

Altalova Business Plan



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Executive Summary:

Altalova is a company based in São Paulo, Brazil providing a convenient and safe method for transferring money amongst international markets at the best available rates. This constantly expanding industry is in high demand of innovation which Altalova offers. Operations will initially focus on Brazil and the United States as preparation for a global expansion of the Altalova solution. The exceedingly connected world that we live in only increases the demand for a dependable method that is simple to set up, quick to use, and offers the best user experience possible. Altalova provides a digital solution in a sector where most solutions are still in analog format. With international travel increasing and people relocating constantly, this solution will be successful for numerous markets that Altalova will target.

Altalova's mission is to provide an efficient and cost-effective service that helps customers save money and easily transfer funds across borders. Current international transfer services are complicated and often times unfair, failing to satisfy customers. Altalova is dedicated to building long-term relationships with customers through a community like atmosphere and reasonable rates to generate references which will secure future business. ***The goal will be steady expansion starting with handpicked niches that will continuously share their great experiences to friends and family.*** A three phase marketing plan with directed sales will target these niches and help Altalova gain traction among markets quickly and orderly. Initial operations will be between Brazil and the United States, but future development phases will bring conciliation between selected markets in Europe and Chile.

Altalova provides a technological solution and system built with blockchain and artificial intelligence (AI) that works on the basis of local “conciliation”. This system will complement traditional banking by allowing users access to a friendly, easy to use platform that will provide a safe and cost effective way to transfer their money internationally. Prior to the full launch, Altalova will have researched several niches in order to run simulators that can help predict periods of time and quantities of money when dips and spikes may occur. This will ensure that Altalova can develop contingency plans that will go into effect accordingly. Based on this analysis, Altalova can start using AI to grow organically, eliminate a need for call centers to provide customer support, and minimize the risk of having to “urgently” compensate one side or the other.

Altalova will take advantage of blockchain technology to register conciliation among users, creating a secure platform that is extremely fast. Often times blockchain systems such as Bitcoin get bad press for illegal activities, but Altalova is projected to branch away from this publicity, remaining a safe and well-regarded platform while still using the smart structure that blockchain offers. Conciliation of tokens like Bitcoin is not only beyond current international transfer services, but also beyond bank regulations, meaning there is currently no applicable law against Altalova's system. This platform will incorporate a network designed around the Hawala system, a value transfer system based on the performance and honor of a huge network of money brokers. This structure is currently restricted by a number of regulations over a majority of the world including the United States and Brazil. It is highly sought after by financial service companies such as TransferWise, who claim to use a similar structure but couldn't actually figure the legalities out. Altalova's system has incorporated legal and regulation support from a variety of legal sources and has made this solution possible with blockchain technology. Blockchain and AI are the future, giving Altalova a competitive advantage with lower fees, simple online verification, and no need for physical locations or complicated forms at banking branches.

Industry Analysis:

International money transfer is a fast growing sector with significant potential. Globalization is leading to a higher demand for international transfers as increased linkages across the world and an accumulation of international migrants make currency transfer a necessity. The size of this industry is substantial even between Brazil and the United States alone, estimated to be around US\$56 billion based on U.S. Census reports. Online platforms are rising in popularity as banks and standard financial service companies such as the Western Union fail to bring innovation and continue to charge unfair rates to users on a low budget. Often times, these users are abroad with one goal in mind, to improve the lives of their families back home through their honest work. As more people realize banks are an inefficient middle-man for money transfers, new online solutions such as TransferWise are growing rapidly. TransferWise has benefited from an online platform with far lower overheads and by charging low fees, being on track to bring in £100 million (US\$128.97 million) in revenue for 2017. Altalova's solution is on track to compete with TransferWise and other companies alike by offering even more competitive rates and convenient solutions.

As this industry grows, remittance fees continue to decrease with new financial players disrupting the industry by lowering operating costs and working around regulatory issues. This continued transparency within the market has declined profitability as companies work to undercut other providers. Altalova's solution will allow for a suitable profit margin with some of the lowest fees on the market, creating a high demand for its service. Moreover, increased scrutiny of terrorism funding and money laundering has made the industry an increasingly uncomfortable place. The World Bank and the International Monetary Fund (IMF) estimate the volume of money laundering in U.S. to be between 3-5% of GDP, equivalent to US\$2.2 – US\$3.7 trillion annually. Continuous regulations and a push for stricter rules may decline the transfer market size, but it will make the industry safer and more accepted which will bring a sense of security to Altalova's conciliation community. In order to comply with the current rules and regulations as well as make sure this tool is only used by honest users in real need of transfer services, Altalova...

Regulatory issues in Brazil have caused a large barrier to entry to online services that have been successful in other areas. Due to central government regulations in Brazil, a number of popular international transfer services such as Ria and OFX don't even offer the Brazilian Real as a transfer currency, so sending from Brazil isn't an option. For these companies, access to Brazilian markets and all currency transfers to Brazil must be in a foreign currency such as U.S. dollars. Current efforts and focus from these companies have been placed on other markets due to their frustrations, leaving Altalova the opportunity to dominate Brazil and other Latin American countries. Working from the inside out, with authorized legal support and superior connections in Brazil, Altalova is able to manage the regulatory issues that other companies can't figure out. Another issue current industry leaders fail to resolve is market inclusion of a large population living abroad with no bank accounts. Altalova will implement a variety of innovative solutions such as Visa Direct to... and also offer prepaid cards to users who don't want an international account. Another option provided will be an easy to follow guide for opening a bank account in the United States, with requirements and documentation. This option facilitates business with U.S. banks, bringing them more customers and more accounts, while also providing more users for Altalova's service.

Target Market:

Altalova will initially focus on Brazil and the United States, where a previously laid out a legal and administrative structure protects the solutions use and development. Target customers are the "lowest hanging

fruit”, meaning that Altalova can contact them in a cost effective and direct manner. These countries have similar markets but key targets and marketing strategies will vary slightly based on the following criteria.

Altalova’s primary target in the United States is Brazilian immigrants with a focus on students and the working class. The U.S. has around ____ working class Brazilians and an average of 25,000 Brazilian students studying abroad per year. This target market consists of a general age range from 18–64 which encompasses around 89% of Brazilian immigrant population in the United States. 71% of Brazilian immigrants (ages 16 and over) were in the civilian labor force. This labor force includes a vast employment in management, business, science, and arts occupations (34%); service occupations (28%); and natural resources, construction, and maintenance occupations (15%). Altalova has limited the U.S. region to cities heavily populated by Brazilian immigrants, primarily located in Florida and the North-East. This population is easy to reach through direct access of popular Brazilian communities such as churches and Brazilian influenced stores in these areas.

In Brazil, Altalova will focus on startups and small businesses, exchange programs, and any frequent travelers to the United States. With the inclusion of frequent travelers, Altalova will also pinpoint United States citizens coming to Brazil for travel, exchange programs, or medical tourism. These target markets provide the foundation for the conciliation platform and most importantly, the community. With a strong conciliation community surrounding Altalova, this influence will play a key role in attracting secondary markets. Secondary markets include Brazilian families with future or current exchange students, and U.S. expats traveling to Brazil. Expats include, but are not limited to, an average of 2,400 U.S. students in Brazil per year. Exchange programs will help communicate about Altalova to future expats and targeted Brazilian students abroad will alert their parents of the service.

Competition:

Competition today exists primarily through traditional currency exchange houses, money transfer companies, and banks. Use of these existing services can be costly as there are fees involved, as well as unfavorable exchange rates and commissions. Some of these outlets require having bank accounts or going physically to a location, where various forms and documents are necessary to validate a transfer. Additionally, the transfer time often varies, sometimes taking up to a week or more. The Altalova solution can be easily and quickly set up for immediate use by the customer, allowing quick access and payment options. The technology that powers the Altalova solution is protected by U.S. and international patents, making entry by new competitors with a similar solution unlikely for the foreseeable future ensuring Altalova’s time to gain a dominant market position.

Competition in international transfers consists of regular banks in US/BR, the US/BR postal services, Western Union/Moneygram, and other online tools (TransferWise, beecambio.com.br, and other “casas de cambio” such as Confidence/Travelex). These options have various different rules and restrictions that often limit customer satisfaction. Although some of these services offer similar, competitive services in certain departments, they don’t cover the full spectrum of benefits that Altalova offers. Altalova will use the interbank rate which will be the lowest on the market. Other services use hidden high exchange rates to make profits at a loss to the customer. Transaction time varies widely per service and price; ranging from within minutes up to a whole week. Altalova’s transfer time in the beginning stages should not take more than 3 days which beats most transfer methods, but eventually, transfers will be completed within an hour. Not only does Altalova’s platform let you send money from your account to an account in another country, Altalova is a conciliation community. This conciliation community will be the key and biggest difference to Altalova’s service.

Marketing and Sales Strategy:

Altalova's initial marketing launch spans Brazil and multiple regions of the United States. Through the Migration Policy Institute, Altalova's team was able to outline counties in the United States that were heavily populated by Brazilian immigrants. They then compiled a list of cities with the same criteria and by cross referencing these sources they were able to pinpoint cities that were not only heavily populated by Brazilians, but were also in popular counties. Cities in counties such as Middlesex, MA, and Broward, FL will be heavily targeted with advertisements because they have multiple Brazilian communities relatively close to each other. These close-knit communities will aid in Altalova's expansion because word will spread quicker.

Altalova's marketing plan is separated into 3 different phases: pre-launch, launch, and consolidation. During the pre-launch stage which consists of July-October, the main focus is creating a buzz and gathering a list of initial users for a trial period starting in October. Marketing and communication will focus on informing primary markets of the new and upcoming service that will provide simple and efficient transfers at competitive rates. For initial development, Altalova will recruit pilot customers within the target commercial markets, offering a discount on services in return for acting as the first users and becoming key reference accounts for their specific industries. A key to this phase will be strengthening online presence and communication in social media but also with international exchange companies like CI Brazil and InterNations. This time will also be used to recruit someone famous to be the face of the service such as a relevant Brazilian soccer player in the U.S. who sends money back to his family.

With initial references in place, Altalova will immediately enter the second marketing phase, launching the solution to the broader market. This phase will comprise of the first 6-12 months of operation. Throughout the pilot, the main focus is to communicate and explain how Altalova works and why this new solution is able to provide a better, faster, and cheaper service. Altalova has set up a website to help explain and teach users how to use the platform which will bring prospective customers to us. Social media campaigns on Facebook, LinkedIn, WhatsApp, and economic blogs will also be in full force. Altalova will establish a communication channel built with its user base and provide short and simple videos explain directly how to use the service. This phase won't include video advertisements with a famous person in videos but he will be used on flyers as well as online advertisements. Altalova's team will begin with a direct sales model and as the platform grows, the expectation is to sign additional partners with access to markets that would be difficult to penetrate alone. These partners could range from traditional currency exchange houses, to travel agencies, hotel operators, etc. Altalova will access target communities in the U.S. through several outlets that will provide the most effective results. Target areas have been limited to 10 vital cities for the initial marketing launch where a compiled directory of venues such as churches, stores, and restaurants with Brazilian ties will be contacted for advertising and sent flyers to post. Eventually, Altalova advertisements will expand to more cities as the conciliation platform gains popularity. Similar strategies will be used and improved as the most effective methods and venues are determined. Additionally, Altalova will take advantage of events like Brazilian day, the World Cup, and any other high concentration Brazilian occasions.

When the solution has been proven in these specific applications, the next market opportunity will come from a full-on expansion of the service during the consolidation phase. During this phase, it is important to maintain a relationship with users and generate awareness and relevant content through a communication channel. For example, Altalova will use a series of 30-second videos to diversify its message while still staying present with the brand; including many topics in economics like interest rates, exchange rates, and fluctuations in currency. Additionally, Altalova's directors will attend trade shows and meetups within key industries to discuss the platform and have potential users meet the team and learn about the platform and its advantages. Altalova will

leverage any and all opportunities to have satisfied customers reference Altalova and help spread the new solution to others. Furthermore, Altalova is dedicated to strengthening partnerships with exchange program institutes like CI Brazil and contacts with Brazilian Chambers of Commerce located in the United States to aid in United States market expansion. Altalova plans to sponsor an exchange program with underprivileged areas so students can travel to the U.S. on exchange and also donate to additional social institutions. The platform will provide an option to donate round-ups on transfer exchange rates to an already established partner NGO company. This will allow them to increase their projects based on predetermined goals set for their fund.

Operations:

Altalova was conceived in September of 2016 after numerous prior discussions about how to best convert currency and send money, specifically to and from Brazil and the United States. Due to the preliminary deployment being between Brazil and the United States, initial operations will include company establishment in both of these countries. The headquarters will be out of São Paulo and an office in Portland, Oregon will be established in the near future. A portion of Altalova's investment will be AI focused on providing streamlined customer service and eliminating the time and cost of call centers. With the use of artificial responses, Altalova's operations won't require a real person to attend to easy to resolve problems. Quality customer service through chat bots, videos, and email support will cover a majority of the customer service time process and make a call center the last resort. Ideally, with around 60-100k users Altalova will only need a maximum of 4 people on call.

As the launch phase concludes and Altalova commences advancements into other countries, operations and locations will be determined based off of availability and convenience. Due to mobility and exercising best judgement, IT operations will be headquartered in Santiago, Chile for the foreseeable future. Altalova's second phase after US/BR is to expand from Brazil to Spain and the United Kingdom. The UK will be easier to implement with regulations, but Spain has a large Brazilian population and Altalova has a strong network of partners located in Barcelona where an office will be established. The 3rd phase would be to expand further into Europe to countries such as Portugal and additionally develop plans with Chile. Once the market with Chile is solidified, Altalova will run a similar campaign as Brazil and expand from Chile to various other countries.

Management and Organization:

Altalova is led by Diego Ures and Karl Dahlgren. Together they have 20 years of in-depth experience in sales, marketing and operational roles in startups and government agencies. Karl's expertise is in business development and will focus on marketing development in the United States. Lucas Taterka was also brought to the team to help Karl with marketing in the U.S. and Brazil. The Board of Directors consists of Roland Saldanha, Carolina Ures, and William Fernandes. These advisors will be responsible for a variety of tasks and guidance based off of their expertise. Professor Roland's expertise is in economics and provides Altalova forecasting and mapping. Caroline focus is legal in general but also assists with regulatory support. William has over 25 years of experience in banking systems in Brazil and will help provide guidance for required IT.

Additional resources and expertise will be required for legal issues and to install and service the technology. Experts were hired as needed initially but will be brought on as full-time staff members once initial pilot projects are completed. José Araujo, a ... who... was brought to the team to work with any legal issues regarding the conciliation platform. Supplementary legal support required will be covered by Souza Cescon (legal support and regulatory), Mendes Raposo & Fernandes (intellectual property law legal support), and SOMA (contracts, company structuring, banking regulation, tax planning). For technical support and front-end programming, Davi Garms and Adirson Allen were added to the team. Also, Altalova outsourced wesolveit for

back-end programming and software development. These initial additions to staff have extensive IT and AI experience, as this expertise is needed for successful implementation of the system and software.

(remainder omitted credited Diego Ures)

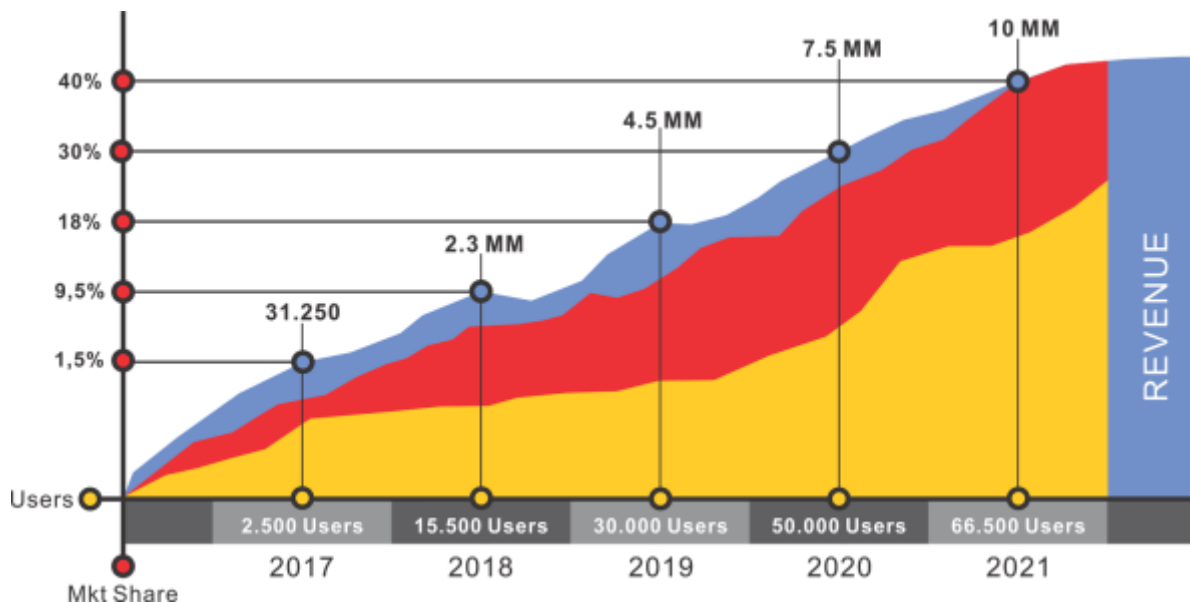
Development Plans:

The long-term goals are to grow the business in a systematic manner, first targeting markets where present knowledge of the business and legal system allow for sustained operations. Altalova's business model permits the liberty of slowly adding target customers that will eventually spread this technology to other areas eventually offer this to anyone who needs this service. Replicating this model in neighboring countries and regions will allow organic sustained growth. Growing the company will come from the attainment of a series of clearly established milestones:

(remainder omitted credited Diego Ures)

Financials:

(section omitted credited Diego Ures)



66,500 users by 2021 with US\$10MM revenue & 40% market share for workers/students in Brazil & U.S.

Acknowledgements/Citations: