

# Business Plan & Valuation Presentation



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# OUR VISION & MISSION

## Our Mission

Prime Property Investments is dedicated to revolutionizing the real estate investment landscape by offering unparalleled market analysis, strategic investment planning, and comprehensive portfolio management. Our mission is to leverage our extensive network and industry expertise to identify and capitalize on high-value investment opportunities, ensuring clients receive exceptional value and insights at every step. We make a difference by guiding clients with precision and integrity, aiming to enhance their investment journey and maximize their returns in the real estate sector.

## Our Vision

Prime Property Investments envisions a future where we redefine the standards of real estate investment by consistently delivering unparalleled value and opportunities. Our vision is to be the most trusted and sought-after real estate brokerage, setting new benchmarks in the industry. We aim to empower investors by providing innovative solutions and leveraging state-of-the-art technological advancements, ultimately creating a global community where real estate investments drive sustainable growth and prosperity for all stakeholders.



# Summary Financials Dashboard

## Key performance indicators

(Base Scenario Y3)

**\$ 746,992**

Revenue

**\$ 336,893**

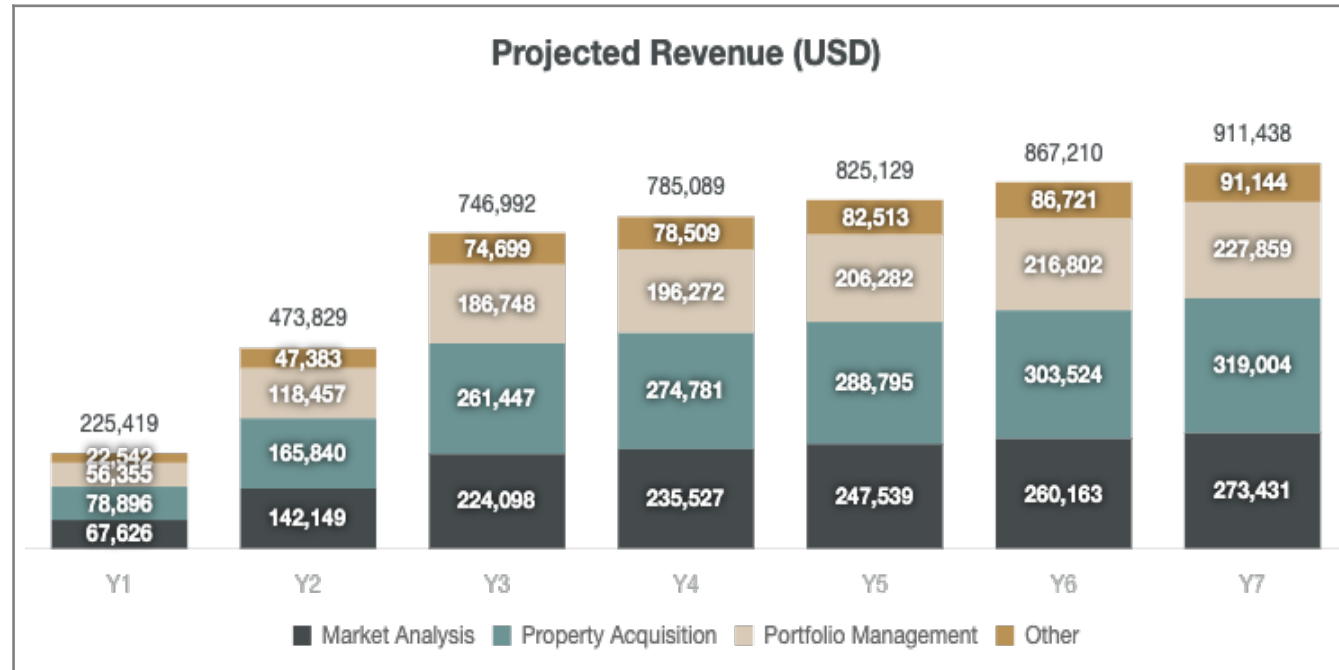
Gross Profit

**\$ 114,365**

EBITDA

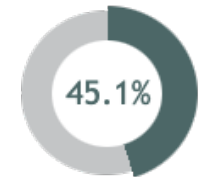
**6.00%**

Target Market Share



## Margins (Stabilized by Y3)

GP Margin



EBITDA Margin



PbT Margin

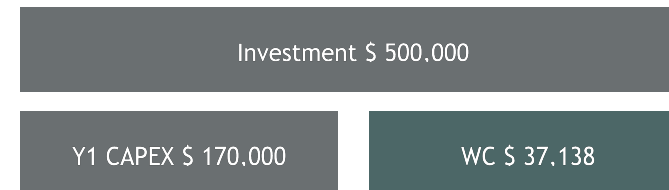


## Project Phases



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.

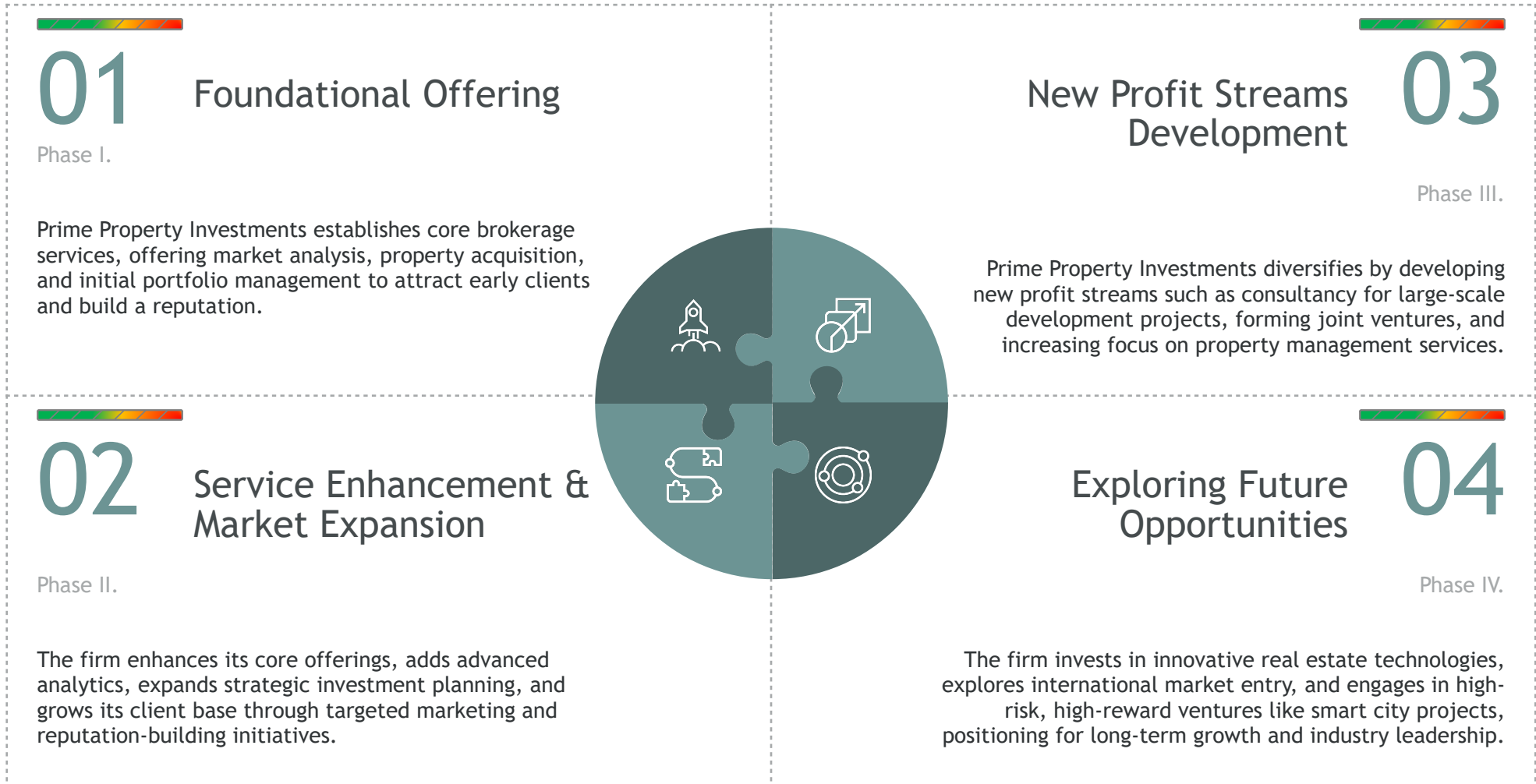


# About the Company: General Overview



Prime Property Investments is a leading real estate investment brokerage specializing in identifying and capitalizing on high-value investment opportunities within the real estate sector. The company offers comprehensive services, including market analysis, property acquisition, portfolio management, and strategic investment planning. Leveraging an extensive network and industry expertise, they provide clients with access to premium investment properties and innovative solutions to maximize returns. Prime Property Investments aims to deliver exceptional value and insights, guiding clients through every step of their real estate investment journey with precision and integrity. Operating within the real estate activities sector, the firm is dedicated to helping clients achieve their financial goals through sound investment strategies and thorough market knowledge.

# The Main Phases: Projects & Impacts



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Clients</b>	<ol style="list-style-type: none"> <li>1. Access to premium investment opportunities and high-value properties.</li> <li>2. Comprehensive market analysis and strategic investment planning to maximize returns.</li> <li>3. Personalized portfolio management and tailored consultancy services for long-term growth.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Opportunities for professional development and growth within a leading real estate brokerage.</li> <li>2. Competitive compensation and performance-based rewards.</li> <li>3. Supportive work environment fostering innovation and collaboration.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Consistent returns through well-managed, high-value property investments.</li> <li>2. Transparency and regular updates on portfolio performance and market trends.</li> <li>3. Access to diversified portfolios and emerging market opportunities.</li> </ol>
<b>Community</b>	<ol style="list-style-type: none"> <li>1. Economic growth and job creation through real estate development and management projects.</li> <li>2. Enhanced property values contributing to improved neighborhoods and local infrastructure.</li> <li>3. Active participation and investment in community development initiatives.</li> </ol>
<b>Partners</b>	<ol style="list-style-type: none"> <li>1. Mutually beneficial collaborations and joint venture opportunities.</li> <li>2. Shared expertise and resources leading to successful project outcomes.</li> <li>3. Strengthened relationships and expanded networks within the industry.</li> </ol>
<b>Regulatory Bodies</b>	<ol style="list-style-type: none"> <li>1. Compliance with all legal and regulatory requirements to ensure ethical business practices.</li> <li>2. Contribution to the stability and efficiency of the real estate market.</li> <li>3. Active engagement in industry advocacy and standards development.</li> </ol>
<b>Suppliers</b>	<ol style="list-style-type: none"> <li>1. Long-term, reliable partnerships with consistent demand for services and products.</li> <li>2. Opportunities to collaborate on innovative projects and technological advancements.</li> <li>3. Growth prospects through participation in large-scale development projects.</li> </ol>

# Key Performance Components

## Competitive Advantage

### Extensive Network

Prime Property Investments leverages a vast network of industry connections, providing clients with access to exclusive, high-value investment properties not readily available to the public.

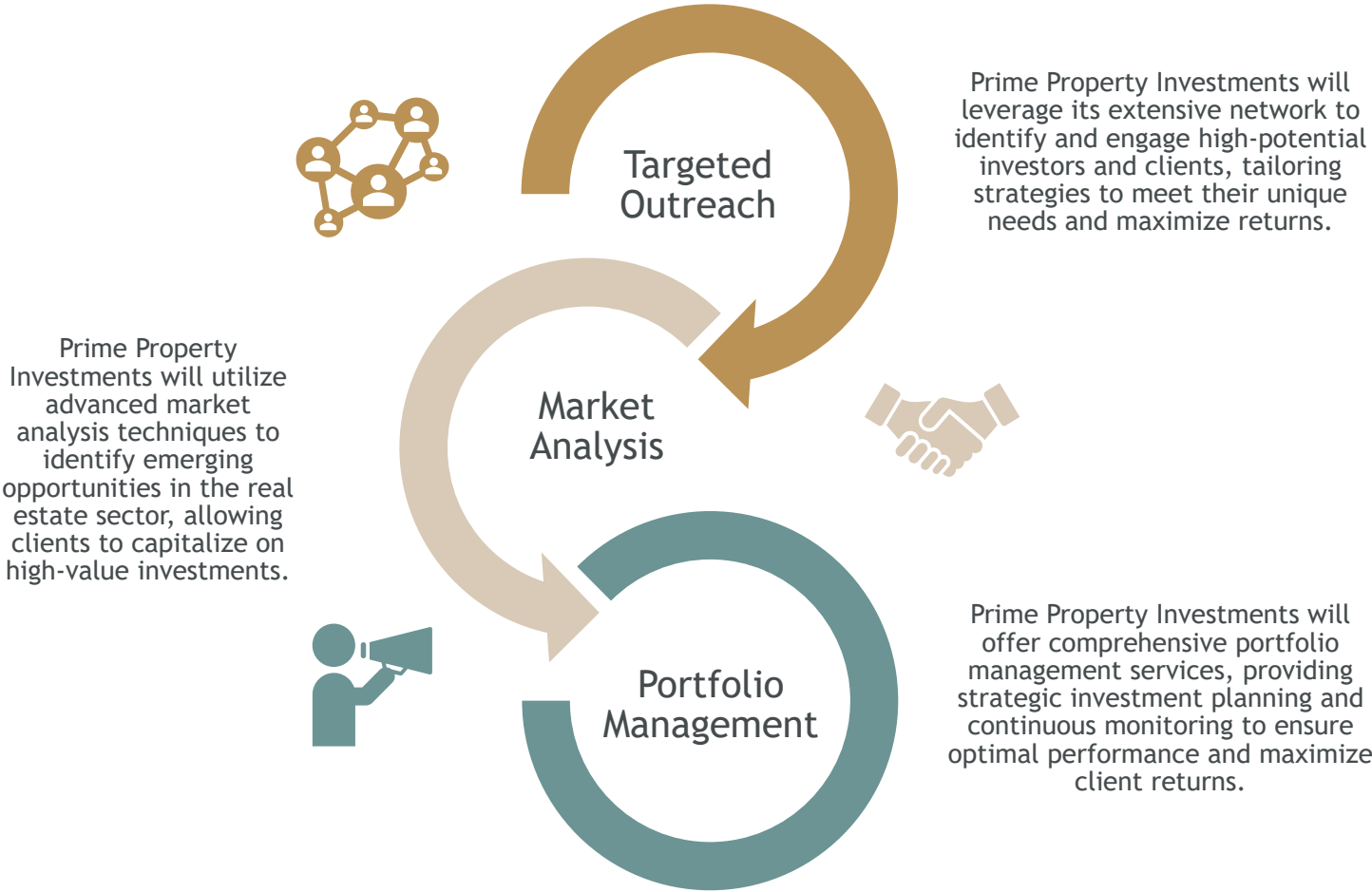
### Comprehensive Services

Their array of services spans market analysis, property acquisition, portfolio management, and strategic planning, offering a one-stop solution for all real estate investment needs.

### Industry Expertise








The firm's deep expertise in real estate enables them to identify lucrative opportunities and provide insightful guidance, ensuring clients maximize returns on their investments.

## Marketing and Growth Strategy

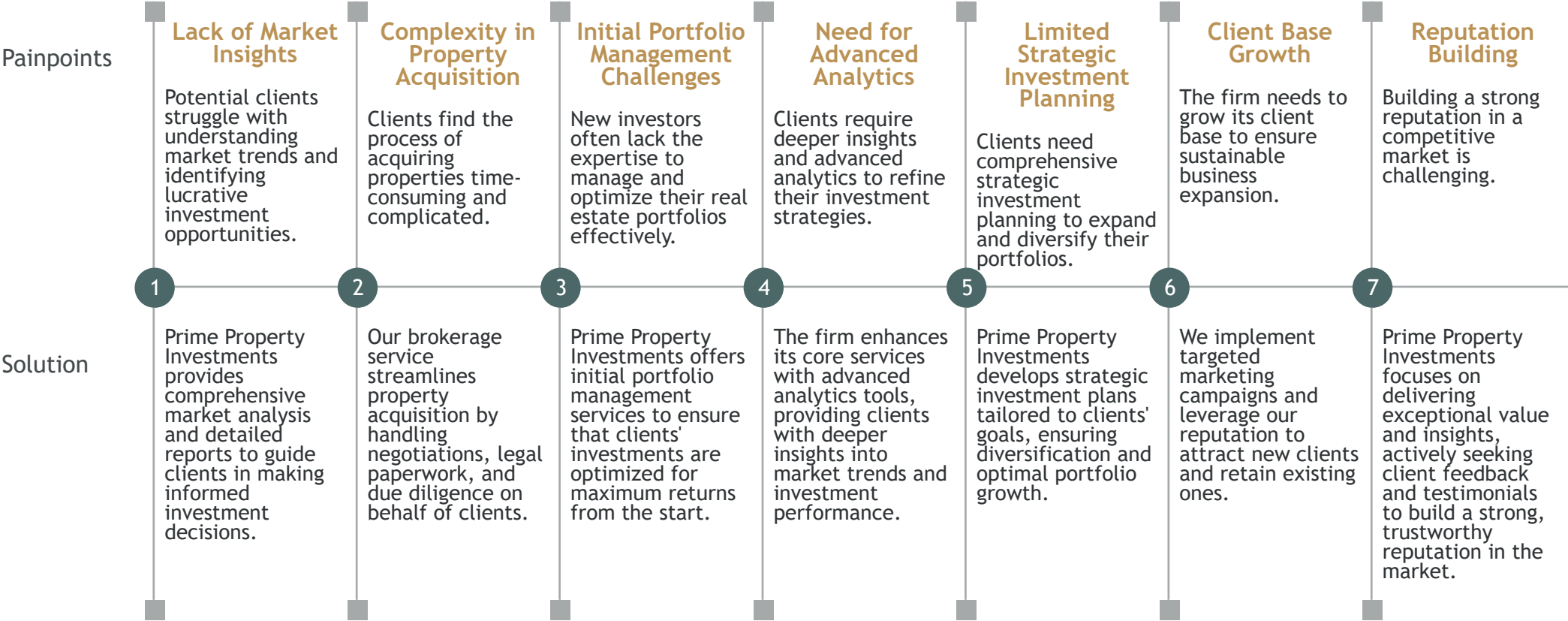




# Target Groups

Industries		Description
I	 Individual Investors	High-net-worth individuals seeking lucrative real estate investment opportunities and personalized portfolio management services.
II	 Institutional Investors	Pension funds, insurance companies, and educational endowments looking for stable, high-yield real estate investments to diversify their portfolios.
III	 Real Estate Developers	Companies focused on large-scale development projects requiring strategic investment planning, property acquisition, and advanced market analysis.
IV	 Private Equity Firms	Firms needing expert guidance in navigating high-value real estate acquisitions and strategic portfolio expansion to maximize returns.
V	 Family Offices	Wealth management entities representing affluent families, seeking tailored real estate investment strategies and comprehensive asset management.
VI	 Corporate Investors	Corporations looking to invest in commercial properties to either expand their business operations or diversify their investment portfolios.
VII	 Real Estate Investment Trusts (REITs)	Publicly traded and private REITs aiming to strengthen their property portfolios with high-quality acquisitions and expert management services.

## Solution from Phase I to Phase IV




# Strategic Analysis: SWOT

**Strength**



Extensive network provides access to premium investment properties. Comprehensive services cover market analysis, property acquisition, and portfolio management. Expertise in strategic investment planning maximizes returns. Strong industry reputation as a leading real estate investment brokerage. Commitment to precision and integrity in guiding clients.

**Weaknesses**




Dependency on the real estate market's health and stability. High competition in the real estate brokerage industry. Resource-intensive operations may limit scalability. Potential over-reliance on a few key clients. Vulnerability to economic downturns impacting real estate investments.

**Opportunities**



Expansion into emerging real estate markets. Development of new services such as sustainable property investments. Leveraging technology for enhanced market analysis and client engagement. Forming strategic partnerships with property developers. Increasing demand for real estate investment diversification.

**Threats**



Market volatility and economic downturns affecting investment returns. Regulatory changes impacting the real estate sector. Rising interest rates reducing investment attractiveness. Growing competition from other investment brokerage firms. Fluctuations in property values affecting client portfolios.

# History & Roadmap



## Current Status.

Prime Property Investments will follow a structured development roadmap to ensure sustained growth and value delivery:

- Conduct market research and identify key areas by Mar 2024
- Expand network of high-value property contacts by Jun 2024
- Integrate advanced technology tools for analysis by Sep 2024
- Launch comprehensive portfolio management services by Dec 2024
- Boost client acquisition via targeted marketing by Mar 2025
- Form strategic partnerships to expand opportunities by Jun 2025

# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Establish Legal Entity	●	Not Started	High	CEO 2 weeks
2	Develop Business Plan	●	Not Started	High	CFO 1 month
3	Secure Initial Funding	●	Not Started	High	CFO 1.5 months
4	Hire Core Team	●	Not Started	High	COO 2 months
5	Set Up Office Space	●	Not Started	Medium	CBO 2 months
6	Develop IT Infrastructure	●	Not Started	High	CTO 2 months
7	Create Financial Forecasts	●	Not Started	High	CFO 1 month
8	Establish Strategic Partnerships	●	Not Started	Medium	CRO 3 months
<b>Marketing</b>					
1	Develop Brand Identity	●	Not Started	High	CMO 2 weeks
2	Launch Initial Marketing Campaign	●	Not Started	High	CMO 1 month
3	Optimize Website for SEO	●	Not Started	Medium	CTO 2 months
4	Develop Brochures and Marketing Materials	●	Not Started	Medium	CMO 6 weeks
5	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
6	Create Client Referral Program	●	Not Started	High	CSO 2 months
7	Implement CRM System	●	Not Started	Medium	CIO 3 months
8	Measure ROI on Marketing Efforts	●	Not Started	High	CFO 3 months

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 1 &amp; Technical Set Up for next Phases</b>					
1	Define Core Brokerage Services	● Not Started	High	CEO	2 weeks
2	Conduct Comprehensive Market Analysis	● Not Started	High	CSO	3 weeks
3	Establish Initial Client Portfolio	● Not Started	High	CRO	1 month
4	Develop Property Acquisition Strategies	● Not Started	Medium	CIO	1 month
5	Create Standard Operating Procedures	● Not Started	Medium	COO	2 weeks
6	Set Up CRM System	● Not Started	High	CTO	3 weeks
7	Recruit Initial Team of Brokers	● Not Started	High	CPO	1 month
8	Develop Initial Marketing Material	● Not Started	Medium	CMO	3 weeks
<b>Phase 2</b>					
1	Enhance Core Service Offerings	● Not Started	High	CPO	2 months
2	Integrate Advanced Analytics	● Not Started	High	CTO	3 months
3	Expand Strategic Investment Planning Services	● Not Started	Medium	COO	4 months
4	Develop Targeted Marketing Campaigns	● Not Started	High	CMO	2 months
5	Increase Client Base through Reputation-Building	● Not Started	High	CRO	5 months
6	Conduct Market Research for Service Enhancement	● Not Started	Medium	CSO	3 months
7	Implement Customer Feedback Mechanisms	● Not Started	Low	COO	6 months
8	Build Partnerships to Broaden Service Range	● Not Started	Medium	CBO	4 months

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 3</b>						
1	Develop Consultancy Services for Large-Scale Projects	●	Not Started	High	COO	2 months
2	Form Joint Ventures with Key Industry Players	●	Not Started	High	CEO	3 months
3	Expand Property Management Services	●	Not Started	Medium	COO	4 months
4	Optimize and Implement New Revenue Models	●	Not Started	High	CFO	2 months
5	Explore New Partnership Opportunities	●	Not Started	Medium	CRO	3 months
6	Deploy Enhanced Property Management Software	●	Not Started	Medium	CTO	1 month
7	Initiate Market Research for Diversification	●	Not Started	Low	CSO	4 months
8	Develop Client Education Programs on New Offerings	●	Not Started	Low	CMO	2 months
<b>Phase 4</b>						
1	Invest in innovative real estate technologies	●	Not Started	High	CTO	9 months
2	Explore international market entry opportunities	●	Not Started	High	CEO	12 months
3	Engage in smart city projects	●	Not Started	High	CIO	18 months
4	Form strategic partnerships for advanced tech integration	●	Not Started	Medium	CSO	6 months
5	Develop a robust risk management framework for high-risk ventures	●	Not Started	High	CRO	4 months
6	Conduct market research on potential smart city investments	●	Not Started	Medium	CIO	3 months
7	Identify and evaluate potential international expansion locations	●	Not Started	High	COO	8 months
8	Secure funding for innovative technology investments	●	Not Started	High	CFO	5 months

# Core Risks & Migration Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Property maintenance issues	COO	Implement regular maintenance schedules and establish relationships with reliable contractors to ensure timely repairs and upkeep of properties.
2	Technology failures	CTO	Implement robust and redundant technology infrastructure, regularly update systems, and conduct periodic cybersecurity assessments.
3	Inaccurate market analysis	CIO	Employ advanced data analytics and regularly update market data sources to ensure accuracy in market analysis and forecasting.
4	Client dissatisfaction	CMO	Maintain constant communication with clients, gather feedback regularly, and implement a customer relationship management (CRM) system to track and address concerns promptly.
5	Staff turnover	COO	Develop comprehensive training and retention programs, create a positive work environment, and offer competitive compensation packages to retain talent.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Local Real Estate Laws	CRO	Regularly update on local laws.
2	Licensing Issues	COO	Ensure all brokers are properly licensed.
3	Anti-Money Laundering (AML) Regulations	CFO	Implement strong AML policies.
4	Fair Housing Act Compliance	CSO	Train staff on Fair Housing standards.
5	Data Protection and Privacy Laws	CIO	Use robust data protection protocols.



### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Volatility	CEO	Diversify portfolios to spread risk.
2	Client Attrition	CMO	Enhance client engagement and satisfaction programs.
3	Competitive Pressure	CSO	Focus on unique value propositions and continuous innovation.
4	Economic Downturn	CFO	Build financial reserves and optimize operational costs.
5	Technological Disruption	CTO	Invest in cutting-edge technology and continuous learning.

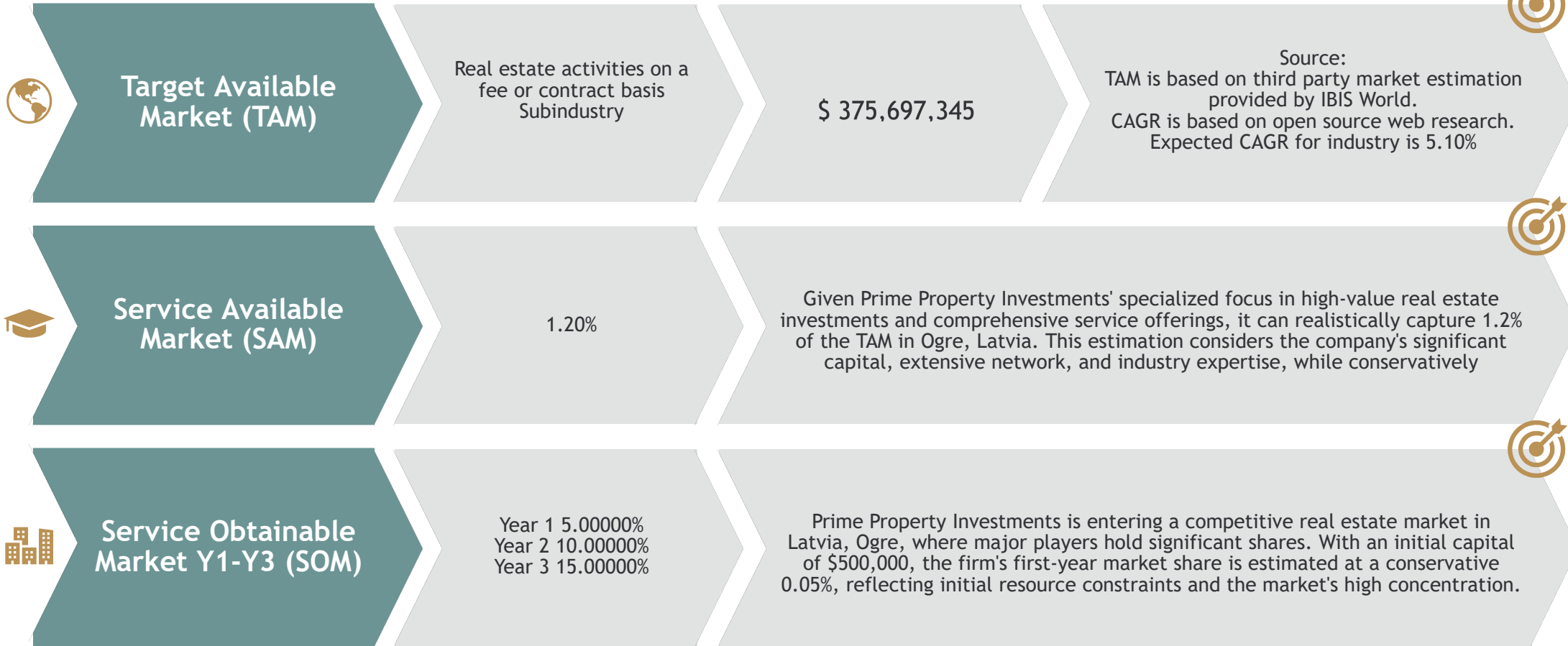
### 4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Market Volatility	CFO	Diversify investment portfolio
2	Client Default	CRO	Conduct stringent client vetting
3	Liquidity Issues	CFO	Maintain adequate cash reserves
4	Funding Shortfalls	CEO	Develop alternative funding sources
5	Revenue Fluctuations	CFO	Implement robust forecasting and planning

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Market Volatility	CRO	Diversify investment portfolio
2	Talent Retention	COO	Offer competitive compensation and career growth
3	Reputation Damage	CMO	Implement robust PR strategies
4	Client Dependence	CEO	Diversify client base
5	Economic Downturn	CFO	Build financial reserves

# Market Overview (TAM, SAM and SOM)



# Funding Allocation

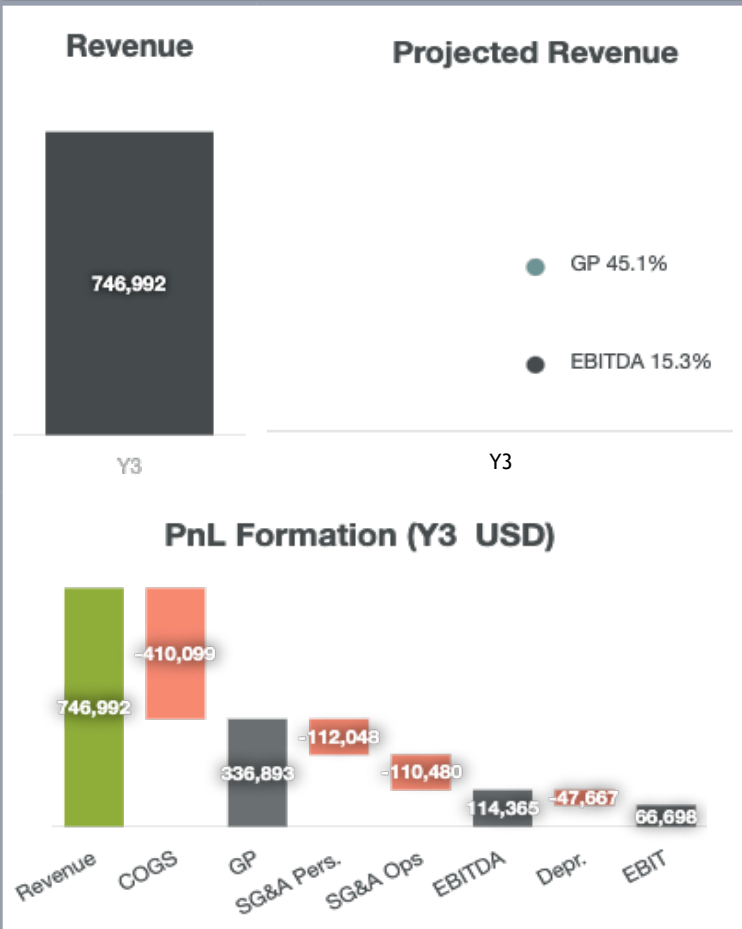
The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection. Table below presents the overview of expected inflows and outflows.

The total investment required is \$ 500,000

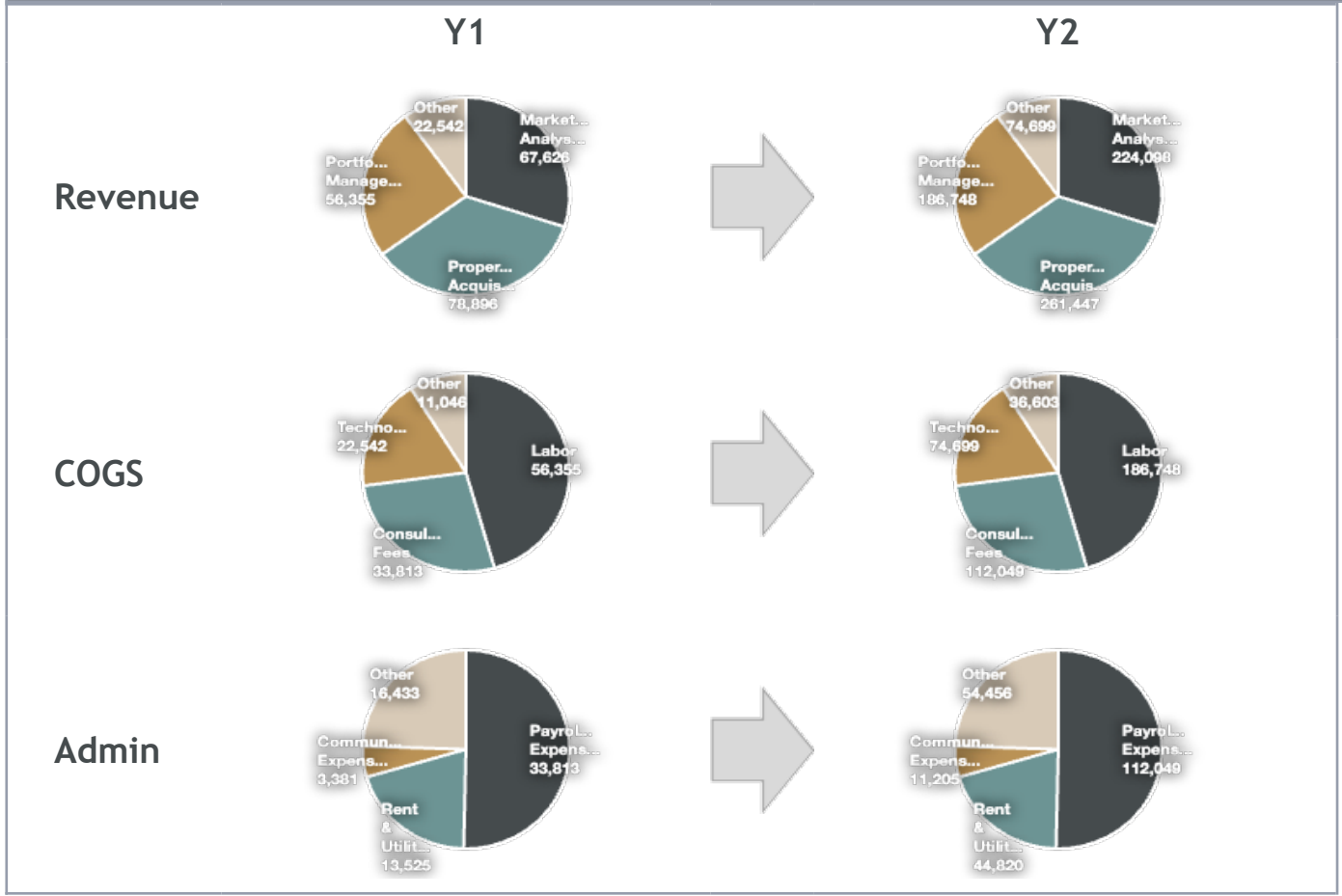
Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	101,664	
Payroll Expenses		33,813
Rent & Utilities		13,525
Legal and Professional Fees		4,508
Marketing and Branding		4,508
Capex		170,000
Communication Expenses		3,381
Office supplies		2,254
Representation and Entert.		2,254
Training and Development		1,781
Other Miscellaneous		1,127
<b>CAPEX &amp; WC shortage Y1</b>		<b>135,487</b>
<b>Buffer</b>		<b>364,513</b>
<b>Total Required Investment(USD)</b>		<b>500,000</b>



## Y3 PL formation and Margins



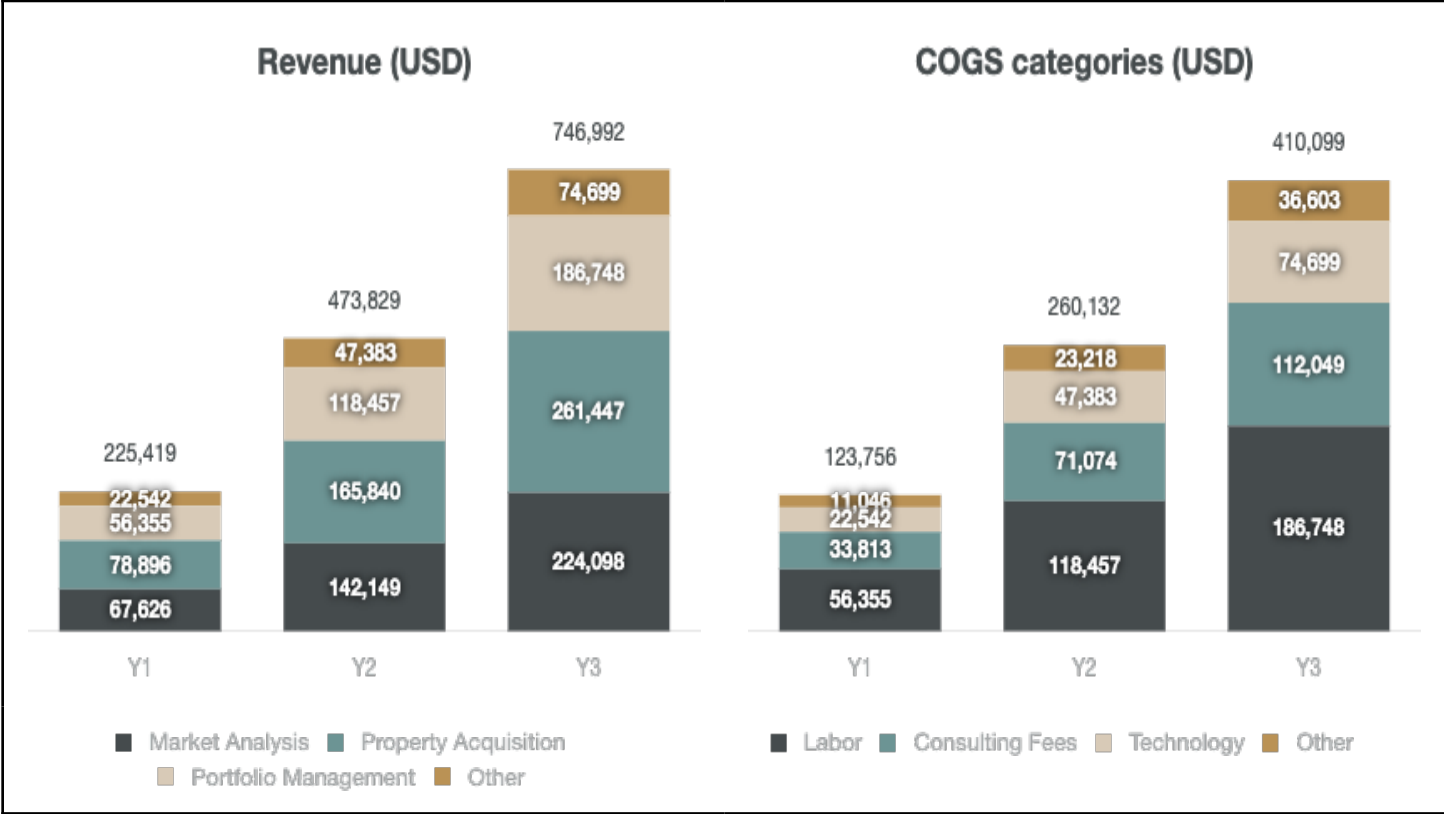
## Business Line Breakdown (USD)



# Revenue Formation Narrative

Prime Property Investments forecasts a steady increase in market share within the real estate sector in Ogre, Latvia. Our Total Addressable Market (TAM) is valued at 375,697,345 USD. Given our specialized focus on high-value real estate investments, combined with comprehensive service offerings in market analysis, property acquisition, portfolio management, and strategic investment planning, we project a Serviceable Addressable Market (SAM) capture of 1.2%. This estimation leverages our significant capital, extensive network, and industry expertise while considering the competitive landscape and market penetration challenges typical for SMEs. In Year 1, Prime Property Investments aims for a Serviceable Obtainable Market (SOM) of 5.00000%, reflecting initial capital constraints and the high market concentration, resulting in an estimated revenue of 225,418.407 USD. With strategic investment and network expansion, we project our SOM to grow to 10.00000% in Year 2, with an estimated revenue of 473,829.492 USD. By Year 3, our SOM is targeted to increase to 15.00000%, resulting in projected revenue of 746,992.193 USD. Our revenue streams will be diversified across four main lines of business: Market Analysis (30% of total revenue), Property Acquisition (35%), Portfolio Management (25%), and Other services (10%). These estimations reflect our strategy to build a firm market presence and gradually scale our operations, driving sustainable growth and profitability.

**\$ 746,992** <sup>Y3</sup> Projected Revenue      **6.00%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Market Analysis	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %	30 %
Property Acquisition	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %	35 %
Portfolio Management	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %
Other	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %

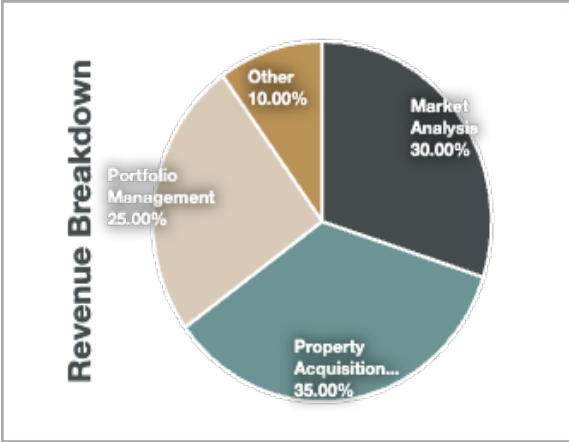
Market Analysis	4,227	4,227	4,227	5,072	5,072	5,072	6,199	6,199	6,199	7,044	7,044	7,044	67,626	142,149	224,098
storeRevenueLOB.value?.res2?.name	4,931	4,931	4,931	5,917	5,917	5,917	7,232	7,232	7,232	8,218	8,218	8,218	78,896	165,840	261,447
Portfolio Management	3,522	3,522	3,522	4,227	4,227	4,227	5,166	5,166	5,166	5,870	5,870	5,870	56,355	118,457	186,748
Other	1,409	1,409	1,409	1,691	1,691	1,691	2,066	2,066	2,066	2,348	2,348	2,348	22,542	47,383	74,699
<b>Total Revenue (USD)</b>	<b>14,089</b>	<b>14,089</b>	<b>14,089</b>	<b>16,906</b>	<b>16,906</b>	<b>16,906</b>	<b>20,663</b>	<b>20,663</b>	<b>20,663</b>	<b>23,481</b>	<b>23,481</b>	<b>23,481</b>	<b>225,418</b>	<b>473,829</b>	<b>746,992</b>

Total revenue is expected to reach \$ 746,992 by year 3.

Main revenue driver are:

- Property Acquisition which generates \$ 261,447 by Year 3
- Market Analysis which generates \$ 224,098 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 82.04 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Labor	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%
Consulting Fees	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Technology	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%

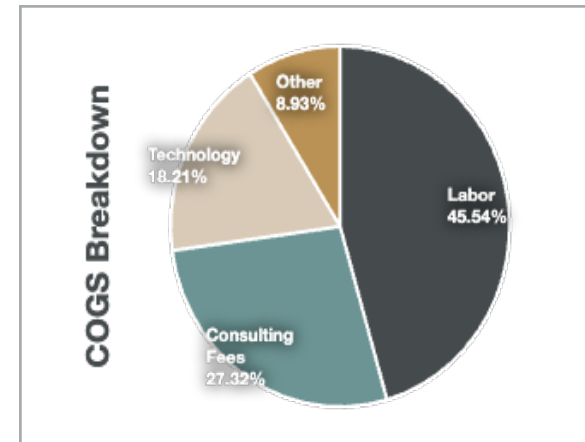
Labor	3,522	3,522	3,522	4,227	4,227	4,227	5,166	5,166	5,166	5,870	5,870	5,870	56,355	118,457	186,748
Consulting Fees	2,113	2,113	2,113	2,536	2,536	2,536	3,100	3,100	3,100	3,522	3,522	3,522	33,813	71,074	112,049
Technology	1,409	1,409	1,409	1,691	1,691	1,691	2,066	2,066	2,066	2,348	2,348	2,348	22,542	47,383	74,699
Other	690	690	690	828	828	828	1,013	1,013	1,013	1,151	1,151	1,151	11,046	23,218	36,603
<b>Total COGS (USD)</b>	<b>7,735</b>	<b>7,735</b>	<b>7,735</b>	<b>9,282</b>	<b>9,282</b>	<b>9,282</b>	<b>11,344</b>	<b>11,344</b>	<b>11,344</b>	<b>12,891</b>	<b>12,891</b>	<b>12,891</b>	<b>123,755</b>	<b>260,132</b>	<b>410,099</b>

Total COGS is expected to reach \$ 410,099 by year 3.

Main revenue driver are:

- Labor which generates \$ 186,748 by Year 3
- Consulting Fees which generates \$ 112,049 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 82.04 %



# 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>	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
<i>Rent &amp; Utilities</i>	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
<i>Communication Expenses</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>Office supplies</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Legal and Professional Fees</i>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<i>Marketing and Branding</i>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<i>Representation and Entertainment</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Training and Development</i>	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%
<i>Other Miscellaneous</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>Payroll Expenses</i>	2,113	2,113	2,113	2,536	2,536	2,536	3,100	3,100	3,100	3,522	3,522	3,522	33,813	71,074	112,049
<i>Rent &amp; Utilities</i>	845	845	845	1,014	1,014	1,014	1,240	1,240	1,240	1,409	1,409	1,409	13,525	28,430	44,820
<i>Communication Expenses</i>	211	211	211	254	254	254	310	310	310	352	352	352	3,381	7,107	11,205
<i>Office supplies</i>	141	141	141	169	169	169	207	207	207	235	235	235	2,254	4,738	7,470
<i>Legal and Professional Fees</i>	282	282	282	338	338	338	413	413	413	470	470	470	4,508	9,477	14,940
<i>Marketing and Branding</i>	282	282	282	338	338	338	413	413	413	470	470	470	4,508	9,477	14,940
<i>Representation and Entertainment</i>	141	141	141	169	169	169	207	207	207	235	235	235	2,254	4,738	7,470
<i>Training and Development</i>	111	111	111	134	134	134	163	163	163	186	186	186	1,781	3,743	5,901
<i>Other Miscellaneous</i>	70	70	70	85	85	85	103	103	103	117	117	117	1,127	2,369	3,735

<b>Total SG&amp;A (USD)</b>	<b>4,197</b>	<b>4,197</b>	<b>4,197</b>	<b>5,036</b>	<b>5,036</b>	<b>5,036</b>	<b>6,156</b>	<b>6,156</b>	<b>6,156</b>	<b>6,995</b>	<b>6,995</b>	<b>6,995</b>	<b>67,152</b>	<b>141,154</b>	<b>222,529</b>
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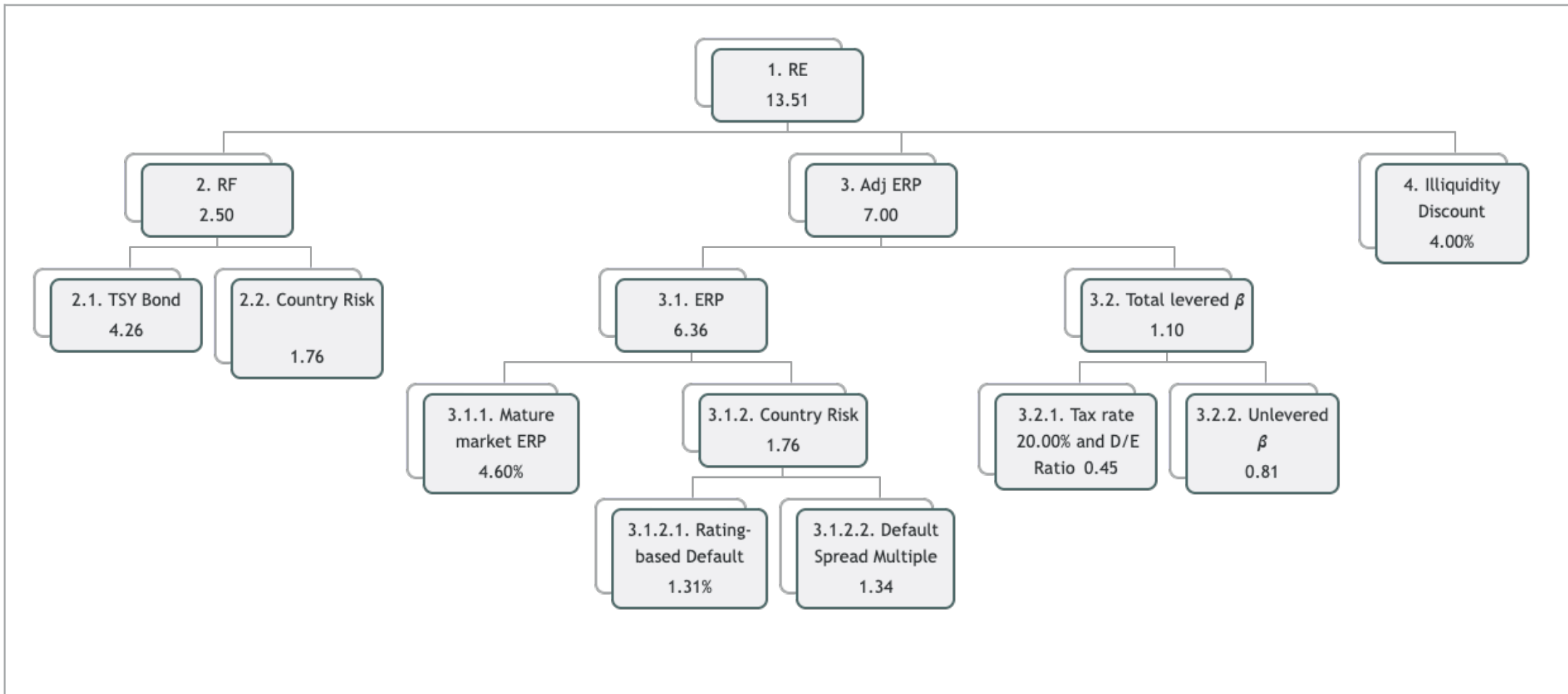
# PaT Expectations

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
<b>Revenue</b>	14,089	14,089	14,089	16,906	16,906	16,906	20,663	20,663	20,663	23,481	23,481	23,481	225,418	473,829	746,992
Market Analysis	4,227	4,227	4,227	5,072	5,072	5,072	6,199	6,199	6,199	7,044	7,044	7,044	67,626	142,149	224,098
Property Acquisition	4,931	4,931	4,931	5,917	5,917	5,917	7,232	7,232	7,232	8,218	8,218	8,218	78,896	165,840	261,447
Portfolio Management	3,522	3,522	3,522	4,227	4,227	4,227	5,166	5,166	5,166	5,870	5,870	5,870	56,355	118,457	186,748
Other	1,409	1,409	1,409	1,691	1,691	1,691	2,066	2,066	2,066	2,348	2,348	2,348	22,542	47,383	74,699
<b>COGS</b>	-7,735	-7,735	-7,735	-9,282	-9,282	-9,282	-11,344	-11,344	-11,344	-12,891	-12,891	-12,891	-123,755	-260,132	-410,099
Labor	-3,522	-3,522	-3,522	-4,227	-4,227	-4,227	-5,166	-5,166	-5,166	-5,870	-5,870	-5,870	-56,355	-118,457	-186,748
Consulting Fees	-2,113	-2,113	-2,113	-2,536	-2,536	-2,536	-3,100	-3,100	-3,100	-3,522	-3,522	-3,522	-33,813	-71,074	-112,049
Technology	-1,409	-1,409	-1,409	-1,691	-1,691	-1,691	-2,066	-2,066	-2,066	-2,348	-2,348	-2,348	-22,542	-47,383	-74,699
Other	-690	-690	-690	-828	-828	-828	-1,013	-1,013	-1,013	-1,151	-1,151	-1,151	-11,046	-23,218	-36,603
<b>Gross Profit</b>	6,354	6,354	6,354	7,625	7,625	7,625	9,319	9,319	9,319	10,590	10,590	10,590	101,664	213,697	336,893
<b>SG&amp;A Personal Expenses</b>	-2,113	-2,113	-2,113	-2,536	-2,536	-2,536	-3,100	-3,100	-3,100	-3,522	-3,522	-3,522	-33,813	-71,074	-112,049
<b>SG&amp;A Operating Expenses</b>	-2,084	-2,084	-2,084	-2,500	-2,500	-2,500	-3,056	-3,056	-3,056	-3,473	-3,473	-3,473	-33,339	-70,079	-110,480
<b>EBITDA</b>	2,157	2,157	2,157	2,588	2,588	2,588	3,164	3,164	3,164	3,595	3,595	3,595	34,512	72,543	114,365
<b>Depreciation</b>	-3,972	-3,972	-3,972	-3,972	-3,972	-3,972	-3,972	-3,972	-3,972	-3,972	-3,972	-3,972	-47,667	-47,667	-47,667
<b>EBIT</b>	-1,815	-1,815	-1,815	-1,384	-1,384	-1,384	-809	-809	-809	-377	-377	-377	-13,155	24,877	66,698
<b>Interest Expense</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Profit before Tax</b>	-1,815	-1,815	-1,815	-1,384	-1,384	-1,384	-809	-809	-809	-377	-377	-377	-13,155	24,877	66,698
<b>Tax</b>	363	363	363	277	277	277	162	162	162	75	75	75	2,631	-4,975	-13,340
<b>Profit after Tax (USD)</b>	-1,452	-1,452	-1,452	-1,107	-1,107	-1,107	-647	-647	-647	-302	-302	-302	-10,524	19,901	53,358

## 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 ( $\beta$ ) 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	-10,524	19,901	53,358	56,080	58,940	61,946	65,105
	Growth% Y4-Y7				5.10%	5.10%	5.10%	5.10%
	Growth% Y7 -->				3.50%			
	WACC				13.51%			
	PV Y1-Y7 at Y0	-9,272	15,447	36,488	33,786	31,284	28,967	26,822
	PV Y7 --> Y0				277,448			
	NPV (USD)				440,969			

Average Survival Rate for 3 Years

50%

Final Valuation

\$ 220,485

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 13.51 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 5.10 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.

## Financial and Technical

b \$ - Billions of \$  
 B2B - Business to Business  
 B2C - Business to Customer  
 CAPEX - Capital Expenditure  
 CAPM - Capital Asset Pricing Model  
 COGS - Cost of goods sold  
 DCF - Discounted cash flow  
 Depr. - Depreciation  
 EBIT - Earnings before interest and taxes  
 EBITDA - Earnings before interest, taxes, depreciation, and amortization  
 EBT - Earnings Before Tax  
 ERP - Equity Risk Premium  
 ETA - Estimated Time of Arrival  
 EV - Enterprise Value  
 FA (Tangible and Intangible) - Fixed assets (tangible and intangible)  
 FX - Foreign Exchange  
 FY - Fiscal year  
 GP - Gross profit  
 k \$ - Thousands of \$  
 LLM - Large Language Model  
 LFY - Last fiscal year  
 m \$ - Millions of \$  
 MTD - Month-to-date  
 MVP - Minimum Viable Product  
 NFT - Non-Fungible Token  
 NPV - Net present value  
 OPEX - Operating Expense  
 P&L - A profit and loss (P&L) statement  
 PaT - Profit after Tax  
 POC - Proof of Concept  
 PPE - Property, plant, and equipment  
 SG&A - Sales, General and Administrative  
 TSY bond rate - Treasury bond rate  
 WACC - Weighted average cost of capital  
 YTD - Year-to-date

## Organisational Structure

CBDO - Chief Business Development Officer  
 CEO - Chief Executive Officer  
 CPO - Chief Product Officer  
 CFO - Chief Financial Officer  
 CTO - Chief Technology Officer  
 C-level - Chief level  
 Eng - Engineer  
 Dev - Developer  
 HR - Human Resources

## Other

Av - Average  
 EoP - End of Period  
 LE - Legal Entity  
 PE - Private Equity  
 TOM - Target Operating Model

# Disclaimer

The following information and valuation analysis are provided for informational purposes only and do not constitute financial or investment advice. This presentation is based on assumptions, projections, and historical data, which are subject to inherent uncertainties and risks.

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.

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