

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

FutureFocus Financial is dedicated to guiding individuals and businesses toward a secure and prosperous future by providing tailored financial planning services. Our mission is to empower clients with clarity, integrity, and proactive management, helping them make informed decisions to achieve their long-term financial goals. Through advanced analytical tools and personalized strategies, we craft comprehensive financial plans that adapt to changing needs and market conditions, ensuring that each client's financial objectives are met with confidence.

Our Vision

FutureFocus Financial envisions a future where every individual and business can navigate their financial landscape with confidence and clarity. We aspire to be recognized as the premier financial planning firm that not only meets but anticipates the evolving needs of our clients. By continually enhancing our strategies and tools, we aim to ensure long-term financial security and success, enabling our clients to achieve their aspirations and build a legacy of financial stability for generations to come.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 154k

Revenue

\$ 52k

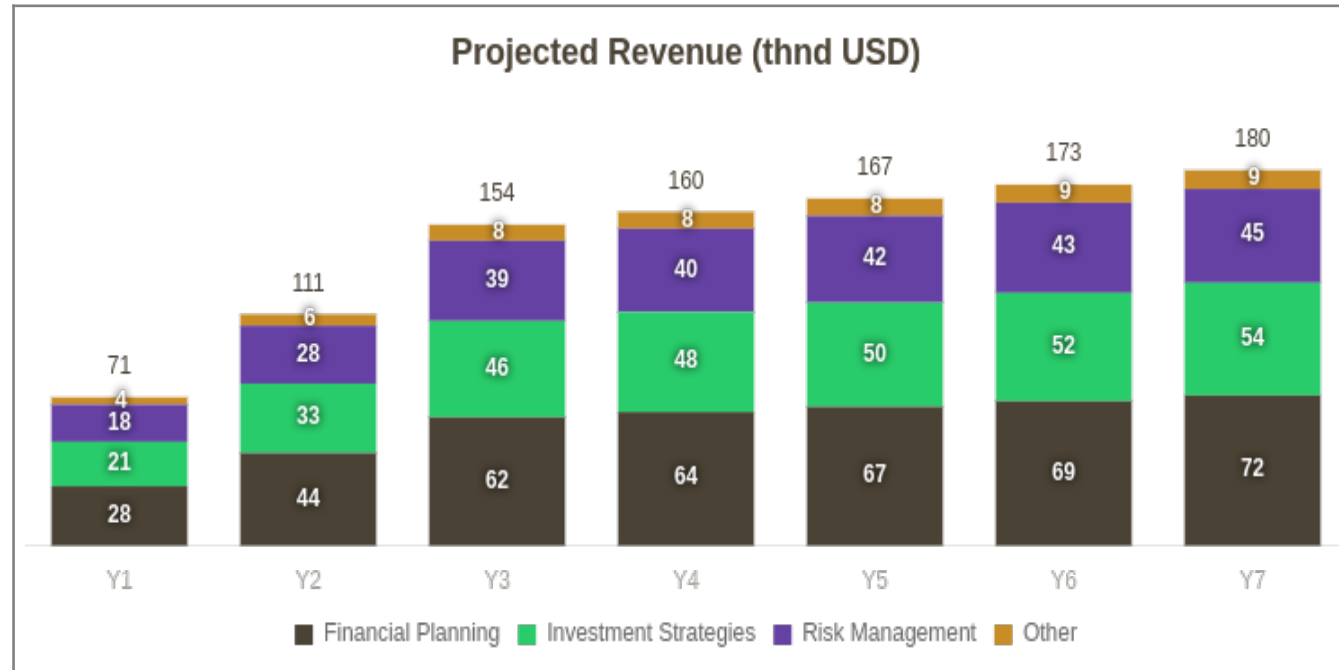
Gross Profit

\$ 10k

EBITDA

0.12%

Target Market Share

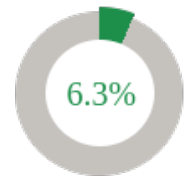


Margins
(Stabilized by Y3)

GP Margin



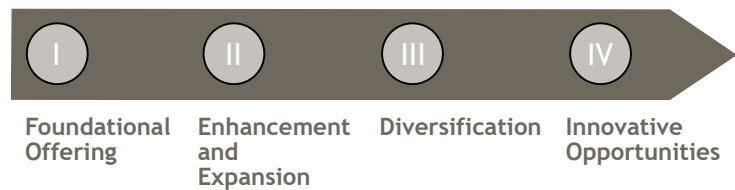
EBITDA Margin



PbT Margin

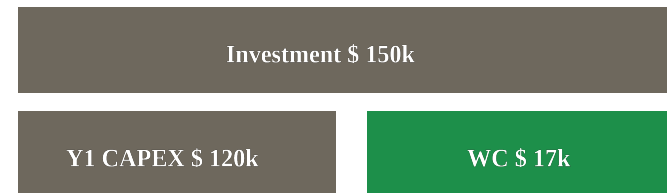


Project Phases



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.



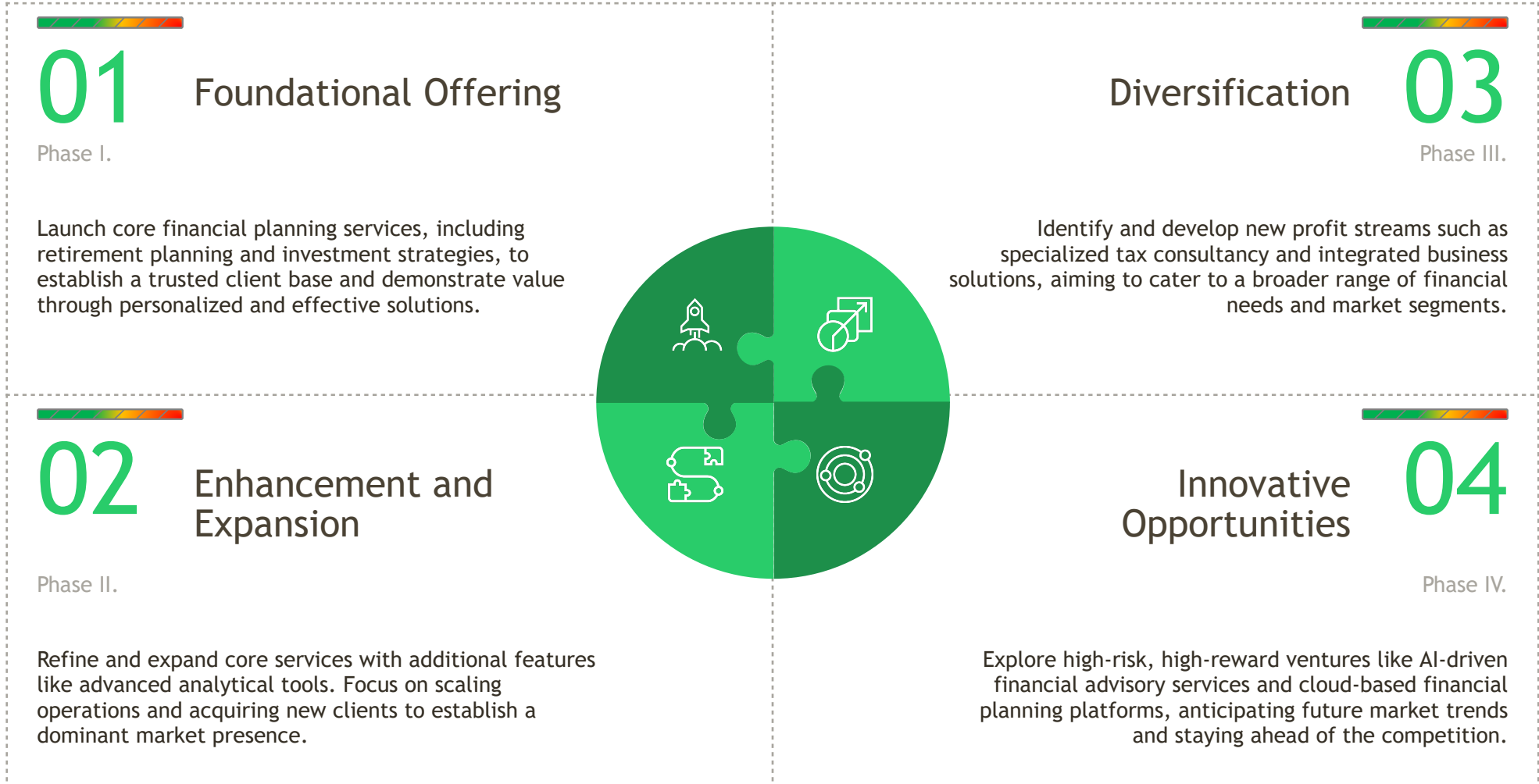
About the Company: General Overview



FutureFocus Financial is a dedicated financial planning firm committed to guiding individuals and businesses toward a secure and prosperous future. Specializing in Accounting, bookkeeping and auditing activities; tax consultancy, the company operates within the Professional, scientific and technical activities sector. FutureFocus Financial offers tailored financial planning services, including retirement planning, investment strategies, and risk management, all designed to align with clients' long-term goals and aspirations. The team of skilled advisors employs advanced analytical tools and personalized strategies to craft comprehensive financial plans that can adapt to changing needs and market conditions. By focusing on clarity, integrity, and proactive management, FutureFocus Financial empowers clients to make informed decisions, ensuring they achieve their financial objectives with confidence.



The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Clients	<ol style="list-style-type: none"> 1. Access to personalized financial planning and investment strategies to achieve long-term goals. 2. Confidence and clarity in making informed financial decisions. 3. Enhanced financial security through proactive risk management and retirement planning.
Employees	<ol style="list-style-type: none"> 1. Opportunities for professional development and career growth in a dynamic industry. 2. Access to advanced analytical tools and training, enhancing job performance and satisfaction. 3. A supportive, integrity-driven work environment that values individual contributions.
Investors	<ol style="list-style-type: none"> 1. Consistent returns through a diversified business model and strategic market presence. 2. Long-term growth potential with innovative financial planning services and technology adoption. 3. Increased market share and client base, leading to heightened investor confidence.
Regulatory Bodies	<ol style="list-style-type: none"> 1. Compliance with industry standards and regulations, ensuring ethical business practices. 2. Transparent and efficient reporting, fostering trust and reducing monitoring burdens. 3. Active contribution to the development of financial industry standards and practices.
Business Partners	<ol style="list-style-type: none"> 1. Collaboration opportunities that drive mutual growth and enhance service offerings. 2. Shared resources and expertise to develop innovative financial solutions. 3. Strengthened business relationships through reliable and consistent partnership.
Community	<ol style="list-style-type: none"> 1. Increased financial literacy and planning services supporting community members' prosperity. 2. Job creation and economic development through business growth and expansion. 3. Corporate social responsibility initiatives that give back to the community.
Technology Providers	<ol style="list-style-type: none"> 1. Long-term business relationships to co-develop and refine financial technology solutions. 2. Increased demand for advanced tools and platforms driving industry innovation. 3. Opportunities to showcase cutting-edge technology in real-world applications.



Key Performance Components

Competitive Advantage

Tailored Financial Services

FutureFocus Financial offers personalized financial planning services, ensuring clients receive customized solutions that align with their unique long-term goals and aspirations.

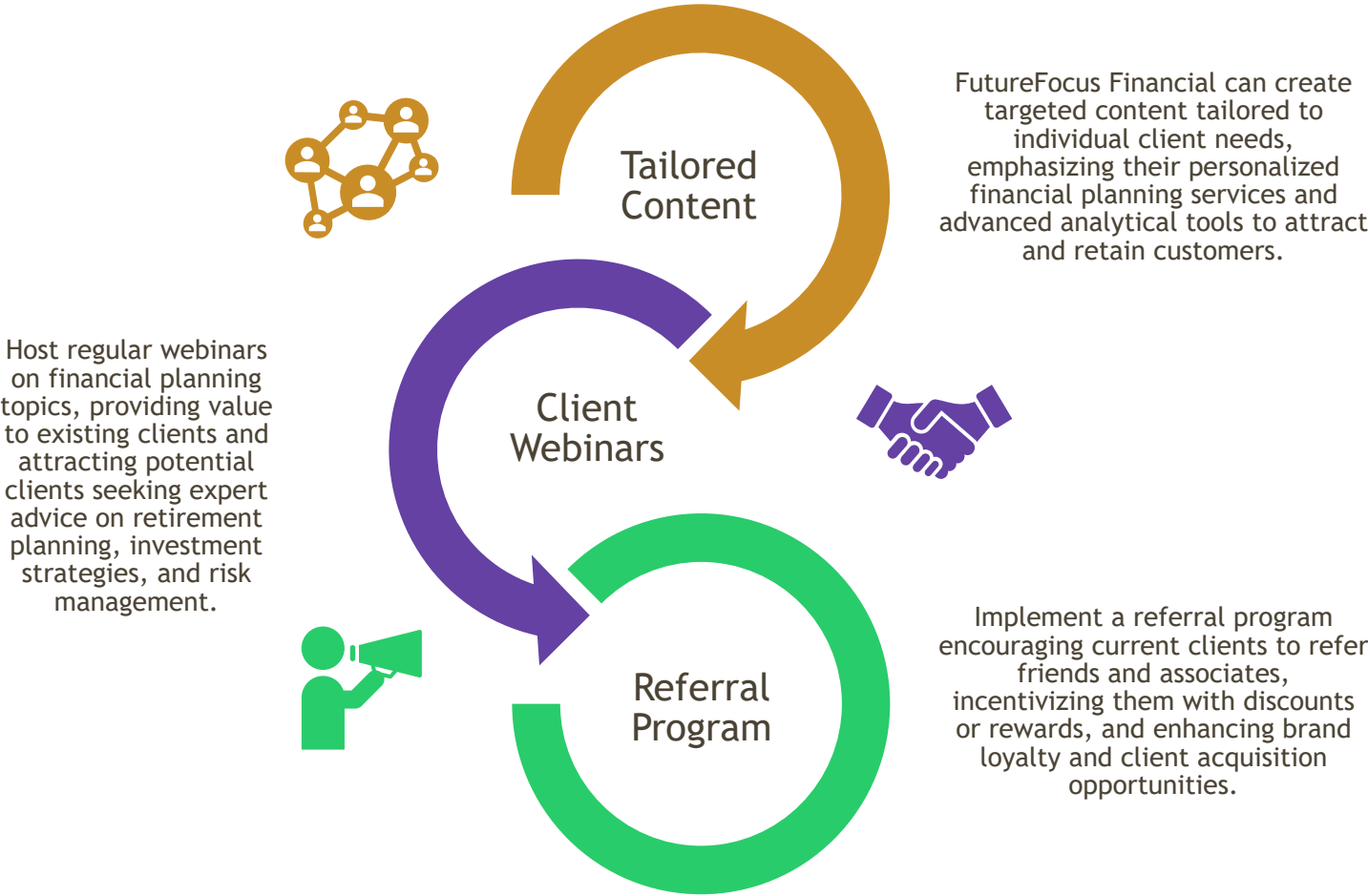
Advanced Analytical Tools

The company utilizes state-of-the-art analytical tools to create comprehensive plans that adapt to changing market conditions, providing clarity and confidence.


Skilled Advisors

FutureFocus Financial boasts a team of highly skilled advisors who bring expertise and integrity to every client interaction, fostering trust and informed decision-making.

Marketing and Growth Strategy

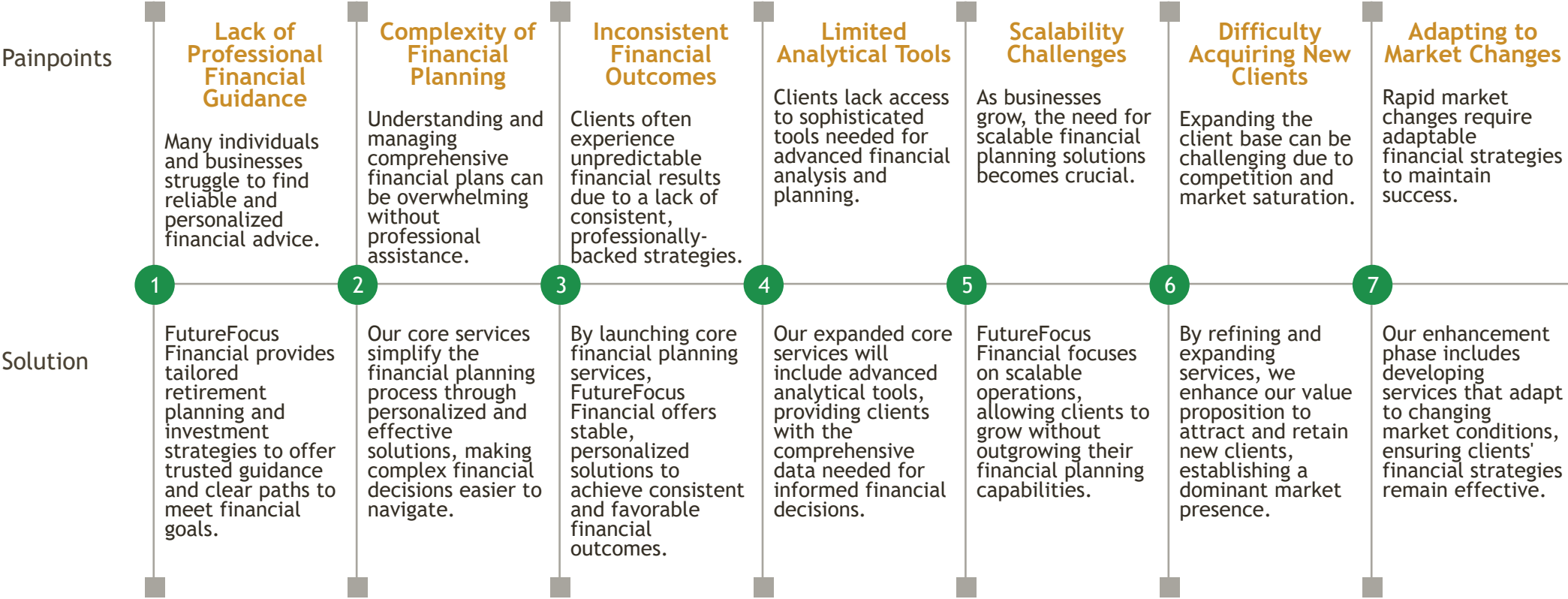


Target Groups

Industries		Description
I	 Individual Investors	Individuals seeking personalized financial planning and investment strategies to secure their futures and achieve financial independence.
II	 Retirees	Retirees who require specialized retirement planning to ensure a stable income and manage their post-retirement financial goals effectively.
III	 Small Business Owners	Entrepreneurs and small business owners looking for integrated financial solutions to manage their business finances, including tax consultancy and investment strategies.
IV	 High Net-Worth Individuals	Affluent clients needing advanced financial planning and risk management services to preserve and grow their wealth.
V	 Corporate Professionals	Corporate employees seeking comprehensive financial services to optimize their personal wealth, including retirement and investment planning.
VI	 Startups	Newly established companies looking for guidance on financial structuring, accounting, and long-term financial planning to support business growth.
VII	 Non-Profit Organizations	Non-profit organizations needing specialized financial planning, auditing, and bookkeeping services to ensure compliance and effective fund management.




Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




1. Established reputation for comprehensive financial planning and client-focused service. 2. Skilled advisors with advanced analytical tools and personalized strategies. 3. Commitment to clarity, integrity, and proactive management. 4. Wide range of tailored services including retirement planning and risk management. 5. Adaptive plans accommodating changing needs and market conditions.

Weaknesses




1. Dependence on market conditions which can be unpredictable. 2. High reliance on skilled human capital, posing retention risks. 3. Potential scalability issues in managing a large clientele. 4. Costs associated with continuous upgradation of analytical tools and technologies. 5. Intense competition from bigger, well-established firms.

Opportunities



1. Growing demand for comprehensive financial planning services. 2. Expansion into emerging markets and new client segments. 3. Integration of advanced technologies to enhance service delivery. 4. Forming strategic partnerships with related financial services firms. 5. Increasing regulatory emphasis on financial transparency and planning.

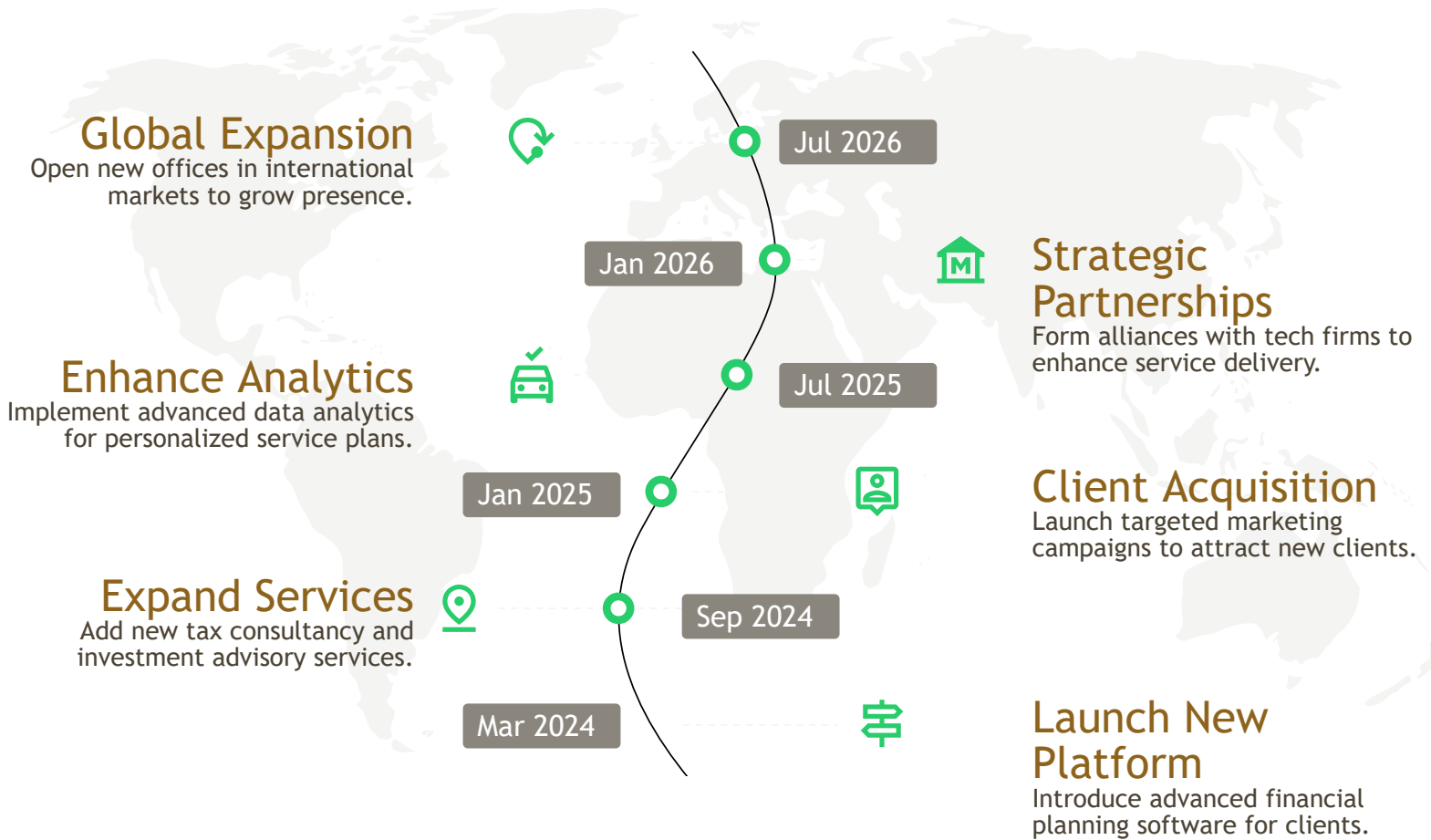
Threats



1. Economic downturns affecting clients' financial health. 2. Regulatory changes increasing operational complexity. 3. Rapid technological advancements requiring constant adaptation. 4. Data security risks due to sensitive financial information. 5. Competition from automated financial advisory platforms.



History & Roadmap



Current Status.

FutureFocus Financial's development roadmap outlines a clear path to growth and innovation:

- Mar 2024: Launch advanced financial planning platform.
- Sep 2024: Introduce new tax and investment services.
- Jan 2025: Engage in marketing to acquire new clients.
- Jul 2025: Adopt advanced analytics for better service customization.
- Jan 2026: Partner with tech firms for enhanced service delivery.
- Jul 2026: Expand globally with new international offices.



Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Develop Business Plan	●	Not Started	High	CEO 2 weeks
2	Register Business	●	Not Started	High	CFO 1 month
3	Secure Initial Funding	●	Not Started	High	CFO 2 months
4	Set Up Office Space	●	Not Started	Medium	COO 1.5 months
5	Create Internal Policies and Procedures	●	Not Started	Medium	COO 2 months
6	Hire Key Personnel	●	Not Started	High	CPO 3 months
7	Implement Financial Software	●	Not Started	Medium	CTO 2 months
8	Develop Company Website	●	Not Started	High	CMO 1 month
Marketing					
1	Develop Brand Identity	●	Not Started	High	CMO 2 months
2	Create Website and Online Presence	●	Not Started	High	CTO 1 month
3	SEO and Content Strategy	●	Not Started	High	CMO 3 months
4	Launch Email Marketing Campaigns	●	Not Started	Medium	CRO 2 months
5	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
6	Partnerships and Sponsorships	●	Not Started	Medium	COO 4 months
7	Client Referral Program	●	Not Started	Medium	CBO 3 months
8	Market Research and Competitor Analysis	●	Not Started	High	CSO 2 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Develop Financial Planning Framework	●	Not Started	High	CFO	2 weeks
2	Hire Financial Advisors	●	Not Started	High	CEO	1 month
3	Establish Client Onboarding Process	●	Not Started	Medium	COO	3 weeks
4	Create Core Service Packages	●	Not Started	High	CPO	2 weeks
5	Set Up Compliance and Regulatory Guidelines	●	Not Started	High	CSO	1 month
6	Implement Advanced Analytical Tools	●	Not Started	Medium	CTO	1.5 months
7	Develop Client Education Materials	●	Not Started	Medium	CMO	1 month
8	Launch Core Financial Planning Services	●	Not Started	High	CRO	2 months
Phase 2						
1	Refine core financial planning services	●	Not Started	High	CEO	2 months
2	Acquire advanced analytical tools	●	Not Started	High	CTO	3 months
3	Develop marketing strategy for service expansion	●	Not Started	High	CMO	1 month
4	Scale operations to support new clients	●	Not Started	High	COO	4 months
5	Implement client acquisition campaigns	●	Not Started	Medium	CRO	2 months
6	Train staff on new tools and methodologies	●	Not Started	Medium	CPO	3 months
7	Conduct market research to identify new opportunities	●	Not Started	Medium	CSO	1 month
8	Enhance customer support systems	●	Not Started	Medium	CIO	2 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 3						
1	Research Specialized Tax Consultancy Opportunities	●	Not Started	High	CFO	2 months
2	Develop Integrated Business Solutions	●	Not Started	Medium	CTO	3 months
3	Form Partnerships with Tax Specialists	●	Not Started	High	COO	1 month
4	Create Marketing Plan for New Services	●	Not Started	Medium	CMO	2 months
5	Hire Specialized Consultants	●	Not Started	High	CPO	4 months
6	Integrate Specialized Services into Existing Offerings	●	Not Started	Medium	CIO	3 months
7	Conduct Pilot Program for New Services	●	Not Started	High	CSO	2 months
8	Evaluate Performance and Adjust Strategies	●	Not Started	Medium	CEO	6 months
Phase 4						
1	Research AI-driven financial advisory solutions	●	Not Started	High	CTO	2 months
2	Develop cloud-based financial planning platform	●	Not Started	High	CTO	6 months
3	Pilot AI advisory service	●	Not Started	High	CIO	4 months
4	Secure funding for high-risk ventures	●	Not Started	High	CFO	3 months
5	Test market reaction to AI advisory services	●	Not Started	Medium	CMO	5 months
6	Develop partnerships with tech firms	●	Not Started	Medium	CPO	4 months
7	Implement cybersecurity measures for cloud platform	●	Not Started	High	CISO	3 months
8	Roll out AI-driven financial advisory to select clients	●	Not Started	Medium	COO	6 months



Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Service Delivery Delays	COO	Implement strict project management protocols and regular performance reviews to ensure timely delivery of services.
2	Technology Failures	CTO	Establish a robust and redundant technology infrastructure with regular back-ups and failover systems.
3	Data Security Breaches	CIO	Implement comprehensive cybersecurity measures, including encryption, firewalls, and regular security audits to protect client data.
4	Staffing Shortages	COO	Develop a strong recruitment and retention strategy that includes competitive benefits and continuous professional development opportunities.
5	Client Data Mismanagement	CRO	Establish clear data management protocols and provide regular training to staff on data handling and privacy policies.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Financial Regulations	CRO	Regularly update compliance protocols and conduct quarterly audits to ensure adherence to all financial regulations.
2	Data Privacy Laws	CSO	Implement robust data protection measures and conduct regular training for staff on data privacy regulations.
3	Anti-Money Laundering (AML) Compliance	CFO	Adopt comprehensive AML procedures, including customer due diligence and continual transaction monitoring.
4	Changes in Tax Legislation	CFO	Stay informed of legislative changes and adjust financial plans accordingly, while providing ongoing training to tax consultants.
5	Intellectual Property Protection	CPO	Secure patents and trademarks for proprietary tools and methodologies, and regularly review IP protections.



3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Volatility	CFO	Develop diversified investment strategies and maintain a risk assessment framework to safeguard client portfolios against extreme market fluctuations.
2	Client Acquisition Challenges	CMO	Implement targeted marketing campaigns and leverage data analytics to identify and attract potential clients effectively.
3	Competitive Pressure	CSO	Conduct continuous market research and adapt service offerings to ensure that they remain innovative and differentiate from competitors.
4	Technological Advancements	CTO	Invest in cutting-edge technology and cybersecurity measures to enhance service delivery and safeguard client data.
5	Client Retention	COO	Enhance client satisfaction through personalized service and regular performance reviews to ensure long-term relationships and loyalty.

4. Finance risk

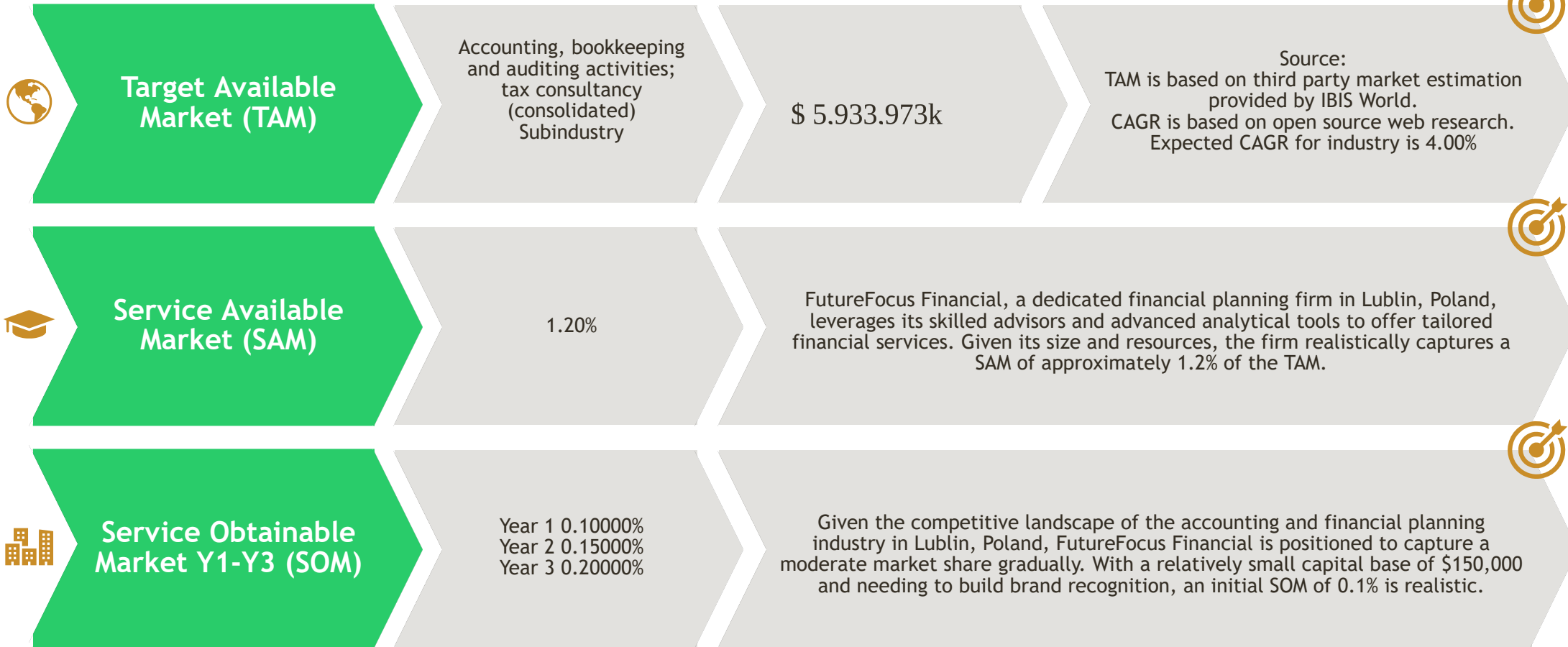
#	Risk Type	Area	Mitigation Strategy
1	Revenue Volatility	CFO	Diversify revenue streams and build a strong client retention program to stabilize cash flows.
2	Capital Allocation	CFO	Implement a rigorous capital budgeting process to prioritize high-return investments and regularly review capital allocation policies.
3	Credit Risk	CRO	Establish stringent credit assessment protocols and continuously monitor clients' creditworthiness to minimize exposure.
4	Liquidity Risk	CFO	Maintain adequate liquidity reserves and establish lines of credit to ensure the firm can meet its short-term obligations.
5	Cost Overruns	COO	Implement strict budget controls and conduct regular financial reviews to keep operational expenses in check.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation Risks	CMO	Maintain strong communication channels with clients and address any issues promptly. Invest in positive brand-building activities and monitor social media for customer feedback.
2	Client Data Security Risks	CSO	Implement advanced encryption and cybersecurity measures, conduct regular security audits, and provide ongoing staff training on data protection.
3	Talent Acquisition and Retention Risks	CPO	Develop competitive compensation packages, foster a positive work culture, and provide opportunities for professional growth and development.
4	Economic Downturn Risks	CFO	Diversify revenue streams across different clients and industries, and maintain a strong cash reserve to sustain operations during economic downturns.
5	Technological Obsolescence Risks	CTO	Stay abreast of technological advancements, invest in ongoing technology upgrades, and allocate resources for research and development to incorporate the latest innovations.



Market Overview (TAM, SAM and SOM)

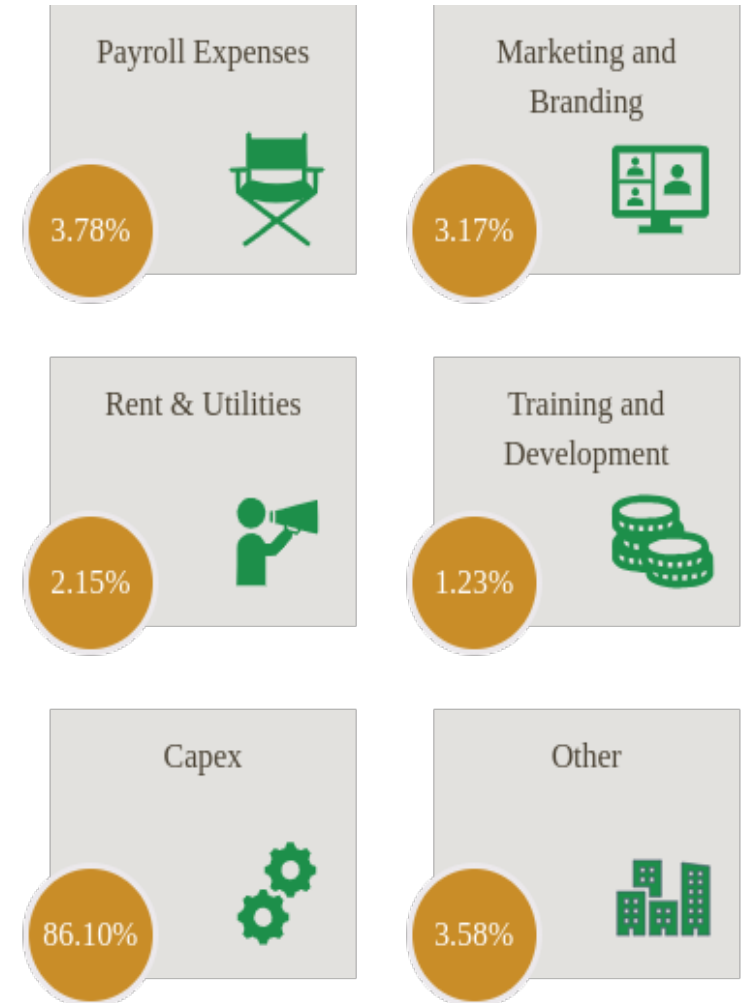


Funding Allocation

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		5
Marketing and Branding		4
Rent & Utilities		3
Training and Development		2
Capex		120
Communication Expenses		1
Legal and Professional Fees		1
Representation and Entert.		1
Office Supplies		1
Other Miscellaneous		1
CAPEX & WC shortage Y1		116
Buffer		34
Total Required Investment(thnd USD)		150



Financials Dashboard

Y3 PL formation and Margins

Revenue



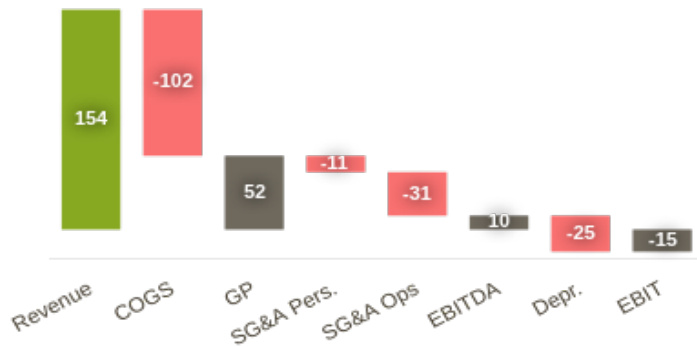
Projected Revenue

- GP 33.5%
- EBITDA 6.3%

Y3

Y3

PnL Formation (Y3 thnd USD)

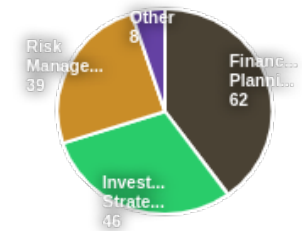
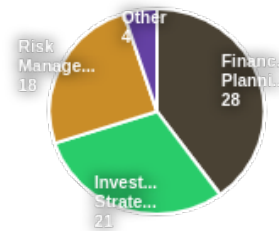


Business Line Breakdown (thnd USD)

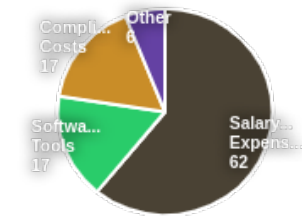
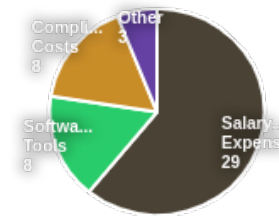
Y1

Y2

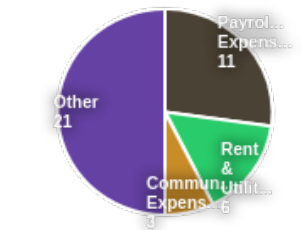
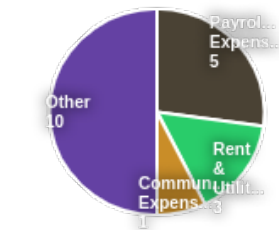
Revenue



COGS



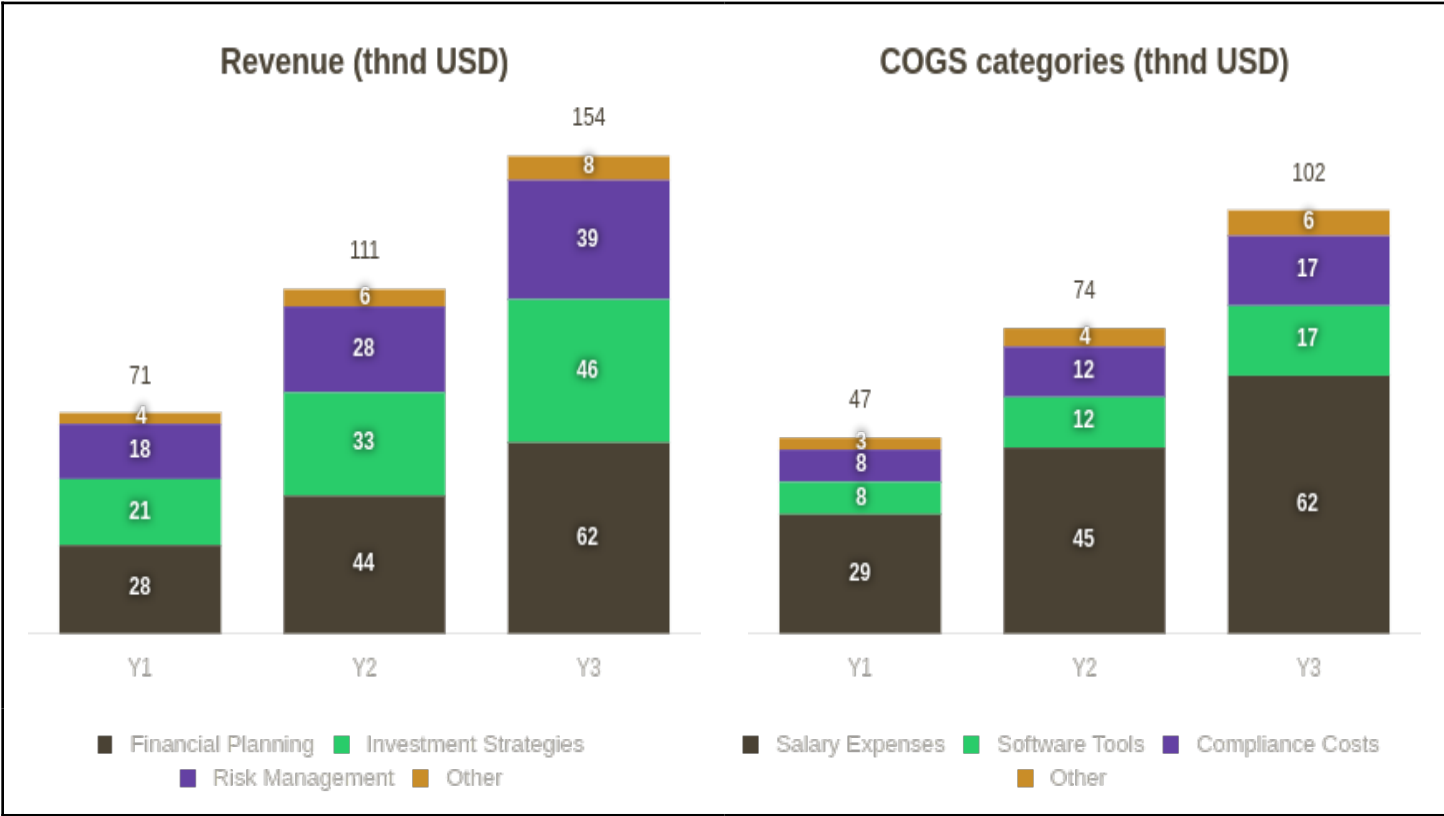
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Revenue Formation Narrative

FutureFocus Financial, a dedicated financial planning firm in Lublin, Poland, leverages its skilled advisors and advanced analytical tools to offer tailored financial services. Given its size and resources, the firm realistically captures a SAM of approximately 1.2% of the TAM of 5,933,972.863k USD . Given the competitive landscape of the accounting and financial planning industry in Lublin, Poland, FutureFocus Financial is positioned to capture a moderate market share gradually. With a relatively small capital base of 150k USD and needing to build brand recognition, an initial SOM of 0.1% is realistic. Expansion through refined service offerings and strengthened client relationships could see this grow to 0.15% in the second year and 0.2% by the third year, considering the market's incumbents and growth potential. Consequently, FutureFocus Financial's estimated total revenue for Year 1 is expected to be 71.208k USD , growing to 111.084k USD in Year 2, and reaching 154.036k USD by Year 3. The primary revenue streams driving this growth are financial planning at 40.00%, investment strategies at 30.00%, risk management at 25.00%, and other services constituting 5.00% of the total revenue. With a clear focus on building long-term client relationships and leveraging advanced analytical tools, FutureFocus Financial is poised to achieve robust financial objectives and solidify its market position.

\$ 154k Y3 Projected Revenue **0.12%** Market share



Revenue Calculation Details

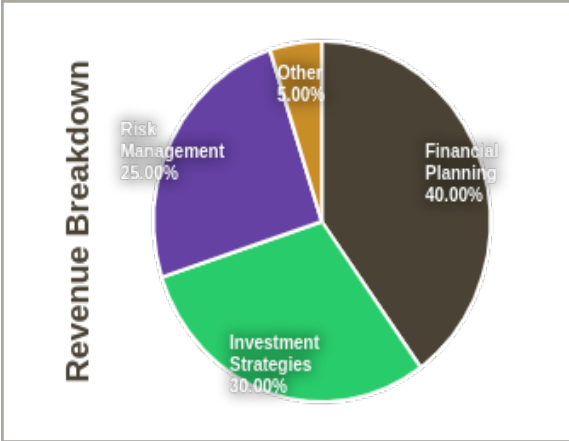
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Financial Planning	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Investment Strategies	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Risk Management	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	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

Financial Planning	2	2	2	2	2	2	3	3	3	3	3	3	28	44	62
Investment Strategies	1	1	1	2	2	2	2	2	2	2	2	2	21	33	46
Risk Management	1	1	1	1	1	1	2	2	2	2	2	2	18	28	39
Other	0	0	0	0	0	0	0	0	0	0	0	0	4	6	8
Total Revenue (thnd USD)	4	4	4	5	5	5	7	7	7	7	7	7	71	111	154

Total revenue is expected to reach \$ 154k by year 3.
 Main revenue driver are:

- Financial Planning which generates \$ 62k by Year 3
- Investment Strategies which generates \$ 46k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 47.08 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Salary Expenses	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%	40.50%
Software Tools	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Compliance Costs	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Other	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

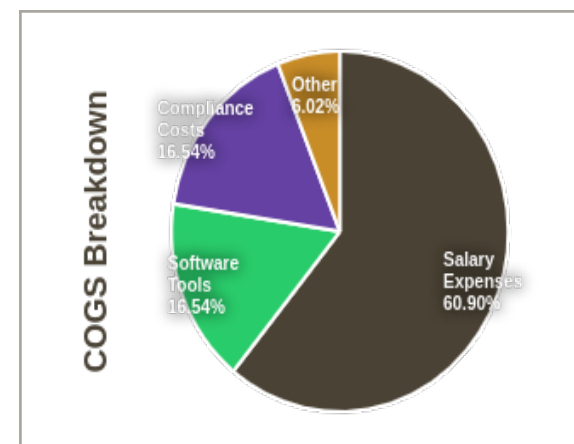
Salary Expenses	2	2	2	2	2	2	3	3	3	3	3	3	29	45	62
Software Tools	0	0	0	1	1	1	1	1	1	1	1	1	8	12	17
Compliance Costs	0	0	0	1	1	1	1	1	1	1	1	1	8	12	17
Other	0	0	0	0	0	0	0	0	0	0	0	0	3	4	6
Total COGS (thnd USD)	3	3	3	4	4	4	4	4	4	5	5	5	47	74	102

Total COGS is expected to reach \$ 102k by year 3.

Main revenue driver are:

- Salary Expenses which generates \$ 62k by Year 3
- Software Tools which generates \$ 17k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 47.08 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%
Rent & Utilities	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Communication Expenses	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Office Supplies	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%
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	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
Representation and Entertainment	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%
Training and Development	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Other Miscellaneous	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%

Payroll Expenses	0	0	0	0	0	0	0	0	0	0	1	1	1	5	8	11
Rent & Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	3	5	6
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3
Office Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	2
Marketing and Branding	0	0	0	0	0	0	0	0	0	0	0	0	0	4	7	10
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	2
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	0	2	3	4
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2

Total SG&A (thnd USD)	1	1	1	1	1	1	2	2	2	2	2	2	2	19	30	42
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PaT Expectations

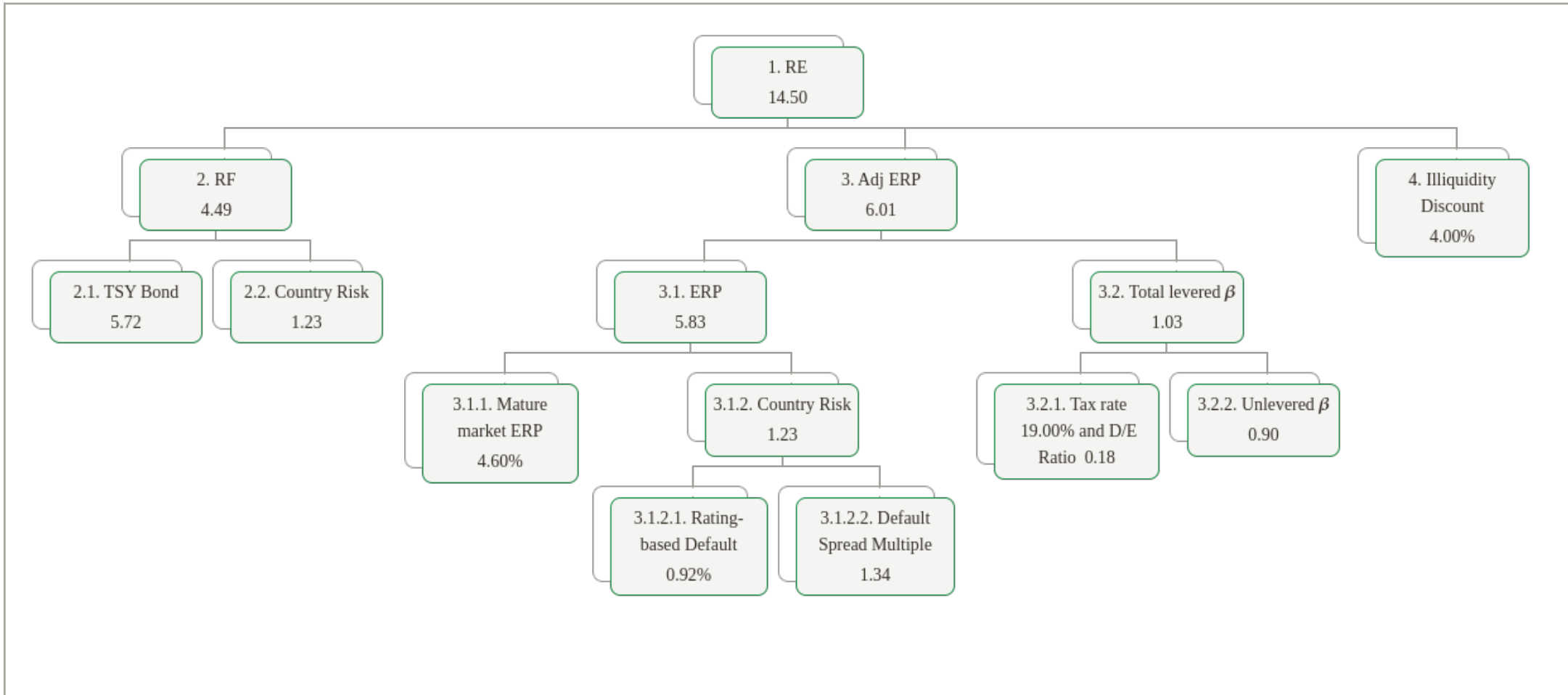
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	4	4	4	5	5	5	7	7	7	7	7	7	71	111	154
Financial Planning	2	2	2	2	2	2	3	3	3	3	3	3	28	44	62
Investment Strategies	1	1	1	2	2	2	2	2	2	2	2	2	21	33	46
Risk Management	1	1	1	1	1	1	2	2	2	2	2	2	18	28	39
Other	0	0	0	0	0	0	0	0	0	0	0	0	4	6	8
COGS	-3	-3	-3	-4	-4	-4	-4	-4	-4	-5	-5	-5	-47	-74	-102
Salary Expenses	-2	-2	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	-29	-45	-62
Software Tools	-0	-0	-0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-8	-12	-17
Compliance Costs	-0	-0	-0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-8	-12	-17
Other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3	-4	-6
Gross Profit	1	1	1	2	2	2	2	2	2	2	2	2	24	37	52
SG&A Personal Expenses	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-1	-1	-5	-8	-11
SG&A Operating Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-14	-22	-30
EBITDA	0	0	0	0	0	0	0	0	0	0	0	0	4	7	10
Depreciation	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-25	-25	-25
EBIT	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-21	-18	-15
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-21	-18	-15
Tax	0	0	0	0	0	0	0	0	0	0	0	0	4	3	3
Profit after Tax (thnd USD)	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-17	-15	-13



Required Return on Equity Derivation



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 (β) 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

<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	-17	-15	-13	-13	-14	-14	-15
	Growth% Y4-Y7				4.00%	4.00%	4.00%	4.00%
	Growth% Y7 -->	3.50%						
	WACC	14.50%						
	PV Y1-Y7 at Y0	-15	-11	-8	-8	-7	-6	-6
	PV Y7 --> Y0	-53						
	NPV (thnd USD)	-114						

Average Survival Rate for 3 Years

50%

Final Valuation

-\$ 57k

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 14.50 % 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.



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



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