



Utopia

**Don't just rent.
Do rent, earn & own.**

www.utopiahomes.us

May 2023



Our mission

ESG PropTech with a
Social impact mission of
**Making homeownership
accessible to all.**



Our founding team



Lord Munjal, MS, MBA, CFA (Co-founder & Chief Executive Officer):

Professional: Lord has 20+ years of experience in Financial Services & Technology domains. Most recently, he was the Co-founder / CEO of a leading institutional investors backed health-Tech Company, Doctor Insta. He scaled Doctor Insta to a Top-tier player with over 5 million livers covered & 300+ B2B alliances. Earlier, Lord was the CFO / Head of Strategy for Citi Holdings (US), a \$120 Billion Division of CitiBank. Prior to that, Lord did a successful stint in varied roles in the senior management of Bank of America, Merrill Lynch & sat on Investment & Risk Committees of the company. Lord's prior stints include work in Corporate Strategy Practice of Deloitte Consulting (Clients: Yahoo, Google, Expedia, etc) & with Lehman Brothers & Kauffman Foundation.

Academic: MBA (Indiana University – Bloomington), Advanced Management (Harvard Business School) & CFA Charter from CFA Institute, USA



Subodh Rai, MA, Ph.D. (Co-Founder & Chief Operating Officer):

Professional: Subodh has 20+ years of experience in Banking and Finance. Most recently, he was the Chief Risk Officer of Keller Williams Financial Services. Prior to that, Subodh was a Managing Director & Chief Risk Officer at CitiBank covering risk associated with complete product cycle of Mortgages, Unsecured loans/ lines, and Margin Lending business – an organization comprising 400 risk professionals, 5MM+ customers, 100B+ assets and 200B+ deposits. Subodh's prior stints were at JP Morgan Chase and ZS Associates.

Academic: Ph.D. (University of California, Riverside), Advance Diploma in Leading Strategic Growth (Columbia Business School Executive Education), MA Economics (Delhi School of Economics, India)



Avi Konduru, CTO (Co-founder & Chief Technology Officer):

Professional: Avi has 5+ years as software engineer. Previously was the Head of Engineering at Earthbanc, a leading ESG player in the Nordics region. He was also previously the lead architect of the GooseFX defi protocol, went on to raise \$4.5 million from SkyVision Capital, GSR, and Animoca Brands. Previously cofounded a fintech company called SwayChange. Prior to that, Avi worked as a quant at Wells Fargo Securities.

Academic: BS, Computer Science (University of Texas at Austin)

Our core team



Max Moreira, Marketing

About: Max has 20+ years of experience in Marketing, Strategy, Business Management and Consulting. Prior Experience with Johnson & Johnson and GE. MBA (Indiana University – Bloomington); BS Computer Science (Graceland University, Cum Laude); Fulbright Scholar (US Dept. of State).



Marx Xavier, Finance

About: Marx has 20+ years of experience in Finance & Business Management domains. Most recently he was the Co-founder of a consulting company specialized in small-size businesses Earlier, Marx worked with Gerdau S.A. Lojas Riachuelo S.A. & Inbev. MBA (Indiana University – Bloomington), BS Engineering (UFMG – Brazil)



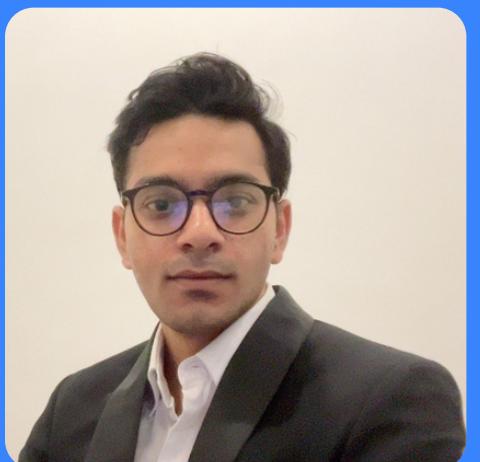
Mo Waqar, Technology

About: Waqar has been a Project Lead and a full stack developer with Utopia since the founding of the company. Earlier, He worked with various startups and helped them scale. BS (Computer Science) from Punjab University, Pakistan



Sri Kumaran, Underwriting

About: Sri has 9+ years of experience in Financial Services & Technology domains. Most recently, he worked with Standard Chartered Bank, JPMorgan Chase Bank and Wipro. MBA (IFMR), FRM L1 from GARP, USA and BE (Computer Science).



Ramakant Gupta, Operations

About: Ramakant has multiple years of experience in Business Management and Operations at Large companies and startups. Most recently, he was the leading the BD and BizOps team at a Health-tech company, Doctor Insta. Prior to that, Ramakant also worked in US Healthcare system as Business analyst. MBA (Stoa-Bangalore, India)

The problem



- **44 Million households rent & 34 Million of them want to own a home but can't.**
- **7 million of these renting households are almost mortgage ready but not there yet.**

The solution

Our innovative **RENT, EARN & OWN** program helps clients immediately live in their 'Utopia', save & earn equity , **accelerate home ownership** by becoming Mortgage Ready:

BUILD credit score

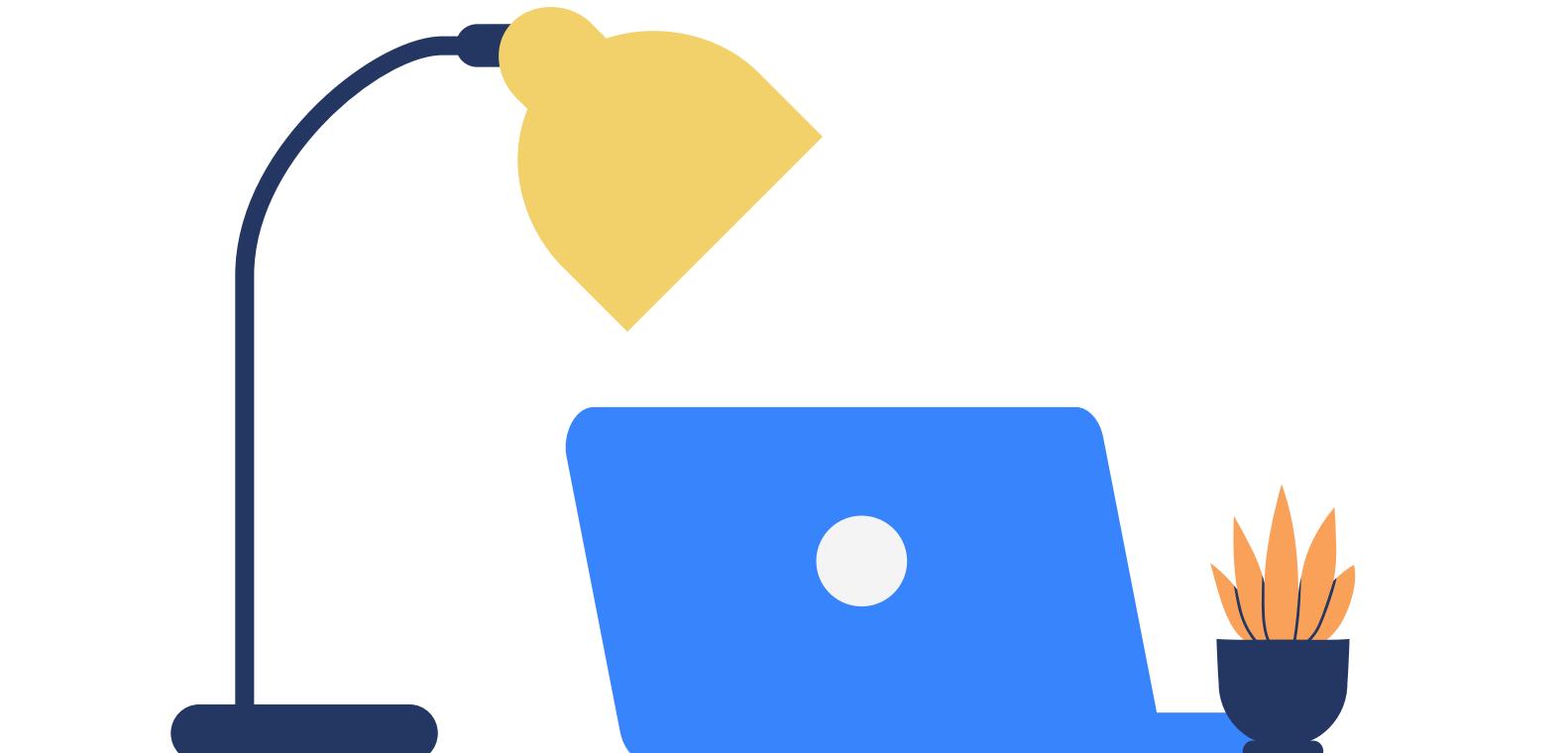
SAVE for down payment

EARN from rent & home price appreciation

TRY the home & neighborhood before they buy

Macro Factors supporting "Rent to Own" Model

- Acute shortage of homes especially starter homes in conjunction with fewer forecasted new construction starts
- Average Home Price increase of over 35% since the onset of pandemic (despite recent moderate correction)
- 15 year high Mortgage rates & tighter underwriting have made it harder for more and more households to afford buying a home
- The fear of layoffs and tougher job market along with higher cost of living has further strained the credit profile and savings rate of an average household



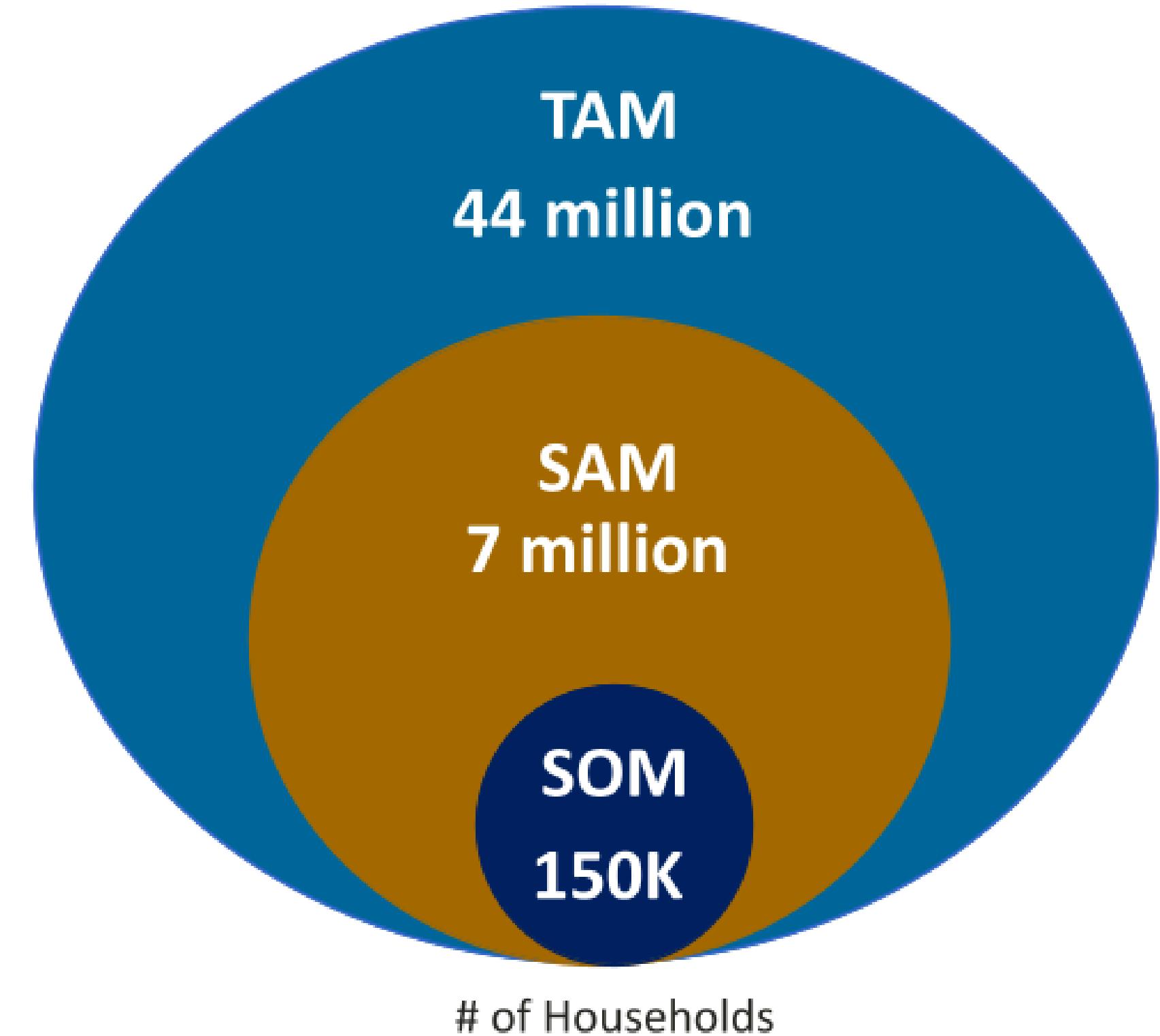
Micro Factors supporting Utopia's "Rent, Earn & Own" Model



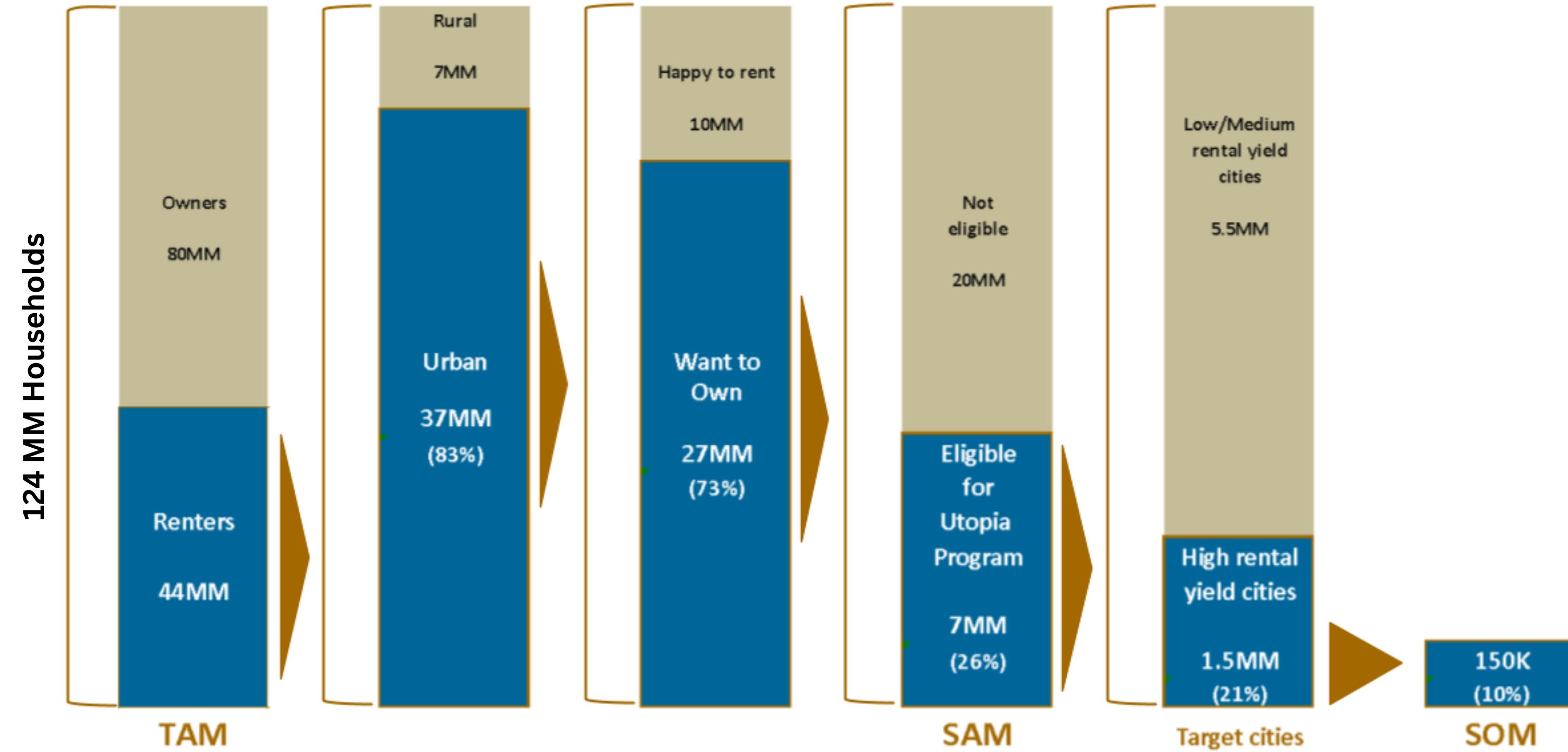
- Better Rental Yield than Residential REITs as Clients are willing to pay a premium to get into their dream homes & have the option to buy.
- Superior Care and Lower Repair & Maintenance (R&M) expenses because of customer behavior of an owner than of a renter
- The Small deductible for all R&M expenses combined with 50:50 cost share for all R&M expenses between Client & Utopia, ensures far lower R&M expenses and higher profitability
- Higher Occupancy Rate starting from Day-1 Occupancy of Unit and Multi-year Lease Agreement
- Bigger Earnest Money Deposit (>3%), Monthly Contribution, Expectation of Utopia Earn Credits & fear of being reported to Credit Bureaus by the Customers along with tighter underwriting ensures lower PDs and LGDs

The \$2.5 Trillion opportunity

Huge market...and
yet **less than 0.4%**
of the SAM has
been addressed by
our competitors.

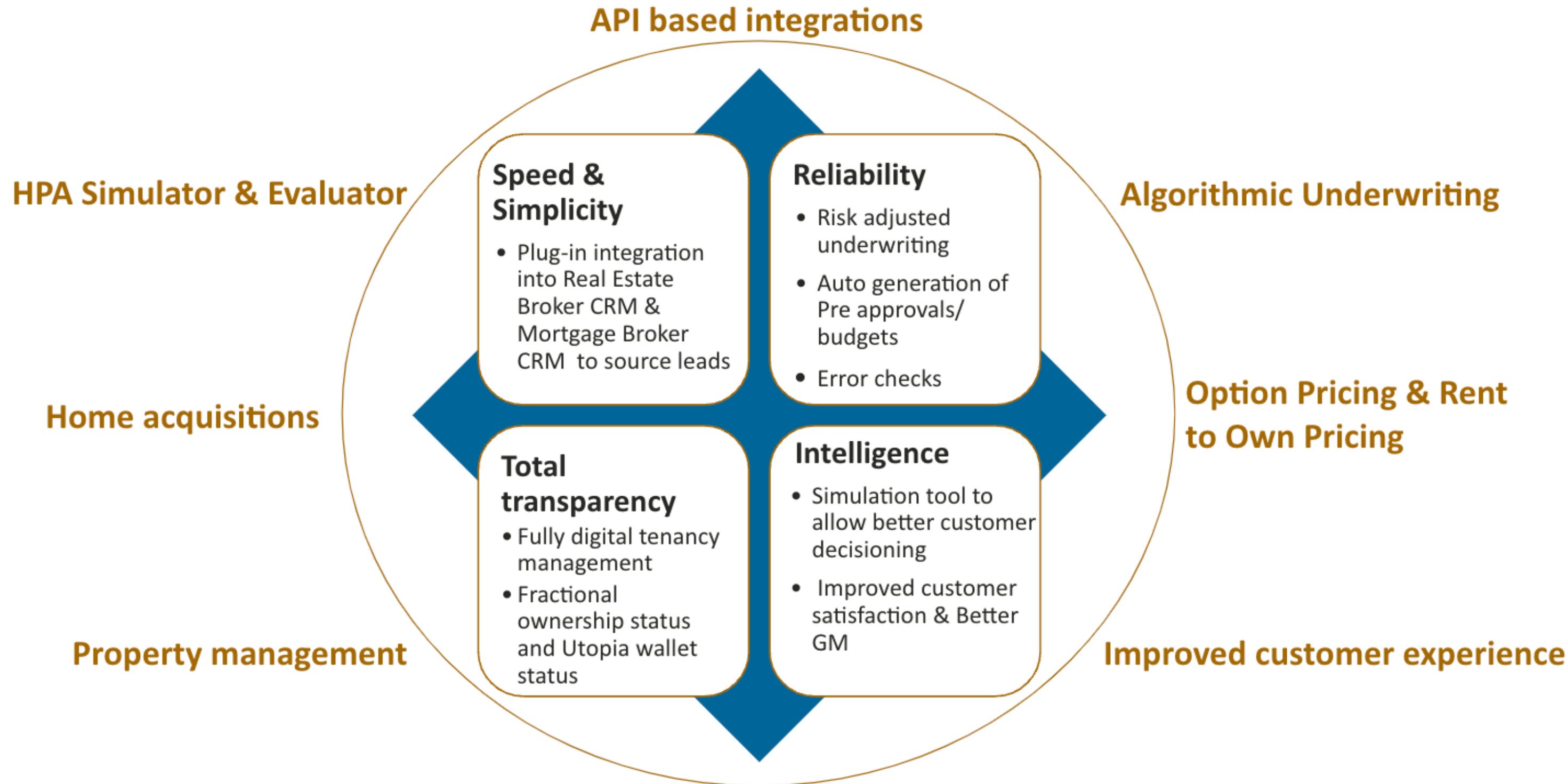


Market size breakdown



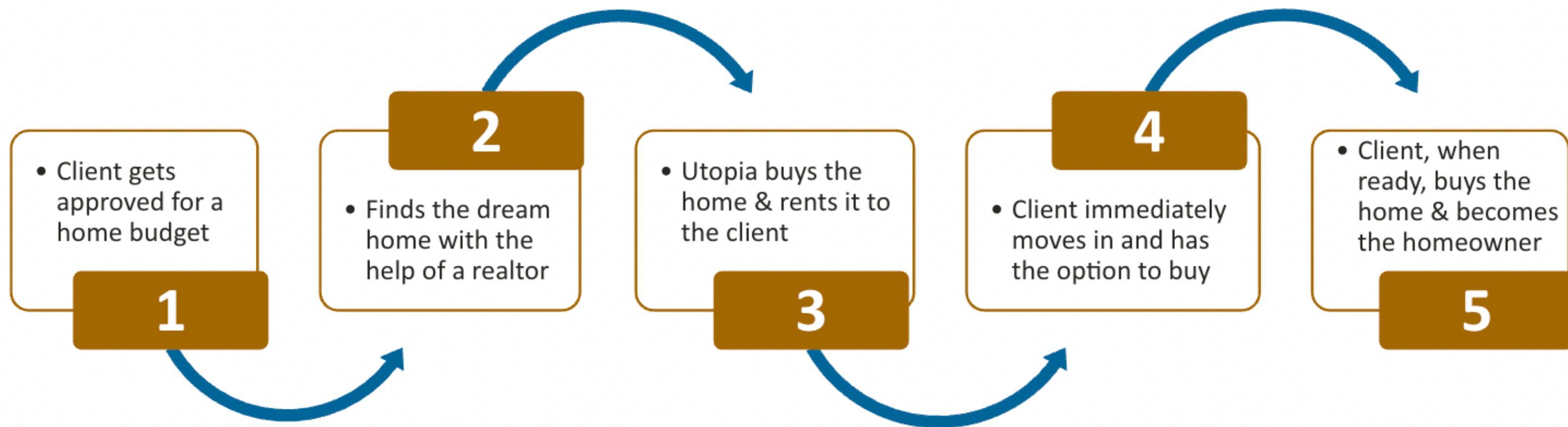
Technology

Tech to enable platform scalability, superior unit economics & customer experience



Utopia creates homeowners

Homeownership is one of the best ways for the middle class to **create wealth**;
The Wealth gap between Homeowners & Renters is currently at **40X**

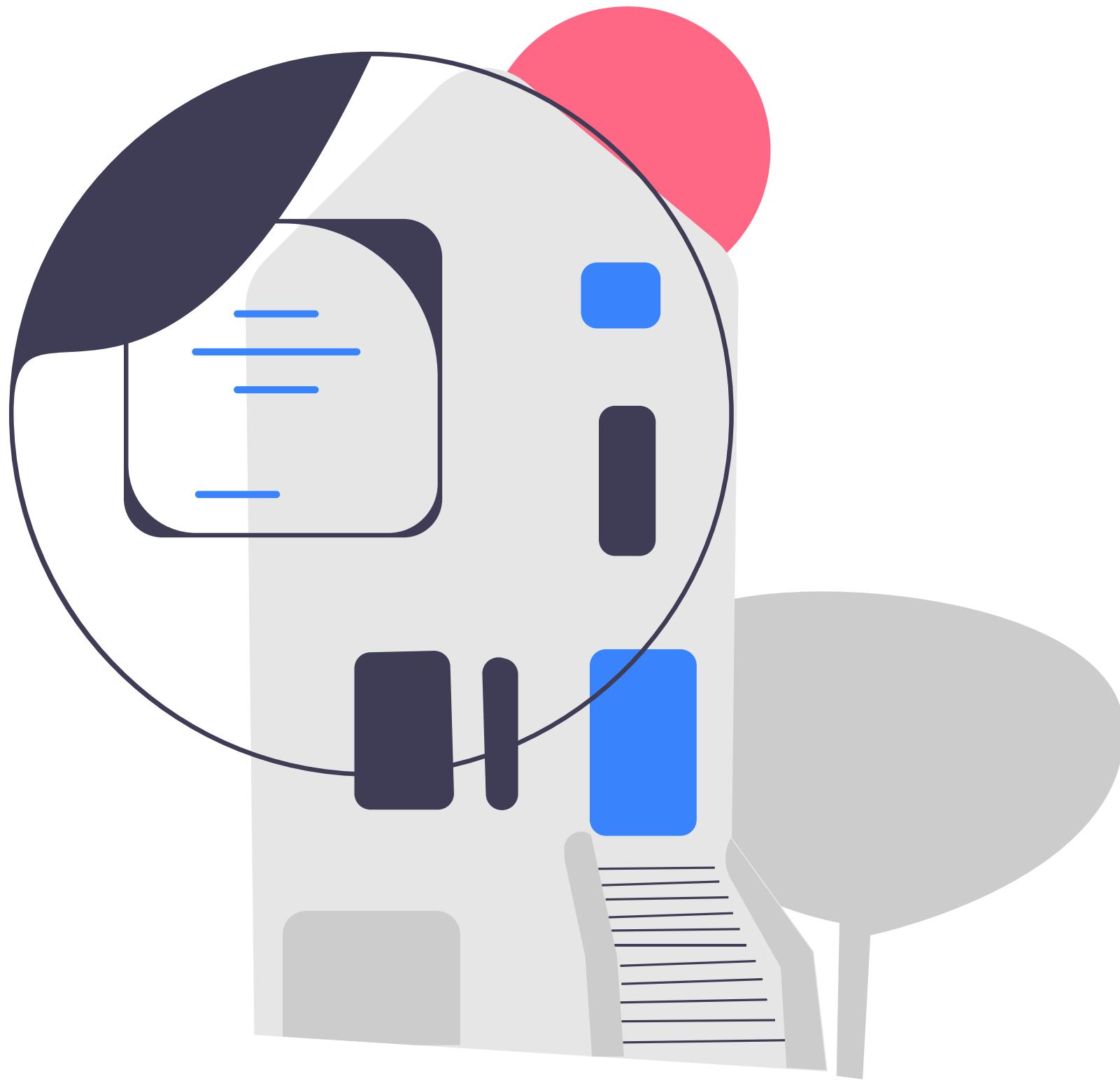


Eligible homes



- ✓ Single-family detached built after 1978
- ✓ Non rural, On public utilities & Move-in ready
- ✓ Price range of \$125,000 to \$500,000
- ✓ 2+ above grade bedrooms on <2 acres

Client eligibility



550

MINIMUM FICO

\$3,500

MINIMUM MONTHLY INCOME

< 50%

DEBT TO INCOME RATIO (INCLUDING RENT)

12 mos.

TIMELY RENT PAYMENTS

1% to 3%

DOWN PAYMENT

Fly wheel effect

We incentivize agents to work with us and scale



Product Roadmap



Q4 2022

- Core team assembled
- Tech platform launched
- Pilot started in 3 cities

Q1 2023

- Team expanded
- Platform V2.0 launched
- Expanded to 26 states
- Launched Admin & Agent Panels

Next 12 months

- Increase market penetration
- Add more agents to UAN
- Ramp up marketing campaigns & alliances
- Develop and launch APIs to Real Estate Brokerages and Mortgage Brokers to get consistent low cost leads
- Bolster algo underwriting

Marketing Strategy

Channel relationship

- Real estate agents
- Mortgage brokers
- Debt companies
- Realtor conferences
- APIs to Community Banks & Credit Unions
- APIs to Real Estate Brokerages

Direct to customer

- Blogs
- Social Media
- Influences (YouTubers, Podcasters, Bloggers/Writers)
- Website
- Search and display ads

Referrals

- Employers
- Associations (professional, LGBTQ, Black, Latin)
- Agent to Agent
- Agent to Client

Cutting-edge customer service

- Agent Portal
- Client Portal
- Call Center

Traction: Originations & Offers

Metrics	UAN Agents	Applications #	Applications M\$s	MoM Growth %
Dec-2022	21	16	\$5	NA
Jan-2023	24	19	\$6	18%
Feb-2023	30	71	\$21	285%
Mar-2023	45	103	\$31	44%
April-2023	63	151	\$45	47%
Total	183	359	\$108	76%

*using \$300K Average Home Price

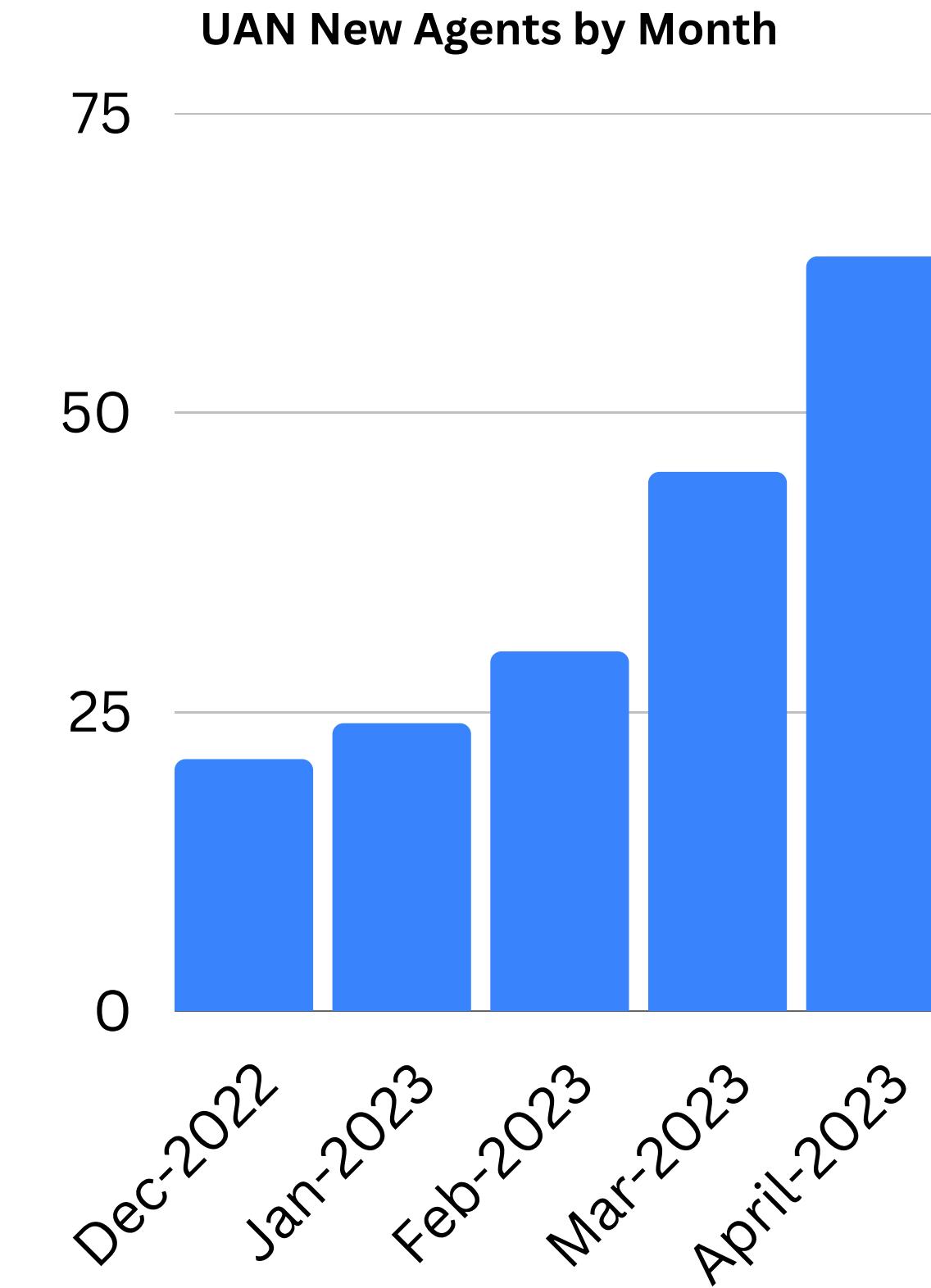
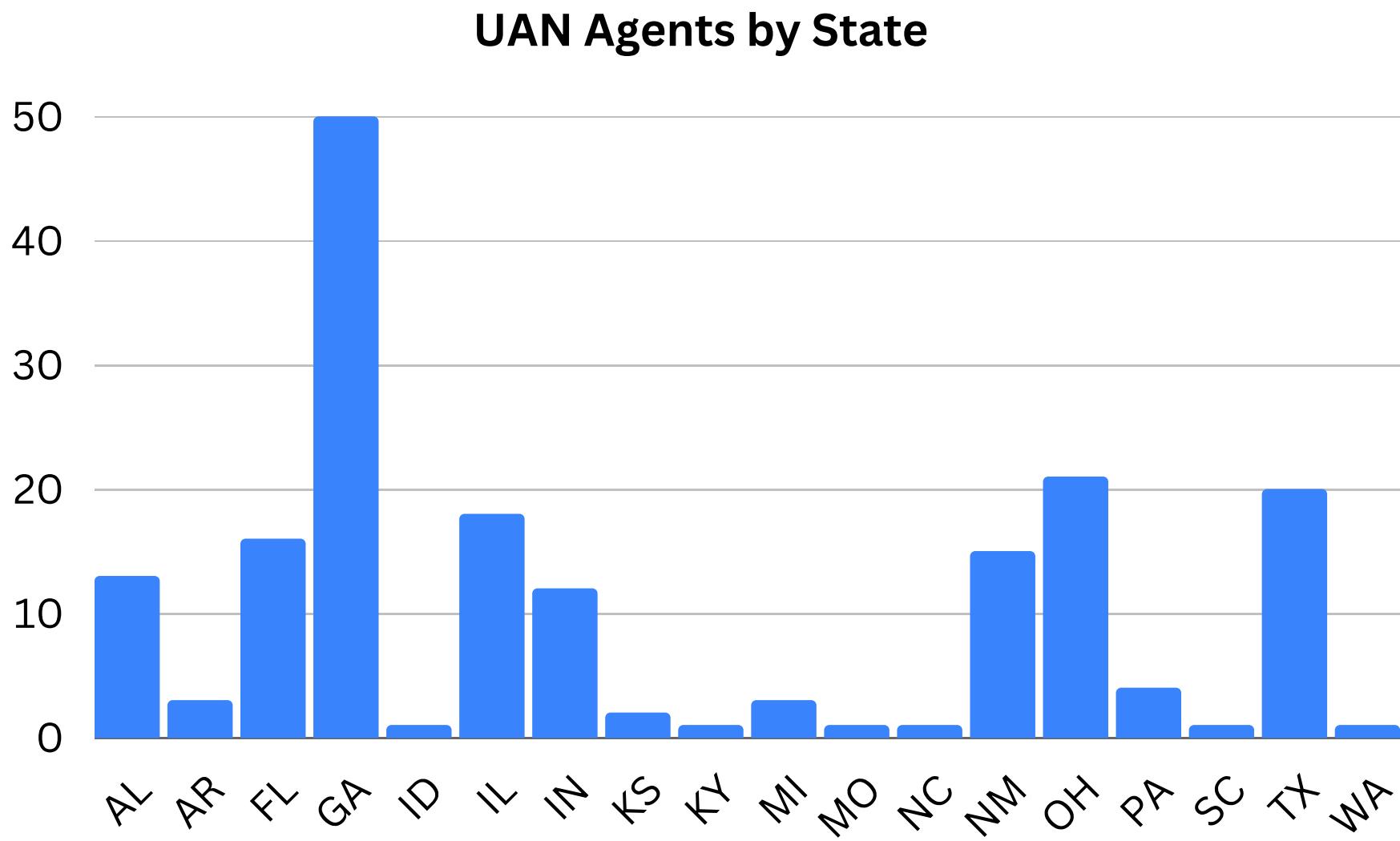
Metrics	New approvals	New Offers	Offers Accepted
Jan-2023	1	1	
Feb-2023	7	2	
Mar-2023	10	4	
April-2023	22	7	3
Total	40	14	3

Total App Originations:  **\$108 Million**
Compounded Mthly Growth Rate for Apps:  **76%**

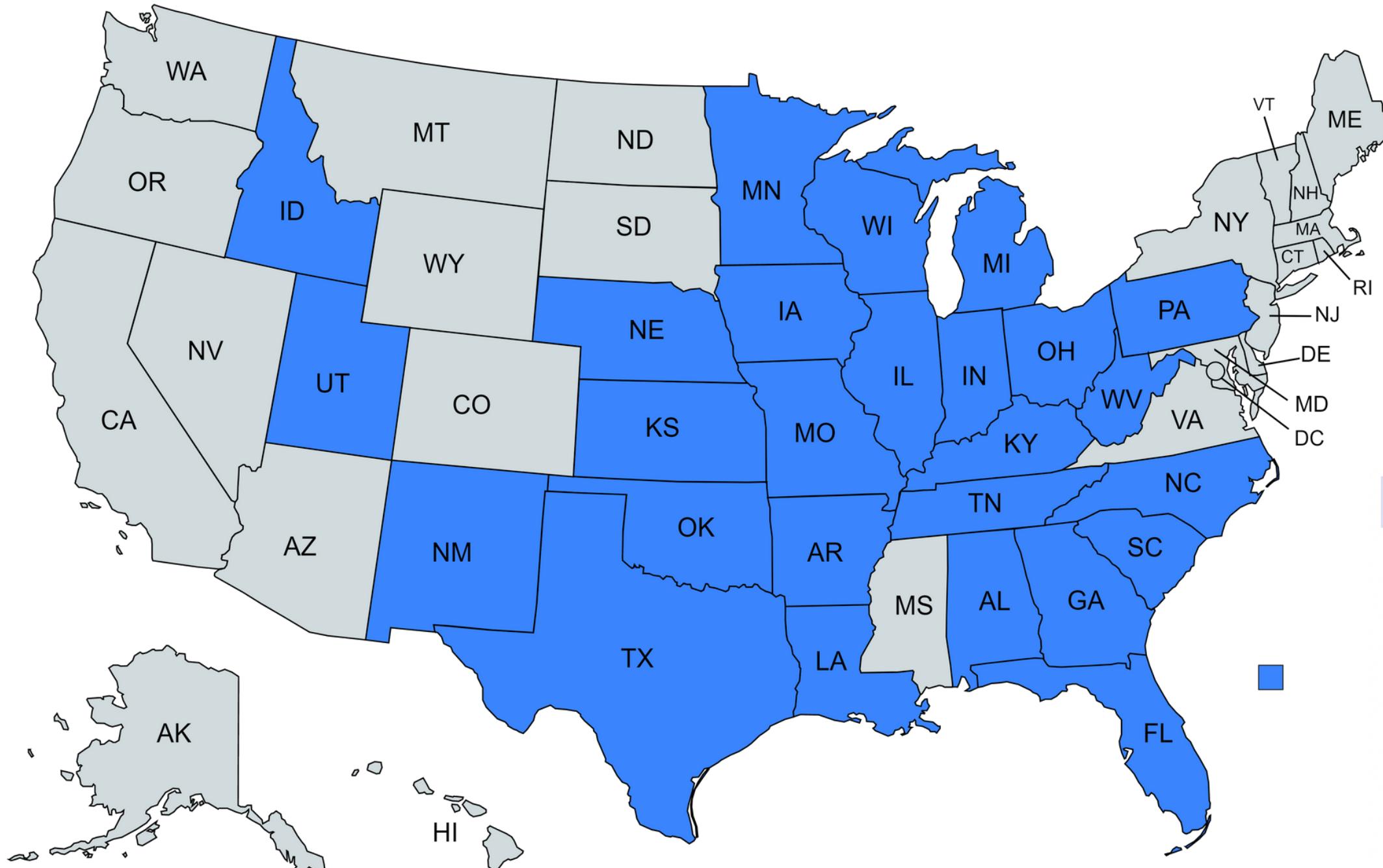
3 Homes in contract:
IL/IN, GA & TX

Traction: Utopia Agent Network

Compounded Mthly Growth Rate for UAN: **31%**
Top-4 States for UAN: **GA, OH, TX & IL**



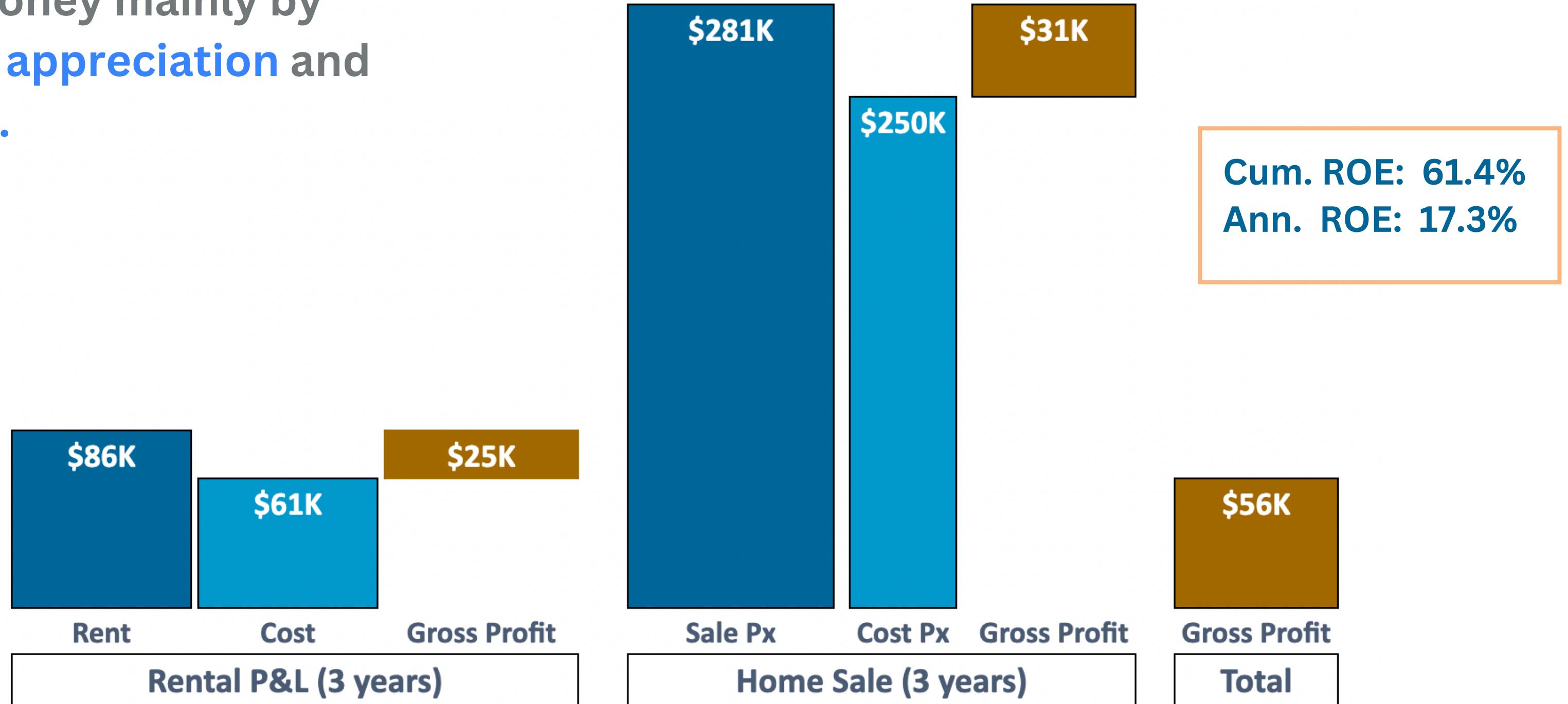
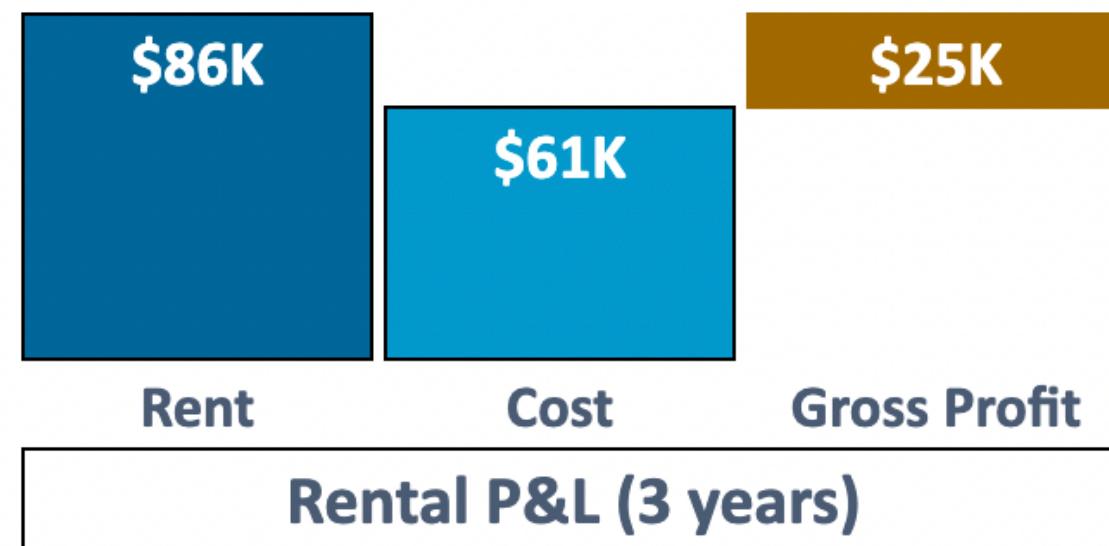
Traction: App originations from 26 states



State	Applications #	Applications M\$	% of Total
GA	161	\$48	45%
OH	67	\$20	19%
IN	48	\$14	13%
TX	40	\$12	11%
IL	16	\$5	4%
NM	8	\$2	2%
MI	6	\$2	2%
NC	5	\$1	1%
Others	8	\$2	2%
Grand Total	359	\$108	100%

Unit economics

We make money mainly by **home price appreciation** and **rental yield**.



*Home Acq. Px: \$250K

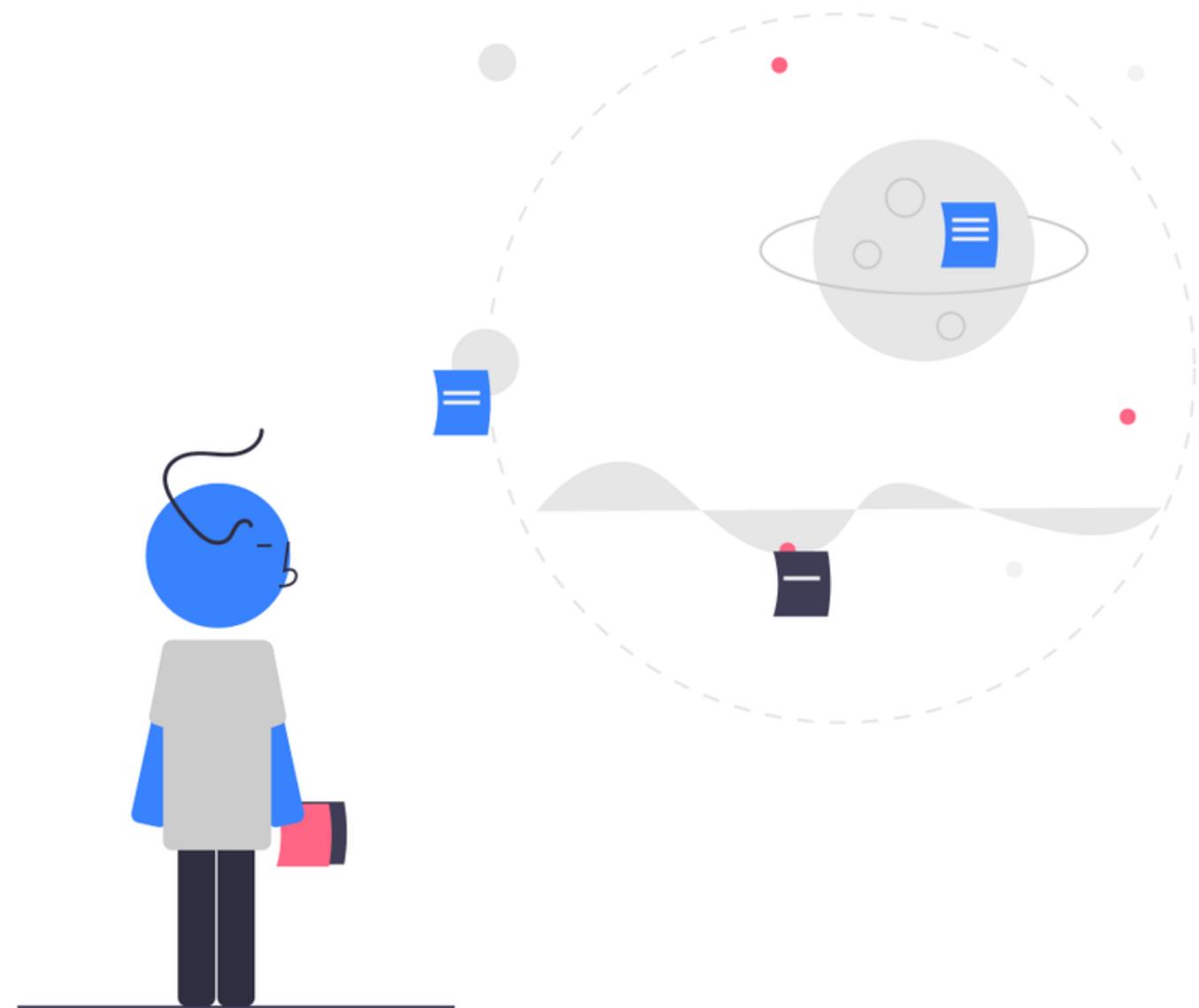
Unit economics - table

Assumptions:							
Home Acq price*	\$250,000	T&I Esc %	4.00%	Starter Pmt %	2%	Mthly Wallet Cont	\$255
Interest rate	6.50%	Closing Cost	0.00%	Starter Pmt \$s	\$5,000	1 Yr Wallet Cont	\$3,056
T&I	2.50%	Rental Yield	11.00%	HPA (Yr 1)	4.00%	3 Yr Wallet Cont	\$9,167
Maintanenance	0.50%	Rent Esc %	3.75%	HPA (Yr 2-5)	4.00%	3 Yr Deposit %	3.01%
Loan amount	65.00%	Prop Mgt Fee (% of rent)	7.00%	Rent \$s	\$27,500	Rent/Deposit Split 9/1	9
Equity	35.00%	3 Yr Wallet Size:	5.81%	Rent Monthly	\$2,292	Mth 13 Incentive	\$1,000
						Mth 25 Incentive	\$1,000

Year	1	2	3
Rent	\$27,500	\$28,531	\$29,601
Interest	\$10,563	\$10,563	\$10,563
Taxes & Insurance	\$6,250	\$6,500	\$6,760
Prop Mgt Fee	\$1,925	\$1,997	\$2,072
Maintenance	\$1,250	\$1,297	\$1,346
Expense	\$19,988	\$20,357	\$20,740
Net Cash IN	\$7,513	\$8,175	\$8,861
Sale Price	\$260,000	\$270,400	\$281,216
Utopia Earn Cum.		\$1,000	\$2,000
Profit (Cum.)	\$17,513	\$35,087	\$53,764
Profit Margin	7.01%	14.03%	21.51%
ROE	20.01%	40.10%	61.44%
Annualized ROE	20.01%	18.36%	17.31%

*includes closing, escrow, inspection, appraisal and legal costs

Utopia Vision: Product Expansion



"Own-to-rent-to-own" Program: Homeowners can cash out their home equity if needed as follows:

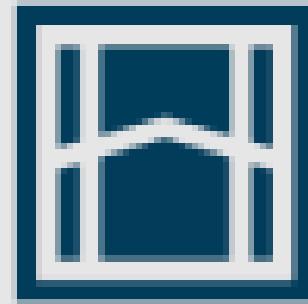
- Clients sell partial or full ownership interest in their homes to Utopia and do "rent to own" with us.
- Clients can continue to live in the same home and have the option to buy it back from Utopia

"Home equity investment" Program: Homeowners can tap their home equity without monthly payment by letting Utopia co-invest with them. Homeowners get cash today in exchange for a share in their future home value.

"Buy Next Home before selling current home" Program: Homeowners can buy their next home without selling their current home first. They get a guaranteed cash offer on their current homes from Utopia in case they are not able to sell at the desired price. Homeowners can avoid rentals or double moves while being in transition and don't have to worry about selling their current home first before they could buy the next home.

Other Fintech Products: Launch other products like Debit/Credit Cards, Mortgage Loans etc in collaboration with other companies as well as asset backed securities for fixed income investors

Competition



**Home Partners
of America**

- Founded in 2012; Has Over 17,000 homes
- Offers 5 Year rent to own leases
- Acquired by Blackstone in 2021 for \$6 Billion



Divvy

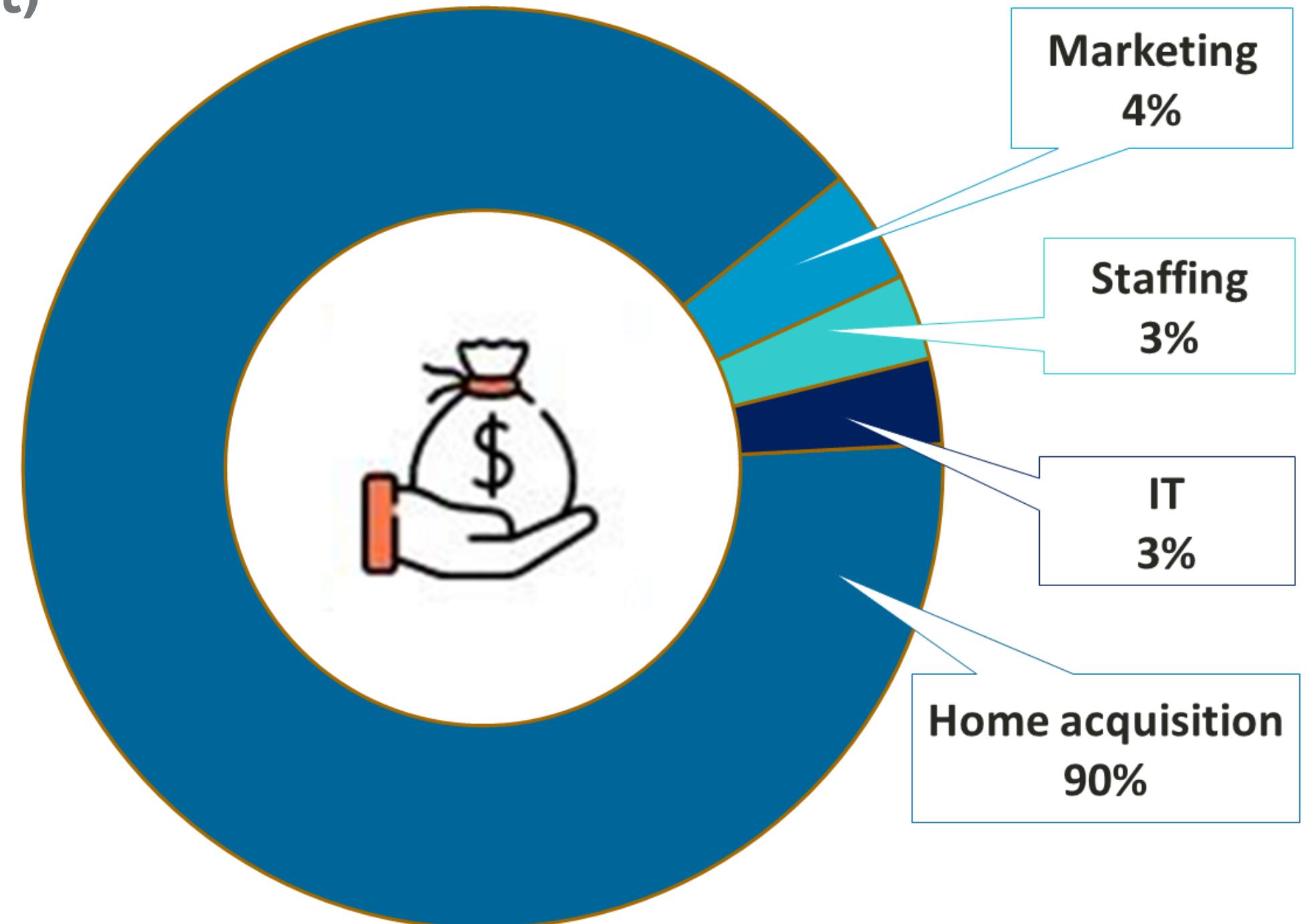
- Founded in 2017; Has Over 4,000 homes
- Offers 3 Year rent to own leases
- Last valued in 2021 at \$2 Billion; Has raised over \$1.2 Billion in Venture Equity and Debt

Fundraising

- **\$6 Million** (33% Equity & 67% Debt) raised & getting deployed

To take Utopia to the next level, we need **\$20 Million** in growth equity:

- **\$2 Million** in OpCo
- **\$18 Million** in PropCo





Let's continue the conversation...

Lord Munjal
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www.utopiahomes.us