

# Business Plan & Valuation Presentation



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# OUR VISION & MISSION

## Our Mission

Cryptovault Solutions is committed to empowering individuals and businesses to navigate the dynamic world of cryptocurrencies with confidence and success. Leveraging cutting-edge blockchain technology and data analytics, we strive to provide secure, efficient, and innovative financial solutions. From comprehensive portfolio management to educational resources and bespoke investment strategies, our mission is to be the trusted partner in the digital economy, making a meaningful impact by enabling informed and successful cryptocurrency investments.

## Our Vision

Cryptovault Solutions envisions a future where cryptocurrency and digital assets are seamlessly integrated into the global financial system, providing unparalleled opportunities and security for investors. By continuously innovating and setting industry standards, we strive to be the leading digital asset management company, fostering widespread adoption and trust in blockchain technology. Our goal is to transform the financial landscape, making advanced financial solutions accessible to all and driving global economic growth through the power of digital finance.

# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 2,375,052**

Revenue

**\$ 1,588,672**

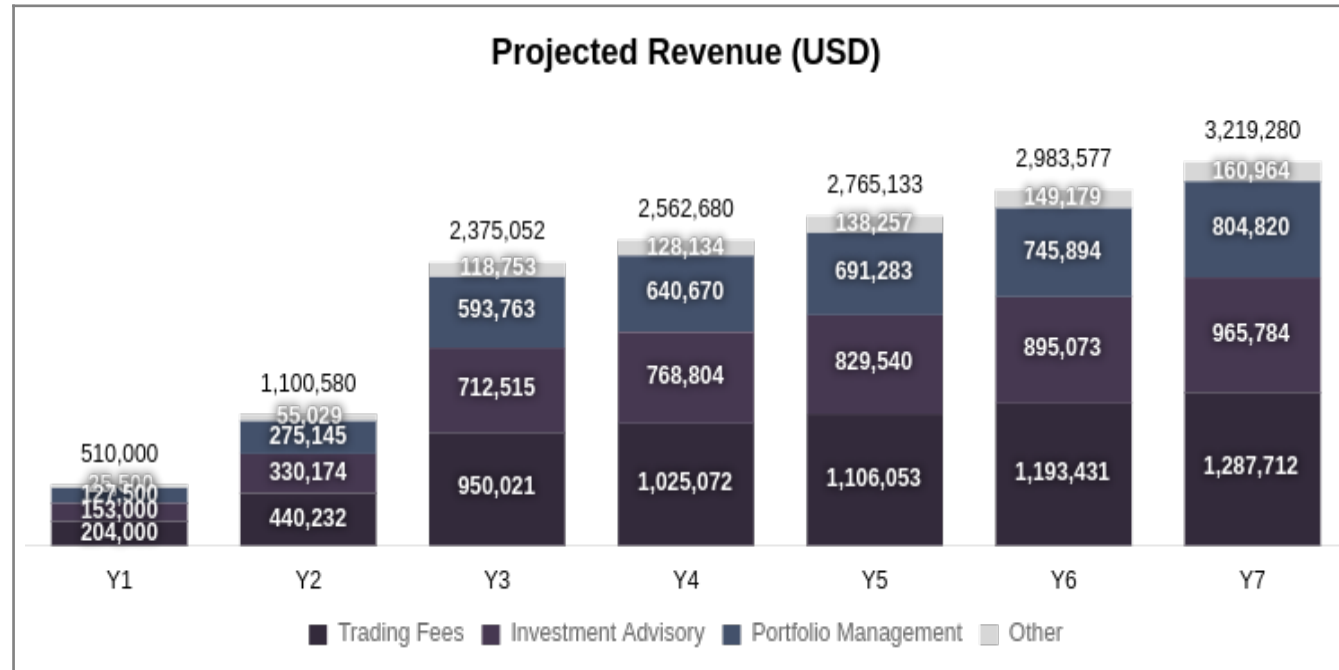
Gross Profit

**\$ 751,704**

EBITDA

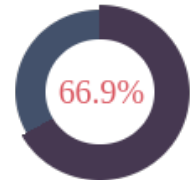
**0.00%**

Target Market Share

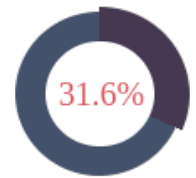


Margins  
(Stabilized by Y3)

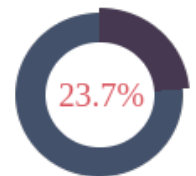
GP Margin



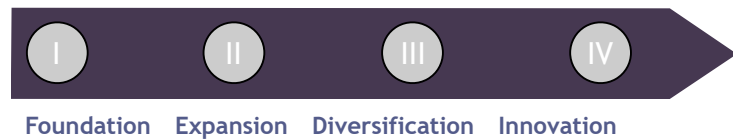
EBITDA Margin



PbT Margin

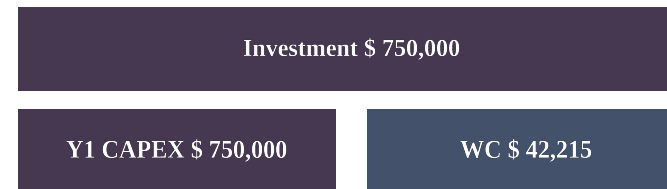


## Project Phases



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.



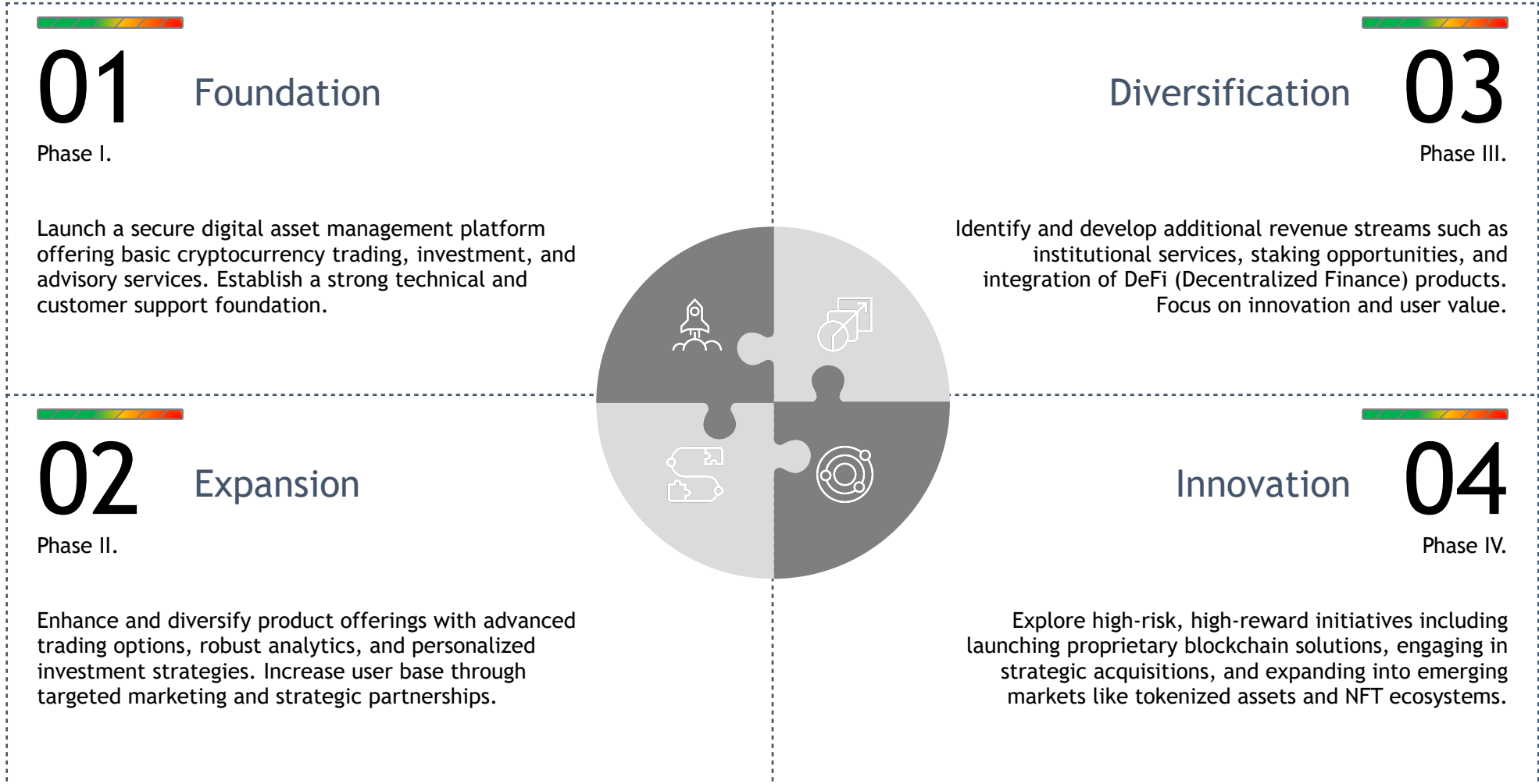


# About the Company: **General Overview**



Cryptovault Solutions is a pioneering digital asset management company specializing in cryptocurrency trading, investment, and advisory services. Operating within the Finance and Insurance sector, and particularly in the Other Financial Investment Activities industry, Cryptovault leverages cutting-edge blockchain technology and advanced data analytics to offer secure, efficient, and innovative financial solutions. The company's mission is to empower both individuals and businesses to confidently navigate the dynamic world of cryptocurrencies, ensuring their success. Cryptovault Solutions provides a comprehensive suite of services, from robust portfolio management and educational resources to bespoke investment strategies. As a trusted partner in the digital economy, Cryptovault Solutions is dedicated to guiding its clients through the complexities of the cryptocurrency market, helping them achieve their financial goals.

# The Main Phases: Projects & Impacts



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Higher returns potential through diversified and advanced trading options.</li> <li>2. Reduced risk exposure by leveraging secure asset management with robust analytics.</li> <li>3. Access to innovative investment strategies and personalized advisory services.</li> </ol>
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Enhanced user experience through a secure and intuitive platform.</li> <li>2. Personalized investment advice and strategies aligned with their financial goals.</li> <li>3. Comprehensive educational resources for informed decision-making in cryptocurrency trading.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Opportunities for professional growth in a cutting-edge industry.</li> <li>2. Empowering work environment with access to the latest technology and tools.</li> <li>3. Participation in innovative projects and high-potential market expansions.</li> </ol>
<b>Strategic Partners</b>	<ol style="list-style-type: none"> <li>1. Mutually beneficial growth opportunities through collaborative ventures.</li> <li>2. Access to a larger and more diverse customer base via co-marketing efforts.</li> <li>3. Enhanced service offerings by integrating complementary technologies and services.</li> </ol>
<b>Regulators</b>	<ol style="list-style-type: none"> <li>1. Enhanced compliance with robust security and transparent operational practices.</li> <li>2. Active participation in shaping regulatory standards for the digital asset industry.</li> <li>3. Contribution to the overall stability and credibility of the financial markets.</li> </ol>
<b>Communities</b>	<ol style="list-style-type: none"> <li>1. Positive economic impact through job creation and market education.</li> <li>2. Increased financial literacy and awareness about cryptocurrency and blockchain technology.</li> <li>3. Enhanced financial inclusion by providing access to innovative financial tools.</li> </ol>
<b>Industry Peers</b>	<ol style="list-style-type: none"> <li>1. Collaborative opportunities leading to industry advancements and innovation.</li> <li>2. Shared best practices and insights for mutual growth.</li> <li>3. Strengthened industry standards benefiting the overall ecosystem.</li> </ol>



# Key Performance Components

## Competitive Advantage

### Blockchain Expertise

Cryptovault Solutions leverages cutting-edge blockchain technology to ensure secure transactions and efficient financial services in cryptocurrency trading and investment.

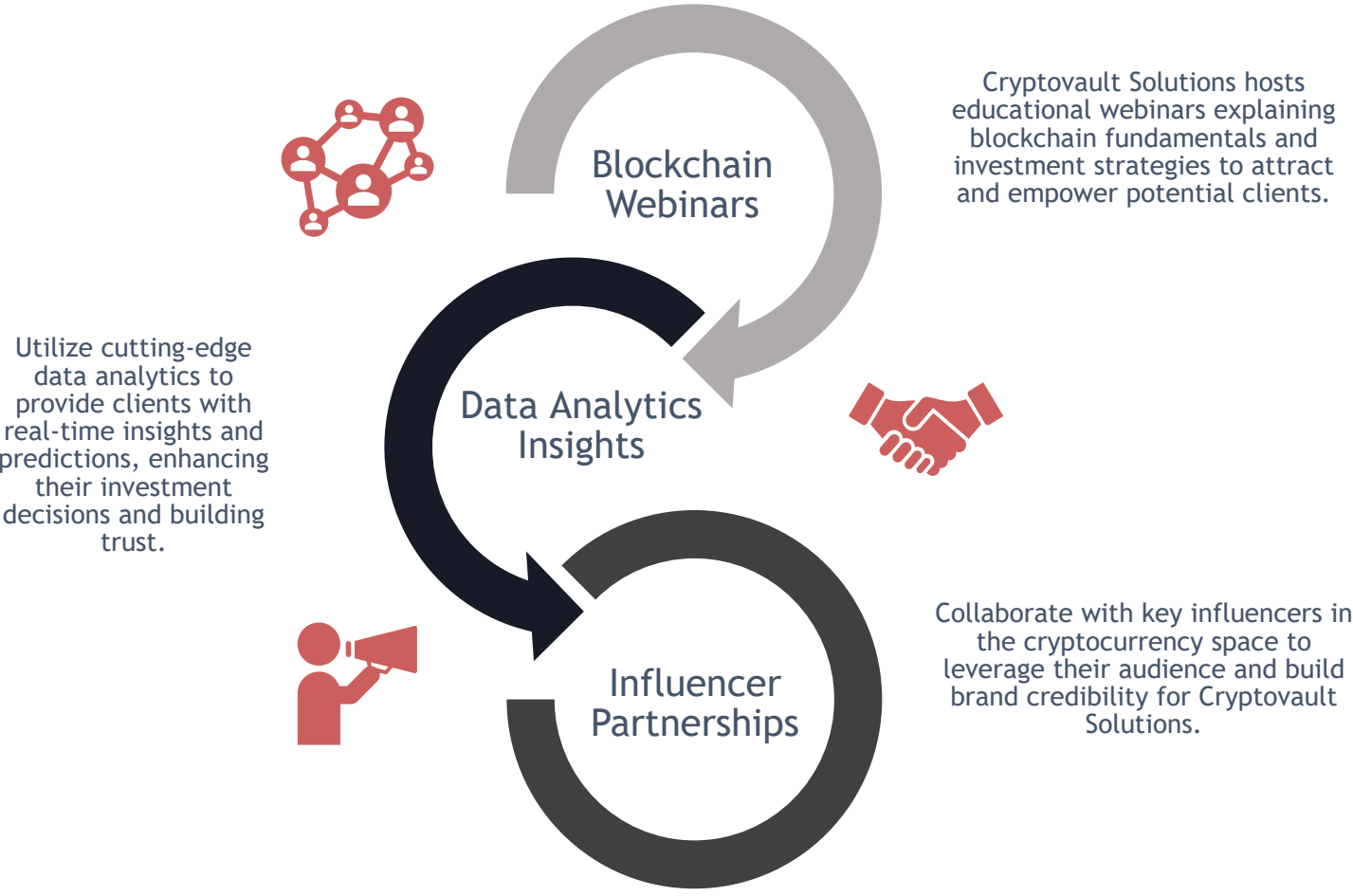
### Data Analytics

Utilizing advanced data analytics, Cryptovault Solutions provides insightful portfolio management and bespoke investment strategies tailored to each client's needs.








### Comprehensive Services

From educational resources to comprehensive portfolio management, Cryptovault Solutions offers a wide range of services, empowering clients to navigate the cryptocurrency landscape with confidence.

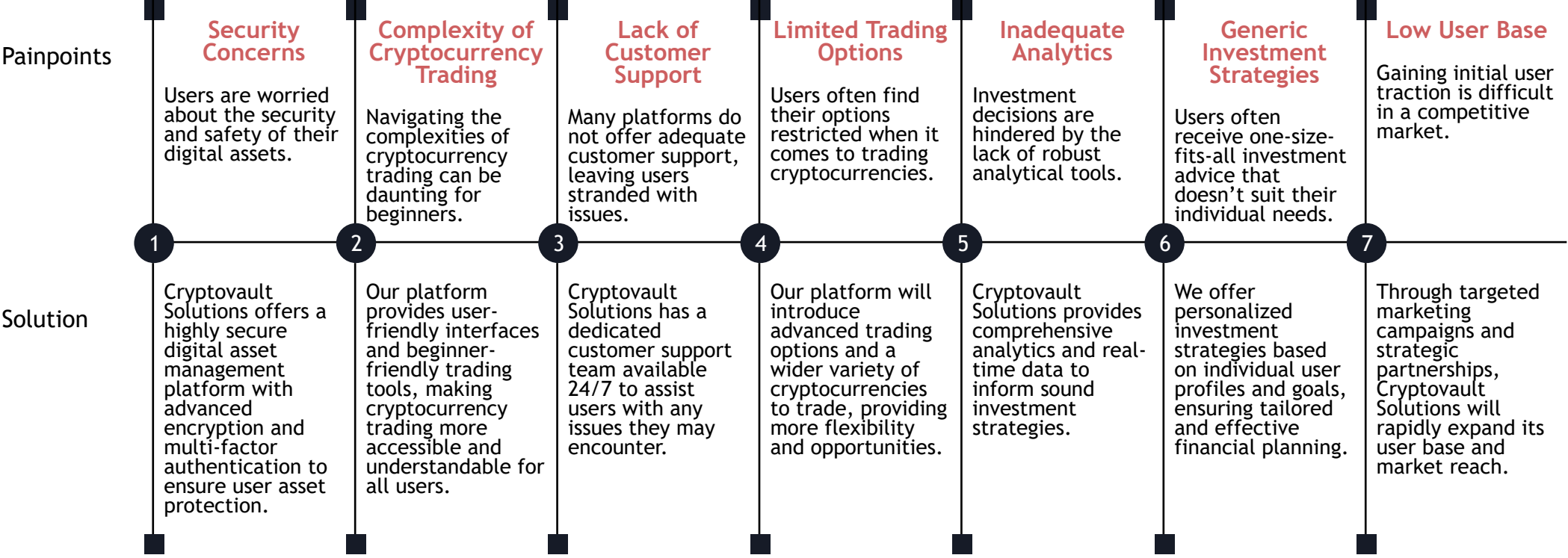
## Marketing and Growth Strategy



# Target Groups

Industries		Description
I	 Individual Investors	Retail investors seeking secure and user-friendly platforms for cryptocurrency trading and investment will benefit from our services.
II	 Crypto Enthusiasts	Tech-savvy individuals keen on exploring the latest advancements in blockchain technology and decentralized finance products will find value in our offerings.
III	 Financial Advisors	Financial advisors looking to expand their portfolios to include digital assets can use our platform for secure and data-driven advisory services.
IV	 Institutional Investors	Large financial entities seeking diversified, robust, and institutional-grade cryptocurrency investment options can leverage our technical expertise and innovative solutions.
V	 Small and Medium Enterprises (SMEs)	SMEs looking to integrate cryptocurrency transactions into their business models can rely on our secure and efficient financial solutions.
VI	 Corporate Clients	Major corporations interested in exploring blockchain-based financial strategies and tokenized assets can utilize our bespoke advisory and investment services.
VII	 Tech Startups	Emerging tech companies keen on incorporating blockchain technologies and decentralized solutions into their innovations will benefit from our advanced and tailored services.


## Solution from Phase I to Phase IV






# Strategic Analysis: SWOT

**Strength**




Pioneering presence in digital asset management enhances market credibility. Utilization of cutting-edge blockchain tech ensures secure transactions. Sophisticated data analytics drive informed decision-making. Comprehensive service offerings cover trading, investment, and advisory needs. Strong focus on client education fosters trust and empowerment.

**Weaknesses**




High reliance on volatile cryptocurrency market poses risks. Rapid technological changes may challenge operational adaptability. Limited regulatory clarity on cryptocurrencies impacts consistency. Niche market focus could limit audience reach. Significant investment in technology and security required.

**Opportunities**









Growing acceptance of cryptocurrencies opens new markets. Expanding educational resources can attract more clientele. Collaborations with traditional finance firms broaden service scope. Launch of new crypto products can drive growth. Increased regulatory clarity may boost investor confidence.

**Threats**



Regulatory changes could impose heavy compliance burdens. Market volatility may affect client portfolios negatively. Cybersecurity threats pose significant operational risks. Competition from emerging crypto enterprises is intense. Negative public perception could deter potential clients.

# Pestel: Analysis

 <b>P</b>	 <b>E</b>	 <b>S</b>	 <b>T</b>	 <b>E</b>	 <b>L</b>						
Political	7 / 10	Economic	6 / 10	Social	6 / 10	Technological	9 / 10	Environmental	5 / 10	Legal	7 / 10
<p><b>Regulation:</b> Changes in government regulations on cryptocurrency trading.</p> <p><b>Tax Policies:</b> Increased clarity on cryptocurrency taxation impacts profitability.</p>	<p><b>Market Volatility:</b> Fluctuations in cryptocurrency prices affect investment returns.</p> <p><b>Interest Rates:</b> Changes in interest rates influence investment behaviors.</p>	<p><b>Adoption Rate:</b> Rising acceptance of cryptocurrencies among the general public.</p> <p><b>Demographic Trends:</b> Younger generations are more likely to invest in cryptocurrencies.</p>	<p><b>Blockchain Advances:</b> Development of more efficient blockchain solutions.</p> <p><b>Cybersecurity:</b> Enhanced security measures to protect digital assets.</p>	<p><b>Energy Consumption:</b> Cryptocurrency mining and its impact on the environment.</p> <p><b>Sustainable Practices:</b> Shift towards greener technologies in blockchain.</p>	<p><b>Compliance:</b> Adherence to global financial regulations.</p> <p><b>Intellectual Property:</b> Protection of proprietary technologies and algorithms.</p>						

Cryptovault Solutions is strategically poised to lead the digital asset management sector by effectively addressing PESTEL factors. By leveraging technological advances and navigating regulatory landscapes, the company empowers customers in the evolving cryptocurrency market.

Scores reflect the relative importance and potential impact of each PESTEL factor on the business

# VRIO Framework: Analysis

Does the resource or capability enable the firm to exploit an opportunity or neutralize a threat in the environment?

The company leverages cutting-edge blockchain technology and data analytics to exploit opportunities in cryptocurrency trading and investment efficiently.

Is the resource or capability controlled by only a few firms or no other firms?

Cutting-edge blockchain technology and specialized cryptocurrency advisory services are controlled by few firms, making it rare.

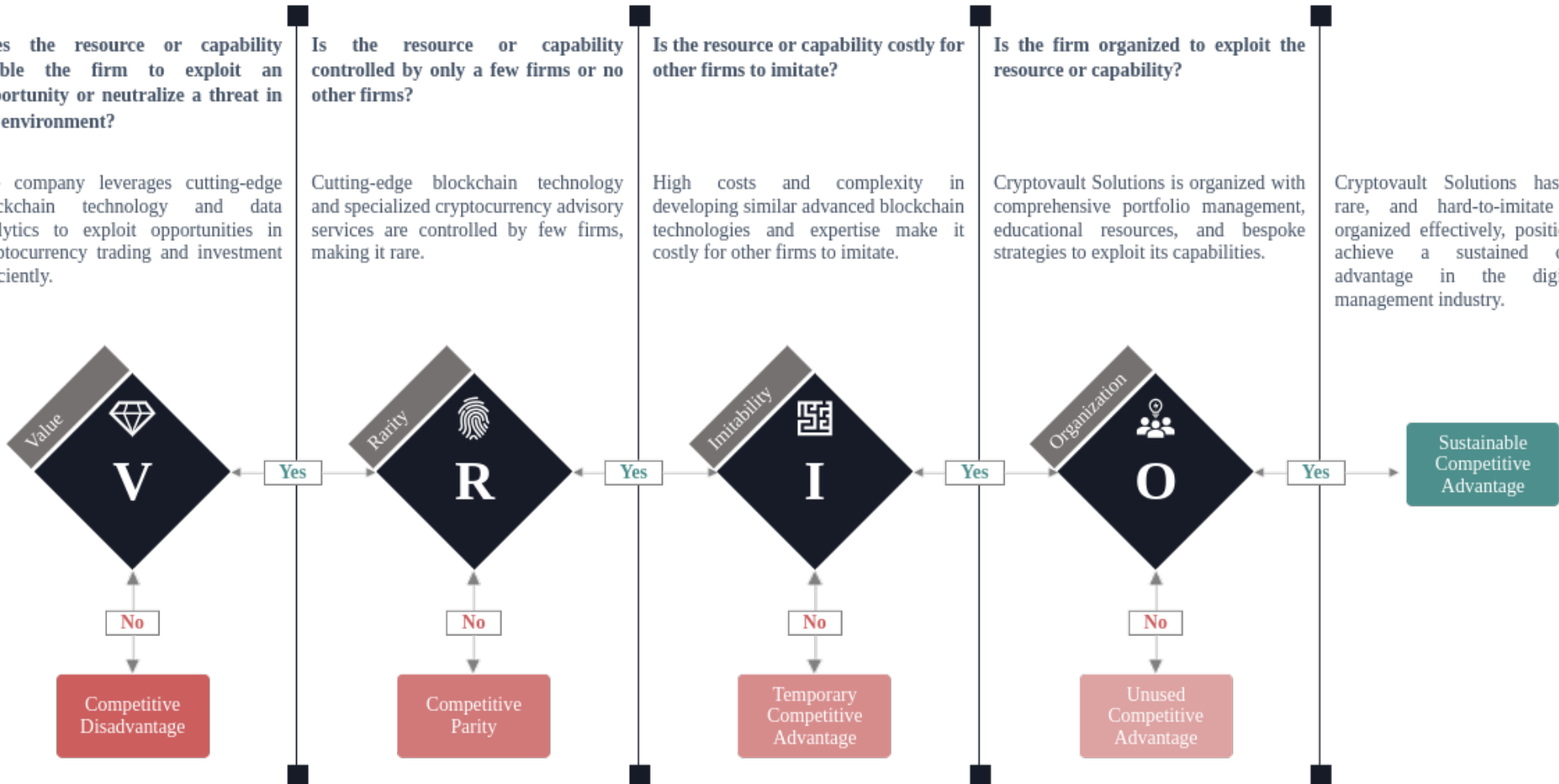
Is the resource or capability costly for other firms to imitate?

High costs and complexity in developing similar advanced blockchain technologies and expertise make it costly for other firms to imitate.

Is the firm organized to exploit the resource or capability?

Cryptovault Solutions is organized with comprehensive portfolio management, educational resources, and bespoke strategies to exploit its capabilities.

Cryptovault Solutions has valuable, rare, and hard-to-imitate resources organized effectively, positioning it to achieve a sustained competitive advantage in the digital asset management industry.





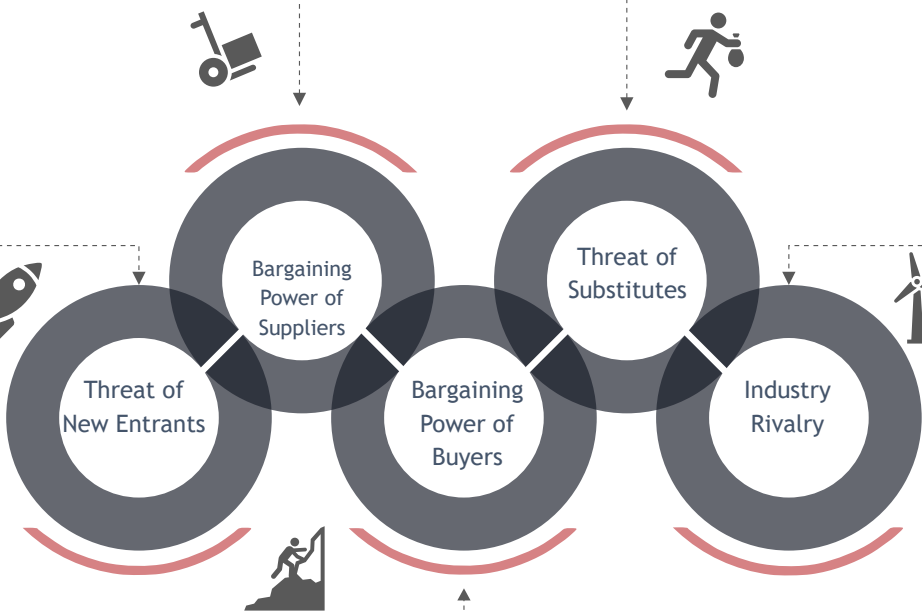
# Porter's Five Forces: Analysis

Suppliers of blockchain technology and analytics tools hold significant influence.

Traditional investment and banking sectors present alternative options.

High entry barriers due to regulatory requirements and need for technological expertise.

High competition from numerous fintech and cryptocurrency firms.



Buyers have numerous options in the competitive cryptocurrency market.

Cryptovault Solutions operates in a highly competitive market with significant supplier and buyer power, needing constant innovation and differentiation.

- High
- Moderate
- Low

# Management Team

## Overview

Ava has 15+ years of experience in finance and tech, leading innovation and growth. MBA from ABC University.



CEO

Ava

William



CFO

## Overview

William brings 20+ years in financial management, specializing in strategic planning and compliance. CPA with a Finance degree from ABC University.

## Overview

Emily has 10 years of experience in digital marketing and branding. Holds a Master's in Marketing from ABC University.



CMO

Emily

Alexander



COO

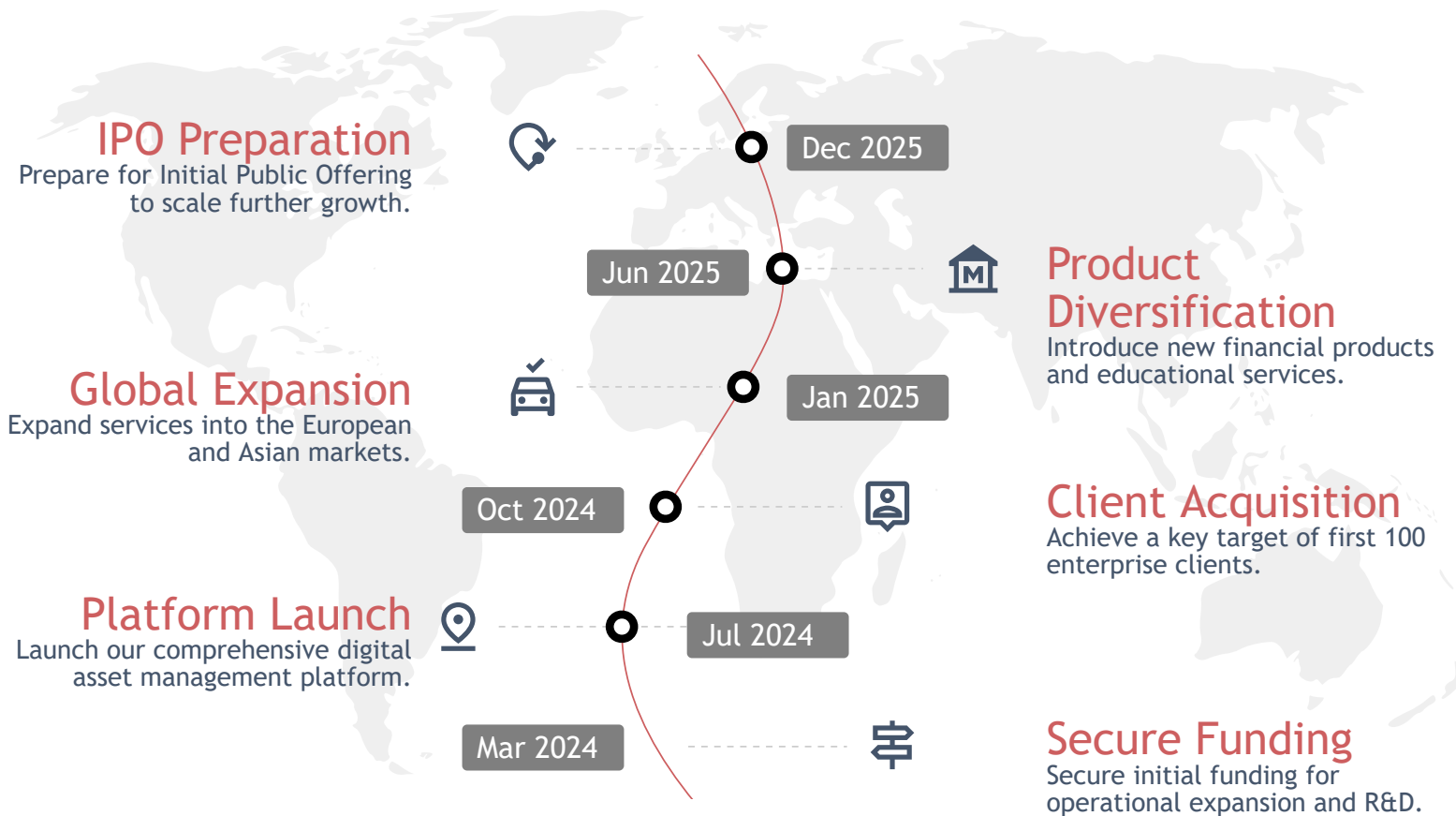
## Overview

Alexander has 15+ years in operations management, enhancing efficiency. Business Administration degree from ABC University.



Management Board

# History & Roadmap



## Current Status.

Cryptovault Solutions has outlined a precise 6-stage roadmap for future development:

- Secure initial funding by Mar 2024 to boost operations and research.
- Launch a comprehensive digital asset management platform by Jul 2024.
- Achieve the acquisition of the first 100 enterprise clients by Oct 2024.
- Expand services to European and Asian markets by Jan 2025.
- Diversify product offerings and educational resources by Jun 2025.
- Prepare for an Initial Public Offering (IPO) by Dec 2025 to enhance growth.



# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Draft Business Plan	●	Not Started	High	CEO 1 month
2	Develop Organizational Structure	●	Not Started	High	COO 2 months
3	Establish Legal Entity	●	Not Started	High	CFO 1 month
4	Secure Initial Funding	●	Not Started	High	CFO 3 months
5	Develop Technology Infrastructure	●	Not Started	High	CTO 4 months
6	Hire Key Personnel	●	Not Started	Medium	COO 3 months
7	Set Up Office Space	●	Not Started	Low	COO 2 months
8	Develop Security Protocols	●	Not Started	High	CSO 2 months
<b>Marketing</b>					
1	Develop Brand Identity	●	Not Started	High	CMO 2 weeks
2	Create Comprehensive Marketing Plan	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Launch Initial Marketing Campaign	●	Not Started	High	CMO 2 weeks
5	Collaborate with Influencers and Thought Leaders	●	Not Started	Medium	CMO 3 months
6	Develop Content Marketing Strategy	●	Not Started	High	CMO 1 month
7	Optimize SEO and SEM Strategies	●	Not Started	Medium	CIO 2 months
8	Monitor and Analyze Marketing Metrics	●	Not Started	High	CRO Ongoing

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 1 &amp; Technical Set Up for next Phases</b>					
1	Develop Platform MVP	●	Not Started	High	CTO 3 months
2	Establish Customer Support System	●	Not Started	High	COO 2 months
3	Create Compliance Framework	●	Not Started	High	CRO 1 month
4	Set Up Secure Trading Infrastructure	●	Not Started	High	CIO 3 months
5	Develop Basic Trading Algorithms	●	Not Started	Medium	CPO 2 months
6	Conduct Security Audits	●	Not Started	High	CSO 1 month
7	Launch Initial Marketing Campaign	●	Not Started	Medium	CMO 1 month
8	Establish Legal Entity and Regulatory Compliance	●	Not Started	High	CFO 2 months
<b>Phase 2</b>					
1	Enhance Trading Platform with Advanced Analytics	●	Not Started	High	CTO 3 months
2	Develop Personalized Investment Strategies	●	Not Started	High	CIO 2 months
3	Form Strategic Partnerships for Market Expansion	●	Not Started	High	CBO 4 months
4	Launch Targeted Marketing Campaigns	●	Not Started	High	CMO 2 months
5	Integrate Additional Cryptocurrency Options	●	Not Started	Medium	CPO 3 months
6	Expand Customer Support Capabilities	●	Not Started	High	COO 1 month
7	Enhance User Interface and User Experience	●	Not Started	Medium	CPO 2 months
8	Conduct User Base Growth Analysis	●	Not Started	Medium	CSO 1 month

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 3</b>						
1	Develop Institutional Services	●	Not Started	High	CFO	6 months
2	Implement Staking Opportunities	●	Not Started	High	CTO	4 months
3	Integrate DeFi Products	●	Not Started	Medium	CPO	5 months
4	Create Additional Revenue Streams	●	Not Started	Medium	CFO	6 months
5	Focus on Product Innovation	●	Not Started	High	CSO	4 months
6	Enhance User Value Proposition	●	Not Started	High	CMO	3 months
7	Strengthen Risk Management Protocols	●	Not Started	Medium	CRO	5 months
8	Pilot New Financial Products	●	Not Started	Low	COO	7 months
<b>Phase 4</b>						
1	Develop proprietary blockchain solutions	●	Not Started	High	CTO	6 months
2	Engage in strategic acquisitions	●	Not Started	High	CEO	12 months
3	Expand into tokenized assets market	●	Not Started	Medium	COO	9 months
4	Launch NFT ecosystem	●	Not Started	High	CPO	8 months
5	Build partnerships for emerging market expansion	●	Not Started	Medium	CBO	10 months
6	Conduct feasibility studies for high-risk projects	●	Not Started	Medium	CSO	4 months
7	Enhance cybersecurity measures	●	Not Started	High	CIO	5 months
8	Integrate artificial intelligence for advanced analytics	●	Not Started	Medium	CTO	7 months

# Core Risks & Mitigation Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	System Downtime	CTO	Implement a robust, scalable IT infrastructure.
2	Cybersecurity Threats	CISO	Deploy advanced cybersecurity measures, conduct frequent security audits, and engage in continuous monitoring to safeguard digital assets and user data.
3	Data Loss	CTO	Implement rigorous data backup strategies.
4	Operational Scalability	COO	Develop and implement scalable processes and technologies to efficiently handle increased volume and complexity as the user base grows.
5	Vendor Reliability	CPO	Establish strong vendor management policies, perform due diligence, and maintain backup vendors to ensure consistent product and service quality.

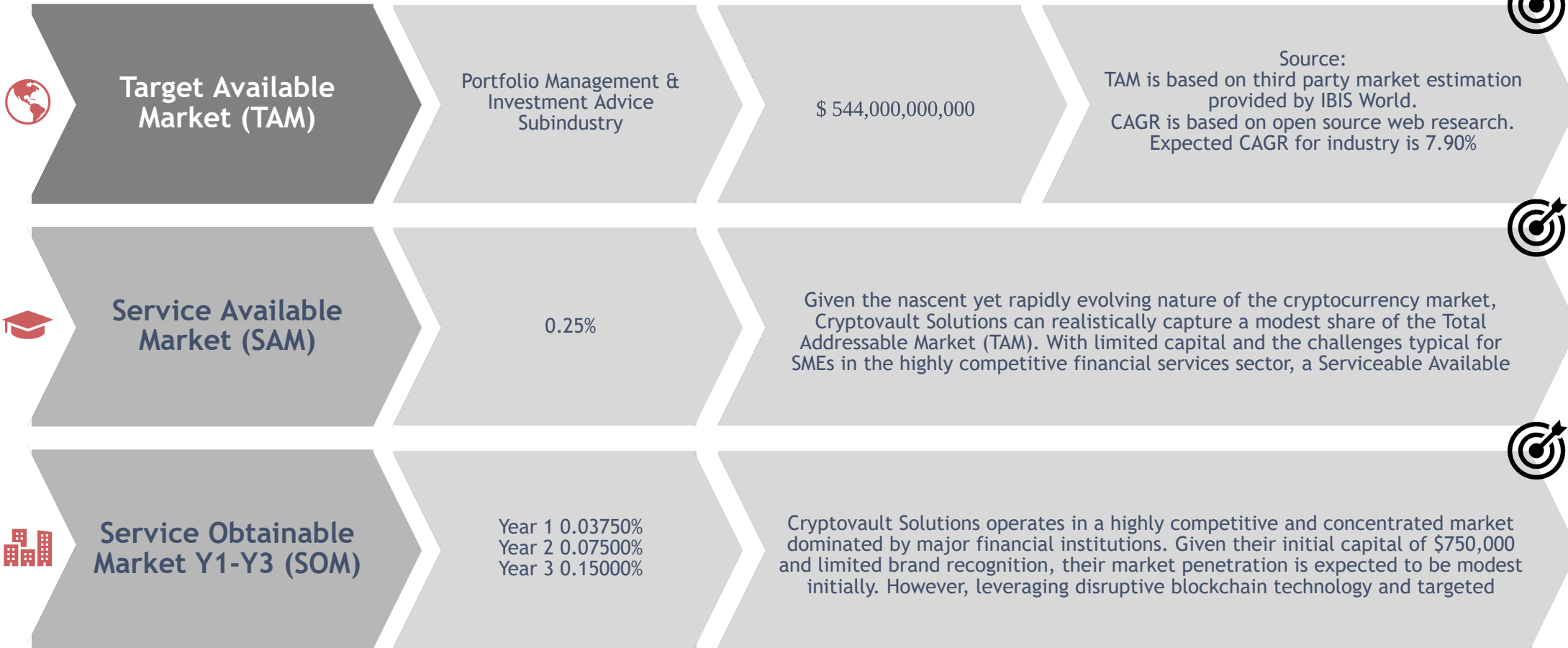
## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Regulatory Compliance	CRO	Establish a dedicated compliance team to monitor and ensure adherence to all relevant regulations across jurisdictions.
2	Data Privacy	CPO	Implement robust data privacy policies.
3	Anti-Money Laundering (AML) Violations	CFO	Deploy advanced AML software and conduct regular internal audits to detect and prevent illicit activities.
4	Licensing Requirements	COO	Secure all necessary licenses and continuously review licensing conditions to ensure compliance in all operating regions.
5	Tax Compliance	CFO	Develop a comprehensive tax strategy and engage with tax experts to ensure alignment with international tax laws.



3. Strategic/Market Risk			
#	Risk Type	Area	Mitigation Strategy
1	Market Volatility	CRO	Develop dynamic risk management strategies and utilize advanced analytics to predict and mitigate the impact of market fluctuations.
2	Competition	CPO	Continuously innovate product offerings and establish strategic partnerships to maintain a competitive edge.
3	Customer Retention	CMO	Implement loyalty programs and provide exceptional customer support to retain users.
4	User Adoption	COO	Launch targeted marketing campaigns and educational initiatives to raise awareness and promote the value proposition.
4. Finance risk			
#	Risk Type	Area	Mitigation Strategy
1	Liquidity Risk	CFO	Maintain a diversified portfolio and establish strong liquidity management policies.
2	Capital Allocation Risk	CEO	Implement rigorous financial modeling and scenario analysis to guide strategic decision-making in capital investments and resource allocation.
3	Market Volatility	CRO	Develop a comprehensive risk management framework that includes hedging strategies and diversified investment approaches to mitigate market fluctuations.
4	Cost Overruns	COO	Implement strict budget controls and regular audits to ensure projects and operations stay within budget.
5. Other general risk			
#	Risk Type	Area	Mitigation Strategy
1	Reputation Risk	CEO	Proactively manage communication and transparency with stakeholders. Implement reputation management strategies and maintain high standards of customer service.
2	Talent Retention	COO	Develop a comprehensive talent management program including competitive compensation, career development opportunities, and an inclusive workplace culture.
3	Customer Trust	CSO	Enhance security protocols and consistently communicate the measures taken to protect customer assets.
4	Innovation Risk	CTO	Foster a culture of continuous innovation and invest in research and development. Balance the pursuit of new technologies with rigorous testing and validation processes.

# Market Overview (TAM, SAM and SOM)

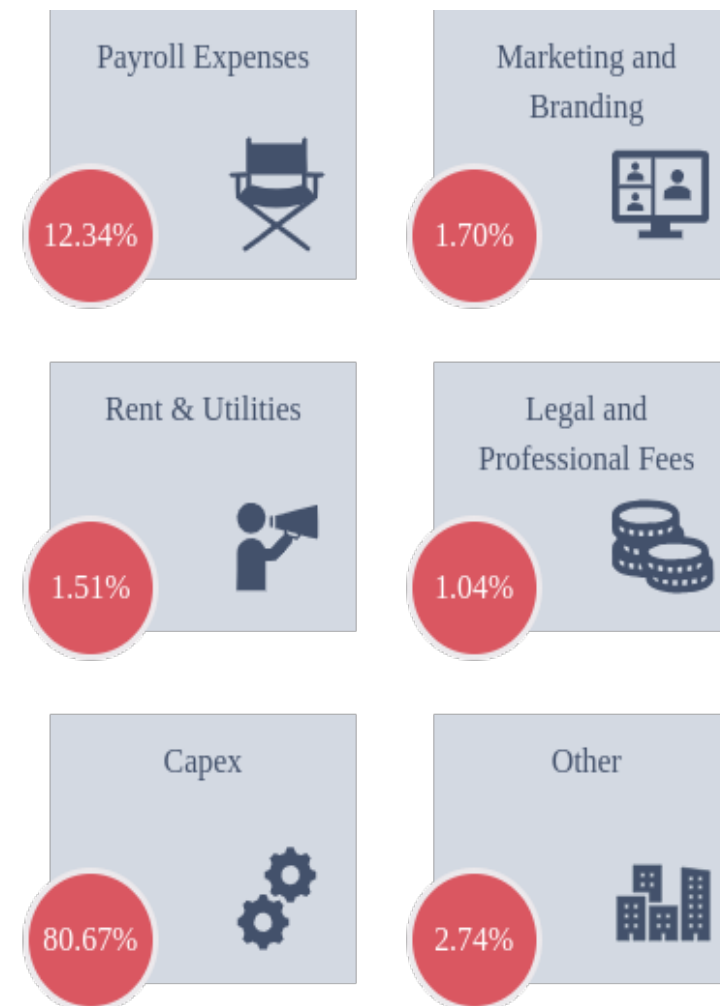


# Funding Allocation

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.

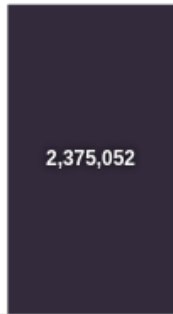
The total investment required is \$ 750,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	341,139	
Payroll Expenses		114,750
Marketing and Branding		15,810
Rent & Utilities		14,025
Legal and Professional Fees		9,690
Capex		750,000
Office supplies		7,140
Communication Expenses		6,120
Training and Development		4,794
Representation and Entert.		4,590
Other Miscellaneous		2,805
<b>CAPEX &amp; WC shortage Y1</b>		<b>588,585</b>
<b>Buffer</b>		<b>161,415</b>
<b>Total Required Investment(USD)</b>		<b>750,000</b>



## Y3 PL formation and Margins

### Revenue



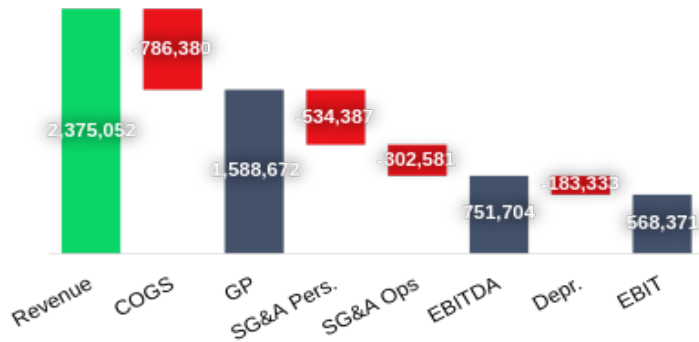
### Projected Revenue

- GP 66.9%
- EBITDA 31.6%

Y3

Y3

### PnL Formation (Y3 USD)

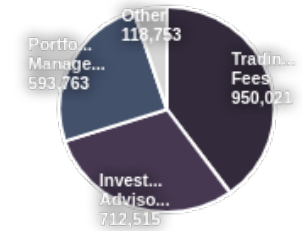
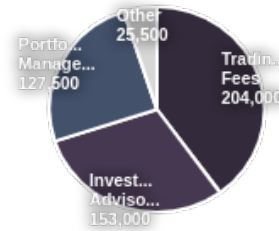


## Business Line Breakdown (USD)

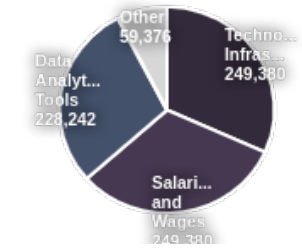
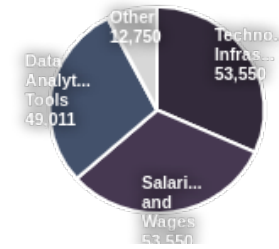
Y1

Y2

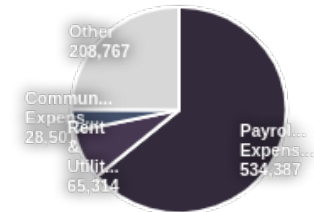
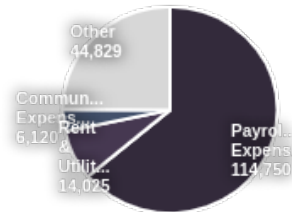
### Revenue



### COGS



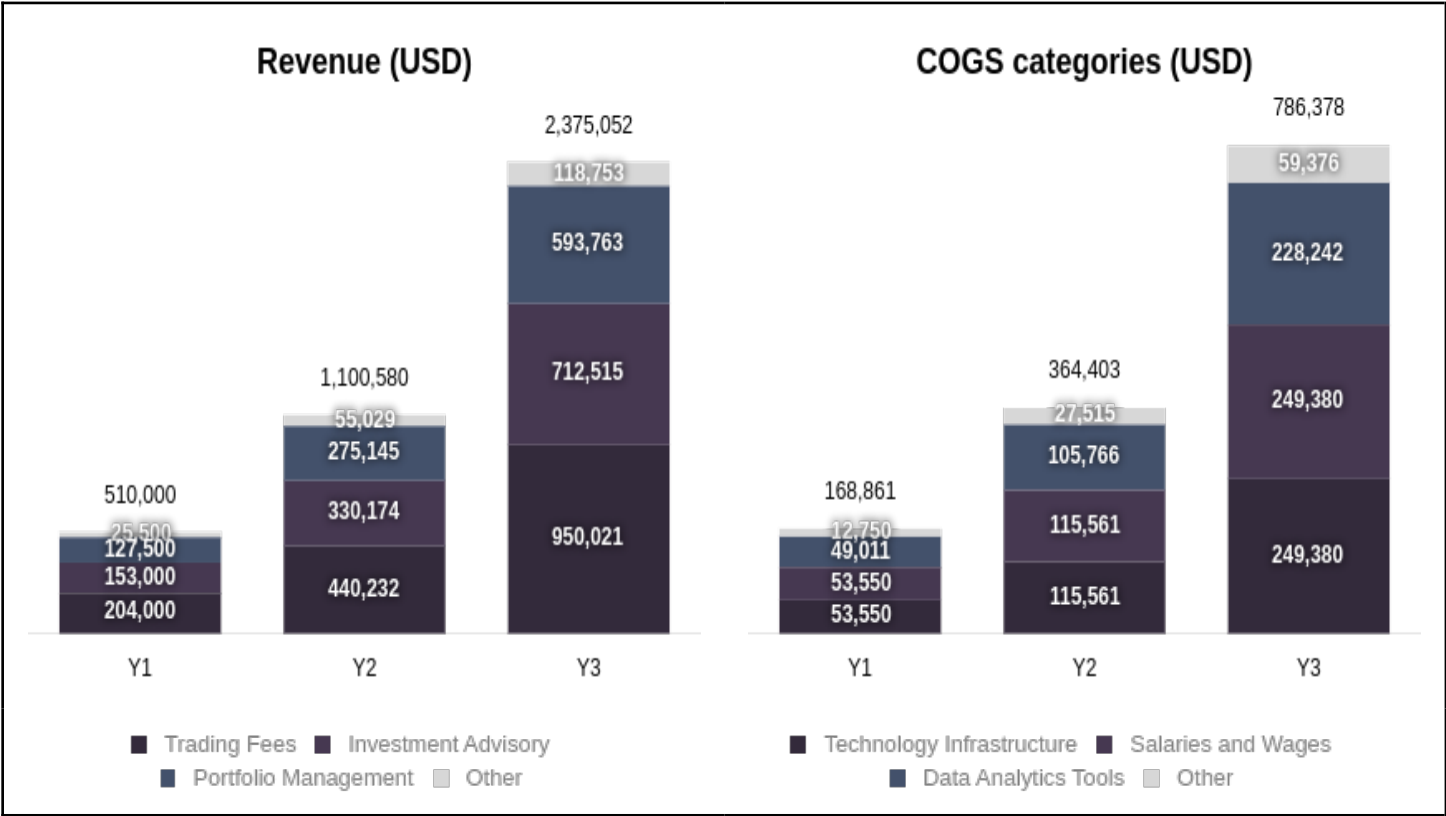
### Admin



# Revenue Formation Narrative

Cryptovault Solutions operates in the burgeoning space of digital asset management within the Other Financial Investment Activities industry. Leveraging cutting-edge blockchain technology and data analytics, the company aims to empower individuals and businesses to capitalize on cryptocurrency opportunities. With the Total Addressable Market (TAM) estimated at 544,000,000,000 USD, Cryptovault Solutions' Serviceable Available Market (SAM) is conservatively pegged at 0.25%, acknowledging the competitive landscape and resource constraints typical of SMEs in the financial services sector. Over the first three years, the Serviceable Obtainable Market (SOM) is projected to grow from 0.03750% (\$510,000) in Year 1, to 0.07500% (\$1,100,580) in Year 2, and 0.15000% (\$2,375,051.64) by Year 3. This steady growth trajectory is rooted in leveraging disruptive blockchain technology and targeted marketing strategies to gain a foothold amid significant competition. Revenue distribution across the company's four main lines of business—Trading Fees (40%), Investment Advisory (30%), Portfolio Management (25%), and Other (5%)—shows a robust and diversified revenue model. Cryptovault Solutions' realistic market penetration strategy, characterized by targeted growth and differentiation, sets it on a promising path to expand its footprint in the rapidly evolving world of cryptocurrency.

**\$ 2,375,052** <sup>Y3</sup> Projected Revenue      **0.00%** Market share





# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Trading Fees	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Investment Advisory	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%
Portfolio Management	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	5.00%	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%

Trading Fees	12,750	12,750	12,750	15,300	15,300	15,300	18,700	18,700	18,700	21,250	21,250	21,250	204,000	440,232	950,021
Investment Advisory	9,563	9,563	9,563	11,475	11,475	11,475	14,025	14,025	14,025	15,938	15,938	15,938	153,000	330,174	712,515
Portfolio Management	7,969	7,969	7,969	9,563	9,563	9,563	11,688	11,688	11,688	13,281	13,281	13,281	127,500	275,145	593,763
Other	1,594	1,594	1,594	1,912	1,912	1,912	2,338	2,338	2,338	2,656	2,656	2,656	25,500	55,029	118,753

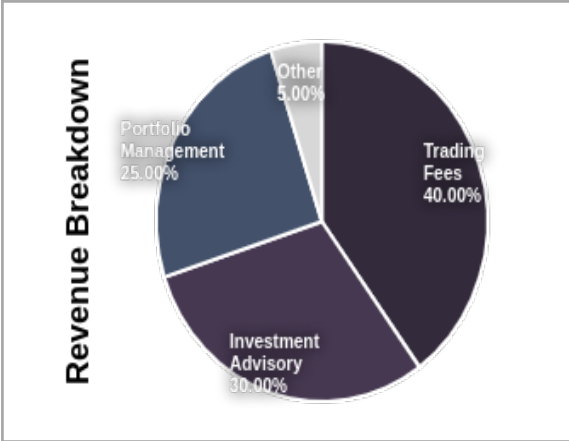
Total Revenue (USD)	31,875	31,875	31,875	38,250	38,250	38,250	46,750	46,750	46,750	53,125	53,125	53,125	510,000	1,100,580	2,375,052
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Total revenue is expected to reach \$ 2,375,052 by year 3.

Main revenue driver are:

- Trading Fees which generates \$ 950,021 by Year 3
- Investment Advisory which generates \$ 712,515 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 115.80 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Technology Infrastructure	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Salaries and Wages	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Data Analytics Tools	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Other	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Technology Infrastructure	3,347	3,347	3,347	4,016	4,016	4,016	4,909	4,909	4,909	5,578	5,578	5,578	53,550	115,561	249,380
Salaries and Wages	3,347	3,347	3,347	4,016	4,016	4,016	4,909	4,909	4,909	5,578	5,578	5,578	53,550	115,561	249,380
Data Analytics Tools	3,063	3,063	3,063	3,676	3,676	3,676	4,493	4,493	4,493	5,105	5,105	5,105	49,011	105,766	228,242
Other	797	797	797	956	956	956	1,169	1,169	1,169	1,328	1,328	1,328	12,750	27,515	59,376

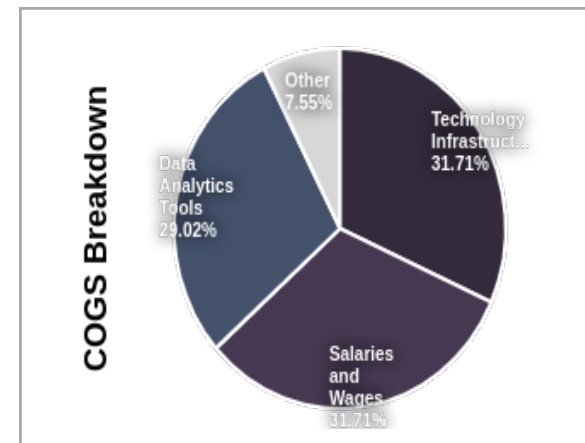
<b>Total COGS (USD)</b>	<b>10,554</b>	<b>10,554</b>	<b>10,554</b>	<b>12,665</b>	<b>12,665</b>	<b>12,665</b>	<b>15,479</b>	<b>15,479</b>	<b>15,479</b>	<b>17,590</b>	<b>17,590</b>	<b>17,590</b>	<b>168,861</b>	<b>364,402</b>	<b>786,380</b>
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Total COGS is expected to reach \$ 786,380 by year 3.

Main revenue driver are:

- Technology Infrastructure which generates \$ 249,380 by Year 3
- Salaries and Wages which generates \$ 249,380 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 115.80 %



# 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>	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%
<i>Rent &amp; Utilities</i>	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
<i>Communication Expenses</i>	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
<i>Office supplies</i>	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
<i>Legal and Professional Fees</i>	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
<i>Marketing and Branding</i>	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
<i>Representation and Entertainment</i>	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
<i>Training and Development</i>	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
<i>Other Miscellaneous</i>	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%

<i>Payroll Expenses</i>	7,172	7,172	7,172	8,606	8,606	8,606	10,519	10,519	10,519	11,953	11,953	11,953	114,750	247,631	534,387
<i>Rent &amp; Utilities</i>	877	877	877	1,052	1,052	1,052	1,286	1,286	1,286	1,461	1,461	1,461	14,025	30,266	65,314
<i>Communication Expenses</i>	383	383	383	459	459	459	561	561	561	638	638	638	6,120	13,207	28,501
<i>Office supplies</i>	446	446	446	535	535	535	654	654	654	744	744	744	7,140	15,408	33,251
<i>Legal and Professional Fees</i>	606	606	606	727	727	727	888	888	888	1,009	1,009	1,009	9,690	20,911	45,126
<i>Marketing and Branding</i>	988	988	988	1,186	1,186	1,186	1,449	1,449	1,449	1,647	1,647	1,647	15,810	34,118	73,627
<i>Representation and Entertainment</i>	287	287	287	344	344	344	421	421	421	478	478	478	4,590	9,905	21,375
<i>Training and Development</i>	300	300	300	360	360	360	439	439	439	499	499	499	4,794	10,345	22,325
<i>Other Miscellaneous</i>	175	175	175	210	210	210	257	257	257	292	292	292	2,805	6,053	13,063

<b>Total SG&amp;A (USD)</b>	<b>11,233</b>	<b>11,233</b>	<b>11,233</b>	<b>13,479</b>	<b>13,479</b>	<b>13,479</b>	<b>16,475</b>	<b>16,475</b>	<b>16,475</b>	<b>18,721</b>	<b>18,721</b>	<b>18,721</b>	<b>179,724</b>	<b>387,844</b>	<b>836,968</b>
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# PaT Expectations

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Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	31,875	31,875	31,875	38,250	38,250	38,250	46,750	46,750	46,750	53,125	53,125	53,125	510,000	1,100,580	2,375,052
Trading Fees	12,750	12,750	12,750	15,300	15,300	15,300	18,700	18,700	18,700	21,250	21,250	21,250	204,000	440,232	950,021
Investment Advisory	9,563	9,563	9,563	11,475	11,475	11,475	14,025	14,025	14,025	15,938	15,938	15,938	153,000	330,174	712,515
Portfolio Management	7,969	7,969	7,969	9,563	9,563	9,563	11,688	11,688	11,688	13,281	13,281	13,281	127,500	275,145	593,763
Other	1,594	1,594	1,594	1,912	1,912	1,912	2,338	2,338	2,338	2,656	2,656	2,656	25,500	55,029	118,753
COGS	-10,554	-10,554	-10,554	-12,665	-12,665	-12,665	-15,479	-15,479	-15,479	-17,590	-17,590	-17,590	-168,861	-364,402	-786,380
Technology Infrastructure	-3,347	-3,347	-3,347	-4,016	-4,016	-4,016	-4,909	-4,909	-4,909	-5,578	-5,578	-5,578	-53,550	-115,561	-249,380
Salaries and Wages	-3,347	-3,347	-3,347	-4,016	-4,016	-4,016	-4,909	-4,909	-4,909	-5,578	-5,578	-5,578	-53,550	-115,561	-249,380
Data Analytics Tools	-3,063	-3,063	-3,063	-3,676	-3,676	-3,676	-4,493	-4,493	-4,493	-5,105	-5,105	-5,105	-49,011	-105,766	-228,242
Other	-797	-797	-797	-956	-956	-956	-1,169	-1,169	-1,169	-1,328	-1,328	-1,328	-12,750	-27,515	-59,376
Gross Profit	21,321	21,321	21,321	25,585	25,585	25,585	31,271	31,271	31,271	35,535	35,535	35,535	341,139	736,178	1,588,672
SG&A Personal Expenses	-7,172	-7,172	-7,172	-8,606	-8,606	-8,606	-10,519	-10,519	-10,519	-11,953	-11,953	-11,953	-114,750	-247,631	-534,387
SG&A Operating Expenses	-4,061	-4,061	-4,061	-4,873	-4,873	-4,873	-5,956	-5,956	-5,956	-6,768	-6,768	-6,768	-64,974	-140,214	-302,582
EBITDA	10,088	10,088	10,088	12,106	12,106	12,106	14,796	14,796	14,796	16,814	16,814	16,814	161,415	348,334	751,704
Depreciation	-15,278	-15,278	-15,278	-15,278	-15,278	-15,278	-15,278	-15,278	-15,278	-15,278	-15,278	-15,278	-183,333	-183,333	-183,333
EBIT	-5,189	-5,189	-5,189	-3,172	-3,172	-3,172	-481	-481	-481	1,536	1,536	1,536	-21,918	165,000	568,371
Interest Expense	-457	-457	-457	-457	-457	-457	-457	-457	-457	-457	-457	-457	-5,488	-5,488	-5,488
Profit before Tax	-5,647	-5,647	-5,647	-3,629	-3,629	-3,629	-939	-939	-939	1,079	1,079	1,079	-27,406	159,512	562,883
Tax	1,186	1,186	1,186	762	762	762	197	197	197	-227	-227	-227	5,755	-33,498	-118,205
Profit after Tax (USD)	-4,461	-4,461	-4,461	-2,867	-2,867	-2,867	-742	-742	-742	852	852	852	-21,651	126,015	444,677

# Balance Sheet Statement

1 2 3 4 5 6 7 8

Financial Projection

Balance Sheet (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cash & Cash Equivalents	9,875	19,506	26,620	32,300	43,949	52,242	58,622	72,961	84,784	95,171	111,528	121,702	121,702	375,500	524,848
Accounts Receivable	31,875	31,875	31,875	38,250	38,250	38,250	46,750	46,750	46,750	53,125	53,125	53,125	53,125	114,644	247,401
Inventory	10,554	10,554	12,665	12,665	12,665	15,479	15,479	15,479	17,590	17,590	17,590	22,775	22,775	49,149	81,915
Prepaid Expenses	2,030	2,030	2,437	2,437	2,437	2,978	2,978	2,978	3,384	3,384	3,384	4,382	4,382	9,456	15,759
Deferred Tax Assets	1,186	2,372	3,557	4,319	5,082	5,844	6,041	6,238	6,435	6,208	5,982	5,755	5,755	-	-
<b>Current Assets</b>	<b>55,520</b>	<b>66,337</b>	<b>77,154</b>	<b>89,971</b>	<b>102,382</b>	<b>114,792</b>	<b>129,870</b>	<b>144,406</b>	<b>158,942</b>	<b>175,479</b>	<b>191,609</b>	<b>207,739</b>	<b>207,739</b>	<b>548,748</b>	<b>869,923</b>
CAPEX 1	291,667	283,333	275,000	266,667	258,333	250,000	241,667	233,333	225,000	216,667	208,333	200,000	200,000	100,000	300,000
CAPEX 2	198,333	196,667	195,000	193,333	191,667	190,000	188,333	186,667	185,000	183,333	181,667	180,000	180,000	160,000	140,000
CAPEX 3	147,500	145,000	142,500	140,000	137,500	135,000	132,500	130,000	127,500	125,000	122,500	120,000	120,000	90,000	60,000
CAPEX 4	97,222	94,444	91,667	88,889	86,111	83,333	80,556	77,778	75,000	72,222	69,444	66,667	66,667	33,333	100,000
<b>Non-Current Assets</b>	<b>734,722</b>	<b>719,444</b>	<b>704,167</b>	<b>688,889</b>	<b>673,611</b>	<b>658,333</b>	<b>643,056</b>	<b>627,778</b>	<b>612,500</b>	<b>597,222</b>	<b>581,944</b>	<b>566,667</b>	<b>566,667</b>	<b>383,333</b>	<b>600,000</b>
<b>Total Assets</b>	<b>790,242</b>	<b>785,781</b>	<b>781,320</b>	<b>778,860</b>	<b>775,993</b>	<b>773,126</b>	<b>772,926</b>	<b>772,184</b>	<b>771,442</b>	<b>772,701</b>	<b>773,553</b>	<b>774,406</b>	<b>774,406</b>	<b>932,081</b>	<b>1,469,923</b>
Accounts Payable	2,030	2,030	2,030	2,437	2,437	2,437	2,978	2,978	2,978	3,384	3,384	3,384	3,384	7,303	15,759
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	457	457	457	457	457	457	457	457	457	457	457	457	457	457	457
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	27,742	112,450
<b>Current Liabilities</b>	<b>2,488</b>	<b>2,488</b>	<b>2,488</b>	<b>2,894</b>	<b>2,894</b>	<b>2,894</b>	<b>3,435</b>	<b>3,435</b>	<b>3,435</b>	<b>3,841</b>	<b>3,841</b>	<b>3,841</b>	<b>3,841</b>	<b>35,502</b>	<b>128,667</b>
Loans and other borrowings	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215	42,215
<b>Non-Current Liabilities</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>	<b>42,215</b>
<b>Total Liabilities</b>	<b>44,703</b>	<b>44,703</b>	<b>44,703</b>	<b>45,109</b>	<b>45,109</b>	<b>45,109</b>	<b>45,651</b>	<b>45,651</b>	<b>45,651</b>	<b>46,057</b>	<b>46,057</b>	<b>46,057</b>	<b>46,057</b>	<b>77,718</b>	<b>170,882</b>
Paid-In Capital	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-21,651	104,364
Current Period Earnings	-4,461	-8,922	-13,383	-16,250	-19,116	-21,983	-22,725	-23,467	-24,208	-23,356	-22,503	-21,651	-21,651	126,015	444,677
<b>Total Equity</b>	<b>745,539</b>	<b>741,078</b>	<b>736,617</b>	<b>733,750</b>	<b>730,884</b>	<b>728,017</b>	<b>727,275</b>	<b>726,533</b>	<b>725,792</b>	<b>726,644</b>	<b>727,497</b>	<b>728,349</b>	<b>728,349</b>	<b>854,364</b>	<b>1,299,041</b>



# Cash Flow Statement - Direct

Cash Flow Statement - Direct (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	-	9,875	19,506	26,620	32,300	43,949	52,242	58,622	72,961	84,784	95,171	111,528	-	121,702	375,500
Cash from sales of goods/services	-	31,875	31,875	31,875	38,250	38,250	38,250	46,750	46,750	46,750	53,125	53,125	456,875	1,039,061	2,242,294
Payments to employees/vendors	-19,756	-21,787	-23,897	-25,738	-26,144	-28,958	-31,412	-31,954	-34,064	-35,905	-36,311	-41,496	-367,976	-774,701	-1,647,657
Advances paid/received	-	-	-406	-	-	-541	-	-	-406	-	-	-998	-4,382	-5,074	-6,304
Taxes paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-33,498
Interest paid	-	-457	-457	-457	-457	-457	-457	-457	-457	-457	-457	-457	-5,031	-5,488	-5,488
<b>CF from Operating Activities</b>	<b>-19,756</b>	<b>9,631</b>	<b>7,114</b>	<b>5,680</b>	<b>11,649</b>	<b>8,293</b>	<b>6,380</b>	<b>14,339</b>	<b>11,822</b>	<b>10,388</b>	<b>16,357</b>	<b>10,174</b>	<b>79,487</b>	<b>253,798</b>	<b>549,348</b>
Acquisition of															
CAPEX 1	-	-	-	-	-	-	-	-	-	-	-	-	-300,000	-	-300,000
CAPEX 2	-	-	-	-	-	-	-	-	-	-	-	-	-200,000	-	-
CAPEX 3	-	-	-	-	-	-	-	-	-	-	-	-	-150,000	-	-
CAPEX 4	-	-	-	-	-	-	-	-	-	-	-	-	-100,000	-	-100,000
<b>CF from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-750,000</b>	<b>-</b>	<b>-400,000</b>
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	42,215	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	750,000	-	-
<b>CF from Financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>792,215</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>9,875</b>	<b>19,506</b>	<b>26,620</b>	<b>32,300</b>	<b>43,949</b>	<b>52,242</b>	<b>58,622</b>	<b>72,961</b>	<b>84,784</b>	<b>95,171</b>	<b>111,528</b>	<b>121,702</b>	<b>121,702</b>	<b>375,500</b>	<b>524,848</b>

## Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.

# Cash Flow Statement - Indirect

1 2 3 4 5 6 7 8

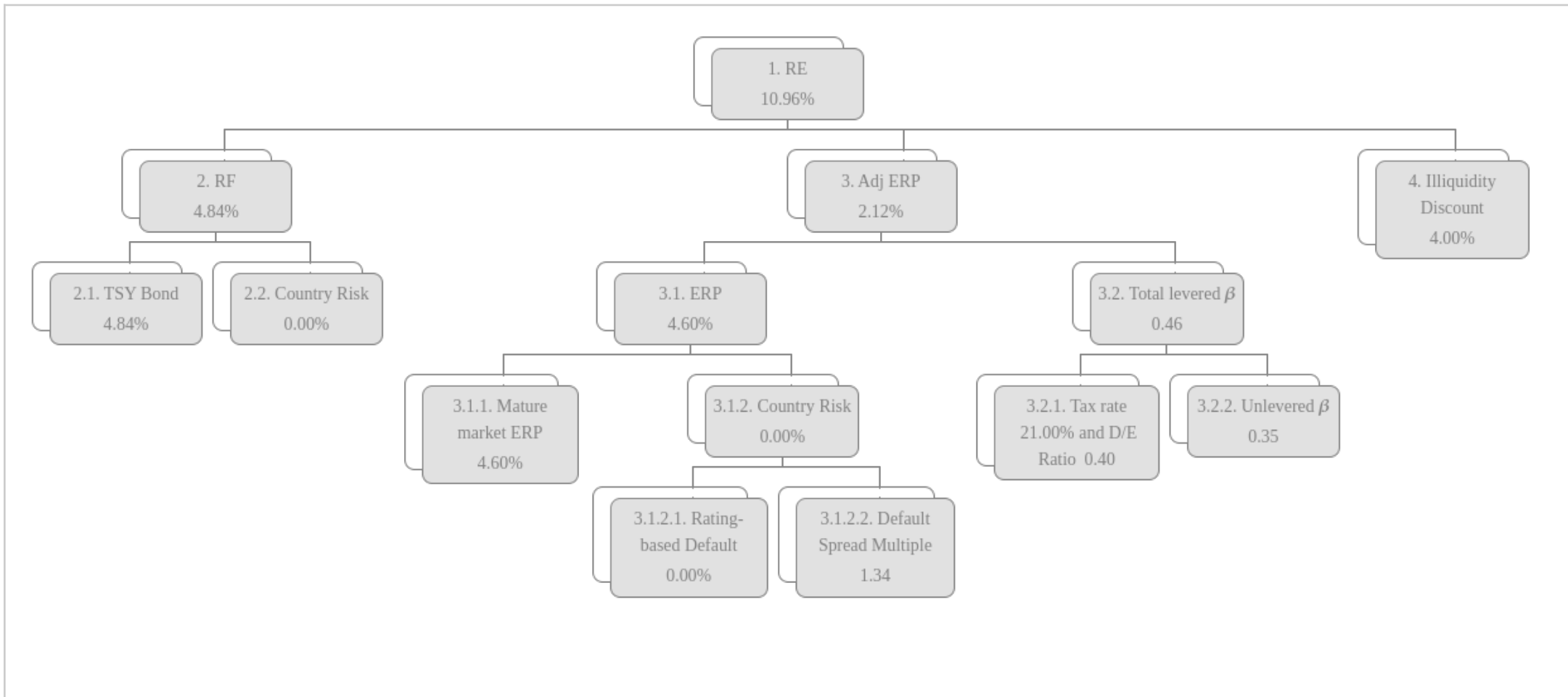
Financial Projection

Cash Flow Statement - Indirect (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	-	9,875	19,506	26,620	32,300	43,949	52,242	58,622	72,961	84,784	95,171	111,528	-	121,702	375,500
EBIT	-5,189	-5,189	-5,189	-3,172	-3,172	-3,172	-481	-481	-481	1,536	1,536	1,536	-21,918	165,000	568,371
Δ Receivables & Prepaids	-31,875	-	-406	-6,375	-	-541	-8,500	-	-406	-6,375	-	-998	-57,507	-66,593	-139,061
Δ Payables	2,030	-	-	406	-	-	541	-	-	406	-	-	3,384	3,919	8,457
Δ Inventory	-	-	-2,111	-	-	-2,814	-	-	-2,111	-	-	-5,185	-22,775	-26,374	-32,766
Δ Depreciation	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278	183,333	183,333	183,333
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-33,498
Interest Expenses	-	-457	-457	-457	-457	-457	-457	-457	-457	-457	-457	-457	-5,031	-5,488	-5,488
<b>CF from Operating Activities</b>	<b>-19,756</b>	<b>9,631</b>	<b>7,114</b>	<b>5,680</b>	<b>11,649</b>	<b>8,293</b>	<b>6,380</b>	<b>14,339</b>	<b>11,822</b>	<b>10,388</b>	<b>16,357</b>	<b>10,174</b>	<b>79,487</b>	<b>253,798</b>	<b>549,348</b>
Acquisition of															
CAPEX 1	-	-	-	-	-	-	-	-	-	-	-	-	-300,000	-	-300,000
CAPEX 2	-	-	-	-	-	-	-	-	-	-	-	-	-200,000	-	-
CAPEX 3	-	-	-	-	-	-	-	-	-	-	-	-	-150,000	-	-
CAPEX 4	-	-	-	-	-	-	-	-	-	-	-	-	-100,000	-	-100,000
<b>CF from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-750,000</b>	<b>-</b>	<b>-400,000</b>
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	42,215	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	750,000	-	-
<b>CF from Financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>792,215</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>9,875</b>	<b>19,506</b>	<b>26,620</b>	<b>32,300</b>	<b>43,949</b>	<b>52,242</b>	<b>58,622</b>	<b>72,961</b>	<b>84,784</b>	<b>95,171</b>	<b>111,528</b>	<b>121,702</b>	<b>121,702</b>	<b>375,500</b>	<b>524,848</b>

## Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.

## 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 ( $\beta$ ) 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](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	-21,651	126,015	444,677	479,807	517,711	558,611	602,741
	Growth% Y4-Y7				7.90%	7.90%	7.90%	7.90%
	Growth% Y7 -->				3.50%			
	WACC				10.96%			
	PV Y1-Y7 at Y0	-19,513	102,352	325,507	316,534	307,808	299,323	291,071
	PV Y7 --> Y0				4,038,994			
	NPV (USD)				5,662,076			

Average Survival Rate for 3 Years 50%

Final Valuation \$ 2,831,038

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 10.96 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 7.90 %, 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.



# Scenario Analysis: Narrative

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

KPI	Scenario	Narrative	KPI affected by
Revenue	Positive	This scenario reflects a favorable market environment or a strategic breakthrough, leading to higher projected revenue. It showcases the potential rewards of scaling and innovative approaches.	higher by 15%
	Negative	This scenario accounts for challenging conditions such as economic downturns or market disruptions, forecasting a potential revenue decrease. It emphasizes the importance of adaptability and risk management.	lower by 15%
COGS	Positive	This scenario demonstrates the benefits of operational efficiency or cost-saving strategies, resulting in reduced COGS. It highlights the value of innovation in supply chain and operations.	lower by 20%
	Negative	This scenario addresses rising costs due to external pressures, resulting in an increase in COGS. It underlines the need for proactive cost-control measures.	higher by 20%
Discount Rate (RoE)	Positive	This scenario assumes a decrease in the discount rate (RoE) due to improved market conditions, lower perceived risk, or favorable macroeconomic factors. A lower discount rate increases the present value of future cash flows, enhancing the company's valuation.	lower by 10%
	Negative	This scenario models an increase in the discount rate (RoE) driven by higher market risk, macroeconomic instability, or industry-specific challenges. A higher discount rate reduces the present value of future cash flows, decreasing the company's valuation.	higher by 10%

# Scenario Analysis: Results

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

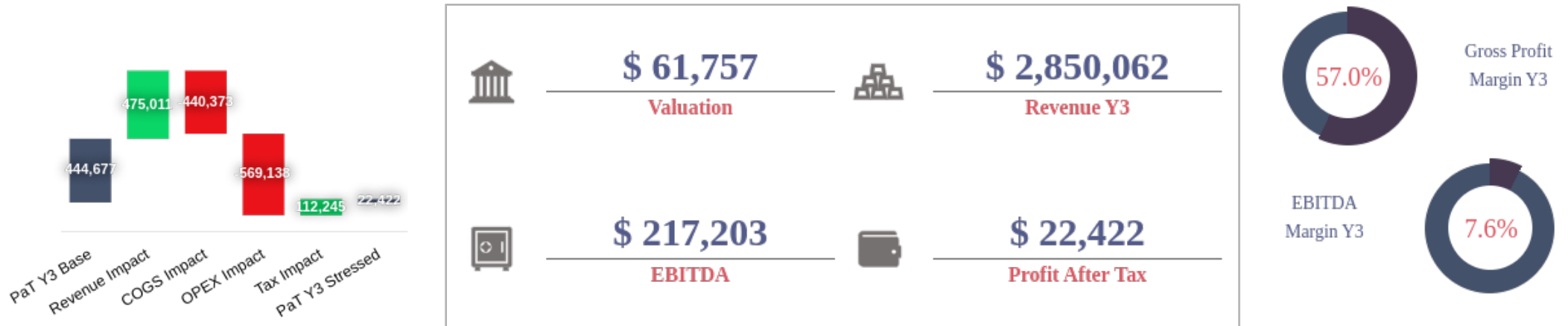
Scenario Analysis		Revenue		COGS		Discount Rate	
KPIs	Base	Positive	Negative	Positive	Negative	Positive	Negative
	Revenue	no impact	15%	-15%	no impact	no impact	no impact
COGS	no impact	no impact	no impact	-20%	20%	no impact	no impact
RoE	no impact	no impact	no impact	no impact	no impact	-10%	10%
Revenue Y3	\$ 2,375,052	\$ 2,731,309	\$ 2,018,794	\$ 2,375,052	\$ 2,375,052	\$ 2,375,052	\$ 2,375,052
Gross Profit Y3	\$ 1,588,672	\$ 1,826,973	\$ 1,350,371	\$ 1,745,948	\$ 1,431,396	\$ 1,588,672	\$ 1,588,672
GP Margin	67%	67%	67%	74%	60%	67%	67%
EBITDA Y3	\$ 751,704	\$ 864,459	\$ 638,948	\$ 908,980	\$ 594,428	\$ 751,704	\$ 751,704
EBITDA Margin	32%	32%	32%	38%	25%	32%	32%
Net Profit Y3	\$ 444,677	\$ 533,754	\$ 355,600	\$ 568,925	\$ 320,429	\$ 444,677	\$ 444,677
Profit Margin	19%	20%	18%	24%	13%	19%	19%
Final Valuation	\$ 2,831,038	\$ 3,415,232	\$ 2,246,844	\$ 3,645,894	\$ 2,016,182	\$ 3,388,924	\$ 2,417,916

# Stress Test: Growth Under Pressure

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

Scenario Name	Story	KPIs impact	
<b>Growth Under Pressure</b>	This scenario explores the challenges of managing rapid growth while dealing with operational bottlenecks. A surge in demand and revenue places significant strain on supply chains and internal processes. Despite achieving higher sales volumes, inefficiencies in scaling lead to increased costs and a heightened risk perception, keeping the discount rate elevated. 'Growth Under Pressure' examines how businesses can balance seizing growth opportunities while investing in infrastructure, talent, and systems to support scalability.	<b>Revenue</b> Higher by 20%	<b>COGS</b> Higher by 30%
		<b>OPEX</b> Higher by 40%	<b>Discount Rate</b> unaffected

## Results



# Stress Test: The Perfect Storm

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

## Scenario Name

## Story

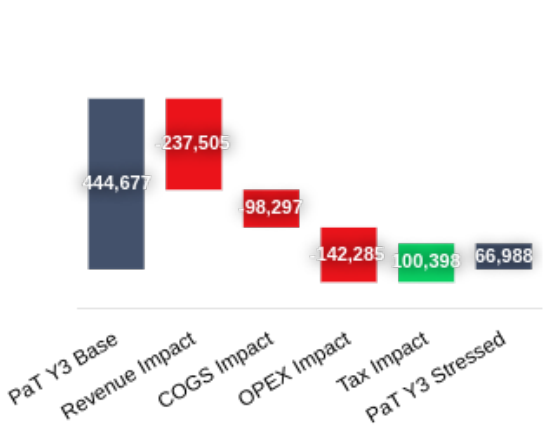
## KPIs impact

# The Perfect Storm

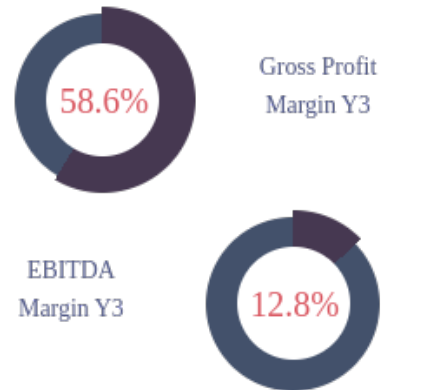
This scenario simulates the convergence of adverse market conditions and rising operational challenges. A sharp downturn in market demand coincides with increased costs due to inflation and supply chain disruptions. The combination results in a dual hit to both top-line revenue and operational margins. Additionally, external factors such as economic instability elevate the discount rate, amplifying the pressure on future cash flows. Businesses facing 'The Perfect Storm' must focus on resilience through diversified revenue streams, cost-control measures, and contingency planning.

<b>Revenue</b> Lower by 10%	<b>COGS</b> Higher by 25%
<b>OPEX</b> Higher by 30%	<b>Discount Rate</b> Higher by 10%

## Results



<b>\$ 292,779</b> Valuation	<b>\$ 2,137,546</b> Revenue Y3
<b>\$ 273,617</b> EBITDA	<b>\$ 66,988</b> Profit After Tax



# Sensitivity Analysis: SAM & SOM

This sensitivity analysis evaluates the potential impact of changes in Serviceable Addressable Market (SAM) and Serviceable Obtainable Market (SOM) on key financial metrics. By simulating percentage variations in SAM and SOM, this analysis helps identify how shifts in market assumptions affect revenue, profitability, and overall valuation.

		SAM						SOM					
		-20%	-10%	-5%	5%	10%	20%	-9%	-6%	-3%	3%	6%	9%
Revenue	Y1	\$ 408,000	\$ 459,000	\$ 484,500	\$ 535,500	\$ 561,000	\$ 612,000	\$ 464,100	\$ 479,400	\$ 494,700	\$ 525,300	\$ 540,600	\$ 555,900
	Y2	\$ 880,464	\$ 990,522	\$ 1,045,551	\$ 1,155,609	\$ 1,210,638	\$ 1,320,696	\$ 1,001,528	\$ 1,034,545	\$ 1,067,563	\$ 1,133,597	\$ 1,166,615	\$ 1,199,632
	Y3	\$ 1,900,041	\$ 2,137,546	\$ 2,256,299	\$ 2,493,804	\$ 2,612,557	\$ 2,850,062	\$ 2,161,297	\$ 2,232,549	\$ 2,303,800	\$ 2,446,303	\$ 2,517,555	\$ 2,588,806
Gross Profit	Y1	\$ 272,911	\$ 307,025	\$ 324,082	\$ 358,196	\$ 375,253	\$ 409,367	\$ 310,436	\$ 320,671	\$ 330,905	\$ 351,373	\$ 361,607	\$ 371,842
	Y2	\$ 588,942	\$ 662,560	\$ 699,369	\$ 772,987	\$ 809,796	\$ 883,414	\$ 669,922	\$ 692,007	\$ 714,093	\$ 758,263	\$ 780,349	\$ 802,434
	Y3	\$ 1,270,938	\$ 1,429,805	\$ 1,509,238	\$ 1,668,106	\$ 1,747,539	\$ 1,906,406	\$ 1,445,692	\$ 1,493,352	\$ 1,541,012	\$ 1,636,332	\$ 1,683,992	\$ 1,731,653
GP Margin	Y1	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%
	Y2	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%
	Y3	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%
EBITDA	Y1	\$ 129,132	\$ 145,274	\$ 153,344	\$ 169,486	\$ 177,557	\$ 193,698	\$ 146,888	\$ 151,730	\$ 156,573	\$ 166,257	\$ 171,100	\$ 175,942
	Y2	\$ 278,667	\$ 313,500	\$ 330,917	\$ 365,750	\$ 383,167	\$ 418,000	\$ 316,984	\$ 327,434	\$ 337,884	\$ 358,784	\$ 369,234	\$ 379,684
	Y3	\$ 601,363	\$ 676,533	\$ 714,119	\$ 789,289	\$ 826,874	\$ 902,045	\$ 684,050	\$ 706,602	\$ 729,153	\$ 774,255	\$ 796,806	\$ 819,357
EBITDA Margin	Y1	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%
	Y2	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%
	Y3	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%
Net Profit	Y1	-\$ 47,155	-\$ 34,403	-\$ 28,027	-\$ 15,275	-\$ 8,899	\$ 3,853	-\$ 33,128	-\$ 29,302	-\$ 25,477	-\$ 17,825	-\$ 14,000	-\$ 10,174
	Y2	\$ 70,978	\$ 98,496	\$ 112,256	\$ 139,774	\$ 153,533	\$ 181,051	\$ 101,248	\$ 109,504	\$ 117,759	\$ 134,270	\$ 142,526	\$ 150,781
	Y3	\$ 325,908	\$ 385,293	\$ 414,985	\$ 474,369	\$ 504,062	\$ 563,446	\$ 391,231	\$ 409,046	\$ 426,862	\$ 462,493	\$ 480,308	\$ 498,123
Profit Margin	Y1	-12%	-7%	-6%	-3%	-2%	1%	-7%	-6%	-5%	-3%	-3%	-2%
	Y2	8%	10%	11%	12%	13%	14%	10%	11%	11%	12%	12%	13%
	Y3	17%	18%	18%	19%	19%	20%	18%	18%	19%	19%	19%	19%
Final Valuation		\$ 2,052,113	\$ 2,441,576	\$ 2,636,307	\$ 3,025,769	\$ 3,220,500	\$ 3,609,963	\$ 2,480,522	\$ 2,597,361	\$ 2,714,199	\$ 2,947,877	\$ 3,064,715	\$ 3,181,554

## 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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