Contents

OUR
VISION & MISSION

Our Mission

ByteLogistics' mission is to revolutionize the logistics and supply chain industry by leveraging advanced analytics, IoT, and machine learning. We aim to provide efficient, reliable, and cost-effective logistic services for SMEs, optimizing routes, reducing delivery times, and enhancing transparency throughout the shipping process. Our ultimate goal is to improve customer satisfaction and raise standards in how goods are transported across the U.S, thereby making logistics seamless for businesses of all sizes.

Our Vision

Our vision is to transform the future of the logistics industry, making ByteLogistics a household name across the United States, synonymous with reliability, efficiency, and innovation. We aspire to reshape the industry by making the logistics process seamless for businesses of all sizes, enabling them to focus on their core areas, while we manage their logistic needs with unrivaled precision and transparency. We see a future where every SME has access to top-notch logistics services, paving the way for their growth and progress. ByteLogistics aims to be the catalyst of this transformation.

Summary Financials Dashboard

Key performance indicators
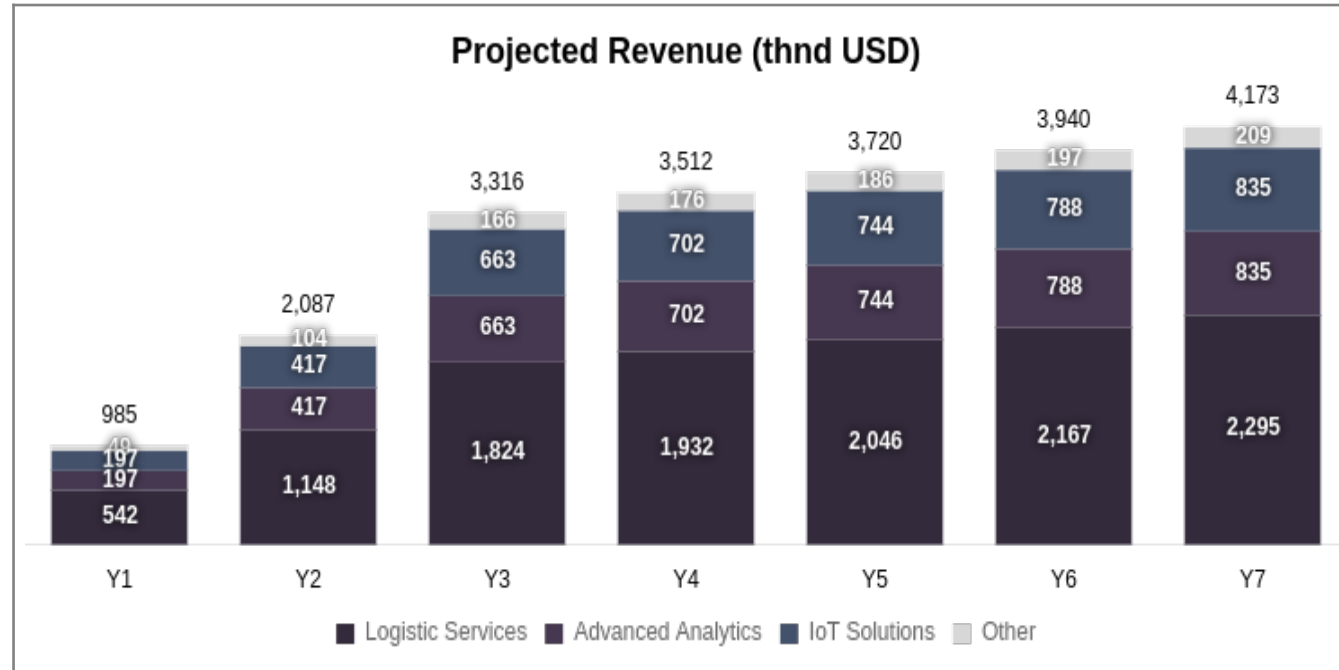### (Base Scenario Y3)

$ 3,316k

Revenue

$ 1,691k

Gross Profit

$ 1,028k

EBITDA

0.07%

Target Market Share

Projected Revenue (thnd USD)

	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Total	985	2,087	3,316	3,512	3,720	3,940	4,173
Other	49	104	166	176	186	197	209
IoT Solutions	197	417	663	702	744	788	835
Advanced Analytics	197	417	663	702	744	788	835
Logistic Services	542	1,148	1,824	1,932	2,046	2,167	2,295

■ Logistic Services ■ Advanced Analytics ■ IoT Solutions ☐ Other

Margins
(Stabilized by Y3)

GP Margin

51.0%

EBITDA Margin

31.0%

PbT Margin

29.6%

Project Phases

I — Initial Offering

II — Product Enhancement & User Base Expansion

III — New Profit Streams Identification
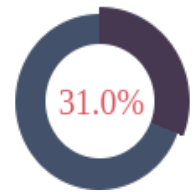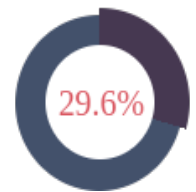
IV — Exploring High-Risk, High-Reward Opportunities
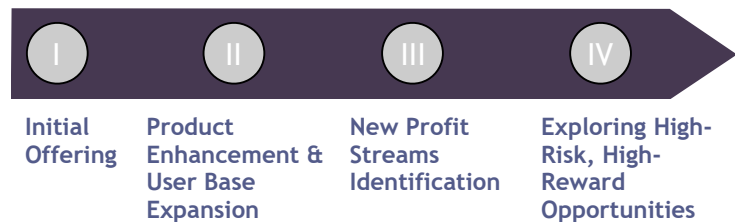
Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

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

Investment $ 2,000k
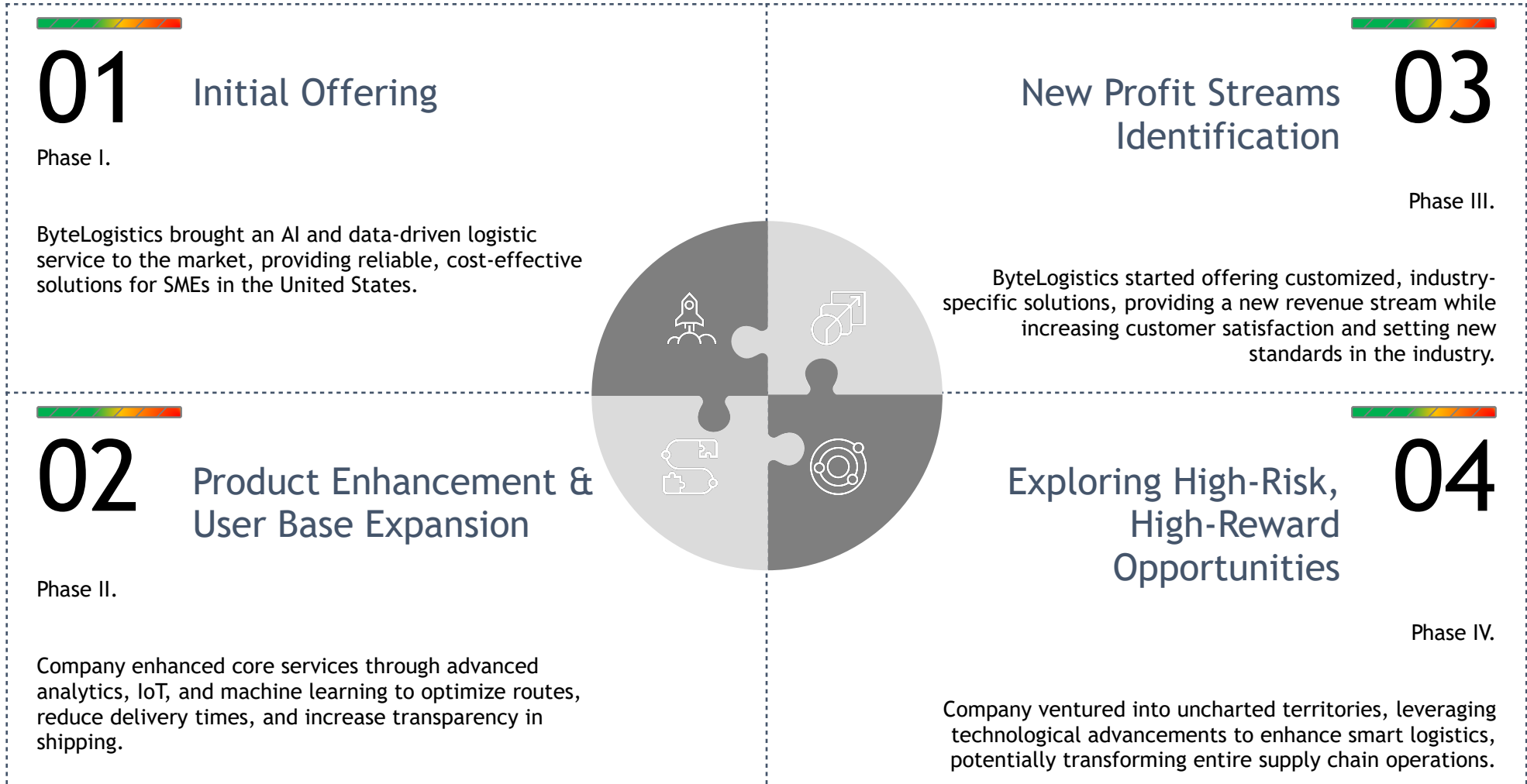
Y1 CAPEX $ 200k

WC $ 246k

About the Company: General Overview

ByteLogistics is a leading innovator in the industrials sector, specializing in data processing and outsourced services industries. Based in Atlanta, Georgia, the company is at the forefront of implementing AI and data-driven solutions in the logistics and supply chain industry. ByteLogistics is particularly adept at serving SMEs with effective, efficient, and reasonably-priced logistic services. By harnessing the power of advanced analytics, IoT, and machine learning, the company is able to optimize routes, reduce delivery times, and boost transparency at every stage of the shipping process. A relentless pursuit of customer satisfaction motivates ByteLogistics to consistently redefine the standards of goods transportation across the United States. Their aim is to ensure logistics becomes a simple and painless process for businesses, regardless of their scale. ByteLogistics' innovative approach positions them as a game-changer in their sector, making them an appealing choice for businesses seeking reliable and effective logistic services.

The Main Phases: Projects & Impacts

01 Initial Offering

Phase I.

ByteLogistics brought an AI and data-driven logistic service to the market, providing reliable, cost-effective solutions for SMEs in the United States.

03 New Profit Streams Identification

Phase III.

ByteLogistics started offering customized, industry-specific solutions, providing a new revenue stream while increasing customer satisfaction and setting new standards in the industry.

02 Product Enhancement & User Base Expansion

Phase II.

Company enhanced core services through advanced analytics, IoT, and machine learning to optimize routes, reduce delivery times, and increase transparency in shipping.

04 Exploring High-Risk, High-Reward Opportunities

Phase IV.

Company ventured into uncharted territories, leveraging technological advancements to enhance smart logistics, potentially transforming entire supply chain operations.

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Small and Medium Enterprise Customers	1. Access to reliable, cost-effective, and data-driven logistic services. 2. Enhanced transparency throughout the shipping process reducing any potential disruption. 3. Customized industry-specific solutions for logistics creating efficient processes.
Investors	1. Potential for high ROI as ByteLogistics ventures into uncharted territories of smart logistics. 2. Stable growth predicted with consistent enhancement of products and user base expansion. 3. Diversification of revenue streams ensures financial stability of the venture.
Partners and Suppliers	1. Detailed sharing of information allows for better coordination and reduces inefficiencies. 2. Encourages long-term partnerships due to ByteLogistics' continued growth. 3. Advanced technology utilization provides competitive advantage.
Employees	1. Working with the latest technologies like AI, IoT, and machine learning. 2. Numerous growth opportunities in an innovative and dynamic workspace. 3. Chance to make a significant impact in revolutionizing the logistics industry.
Government	1. ByteLogistics' growth contributes to the national economy. 2. Promotes the technological advancement of the country's logistics infrastructure. 3. Assist in SMEs' growth, further boosting regional economic development.
Industry Competitors	1. Intense competition can lead to overall industry innovation. 2. Potential for collaborations and partnerships to address common challenges.
End Consumers	1. Faster delivery times due to optimized routes. 2. Increased reliability and transparency of the shipping process. 3. Improved overall service quality due to industry-specific solutions.

Key Performance Components

Competitive Advantage

Advanced AI Integration

ByteLogistics leverages AI, machine learning, and IoT for optimal route choices and reducing delivery times, revolutionizing the logistics and supply chain industry.
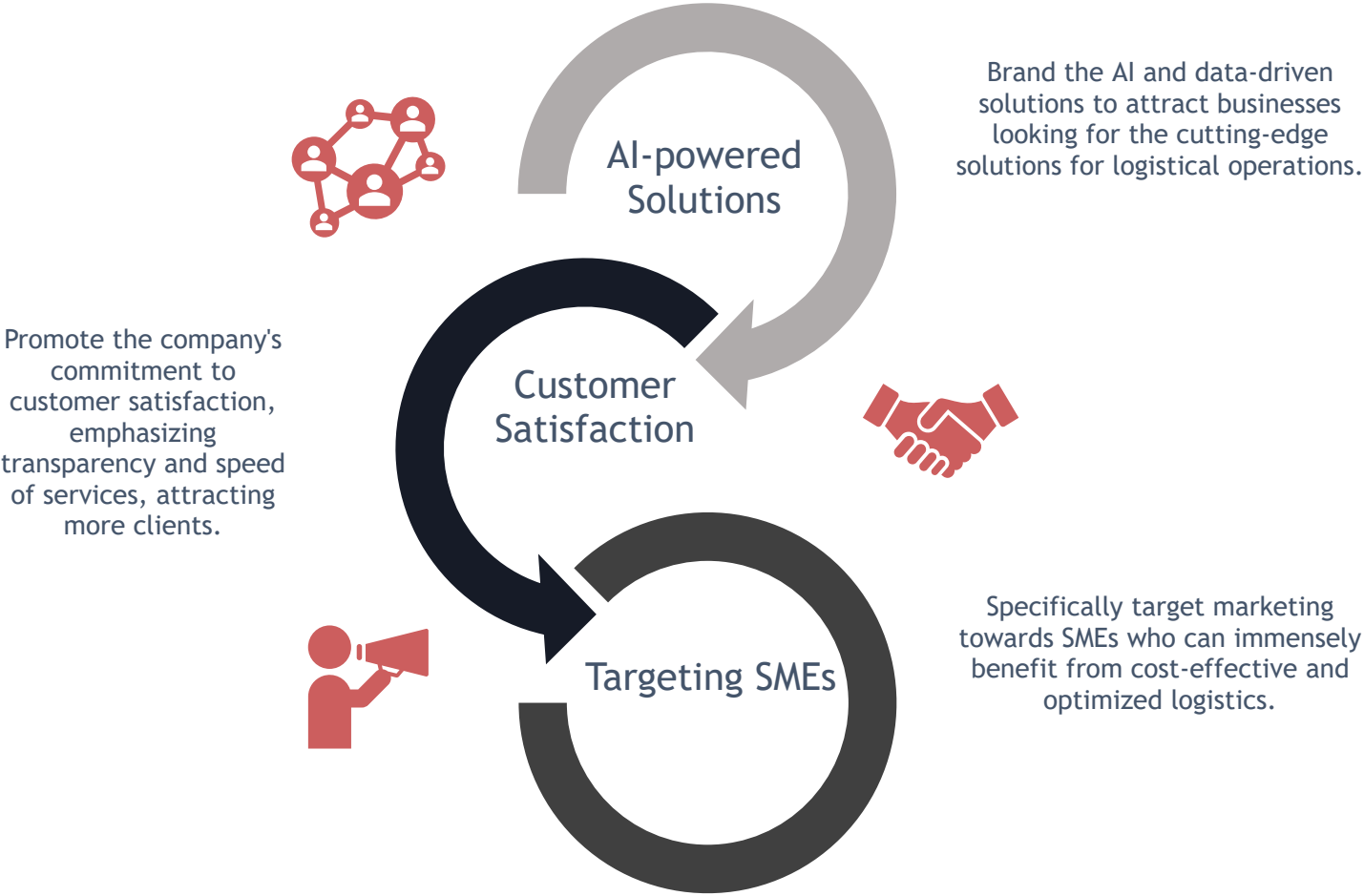
Efficient SME Services

They specialize in providing reliable, efficient, and cost-effective logistics services for Small and Medium Enterprises (SMEs), catering to a massively underexplored market.

Transparency & Satisfaction

Spinneret has a customer-oriented approach, ensuring high satisfaction levels by enhancing transparency throughout the shipping process and setting high industry standards.

Marketing and Growth Strategy

AI-powered Solutions

Brand the AI and data-driven solutions to attract businesses looking for the cutting-edge solutions for logistical operations.

Customer Satisfaction

Promote the company's commitment to customer satisfaction, emphasizing transparency and speed of services, attracting more clients.

Targeting SMEs

Specifically target marketing towards SMEs who can immensely benefit from cost-effective and optimized logistics.

Target Groups

Industries

Description

	Industries	Description
I	Small-to-Mid-Sized Enterprises (SMEs)	SMEs can rely on ByteLogistics for cost-effective, efficient, and reliable logistic services, making their goods transportation seamless.
II	Manufacturing Industries	Manufacturing industries can optimize their supply chain operations by leveraging ByteLogistics' AI and data-driven logistic services.
III	E-commerce Companies	E-commerce platforms can ensure speedy delivery and real-time tracking for their goods using ByteLogistics' transparent and efficient logistic services.
IV	Retailers	Retailers can ensure a smooth flow of goods from warehouse to the store with ByteLogistics' reliable and time-efficient logistic solutions.
V	Automotive Industry	Automotive companies can benefit from ByteLogistics' customized solutions for secure and efficient transport of their components.
VI	Healthcare Sector	Healthcare sector can ensure timely and safe delivery of critical medical supplies using ByteLogistics' advanced logistic solutions.
VII	Food and Beverage Industries	Food and Beverage industries can maintain the freshness of their perishable items and ensure fast delivery through ByteLogistics' scheduled and efficient logistic services.

Painpoints & Solutions

Solution from Phase I to Phase IV

Painpoints

Inefficient Routing

The absence of intelligent routing systems poses logistic challenges for SMEs, leading to unnecessary costs and delayed deliveries.

Lack of Transparency in Shipment

SMEs often struggle with the lack of visibility in the shipment process, causing uncertainties in delivery times and overall customer dissatisfaction.

High Logistics Costs for SMEs

Traditional logistics services often associate exorbitant costs for SMEs, making it a struggle for these companies to stay competitive.

Inflexible Delivery Times

Existing logistics do not cater well to urgent delivery requirements, leading to delayed services and sub-par customer experiences.

Lack of Predictive Analytics

The absence of predictive analytics in logistics often leads to resource mismanagement and inefficiencies.

Inability to Track Physical Conditions of Shipment

SMEs struggle with maintaining the physical integrity of shipment due to lack of real-time monitoring.

Inefficient Inventory Management

Traditional logistics often result in complicated and inefficient inventory management systems.

1 — 2 — 3 — 4 — 5 — 6 — 7

Solution

1 ByteLogistics' AI-driven logistic service uses data analytics to optimize routing, ensuring efficient, cost-effective deliveries from the get-go in its Initial Offering phase.

2 Our AI-powered system offers complete transparency, reducing unpredictability in the Initial Offering phase.

3 ByteLogistics brings a cost-effective logistics solution for SMEs, reducing their expenses drastically in the Initial Offering phase.

4 Our Product Enhancement & User Base Expansion phase will introduce advanced algorithms to ensure quicker and adjustable delivery times based on requirements.

5 ByteLogistics' enhanced core services will leverage predictive analytics, optimizing resource usage and increasing efficiency in the Product Enhancement & User Base Expansion phase.

6 The introduction of IoT in our Product Enhancement & User Base Expansion phase will enable real-time tracking of physical shipment conditions.

7 Our platform's enhanced functionality, along with machine learning techniques, will simplify and improve inventory management during the Product Enhancement & User Base Expansion phase.

Core Features of Phase I - II

Strategic Analysis: SWOT

Strength

Specializes in advanced, data-driven logistics solutions. Efficient and cost-effective service for SMEs. Utilizes AI, IoT, and machine learning. Provides enhanced transparency in shipping. Strong emphasis on customer satisfaction.

Weaknesses

Potential over-reliance on technology could bring system-related issues. Limited presence outside the U.S. Highly dependent on SMEs market. May struggle to scale up for larger clientele. The fast-paced nature of tech means constant adaptation required.

Opportunities

Increasing demand for efficient logistics due to e-commerce growth. Potential for international expansion. Opportunities for partnerships with larger enterprises. AI and data analytics are burgeoning fields. Extension of services to cater for larger businesses.

Threats

Vulnerable to technological glitches and cyber threats. Face stiff competition from established logistics firms. Dependence on SME market can be hit by economic turbulence. Regulatory changes in AI and data use. The future challenge of autonomous logistics.

History & Roadmap

Current Status.

ByteLogistics has set out a promising roadmap that begins with enhancing its technological abilities in AI, IoT, and machine learning by March 2024. By June 2024, the company aims to implement an optimized routing strategy to reduce delivery times. The next milestone in September 2024 involves expanding service offerings to more U.S states. By the end of 2024, ByteLogistics plans to form strategic partnerships with SMEs across various industries. By March 2025, the company aims to enhance supply chain transparency by incorporating advanced tools. Finally, by June 2025, ByteLogistics plans to enhance the customer experience by implementing robust support and satisfaction initiatives.

Customer Experience Enhancement
Roll-out enhanced customer support and satisfaction initiatives.

Jun 2025

Mar 2025

Supply chain Transparency
Incorporate tools for enhanced transparency in shipping process.

Partnerships
Form strategic partnerships with SMEs across industries.

Dec 2024

Expansion
Extend service offering to more U.S states.

Sep 2024

Route Optimization
Implement optimized routing strategy to reduce delivery times.

Jun 2024

Mar 2024

Technology Enhancement
Upgrade AI, IoT and machine learning capabilities.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Develop Core Business Strategy	● Not Started	High	CEO	1 month
2	Outline Organizational Structure	● Not Started	High	COO	1 month
3	Secure Vendors and Partnerships	● Not Started	High	CSO	2 months
4	Hire Key C-level Executives	● Not Started	High	CEO	1 month
5	Establish Company's Financial Structure	● Not Started	High	CFO	1 month
6	Setup IT Infrastructure and Software	● Not Started	Medium	CIO	2 months
7	Design Operational Process & Guideline	● Not Started	Medium	COO	3 months
8	Secure Legal and Regulatory Compliance	● Not Started	High	CRO	2 months
Marketing					
1	Create an End-to-End Marketing Strategy	● Not Started	High	CMO	1 month
2	Develop Brand Identity and Message	● Not Started	High	CMO	1 month
3	Launch Company Website	● Not Started	High	CMO	2 months
4	Establish Social Media Presence	● Not Started	Medium	CMO	1 month
5	Start an SEO and Content Marketing Campaign	● Not Started	Medium	CMO	2 months
6	Create a Customer Relationship Management System	● Not Started	Medium	CMO	2 months
7	Promote Products and Services at Trade Shows	● Not Started	Low	CEO	6 months
8	Leverage Influencer Marketing and PR	● Not Started	Low	CMO	4 months

#	Check List Item	Status		Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases						
1	Secure Funding for Initial Offering	🔴	Not Started	High	CFO	1 month
2	Establish Partnerships with SMEs	🔴	Not Started	Medium	CMO	2 months
3	Recruit AI and Data Analytics Experts	🔴	Not Started	High	CTO	1 month
4	Develop a Reliable, Cost-efficient Logistics Service Model	🔴	Not Started	High	COO	2 months
5	Launch Beta Version of Logistic Service	🔴	Not Started	Medium	CTO	3 months
6	Gather Feedback and Make Necessary Improvements	🔴	Not Started	Medium	CPO	4 months
7	Launch the AI-powered, Data-Driven Logistic Service for SMEs	🔴	Not Started	High	CEO	5 months
8	Promote the Launched Service	🔴	Not Started	Medium	CMO	6 months
Phase 2						
1	Develop AI-driven enhancements to core services	🔴	Not Started	High	CTO	2 months
2	Implement advanced analytics for route optimization	🔴	Not Started	High	CTO	3 months
3	Integrate IoT for increased transparency	🔴	Not Started	High	CTO	2 months
4	Enhance machine learning algorithms for delivery time reduction	🔴	Not Started	High	CTO	3 months
5	Expand user base through strategic marketing	🔴	Not Started	Medium	CMO	4 months
6	Market research for potential industries for expansion	🔴	Not Started	Medium	CSO	3 months
7	Strategize business partnerships for user base growth	🔴	Not Started	Low	CEO	5 months
8	Monitor and adapt to changing market trends	🔴	Not Started	Low	CEO	Ongoing

#	Check List Item	Status		Priority	Area	ETA
Phase 3						
1	Identify potential sectors for industry-specific solutions	🔴	Not Started	High	CEO	2 months
2	Evaluate current tech capabilities for new solution development	🔴	Not Started	High	CTO	1 month
3	Formulate business case for new revenue streams	🔴	Not Started	High	CFO	1 month
4	Develop prototype for new industry-specific solutions	🔴	Not Started	Medium	CPO	3 months
5	Market validation & customer feedback on prototypes	🔴	Not Started	Medium	CMO	2 months
6	Refine solutions based on feedback	🔴	Not Started	Medium	CPO	1 month
7	Finalize business models for the new revenue streams	🔴	Not Started	Low	CFO	1 month
8	Launch and market the new industry-specific solutions	🔴	Not Started	Low	CMO	1 month
Phase 4						
1	Identify Potential High-Risk, High-Reward Areas	🔴	Not Started	High	CEO	1 month
2	Develop Strategies for New Ventures	🔴	Not Started	Medium	COO	2 months
3	Allocate Resources for New Ventures	🔴	Not Started	High	CFO	1 month
4	Define Technological Requirements	🔴	Not Started	High	CTO	2 months
5	Monitor Progress of High-Risk, High-Reward Opportunities	🔴	Not Started	Medium	CSO	Ongoing
6	Assess Risks Associated with New Opportunities	🔴	Not Started	High	CRO	2 months
7	Establish Partnerships For New Opportunities	🔴	Not Started	Medium	CBO	3 months
8	Develop Marketing Strategies for New Ventures	🔴	Not Started	Low	CMO	3 months

Core Risks & Migration Strategies

1. Operation and maintenance risks

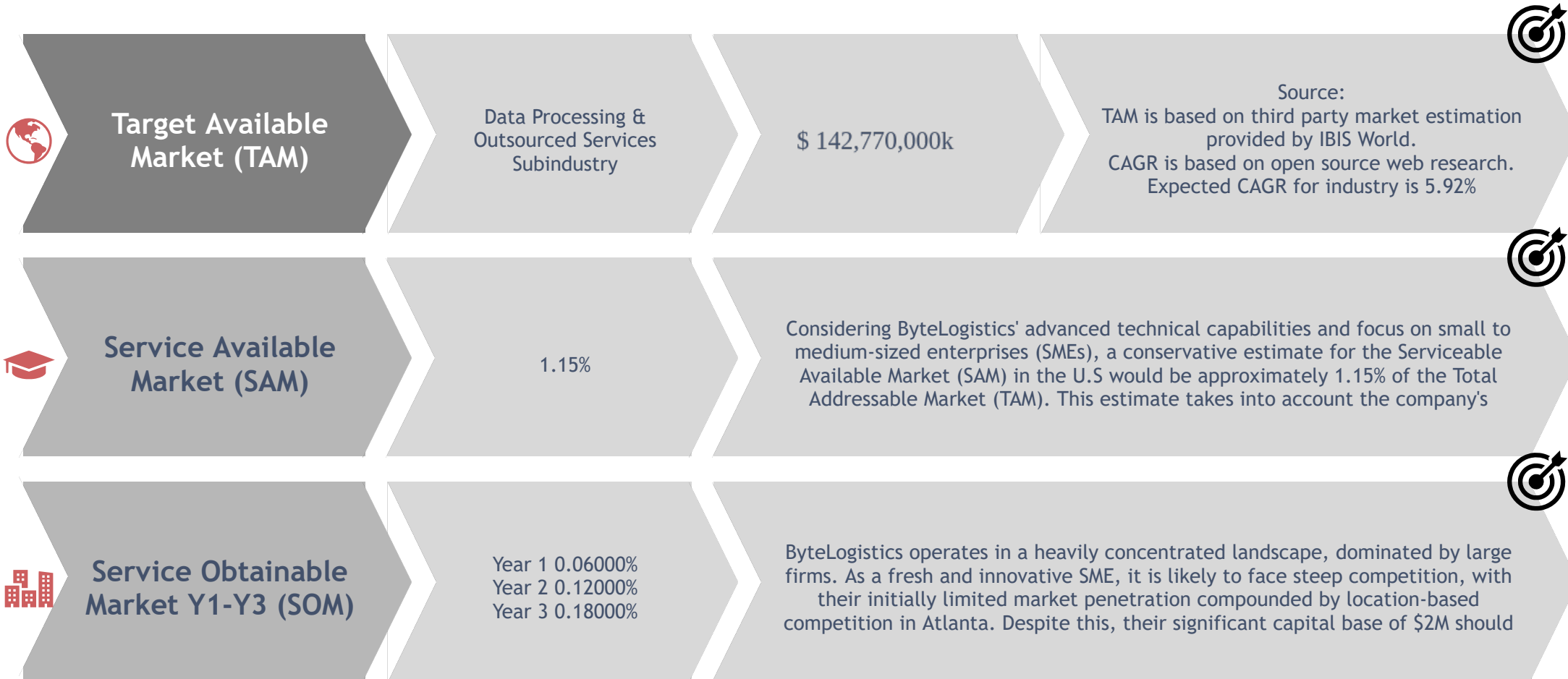| #	Risk Type	Area	Mitigation Strategy
1	AI and Machine Learning performance issues	CTO	Develop and implement plan for constant monitoring and improvement of our AI and machine learning systems
2	System Downtime	CTO	Implement robust and redundant technology infrastructure and contingency plan in case of a system failure
3	Supply Chain Disruption	COO	Develop a comprehensive plan to manage and respond to unexpected disruptions in the supply chain
4	Operational Inefficiencies	COO	Implement lean management practices to improve operational efficiency and constantly monitor operational metrics
5	Human error in operations	COO	Invest in extensive training for operational staff and consider automation where possible

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Non-compliance with Data Protection Laws	CIO	Establish a stringent data protection policy in line with local and international data protection laws and implement regular staff training to maintain compliance.
2	Violations of Privacy Regulations	CPO	Regular monitoring, audit, and update of privacy policies and procedures to remain in alignment with legal changes.
3	Unlawful Use of AI Technologies	CTO	Provide proper training about legal parameters of AI to technology team and assess AI technology use periodically.
4	Failure to Comply with International Shipping Regulations	CEO	Engage local legal advisors to understand regulatory environments in each new market and adjust operations accordingly.
5	Non-adherence to Anti-Monopoly Laws	CSO	Regularly monitor market dominance, and devise strategies that encourage competition and innovation.

Core Risks & Migration Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Saturation	CEO	Continual innovation and differentiation in services to stand out in a crowded market.
2	Reliance on Third-Party Software & Hardware Providers	CTO	Develop proprietary technology and strategic alliances to reduce dependency.
3	Inability to Predict Market Trends	CMO	Invest in in-house market research and analytics team to stay ahead of the curve.
4	Increasing Competition from Traditional and Non-Traditional Competitors	CSO	Continuous service improvement and focus on customer satisfaction to retain and expand customer base.
5	Data Security and Privacy Concerns	CIO	Implement industry-leading data security measures and privacy compliance programs, coupled with regular audits.

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Inaccurate forecasting	CFO	Implement a rigorous and data-driven financial planning and analysis framework to refine forecasting accuracy.
2	Cash flow shortages	CFO	Develop robust financial management processes, and maintain sufficient cash reserves to manage foreseeable business operations.
3	High capital expenditure	CFO	Opportunely budget and effectively manage for capital expenditure, and explore options for leasing instead of buying to save initial costs.
4	Currency exchange rate fluctuations	CFO	Implement a comprehensive currency risk management strategy to insulate the business from potential losses due to currency fluctuations.
5	Dependency on venture capital	CEO	Diversify sources of funding, focusing on generating higher revenues and exploring other financing options, such as crowd funding or debt financing.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Dependence on Third-Party Logistics Providers	COO	Establish strong relationships with multiple logistics providers for redundancy and negotiate contracts to ensure continued service.
2	Heavy Reliance on AI and Data Analytics Tools	CIO	Ensure that there are security measures in place to protect our IoT and machine learning tools from threats
3	Cybersecurity Risk	CISO	Invest in constant updates and maintenance of our cybersecurity protocols to protect company and client data.
4	Staffing Risk	CEO	Implement hiring strategies to attract and retain top talent in our industry. Cultivating a desirable office culture, offering competitive compensation, and providing work-life balance can ensure this.
5	Risk of Rapid Technological Advancements	CTO	Invest in constant research and development efforts, maintaining a strict schedule for upgrades and updates to keep our solutions competitive.

Market Overview (TAM, SAM and SOM)

Target Available Market (TAM)

Data Processing & Outsourced Services Subindustry

$ 142,770,000k

Source:
TAM is based on third party market estimation provided by IBIS World.
CAGR is based on open source web research.
Expected CAGR for industry is 5.92%

Service Available Market (SAM)

1.15%

Considering ByteLogistics' advanced technical capabilities and focus on small to medium-sized enterprises (SMEs), a conservative estimate for the Serviceable Available Market (SAM) in the U.S would be approximately 1.15% of the Total Addressable Market (TAM). This estimate takes into account the company's

Service Obtainable Market Y1-Y3 (SOM)

Year 1 0.06000%
Year 2 0.12000%
Year 3 0.18000%

ByteLogistics operates in a heavily concentrated landscape, dominated by large firms. As a fresh and innovative SME, it is likely to face steep competition, with their initially limited market penetration compounded by location-based competition in Atlanta. Despite this, their significant capital base of $2M should

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 $ 2,000k

Y1 Cash Flow Streem(thnd USD)	Inflows	Outlows
Gross Profit	502	
Payroll Expenses		64
Marketing and Branding		34
Other Miscellaneous		25
Rent & Utilities		20
Capex		200
Training and Development		20
Legal and Professional Fees		15
Representation and Entert.		10
Communication Expenses		5
Office Supplies		5
CAPEX & WC shortage Y1		**-105**
Buffer		**2,105**
Total Required Investment(thnd USD)		**2,000**

Payroll Expenses
16.13%

Marketing and Branding
8.68%

Other Miscellaneous
6.20%

Rent & Utilities
4.96%

Capex
50.37%

Other
13.65%

Financials Dashboard

Y3 PL formation and Margins

Revenue

Projected Revenue

3,316 (Y3)

- GP 51.0%
- EBITDA 31.0%

Y3

PnL Formation (Y3 thnd USD)

Revenue	3,316
COGS	-1,625
GP	1,691
SG&A Pers.	-216
SG&A Ops	-448
EBITDA	1,028
Depr.	-48
EBIT	980

Business Line Breakdown (thnd USD)

	Y1	Y2
Revenue	IoT Soluti... 197; Other 49; Logist. Servic... 542; Advanc... Analyt... 197	IoT Soluti... 663; Other 166; Logist. Servic... 1,824; Advanc... Analyt... 663
COGS	Logist. & Delive... Expens... 84; Other 49; Data Proces... Costs 246; AI & IoT Infras...	Logist. & Delive... Expens... 282; Other 166; Data Proces... Costs 829; AI & IoT Infras...
Admin	Payrol... Expens... 64; Other 108; Commun... Expen... 5; Rent... Utilit... 20	Payrol... Expens... 216; Other 365; Commun... Expen... 17; Rent... Utilit... 66

Revenue Formation Narrative

ByteLogistics operates within the $142.77 billion logistics and supply chain industry, with its focus on SMEs and providing AI and data-driven logistic solutions. At an estimated Serviceable Available Market (SAM) of 1.15%, this represents a significant opportunity within a market that is increasingly embracing technology to solve traditional inefficiencies. During the first year, ByteLogistics aims for a Serviceable Obtainable Market (SOM) of 0.06%, resulting in an estimated revenue of $985,113. This is expected to double in year 2 at 0.12% SOM, bringing in $2,086,863 and in year 3, increase to 0.18% SOM, yielding approximately $3,315,608 in revenue. This growth is attributed to an escalating demand for technology-based solutions within the logistics sector, despite the intense competition. The majority of revenue (55%) is expected from its core Logistic Services, followed by Advanced Analytics and IoT Solutions which should contribute 20% each. The remaining 5% will come from other services. The projected growth factors in ByteLogistics' substantial capital base along with its innovative and competitive approach in facing industry challenges.

$ 3,316k — Y3 Projected Revenue

0.07% — Market share
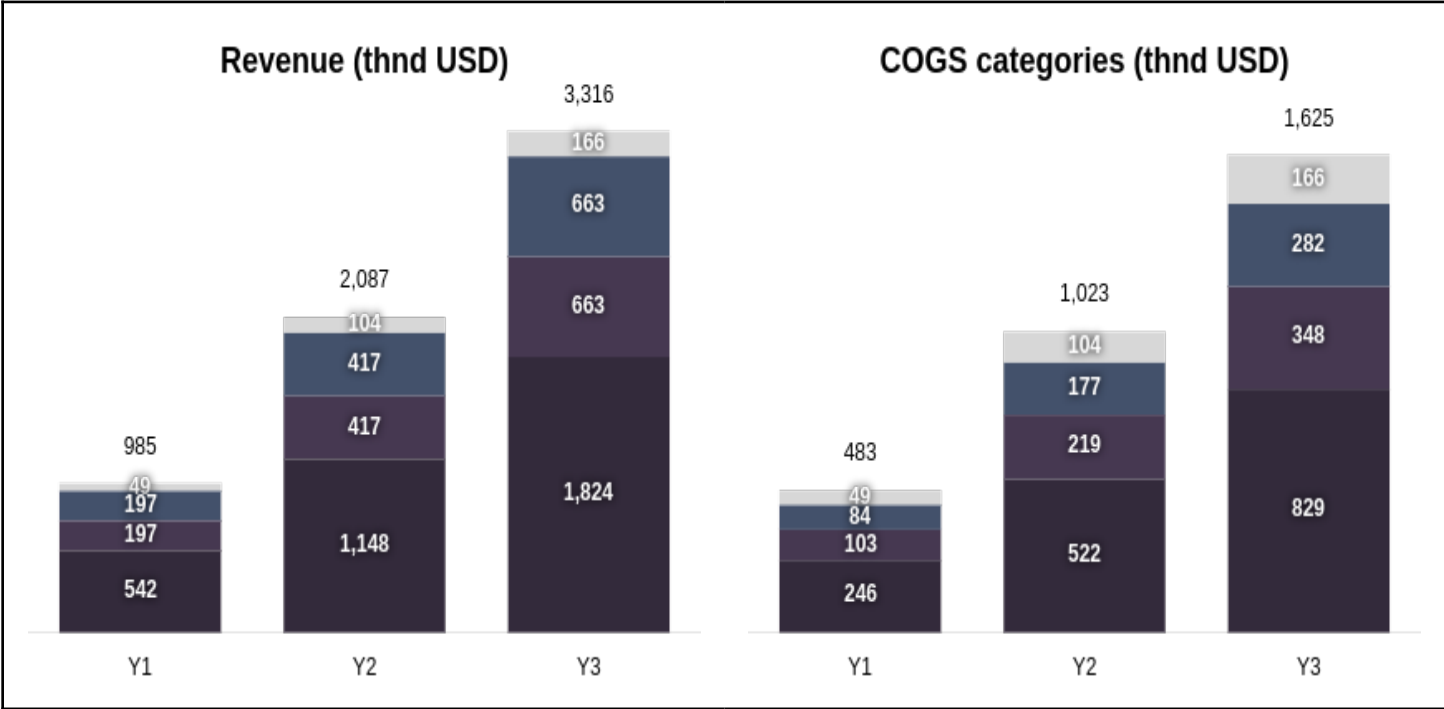
Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Logistic Services	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %	55 %
Advanced Analytics	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %
IoT Solutions	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Logistic Services	34	34	34	41	41	41	50	50	50	56	56	56	542	1,148	1,824
Advanced Analytics	12	12	12	15	15	15	18	18	18	21	21	21	197	417	663
IoT Solutions	12	12	12	15	15	15	18	18	18	21	21	21	197	417	663
Other	3	3	3	4	4	4	5	5	5	5	5	5	49	104	166
Total Revenue (thnd USD)	**62**	**62**	**62**	**74**	**74**	**74**	**90**	**90**	**90**	**103**	**103**	**103**	**985**	**2,087**	**3,316**

Total revenue is expected to reach $ 3,316k by year 3.

Main revenue driver are:

• Logistic Services which generates $ 1,824k by Year 3

• Advanced Analytics which generates $ 663k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 83.46 %

Revenue Breakdown

- Other 5.00%
- IoT Solutions 20.00%
- Logistic Services 55.00%
- Advanced Analytics 20.00%
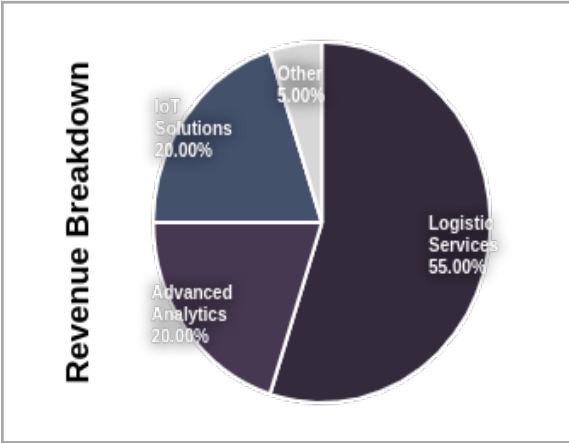
COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Data Processing Costs	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%
AI & IoT Infrastructure	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Logistics & Delivery 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%
Other	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Data Processing Costs	15	15	15	18	18	18	23	23	23	26	26	26	246	522	829
AI & IoT Infrastructure	6	6	6	8	8	8	9	9	9	11	11	11	103	219	348
Logistics & Delivery Expenses	5	5	5	6	6	6	8	8	8	9	9	9	84	177	282
Other	3	3	3	4	4	4	5	5	5	5	5	5	49	104	166
Total COGS (thnd USD)	30	30	30	36	36	36	44	44	44	50	50	50	483	1,023	1,625

Total COGS is expected to reach $ 1,625k by year 3.

Main revenue driver are:

• Data Processing Costs which generates $ 829k by Year 3

• AI & IoT Infrastructure which generates $ 348k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 83.46 %

COGS Breakdown

- Other 10.20%
- Logistics & Delivery Expenses 17.35%
- Data Processing Costs 51.02%
- AI & IoT Infrastructure 21.43%
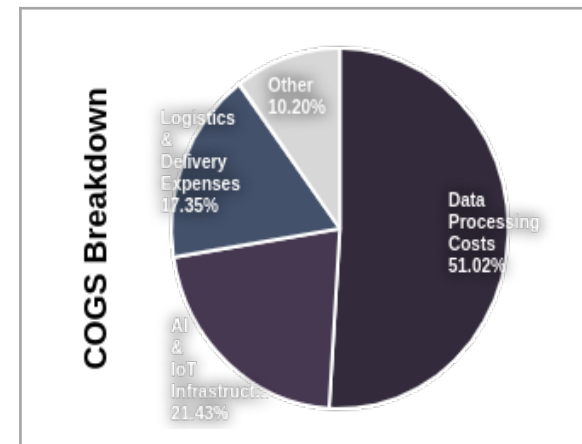
SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Rent & Utilities	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%
Communication Expenses	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%
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	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Representation and Entertainment	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%
Training and Development	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%
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%

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	4	4	4	5	5	5	6	6	6	7	7	7	64	136	216
Rent & Utilities	1	1	1	1	1	1	2	2	2	2	2	2	20	42	66
Communication Expenses	0	0	0	0	0	0	0	0	0	1	1	1	5	10	17
Office Supplies	0	0	0	0	0	0	0	0	0	1	1	1	5	10	17
Legal and Professional Fees	1	1	1	1	1	1	1	1	1	2	2	2	15	31	50
Marketing and Branding	2	2	2	3	3	3	3	3	3	4	4	4	34	73	116
Representation and Entertainment	1	1	1	1	1	1	1	1	1	1	1	1	10	21	33
Training and Development	1	1	1	1	1	1	2	2	2	2	2	2	20	42	66
Other Miscellaneous	2	2	2	2	2	2	2	2	2	3	3	3	25	52	83
Total SG&A (thnd USD)	**12**	**12**	**12**	**15**	**15**	**15**	**18**	**18**	**18**	**21**	**21**	**21**	**197**	**417**	**663**

PaT Expectations

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	62	62	62	74	74	74	90	90	90	103	103	103	985	2,087	3,316
Logistic Services	34	34	34	41	41	41	50	50	50	56	56	56	542	1,148	1,824
Advanced Analytics	12	12	12	15	15	15	18	18	18	21	21	21	197	417	663
IoT Solutions	12	12	12	15	15	15	18	18	18	21	21	21	197	417	663
Other	3	3	3	4	4	4	5	5	5	5	5	5	49	104	166
COGS	-30	-30	-30	-36	-36	-36	-44	-44	-44	-50	-50	-50	-483	-1,023	-1,625
Data Processing Costs	-15	-15	-15	-18	-18	-18	-23	-23	-23	-26	-26	-26	-246	-522	-829
AI & IoT Infrastructure	-6	-6	-6	-8	-8	-8	-9	-9	-9	-11	-11	-11	-103	-219	-348
Logistics & Delivery Expenses	-5	-5	-5	-6	-6	-6	-8	-8	-8	-9	-9	-9	-84	-177	-282
Other	-3	-3	-3	-4	-4	-4	-5	-5	-5	-5	-5	-5	-49	-104	-166
Gross Profit	31	31	31	38	38	38	46	46	46	52	52	52	502	1,064	1,691
SG&A Personal Expenses	-4	-4	-4	-5	-5	-5	-6	-6	-6	-7	-7	-7	-64	-136	-216
SG&A Operating Expenses	-8	-8	-8	-10	-10	-10	-12	-12	-12	-14	-14	-14	-133	-282	-448
EBITDA	19	19	19	23	23	23	28	28	28	32	32	32	305	647	1,028
Depreciation	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-48	-48	-48
EBIT	15	15	15	19	19	19	24	24	24	28	28	28	258	599	980
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	15	15	15	19	19	19	24	24	24	28	28	28	258	599	980
Tax	-3	-3	-3	-4	-4	-4	-5	-5	-5	-6	-6	-6	-54	-126	-206
Profit after Tax (thnd USD)	12	12	12	15	15	15	19	19	19	22	22	22	204	473	774

Cost of Capital Estimation

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Required Return on Equity Derivation
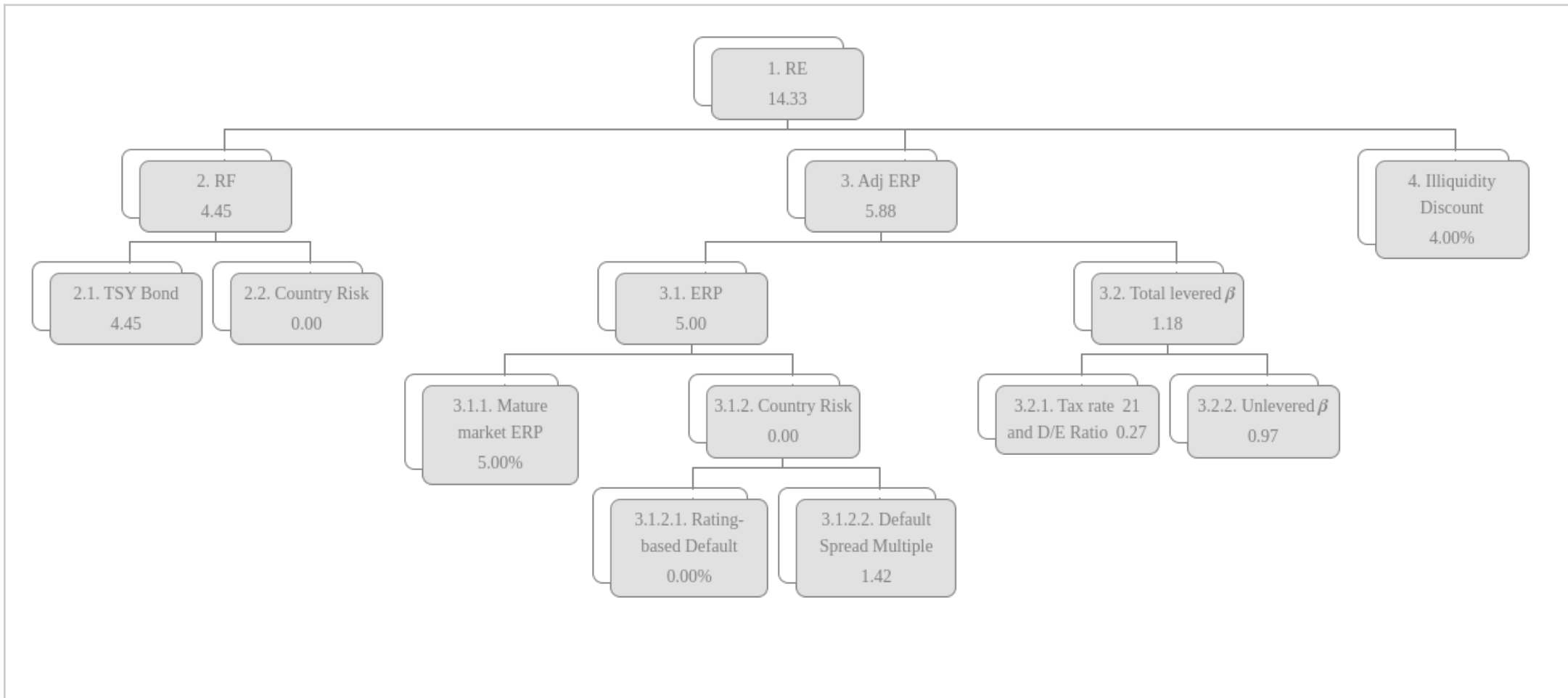
Cost of Capital: CAPM Inputs

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)+ß □ (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 (ß) is average equity betas of correspondingindustries. 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 Premiumof 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.

	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

DCF	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
	Profit after Tax	204	473	774	820	869	920	975
	Growth% Y4-Y7				5.92%	5.92%	5.92%	5.92%
	Growth% Y7 -->	3.50%						
	WACC	14.33%						
	PV Y1-Y7 at Y0	178	362	518	480	445	412	382
	PV Y7 --> Y0	3,645						
	NPV (thnd USD)	6,422						

Average Survival Rate for 3 Years	50%

Final Valuation	$ 3,211k

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 14.33 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 5.92 %, 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

B2B – Business to Business
B2C – Business to Customer
CAPEX - Capital Expenditure
CAPM – Capital Asset Pricing Model
COGS - Cost of oods sold
DCF - Discounted cash flow
Depr. – Depreciation
EBIT - Earnings before interest and taxes
EBITDA - Earnings before nterest, axes, depreciation, and amortization
EBT - Earnings Before Tax
ERP - Equity Risk Premium
ETA – Estimated Time of Arrival
EV - nterprise Value
FA (Tangible and Intangible) - Fixed assets (tangible and intangible)
FX – Foreign Exchange
FY - Fiscal year
GP - ross profit
k $ - Thousands of $
LLM – Large Language Model
LFY - Last fiscal year
m $ - Millions of $
MTD - Month-to-date
MVP – inimum Viable Product
NFT – Non-Fungible Token
NPV - Net present value
OPEX - Operating Expense
P&L - A profit and loss (P&L) tatement
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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