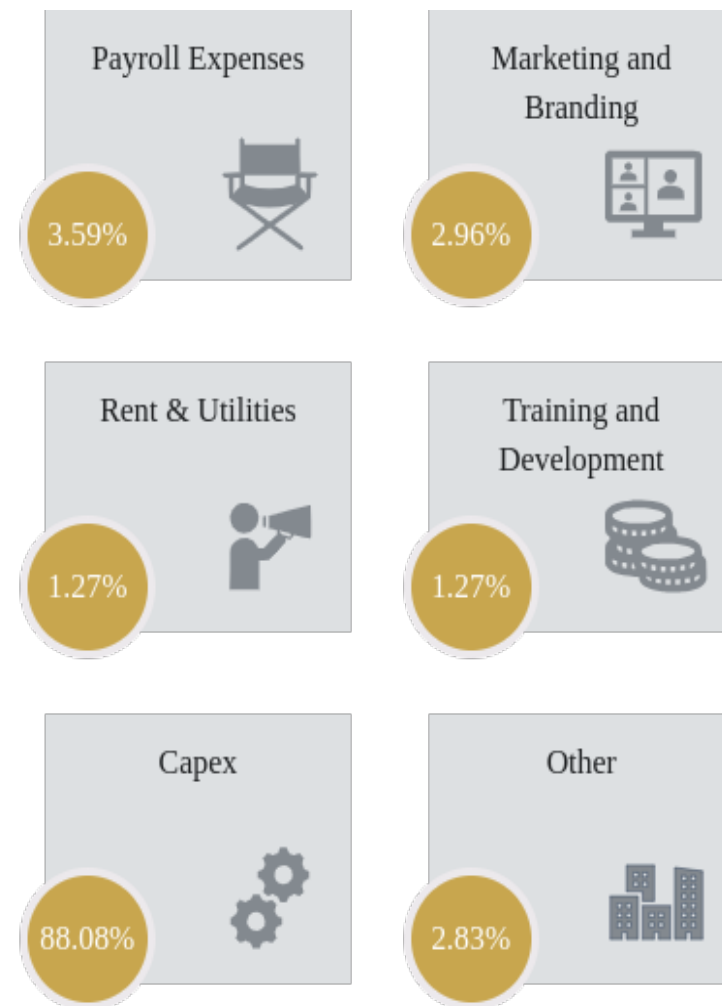


# Funding Allocation

The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection. Table below presents the overview of expected inflows and outflows.

The total investment required is \$ 150k

Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	24	
Payroll Expenses		6
Marketing and Branding		5
Rent & Utilities		2
Training and Development		2
Capex		150
Other Miscellaneous		2
Legal and Professional Fees		1
Representation and Entert.		1
Communication Expenses		1
Office supplies		0
<b>CAPEX &amp; WC shortage Y1</b>		<b>147</b>
<b>Buffer</b>		<b>3</b>
<b>Total Required Investment(thnd USD)</b>		<b>150</b>

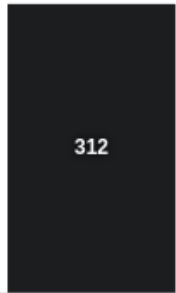




# Financials Dashboard

## Y3 PL formation and Margins

### Revenue



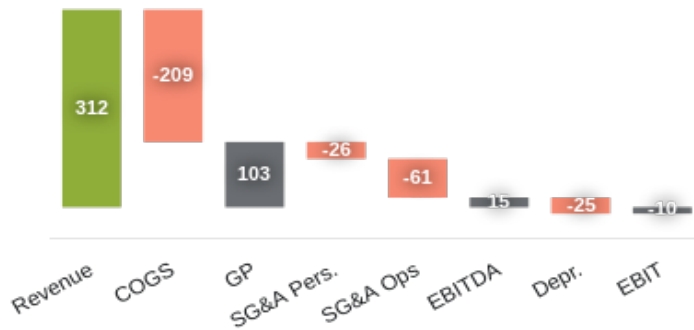
### Projected Revenue

- GP 33.0%
- EBITDA 4.8%

Y3

Y3

### PnL Formation (Y3 thnd USD)

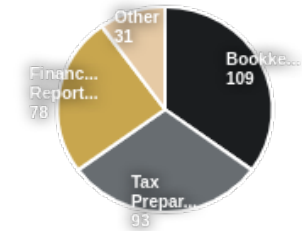
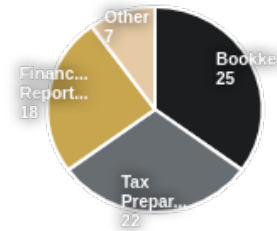


## Business Line Breakdown (thnd USD)

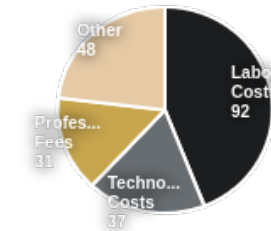
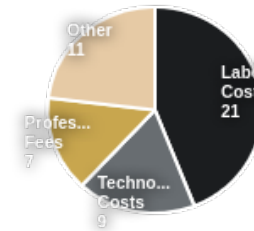
### Y1

### Y2

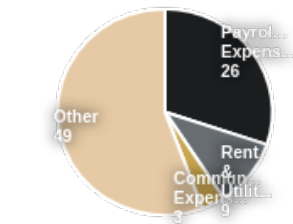
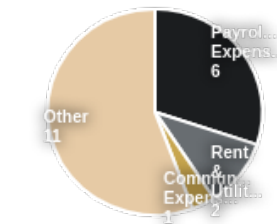
### Revenue



### COGS



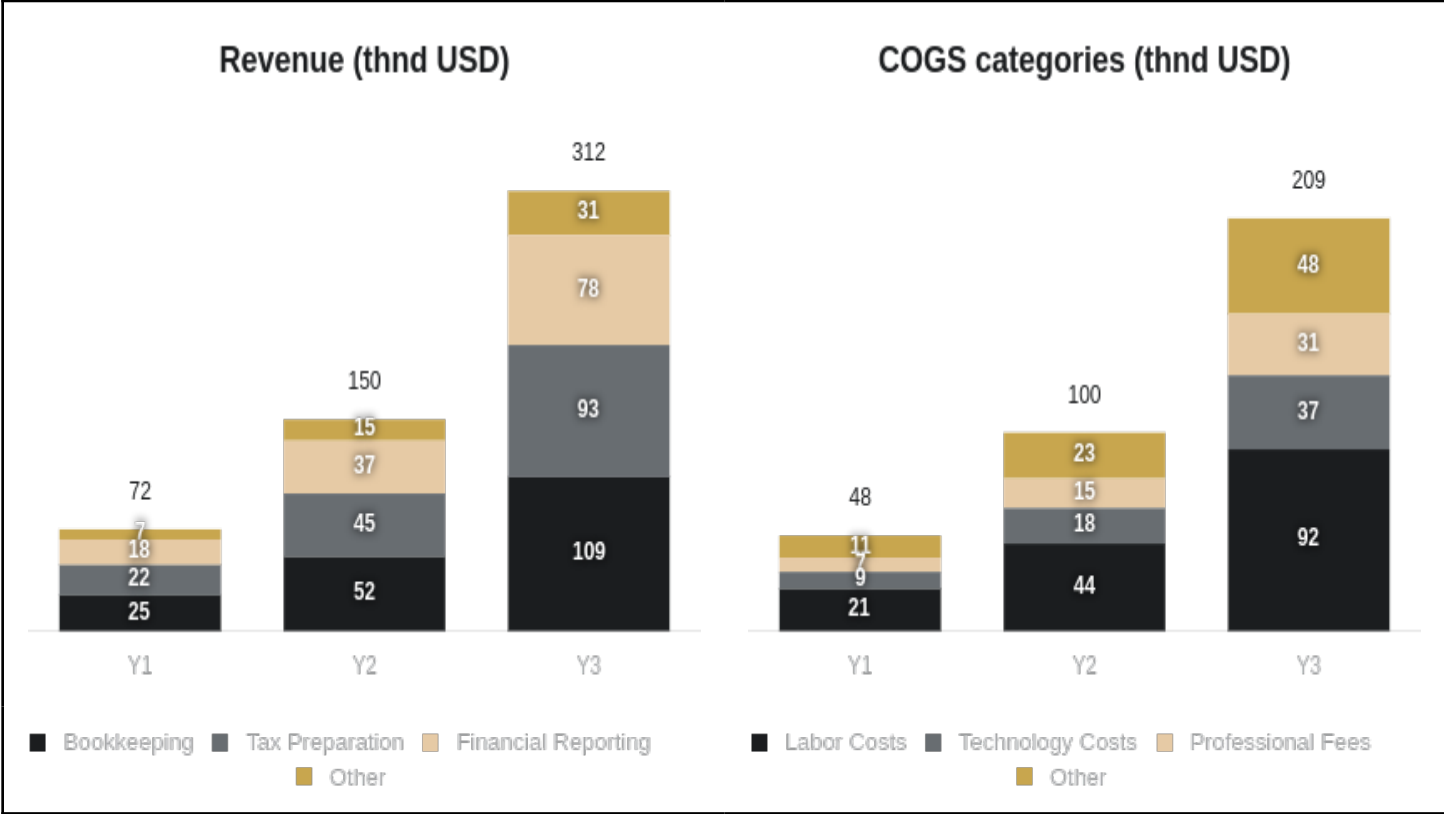
### Admin



# Revenue Formation Narrative

FinVista, a forward-thinking accounting firm, has strategically estimated its market potential and revenue growth through a detailed analysis of the industry landscape. With a Total Addressable Market (TAM) of 144,000,000k USD, FinVista projects its Serviceable Available Market (SAM) at 0.5%, leveraging its 150k USD capital and focusing on advanced technology and client-centric services. This strategic positioning allows for a realistic yet ambitious capture of the market. In the initial year (Year 1), FinVista aims to secure 0.01% of the market, generating an estimated revenue of 72k USD. Building on this foundation, the company anticipates growing its market share to 0.02% in Year 2, resulting in projected revenue of 149.76k USD. By Year 3, with continued emphasis on superior client service and expanding its offerings, FinVista targets a market share of 0.04%, leading to expected revenue of 311.501k USD. The revenue distribution across FinVista's four main lines of business illustrates a balanced approach with 35% from Bookkeeping, 30% from Tax Preparation, 25% from Financial Reporting, and 10% from other services. This diversified revenue stream positions FinVista for stable and sustained growth in the competitive accounting services industry. The incremental growth in Serviceable Obtainable Market (SOM) percentages reflects FinVista's strategic plan to build brand recognition and client trust progressively, setting the stage for long-term success.

**\$ 312k** Y3 Projected Revenue **0.01%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Bookkeeping	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Tax Preparation	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Financial Reporting	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %

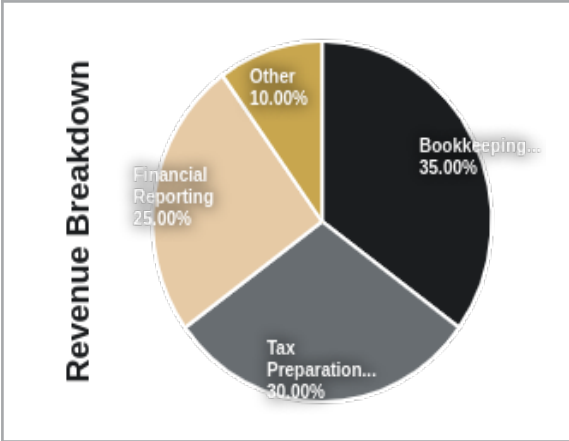
Bookkeeping	2	2	2	2	2	2	2	2	2	3	3	3	25	52	109
Tax Preparation	1	1	1	2	2	2	2	2	2	2	2	2	22	45	93
Financial Reporting	1	1	1	1	1	1	2	2	2	2	2	2	18	37	78
Other	0	0	0	1	1	1	1	1	1	1	1	1	7	15	31
<b>Total Revenue (thnd USD)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>72</b>	<b>150</b>	<b>312</b>

Total revenue is expected to reach \$ 312k by year 3.

Main revenue driver are:

- Bookkeeping which generates \$ 109k by Year 3
- Tax Preparation which generates \$ 93k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 108.00 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Labor Costs	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%	29.50%
Technology Costs	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Professional Fees	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%

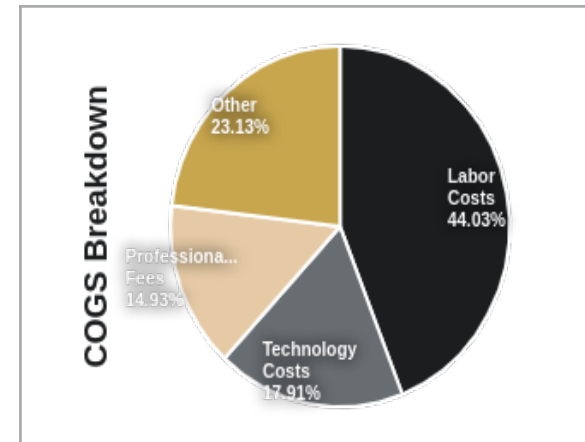
Labor Costs	1	1	1	2	2	2	2	2	2	2	2	2	21	44	92
Technology Costs	1	1	1	1	1	1	1	1	1	1	1	1	9	18	37
Professional Fees	0	0	0	1	1	1	1	1	1	1	1	1	7	15	31
Other	1	1	1	1	1	1	1	1	1	1	1	1	11	23	48
<b>Total COGS (thnd USD)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>48</b>	<b>100</b>	<b>209</b>

Total COGS is expected to reach \$ 209k by year 3.

Main revenue driver are:

- Labor Costs which generates \$ 92k by Year 3
- Other which generates \$ 48k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 108.00 %





# SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Rent & Utilities	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Communication Expenses	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Office supplies	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Legal and Professional Fees	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Marketing and Branding	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Representation and Entertainment	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Training and Development	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Miscellaneous	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Payroll Expenses	0	0	0	0	0	0	1	1	1	1	1	1	6	13	26
Rent & Utilities	0	0	0	0	0	0	0	0	0	0	0	0	2	4	9
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	1	1	3
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	1	2	5
Marketing and Branding	0	0	0	0	0	0	0	0	0	1	1	1	5	10	22
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	2	4	9
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	2	4	8
<b>Total SG&amp;A (thnd USD)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>20</b>	<b>42</b>	<b>88</b>



# PaT Expectations

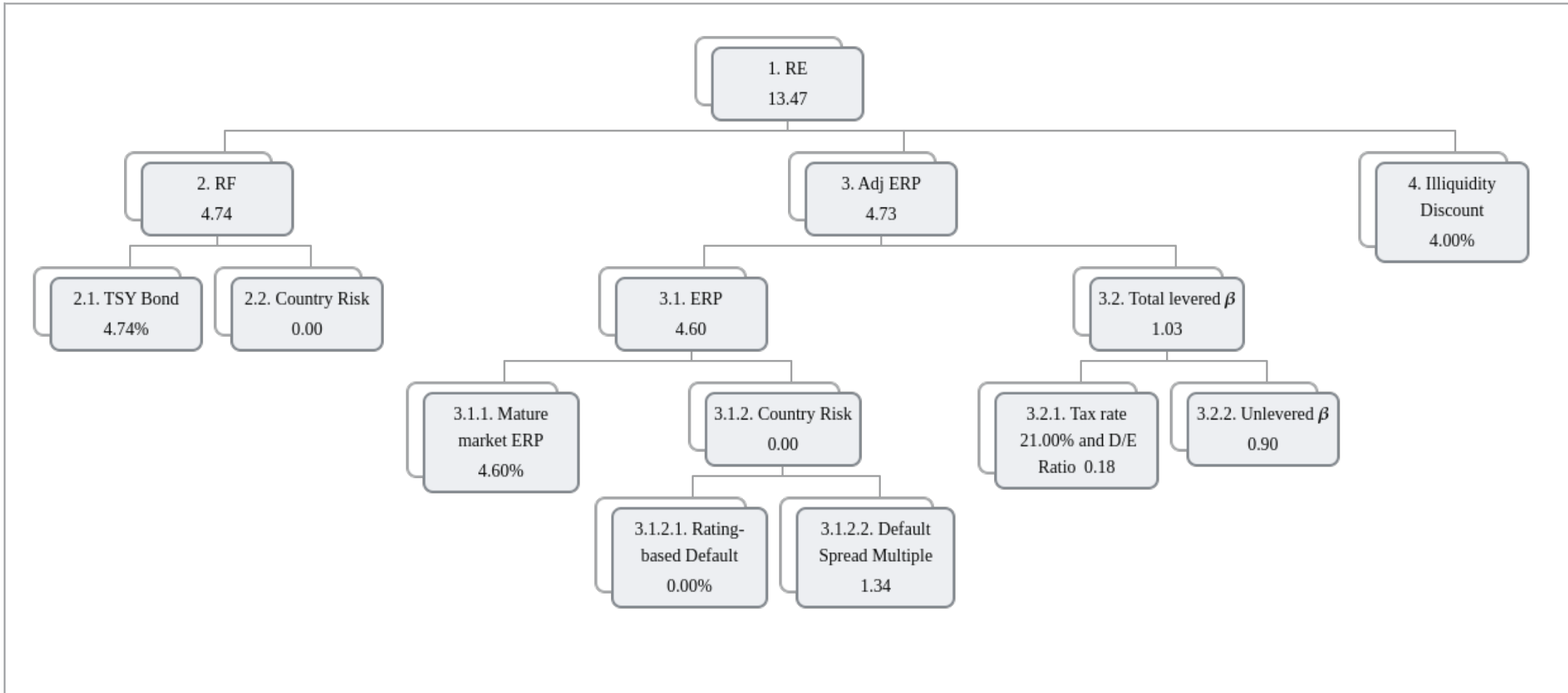
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Revenue</b>	5	5	5	5	5	5	7	7	7	8	8	8	72	150	312
Bookkeeping	2	2	2	2	2	2	2	2	2	3	3	3	25	52	109
Tax Preparation	1	1	1	2	2	2	2	2	2	2	2	2	22	45	93
Financial Reporting	1	1	1	1	1	1	2	2	2	2	2	2	18	37	78
Other	0	0	0	1	1	1	1	1	1	1	1	1	7	15	31
<b>COGS</b>	-3	-3	-3	-4	-4	-4	-4	-4	-4	-5	-5	-5	-48	-100	-209
Labor Costs	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-21	-44	-92
Technology Costs	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-9	-18	-37
Professional Fees	-0	-0	-0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-7	-15	-31
Other	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-11	-23	-48
<b>Gross Profit</b>	1	1	1	2	2	2	2	2	2	2	2	2	24	49	103
<b>SG&amp;A Personal Expenses</b>	-0	-0	-0	-0	-0	-0	-1	-1	-1	-1	-1	-1	-6	-13	-26
<b>SG&amp;A Operating Expenses</b>	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-14	-30	-61
<b>EBITDA</b>	0	0	0	0	0	0	0	0	0	0	0	0	3	7	15
<b>Depreciation</b>	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-25	-25	-25
<b>EBIT</b>	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-22	-18	-10
<b>Interest Expense</b>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-2	-2	-2
<b>Profit before Tax</b>	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-24	-20	-12
<b>Tax</b>	0	0	0	0	0	0	0	0	0	0	0	0	5	4	3
<b>Profit after Tax (thnd USD)</b>	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-19	-16	-10



## Required Return on Equity Derivation



# Cost of Capital: CAPM Inputs

## Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is  $R(E) = R(F) + \beta * (ERP)$ , where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple ( $\beta$ ) is average equity betas of corresponding industries. Despite the company has no debt, the unlevered beta was levered with industry average figures to reflect the long-term D/E ration in the capital structure. Additionally, Illiquidity Risk Premium of 4% is added to the estimated Return on Equity to reflect risk associated with firm being Privately Held vs Publicly Traded Companies.

## Additional Assumptions

To calculate the companies Firm Value, its future Free Cash Flow to Equity (FCFE) is discounted using estimated Required Return on Equity.

The 3rd-year projected cash flow is used as a representation of the long-term Free Cash Flow to the Equity (FCFE). This approach may understate the valuation because cash flows are expected to grow more aggressively in the first 10 years, and the growth from years 4 to 10 is not reflected in this calculation. Long-term growth rate of 5% is applied.

After discounting the cashflows and measuring the Firm Value it is adjusted to historical estimate of Start-up firm's survival rate. The allows to incorporate risk of start-ups fails.

## Survival of new establishments founded in 1998

	Proportion of firms that were started in 1998 that survived through						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	44.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

[http://pages.stern.nyu.edu/~adamodar/New\\_Home\\_Page/datafile/ctryprem.html](http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html)

<https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf>

<http://pages.stern.nyu.edu/~adamodar/>





# Business Valuation

	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	-19	-16	-10	-10	-10	-11	-11
	Growth% Y4-Y7				4.00%	4.00%	4.00%	4.00%
	Growth% Y7 -->				3.50%			
	WACC				13.47%			
	PV Y1-Y7 at Y0	-16	-12	-7	-6	-6	-5	-5
	PV Y7 --> Y0				-48			
	NPV (thnd USD)				-105			

Average Survival Rate for 3 Years

50%

Final Valuation

-\$ 52k

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 13.47 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 4.00 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.



# Glossary

## Financial and Technical

b \$ - Billions of \$  
B2B - Business to Business  
B2C - Business to Customer  
CAPEX - Capital Expenditure  
CAPM - Capital Asset Pricing Model  
COGS - Cost of goods sold  
DCF - Discounted cash flow  
Depr. - Depreciation  
EBIT - Earnings before interest and taxes  
EBITDA - Earnings before interest, taxes, depreciation, and amortization  
EBT - Earnings Before Tax  
ERP - Equity Risk Premium  
ETA - Estimated Time of Arrival  
EV - Enterprise Value  
FA (Tangible and Intangible) - Fixed assets (tangible and intangible)  
FX - Foreign Exchange  
FY - Fiscal year  
GP - gross profit  
k \$ - Thousands of \$  
LLM - Large Language Model  
LFY - Last fiscal year  
m \$ - Millions of \$  
MTD - Month-to-date  
MVP - Minimum Viable Product  
NFT - Non-Fungible Token  
NPV - Net present value  
OPEX - Operating Expense  
P&L - A profit and loss (P&L) statement  
PaT - Profit after Tax  
POC - Proof of Concept  
PPE - Property, plant, and equipment  
SG&A - Sales, General and Administrative  
TSY bond rate - Treasury bond rate  
WACC - Weighted average cost of capital  
YTD - Year-to-date

## Organisational Structure

CBDO - Chief Business Development Officer  
CEO - Chief Executive Officer  
CPO - Chief Product Officer  
CFO - Chief Financial Officer  
CTO - Chief Technology Officer  
C-level - Chief level  
Eng - Engineer  
Dev - Developer  
HR - Human Resources

## Other

Av - Average  
EoP - End of Period  
LE - Legal Entity  
PE - Private Equity  
TOM - Target Operating Model



# Disclaimer

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