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OUR VISION & MISSION

Our Mission

Estate Mastery's mission is to transform the real estate experience by providing expert guidance and personalized solutions for buying, selling, and managing properties. We are dedicated to building lasting relationships with our clients through transparency, integrity, and an unwavering commitment to understanding their unique needs. Leveraging in-depth market knowledge and cutting-edge technology, we strive to deliver exceptional service and outstanding results. Our purpose is to make the real estate journey seamless and rewarding for every client we serve.

Our Vision

Estate Mastery envisions becoming the leading real estate agency recognized for transforming the way people buy, sell, and manage properties. In the next twenty years, we aim to innovate the real estate industry by integrating advanced technology with a client-centered approach, setting new standards for service excellence. Our goal is to create an ecosystem where exceptional service, informed decision-making, and lasting client relationships converge, establishing Estate Mastery as the most trusted and forward-thinking partner in real estate.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 313k

Revenue

\$ 125k

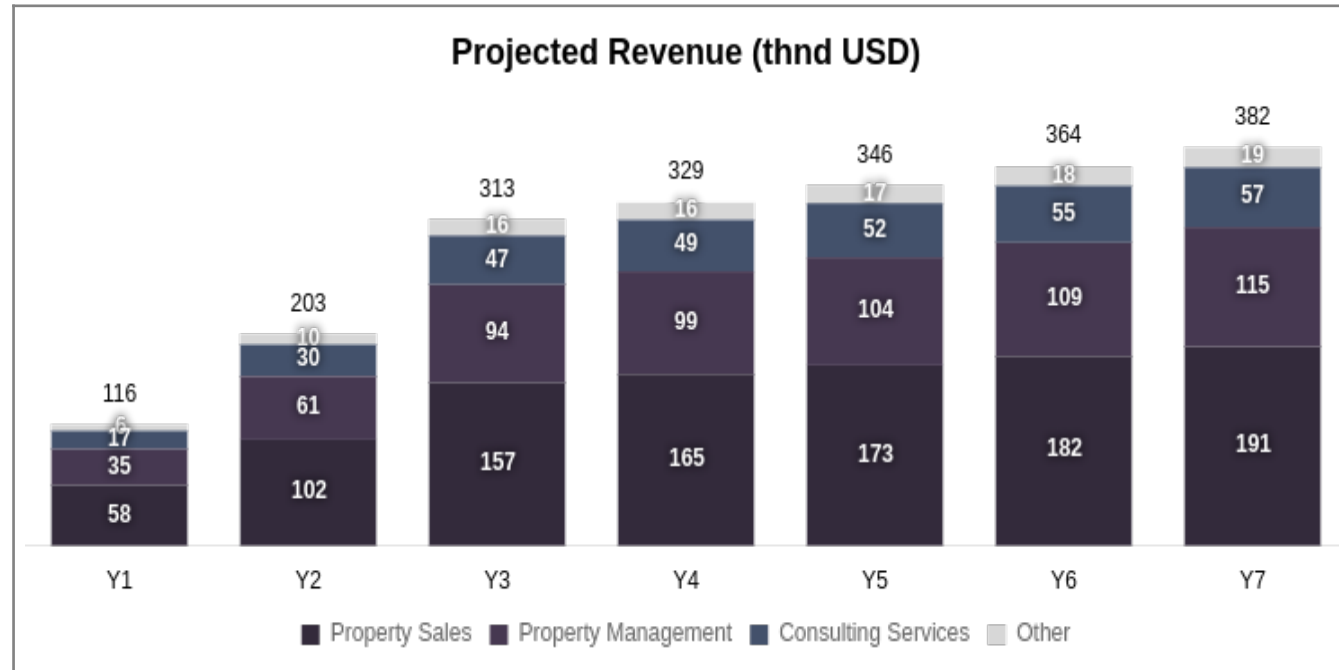
Gross Profit

-\$ 182k

EBITDA

0.16%

Target Market Share



Margins
(Stabilized by Y3)

GP Margin



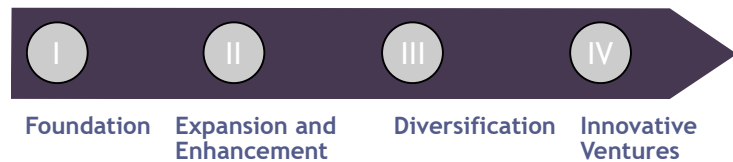
EBITDA Margin



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 \$ 250k

Y1 CAPEX \$ 200k

WC \$ 17k



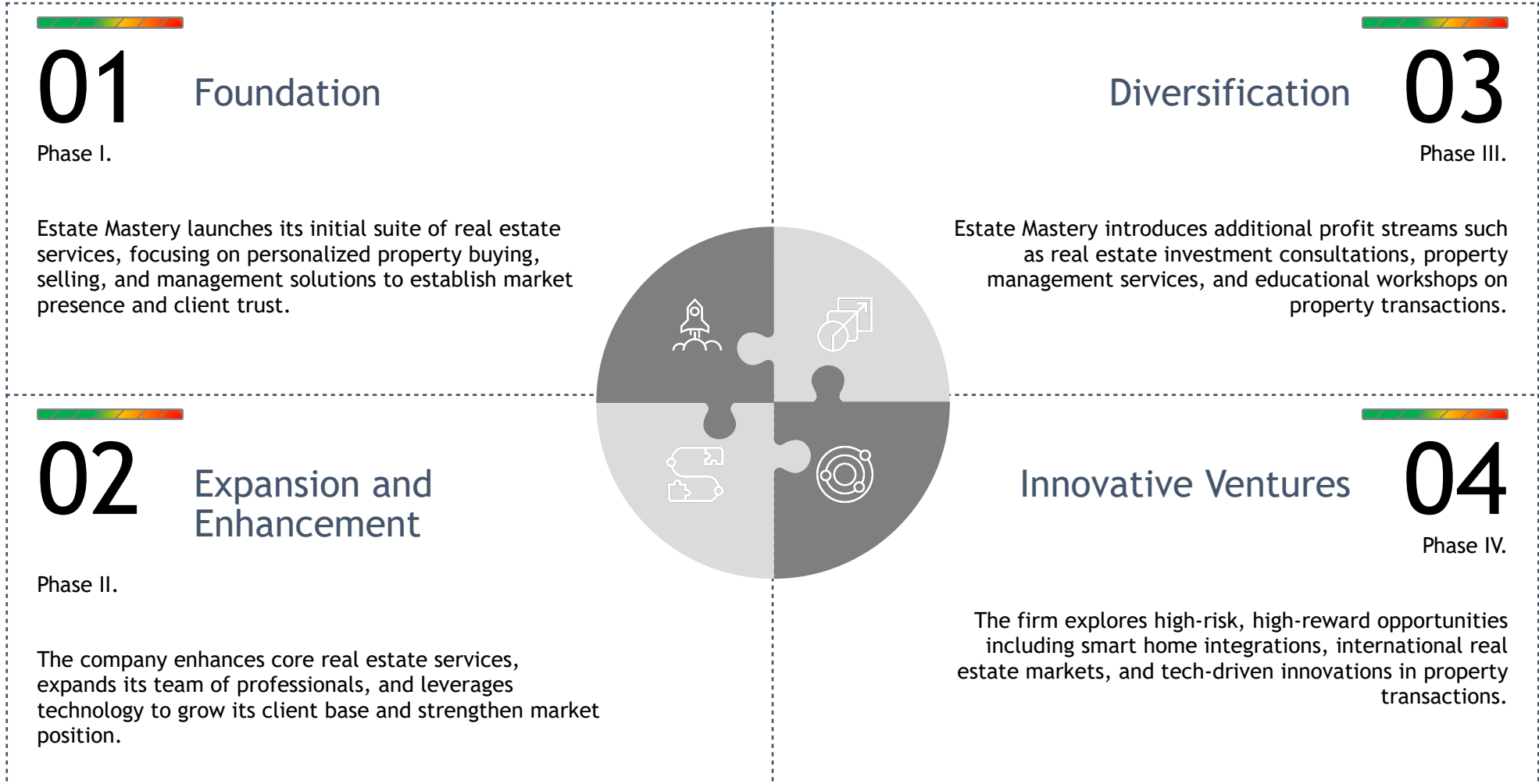
About the Company: **General Overview**



Estate Mastery is a premier real estate agency dedicated to providing expert guidance and personalized solutions for buying, selling, and managing properties. Specializing in real estate activities on a fee or contract basis, the company operates within the real estate activities sector. Estate Mastery's team of experienced professionals leverages in-depth market knowledge and cutting-edge technology to deliver exceptional service and achieve outstanding results for its clients. The firm focuses on building lasting relationships through transparency, integrity, and a commitment to understanding each client's unique needs. Whether you are looking to find your dream home, invest in lucrative real estate opportunities, or navigate complex property transactions, Estate Mastery stands as your trusted partner in the real estate journey.



The Main Phases: **Projects & Impacts**



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Clients	<ol style="list-style-type: none"> 1. Receive expert guidance and personalized solutions for property buying, selling, and management. 2. Benefit from the latest market insights and cutting-edge technology to make informed decisions. 3. Access a trusted partner committed to their unique real estate needs and long-term success.
Employees	<ol style="list-style-type: none"> 1. Gain opportunities for professional growth and development through targeted training programs. 2. Work within a collaborative, supportive environment that values their expertise. 3. Benefit from advancements in technology to enhance job efficiency and client interactions.
Investors	<ol style="list-style-type: none"> 1. Profit from a diverse range of real estate services and investment opportunities that align with market trends. 2. Enjoy transparency and regular updates regarding company performance and strategic initiatives. 3. Benefit from Estate Mastery's expansion and innovative ventures that could yield high returns.
Technology Partners	<ol style="list-style-type: none"> 1. Collaborate on cutting-edge tech solutions that enhance property management and client services. 2. Gain increased business opportunities through Estate Mastery's growing client base and market presence. 3. Foster innovation in real estate technology applications.
Local Communities	<ol style="list-style-type: none"> 1. See improved local real estate market dynamics through professional services and better property management. 2. Benefit from community-focused real estate investments and developments. 3. Experience increased property values and enhanced neighborhood conditions.
Educational Institutions	<ol style="list-style-type: none"> 1. Partner on workshops and training programs that enrich real estate education. 2. Provide access to industry expertise and real-world applications for students. 3. Enhance career opportunities for graduates in the real estate sector.
Regulatory Bodies	<ol style="list-style-type: none"> 1. Ensure compliance with real estate regulations and contribute to market stability. 2. Foster transparent and ethical business practices within the industry. 3. Support initiatives that enhance the overall integrity and standards of the real estate market.



Key Performance Components

Competitive Advantage

Expert Guidance

Estate Mastery's team offers unparalleled expertise and market knowledge, ensuring clients receive the best advice and personalized solutions for their real estate needs.

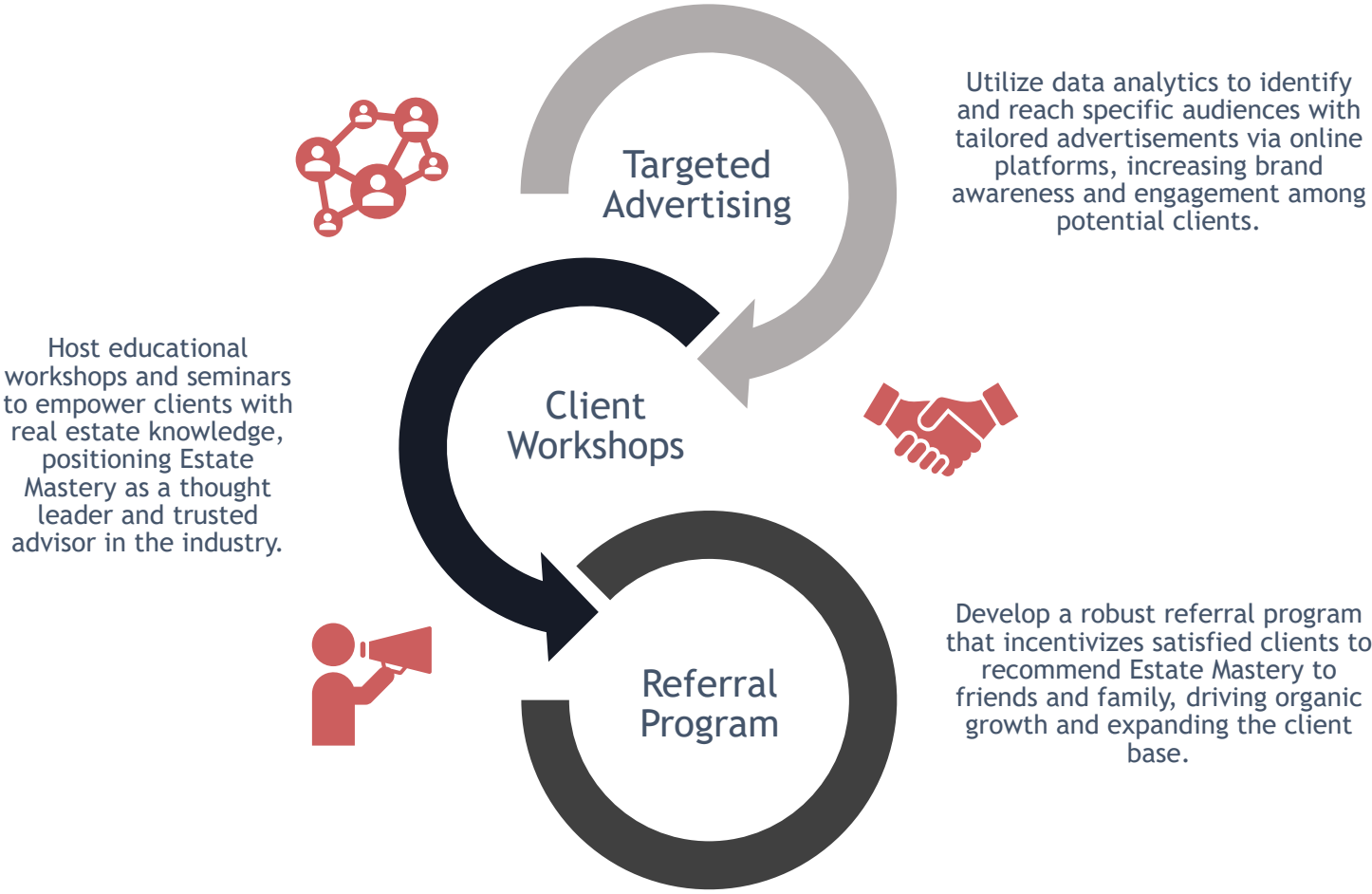
Cutting-Edge Technology

Utilizing advanced technology, Estate Mastery enhances property search, management, and transaction processes, providing clients with a seamless and efficient experience.

Client-Centric Approach

With a commitment to transparency and integrity, Estate Mastery focuses on building lasting relationships by understanding and addressing each client's unique needs and goals.

Marketing and Growth Strategy

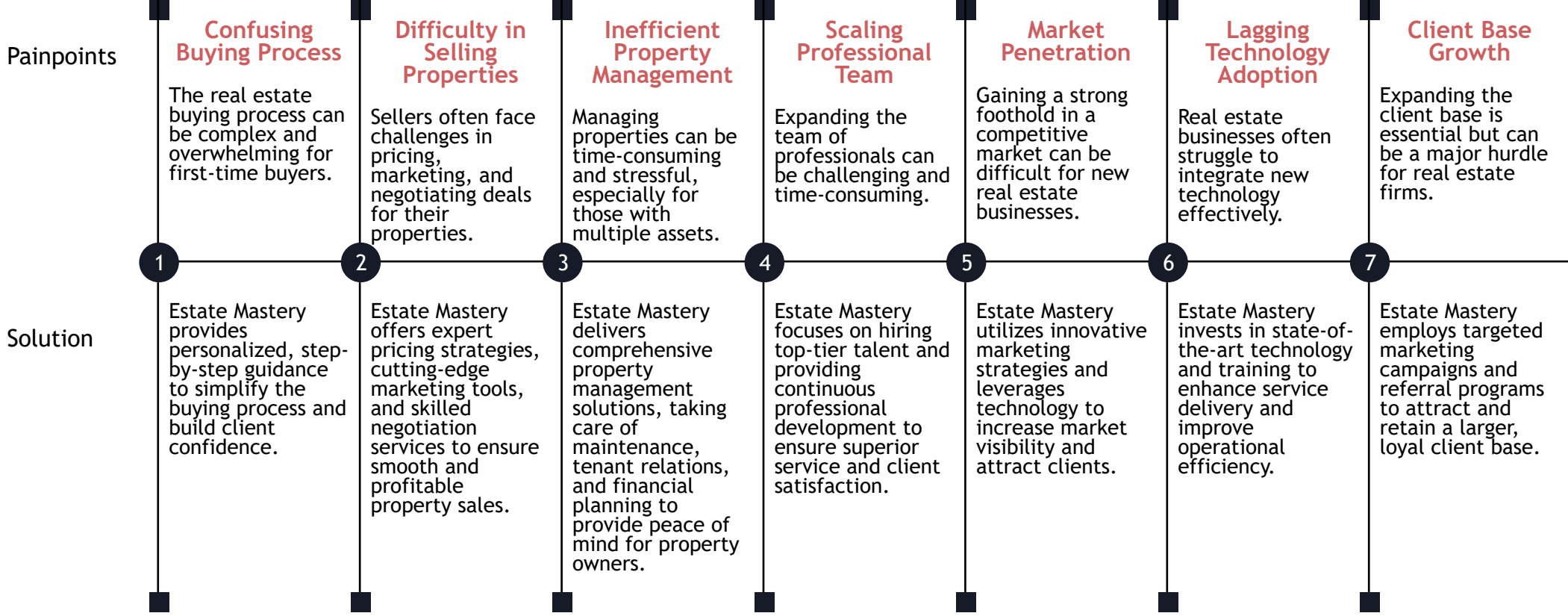


Target Groups

Industries		Description
I	 First-time Homebuyers	Individuals looking to purchase their first home and seeking expert guidance on property selection and financing options.
II	 Property Investors	Clients interested in investing in real estate for generating rental income or capital appreciation, requiring market insights and investment strategies.
III	 Commercial Property Owners	Owners of commercial properties who need professional assistance in property management, leasing, and transaction services.
IV	 Real Estate Developers	Developers looking for market analysis, project management, and sales strategies to successfully launch and sell residential or commercial projects.
V	 Downsizeers	Individuals or families looking to sell their current homes to move into smaller, more manageable properties with minimal stress and hassle.
VI	 Luxury Home Buyers	Affluent clients seeking high-end, luxury properties who require exclusive listings and personalized services tailored to their unique preferences.
VII	 Landlords	Property owners in need of comprehensive property management services including tenant acquisition, rent collection, and maintenance to maximize rental income.




Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength



Expert team with in-depth market knowledge. Personalized solutions tailored to client's specific needs. Cutting-edge technology for outstanding service. Strong commitment to transparency and integrity. Proven track record in achieving client satisfaction.

Weaknesses




High dependence on market conditions. Limited geographical presence. Intense competition in real estate industry. High operational costs may impact profitability. Dependency on a finite pool of experienced professionals.

Opportunities



Potential for expansion into emerging markets. Growing demand for real estate investment services. Opportunities to leverage new technologies for enhanced client service. Increasing interest in sustainable and smart home solutions. Collaboration with fintech firms for innovative financial products.

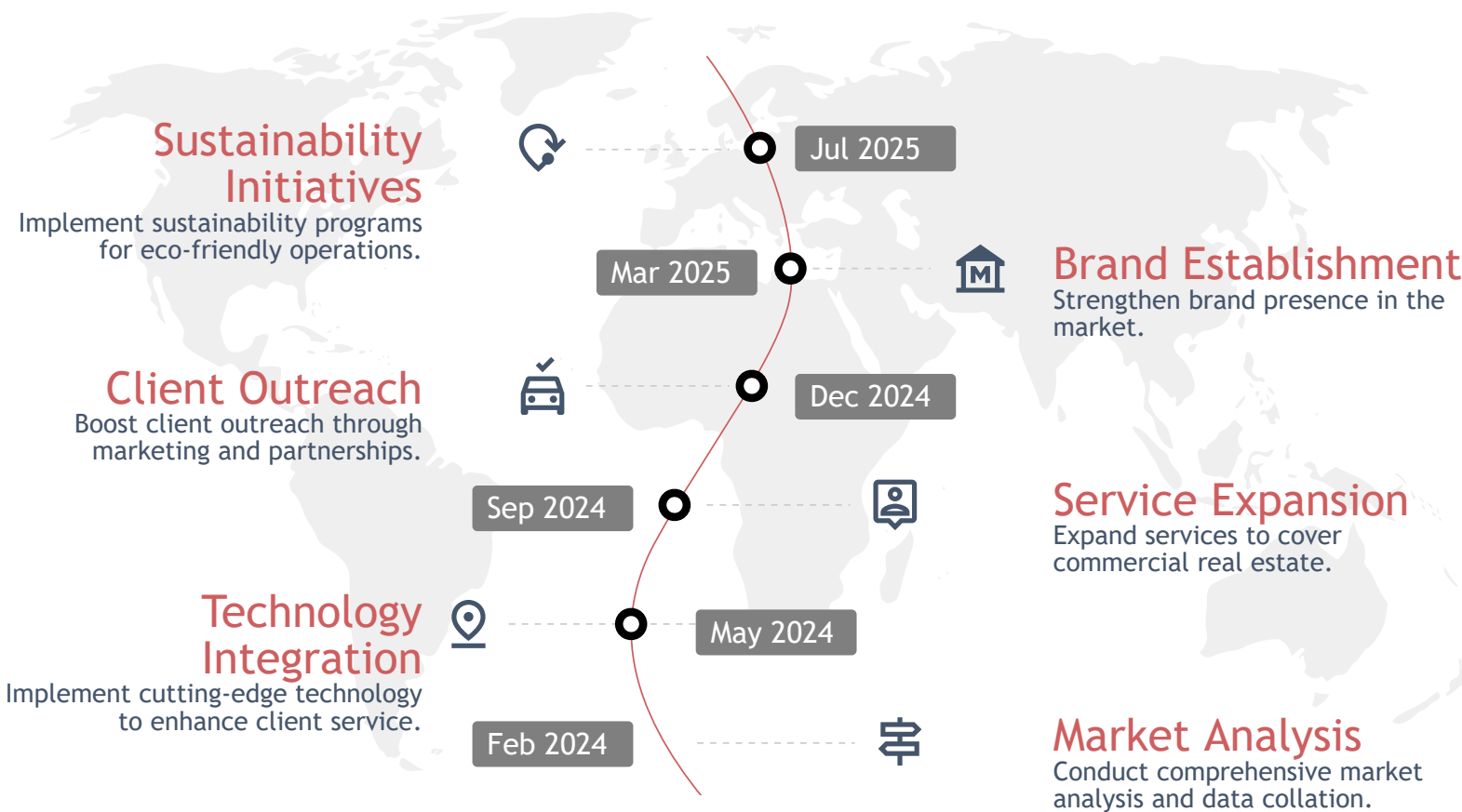
Threats



Economic downturns affecting real estate market. Stringent regulatory changes. Rising interest rates impacting buyer affordability. Technological disruptions from competitors. Fluctuating property values and market uncertainties.



History & Roadmap



Current Status.

- Estate Mastery focuses on in-depth market analysis for strategic planning in Feb 2024.- Integrates advanced technology enhancing client experience in May 2024.- Expands into commercial real estate services by Sep 2024.- Enhances client outreach via marketing and partnerships in Dec 2024.- Establishes a strong brand presence by Mar 2025.- Commits to sustainability with eco-friendly initiatives starting Jul 2025.



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	Legal Entity Formation	●	Not Started	High	CFO 1 month
3	Define Company Values and Vision	●	Not Started	High	CSO 2 weeks
4	Establish Office Space	●	Not Started	Medium	COO 1 month
5	Hire Initial Team	●	Not Started	High	CPO 2 months
6	Create Financial Plan and Budget	●	Not Started	High	CFO 1 month
7	Develop Technology Infrastructure	●	Not Started	Medium	CTO 2 months
8	Set Up Communication Channels	●	Not Started	Medium	CIO 1 month
Marketing					
1	Develop Comprehensive Marketing Strategy	●	Not Started	High	CMO 3 months
2	Create Brand Guidelines and Assets	●	Not Started	High	CBO 2 months
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Launch Email Marketing Campaigns	●	Not Started	Medium	CRO 2 months
5	Set Up Pay-Per-Click Advertising	●	Not Started	Medium	CFO 1 month
6	Optimize Website for SEO	●	Not Started	High	CTO 3 months
7	Develop Content Marketing Plan	●	Not Started	Medium	CSO 4 months
8	Host Webinars and Virtual Tours	●	Not Started	Low	COO 5 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Define Business Goals and Objectives	● Not Started	High	CEO	2 weeks
2	Establish Legal Structure and Register Business	● Not Started	High	CFO	1 month
3	Set Up Office Space and Infrastructure	● Not Started	Medium	COO	1.5 months
4	Hire Initial Key Team Members	● Not Started	High	CPO	2 months
5	Develop Initial Service Offerings	● Not Started	High	CRO	1 month
6	Create Initial Marketing and Sales Strategy	● Not Started	High	CMO	1 month
7	Build Partnerships with Local Vendors and Service Providers	● Not Started	Medium	CSO	1.5 months
8	Conduct Market Research to Finalize Target Market Segments	● Not Started	Medium	CIO	1 month
Phase 2					
1	Recruit additional real estate professionals	● Not Started	High	COO	2 months
2	Implement advanced CRM system	● Not Started	High	CTO	3 months
3	Enhance digital marketing efforts	● Not Started	High	CMO	1 month
4	Conduct targeted client acquisition campaigns	● Not Started	Medium	CRO	2 months
5	Train staff on new real estate tools and technologies	● Not Started	Medium	CPO	1 month
6	Expand office locations to key markets	● Not Started	High	COO	6 months
7	Develop stronger partnerships with local businesses	● Not Started	Medium	CSO	4 months
8	Enhance the website with user-friendly features	● Not Started	High	CTO	2 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop Real Estate Investment Consultation Service	●	Not Started	High	CEO 3 months
2	Launch Property Management Service	●	Not Started	High	COO 4 months
3	Create Educational Workshops on Property Transactions	●	Not Started	Medium	CPO 2 months
4	Recruit Industry Experts for Workshops	●	Not Started	Medium	CRO 2 months
5	Develop Marketing Strategy for New Services	●	Not Started	High	CMO 1 month
6	Implement Technology for Property Management	●	Not Started	High	CTO 3 months
7	Establish Client Feedback Mechanisms	●	Not Started	Medium	CSO 2 months
8	Create Partnership with Financial Advisors	●	Not Started	Low	CFO 4 months
Phase 4					
1	Explore Smart Home Integrations	●	Not Started	High	CTO 6 months
2	Research International Real Estate Markets	●	Not Started	High	CRO 4 months
3	Develop Partnerships with Tech-Driven Companies	●	Not Started	High	COO 5 months
4	Conduct Feasibility Studies for High-Risk Opportunities	●	Not Started	Medium	CFO 3 months
5	Pilot Smart Home Features in Select Properties	●	Not Started	Medium	CIO 8 months
6	Expand into Emerging International Markets	●	Not Started	High	CSO 7 months
7	Implement Tech-Driven Innovations in Property Transactions	●	Not Started	High	CTO 5 months
8	Evaluate Performance of Innovative Ventures	●	Not Started	Medium	CEO 6 months



Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Property Maintenance Issues	COO	Establish a reliable network of vetted maintenance service providers and regularly perform property inspections to identify and address issues promptly.
2	Technology Failures	CTO	Implement robust and redundant technology infrastructure, including backup systems and regular IT audits, to ensure seamless service continuity.
3	Staff Turnover	CPO	Enhance employee retention strategies through competitive compensation, career development opportunities, and a positive work environment.
4	Client Data Security	CIO	Adopt comprehensive cybersecurity measures, including encryption, firewall protection, and regular security audits, to safeguard client information.
5	Service Delivery Delays	COO	Implement efficient project management tools and processes to ensure timely service delivery and manage client expectations effectively.

2. Regulatory and legal risks

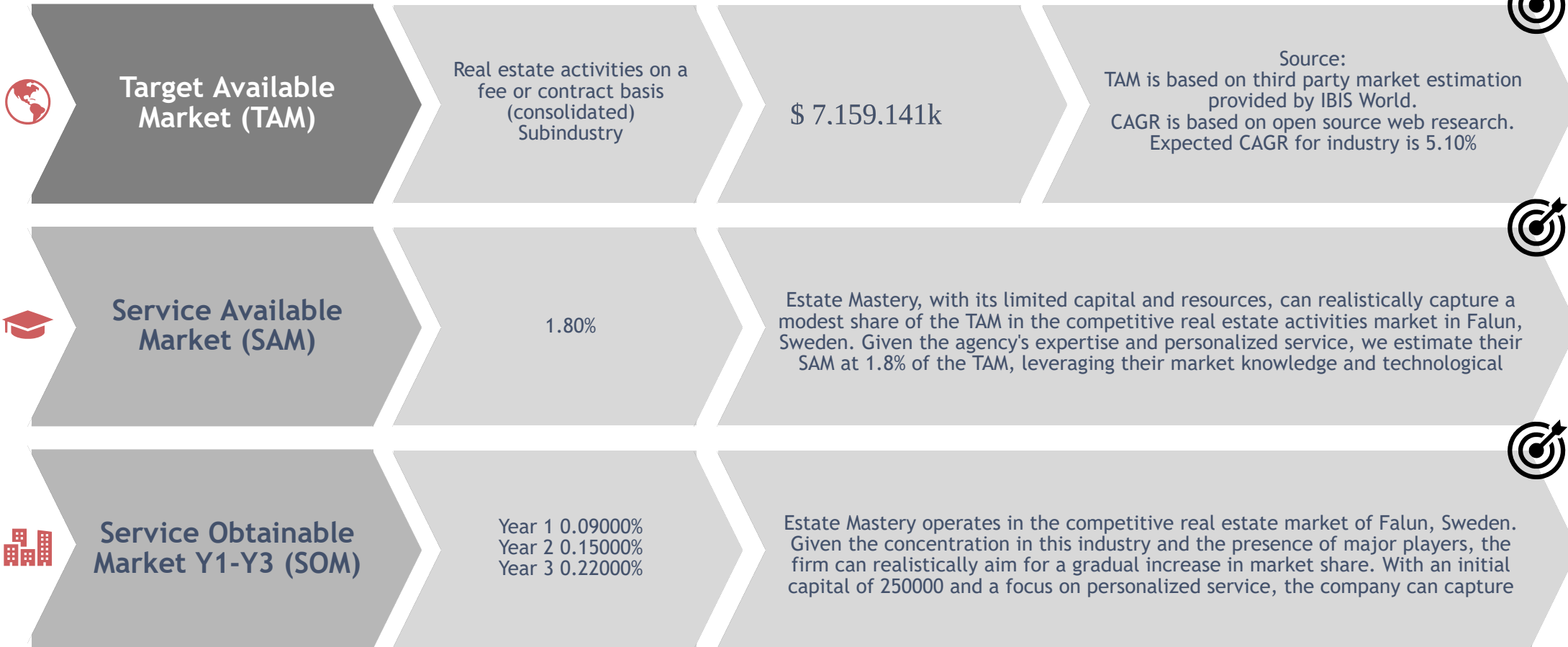
#	Risk Type	Area	Mitigation Strategy
1	Compliance with Local and International Real Estate Laws	CRO	Engage legal experts to ensure continuous monitoring and compliance with local and international real estate laws.
2	Data Privacy Regulations	CIO	Implement robust data protection policies and regular audits to ensure compliance with data privacy regulations such as GDPR.
3	Anti-Money Laundering (AML) Compliance	CFO	Establish comprehensive AML procedures including client verification and transaction monitoring.
4	Environmental Regulations	COO	Ensure properties comply with environmental regulations by conducting regular inspections and consultations with environmental compliance experts.
5	Fair Housing and Anti-Discrimination Laws	CEO	Implement training programs for all staff to ensure compliance and maintain a zero-tolerance policy towards discrimination.



3. Strategic/Market Risk			
#	Risk Type	Area	Mitigation Strategy
1	Market volatility	CFO	Develop a diversified portfolio of properties and maintain a robust financial reserve to cushion against market fluctuations.
2	Competitive pressure	CMO	Implement aggressive marketing campaigns and enhance client relationships through superior customer service and innovative offerings.
3	Technological advancements by competitors	CTO	Continuously invest in the latest property technology and integrate smart solutions to stay ahead of the competition.
4	Changing consumer preferences	CSO	Conduct regular market research to understand evolving client needs and adjust service offerings accordingly.
5	Limited market reach	CBO	Expand geographical presence and diversify service portfolios to enter new and lucrative markets.
4. Finance risk			
#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Constraints	CFO	Implement stringent financial planning and maintain a robust cash reserve to manage short-term operational costs.
2	Market Volatility	CRO	Diversify portfolio offerings and implement risk management strategies to mitigate the impact of market fluctuations.
3	Credit Risk	CFO	Conduct thorough credit assessments and maintain strong relationships with multiple financial institutions to secure favourable credit terms.
4	Funding Challenges	CBO	Develop a diverse funding strategy including equity, debt, and alternative financing sources to ensure liquidity and capital availability.
5	Interest Rate Fluctuations	CFO	Implement interest rate hedging strategies and regularly review and adjust financial plans to adapt to changing interest rates.
5. Other general risk			
#	Risk Type	Area	Mitigation Strategy
1	Market Unpredictability	CEO	Implement a flexible strategy that can be adjusted based on regular market analysis and economic forecasts to respond promptly to changing market conditions.
2	Technological Disruptions	CTO	Invest in continuous technological updates and cybersecurity measures, and establish a dedicated team to monitor and respond to tech disruptions and maintain service reliability.
3	Reputation Management	CMO	Develop a proactive public relations and social media strategy to address potential issues swiftly and maintain positive public perception through transparent communication and customer engagement.
4	Talent Retention	CPO	Create a strong company culture with competitive compensation, career development opportunities, and robust employee engagement programs to attract and retain top talent.
5	Client Dependence	CBO	Diversify the client base and actively seek new market segments to reduce dependency on a few key clients, ensuring a stable revenue stream.



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.

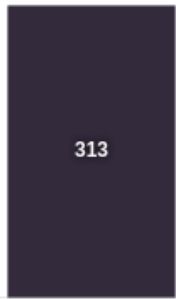
The total investment required is \$ 267k

Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	46	
Rent & Utilities		35
Marketing and Branding		23
Training and Development		17
Payroll Expenses		12
Capex		200
Legal and Professional Fees		8
Communication Expenses		6
Other Miscellaneous		6
Office supplies		3
Representation and Entert.		3
CAPEX & WC shortage Y1		267
Buffer		0
Total Required Investment(thnd USD)		267



Y3 PL formation and Margins

Revenue



Projected Revenue

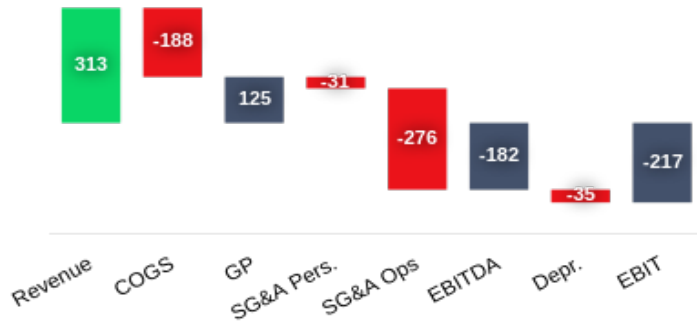
● GP 40.0%

● EBITDA -58.0%

Y3

Y3

PnL Formation (Y3 thnd USD)

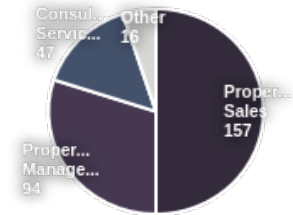
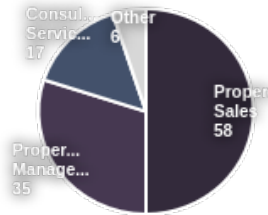


Business Line Breakdown (thnd USD)

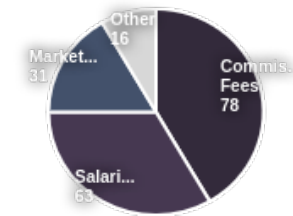
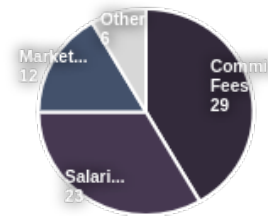
Y1

Y2

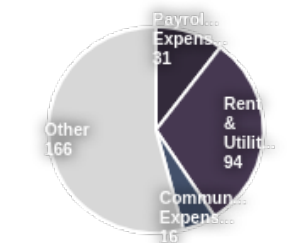
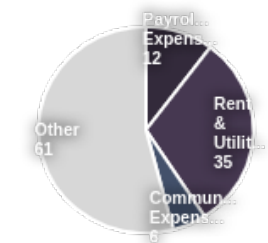
Revenue



COGS



Admin



Revenue Formation Narrative

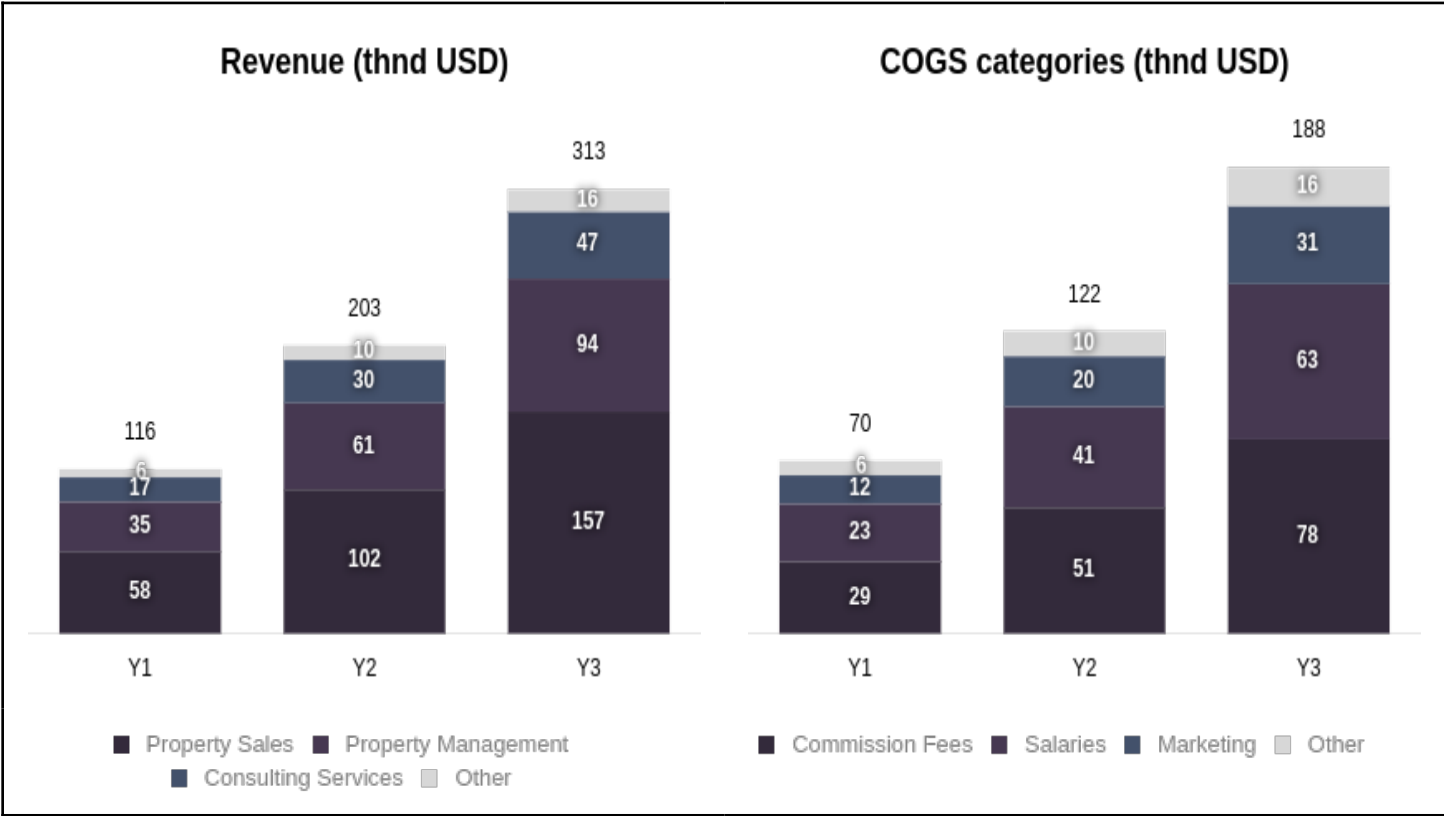
Estate Mastery, a premier real estate agency based in Falun, Sweden, operates within the competitive sub-industry of real estate activities on a fee or contract basis. With an impressive Total Addressable Market (TAM) of 7,159,140.954k USD USD, Estate Mastery anticipates leveraging its expertise and personalized service to capture a segment of this broad market. Given Estate Mastery's current limited capital and resources, the Serviceable Addressable Market (SAM) is estimated at 1.8% of the total market, reflecting the agency's realistic capacity to serve a subset of the TAM effectively. In line with a realistic and strategic market entry plan, the agency projects a gradual increase in their Serviceable Obtainable Market (SOM). Specifically, the anticipated market share for Estate Mastery is 0.09% in the first year, 0.15% in the second year, and 0.22% in the third year. These projections are built on the premise of providing top-notch, individualized service and gradually increasing brand recognition and client trust over time. Resultantly, the estimated total revenue for year one is 115.978k USD USD, growing to 203.155k USD USD in year two, and 313.157k USD USD in year three. Estate Mastery delineates its revenue streams into four main lines of business: Property Sales (50.00%), Property Management (30.00%), Consulting Services (15.00%), and Other Services (5.00%). Through these diversified revenue streams, Estate Mastery aims to offer a comprehensive suite of services that cater to various client needs within the real estate market.

\$ 313k

Y3
Projected Revenue

0.16%

Market share



Revenue Calculation Details

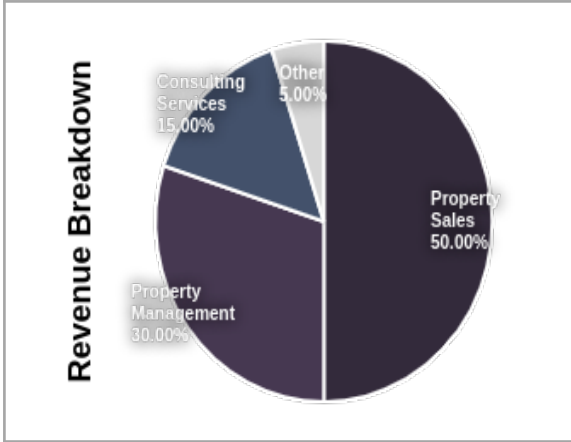
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Property Sales	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Property Management	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Consulting Services	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

Property Sales	4	4	4	4	4	4	5	5	5	6	6	6	58	102	157
Property Management	2	2	2	3	3	3	3	3	3	4	4	4	35	61	94
Consulting Services	1	1	1	1	1	1	2	2	2	2	2	2	17	30	47
Other	0	0	0	0	0	0	1	1	1	1	1	1	6	10	16
Total Revenue (thnd USD)	7	7	7	9	9	9	11	11	11	12	12	12	116	203	313

Total revenue is expected to reach \$ 313k by year 3.
 Main revenue driver are:

- Property Sales which generates \$ 157k by Year 3
- Property Management which generates \$ 94k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 64.32 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Commission Fees	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%
Salaries	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Marketing	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	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%

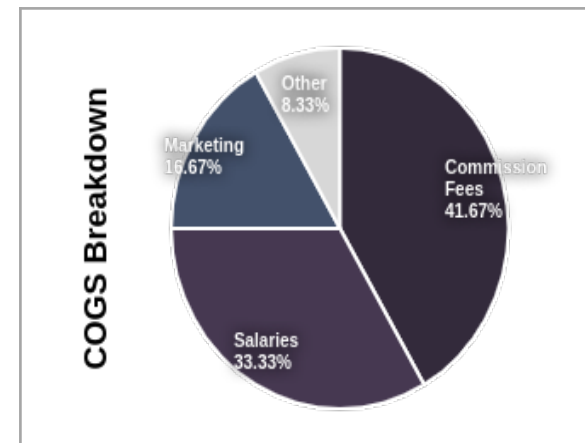
Commission Fees	2	2	2	2	2	2	3	3	3	3	3	3	29	51	78
Salaries	1	1	1	2	2	2	2	2	2	2	2	2	23	41	63
Marketing	1	1	1	1	1	1	1	1	1	1	1	1	12	20	31
Other	0	0	0	0	0	0	1	1	1	1	1	1	6	10	16
Total COGS (thnd USD)	4	4	4	5	5	5	6	6	6	7	7	7	70	122	188

Total COGS is expected to reach \$ 188k by year 3.

Main revenue driver are:

- Commission Fees which generates \$ 78k by Year 3
- Salaries which generates \$ 63k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 64.32 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	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%
Rent & Utilities	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%
Communication Expenses	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%
Office supplies	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%
Legal and Professional Fees	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%
Marketing and Branding	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Representation and Entertainment	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%
Training and Development	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Other Miscellaneous	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%

Payroll Expenses	1	1	1	1	1	1	1	1	1	1	1	1	12	20	31
Rent & Utilities	2	2	2	3	3	3	3	3	3	4	4	4	35	61	94
Communication Expenses	0	0	0	0	0	0	1	1	1	1	1	1	6	10	16
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	3	6	9
Legal and Professional Fees	1	1	1	1	1	1	1	1	1	1	1	1	8	14	22
Marketing and Branding	1	1	1	2	2	2	2	2	2	2	2	2	23	41	63
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	3	6	9
Training and Development	1	1	1	1	1	1	2	2	2	2	2	2	17	30	47
Other Miscellaneous	0	0	0	0	0	0	1	1	1	1	1	1	6	10	16

Total SG&A (thnd USD)	7	7	7	9	9	9	10	10	10	12	12	12	114	199	307
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PaT Expectations

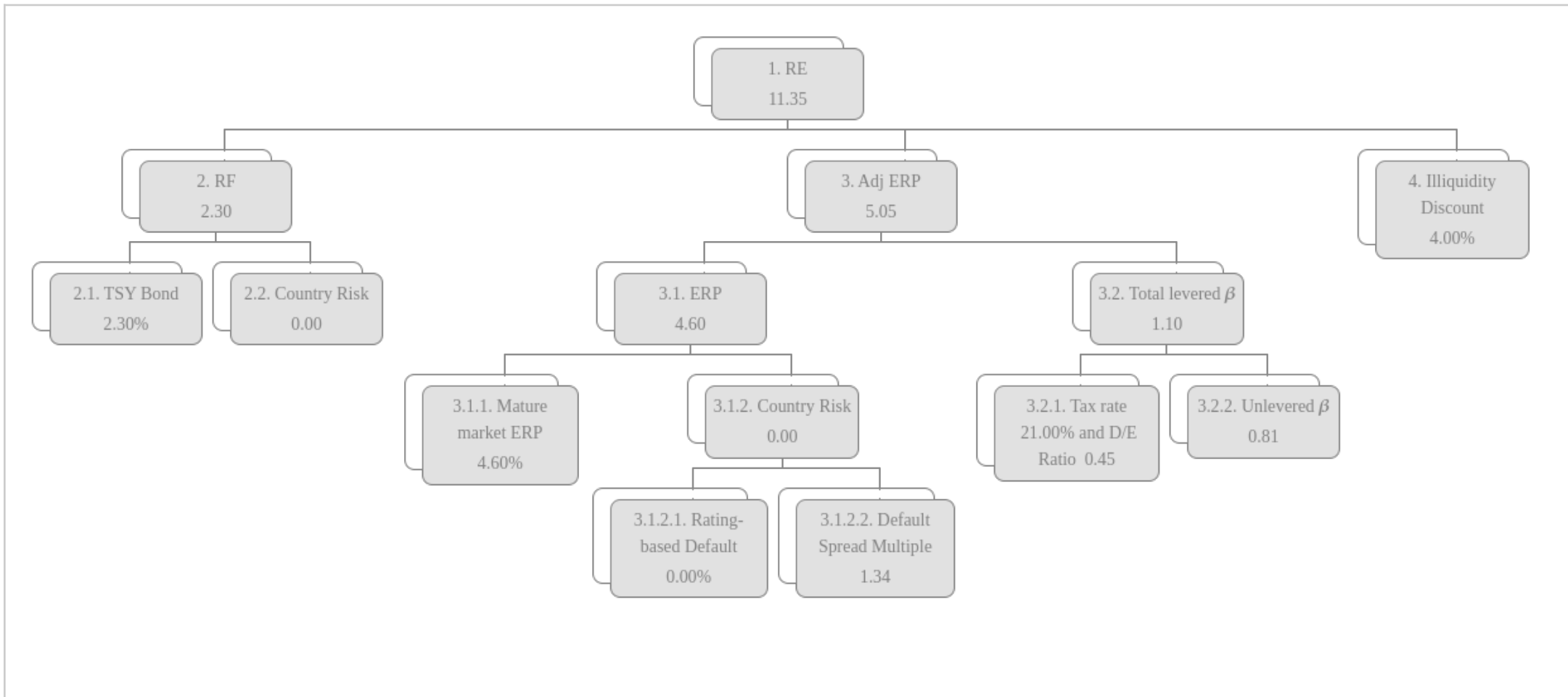
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	7	7	7	9	9	9	11	11	11	12	12	12	116	203	313
Property Sales	4	4	4	4	4	4	5	5	5	6	6	6	58	102	157
Property Management	2	2	2	3	3	3	3	3	3	4	4	4	35	61	94
Consulting Services	1	1	1	1	1	1	2	2	2	2	2	2	17	30	47
Other	0	0	0	0	0	0	1	1	1	1	1	1	6	10	16
COGS	-4	-4	-4	-5	-5	-5	-6	-6	-6	-7	-7	-7	-70	-122	-188
Commission Fees	-2	-2	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	-29	-51	-78
Salaries	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-23	-41	-63
Marketing	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-12	-20	-31
Other	-0	-0	-0	-0	-0	-0	-1	-1	-1	-1	-1	-1	-6	-10	-16
Gross Profit	3	3	3	3	3	3	4	4	4	5	5	5	46	81	125
SG&A Personal Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-12	-20	-31
SG&A Operating Expenses	-6	-6	-6	-8	-8	-8	-9	-9	-9	-11	-11	-11	-102	-179	-276
EBITDA	-4	-4	-4	-5	-5	-5	-6	-6	-6	-7	-7	-7	-67	-118	-182
Depreciation	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-35	-35	-35
EBIT	-7	-7	-7	-8	-8	-8	-9	-9	-9	-10	-10	-10	-102	-153	-217
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-7	-7	-7	-8	-8	-8	-9	-9	-9	-10	-10	-10	-102	-153	-217
Tax	1	1	1	2	2	2	2	2	2	2	2	2	21	32	45
Profit after Tax (thnd USD)	-6	-6	-6	-6	-6	-6	-7	-7	-7	-8	-8	-8	-81	-121	-171



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 (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	-81	-121	-171	-180	-189	-199	-209
	Growth% Y4-Y7				5.10%	5.10%	5.10%	5.10%
	Growth% Y7 -->				3.50%			
	WACC				11.35%			
	PV Y1-Y7 at Y0	-73	-97	-124	-117	-110	-104	-98
	PV Y7 --> Y0				-1,297			
	NPV (thnd USD)				-2,021			

Average Survival Rate for 3 Years 50%

Final Valuation **-\$ 1.011k**

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 11.35 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 5.10 %, 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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