

Sample-Business-Plan

TABLE OF CONTENTS

- EXECUTIVE SUMMARY
 - Introduction
 - Context
- THE BUSINESS
 - The Products and Services
 - Summary Conceptual Description
 - Summary Key Technical Components and IPR
 - Unique Features
 - Provisional Products, By-Products and Services Catalogue
 - The Business Model
 - Strategy
 - Revenue streams
 - Regulations and Permits
 - Strategic Alliances
- THE MARKET
 - Market Definition
 - Market Research
 - Segmentation
 - Geographic Dimension
 - Targeting
 - Positioning
 - Customer Type Dimension
 - Targeting
 - Positioning
 - Business Type Dimension
 - Targeting and Positioning
 - Marketing
 - Advertising, Promotion, Trade Shows
- COMPETITION & RISKS
 - Competition
 - Business Risks
- OWNERSHIP, LOCATION and MANAGEMENT TEAM
 - Ownership and Location
 - Management Team
 - Technical Management
 - Business Management
- CAPITAL REQUIREMENTS
- FINANCIAL PLAN

- ASSUMPTIONS
- INCOME STATEMENT
- FORECAST STATEMENTS
- BREAK EVEN ANALYSIS
- EXHIBITS
 - Exhibit 1: Company presentation
 - Exhibit 2: Technical management
 - Exhibit 3: Business management
 - Exhibit 4: Sample application - Transportation
 - Exhibit 5: Sample application - Utilities, Electricity monitoring
 - Exhibit 6: Geospatial Industry Outlook&Readiness Index 2018

EXECUTIVE SUMMARY



Introduction

This document presents in short the key points of the business plan created for the development, launch and market entry of highly innovative products and services in the area of GIS (Geographic Information Systems), sensing and data collection, data processing and advanced software apps. The document will start with a brief description of the products and services explaining the technical platform and the main features. The next section will be dedicated to the brief description of the business model. A summary market analysis together with considerations on the competition and risks will be also presented as a logical continuation of the business model description. We also consider that the presentation of the key persons who will be responsible for the implementation of the business plan is important to be included in this document. The document will be concluded with a summary of the financial aspects of the business plan in terms of the capital requirements and the forecast of the financial results. For the avoidance of any wrong understanding of the business plan, we mention that all figures illustrated in the financial sections of this document are in **EURO**.

Context

The idea of Digital Transformation is no longer just theory. More and more businesses migrate to the digital area and become more efficient while various fields of activity become more and more dependent on new technologies that appear on the market. Starting from general concepts (such as IoT-Internet of Things, Big Data, Industry4.0, Precision Agriculture, Smart City), continuing with advanced data processing algorithms (Machine Learning, Deep Learning, Artificial Intelligence) and ending with an increasingly migration to mobile apps (which will be further accelerated with the deployment of 5G technology), Digital Transformation has led to a paradigm shift for technology companies. It is already notorious that success as a technology company can be ensured by migrating from a business model based on the promotion and sales of software applications and on recurring revenues from the maintenance of the licenses to a flexible business model based on recurring revenues obtained from the sale of concrete results obtained by processing large volumes of data. In other words, all predictions about the future of the technology and software industry show that customers will be less willing to buy licenses for applications that require further maintenance and do not add value to their business in favour of buying services and concrete results. Customers become even more interested when the services and results they buy are based on real and accurate data collected from the field through sensor platforms (fixed sensors, aerial platforms, mobile platforms, satellites, etc.) and can also benefit from rapid and accurate predictions made through specific artificial intelligence algorithms. Regarding the representation of information, it is obvious that the most intuitive form of presentation is the geographical representation of the data. Combining this geographical representation with augmented reality or virtual reality the value added to customers increases considerably. From a financial point of view, the obvious migration to the business model described above brings benefits to both technology and software companies and to customers. While for technology companies, the growth of recurrent revenue growth is extremely attractive for customers the significant reduction of CAPEX (especially in a field where technology depreciation is very rapid) and migration to OPEX (especially in connection with pay-per-use model) brings major benefits.

In this context, the products and services we want to develop and promote address both the technical and technological challenges generated by Digital Transformation as well as the approach of a flexible business model strongly oriented towards OPEX, both in terms of how we will lead our business as well as in terms of value proposition for our clients and business partners.

THE BUSINESS



The Products and Services

Summary Conceptual Description

The portfolio will consist in the full range of products and services needed to produce relevant data sets for the clients. The main goal is to produce and sell high value geographic data sets based on real information collected from the field (using different sensor platforms) and based on specific scientific prediction algorithms.

In order to achieve the goal we will use our own data collection platforms (sensors), external sources of information, professional data processing services and automatic data processing services. The overall conceptual flow is presented in the picture below:

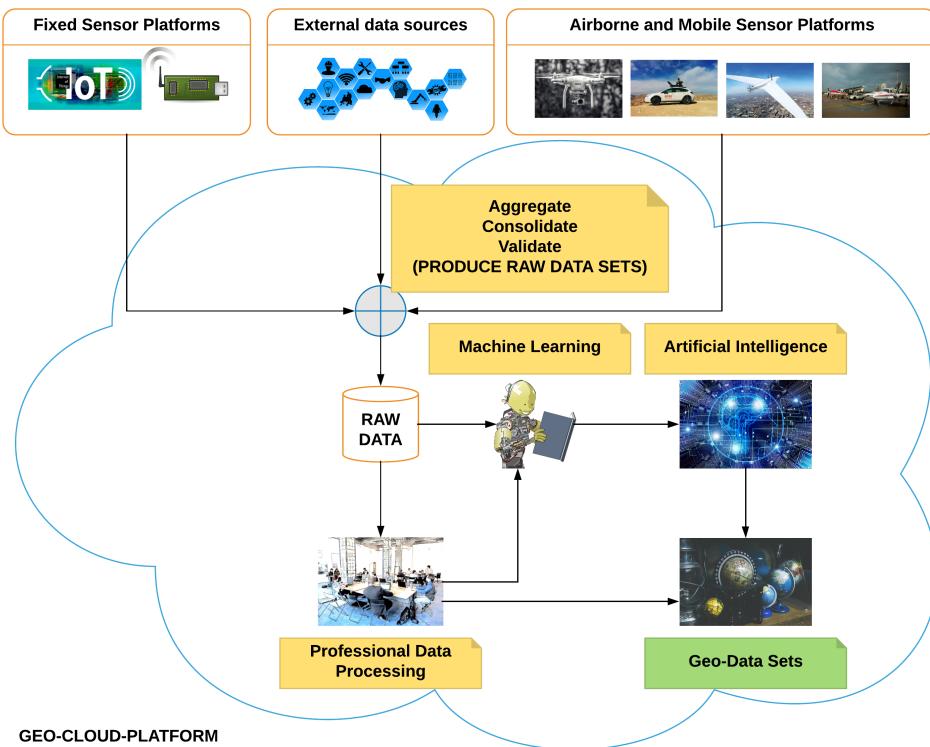


Figure1:The Platform

The geographic data sets will be consumed by both private and public customers thus generating different revenue streams and products as will be presented later in this document.

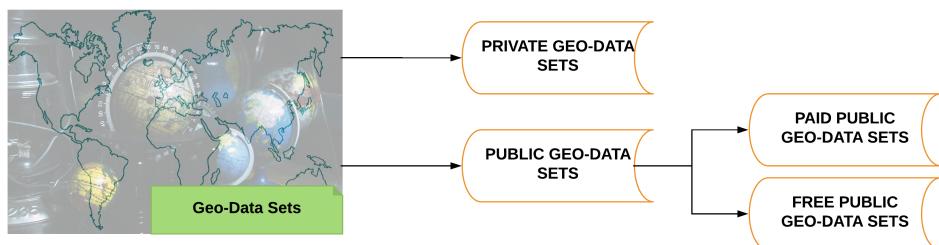


Figure2:Types of Geo-Data Sets

The access to the geo-data sets will be as following:



Figure3:Access to Pubic Geo-Data Sets

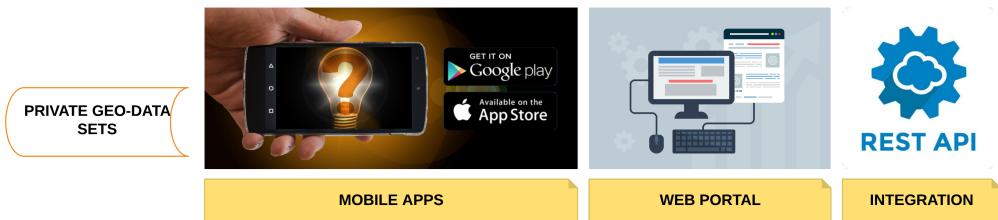


Figure4:Access to Private Geo-Data Sets

Summary Key Technical Components and IPR

The main technical components are presented in the tables below. As a key point of the technical platform we can mention that we will rely both on our own technical components and on external technical components also. A more detailed view on the key technical components is presented in the table below:

DATA PRESENTATION LAYER		
Mobile Apps	100% IPR	
Web Apps	100% IPR	
Integration End-Points (Apps)	100% IPR	
DATA PROCESSING LAYER		
Professional data processing methods	100% IPR	
Machine Learning Algorithms	100% IPR	
Machine Learning Infrastructure		Rented (OPEX)
Artificial Intelligence Algorithms	100% IPR	
Artificial Intelligence Infrastructure		Rented (OPEX)
RPA workflows	Partly IPR	Partly Rented (OPEX)
Data exchange and integration		Rented (OPEX)
RAW DATA STORAGE LAYER		
Public Raw data-sets	100% IPR	
Private Raw data-sets		Owned by the Client
Storage space		Rented (OPEX)
BIGDATA		Rented (OPEX)
RAW DATA PRODUCTION LAYER		
Fixed Ground Sensors	Own platform (100% IPR)	
Mobile Ground Sensors	Own platform (100% IPR)	
Airborne Sensors	Own platform (100% IPR)	
VTOL UAV Sensors		External (rented, OPEX)
Fixed Wing UAV Sensors		External (rented, OPEX)
Other external data sources		External (rented, OPEX)

We will retain the IPR on the most sensitive technical components having the most relevant impact on the value chain. As such, we can mention as example that we will develop and maintain IPR on the Machine Learning Algorithms and we will not develop the Machine Learning Software. Developing Machine Learning Software requires huge amounts of resources and put us in competition with big players as Google or AWS (a competition which we cannot win). Instead we can rent and use the software from Google and/or AWS while developing our own algorithms to be applied on the mentioned software. The current business models of all major players in this area already implements the pay-as-you-go principle which will allow us to size and scale the resources we rent as the business grow.

We will put a strong accent on the RPA (Robot Process Automation) components as this is the methods to decrease operational costs while maintaining high quality thus obtaining highest margins.

Below we present a small picture gallery illustrating the most advanced types of sensor platforms we intend to use and integrate as well as possible samples of the geo-data sets we intend to produce.

Sample sensor platforms



Airborne sensors



VTOL UAV sensors

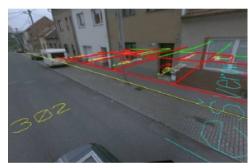


Mobile ground
sensors



Fixed Wing UAV
sensors

Sample results/data sets



Unique Features

The platform will provide a series of unique features as differentiators from the competition. While the main competitors offers mostly general purpose geo-referenced data sets, the main goal of this platform will be to offer professional geo-referenced information which is applicable in different business areas. As unique features we can mention the following:

- [x] combine multiple sensing platforms inputs: LIDAR, Thermal (UV), Hyper-spectral and other airborne sensors, as well as mobile (mounted on vehicle) and terrestrial sensors
- [x] use machine learning and artificial intelligence in order to predict future data sets
- [x] combine data with real-time media (photo, video streams)
- [x] complete range of services (not only mapping but also data collection, processing, forecasts, storage, integration)

Provisional Products, By-Products and Services Catalogue

As mentioned, the main outcome of the platform will be the geo-data sets. These will be obtained by collecting the raw data using the sensing platforms and external data sources. As such, the main products and services will be:

- [x] On-Request

Private geo-data sets - [x] Professional **data processing** services - [x] **Data collection** services (rent the sensing platforms)

As a side outcome of the main process of producing private geo-data sets, with respect of the data ownership rights, we will produce also **public geo-data sets** as **by-products** that we will monetise by offering them to individual users.

The above portfolio will allow us to generate revenue from **several revenue streams** as will be presented later in this document.

The Business Model

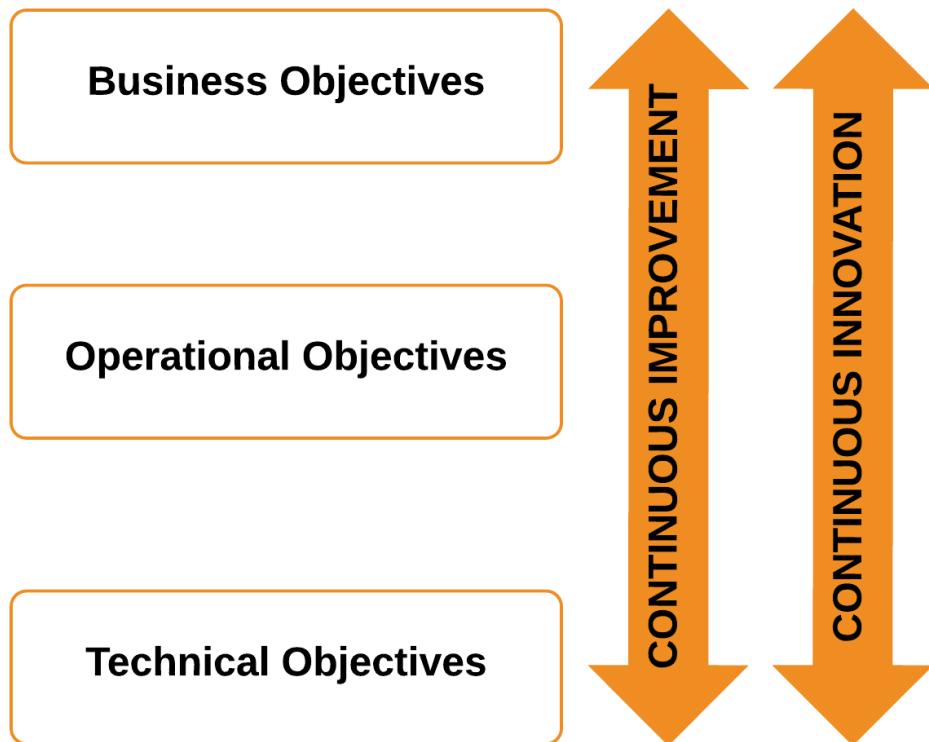
Strategy

Our strategy covers all the main components of the business as shown below:

Business objectives: *more than 80% recurring revenue, accelerated growth and expansion through franchise model*

Operational objective: *minimise the human intervention; maximise RPA (Robot Process Automation); minimise CAPEX; focus on OPEX*

Technical objectives: *Maximise efficiency through: Machine Learning, Artificial Intelligence, Natural Language Processing, Robot Process Automation, IoT, Autonomous (Unmanned) Aerial Vehicles (drones, UAV)*



The business model and strategy will be implemented on two pillars as shown in the picture above: - [x] **continuous improvement** of efficiency and effectiveness - [x] **continuous innovation**

While **continuous improvement will touch all the dimensions of the Operational and Technical objectives** thus increasing the margins, **continuous innovation will lead to launching of new products and approaching new market segments**. We plan to reinvest in R&D and innovation the equivalent of 10%-12% of the annual turnover. It is very important to mention that, as legal entity based in European Union, we are allowed to apply for European Union research and innovation grants within HORIZON-2020 programme (more than EUR 30 Bln, left by 2020) or HORIZON-EUROPE programme (around EUR 120 Bln. between 2021-2027). The specific of these grants is that the IPR will remain with the company while the product development and/or (partly) the go-to-market plan is (co)financed by the EU. The EU finance can cover up to 100% the CTC¹ + company overheads (15%-25% from CTC) and up to 100% the costs of any machinery/equipment/software needed for development. Using this financing instrument we will be able to cover more than 75% from the planned annual R&D expenses.

Revenue streams

The revenue streams we foresee to generate revenue from are the following: - [x]

Franchise The rapid growth and expansion will be ensured through a franchise-based model. As the technology allows virtually global availability of the platform, the replication of the business model can be easily achieved by regional and local franchise partners. Our franchise partners will benefit on the platform features and also on having always access to all updates and new products as these will be available. Also, trainings (technical and sales) will be ensured by us.

- Projects** This revenue stream consists in private geo-data sets together with related data collection services (renting the sensing platforms) and/or professional data processing services. We will provide these services directly to our clients as well as through our business partners as we are aware that the availability of high qualification resources may be a real issue for our partners and sharing our capabilities with our partners will bring benefits to all parties (clients, our partners, us) because we can share a pool of qualified high costs resources.
- Subscriptions** This revenue stream has two main components:
 - Subscription for Private geo-data sets for anchor corporate clients having constant needs of updated data and forecasts
 - Subscription for public paid geo-data sets for individuals who will use the public paid geo-data sets
- Advertising** This revenue stream will be dedicated to those individuals who will choose to use the free versions of our mobile and/or web apps.

The type of the revenue streams is presented in the table below:

	Recurring	Project Based
Franchise	✓	
Projects		✓
Subscription	✓	
Advertising	✓	

The relation between products/services and revenue streams is shown in the table below:

	Franchise	Projects	Subscription	Advertising
Private geo-data sets	✓	✓	✓	
Data collection services	✓	✓	✓	
Data processing services	✓	✓	✓	
Public geo-data sets		✓	✓	

Regulations and Permits

No specific regulation or permits are needed for the sales of the products and services in the targeted countries/regions (see also the section dedicated to the Market for more details related to the target countries/regions). However, for producing the geo-data sets some special permits may be needed when using the airborne sensing platforms and/or UAV sensing platforms. These permits are related to usual flight permissions issued by local authorities. When it comes to the airborne sensing platforms, as we do not plan to become owners of the aircrafts, obtaining flight permissions will stay with the aircraft owners/operators. When it comes to UAV sensing platforms, we will transfer to the client the responsibility of obtaining the needed flight permissions as this is the common practice in the business.

Strategic Alliances

Our strategic alliances will cover mostly some of the key technical aspects of the platform. As such, we will build partnerships with global cloud providers as well as with relevant providers of Machine Learning, Artificial Intelligence, Natural Language Processing basic infrastructure. Possible strategic alliances in these regards can be with **Google** (Google Cloud), **Amazon** (AWS) and **Microsoft** (Azure).

Another category of strategic technology partners will be global base maps providers. Possible strategic alliances in these regards can be with **Google** and **ESRI**.

The third important category of strategic alliances will be with global/regional data providers. Thus, depending to the specific of the geo-data sets we will produce, the strategic alliances in this category may include (without being limited to) weather data providers, demographic data providers, traffic data providers and others.

THE MARKET



Market Definition

GIS (Geographic Information Systems) is nowadays part of any professional IT system, traditional web or mobile apps. Electronic maps are used in all domains by private and government customers as well as by the large public. Maps are more useful if populated with relevant information and can become even more important if the information comes in real time from different sensing platforms. Moreover, adding AI features which allows accurate future predictions will transform GIS in the most powerful tool for many businesses.

Integration of business processes with geospatial information going to drive the future of the industry²

Being in-line with the Geospatial Industry Outlook & Readiness Index, our products and services mostly fits into the **GIS and Spatial Analytics** segment of Geo Spatial Technologies. However, our data collection services fits also into **Earth Observation** and **3D Scanning** segments of Geo Spatial Technologies. **Exhibit 6: Geospatial Industry Outlook&Readiness Index 2018** contains more details about the market in which we will be active.

The **cumulative geospatial industry** was valued at an estimated US\$299.2 Billion in 2017 and is **projected to reach US\$ 439.2 Billion** by 2020, growing at a **CAGR of 13.6%**. This growth acceleration can be accredited to the continuous technology advancements in the industry, democratisation of geospatial information riding on integration with advancing digital technologies and resultant innovative business models.

The **market size** of the second largest geospatial technology segment – **GIS/Spatial Analytics** – is expected to grow at a **CAGR of 12.4%** during the period 2017-2020 as it finds growing adoption in city planning, utilities management, e-governance, applications, retail and logistic sector, disaster management and various other applications. More and more business data integration with location information across enterprise level functions, engineering-construction-infrastructure sectors graduating to using spatial analytics, deepening integration of Big Data with GIS, the Spatial Analytics industry is poised for greater growth by the demand for adding location context to data.

The **Earth Observation industry**, estimated to be **worth US\$ 50.0 Billion**, is expected to reach **US\$ 75.9 Billion in 2020**, growing at a **CAGR of 14.9%**.

The global **3D Scanning market** is expected to reach **US\$ 14.2 Billion by 2020**, registering an impressive **CAGR of approximately 21.3 %** during the forecast period of 2017-2020, thus rendering it as the fastest growing segment of the geospatial industry.

Thus, our products and services are addressing (at least) the following areas:

Infrastructure, Oil&Gas, Real Estate and Construction, Utilities, Energy, Engineering, Smart City, Land Administration and Registration, Urban Planning, Homeland Security and Public Safety, Agriculture and Forestry, Mining, Heavy Industry, Environment

The business drivers that will ensure the successful implementation of our growth plan are mostly related to the challenges that are more and more faced by communities, governments and businesses in the current economical environment.

The World Bank is mentioning that the lack of land registration is one of the main causes of poverty (<https://www.worldbank.org/en/topic/land>).

With only 30% of land rights registered or recorded worldwide, land is at the center of development challenges.

As such, the WB has a very ambitious plan to support governments around the world in order to improve this aspect. Our products and services in the areas of Land Administration and Registration and Urban Planning will fit into this plan.

In European Union, each EU member state must report on yearly basis its relevant data to the European Commission. This is a mandatory obligation set out by one European Directive (INSPIRE Directive) and all data must be reported in a specific geographical format. This is also a very relevant business driver since the technical experts from the core team are very experienced in this area.

Moreover, the challenge of Digital Transformation will force many businesses to find ways to become more and more efficient. Starting with new ways of doing agriculture (Smart Farming, Precision Agriculture) and continuing with Mining or Heavy industries, all businesses will need to rely on increasing volumes of data collected as much as possible in real-time and processed in the fastest way possible.

The huge pressure on the energy and utilities related fields will force the companies to find ways to optimise the costs related to maintenance while increasing the availability and quality of their products and services. This cannot be achieved without benefiting on accurate data and good predictions.

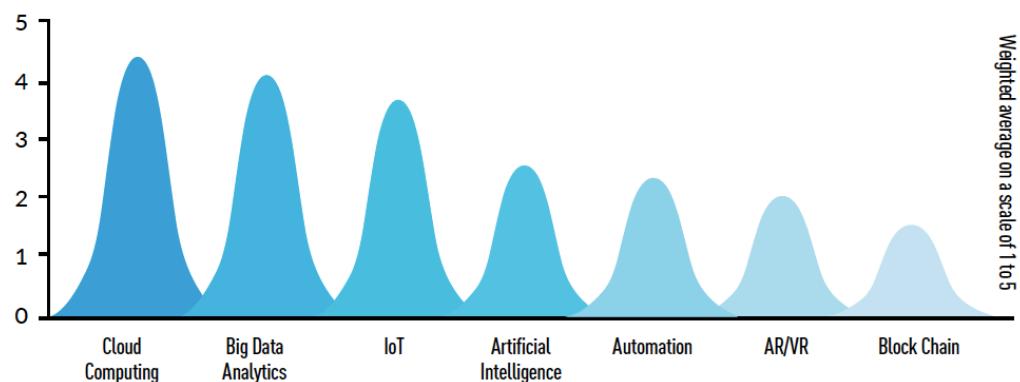
Last but not least, topics such as Climate Change, Disaster Risk Management, Environment are also of crucial importance at worldwide level (<http://www.worldbank.org/en/topic>). None of these topics cannot be solved or improved without data, information and data processing.

Thus, we strongly believe that the market will contain enough financial resources to develop and consume products and services as those we will have in our portfolio. These financial resources will be focused on three main directions: - [x] R&D funding for developing new technologies, techniques, products, methods, etc. - which we plan to approach mainly through European Union dedicated programmes (see also the **Business Model** section of this document) - [x] Massive investments of international donors (such as the WB and EU) and governments in implementing measures to solve current worldwide challenges - [x] Increasing needs of businesses to move towards a more efficient digital business model

Market Research

As we can identify a number of very important global players in the area of providing the base maps together with general purpose public apps (such as Google, ESRI, Open Streets, Waze and others), there is a large space left for professional maps providers. The key aspect related to these professional mapping is the data and data collection. The company that will use innovative sensing platforms together with a good business model which can be rolled-out very fast will be able to gain important market share. We will position our company among these professional mapping players. Our market position will be enforced also by the innovative sensing platform (**our IPR**), the software platform which will be (virtually) globally available (**our IPR**) and fast-to-deploy franchise-based business model which can easily rolled-out. The flavours of Machine Learning (**ML**), Natural Language Processing (**NLP**), Artificial Intelligence (**AI**) will differentiate us. Constant improvement of business processes and automating processes as they becomes mature trough Robot Process Automation (**RPA**) will make us more efficient than competition allowing better value proposition for our customers and higher margins for us.

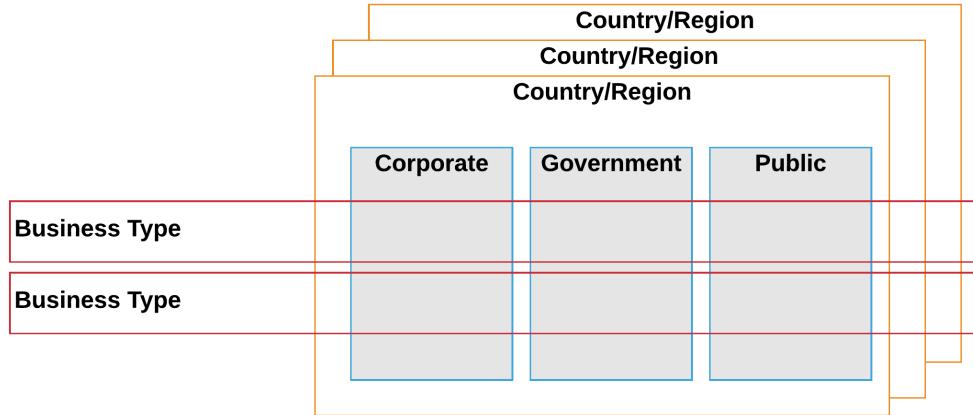
As can be seen in the picture below, our technological approach will ensure the sustainability of the business since is in-line with the top technological growth drivers of the geo spatial industry.



*Concluding, the market for us will be in the area of **PROFESSIONAL GEOGRAPHIC DATA PROVIDERS** offering **NICHE PRODUCTS AND SERVICES** in a **WIDE AREA OF HIGH INTEREST DOMAINS**.*

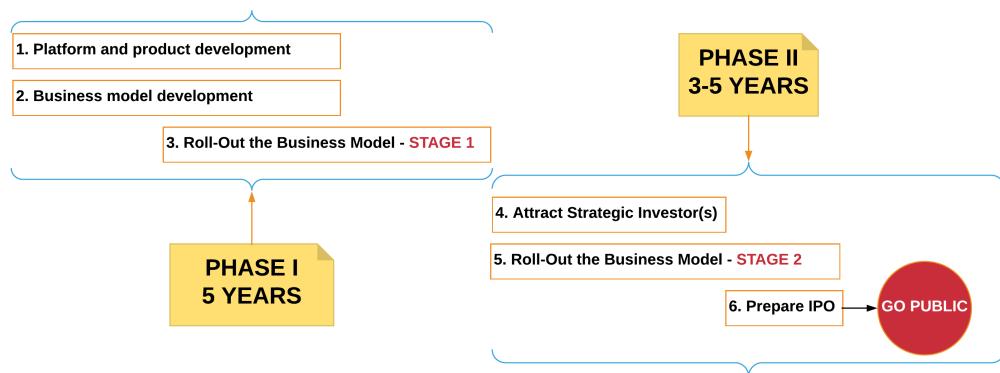
Segmentation

We see the market segmented on three dimensions (**base of segmentation**): geographic, by customer type and by business type, as shown in the picture below:



Geographic Dimension

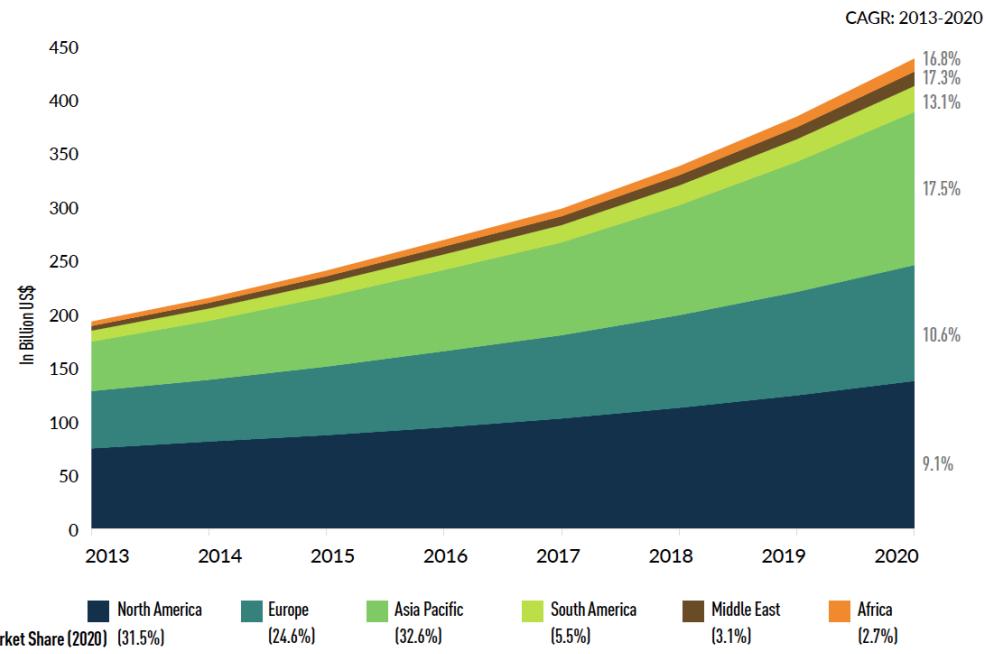
When discussing about the geographic segmentation we take into consideration the general plan of development as shown in the picture below:



As the subject of this summary Business Plan is PHASE I only, the geographic dimension of the market segmentation is referring the Step no. 3 from the picture above (**Roll-Out the Business Model - STAGE 1**).

In terms of the geographical regions, the forecast of the industry growth is presented in the picture below:

Graph 2.2 – Geospatial Market: Region-wise Growth



The selection of the countries/regions we will approach for rolling-out the business model was made based on the potential of these countries/regions but also based on the practical experience of the team in developing business and creating partnerships. Thus, the markets we are targeting in the first 5 years are as shown below: - [x] **The home market (Romania)**: will be covered by the company through its own employees. - [x] **The markets abroad**: will be covered by a franchise business model through regional/local business partners. - [x] **SEE** (South East Europe) - [x] **CEE** (Central Eastern Europe) - [x] **MENA**

As it is shown in the picture above, for the PHASE I of the company development we will focus on one of the most consistent markets (Europe) having also a significant forecast growth and on the two most dynamic markets (ME and Africa).

It is also important to mention that we foresee that the second stage of rolling-out the business model will include US, Canada, South America and South East Asia markets.

Furthermore, opportunity-based approach will also have a significant contribution to the project-based revenue stream. As example, we will follow the support plan of the WB in Africa thus being able to approach relevant projects funded by the WB.

This approach will allow us to increase revenues on the project-based revenue stream as well as to establish anchor clients in different countries as base for rolling-out the business model and moving towards recurring revenue streams.

Targeting

Based on the above, we will target the geographic market segments as shown in the table below:

Segment	Est. market entry	Approach	Priorities	Revenue Streams
Home market	1 year	own team	Energy and Utilities; Environment-Agriculture-Forestry; Public Safety; Infrastructure; Smart City	Subscriptions; Projects
SEE and CEE	2 years	business partners	Energy and Utilities; Environment-Agriculture-Forestry; Public Safety; Infrastructure; Smart City	Franchise; Subscriptions; Projects
MENA (GCC)	3 years	business partners	Utilities and Energy; Smart City; Urban Planning; Real Estate and Construction; Oil&Gas; Homeland Security and Public Safety;	Franchise; Subscriptions; Projects
MENA (NA)	3 years	business partners	Land Administration and Registration; Infrastructure; Oil&Gas	Projects; Franchise
Others (opportunity-based)	immediate	own team; business partners	Land Administration and Registration;	Projects

Agriculture and
Forestry;
Environment;
Infrastructure;
Utilities and
Energy; Mining

Positioning

We will position our products and services as high-end quality thus being able to structure the main revenue streams as high margin revenue. The focus will be in structuring the portfolio to be adapted to the specific of each geographical segment. While maintaining all common features within the globally available platform (thus being able to optimise costs) the final products will be designed according to the demands of each market. As a first analysis, the priorities for the products in each geographical segment were presented in the table from the section above.

Customer Type Dimension

From the customer type perspective we consider that corporate customers will be in our main focus. Taking into account the structure of the revenue streams, the corporate customers will generate the majority of the recurring revenue. Thus, as presented earlier in this document, we will provide this type of customers with several methods to access the products, including dedicated integration services in order to allow direct and automatic transfer of the data sets into their IT systems.

Central and local authorities (governments, agencies, municipalities) represents another important segment of potential customers. Due to the specific of the public procurement procedures we expect that this segment of potential customers to have a significant contribution to the project-based revenue stream. However, the recurring revenue stream will not be neglected since in some of the target geographical regions the authorities are more open to such business model as well as since PPP projects (public-private-partnerships) became more and more a common practice.

Thus, for this segment, our portfolio will be structured based on financing available for this type of customers. Based on our analysis, in more developed countries/regions where local financing and budgets are available, our strategy will be to propose subscription-based collaborations or to approach public procurement procedures and further convert the customer to migrate from the project-based revenue stream to recurring revenue streams through update/maintenance contracts for the products delivered within initial projects.

In emerging and under development countries/regions the local financing and budgets are low and used for other high priorities. However, these countries are beneficiaries of different financing instruments provided by regional/international donors such as European Union, the World Bank, the African Development Bank and others. These financing instruments will be in our main focus for this segment of potential customers. We will benefit on our extensive experience we gained in the last 10 years.

Our team is highly experienced in approaching procurement procedures organised by the major donors (European Union, WB, NATO, etc.) and has proven results in being successful and awarded with contracts. Moreover, we also have the experience in the successful delivery of such projects following all relevant procedures and being able to timely collect the rightful receivables. Furthermore, we also have deep knowledge together with relevant certifications for the local public procurement laws in the targeted countries which will help us to further convert the revenue from project-based to recurring revenue.

Last but not least, the general public is another segment from the customer type perspective. As earlier explained, the production process for the main products will generate a range of by-products having general applicability and being of potential interest for the general public. Also as earlier explained, this segment of customers is associated with two revenue streams, subscriptions and advertising. While subscriptions will address mostly individual professionals willing to use the products for their own research and professional activities, the advertising revenue stream will allow us to generate revenue from making (some) of the products available for the general public in a free way thus monetising the products to the maximum possible extend.

Targeting

In the segment of corporate customers the focus will be on main players in the business areas further described in the section below (Business Type Dimension).

The value proposition and approach will be differentiated based on the structure of the corporation. It is a well known fact that for international corporations (and most of the relevant players in the nominated business areas are international companies) the main IT strategy is established at HQ level while specific developments are to be decided and implemented locally. As earlier described, we do not intend to sell software and/or equipment but final useful products.

Thus, while approaching the IT decision making persons and presenting the technical details insisting on the fact that we are inline with the most advanced trends of the industry, we will also approach the business decision makers with the business value proposition focused on potential return on investment and on the OPEX-based business model.

Positioning

The positioning of the products for these segments will be inline with the main strategy of delivering high-end quality products thus maximising the margins.

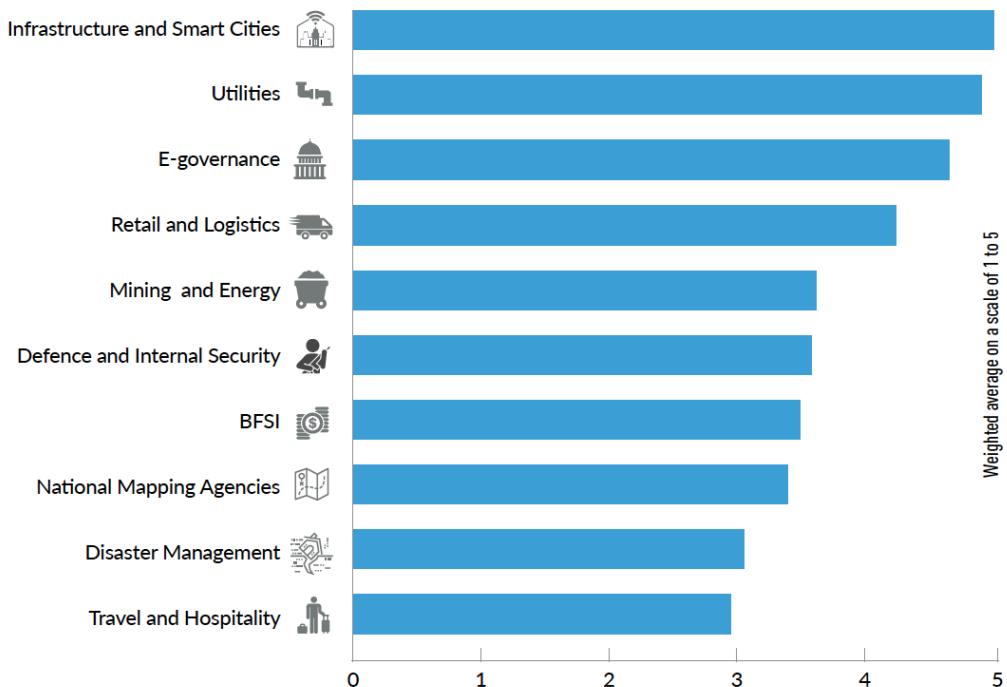
It is important to mention that while the value proposition for corporate customers will be focused on potential high return they can obtain by using the products through significant increase of business efficiency, for the public sector customers the focus of our proposal will be on optimising our costs because (usually) in such cases there are strict restrictions of the budgets.

When it comes to the general public, we will position our products with the focus on the real advantages of using it. Even if we are talking about notifications about severe weather conditions, on-the-spot notifications about traffic and incidents, environment pollution, real estate developments and forecast or medical care locations, all the products addressing the general public will be focused on making the life better, protecting the assets and property and reducing personal costs.

Although it is not part of this business plan but considering the fact that E-governance is mentioned as one of the top 10 drivers of the GIS/Spatial Analytics (see next section), we also consider in the future (as one of the possible developments of the platform and as one of the possibilities to increase the relevant revenue stream) to create different integrations with existing E-governance platforms owned by the authorities.

Business Type Dimension

According to the industry forecast, the top 10 drivers of growth for the GIS/Spatial Analytics segment in terms of the business domains are shown in the picture below.



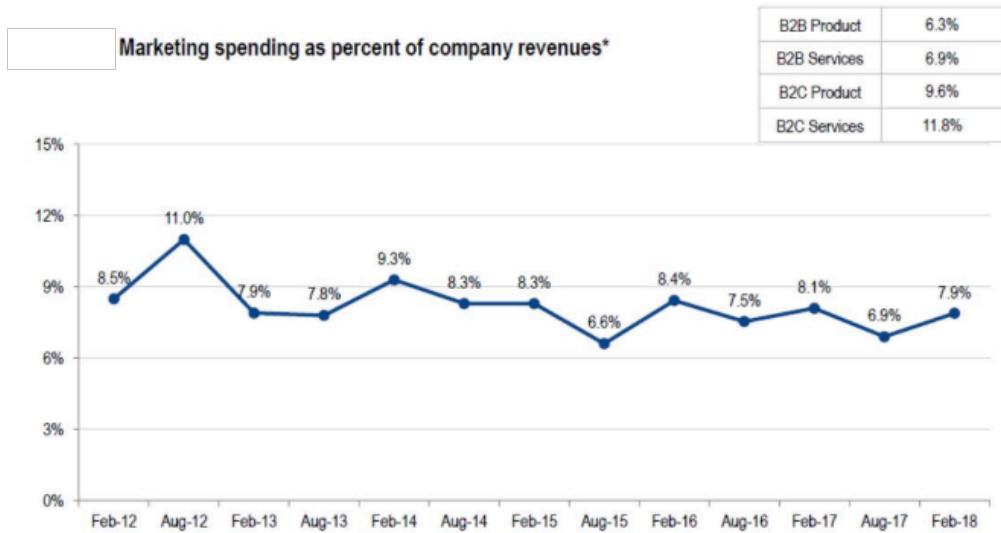
It is important to mention that the market segmentation we choose to define for this business is in-line with the above mentioned forecast although we consider that we need to refine some of the categories and to consolidate others. Thus, the domains in which we will provide products and services are the following: - [x] Infrastructure and Smart City, - [x] Oil&Gas, - [x] Real Estate and Construction, - [x] Utilities and Energy - [x] Engineering - [x] Land Administration and Registration, - [x] Urban Planning, - [x] Homeland Security and Public Safety, - [x] Agriculture, Environment and Forestry, - [x] Mining and Heavy Industry

Targeting and Positioning

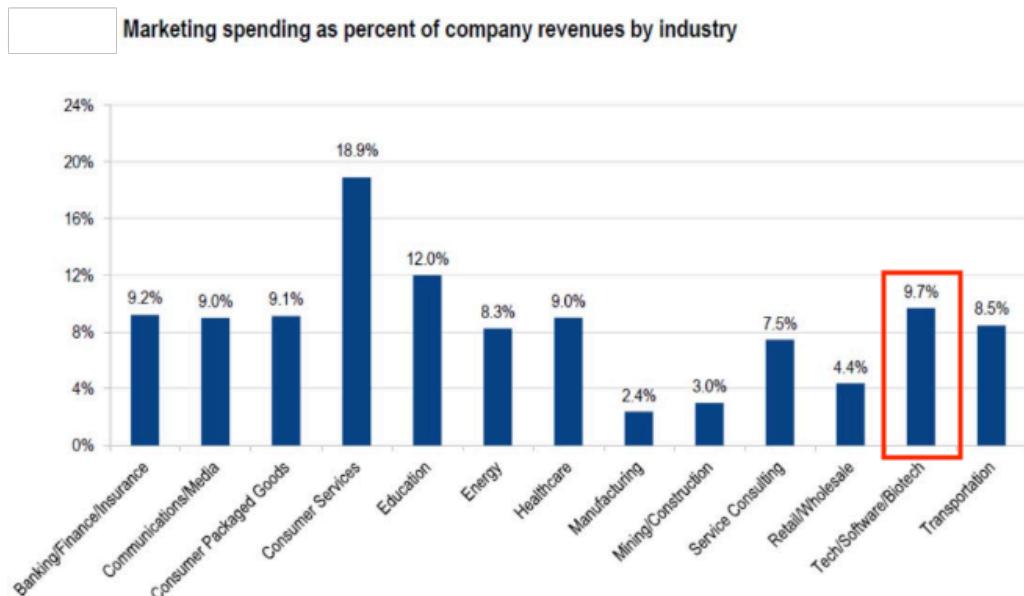
Our strategy for targeting and positioning our product for this dimension of market will be a direct consequence of the same topics presented earlier for the other two dimensions of the market segmentation. In short, while positioning our products as high-end and high quality products, we will approach each territory based on its specific drivers as we are aware of the fact that, globally, the top 10 growth drivers are those shown in the picture above but, for each territory, the top may be different (see also the **Targeting section** of the **Geographical dimension** of the market segmentation).

Marketing

When discussing about marketing strategies and budgets we will follow the best practices in general and of the industry in particular, as shown in the pictures below³.



As shown in the picture above and considering our main focus on B2B Products and Services, the best general practice is to allocate around 7% from the revenue for marketing expenses.

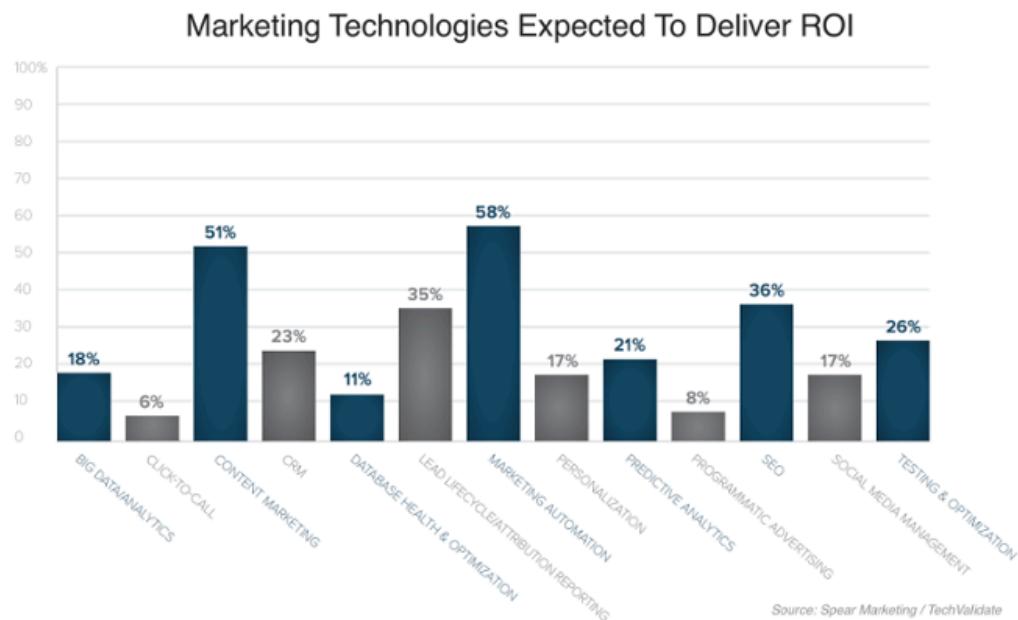


As shown in the picture above, the best industry practice for our industry is to allocate around 9.7% of the revenue for marketing expenses.

Base on the above, the average amount of the marketing expenses we will reach is **estimated to 9% from the revenue**. This amount will be **spent correlated with our expansion plan**. We estimate that we will reach the maximum level when the expansion plan will be executed to the full extend.

Note: When referring the expansion plan we mean the **STAGE1** of the Business Model Roll-Out).

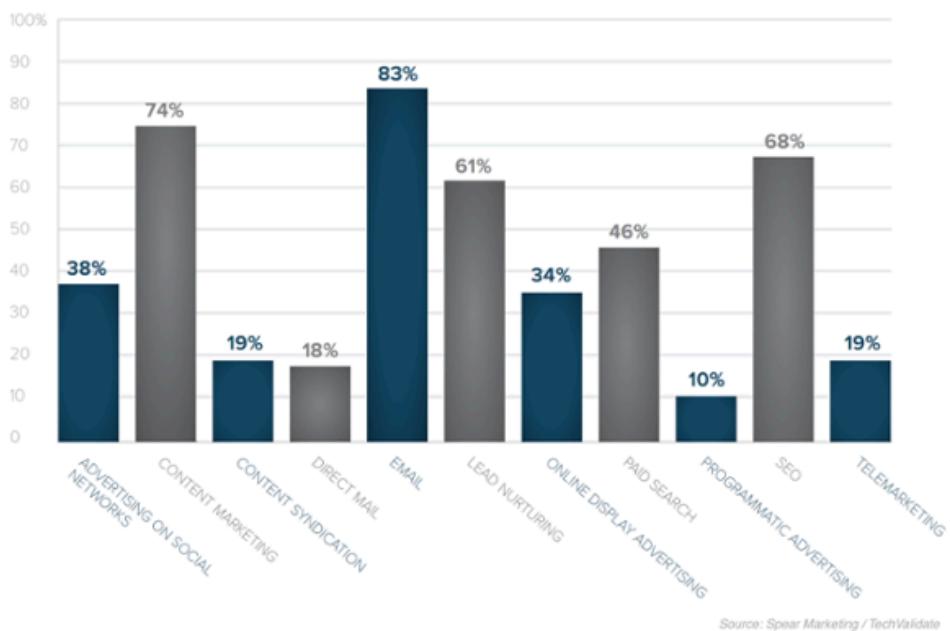
As well known already, the most important marketing technologies able to deliver ROI are **marketing automation** and **content marketing** as shown in the picture below.



Considering our business model and the aim to establish our business in foreign markets mostly through a franchise-based model, content marketing will be on our account while marketing automation will be within the responsibility of our local/regional partners. The only exception will be our home market (Romania) where the marketing automation will be also on our account.

In relation with the marketing tactics (as shown also in the picture below) **Lead Nurturing** (correlated with marketing automation and content marketing technologies) will be the building block of our tactic. Since our products and services are mostly addressing professionals, it is really important to stay close to the potential customers in order to provide them with relevant information for each step of the sales cycle.

Current B2B Marketing Tactic Importance

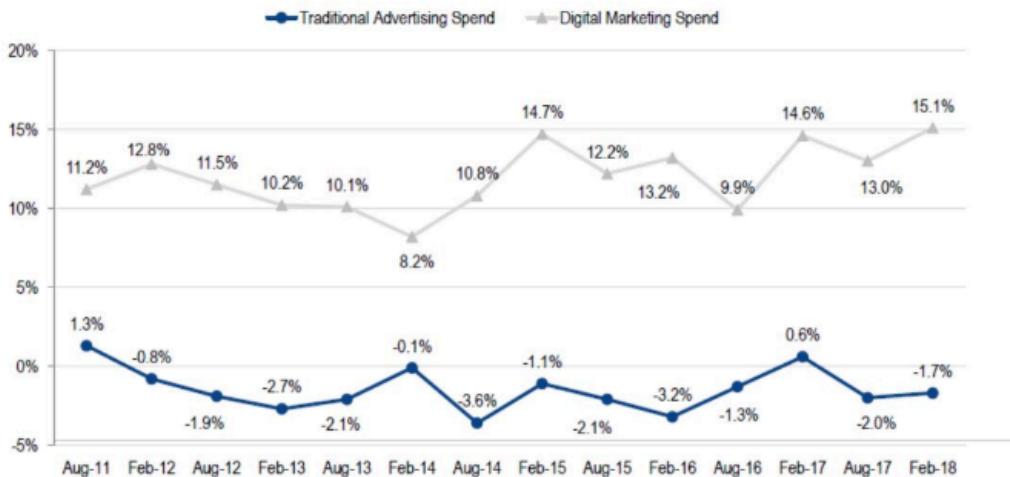


While the effective execution of Lead Nurturing tactic will be within the responsibility of our partners (except for out home market) drafting the guidelines, providing assistance, providing relevant content and relevant trainings of our partners will be our responsibility and will be covered within the franchise fee.

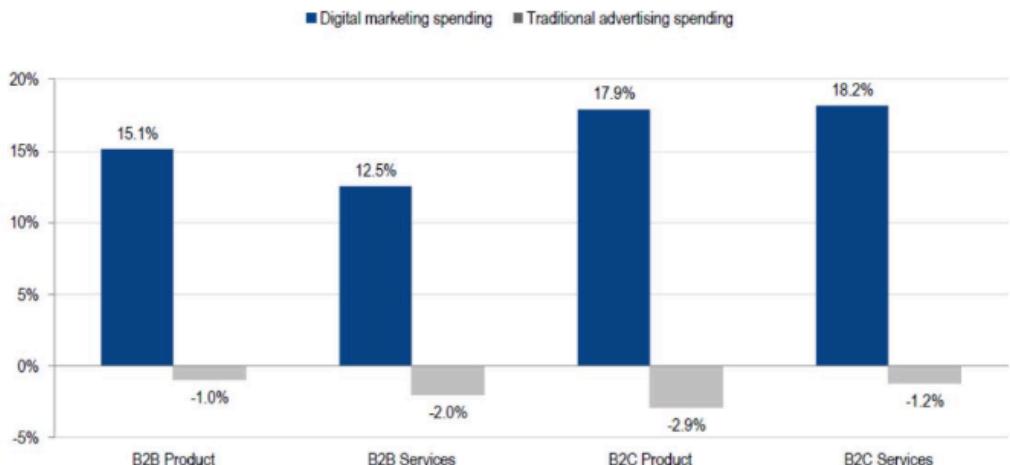
Advertising, Promotion, Trade Shows

It is clear that the traditional marketing is loosing more and more grounds comparing with digital marketing and advertising (as it is shown also in the next two pictures below). Moreover we position our business among high-tech businesses using the most advanced concepts such as machine learning, artificial intelligence, virtual reality, augmented reality, 3D modelling, etc., therefore our advertising and promotion methods shall reflect this position.

Percent change in traditional advertising* vs. digital marketing spend in next 12 months



Percent change in traditional advertising* vs. digital marketing spend in next 12 months by sector



Considering the above, our focus in advertising will be on digital marketing. Once again, the key of successful advertising and promotion is the targeted content. Nowadays the social media channels allows to publish and access a wide range of quality content including interactive content. As advertising on social media has a very relevant importance (see the picture related to B2B Tactics Importance above) we will use it in order to generate leads but also to gain advocates of our products through well recognised professionals in the area. Thus, as example, Facebook will be used in order to get awareness, LinkedIn will be used for attracting professionals, Instagram and YouTube will be used as promotion channels for media, Twitter will be used for publishing news. It is also important to mention that

the social media channels will be used according to their ranking in each country/region (penetration rate, demographics, etc.) and the spendings will be made accordingly.

As it is also crucial to promote the products within the targeted territories, our participation to specific trade shows (such as GITEX) will be treated with relevant importance. Considering our business model, it will be the responsibility of our partners to identify and propose the participation to the trade shows. The related expenses will be shared with the partners. We will set as target the participation to at least one major trade show per year for each territory we target in our expansion plan. It is also important to mention that our strategy will be to participate to specific industry trade shows rather than to technology trade shows (for example we will choose to participate to energy and utilities trade shows in order to showcase our relevant products for that industry as our potential customers from that sector will be also present there).

COMPETITION & RISKS



Competition

Based on our previous experience, the competition in the business area we target has two main components:

Customer Internal Competition: *IT and GIS departments within corporations and government entities*

Business External Competition: *Global/Regional/Local players acting in the same domain*

Customer Internal Competition

Our strategy in relation with this competition is to create the close partnerships with these professionals. As a direct consequence of our business model, we will rely on our local partners which we assume that already developed good relations with the relevant departments of potential customers. Thus we will reduce the time needed to develop these relations from the position of a newcomer. Moreover, our marketing tactics based on **Lead Nurturing** (see the **Marketing** section above) will

imply to stay close to these professionals and providing them with all relevant information and demonstrations for each stage of the sales cycle. Furthermore, technology is usually a very powerful incentive for these professionals. Offering them access to the latest tools and technologies (as for example remote flight mission control when collecting data with drones and UAV) can turn them from competition to allies. Last and not least, there is also a very strong point that will position us in advantage, namely the fact that we will own/have access to the sensor platforms for collecting the raw data while for a company acting in other business area does not make sense to own such platforms. However, we are aware that the Customer Internal Competition can be very strong and the key success factor is to benefit on the existing relations developed by our local partners.

Business External Competition

From this perspective and according to the initial market research we performed, our view is that the competitors can belong to two main categories: - [x]
Regional/Local players acting in the same domain - [x] Global players

The initial market analysis we performed reveals the following: 1. The global players (such as ESRI, Google, Open Street, etc.) are more focused in providing cloud services (storage, base maps, development and integration tools) rather than specific services. Thus, considering also our business model and technical approach, we don't see them as competitors but rather technological partners. As such, our strategy will not be to invest in competing with them but to have close technical and business partnerships with these players. Another important characteristics of the global players is that they are very focused on B2C for the final products and this it is a clear and strong competition for us in relation with our products dedicated to the general public. However, as described earlier, the products we will make available for the general public are by-products, therefore we do not foresee that the competition with the global players in this segment will significantly influence our revenue.

1. Regarding the regional/local players the market analysis shows that the market is very fragmented. In each territory we target there is a number of small/medium players but none of them can claim that its market share is relevant. Very few of them offers their own platform, usually they are reselling global platforms on top of which they add their services. The final products (maps, data sets, etc.) are mostly static and usually focused on one area (such as energy, environment, etc.). Another important characteristics of these players is that very few of them are actually local, usually the legal entities in the

territories are subsidiaries of different companies based in US, Europe or India. However, regardless of the fragmentation, these companies are the major competition we will face. We consider that our business model will be able to mitigate some of the threads mostly in regards with the usual market entry barriers. We consider that the key success factor will be the support we will provide to our local partners in terms of the value proposition form them, quality of products and services, business automation and efficiency, latest technologies, continuous innovation, etc. Combining these with their own experience on the markets will create the difference between us and the competition.

Business Risks

At this point, as potential relevant business risks we identified, we consider the following:

- 1. Lack of knowledge of the local specific of doing business:** This risk will be mitigated by carefully selecting our local business partners as being well established businesses. As our business model implies that the local partner will be responsible with the actual performance of the business processes, the impact of this risk can be downgraded from **HIGH** to **MEDIUM->LOW** while the probability if the risk will stay **HIGH**.
- 2. Political risks:** As described earlier, our main focus will be on corporate customers. This will reduce the potential impact of the political risk. Also we foresee that the main stake of the revenue will be generated by recurring revenue and project-based revenue from corporate customers. The customers which are sensitive to political changes are governments and related agencies or public authorities and (also described earlier) our approach in this segment will be mostly project-based. We have also the advantage of our extensive experience and knowledge of procurement procedures as well as of the specifics of the territories we target thus being aware of the main aspects which can turn into risks and/or liabilities. Moreover, as much as possible we will position our selves as subcontractors and/or suppliers in this way being able to reduce/eliminate potential risks and liabilities. We consider that the probability of this risk is **MEDIUM** and the impact is also **MEDIUM**.
- 3. Delays in releasing the cloud platform:** We are aware that that this is a real risk we can face due to different aspects related to the development and deployment of complex systems as our team has extensive experience in delivering complex projects at international level. That is why our development and deployment strategy is closely correlated with the business development plans. Thus, we will consider the priorities earlier described and we will be able to partly launch the platform and services according with the priorities set out for each territory reducing in this way the impact of this risk. We

consider that the probability of this risk is **MEDIUM** while the impact can be **HIGH**.

4. Delays in rolling-out the business model: This risk can have a significant impact on the revenue. That is why we will start to engage potential local business partners from the earlier stages and we will also start marketing and promotion as soon as possible. We count of our existing network of collaborators and potential partners and we also mention that the this existing network was one of the selection criteria for choosing the territories we would like to approach within PHASE 1 of rolling-out the business model. We consider that the probability of this risk is **MEDIUM** and the impact is **HIGH**.

5. (still) Existing reluctance of public authorities in some territories to use cloud based products and services: We are aware that this situation is still present in many countries but we are also aware that the industry forecasts shows that the situation will significantly change in the coming years due to the increased need for big data which is associated with huge costs related to the infrastructure and security. If we correlate this aspect with the increasing pressure on the public budgets and with the need of having a more efficient and OPEX based public administration, we can conclude that the existing reluctance of authorities in regards to the cloud services will be constantly lower. However, we consider that the impact of this risk will not be significant on our revenue since it may affect that segment of customers which we plan to approach on project basis. Moreover, as earlier described, we will also offer dedicated integration services in order to allow these customers to have the results on their infrastructure. As such, we consider that the probability of this risk is **MEDIUM** while the impact is also **MEDIUM**.

6. Potential vulnerabilities derived from the exposure to contractual liabilities: This risk is correlated with risks no. 1 and 2. Taking into account the explanations we provided for the named risks, we consider that the probability of this risk is **MEDIUM** and the impact is also **MEDIUM**.

OWNERSHIP, LOCATION and MANAGEMENT TEAM



Ownership and Location



LOREM IPSUM



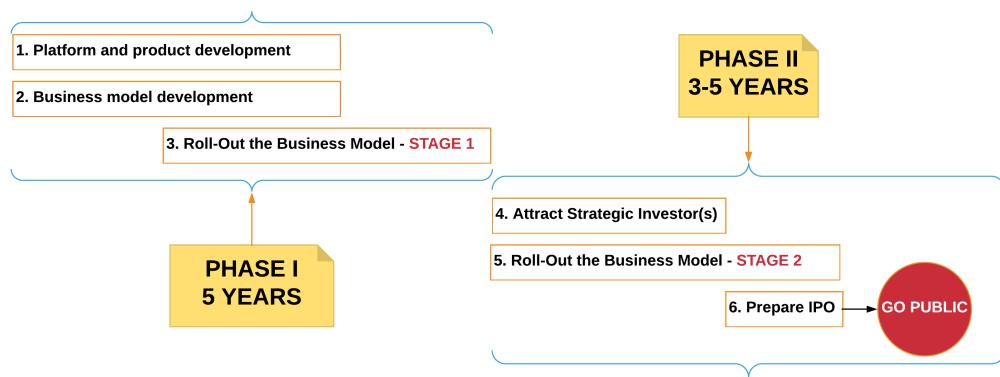
The owner of the project is a Romanian startup company, **Company Ltd**. The company equity is owned by Ms. **Jane Shareholder** (50%) and Mr. **John Shareholder** (50%)

The company was established in 2020 with the purpose of developing products and services in the area of Geographic Information Systems (data collection and processing) using advanced platform of sensors and professional services in the domain. In order to be able to develop the products and services as well as for being able to develop the business model in the home country and abroad, the company applied for European Union grants. The detailed company profile can be found in **Exhibit 1**.

The company is active in the following domains: - [x] **Advanced GIS: Geo data collection and specific GIS application development.** The data collection is done with airborne sensors (aircrafts and UAV's) as well as with terrestrial equipment like mobile mapping systems, laser scanners and underground pipe/cable detectors. (subject of this brief Business Plan) - [x] **Green Energy:** Developing co-generation plants using gas/bio-gas, forestry and/or municipality waste. - [x] **Clean urban transportation:** Active in electrical buses development and integration of electrical transportation projects in Smart City concept.

The company is located in City, Romania. City is one of the most important Romanian cities and one of the most important tourist destinations in Romania. Currently the city is in full process of development attracting important investments in the real estate, tourism and business sectors. City is at 2 hours driving distance from the capital of Romania (Bucharest) and from the main Romanian international airport. Within the next 5 years City will have its own international airport. Due of its geographical position City is one of the most safest cities in Romania in terms of locating data centres. From the human resources point of view, City is in its way to become one of the Romanian high-tech centres. Being one of the university centres of the country and offering one of the highest living standards in Romania, City is attracting young and high skilled people therefore it has a relevant good potential in regard of qualified human resources.

NOTE: In the second phase of the company development (see picture below) a HQ relocation may be also considered as being appropriate in order to become more attractive for possible strategic investors and in preparation of the IPO.



Management Team

Technical Management

The technical management of the project is carried out by **Mr. John Doe.**



Contact details:

Email: john.doe@company.com

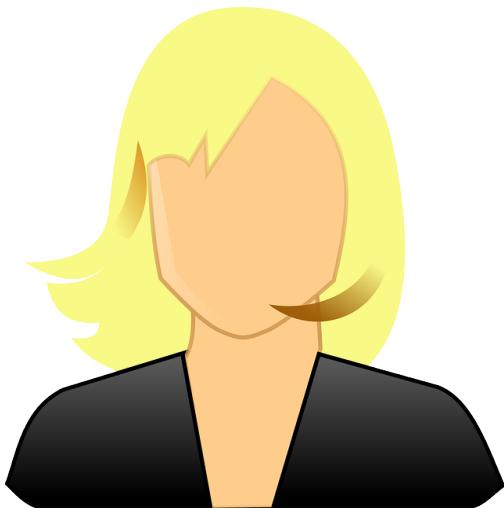
Phone: +111 444 555

web: www.company.com

35 years of experience in international business in automotive business , 17 years of experience in geographical data collecting & processing and GIS applications for energy, private and public sector, 11 years of experience in distribution of survey and positioning instruments – GPS and UAV's. The detailed CV of Mr. Doe can be found in **Exhibit 2.**

Business Management

The business management of the project is carried out by **Mrs. Jane Smith.**



Contact details:

Email: jane.smith@company.com

Phone: +111 222 333

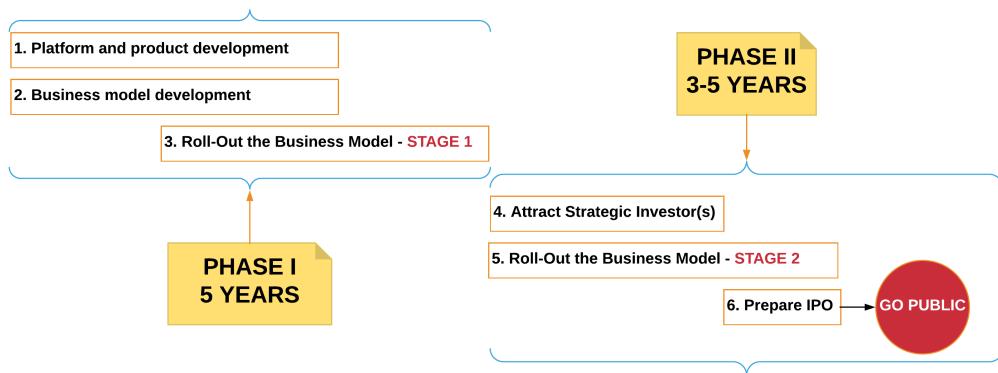
web: www.company .com

Hands-on executive officer with more than 20 years of experience in creating, growing, sizing and leading complex organisations in multinational environment. Recognised for strategic and focused approach, with extensive concern for limiting risk, creating teams, achieving objectives and establishing creative strategies for optimising internal operations, financial returns and output. Proven results in establishing international sales organisations both in public sector and in private sector with focus on technology, software, services and integration areas. Experienced in attracting and developing financing opportunities with strategic investors within M&A processes as well as through specialised grants. Very solid technical background with deep understanding of all processes related to enterprise systems development and delivery, being always connected to the latest trends in the industry and open to continuous innovation. The detailed CV of Mrs. Smith can be found in **Exhibit 3**.

CAPITAL REQUIREMENTS



Our view on the company development covers a time horizon of 8-10 years. Within this period of time we foresee two development phases: - [x] **PHASE I:** Product&Business model development, Roll-Out:STAGE1 - [x] **PHASE II:** Attract Strategic Investors, Continuous Roll-Out of the Business Model, Prepare IPO and Go Public



The subject of this summary Business Plan is PHASE I only. In order to implement PHASE I we need to identify additional financing means (besides of the ones we already secured). In short, the additional capital requirements will finance **steps 1, 2 and 3 from PHASE I.**

As a summary, the capital/financing requirements for **PHASE I** is shown below: - [x]

Total capital requirements: EUR 9.000.000 - [x] **Capital currently secured:** EUR

4.000.000 - [x] **Source of current capital:** European Union Grant - [x] **Capital still**

required: EUR 5.000.000 - [x] **Financing period:** 5 years

While in the initial phase of development the major stake of the capital will go to CAPEX, over the 5 years period covered by this business plan the proportion will be changed due our business model.

The structure of the capital is shown below:

Initial Capital Structure

Initial Capital Structure		
CAPEX	7,000,000	77.78%
OPEX	2,000,000	22.22%

5Y Capital Structure

5Y Capital Structure		
CAPEX	8,650,000	23.94%
OPEX	27,477,408	76.06%

FINANCIAL PLAN

ASSUMPTIONS

The assumptions we based on for the forecast financial plan are the following: - [x] Romanian Corporate Income Tax will stay at 16% flat rate - [x] R&D financing will be also supported from European innovation and research grants (Horizon2020 until 2020 and Horizon Europe from 2021 to 2027) - [x] Sales will support the positive net income from Y1

INCOME STATEMENT

	Y1	Y2	Y3	Y4	Y5
Total Sales	1,700,000	2,885,000	4,911,500	8,298,500	12,183,750
Total Cost of Sales	4,764,000	4,407,720	2,517,562	3,050,495	3,466,761
Gross Profit	-3,064,000	-1,522,720	2,393,938	5,248,005	8,716,989
Sales Expenses	349,000	702,500	1,193,750	1,385,625	1,658,438
Admin Expenses	768,000	1,892,200	2,092,660	2,117,218	2,164,029
R&D	204,000	346,200	589,380	995,820	1,462,050
Total Expenses	1,321,000	2,940,900	3,875,790	4,498,663	5,284,517
PROFITS / LOSS FROM OPERATIONS BEFORE AMORTIZATION AND TAX	-2,655,000	-2,733,620	248,148	2,479,342	5,162,472
Amortization	1,730,000	1,730,000	1,730,000	1,730,000	1,730,000
PROFITS / LOSS FROM OPERATIONS BEFORE TAX	-4,385,000	-4,463,620	-1,481,852	749,342	3,432,472
Taxes	0	0	0	119,895	549,196
EU R&D Grants	300,000	500,000	700,000	1,000,000	1,000,000
EU Investment Grant	2,500,000	1,500,000			
Loan usage	1,600,000	2,500,000	900,000		
Total Other Income	4,400,000	4,500,000	1,600,000	1,000,000	1,000,000
Net income	15,000	36,380	118,148	1,629,447	3,883,276

FORECAST STATEMENTS

Cost of Sales

	Y1	Y2	Y3	Y4	Y5
Material Purchases	4,000,000	3,000,000	450,000	600,000	600,000
Total Material Costs	4,000,000	3,000,000	450,000	600,000	600,000
Direct Labour Wages	600,000	1,200,000	1,800,000	2,100,000	2,400,000
Services/utilities	24,000	24,720	25,462	26,225	27,012
Depreciation	1,730,000	1,730,000	1,730,000	1,730,000	1,730,000
Office Rent	90,000	108,000	129,600	155,520	186,624
Cloud Infrastructure Rent	50,000	75,000	112,500	168,750	253,125
TOTAL COST OF SALES	6,494,000	6,137,720	4,247,562	4,780,495	5,196,761

Expenses

	Y1	Y2	Y3	Y4	Y5
Selling Salaries	144,000	360,000	720,000	720,000	720,000
Traveling	75,000	112,500	168,750	253,125	379,688
Advertising	130,000	180,000	230,000	300,000	390,000
Shipping & Delivery		50,000	75,000	112,500	168,750
Total Sales Expenses	349,000	702,500	1,193,750	1,385,625	1,658,438
Management Salaries	324,000	432,000	540,000	540,000	540,000
Office Salaries	150,000	150,000	210,000	210,000	210,000
Professional Fees	60,000	78,000	101,400	101,400	101,400
Telecommunication	30,000	45,000	67,500	101,250	151,875
Office Expenses	24,000	31,200	40,560	52,728	68,546
Insurance	30,000	36,000	43,200	51,840	62,208
Loan Principal		1,000,000	1,000,000	1,000,000	1,000,000
Interest	150,000	120,000	90,000	60,000	30,000
Total Admin. Expenses	768,000	1,892,200	2,092,660	2,117,218	2,164,029
Research & Development	204,000	346,200	589,380	995,820	1,462,050
TOTAL EXPENSES	1,321,000	2,940,900	3,875,790	4,498,663	5,284,517

Sales

	Y1	Y2	Y3	Y4	Y5
Franchise	500,000	1,000,000	2,000,000	3,500,000	5,250,000
Projects	750,000	975,000	1,365,000	2,047,500	3,276,000
Subscriptions	100,000	250,000	562,500	1,125,000	1,968,750
Advertising	50,000	60,000	84,000	126,000	189,000
Other (sensor platform)	300,000	600,000	900,000	1,500,000	1,500,000
TOTAL SALES	1,700,000	2,885,000	4,911,500	8,298,500	12,183,750

BREAK EVEN ANALYSIS

The break even point will be no later than the end of Y3. While in Y2 the main focus will be on developing the platform and the sensing platforms, the next two years will be dedicated to implementing the business model and focusing on sales, promotion and business partnerships. The mentioned break even point is based on a realistic approach of the business. As earlier mentioned, sales will support the revenue even from the first year and the results can be improved thus moving the break even point earlier.

EXHIBITS

Exhibit 1: Company presentation

Exhibit 2: Technical management

Exhibit 3: Business management

Exhibit 4: Sample application - Transportation

Exhibit 5: Sample application - Utilities, Electricity monitoring

Exhibit 6: Geospatial Industry Outlook&Readiness Index 2018

1. Cost-To-Company, the total costs with human resources
2. Geospatial Industry Outlook & Readiness Index 2018
3. Source: cmosurvey.org