Exit Strategies

BDL – Teamwork presentation

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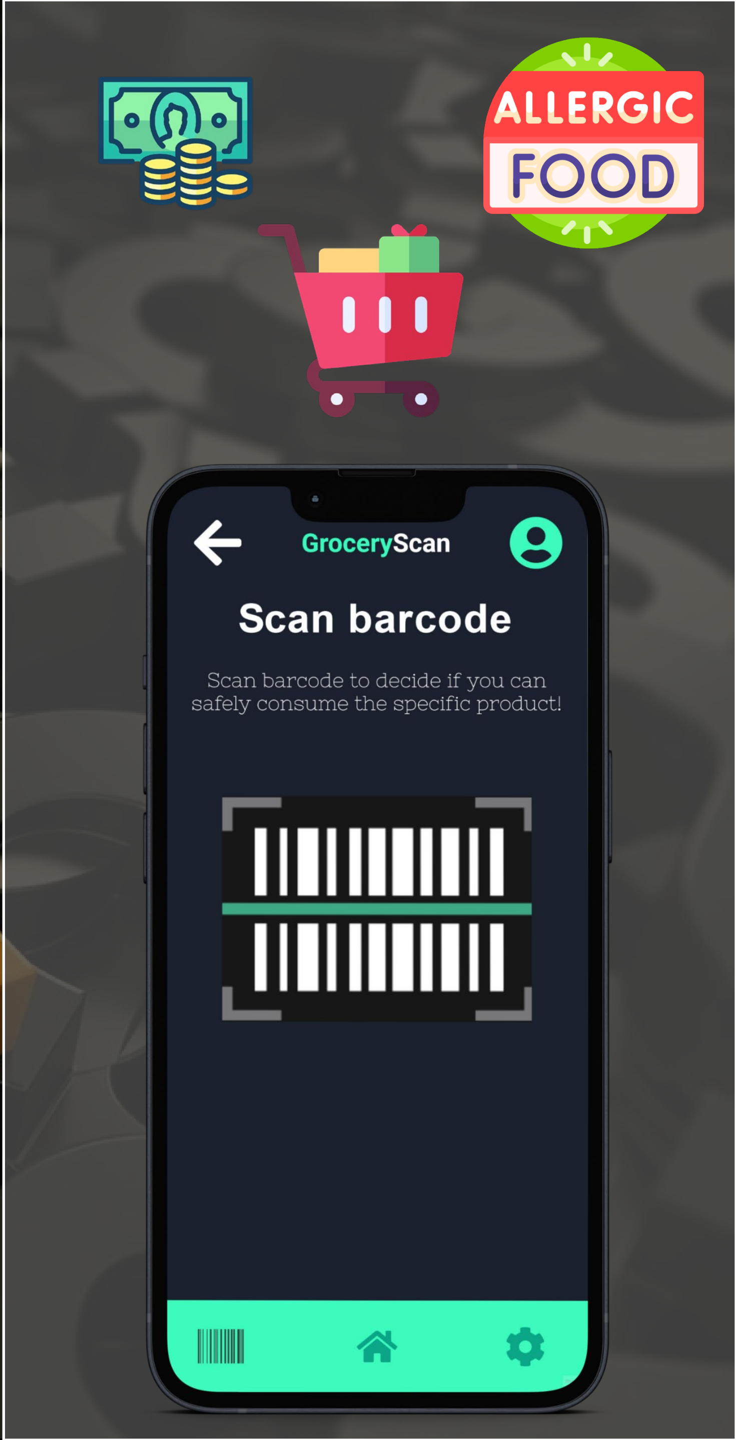
The solution

Barcode scanning in stores

Provide valid answer based on the ingredients

Instant answers: safe to eat or not

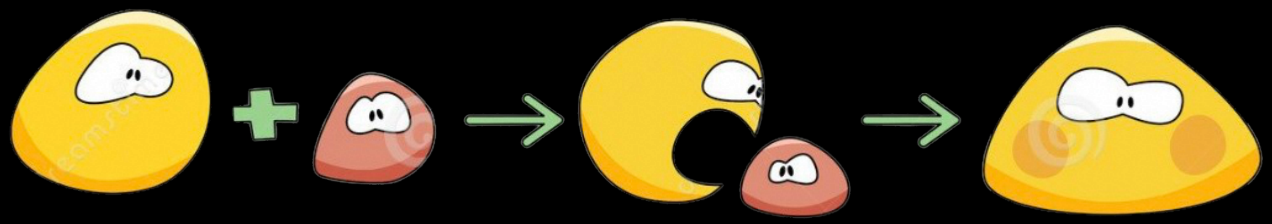
Make life with allergies easier



Strategy I: Acquisition

Being bought by a larger company

- Target company: kifli.hu
- We keep 0% → 0 ownership → 0 managerial control
- Amount of money: 800,000 EUR
- Timing by company growth: achieved a significant milestone *(~after 2 year),* exit at given point
- Payment options: Cash

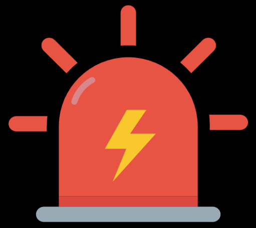


Benefits of Acquisition

- **Access to Resources:** Tap into the larger company's resources, including capital, expertise and networks.
- **Growth Opportunities:** Accelerate growth by leveraging the acquiring company's market presence and distribution channels.
- **Mitigation of Risk:** Reduce the risks associated with startup operations by becoming part of a larger, more established entity.
- **Exit Strategy:** Provide an exit opportunity for founders and investors.

Risks and Challenges

- **Integration Challenges:** Address potential difficulties in integrating the startup into the acquiring company's operations and culture.
- **Loss of Autonomy:** Discuss the implications of relinquishing ownership and managerial control.
- **Regulatory Hurdles:** Consider any regulatory or legal barriers to the acquisition.



Strategy II: Management buyout

Takeover by current employees, who know how things work and what are the long-term goals

- Amount of money:
  - I. Period: 400,000 EUR
  - II. Period: 300,000 EUR
- Timing:
  - Base functionalities done, stable income from subscriptions
  - Exit over a period of time *(~5 years)*
- Managerial control: 49%
- Ownership control: 49%

At the end of the last installment, it reduces to 0%

- Payment options:
  - 30% of profit until reaching 400,000 EUR
  - 20% profit until reaching 300,000 EUR

Benefits of Management Buyout

- **Alignment of Interests**: Align the interests of management and ownership, fostering a shared commitment to the company's success.
- **Stability:** Maintain stability and continuity in leadership and operations, minimizing disruption during the transition.
- **Flexibility:** Provide flexibility in the timing and structure of the acquisition, allowing for a gradual transition of ownership and control.

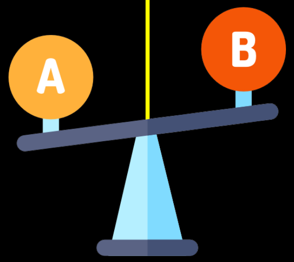
Comparison

Strategy I
(Acquisition by Larger Company)

- 100% → 0% ownership
- managerial control retained by founders
- influenced by the acquiring company

Sum payment of 800,000 EUR in cash.

Focuses on leveraging the resources



Strategy II
(Management Buyout)

- 100% → 49% → 0% ownership
- managerial control retained by current employees
- decisions remain in the hands of individuals familiar with the company's operations and long-term goals

Two periods of investment totaling 700,000 EUR.

Emphasizes continuity, stability, company's long-term vision

Thank you for your attention!

Are there any questions?