

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

SolidBuild's mission is to enhance the quality of life by providing high-quality, reliable building solutions across residential, commercial, and industrial sectors. We strive to deliver comprehensive construction services, including project management, design-build solutions, and general contracting, with a focus on excellence, efficiency, and client satisfaction. By prioritizing transparent communication, meticulous attention to detail, and adherence to the highest standards of safety and craftsmanship, we aim to transform visions into durable, functional spaces that stand the test of time.

Our Vision

SolidBuild envisions a future where our innovative, dependable, and high-quality building solutions set the benchmark for the construction industry. Our aspiration is to be recognized globally for transforming client visions into reality through sustainable and efficient practices. In twenty years, we aim to have created numerous iconic structures that not only meet but exceed the expectations of our clients, whilst continually advancing the standards of safety, craftsmanship, and environmental responsibility in the construction sector.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 3,988,466

Revenue

\$ 757,809

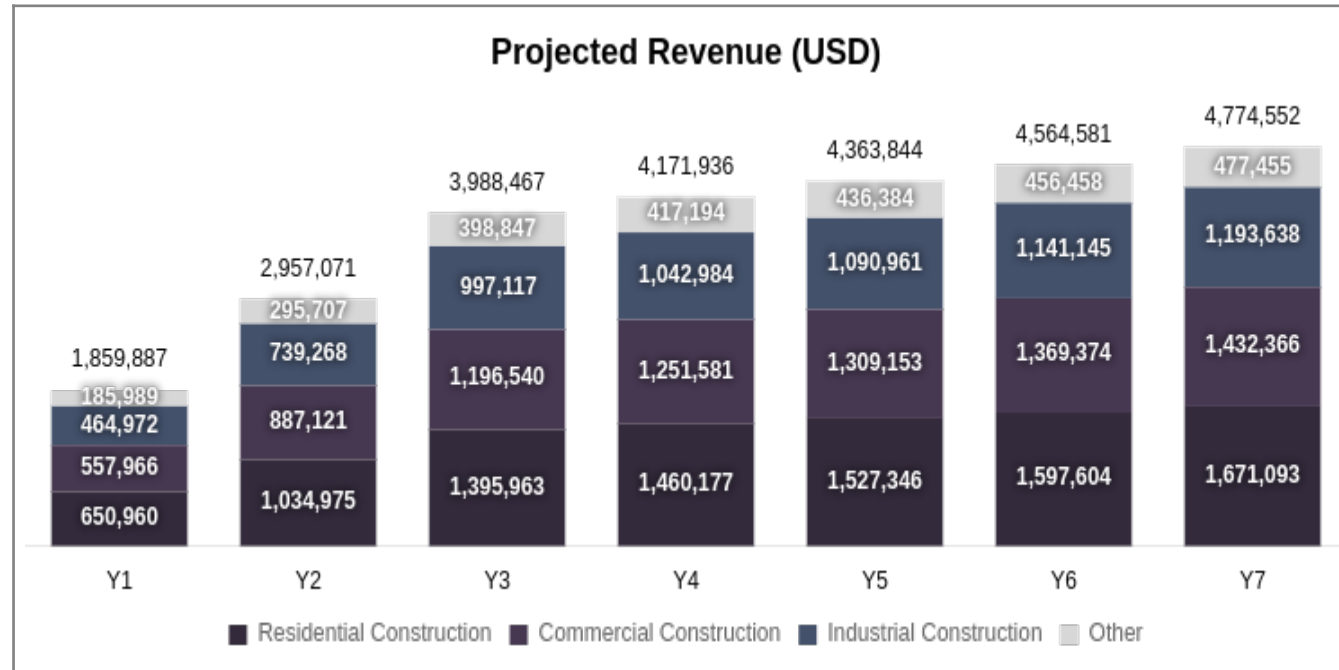
Gross Profit

\$ 448,702

EBITDA

0.01%

Target Market Share

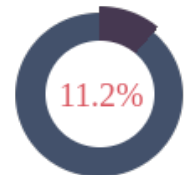


Margins
(Stabilized by Y3)

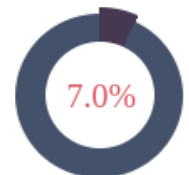
GP Margin



EBITDA Margin



PbT Margin



Project Phases



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

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

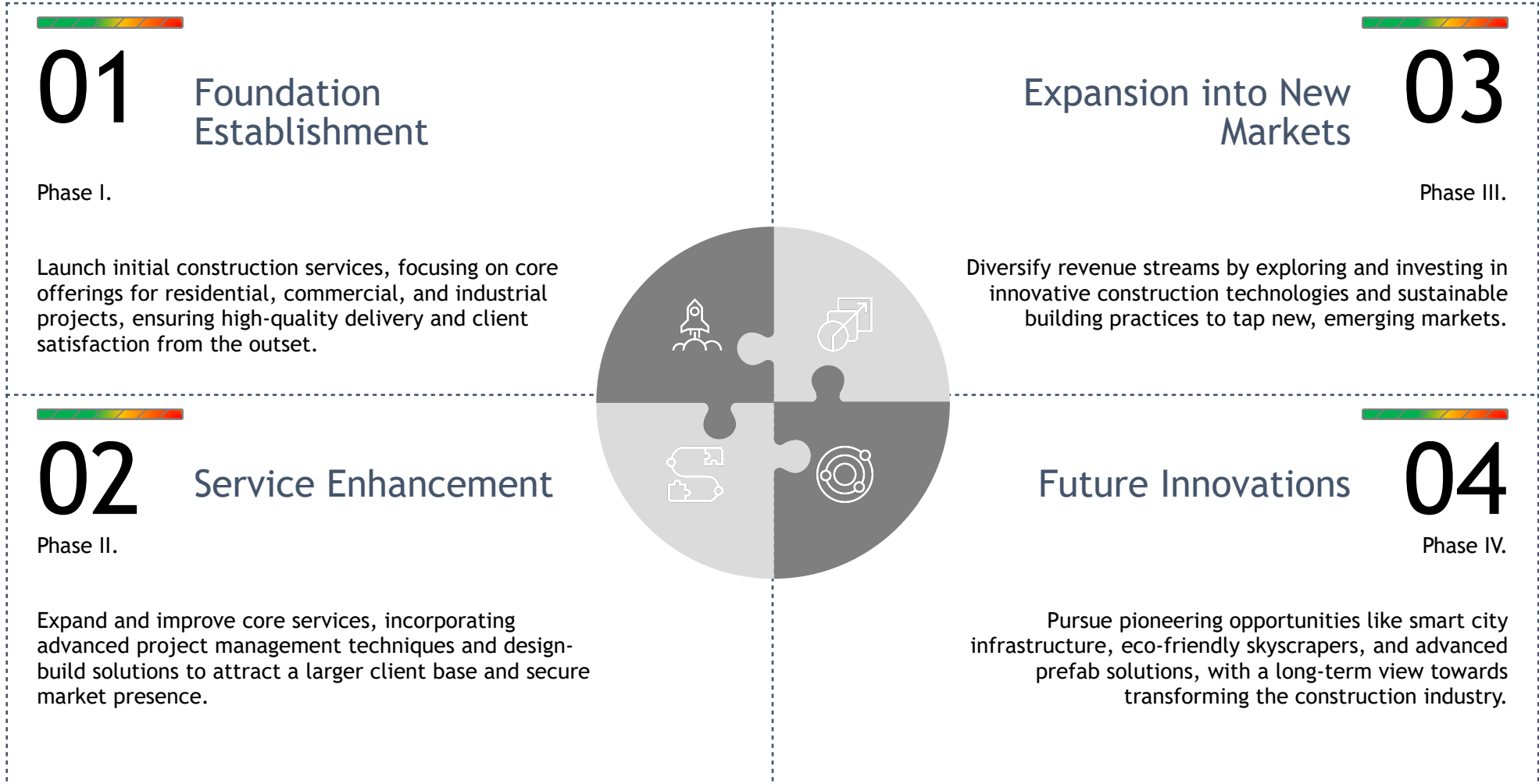


About the Company: General Overview



SolidBuild is a leading construction firm specializing in delivering high-quality, reliable building solutions for residential, commercial, and industrial projects. Our team of experienced professionals is dedicated to providing comprehensive construction services, including project management, design-build solutions, and general contracting, all with a focus on excellence and efficiency. At SolidBuild, we prioritize client satisfaction through transparent communication, meticulous attention to detail, and adherence to the highest standards of safety and craftsmanship. With a commitment to on-time and within-budget delivery, SolidBuild transforms visions into durable, functional spaces that stand the test of time.

The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

| Main Stakeholder | Product Benefits |
|---|--|
| Clients | <ol style="list-style-type: none"> 1. Reliable and high-quality building solutions tailored to their specific needs. 2. Comprehensive project management ensuring on-time and within-budget delivery. 3. Transparent communication and exceptional client satisfaction throughout the project lifecycle. |
| Employees | <ol style="list-style-type: none"> 1. Professional development and career growth opportunities through diverse and challenging projects. 2. Safe and supportive work environment adhering to strict safety standards. 3. Engagement in innovative construction practices and cutting-edge technologies. |
| Suppliers | <ol style="list-style-type: none"> 1. Consistent and long-term partnership opportunities based on trust and mutual benefit. 2. Timely and regular orders contributing to business growth and stability. 3. Collaboration on sustainable sourcing practices and eco-friendly materials. |
| Local Communities | <ol style="list-style-type: none"> 1. Economic growth through job creation and local business support. 2. Development of functional and aesthetic infrastructures enhancing community living standards. 3. Implementation of environmentally sustainable construction practices reducing local ecological impact. |
| Investors | <ol style="list-style-type: none"> 1. Attractive returns on investment through diversified and innovative project portfolios. 2. Stable revenue streams via high-quality construction projects in various markets. 3. Strategic growth and market expansion increasing long-term shareholder value. |
| Government and Regulatory Bodies | <ol style="list-style-type: none"> 1. Compliance with all relevant building codes, regulations, and standards. 2. Contributions to the local and national economy through large-scale construction projects. 3. Support for initiatives promoting sustainable and eco-friendly construction practices. |
| Industry Partners | <ol style="list-style-type: none"> 1. Collaboration on joint ventures and strategic projects for mutual growth. 2. Sharing of best practices and innovative technologies improving industry standards. 3. Strengthened industry network fostering new business opportunities and partnerships. |

Key Performance Components

Competitive Advantage

Experienced Professionals

SolidBuild boasts a team of seasoned experts dedicated to delivering high-quality construction and project management services, ensuring client satisfaction through their knowledge and expertise.

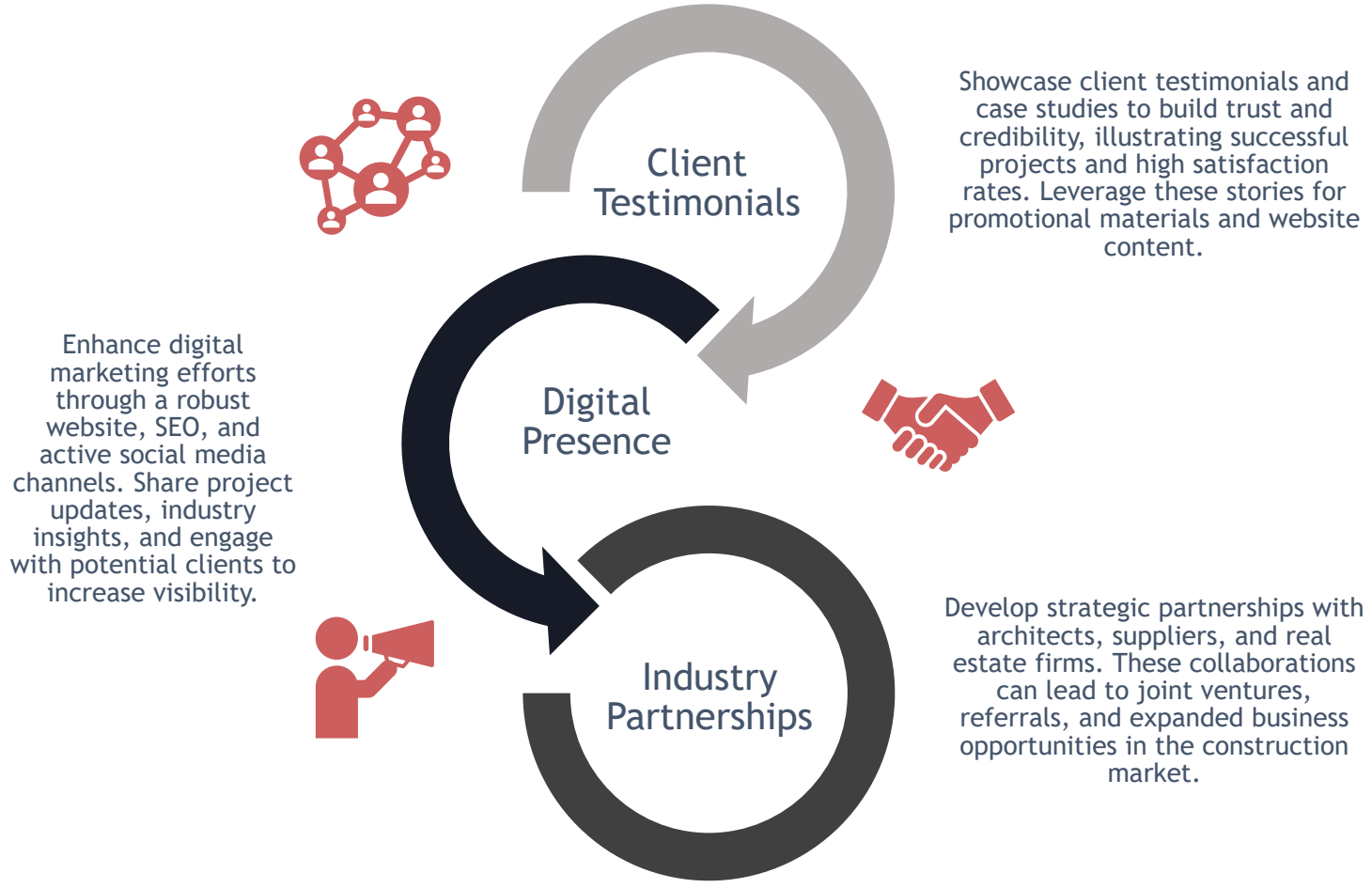
Comprehensive Services

The company offers extensive services, from design-build solutions to general contracting, providing clients with a one-stop solution for all their construction needs.








Client-Focused Approach

SolidBuild prioritizes client satisfaction through transparent communication, meticulous attention to detail, and adherence to stringent safety and craftsmanship standards, ensuring durable and functional spaces.

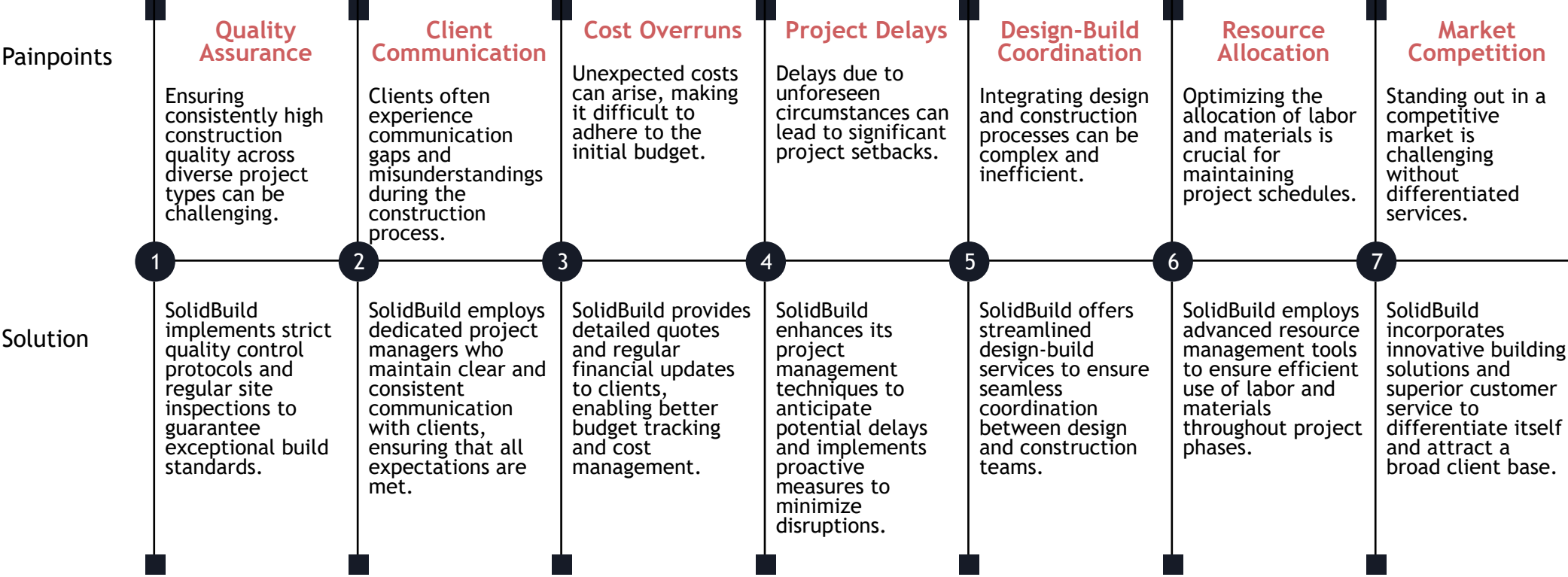
Marketing and Growth Strategy



Target Groups


| | Industries | Description |
|-----|---|---|
| I |  Homeowners | Individuals looking to construct or renovate residential properties, seeking high-quality and reliable building solutions to create their ideal homes. |
| II |  Commercial Developers | Businesses and investors involved in developing commercial properties such as office buildings, retail spaces, and mixed-use developments requiring expert construction services. |
| III |  Industrial Clients | Manufacturing and industrial companies needing robust and efficient facilities, including warehouses, factories, and distribution centers, built to support their operations. |
| IV |  Architects and Designers | Professionals seeking a reliable construction partner to collaborate on innovative and aesthetically pleasing building projects for their clients. |
| V |  Real Estate Developers | Entities responsible for large-scale real estate projects looking for comprehensive construction services from initial planning through to project completion. |
| VI |  Government and Public Sector | Public agencies and governmental bodies in need of construction services for infrastructure projects including schools, hospitals, and public buildings. |
| VII |  Project Management Firms | Companies specializing in managing construction projects that require experienced contractors to execute their plans with efficiency and precision. |

Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength



Experienced team ensures high-quality, reliable construction solutions. Comprehensive services including project management, design-build, and general contracting. Strong focus on client satisfaction through transparent communication. High standards of safety and craftsmanship. Proven track record of on-time, within-budget project delivery.

Weaknesses




Potential over-reliance on a few key clients or projects. The high cost of maintaining skilled labor force. Possible delays due to stringent quality control processes. Challenges in adapting to evolving construction technologies. Limited geographical footprint may restrict market expansion.

Opportunities



Expansion into emerging markets with growing construction demands. Adoption of cutting-edge construction technologies and sustainable practices. Increase market share through strategic partnerships and acquisitions. Diversification into new types of projects and services. Capitalize on digital marketing and online project management tools.

Threats



Economic downturns impacting construction funding and project viability. Rising material costs affecting budget adherence. Increasing competition from other construction firms. Regulatory changes and compliance issues. Natural disasters and unforeseen site-related challenges.

Management Team

Overview

Johan leads SolidBuild with a focus on sustainable construction practices, delivering high-quality projects on time and within budget.



Co-Founder & CEO

Isabelle Dupuis



Co-Founder & Project Manager

Overview

Isabelle oversees project timelines and ensures that all construction projects meet the highest safety and quality standards

Overview

Thomas ensures the smooth running of daily operations, coordinating logistics, and managing construction sites to keep projects on track.



Operations Manager

Sophie Laurent



Client Relations Manager

Overview

Sophie manages client communications, ensuring expectations are met and providing exceptional service throughout the construction process.



History & Roadmap



Current Status.

- Strategic planning slated for Feb 2024.
- Technology integration by Jun 2024 to boost efficiency.
- Market expansion plans for Oct 2024, targeting new regions.
- Sustainability practices to roll out by Mar 2025.
- Client relationship improvement initiatives by Aug 2025.
- Workforce development programs by Jan 2026.

Organizational and Marketing Tasks

| # | Check List Item | Status | Priority | Area | ETA |
|--|--|---------------|----------|------|----------|
| General Planning and Organization | | | | | |
| 1 | Define company mission, vision, and values | ● Not Started | High | CEO | 2 weeks |
| 2 | Register business and obtain necessary licenses | ● Not Started | High | COO | 1 month |
| 3 | Establish the organizational structure | ● Not Started | High | COO | 3 weeks |
| 4 | Set up office space and infrastructure | ● Not Started | Medium | CFO | 2 months |
| 5 | Develop a business plan | ● Not Started | High | CEO | 1 month |
| 6 | Create an initial budget and financial plan | ● Not Started | High | CFO | 1 month |
| 7 | Establish key strategic partnerships | ● Not Started | Medium | CBO | 3 months |
| 8 | Set up legal and compliance framework | ● Not Started | High | CSO | 1 month |
| Marketing | | | | | |
| 1 | Develop and Launch Brand Identity | ● Not Started | High | CMO | 2 months |
| 2 | Create a Comprehensive Marketing Plan | ● Not Started | High | CMO | 1 month |
| 3 | Establish Social Media Presence | ● Not Started | Medium | CMO | 1 month |
| 4 | Launch Company Website | ● Not Started | High | CMO | 1 month |
| 5 | Implement SEO and SEM Strategies | ● Not Started | High | CTO | 2 months |
| 6 | Develop Content Marketing Strategy | ● Not Started | Medium | CMO | 3 months |
| 7 | Establish Partnerships with Industry Influencers | ● Not Started | Medium | CRO | 3 months |
| 8 | Design and Launch Initial Advertising Campaigns | ● Not Started | High | CMO | 1 month |

Overview of Phases

| # | Check List Item | Status | Priority | Area | ETA |
|---|--|---------------|----------|------|------------|
| Phase 1 & Technical Set Up for next Phases | | | | | |
| 1 | Finalize business plan | ● Not Started | High | CEO | 2 weeks |
| 2 | Secure initial project contracts | ● Not Started | High | CRO | 1 month |
| 3 | Establish vendor and supplier relationships | ● Not Started | High | COO | 3 weeks |
| 4 | Recruit key project management team members | ● Not Started | High | CPO | 1 month |
| 5 | Set up project management tools and systems | ● Not Started | Medium | CTO | 1.5 months |
| 6 | Develop safety protocols and training programs | ● Not Started | High | CSO | 3 weeks |
| 7 | Implement quality control measures | ● Not Started | High | COO | 2 weeks |
| 8 | Launch initial marketing campaign | ● Not Started | Medium | CMO | 1 month |
| Phase 2 | | | | | |
| 1 | Incorporate advanced project management software | ● Not Started | High | CTO | 3 months |
| 2 | Develop comprehensive design-build solutions | ● Not Started | High | CPO | 4 months |
| 3 | Revamp quality assurance processes | ● Not Started | Medium | COO | 2 months |
| 4 | Enhance client relationship management | ● Not Started | Medium | CMO | 1 month |
| 5 | Expand project portfolio diversification | ● Not Started | High | CRO | 6 months |
| 6 | Upgrade workforce training programs | ● Not Started | Medium | COO | 3 months |
| 7 | Introduce green building practices | ● Not Started | High | CSO | 5 months |
| 8 | Bolster marketing efforts to highlight enhanced services | ● Not Started | Medium | CMO | 2 months |

Overview of Phases

| # | Check List Item | Status | Priority | Area | ETA |
|----------------|--|--------|-------------|--------|-----------------|
| Phase 3 | | | | | |
| 1 | Research Emerging Construction Technologies | ● | Not Started | High | CTO 3 months |
| 2 | Identify Sustainable Building Practices | ● | Not Started | High | CPO 2 months |
| 3 | Develop Partnerships with Tech Innovators | ● | Not Started | Medium | CRO 4 months |
| 4 | Pilot New Construction Techniques | ● | Not Started | High | COO 6 months |
| 5 | Secure Funding for Innovative Projects | ● | Not Started | High | CFO 3 months |
| 6 | Market New Capabilities to Potential Clients | ● | Not Started | Medium | CMO 5 months |
| 7 | Attend Industry Conferences on Innovation | ● | Not Started | Low | CSO 2 months |
| 8 | Evaluate Pilot Results and Implement Best Practices | ● | Not Started | High | COO 1 year |
| Phase 4 | | | | | |
| 1 | Research and Develop Smart City Infrastructure Solutions | ● | Not Started | High | CTO 6 months |
| 2 | Pilot Project for Eco-Friendly Skyscraper | ● | Not Started | High | COO 8 months |
| 3 | Form Strategic Partnerships with Green Tech Firms | ● | Not Started | Medium | CBO 4 months |
| 4 | Implement Advanced Prefab Building Techniques | ● | Not Started | High | CPO 5 months |
| 5 | Secure Funding for Innovation Projects | ● | Not Started | High | CFO 3 months |
| 6 | Develop Marketing Campaign for Innovative Solutions | ● | Not Started | Medium | CMO 6 months |
| 7 | Review and Adapt Safety Protocols for New Technologies | ● | Not Started | High | CSO 2 months |
| 8 | Establish R&D Division Focused on Future Innovations | ● | Not Started | Medium | CEO 1 month |

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

| # | Risk Type | Area | Mitigation Strategy |
|---|--------------------------|------|--|
| 1 | Equipment Downtime | COO | Implement regular maintenance schedules and quick-response repair teams. |
| 2 | Supply Chain Disruption | CPO | Diversify supplier base and maintain buffer inventory. |
| 3 | Labor Shortages | COO | Develop strong relationships with labor unions and invest in workforce training. |
| 4 | Quality Control Failures | CSO | Implement stringent quality checks and audits. |
| 5 | Project Delays | COO | Use advanced project management tools for efficient planning and tracking. |

2. Regulatory and legal risks

| # | Risk Type | Area | Mitigation Strategy |
|---|--------------------------------|------|---|
| 1 | Compliance with Building Codes | COO | Regularly update training programs for staff on current building codes and ensure rigorous inspection protocols are in place. |
| 2 | Permit Acquisition | CPO | Develop a streamlined process for acquiring necessary permits and maintain strong relationships with local regulatory bodies. |
| 3 | Health and Safety Regulations | COO | Conduct regular safety training sessions and ensure compliance with Occupational Safety and Health Administration (OSHA) standards. |
| 4 | Labor Laws and Regulations | CFO | Ensure all employment practices are compliant with local labor laws and provide ongoing education on labor law updates to HR personnel. |

3. Strategic/Market Risk

| # | Risk Type | Area | Mitigation Strategy |
|---|--------------------------|------|--|
| 1 | Market Competition | CEO | Focus on innovation and quality |
| 2 | Economic Downturns | CFO | Diversify financial portfolios |
| 3 | Client Satisfaction | COO | Enhance client communication |
| 4 | Emerging Technologies | CTO | Invest in R&D |
| 5 | Supply Chain Disruptions | CSO | Develop alternative supplier relationships |

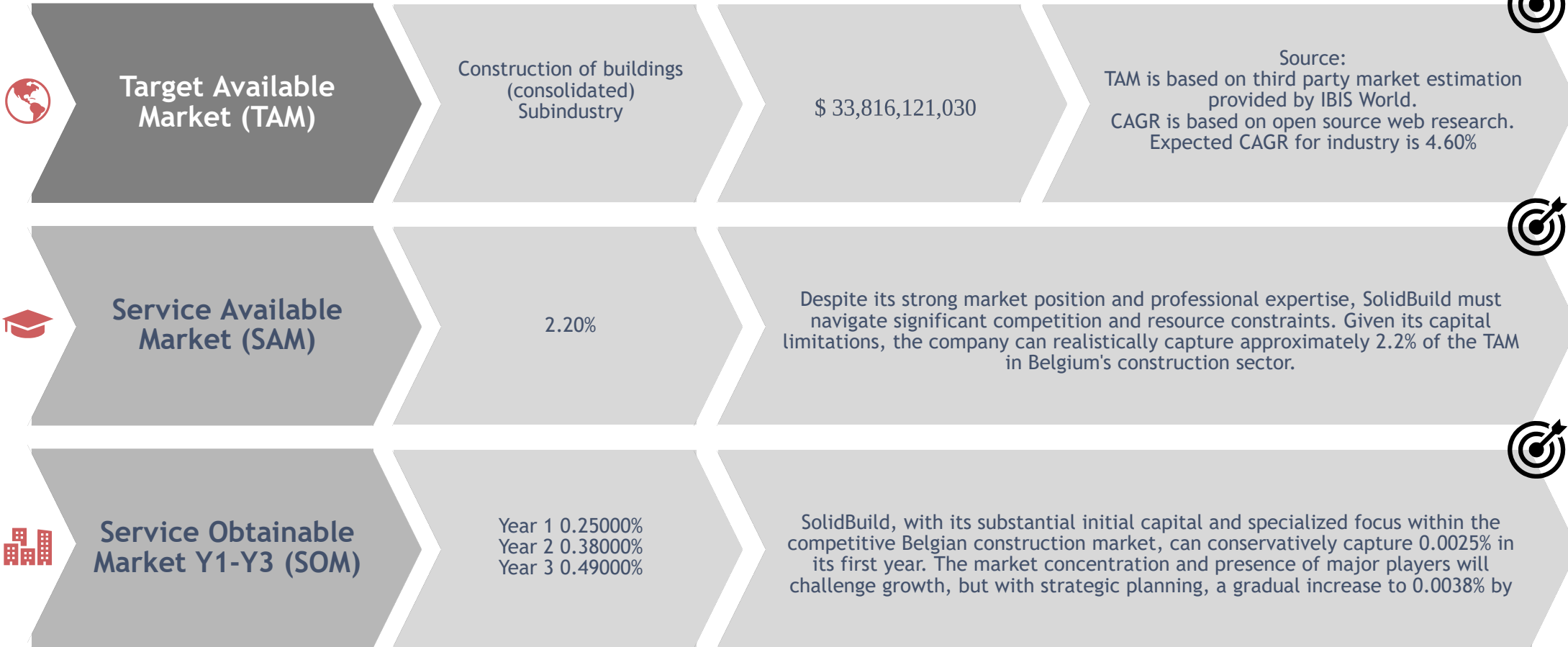
4. Finance risk

| # | Risk Type | Area | Mitigation Strategy |
|---|------------------------|------|--|
| 1 | Project Cost Overruns | CFO | Implement strict budget controls and regular cost reviews |
| 2 | Cash Flow Issues | CFO | Maintain emergency reserve funds and optimize cash flow cycles |
| 3 | Credit Risk | CRO | Conduct thorough credit assessments and secure collateral |
| 4 | Market Fluctuations | CEO | Diversify client base and offer flexible pricing |
| 5 | Financing Availability | CFO | Establish strong banking relationships and alternative financing options |

5. Other general risk

| # | Risk Type | Area | Mitigation Strategy |
|---|---------------------------|------|---|
| 1 | Talent Retention | CHRO | Offer competitive salaries and development opportunities. |
| 2 | Economic Downturns | CFO | Maintain diversified project portfolio and reserve funds. |
| 3 | Vendor Reliability | COO | Build strong relationships and have backup suppliers. |
| 4 | Client Demand Fluctuation | CEO | Analyze market trends and adjust service offerings. |
| 5 | Cybersecurity Threats | CIO | Implement strong cybersecurity measures and regular audits. |

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.

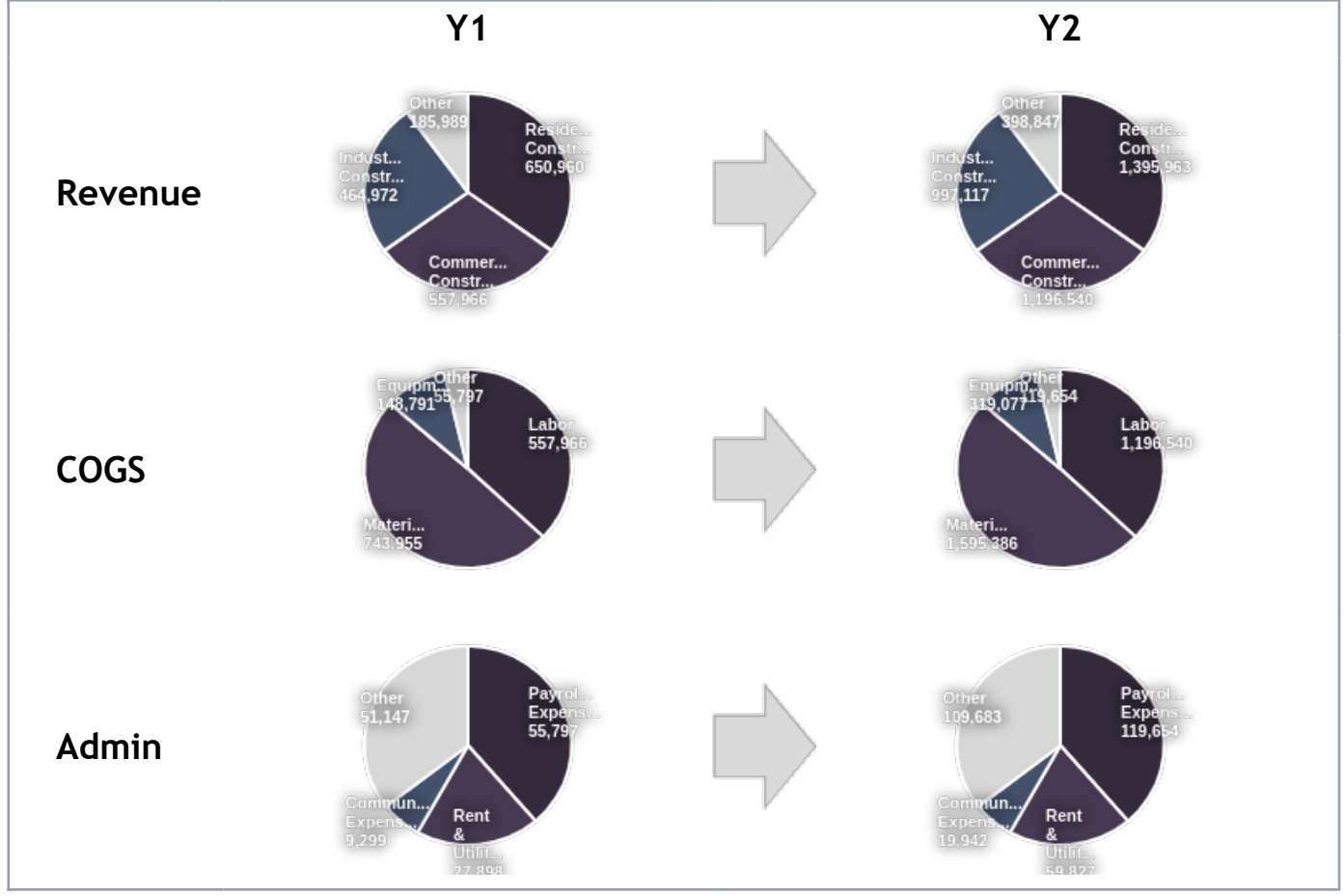
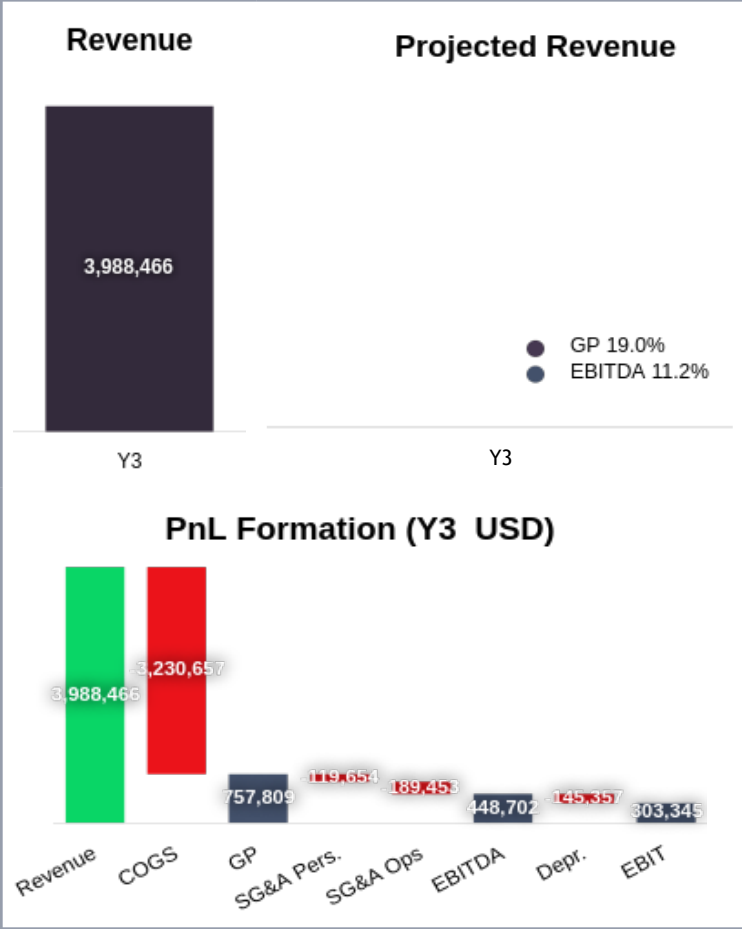
The total investment required is \$ 1,500,000

| Y1 Cash Flow Stream(USD) | Inflows | Outflows |
|---------------------------------------|---------|------------------|
| Gross Profit | 353,378 | |
| Payroll Expenses | | 55,797 |
| Rent & Utilities | | 27,898 |
| Legal and Professional Fees | | 13,949 |
| Marketing and Branding | | 13,949 |
| Capex | | 1,350,000 |
| Communication Expenses | | 9,299 |
| Representation and Entert. | | 9,299 |
| Office supplies | | 4,650 |
| Training and Development | | 4,650 |
| Other Miscellaneous | | 4,650 |
| CAPEX & WC shortage Y1 | | 1,140,763 |
| Buffer | | 359,237 |
| Total Required Investment(USD) | | 1,500,000 |



Y3 PL formation and Margins

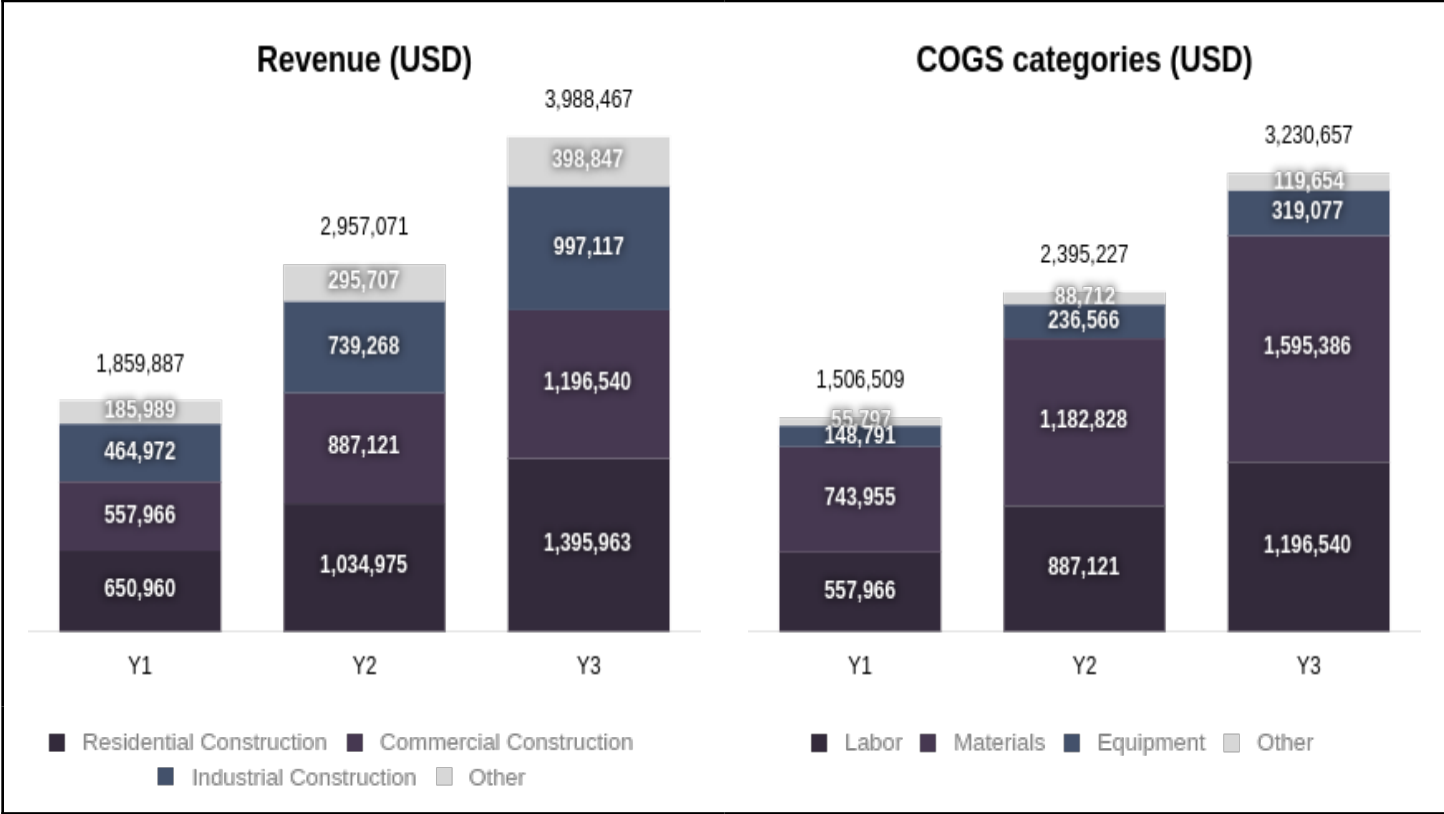
Business Line Breakdown (USD)



Revenue Formation Narrative

SolidBuild, a premier construction firm specializing in residential, commercial, and industrial projects, has established itself as a leader in delivering high-quality building solutions. With a focus on excellence, client satisfaction, and adherence to safety and craftsmanship standards, SolidBuild serves the competitive Belgian construction market. The Total Addressable Market (TAM) for construction in Belgium is valued at 33,816,121,030 USD. Despite significant competition, SolidBuild's strong market position and professional expertise allow it to realistically capture approximately 2.2% of this TAM, as detailed in our Serviceable Addressable Market (SAM) narrative. This equates to successfully navigating resource constraints and a highly competitive environment. For our Serviceable Obtainable Market (SOM), we estimate an initial market capture of 0.0025% in year one, translating to a revenue forecast of 1,859,886.657 USD. With strategic planning and a strong focus on market penetration, SolidBuild aims to increase this to 0.0038% in year two, resulting in 2,957,070.993 USD in revenue, and to 0.0049% in year three, with projected revenues of 3,988,466.228 USD. Our revenue streams are diversified across four main lines of business: Residential Construction (35%), Commercial Construction (30%), Industrial Construction (25%), and Other services (10%). SolidBuild's commitment to providing comprehensive construction solutions ensures that these revenue targets are achievable by leveraging the company's strengths in project management and high-quality service delivery.

\$ 3,988,466 Y3 Projected Revenue **0.01%** Market share



Revenue Calculation Details

| Revenue Formation | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Y1 | Y2 | Y3 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Residential Construction | 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% |
| Commercial Construction | 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% |
| Industrial Construction | 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 | 10.00% | 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% |

| | | | | | | | | | | | | | | | |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|-----------|-----------|
| Residential Construction | 40,685 | 40,685 | 40,685 | 48,822 | 48,822 | 48,822 | 59,671 | 59,671 | 59,671 | 67,808 | 67,808 | 67,808 | 650,960 | 1,034,975 | 1,395,963 |
| Commercial Construction | 34,873 | 34,873 | 34,873 | 41,847 | 41,847 | 41,847 | 51,147 | 51,147 | 51,147 | 58,121 | 58,121 | 58,121 | 557,966 | 887,121 | 1,196,540 |
| Industrial Construction | 29,061 | 29,061 | 29,061 | 34,873 | 34,873 | 34,873 | 42,622 | 42,622 | 42,622 | 48,435 | 48,435 | 48,435 | 464,972 | 739,268 | 997,117 |
| Other | 11,624 | 11,624 | 11,624 | 13,949 | 13,949 | 13,949 | 17,049 | 17,049 | 17,049 | 19,374 | 19,374 | 19,374 | 185,989 | 295,707 | 398,847 |

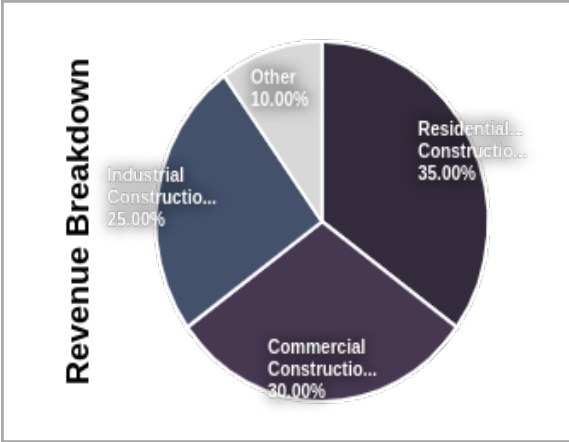
| | | | | | | | | | | | | | | | |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Total Revenue (USD) | 116,243 | 116,243 | 116,243 | 139,491 | 139,491 | 139,491 | 170,490 | 170,490 | 170,490 | 193,738 | 193,738 | 193,738 | 1,859,887 | 2,957,071 | 3,988,466 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|

Total revenue is expected to reach \$ 3,988,466 by year 3.

Main revenue driver are:

- Residential Construction which generates \$ 1,395,963 by Year 3
- Commercial Construction which generates \$ 1,196,540 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 46.44 %



COGS Calculation Details

| COGS Formation | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Y1 | Y2 | Y3 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Labor | 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% |
| Materials | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% | 40.00% |
| Equipment | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |
| Other | 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% |

| | | | | | | | | | | | | | | | |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|-----------|-----------|
| Labor | 34,873 | 34,873 | 34,873 | 41,847 | 41,847 | 41,847 | 51,147 | 51,147 | 51,147 | 58,121 | 58,121 | 58,121 | 557,966 | 887,121 | 1,196,540 |
| Materials | 46,497 | 46,497 | 46,497 | 55,797 | 55,797 | 55,797 | 68,196 | 68,196 | 68,196 | 77,495 | 77,495 | 77,495 | 743,955 | 1,182,828 | 1,595,386 |
| Equipment | 9,299 | 9,299 | 9,299 | 11,159 | 11,159 | 11,159 | 13,639 | 13,639 | 13,639 | 15,499 | 15,499 | 15,499 | 148,791 | 236,566 | 319,077 |
| Other | 3,487 | 3,487 | 3,487 | 4,185 | 4,185 | 4,185 | 5,115 | 5,115 | 5,115 | 5,812 | 5,812 | 5,812 | 55,797 | 88,712 | 119,654 |

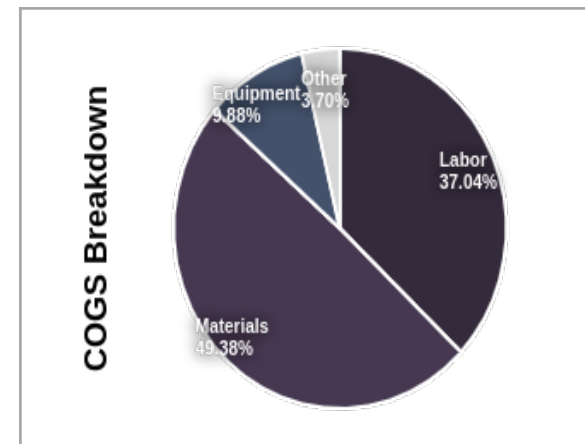
| | | | | | | | | | | | | | | | |
|-------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Total COGS (USD) | 94,157 | 94,157 | 94,157 | 112,988 | 112,988 | 112,988 | 138,097 | 138,097 | 138,097 | 156,928 | 156,928 | 156,928 | 1,506,508 | 2,395,228 | 3,230,658 |
|-------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|

Total COGS is expected to reach \$ 3,230,658 by year 3.

Main revenue driver are:

- Materials which generates \$ 1,595,386 by Year 3
- Labor which generates \$ 1,196,540 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 46.44 %



SG&A Calculation Details

| OPEX Formation | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Y1 | Y2 | Y3 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>Payroll Expenses</i> | 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% |
| <i>Rent & Utilities</i> | 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% |
| <i>Communication Expenses</i> | 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% |
| <i>Office supplies</i> | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| <i>Legal and Professional Fees</i> | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% |
| <i>Marketing and Branding</i> | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% |
| <i>Representation and Entertainment</i> | 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% |
| <i>Training and Development</i> | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| <i>Other Miscellaneous</i> | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |

| | | | | | | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|---------|
| <i>Payroll Expenses</i> | 3,487 | 3,487 | 3,487 | 4,185 | 4,185 | 4,185 | 5,115 | 5,115 | 5,115 | 5,812 | 5,812 | 5,812 | 55,797 | 88,712 | 119,654 |
| <i>Rent & Utilities</i> | 1,744 | 1,744 | 1,744 | 2,092 | 2,092 | 2,092 | 2,557 | 2,557 | 2,557 | 2,906 | 2,906 | 2,906 | 27,898 | 44,356 | 59,827 |
| <i>Communication Expenses</i> | 581 | 581 | 581 | 697 | 697 | 697 | 852 | 852 | 852 | 969 | 969 | 969 | 9,299 | 14,785 | 19,942 |
| <i>Office supplies</i> | 291 | 291 | 291 | 349 | 349 | 349 | 426 | 426 | 426 | 484 | 484 | 484 | 4,650 | 7,393 | 9,971 |
| <i>Legal and Professional Fees</i> | 872 | 872 | 872 | 1,046 | 1,046 | 1,046 | 1,279 | 1,279 | 1,279 | 1,453 | 1,453 | 1,453 | 13,949 | 22,178 | 29,913 |
| <i>Marketing and Branding</i> | 872 | 872 | 872 | 1,046 | 1,046 | 1,046 | 1,279 | 1,279 | 1,279 | 1,453 | 1,453 | 1,453 | 13,949 | 22,178 | 29,913 |
| <i>Representation and Entertainment</i> | 581 | 581 | 581 | 697 | 697 | 697 | 852 | 852 | 852 | 969 | 969 | 969 | 9,299 | 14,785 | 19,942 |
| <i>Training and Development</i> | 291 | 291 | 291 | 349 | 349 | 349 | 426 | 426 | 426 | 484 | 484 | 484 | 4,650 | 7,393 | 9,971 |
| <i>Other Miscellaneous</i> | 291 | 291 | 291 | 349 | 349 | 349 | 426 | 426 | 426 | 484 | 484 | 484 | 4,650 | 7,393 | 9,971 |

| | | | | | | | | | | | | | | | |
|-----------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Total SG&A (USD) | 9,009 | 9,009 | 9,009 | 10,811 | 10,811 | 10,811 | 13,213 | 13,213 | 13,213 | 15,015 | 15,015 | 15,015 | 144,141 | 229,173 | 309,106 |
|-----------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|

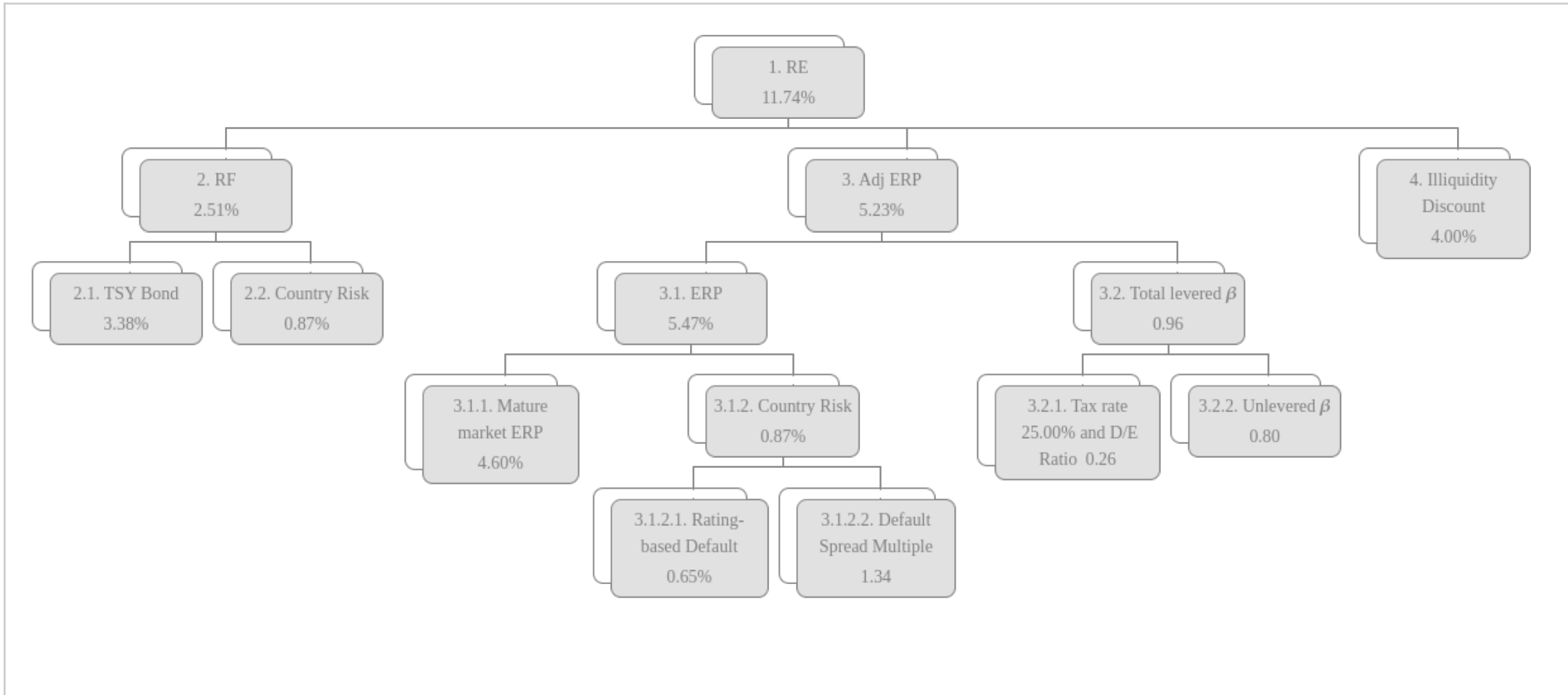
PaT Expectations

1 2 3 4 5 6 7

Financial Projection

| Income Statement (USD) | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Y1 | Y2 | Y3 |
|------------------------------------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------|------------|------------|
| Revenue | 116,243 | 116,243 | 116,243 | 139,491 | 139,491 | 139,491 | 170,490 | 170,490 | 170,490 | 193,738 | 193,738 | 193,738 | 1,859,887 | 2,957,071 | 3,988,466 |
| Residential Construction | 40,685 | 40,685 | 40,685 | 48,822 | 48,822 | 48,822 | 59,671 | 59,671 | 59,671 | 67,808 | 67,808 | 67,808 | 650,960 | 1,034,975 | 1,395,963 |
| Commercial Construction | 34,873 | 34,873 | 34,873 | 41,847 | 41,847 | 41,847 | 51,147 | 51,147 | 51,147 | 58,121 | 58,121 | 58,121 | 557,966 | 887,121 | 1,196,540 |
| Industrial Construction | 29,061 | 29,061 | 29,061 | 34,873 | 34,873 | 34,873 | 42,622 | 42,622 | 42,622 | 48,435 | 48,435 | 48,435 | 464,972 | 739,268 | 997,117 |
| Other | 11,624 | 11,624 | 11,624 | 13,949 | 13,949 | 13,949 | 17,049 | 17,049 | 17,049 | 19,374 | 19,374 | 19,374 | 185,989 | 295,707 | 398,847 |
| COGS | -94,157 | -94,157 | -94,157 | -112,988 | -112,988 | -112,988 | -138,097 | -138,097 | -138,097 | -156,928 | -156,928 | -156,928 | -1,506,508 | -2,395,228 | -3,230,658 |
| Labor | -34,873 | -34,873 | -34,873 | -41,847 | -41,847 | -41,847 | -51,147 | -51,147 | -51,147 | -58,121 | -58,121 | -58,121 | -557,966 | -887,121 | -1,196,540 |
| Materials | -46,497 | -46,497 | -46,497 | -55,797 | -55,797 | -55,797 | -68,196 | -68,196 | -68,196 | -77,495 | -77,495 | -77,495 | -743,955 | -1,182,828 | -1,595,386 |
| Equipment | -9,299 | -9,299 | -9,299 | -11,159 | -11,159 | -11,159 | -13,639 | -13,639 | -13,639 | -15,499 | -15,499 | -15,499 | -148,791 | -236,566 | -319,077 |
| Other | -3,487 | -3,487 | -3,487 | -4,185 | -4,185 | -4,185 | -5,115 | -5,115 | -5,115 | -5,812 | -5,812 | -5,812 | -55,797 | -88,712 | -119,654 |
| Gross Profit | 22,086 | 22,086 | 22,086 | 26,503 | 26,503 | 26,503 | 32,393 | 32,393 | 32,393 | 36,810 | 36,810 | 36,810 | 353,378 | 561,843 | 757,809 |
| SG&A Personal Expenses | -3,487 | -3,487 | -3,487 | -4,185 | -4,185 | -4,185 | -5,115 | -5,115 | -5,115 | -5,812 | -5,812 | -5,812 | -55,797 | -88,712 | -119,654 |
| SG&A Operating Expenses | -5,522 | -5,522 | -5,522 | -6,626 | -6,626 | -6,626 | -8,098 | -8,098 | -8,098 | -9,203 | -9,203 | -9,203 | -88,345 | -140,461 | -189,452 |
| EBITDA | 13,077 | 13,077 | 13,077 | 15,693 | 15,693 | 15,693 | 19,180 | 19,180 | 19,180 | 21,796 | 21,796 | 21,796 | 209,237 | 332,670 | 448,702 |
| Depreciation | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 12,113 | 145,357 | 145,357 | 145,357 |
| EBIT | 964 | 964 | 964 | 3,580 | 3,580 | 3,580 | 7,067 | 7,067 | 7,067 | 9,682 | 9,682 | 9,682 | 63,880 | 187,313 | 303,345 |
| Interest Expense | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 1,874 | 22,489 | 22,489 | 22,489 |
| Profit before Tax | -910 | -910 | -910 | 1,706 | 1,706 | 1,706 | 5,193 | 5,193 | 5,193 | 7,808 | 7,808 | 7,808 | 41,391 | 164,825 | 280,857 |
| Tax | -227 | -227 | -227 | 426 | 426 | 426 | 1,298 | 1,298 | 1,298 | 1,952 | 1,952 | 1,952 | 10,348 | 41,206 | 70,214 |
| Profit after Tax (USD) | -682 | -682 | -682 | 1,279 | 1,279 | 1,279 | 3,895 | 3,895 | 3,895 | 5,856 | 5,856 | 5,856 | 31,043 | 123,618 | 210,642 |

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

| | (USD) | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 |
|-----|------------------|--------|---------|---------|-----------|---------|---------|---------|
| DCF | Profit after Tax | 31,043 | 123,618 | 210,642 | 220,332 | 230,467 | 241,069 | 252,158 |
| | Growth% Y4-Y7 | | | | 4.60% | 4.60% | 4.60% | 4.60% |
| | Growth% Y7 --> | | | | 3.50% | | | |
| | WACC | | | | 11.74% | | | |
| | PV Y1-Y7 at Y0 | 27,782 | 99,008 | 150,983 | 141,336 | 132,306 | 123,853 | 115,940 |
| | PV Y7 --> Y0 | | | | 1,456,407 | | | |
| | NPV (USD) | | | | 2,247,615 | | | |

Average Survival Rate for 3 Years 50%

Final Valuation \$ 1,123,808

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 11.74 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 4.60 %, 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

Disclaimer

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Please note that the valuation results presented here are based on the Discounted Cash Flow (DCF) method and various assumptions, including projected cash flows, growth rates, discount rates, and survival rates. These assumptions are subject to change and may not accurately reflect future market conditions or the performance of the business.

The valuation does not guarantee future financial performance or the accuracy of the projections. Actual results may differ materially from those presented in this analysis due to numerous factors, including but not limited to changes in economic conditions, market dynamics, competition, regulatory factors, and unforeseen events.

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