

# BUSINESS PLAN



## *MEGI*

Kirsten Brands – 95437

Konstantin Metzger – 95409

Eike Christian Grönefeld – 95449

Claude Gagné – 95247

## *MEIC*

Rafael Prates - 96967

João Gomes - 87673

João Andrade - 86441

Henrique Ferreira - 86432

*Engineering Economics*

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# Executive Summary

A from students developed Puzzle Simulation Game called “Where To?” is to be launched in the gaming market. To realize the launch, it will be examined which market position with a view of the Batteries of Entry, Competition and Addressing the Market is optimal for the game. The main competitors are the games “Papers please” and “Not Tonight”. An Early Access Program and a strong presence in social media platforms builds a strong relationship to the costumer.

A financial plan with the consideration of the require Human Resources, Investments, Operating Expenses and the estimated Revenue is for the realization of the business plan has been developed. With an estimated positive NPV and a Payback Period of 3 Years is the launch of the game in the gaming market feasible and form an economic perspective attractive.

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# 1 Introduction

Experts predicts that in 2022 the gaming industry will produce 196\$ billion in revenue. According to Microsoft, there are more than 2 billion gamers all around the world (Webb, 2019). Due the large number of customers and the outlook of the gaming market in the future, many companies and developers want to enter the gaming market.

But what are the challenges and the investments needed to develop a game and enter the market? What does the business plan look like to realize these ideas and which financial concept is behind this plan?

The game “Where to” is developed by computer science students. In chapter 2 this game will be described. Further, chapter 3 will give an analysis of the global gaming market. This chapter includes among others the position of the game in the market with the consideration of the competitors and the barriers of entry and how to address the market. The complete financial plan can be found in chapter 4 and finally the conclusions are drawn in chapter 5.

## 2 The Game: “*Where To?*”

“*Where to?*” is a Puzzle Simulation game. The game is about playing a part of a train officer in the Wild West with the main responsibility of keeping track of who has a ticket on a moving train.

As a train officer the player must keep track of all the passengers on a train by walking to each passenger one by one and inspect their tickets. The tickets only contain the destinations of the passengers. The player must memorize these destinations and characteristics of the passenger, because the passengers can move around the train and can change their appearance in minor ways, like putting on a hat or removing a jacket. The player must make sure that all passengers leaving at their required destination.

The train officer can talk to each passenger and some passengers have side quests or trigger special events for more variety. Long talks with passengers slow down the environment to prevent these from being punishing to the player.

The train travel around the Wild West in several locations with different routes and events. The game is developed for the pc and is playable with a keyboard or other controller support.

## 3 Market Position

To get an understanding of the market first a market analysis will be conducted on the global gaming market. As already mentioned, the game “Where to?” is a computer game. So therefore, the market analysis is focused on PC Gaming. Secondly, our game “Where To?” will be positioned on this market.

### 3.1 Market analysis PC games

#### 3.1.1 Demographics and Segmentation

To get a first insight in the game market, Figure 1 shows the total game revenues by countries in million US dollars. According to this figure, we can see that the countries United States, France, China and Japan for example have high revenues in the game market.

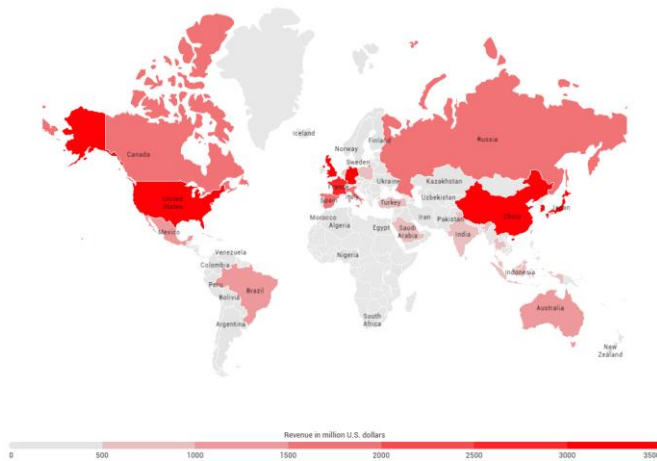


Figure 1: Game Revenues by Countries (WePC, 2019)

In 2022, the forecasts are that the Asia-pacific area will get 48% of the gaming revenues, which seems quite promising to have this area as target customers. Besides, the PC games industry would be valued at \$28.04 billion in 2017, and in 2020 this value will be increased to \$33.6 billion. So, the PC gaming industry is going up again (Gaming Scan, 2019).

Figure 2 shows with which sources get revenues from their games. As can be seen a lot of companies earn money using advertisements in their games. Besides, donations, subscriptions and sponsorships are the other ways to get revenues from the games. Another way of getting revenues, is just to sell the game. In our case, the game “Where To?” will be a games that customers have to pay. Figure 3 shows us the division in free-to-play games and pay-to-pay games around the different areas in the world. So, a free-to-play game means you do not have to pay for the game itself, but you are forced to see the

advertisements for example as shown in figure 2. The pay-to-play games are games where customers need to buy them in a store/on the internet for example.

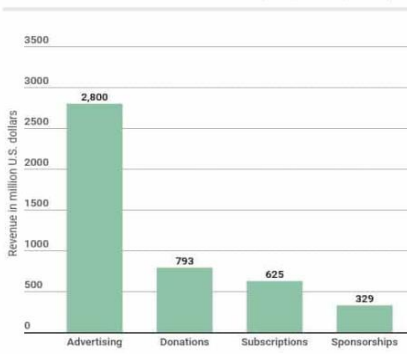


Figure 2: Market revenue of games by segment

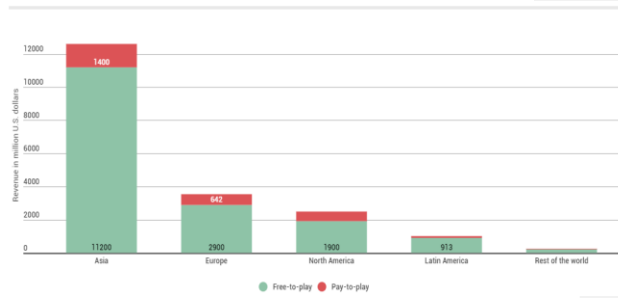


Figure 3: Revenue generated by free to play and pay to play games

From the figures 1-3 we can conclude that Asia, Europe and North-America have the ‘highest’ percentages of revenues and where people also play pay-to-play games.

### 3.1.2 Target Market

The game “Where To?” is a puzzle simulation game. Therefore, the expected audience are the memory/puzzle driven players as well as the explorers. Since our game has a lighthearted spin on an old classic with emphasis on story as well, the audience we are targeting is a more mature one with no specific gender targeted. From a very basic perspective of our game, the expected audience are players who enjoy a good challenge and like to solve puzzles and memorize every important tiny details. So, our game is designed for perfectionists and more mature players.

However, the game also has a very strong exploration factor so that players who like to spend their time searching and finding new things to do within the game will have a good time. They will often try to diverge from the main task, in order to see how far they can explore the environment and the many options it gives, getting a sense of accomplishment based on how many new things they uncover.

### 3.1.3 Competitors

For our game, there are two competitors. The first competitor is the game “Papers, please” and the other competitor is “Not Tonight”. Table 1 shows the competitor analysis.

	PAPERS PLEASE	NOT TONIGHT	WHERE TO (OUR GAME)
REVENUES	€299.046 (yearly)	€14.377 (yearly)	€66.625 (2 <sup>nd</sup> year)
GENRE	Adventure/Simulation	Role Playing	Memory/Simulation
SORT OF GAME	PC game	PC game	PC game
PRICE	€8.99	€16.79	€25
THEME	Cold War	Britain after Brexit	Wild Western
SINGLE/MULTIPLAYER	Single	Single	Single

Table 1: Competitor analysis (Steam, sd) (Sensor Tower, 2019) (Steam, sd) (Donovan, 2019) (Quora, 2018)

Table 1 shows that all of the three games have a different theme and genre. They are competitors since there are some gameplay elements that are similar. For example, in “Papers, please” the player checks the passports of people crossing the border while in our game the player checks the train tickets of the passengers boarding. The game “Not Tonight” is also a ticket checking game. So, some game elements are the same. Besides, in the game “Not Tonight” every character has a distinct personality. In the future, this is also a goal for our game.

Since both competitors’ games are played a lot, it seems promising for our game to get a lot of revenues as well since they have some of the same game elements but our game has another genre. Besides, the game “Papers, please” won a lot of prizes, e.g. Best game of 2013 and 2014, Innovations award (Papers please, sd) from which we can conclude that the game elements are in favor of customers.

#### **3.1.4 Barriers to Entry**

Since the technologies are developed very quickly and there is lack of regulation in the gaming industry, it is becoming an unstructured industry where no competitive edge is sustainable and the top position of the games is always being fought over. This is why there is a strong focus on a creative culture within a company while war strategies are required at the senior level to identify and remove competition (Wright, 2017).

Besides the first barrier, hardware and software costs can be a barrier since these costs can be very high. In many cases, it is also possible to use free alternatives. Also, game engines and computers can be too expensive to enter the market (Kelly, Mishra, & Jequinto, 2014). As game companies continue to be pressured by increasing consumer demands, the proliferation of gaming-capable devices and lower barriers to entry for low-cost alternatives, the need to innovate and join the revolution of disruptors is more critical than ever (CFI, sd).

### **3.2 “Where To?” in the market**

To position our game in the market, we will use the “product attributes and benefits” strategy (newzoo, 2019). Therefore, below our unique selling points can be found.

#### **3.2.1 Unique Selling Points**

- “Where to?” is memory driven game. This is a unique twist within the genre of simulation games that gives an original challenge to the player.
- The lighthearted approach to the usually grim and bloody Wild West theme, as well as the fact that the Western style not common in this genre.
- The Overworld provides a *Choose Your Own Difficulty* functionality to the game, as opposed to the usual linear difficulty progression of a puzzle game.
- Retro Pixel-graphics which resulted in a unique design of our game.



So, based on the facts of Figure 1 and Figure 4, we will focus on Asia, Europe and North-America for our game “Where To?”. We will also focus on customers who are memory/puzzle driven players as well as the explorers. We are not specific focusing on a gender. The expected audience are players who enjoy a good challenge and like to solve puzzles and memorize every important tiny details. So, our game is designed for perfectionists and more mature players. Using our Unique Selling Points, we can distinguish ourselves from our customers mentioned in section 3.1.

### 3.2.2 Addressing the market

The retro pixel-graphics style of “Where To?” puts us in a niche market that is mostly occupied by indie games. We focus on our unique selling points detailed in section 3.2 to emerge in this niche market and the way we expose those points. In order to plainly expose our selling points to the community, we will produce a high-quality game trailer with actual in-game footage. The trailer must be engaging and expose the western side of our retro pixel-graphics. It is well known that players come for the visual but stay for the gameplay. In addition to the trailer, we will build a website for “Where to?” that will use the same western pixel art.

In order to stand out, we build a strong relationship with our customers. Our strategy to build this strong relationship is deeply connected to the Early Access program. The Early Access program will give the opportunity to the customers to buy and play the game before the final release date. Since the development of “Where to?” is not completed by then, the feedback from the customers will help us to develop a game within the expectation of the community. The development blog of “Where to?” will also increase the bond with the gaming community.

In an era of social media, “Where To?” will have a strong presence on various platforms including Twitter, Facebook, Reddit, etc. Furthermore, developers will be encouraged to tweet about various aspects of game development to ensure a close relationship with the community.

Comentado [KB1]: What do you meant here?

Comentado [GU2R1]: I replace sell by expose to be more clear

## 4 Financials

This chapter includes the financial plan for the game “Where to?”. First the assumptions are stated in section 4.1. Section 4.2 will address the financing strategy and the reporting and evaluation can be found in section 4.3.

### 4.1 Project Assumptions

#### 4.1.1 Employees

Table 2 shows the human resource plan for “Where to?”. The team comprises of 4 full-time employees and one part-time employee. The salaries of the programming experts, the sales and marketing expert and the manager are payed 12 months. The accountant is payed one monthly salary, as he/she is only necessary once at the end of each year. The monthly gross salary is 1500€ for each employee. The salary is based on over average Portuguese salary, as “Where to?” is hiring experts with higher education . When calculating the actual HR costs for the company, one has to take the corporate social responsibility rate into consideration. This rate is added to the yearly costs for the company for each employee. It amounts to 23.75% in Portugal, where the business is planned to be set up [Source]. The programming expert’s job is it to further develop and improve the game and to deal with arising customer issues. The sales and marketing expert are there to bring the game on the market and to create awareness by placing advertisement targeting the customers described in 3.1.2. The manager is responsible for keeping an eye on all ongoing operations and to coordinate the whole team.

EMPLOYEE	2020	2021	2022	2023	2024
PROGRAMMING EXPERT	22275,00	22275,00	22275,00	22275,00	22275,00
ACCOUNTANT	1856,25	1856,25	1856,25	1856,25	1856,25
SALES AND MARKETING EXPERT	22275,00	22275,00	22275,00	22275,00	22275,00
PROGRAMMING EXPERT	22275,00	22275,00	22275,00	22275,00	22275,00
MANAGER	22275,00	22275,00	22275,00	22275,00	22275,00
SUM (€)	90956,25	90956,25	90956,25	90956,25	90956,25

Table 2: Human Resource Plan

#### 4.1.2 Investments

All investments are made in 2020 in order to get “Where to?” running. Table 3 shows the investment plan for the first 5 years. It respects the individual depreciations by showing the residual values in the respective years. Each tangible asset is depreciated individually according to common depreciation rules [10]. Intangible assets are recorded with a depreciation rate of 0%. Below, all values that can be found in table 3 will be explained.

**Monitors.** In total there are 5 Monitors required, one monitor for each employee. The price for each monitor is assumed to be 500€ [source]. The total cost for the monitors is therefore 2500€ with a depreciation rate of 20%.

**Computers.** The computers need the highest investment, as it is the heart of a programming business. For “Where to?”, there are 5 computers required, one for each employee. This assets amount to a total investment of 7500€ (1500€ for each computer) [source]. This asset has a depreciation rate of 33%.

**Legal Company Setup Costs.** In order to setup a legal business form an initial investment of 360€ is required [source]. As legal company setup costs are considered to be an intangible asset a depreciation rate of 0% is being assumed.

**Initial License Costs.** This matter of investment accounts for the initial license cost to offer a game online via the steam platform [source]. It is also considered to be an intangible asset and therefore depreciation rate is assumed to be 0%.

**Furniture.** The required office furniture investment for 5 people amounts to 1000€. It includes desks, and an office chairs for each employee for 200€ each [source]. The depreciation rate is assumed to be 13%.

**Equipment.** Besides the furniture office equipment e.g. coffee machine, fridge and working materials are needed. The equipment amounts to 1000€ in total and is depreciated with a rate of 20%.

VALUES IN: EUR	2020	2021	2022	2023	2024
MONITORS	2000	1500	1000	500	0
LEGAL COMPANY SETUP COSTS	360	360	360	360	360
INITIAL LICENSE COSTS	300	300	300	300	300
FURNITURE	870	740	610	480	350
EQUIPMENT (E.G. COFFEE MACHINE)	800	600	400	200	0
COMPUTER	5025	2550	75	0	0

Table 3: Investment Plan

#### 4.1.3 Operating Expenses

Table 4 shows the total operating expenses in the respective years broken down into the respective positions.

**Internet connection** amounts to a yearly cost of 600€ [source].

**Licenses** are the costs occurring regarding the online steam account, that charges a yearly fee to place the product [source].

The reoccurring **marketing costs** complement the initial costs for marketing. It is spent to maintain the online marketing campaigns [source].

**Working space rent** accounts for the biggest share of operating expenses. The rent is assumed to amount to a monthly cost of 500€ [source].

**Gas, electricity and water** costs are based on average numbers for an area with a monthly rent of 500€. In total it amounts to monthly cost of 1440 €.

**Office equipment** costs are needed to sustain daily operations in the office using all kind of material e.g. pencils, paper, ink. This material costs are assumed to amount to yearly costs of 200€.

**Insurance** is needed to assure that all materials a safe in case of an unforeseen accident. Amounting to

yearly costs of 400€ [source].

**Cleaning service** is assumed to come once a week. The costs for cleaning the apartment amount to 20€ per week based on Portuguese average. This results in yearly cleaning service costs of 1040€.

OPERATING EXPENSES	2020	2021	2022	2023	2024
INTERNET CONNECTION	600,00	600,00	600,00	600,00	600,00
LICENSES	100,00	100,00	100,00	100,00	100,00
MARKETING COST	750,00	750,00	750,00	750,00	750,00
WORKING SPACE RENT	6000,00	6000,00	6000,00	6000,00	6000,00
GAS, ELECTRICITY AND WATER	1440,00	1440,00	1440,00	1440,00	1440,00
OFFICE EQUIPMENT	200,00	200,00	200,00	200,00	200,00
INSURANCE	400,00	400,00	400,00	400,00	400,00
CLEANING SERVICE	1040,00	1040,00	1040,00	1040,00	1040,00
<b>SUM (€)</b>	<b>10530,00</b>	<b>10530,00</b>	<b>10530,00</b>	<b>10530,00</b>	<b>10530,00</b>

Table 4: Operating expenses plan

#### 4.1.4 Revenues

“Where to?” comprises of one revenue stream. The project relies on sales of the game as a source of income. This section describes the foundation of the price charged for the game followed by the revenue forecast.

**Price.** Taking into account those specifications, the price of “Where to?” will be set at 25 euros. There is no planned paid downloadable content in the gameplay. “Where to?” is a game with a lot of exploration that requires a huge amount of resources to create. Furthermore, “Where to?” will have strong replay ability. The main argument justifying the price of 25€, which is higher than the competition (see 3.1.3) is the absence of shown advertisement in the game. Literature shows, that the absence of advertisement in a game is highly valued by customer.

**Sales forecast.** The sales are targets are shown in Table 5. In 2020 there are no sales expected as the game is further developed in that year to reach market maturity. The sales forecast in the following years are assumed to follow a S- curve (see Figure 4), which is a pretty common assumption for forecasting sales [source]. The sales basis of 1000 units in the first year are derived by the common market average [source].

	2020	2021	2022	2023	2024
SALES TARGET (# OF GAMES)	0	1000	12000	60.000	68.000
GAME SALES	0	25.000 €	300.000 €	1.500.000 €	1.700.000 €
NET REVENUE	0	25.375 €	309.068 €	1.568.518 €	1.804.318 €

Table 5: Sales forecast

**Comentado [KB3]:** On which sources did you base the growth? In the market analysis? I think we should explain why we have chosen this growth

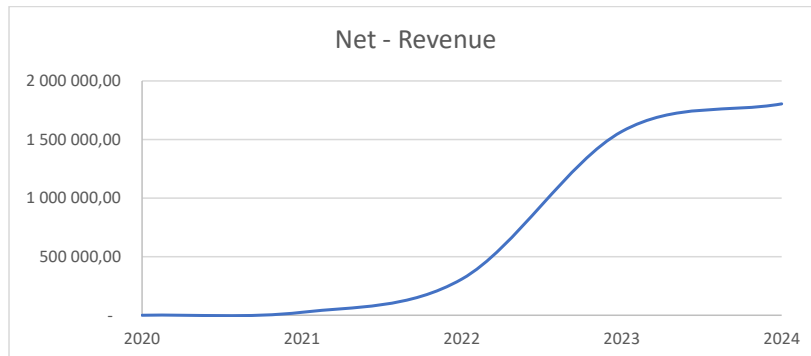


Figure 4: Net Revenues

## 4.2 Financing Strategy

Under the assumptions made in 4.1, “Where to?” is missing 112.240€ in cash and deposits in 2020, 192.987€ in 2021 and 11.777€ in 2022 ( see Appendix 1). In order to able operations in these years different financing options where considered. The team of “Where to?” decided to contribute 5.000€ as issued capital out of their own pockets in 2020. Furthermore, the team seeks to collect 20.000€ via crowdfunding by using the “KICKSTARTER” platform as issued capital. Besides issued capital the team of “Where to?” is looking for an operational business angel contributing 88.000€ in 2020 for 10% of share of the company and another 82.000€ in 2021 for another 10% of share of the company (see Appendix 6). The operational investor should serve as support as the team seeks to find an investor that is an insider in the gaming industry and can help with strategic decision making.

## 4.3 Reporting and Evaluation

Table 6 shows the free cash flows to the firm (FCFF) for each of the operating years. The exact derivation can be seen in the appendix (see Appendix 3 and Appendix 4). Figure 5 shows the FCFF and the accumulated FCFFs. The payback period for the FCFF is 3 years and 1,07 months. The NPV of the project is 1.770.285€. The NPV was derived by accumulating and discounting all the cash flows. It can be found in Appendix 4 under “Accumulated discounted FCFF”. The cashflows have been discounted using the WACC of 8.5% (see Appendix 7): The risk – free asset was assumed to be at 1.5%, the beta was assumed to be 1 and the market risk-premium was assumed to be 7% [source]. The analysis shows that the project of “Where to?” is feasible and economically attractive. The positive NPV together with a payback period of 3,107 years shows that the project should be realized.

Values in: EUR	2020	2021	2022	2023	2024
EBIT	-104791,25	-80938,54	201208,8	1461490,6	1695774,2
Operational corporate tax	0	0	42253,85	306913,02	356112,58
Depreciations	3305	3305	3305	905	830

<b>NOPLAT</b>	<b>-101486,25</b>	<b>-77633,54</b>	<b>162260</b>	<b>1155482,6</b>	<b>1340491,6</b>
Working capital investment	-1906,02	3113,18	-18949,8	-161156,1	-29832,28
Fixed asset investment	12660	0	0	0	0
<b>FCFF</b>	<b>-112240,22</b>	<b>-80746,72</b>	<b>181209,8</b>	<b>1316638,7</b>	<b>1370323,9</b>
Accumulated FCFF	-112240,22	-192986,9	-11777,1	1304861,5	2675185,4

Table 6: FCFF

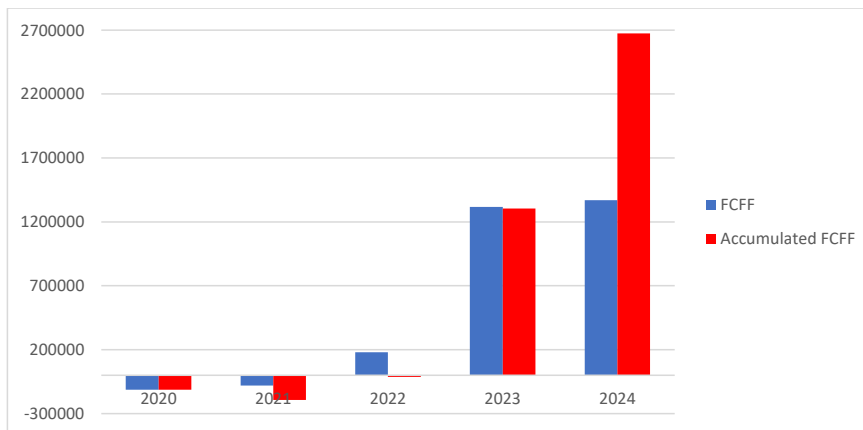


Figure 5: Payback of FCFF

## 5 Conclusion

The report analyzed how to realize the idea to bring the game “Where to?”, developed from students of the computer science and engineering course, into the real gaming market.

The best position in the gaming market for the game is the Asia, European and North American market with customer who are interested in memory and puzzle games. The Competitor Analysis has shown that the main competitors of the game are the games “Papers Please” and “Not Tonight”. The strategy to addressing the market is to produce a high-quality trailer, build a strong relationship to the costumer with an Early Access Program and develop a strong presence in social media platforms.

The result of the financial realization of the project has shown that the idea to bring game into the real gaming market with a positive NPV and a Payback Period of 3 Years is achievable and economically attractive.

In the future to realize the business plan it would be necessary to

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# Appendix

Values in: EUR	2020	2021	2022	2023	2024
<b>Assets</b>					
Tangible assets	8695.00	5390.00	2085.00	1180.00	350.00
Intangible assets	660.00	660.00	660.00	660.00	660.00
Other noncurrent assets	0.00	0.00	0.00	0.00	0.00
Noncurrent assets	9355.00	6050.00	2745.00	1840.00	1010.00
Inventories	0.00	0.00	0.00	0.00	0.00
Clients	0.00	2565.30	31245.45	158570.68	182409.13
Government receivables	438.38	0.00	0.00	0.00	0.00
Other current assets	0.00	0.00	0.00	0.00	0.00
Cash and deposits	-112240.22	-182986.94	-11777.13	1304861.52	2675185.44
Current assets	-111801.83	-190421.64	19468.31	1463432.20	2857594.58
<b>Total assets</b>	<b>-102446.83</b>	<b>-184371.64</b>	<b>22213.31</b>	<b>1465272.20</b>	<b>2858604.58</b>
<b>Equity</b>					
Issued capital	0.00	0.00	0.00	0.00	0.00
Other equity instruments	0.00	0.00	0.00	0.00	0.00
Other equity changes	0.00	0.00	0.00	0.00	0.00
Retained earnings	0.00	-104791.25	-185729.79	-26774.82	1127802.74
Net income	-104791.25	-80938.54	158954.97	1154577.56	1339661.64
<b>Total equity</b>	<b>-104791.25</b>	<b>-185729.79</b>	<b>-26774.82</b>	<b>1127802.74</b>	<b>2467464.38</b>
<b>Liabilities</b>					
Bank loans	0.00	0.00	0.00	0.00	0.00
Other noncurrent liabilities	0.00	0.00	0.00	0.00	0.00
Noncurrent liabilities	0.00	0.00	0.00	0.00	0.00
Suppliers	1064.54	1080.50	1096.71	1113.16	1129.86
Shareholders loan	0.00	0.00	0.00	0.00	0.00
Government payables	0.00	277.64	47891.42	336356.29	390010.33
Other accounts payables	1279.87	0.00	0.00	0.00	0.00
Other current liabilities	0.00	0.00	0.00	0.00	0.00
Current liabilities	2344.41	1358.15	48988.13	337469.46	391140.20
<b>Total liabilities</b>	<b>2344.41</b>	<b>1358.15</b>	<b>48988.13</b>	<b>337469.46</b>	<b>391140.20</b>
<b>Equity + Liabilities</b>	<b>-102446.83</b>	<b>-184371.64</b>	<b>22213.31</b>	<b>1465272.20</b>	<b>2858604.58</b>

Appendix 1: Balance sheet without financing

Values in: EUR	2020	2021	2022	2023	2024
<b>Assets</b>					
Tangible assets	8695.00	5390.00	2085.00	1180.00	350.00
Intangible assets	660.00	660.00	660.00	660.00	660.00
Other noncurrent assets	0.00	0.00	0.00	0.00	0.00
Noncurrent assets	9355.00	6050.00	2745.00	1840.00	1010.00
Inventories	0.00	0.00	0.00	0.00	0.00
Clients	0.00	2565.30	31245.45	158570.68	182409.13
Government receivables	438.38	0.00	0.00	0.00	0.00
Other current assets	0.00	0.00	0.00	0.00	0.00
Cash and deposits	759.77	2013.05	183222.86	1499861.52	2870185.44
Current assets	1188.16	4578.36	214468.31	1658432.20	3052594.58
<b>Total assets</b>	<b>10553.16</b>	<b>10628.36</b>	<b>217213.31</b>	<b>1660272.20</b>	<b>3053604.58</b>
<b>Equity</b>					
Issued capital	25000.00	25000.00	25000.00	25000.00	25000.00
Other equity instruments	88000.00	170000.00	170000.00	170000.00	170000.00
Other equity changes	0.00	0.00	0.00	0.00	0.00
Retained earnings	0.00	-104791.25	-185729.79	-26774.82	1127802.74
Net income	-104791.25	-80938.54	158954.97	1154577.56	1339661.64
<b>Total equity</b>	<b>8208.75</b>	<b>9270.20</b>	<b>168225.18</b>	<b>1322802.74</b>	<b>2662464.38</b>
<b>Liabilities</b>					
Bank loans	0.00	0.00	0.00	0.00	0.00
Other noncurrent liabilities	0.00	0.00	0.00	0.00	0.00
Noncurrent liabilities	0.00	0.00	0.00	0.00	0.00
Suppliers	1064.54	1080.50	1096.71	1113.16	1129.86
Shareholders loan	0.00	0.00	0.00	0.00	0.00
Government payables	0.00	277.64	47891.42	336356.29	390010.33
Other accounts payables	1279.87	0.00	0.00	0.00	0.00
Other current liabilities	0.00	0.00	0.00	0.00	0.00
Current liabilities	2344.41	1358.15	48988.13	337469.46	391140.20
<b>Total liabilities</b>	<b>2344.41</b>	<b>1358.15</b>	<b>48988.13</b>	<b>337469.46</b>	<b>391140.20</b>
<b>Equity + Liabilities</b>	<b>10553.16</b>	<b>10628.36</b>	<b>217213.31</b>	<b>1660272.20</b>	<b>3053604.58</b>

Appendix 2: Balance sheet with financing

Values in: EUR	2020	2021	2022	2023	2024
Net revenue	0.00	25375.00	309067.50	1568517.56	1804318.03
Cost of goods	45250.00	45928.75	46617.68	47316.94	48026.70
Gross profit	-45250.00	-20553.75	262449.81	1521200.61	1756291.33
General and administration	33211.25	33709.41	34215.06	34728.28	35249.21
Sales and marketing	23025.00	23370.37	23720.93	24076.74	24437.89
Research and development	0.00	0.00	0.00	0.00	0.00
Operating income	-101486.25	-77633.54	204513.82	1462395.58	1696604.22
Other gains and costs	0.00	0.00	0.00	0.00	0.00
EBITDA	-101486.25	-77633.54	204513.82	1462395.58	1696604.22
Depreciations	3305.00	3305.00	3305.00	905.00	830.00
EBIT	-104791.25	-80938.54	201208.82	1461490.58	1695774.22
Interest costs	0.00	0.00	0.00	0.00	0.00
EBT	-104791.25	-80938.54	201208.82	1461490.58	1695774.22
Corporate tax	0.00	0.00	42253.85	306913.02	356112.58
Net income	-104791.25	-80938.54	158954.97	1154577.56	1339661.64

### Appendix 3: Income statement

Values in: EUR	2020	2021	2022	2023	2024
EBIT	-104791.25	-80938.54	201208.82	1461490.58	1695774.22
Operational corporate tax	0.00	0.00	42253.85	306913.02	356112.58
Depreciations	3305.00	3305.00	3305.00	905.00	830.00
NOPLAT	-101486.25	-77633.54	162259.97	1155482.56	1340491.64
Working capital investment	-1906.02	3113.18	-18949.83	-161156.10	-29832.28
Fixed asset investment	12660.00	0.00	0.00	0.00	0.00
FCFF	-112240.22	-80746.72	181209.81	1316638.66	1370323.92
Accumulated FCFF	-112240.22	-192986.94	-11777.13	1304961.52	2675185.44
Discounted FCFF	-102699.80	-67603.17	138817.74	922892.20	878878.23
Accumulated discounted FCFF	-102699.80	-170302.98	-31485.23	891406.97	1770285.21
Perpetuity					
Normalized FCFF	1369493.92				
Perpetuity	16111693.20				
Discounted perpetuity	10333481.20				
Indicators					
NPV	12103766.41				
IRR	164.07				
Payback of nominal FCFF	4				
Payback of the discounted FCFF	4				

### Appendix 4: Feasibility Analysis

Values in: %	2020	2021	2022	2023	2024
Margins and profitability					
Gross margin	0.00	100.00	100.00	100.00	100.00
Gross margin (includes operating expenses)	0.00	57.88	96.49	99.29	99.38
Net margin	0.00	-318.97	51.43	73.60	74.24
ROS	0.00	-318.97	65.10	93.17	93.98
ROA	-992.98	-761.53	73.17	69.54	43.87
ROE	-1276.58	-873.10	94.48	87.28	50.31
ROIC	-89.81	-39.81	83.21	592.55	687.43
Solvency					
Equity ratio	77.78	87.22	77.44	79.67	87.19
Equity-to-liabilities ratio	350.14	682.55	343.40	391.97	680.69
Liabilities-to-assets ratio	22.21	12.77	22.55	20.32	12.80
Leverage					
Average cost of debt	0.00	0.00	0.00	0.00	0.00
Equity-to-permanent financing ratio	100.00	100.00	100.00	100.00	100.00
Interest coverage ratio	0.00	0.00	0.00	0.00	0.00
Debt service coverage ratio	0.00	0.00	0.00	0.00	0.00
Liquidity					
Current ratio	51.10	337.10	437.79	491.43	780.43
Quick ratio	51.10	337.10	437.79	491.43	780.43
Growth rates					
Net revenue	NA	0.00	1118.00	407.50	15.03
EBITDA	NA	-23.50	-363.43	615.06	16.01
EBIT	NA	-22.76	-348.59	626.35	16.03
Net income	NA	-22.76	-296.39	626.35	16.03

### Appendix 5: Indicators

Values in: EUR	2020	2021	2022	2023	2024
<b>Issued capital</b>					
Increase	25000.00	0.00	0.00	0.00	0.00
Decrease	0.00	0.00	0.00	0.00	0.00
Year end	25000.00	25000.00	25000.00	25000.00	25000.00
<b>Other equity instruments</b>					
Increase	88000.00	82000.00	0.00	0.00	0.00
Decrease	0.00	0.00	0.00	0.00	0.00
Year end	88000.00	170000.00	170000.00	170000.00	170000.00
<b>Raised equity</b>					
Increase	113000.00	82000.00	0.00	0.00	0.00
Decrease	0.00	0.00	0.00	0.00	0.00
Year end	113000.00	195000.00	195000.00	195000.00	195000.00
<b>Shareholders loans</b>					
Increase	0.00	0.00	0.00	0.00	0.00
Decrease	0.00	0.00	0.00	0.00	0.00
Year end	0.00	0.00	0.00	0.00	0.00
<b>Interest costs</b>					
Interest costs	0.00	0.00	0.00	0.00	0.00
<b>Bank loans</b>					
Increase	0.00	0.00	0.00	0.00	0.00
Decrease	0.00	0.00	0.00	0.00	0.00
Year end	0.00	0.00	0.00	0.00	0.00
<b>Interest costs</b>					
Interest costs	0.00	0.00	0.00	0.00	0.00
<b>Debt financing</b>					
Increase	0.00	0.00	0.00	0.00	0.00
Decrease	0.00	0.00	0.00	0.00	0.00
Year end	0.00	0.00	0.00	0.00	0.00
<b>Interest costs</b>					
Interest costs	0.00	0.00	0.00	0.00	0.00
<b>Weight of Capital</b>					
Equity	1.00	1.00	1.00	1.00	1.00

### Appendix 6: Financing Plan

Risk-free asset (%)	3.50	+	Beta	1.00	×	Market risk-premium (%)	7.00	=	Cost of equity (%)	8.50
Interest rate (%)	2.50	×	Tax shield (%)	79.00	=	Cost of debt (%)	1.98			
Equity weight (%)	300.00	×	Cost of equity (%)	8.50	+	Debt weight (%)	0.00	×	Cost of debt (%)	1.98
								=	WACC (%)	8.50

### Appendix 7: WACC derivation