

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

IronWall is dedicated to providing comprehensive and reliable security solutions for both residential and commercial clients. By utilizing advanced technology and employing highly trained professionals, IronWall ensures the highest level of protection and peace of mind for its clients. Our mission is to safeguard properties and enhance safety through state-of-the-art surveillance systems, alarm monitoring, access control, and on-site security personnel. We are committed to excellence and tailor our services to meet the unique needs of each client, making a significant difference in their security and well-being.

Our Vision

IronWall envisions a future where every property, whether residential or commercial, is safeguarded with cutting-edge security solutions and personalized attention. Our aspiration is to be the benchmark in the private security industry, recognized globally for our innovative use of technology and unparalleled expertise. In 20 years, IronWall aims to have created a safer world by continuously advancing our security measures and setting new standards for excellence in protection, thereby becoming the foremost choice for comprehensive security needs.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 351k

Revenue

\$ 111k

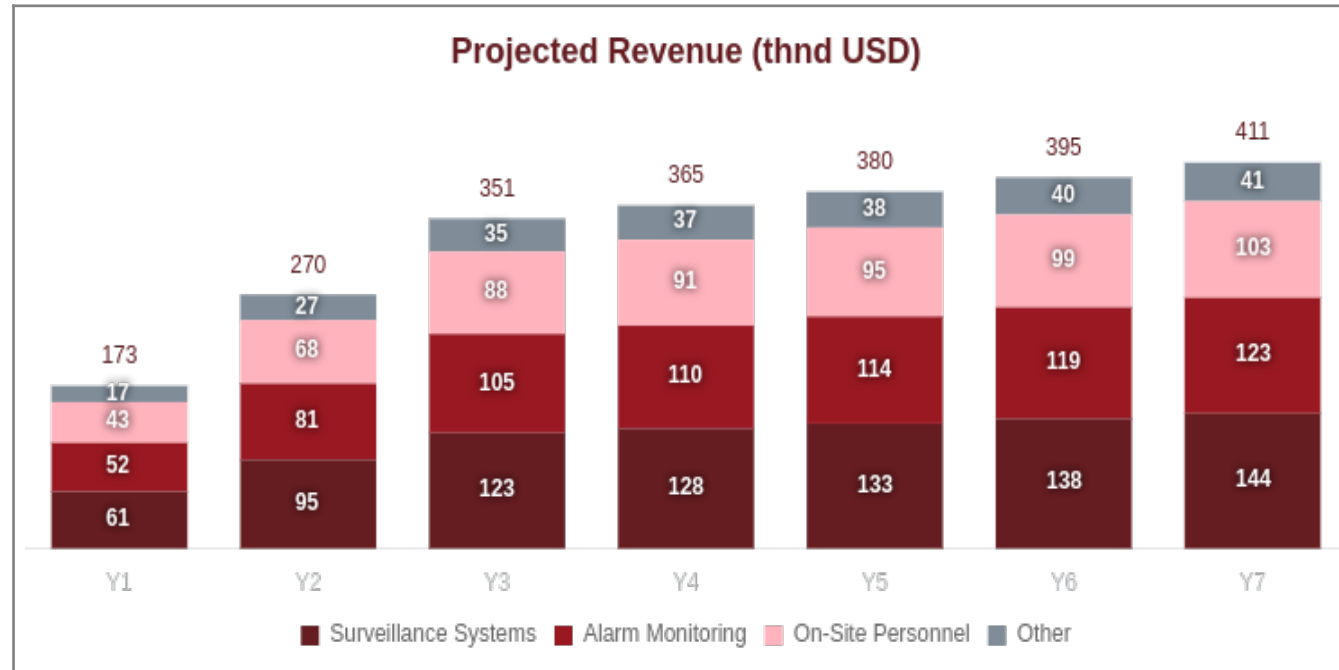
Gross Profit

\$ 19k

EBITDA

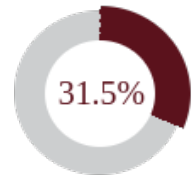
1.20%

Target Market Share

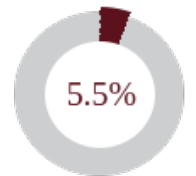


Margins
(Stabilized by Y3)

GP Margin



EBITDA Margin



PbT Margin

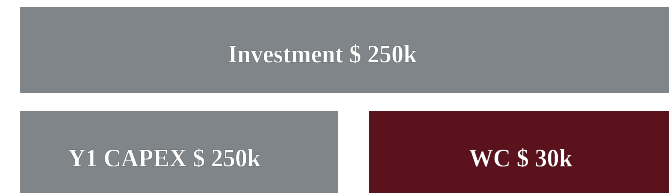


Project Phases



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.

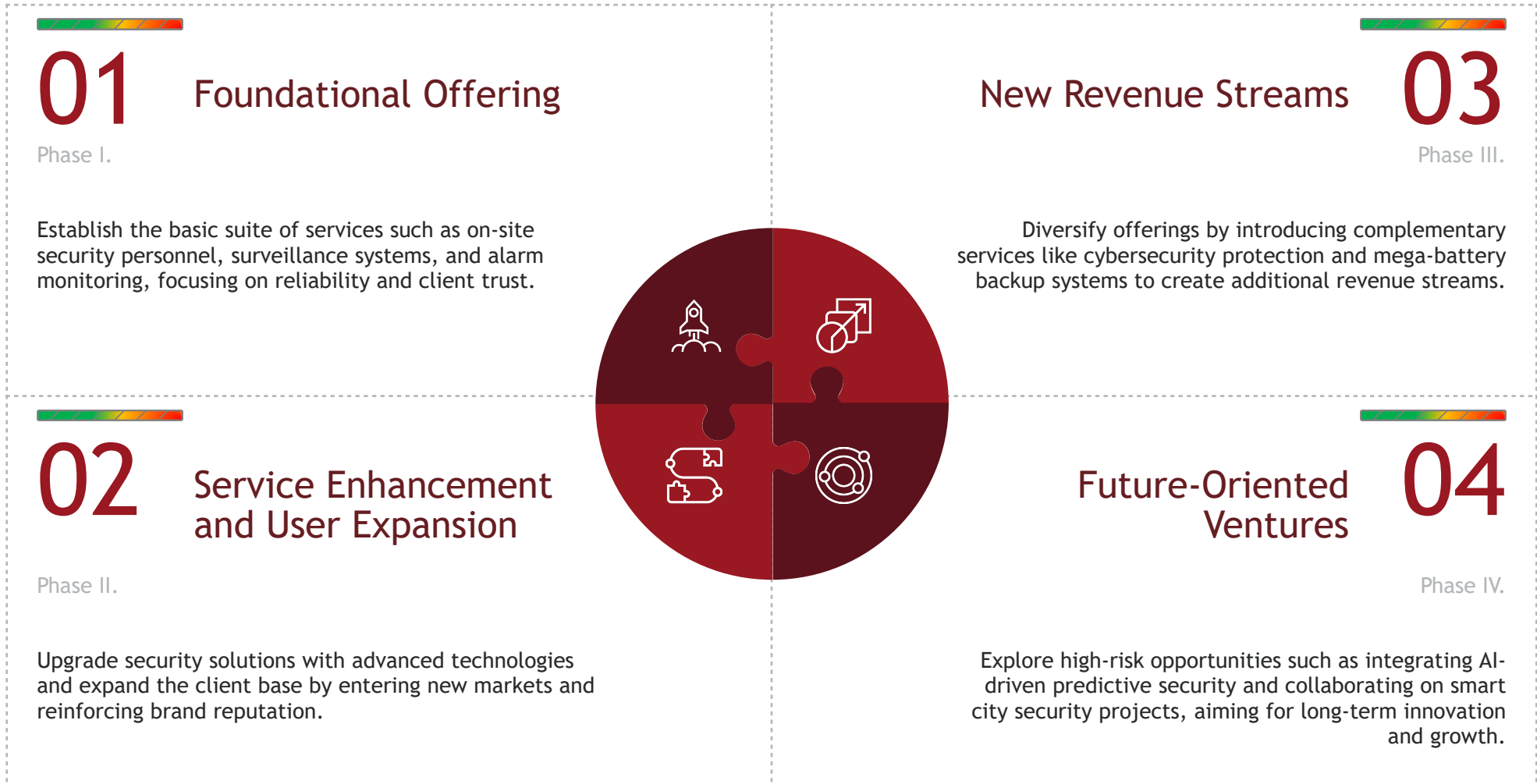


About the Company: General Overview



IronWall is a leading security company dedicated to providing comprehensive and reliable security solutions for both residential and commercial clients. The company specializes in Private Security Activities and operates in the Administrative and Support Service Activities sector. IronWall's services include state-of-the-art surveillance systems, alarm monitoring, access control, and on-site security personnel. By leveraging advanced technology and employing highly trained professionals, IronWall ensures the highest level of protection and peace of mind for its clients. With a steadfast commitment to excellence and tailored security plans, IronWall delivers proactive and effective solutions designed to safeguard properties and enhance overall safety.

The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Clients	<ol style="list-style-type: none"> 1. Enhanced security and peace of mind through reliable on-site personnel and advanced surveillance systems. 2. Customizable security solutions tailored to specific needs and risk factors. 3. Increased property value and reduced insurance costs due to improved security measures.
Employees	<ol style="list-style-type: none"> 1. Job security with opportunities for advancement in a growing company. 2. Access to continuous training and professional development programs. 3. Safe and supportive working environment with state-of-the-art tools and technologies.
Shareholders	<ol style="list-style-type: none"> 1. Steady revenue growth from diversified and expanding service offerings. 2. Increased market share and brand reputation in the private security industry. 3. Potential high returns on investment through innovative, future-oriented ventures.
Local Communities	<ol style="list-style-type: none"> 1. Increased safety and reduced crime rates through comprehensive security solutions. 2. Creation of local job opportunities and economic stimulus from company operations. 3. Improved overall quality of life with secure residential and commercial environments.
Technology Partners	<ol style="list-style-type: none"> 1. Lucrative business opportunities through collaborative technology integrations. 2. Accelerated innovation and market entry with joint product development initiatives. 3. Strengthened industry leadership and brand synergy by partnering with a reputable security firm.
Government Agencies	<ol style="list-style-type: none"> 1. Effective collaboration on public safety initiatives and risk mitigations. 2. Support in emergency and disaster management through reliable security services. 3. Access to advanced security technologies and expertise for public sector use.
Insurance Companies	<ol style="list-style-type: none"> 1. Reduced risk and claims payouts through enhanced client security measures. 2. Attractive insurance packages and reduced premiums for securely monitored properties. 3. Reliable data and insights on security incidents to refine insurance products and services.



Key Performance Components

Competitive Advantage

State-of-the-Art Tech

IronWall uses cutting-edge surveillance and alarm systems, ensuring the highest level of security for both residential and commercial clients.

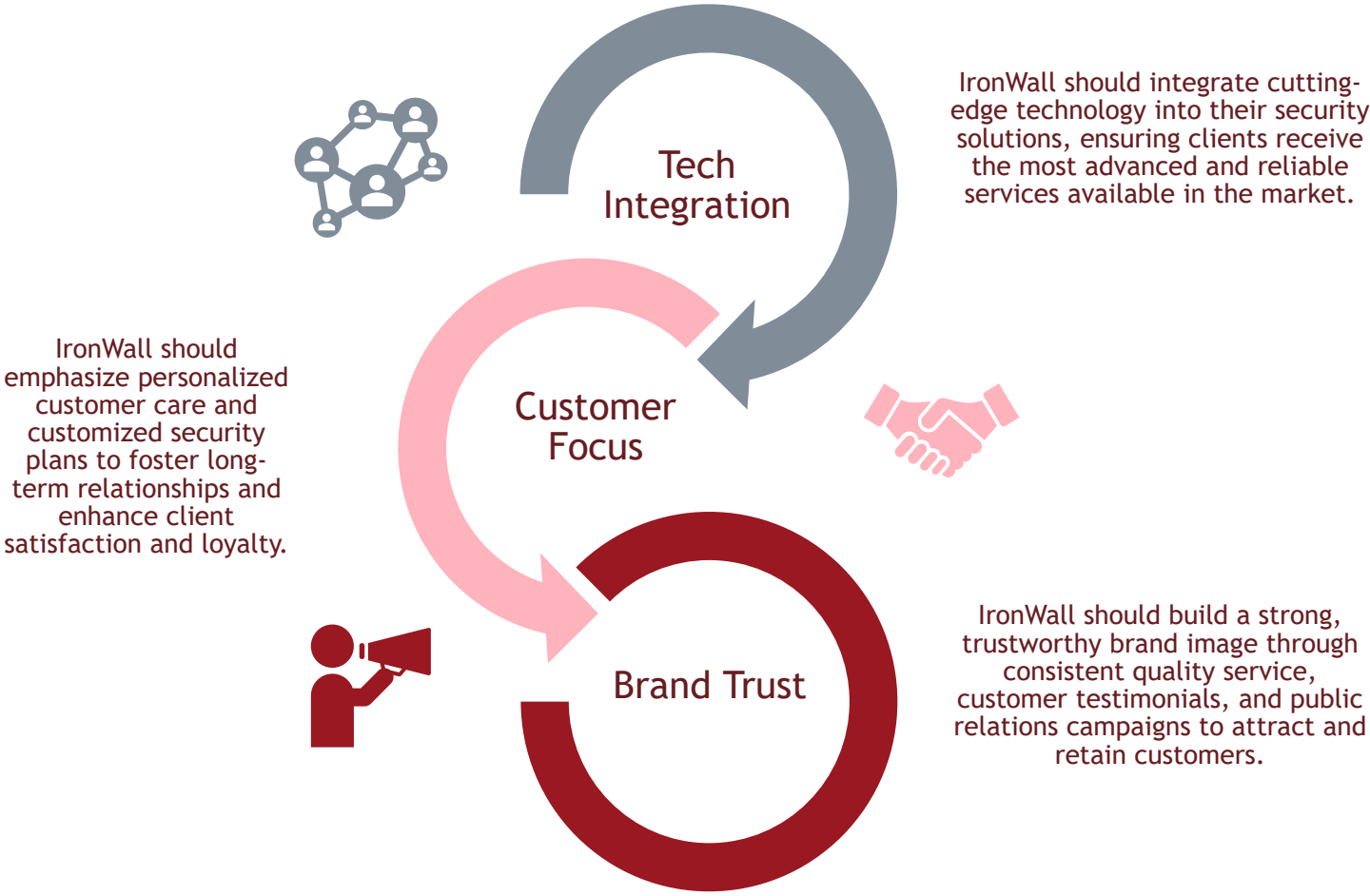
Highly Trained Staff

IronWall employs rigorously trained security professionals, providing unmatched reliability and expertise in safeguarding clients' assets and loved ones.








Customized Security Plans

IronWall offers bespoke security solutions tailored to each client's unique needs, ensuring comprehensive and effective protection.

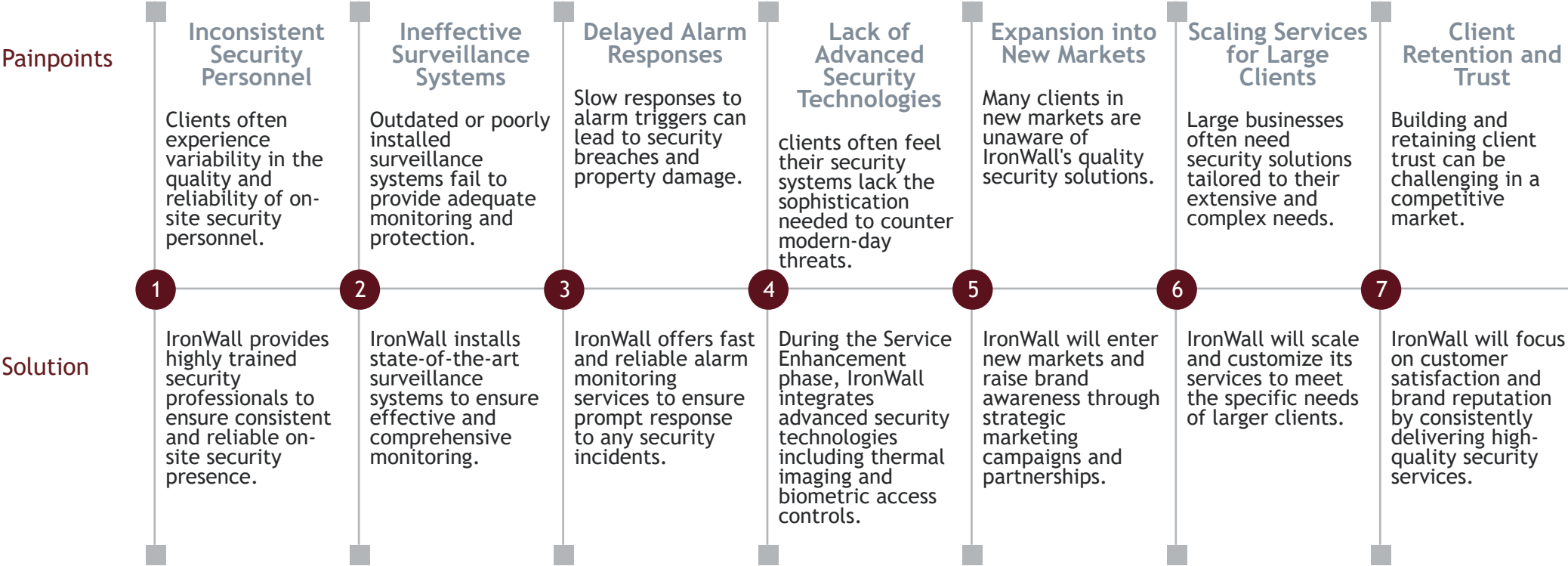
Marketing and Growth Strategy



Target Groups


	Industries	Description
I	 Residential Communities	Homeowners associations and residential complexes can benefit from IronWall’s on-site security personnel, surveillance systems, and alarm monitoring for enhanced safety and peace of mind.
II	 Corporate Offices	Corporate entities can leverage IronWall’s advanced security technologies and access control systems to protect their assets and ensure the safety of their employees.
III	 Retail Chains	Retail businesses can employ IronWall’s comprehensive security solutions to prevent theft, ensure customer safety, and protect inventory.
IV	 Construction Sites	Construction companies can utilize IronWall’s on-site security personnel and surveillance systems to safeguard valuable equipment and materials from theft and vandalism.
V	 Educational Institutions	Schools, colleges, and universities can enhance campus safety by employing IronWall’s comprehensive security solutions, including surveillance and access control.
VI	 Healthcare Facilities	Hospitals and clinics can ensure the safety of their staff, patients, and sensitive information through IronWall’s specialized security services and technologies.
VII	 Event Management Companies	Organizers of large events can depend on IronWall for crowd control, surveillance, and on-site security personnel to ensure the safety and security of attendees.

Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength



Industry leadership through advanced technology; Customized security plans; Highly trained and professional personnel; Comprehensive service offerings; Strong reputation for reliability.

Weaknesses




High operational costs due to advanced technology; Dependence on specialized skilled workforce; Potential technological disruptions; Limited global presence; High competitive pressure.

Opportunities



Growing demand for security services; Expansion into new markets; Technological advancements enhancing service offerings; Increasing awareness of property safety; Strategic partnerships with tech firms.

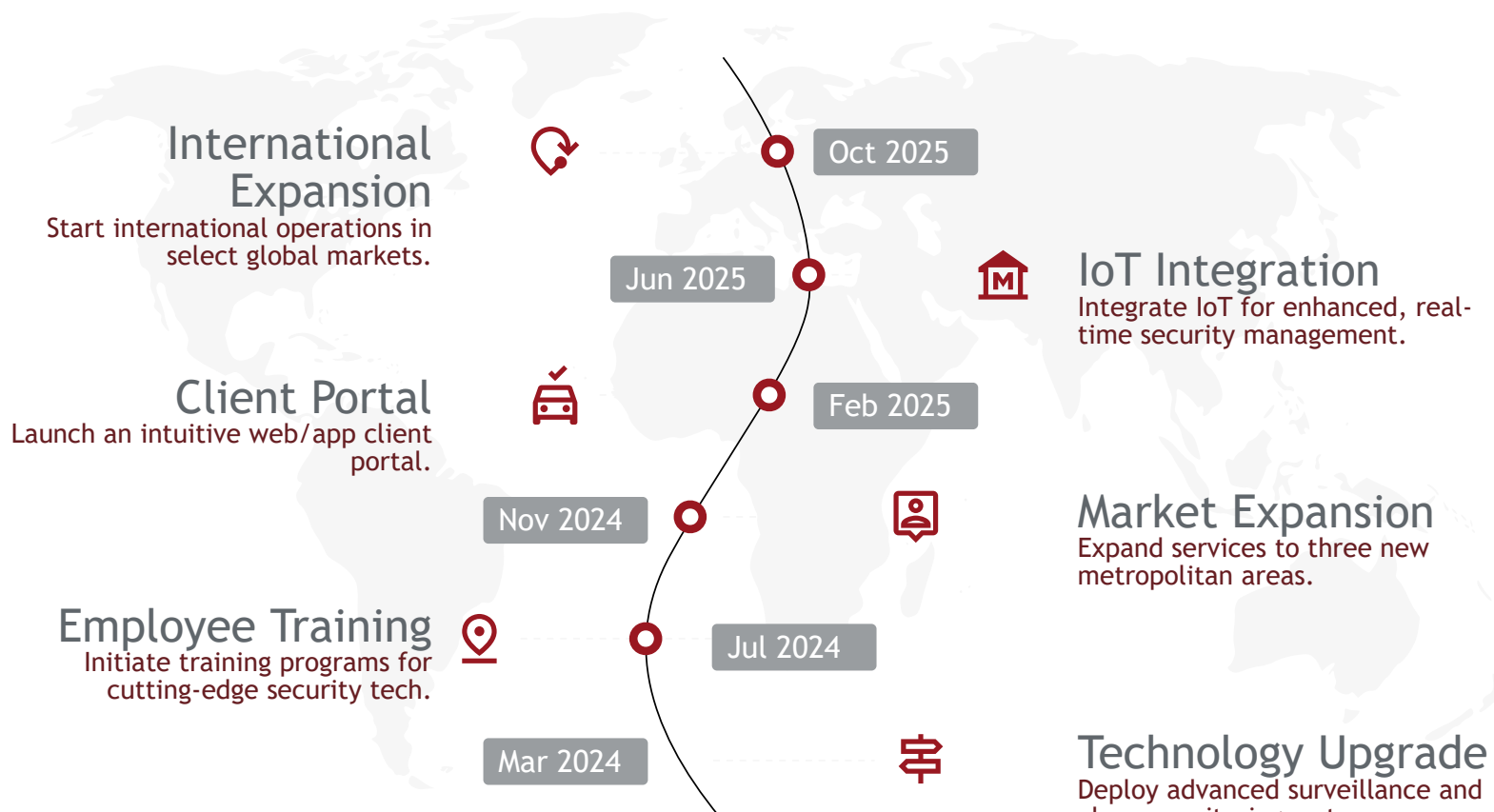
Threats



Intense competition within the industry; Rapid technological changes; Regulatory changes; Economic downturn impacting client budgets; Cybersecurity threats compromising system integrity.



History & Roadmap



Current Status.

- Upgrade technology with advanced surveillance, alarm systems by Mar 2024.
- Boost employee skills via training programs starting Jul 2024.
- Expand to three new metropolitan areas by Nov 2024.
- Launch client portal for better user experience by Feb 2025.
- Integrate IoT for real-time security management by Jun 2025.
- Commence international expansion by Oct 2025.



Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Finalize Business Plan	●	Not Started	High	CEO 2 weeks
2	Set Up Legal Structure and Register Company	●	Not Started	High	CFO 1 month
3	Develop Company Mission and Vision Statements	●	Not Started	Medium	CBO 3 weeks
4	Establish Operating Procedures and Policies	●	Not Started	High	COO 1.5 months
5	Create Detailed Financial Plan and Budget	●	Not Started	High	CFO 1 month
6	Hire Key Personnel and Form Executive Team	●	Not Started	High	CEO 2 months
7	Establish Office Space and Physical Infrastructure	●	Not Started	Medium	COO 2 months
8	Develop IT Infrastructure and Systems	●	Not Started	Medium	CTO 2 months
Marketing					
1	Develop Brand Identity and Guidelines	●	Not Started	High	CMO 1 month
2	Launch Company Website	●	Not Started	High	CMO 2 months
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Create Marketing Collateral (Brochures, Business Cards, etc.)	●	Not Started	Medium	CMO 1.5 months
5	Develop SEO and SEM Strategies	●	Not Started	High	CMO 3 months
6	Plan and Execute Email Marketing Campaigns	●	Not Started	Low	CMO 2 months
7	Create and Publish Blog Content	●	Not Started	Low	CMO Ongoing
8	Establish Partnerships with Industry Influencers	●	Not Started	Medium	CMO 4 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Recruit and train on-site security personnel	●	Not Started	High	COO	2 months
2	Install and test surveillance systems	●	Not Started	High	CTO	3 months
3	Set up alarm monitoring center	●	Not Started	High	CTO	4 months
4	Establish client trust and reliability protocols	●	Not Started	High	CSO	2 months
5	Develop and document standard operating procedures for security personnel	●	Not Started	Medium	COO	3 months
6	Create a client support and feedback system	●	Not Started	Medium	CRO	2 months
7	Negotiate contracts with key technology suppliers	●	Not Started	High	CPO	1 month
8	Implement access control systems	●	Not Started	High	CTO	3 months
Phase 2						
1	Upgrade Surveillance Systems	●	Not Started	High	CTO	2 months
2	Develop Brand Reinforcement Campaign	●	Not Started	High	CMO	3 months
3	Expand into New Geographical Markets	●	Not Started	High	COO	4 months
4	Enhance Client Relationship Management Systems	●	Not Started	Medium	CIO	2 months
5	Implement Advanced Alarm Monitoring Solutions	●	Not Started	High	CTO	3 months
6	Collaborate with Marketing Agencies to Boost Online Presence	●	Not Started	Medium	CMO	2 months
7	Conduct Market Research to Identify New Client Segments	●	Not Started	High	CRO	1 month
8	Optimize User Experience on Digital Platforms	●	Not Started	Medium	CIO	1.5 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop Cybersecurity Service Offering	●	Not Started	High	CTO 3 months
2	Integrate Mega-Battery Backup Systems	●	Not Started	Medium	COO 4 months
3	Identify Partnerships for Complementary Services	●	Not Started	High	CRO 2 months
4	Hire Specialists for Cybersecurity Division	●	Not Started	High	CSO 3 months
5	Develop Pricing Strategy for New Services	●	Not Started	Medium	CFO 2 months
6	Marketing Campaign for New Service Lines	●	Not Started	High	CMO 1 month
7	Create Technical Support Team for New Offerings	●	Not Started	Medium	CIO 3 months
8	Launch Pilot Program for Cybersecurity	●	Not Started	High	CEO 5 months
Phase 4					
1	Integrate AI-Driven Predictive Security	●	Not Started	High	CTO 6 months
2	Collaborate on Smart City Security Projects	●	Not Started	High	CEO 12 months
3	Research and Develop Biometric Security Solutions	●	Not Started	Medium	CIO 8 months
4	Partnership with Innovative Tech Firms	●	Not Started	High	CBO 5 months
5	Pilot Launch of AI-Integrated Products	●	Not Started	Medium	COO 7 months
6	Develop Predictive Analytics for Threat Detection	●	Not Started	Medium	CSO 10 months
7	Secure Funding for High-Risk Ventures	●	Not Started	High	CFO 4 months
8	Assess Legal and Privacy Implications of New Technologies	●	Not Started	Medium	CPO 6 months



Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment Malfunctions	COO	Regularly scheduled maintenance and quick response repair teams ensure equipment is working optimally and any issues are quickly addressed.
2	Inadequate Training of Security Personnel	CSO	Implement comprehensive training and continuous development programs for all security personnel to maintain high competency levels.
3	System Downtime	CTO	Deploy redundant system architecture along with 24/7 technical support to minimize downtime and ensure swift restoration of services.
4	Inconsistent Quality Control	COO	Establish stringent quality control protocols and regular audits to uphold service consistency and reliability across all operations.
5	Supply Chain Disruptions	CPO	Develop a diverse network of suppliers and maintain a strategic reserve of critical components to tackle unexpected supply chain challenges.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Local Regulations	CRO	Implement regular monitoring and audits to ensure compliance with local regulatory requirements and engage with legal advisors to stay updated on changes in laws.
2	Data Privacy Laws	CPO	Adopt rigorous data protection policies, conduct regular privacy impact assessments, and ensure data handling practices meet GDPR and other relevant privacy regulations.
3	Licensing Requirements	COO	Ensure all security personnel have the necessary licenses and certifications, and maintain a robust tracking system for renewals and compliance.
4	Labor Law Compliance	CPO	Keep updated on labor law changes and ensure that all employment practices, contracts, and worker conditions are compliant with applicable labor laws.
5	Intellectual Property Infringement	CTO	Conduct thorough IP due diligence before deploying new technologies and services, and engage legal experts to manage and enforce IP rights.



3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market competition	CEO	Continuously analyze competitors and differentiate our offerings through unique services and superior client relations.
2	Technological advancements	CTO	Invest in research and development to stay ahead of technological trends and integrate cutting-edge solutions into our service portfolio.
3	Client retention	CRO	Focus on high-quality customer service, regular feedback mechanisms, and loyalty programs to maintain strong client relationships.
4	Market entry barriers	CMO	Develop targeted marketing strategies and form strategic partnerships to facilitate smoother entry and expansion into new markets.
5	Changing customer needs	CPO	Regularly conduct market research to understand evolving client requirements and adapt service offerings accordingly.

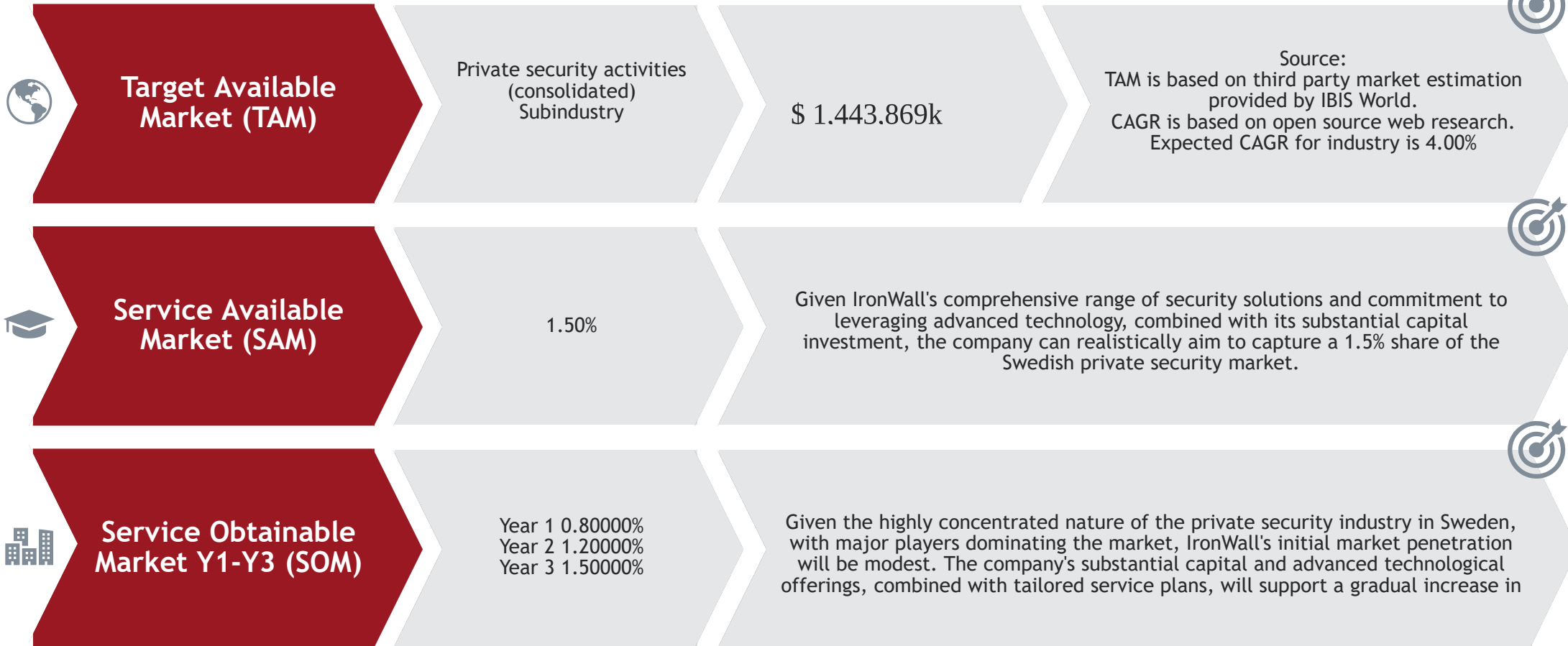
4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Capital Expenditures	CFO	Implement strict budget controls and phased investments to ensure capital expenditures align with revenue forecasts.
2	Revenue Volatility	CRO	Diversify client base and develop multi-year contracts to stabilize revenue streams.
3	Cost Overruns	COO	Establish rigorous project management procedures and detailed cost estimation frameworks.
4	Cash Flow Disruptions	CFO	Maintain a cash reserve and secure credit lines to manage periods of cash flow shortages.
5	Funding Challenges	CEO	Develop strong relationships with investors and financial institutions, and ensure transparent and consistent communication about the company's financial health and growth prospects.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Technological Obsolescence	CTO	Commit to continuous research and development to stay ahead of technological trends and regularly update systems and software.
2	Supply Chain Disruptions	COO	Develop a diversified supplier network and maintain safety stock of crucial components to mitigate potential supply chain interruptions.
3	Employee Turnover	CPO	Implement a comprehensive employee engagement and retention program, including competitive salaries, benefits, and career development opportunities.
4	Reputation Damage	CMO	Establish a robust crisis communication plan and actively monitor brand sentiment to promptly address any negative publicity or issues.
5	Cybersecurity Threats	CISO	Invest in state-of-the-art cybersecurity measures and conduct regular vulnerability assessments to secure sensitive data and systems from cyber attacks.

Market Overview (TAM, SAM and SOM)



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 4.00%



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 \$ 250k

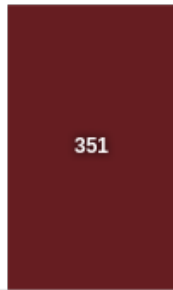
Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	55	
Payroll Expenses		16
Rent & Utilities		5
Marketing and Branding		5
Communication Expenses		3
Capex		250
Legal and Professional Fees		3
Representation and Entert.		3
Training and Development		3
Other Miscellaneous		3
Office supplies		2
CAPEX & WC shortage Y1		240
Buffer		10
Total Required Investment(thnd USD)		250



Financials Dashboard

Y3 PL formation and Margins

Revenue

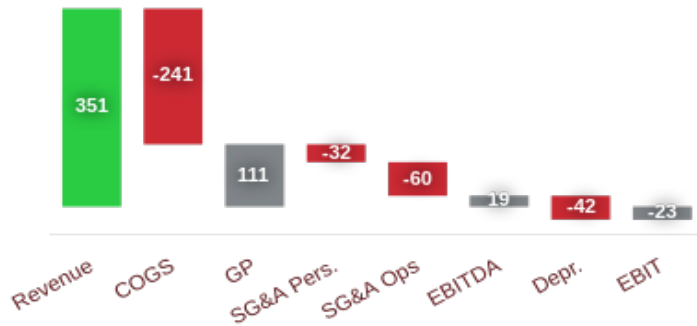


Projected Revenue

- GP 31.5%
- EBITDA 5.5%

Y3 Y3

PnL Formation (Y3 thnd USD)

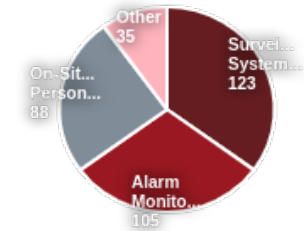
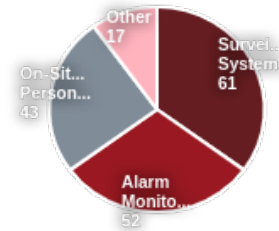


Business Line Breakdown (thnd USD)

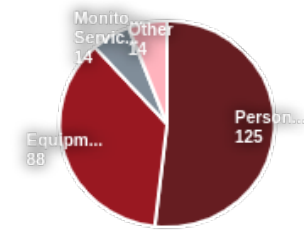
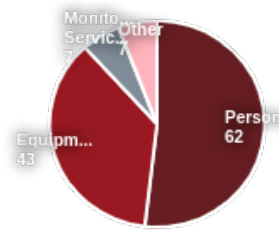
Y1

Y2

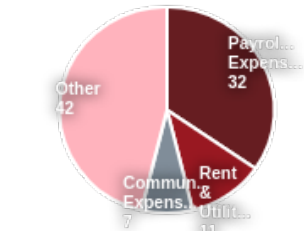
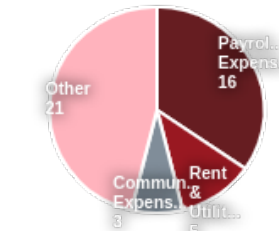
Revenue



COGS



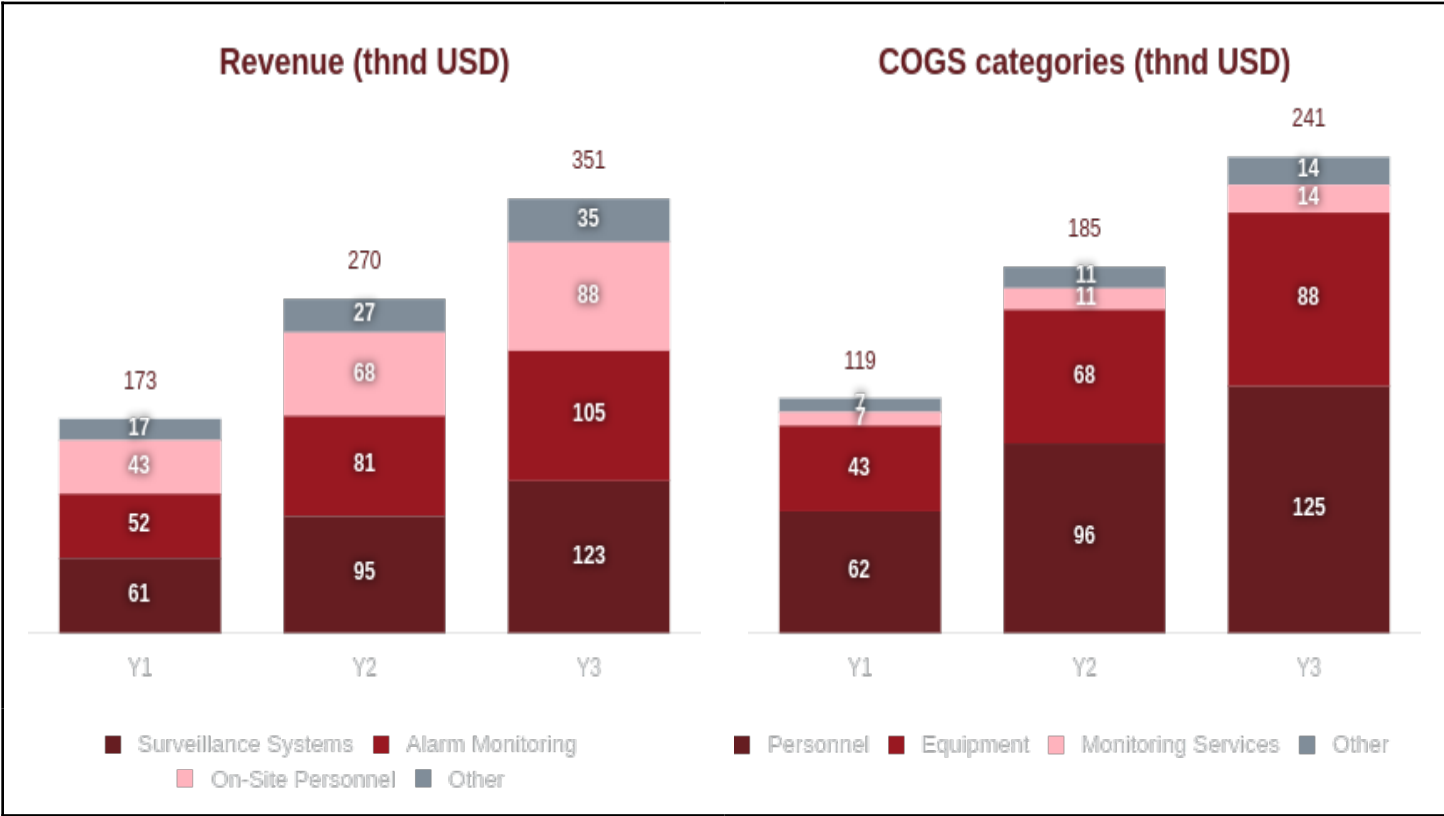
Admin



Revenue Formation Narrative

IronWall is a leading security company committed to providing top-notch security solutions for both residential and commercial clients. Utilizing cutting-edge technology and highly trained professionals, we deliver customized and effective security plans. Our comprehensive services include surveillance systems, alarm monitoring, access control, and on-site security personnel. Within the Administrative and Support Service Activities sector, IronWall operates in the Private Security Activities industry, specifically within the Security and Investigation Activities group. Our Total Addressable Market (TAM) stands at 1,443,868.803k USD . Given our robust service portfolio and advanced technology offerings, we aim to capture a 1.5% share of the Swedish private security market, amounting to our Serviceable Addressable Market (SAM) estimation. This target is supported by our considerable capital investment and technological capabilities. Our initial Serviceable Obtainable Market (SOM) estimates reflect the competitive landscape, with conservative figures due to market concentration by major players. Estimates project capturing 0.8% of the obtainable market in Year 1, leading to revenues of 173.264k USD , increasing to 1.2% in Year 2 with revenues of 270.292k USD , and reaching 1.5% in Year 3, resulting in revenues of 351.38k USD . Our revenue streams are diversified, with 35.00% from Surveillance Systems, 30.00% from Alarm Monitoring, 25.00% from On-Site Personnel, and 10.00% from other services. This diversified revenue mix underscores IronWall's strategic positioning to effectively capitalize on market opportunities while mitigating risks associated with market concentration.

\$ 351k Y3 Projected Revenue **1.20%** Market share



Revenue Calculation Details

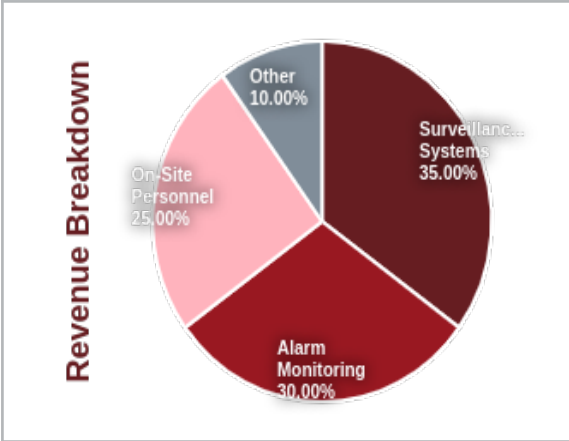
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Surveillance Systems	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Alarm Monitoring	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
On-Site Personnel	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %

Surveillance Systems	4	4	4	5	5	5	6	6	6	6	6	6	61	95	123
Alarm Monitoring	3	3	3	4	4	4	5	5	5	5	5	5	52	81	105
On-Site Personnel	3	3	3	3	3	3	4	4	4	5	5	5	43	68	88
Other	1	1	1	1	1	1	2	2	2	2	2	2	17	27	35
Total Revenue (thnd USD)	11	11	11	13	13	13	16	16	16	18	18	18	173	270	351

Total revenue is expected to reach \$ 351k by year 3.
 Main revenue driver are:

- Surveillance Systems which generates \$ 123k by Year 3
- Alarm Monitoring which generates \$ 105k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 42.41 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Personnel	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%	35.50%
Equipment	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%
Monitoring Services	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%
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%

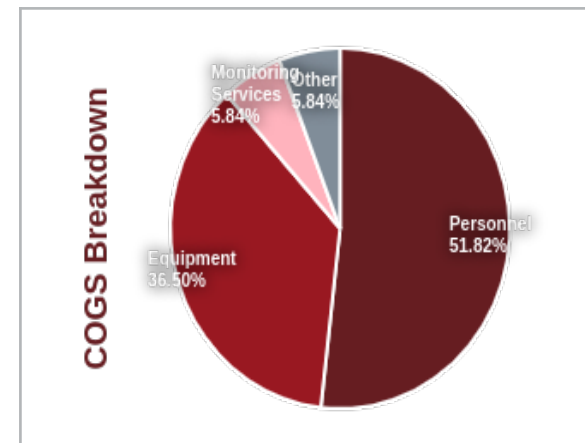
Personnel	4	4	4	5	5	5	6	6	6	6	6	6	62	96	125
Equipment	3	3	3	3	3	3	4	4	4	5	5	5	43	68	88
Monitoring Services	0	0	0	1	1	1	1	1	1	1	1	1	7	11	14
Other	0	0	0	1	1	1	1	1	1	1	1	1	7	11	14
Total COGS (thnd USD)	7	7	7	9	9	9	11	11	11	12	12	12	119	185	241

Total COGS is expected to reach \$ 241k by year 3.

Main revenue driver are:

- Personnel which generates \$ 125k by Year 3
- Equipment which generates \$ 88k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 42.41 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Rent & Utilities	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Communication Expenses	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	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%
Marketing and Branding	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%
Representation and Entertainment	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%
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	2.00%	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%

Payroll Expenses	1	1	1	1	1	1	1	1	1	2	2	2	16	24	32
Rent & Utilities	0	0	0	0	0	0	0	0	0	1	1	1	5	8	11
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	2	3	4
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Marketing and Branding	0	0	0	0	0	0	0	0	0	1	1	1	5	8	11
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Total SG&A (thnd USD)	3	3	3	3	3	3	4	4	4	5	5	5	45	70	91



PaT Expectations

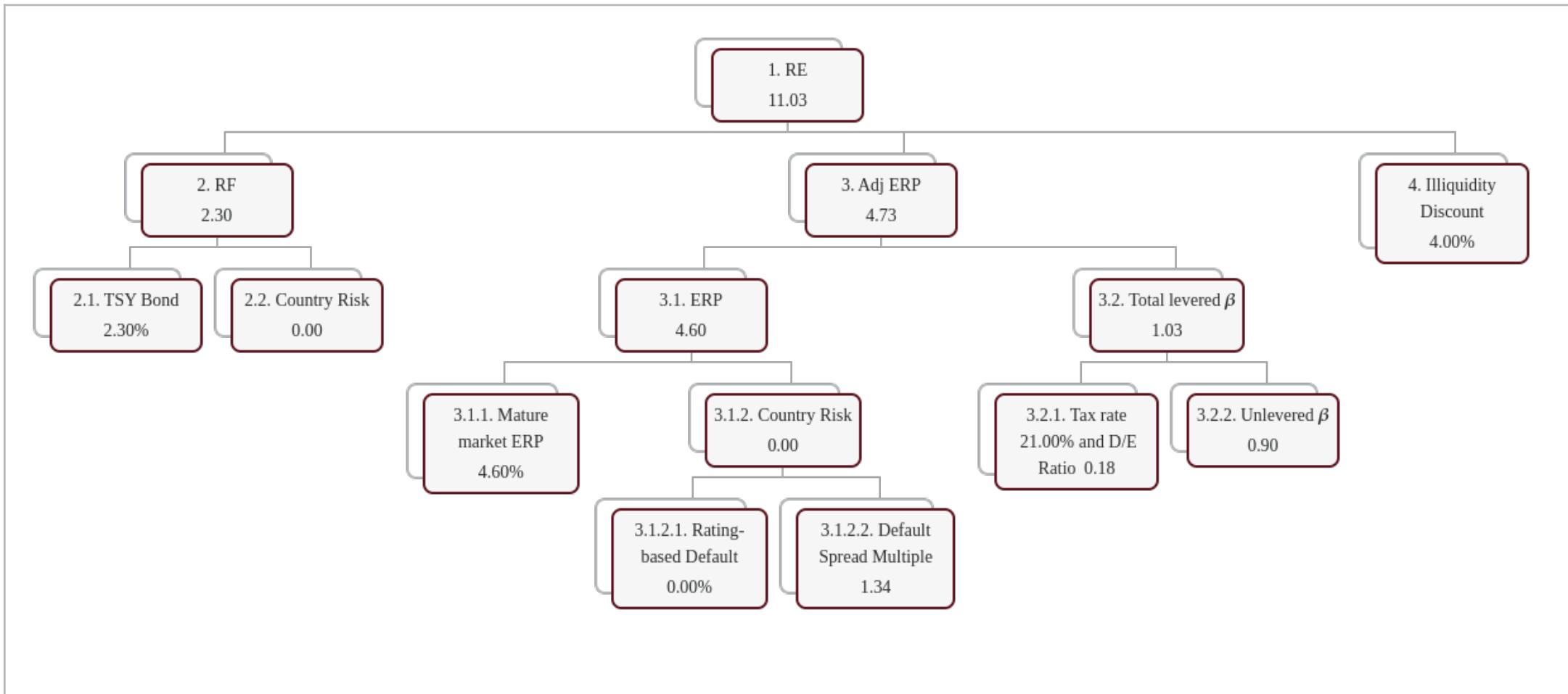
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	11	11	11	13	13	13	16	16	16	18	18	18	173	270	351
Surveillance Systems	4	4	4	5	5	5	6	6	6	6	6	6	61	95	123
Alarm Monitoring	3	3	3	4	4	4	5	5	5	5	5	5	52	81	105
On-Site Personnel	3	3	3	3	3	3	4	4	4	5	5	5	43	68	88
Other	1	1	1	1	1	1	2	2	2	2	2	2	17	27	35
COGS	-7	-7	-7	-9	-9	-9	-11	-11	-11	-12	-12	-12	-119	-185	-241
Personnel	-4	-4	-4	-5	-5	-5	-6	-6	-6	-6	-6	-6	-62	-96	-125
Equipment	-3	-3	-3	-3	-3	-3	-4	-4	-4	-5	-5	-5	-43	-68	-88
Monitoring Services	-0	-0	-0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-7	-11	-14
Other	-0	-0	-0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-7	-11	-14
Gross Profit	3	3	3	4	4	4	5	5	5	6	6	6	55	85	111
SG&A Personal Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	-16	-24	-32
SG&A Operating Expenses	-2	-2	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	-29	-46	-60
EBITDA	1	1	1	1	1	1	1	1	1	1	1	1	10	15	19
Depreciation	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-42	-42	-42
EBIT	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-33	-27	-23
Interest Expense	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-2	-2	-2
Profit before Tax	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-34	-29	-25
Tax	1	1	1	1	1	1	1	1	1	1	1	1	7	6	5
Profit after Tax (thnd USD)	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-27	-23	-19



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	-27	-23	-19	-20	-21	-22	-23
	Growth% Y4-Y7				4.00%	4.00%	4.00%	4.00%
	Growth% Y7 -->	3.50%						
	WACC	11.03%						
	PV Y1-Y7 at Y0	-24	-19	-14	-13	-12	-12	-11
	PV Y7 --> Y0	-150						
	NPV (thnd USD)	-256						

Average Survival Rate for 3 Years 50%

Final Valuation -\$ 128k

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 11.03 % 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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