

PROMPTIMMO, the new generation of dematerialized real estate agencies

PROMPTIMMO is an innovative company that wishes to accelerate its growth and become the leading European company of independent agents within 5 years.



The company

Executive summary

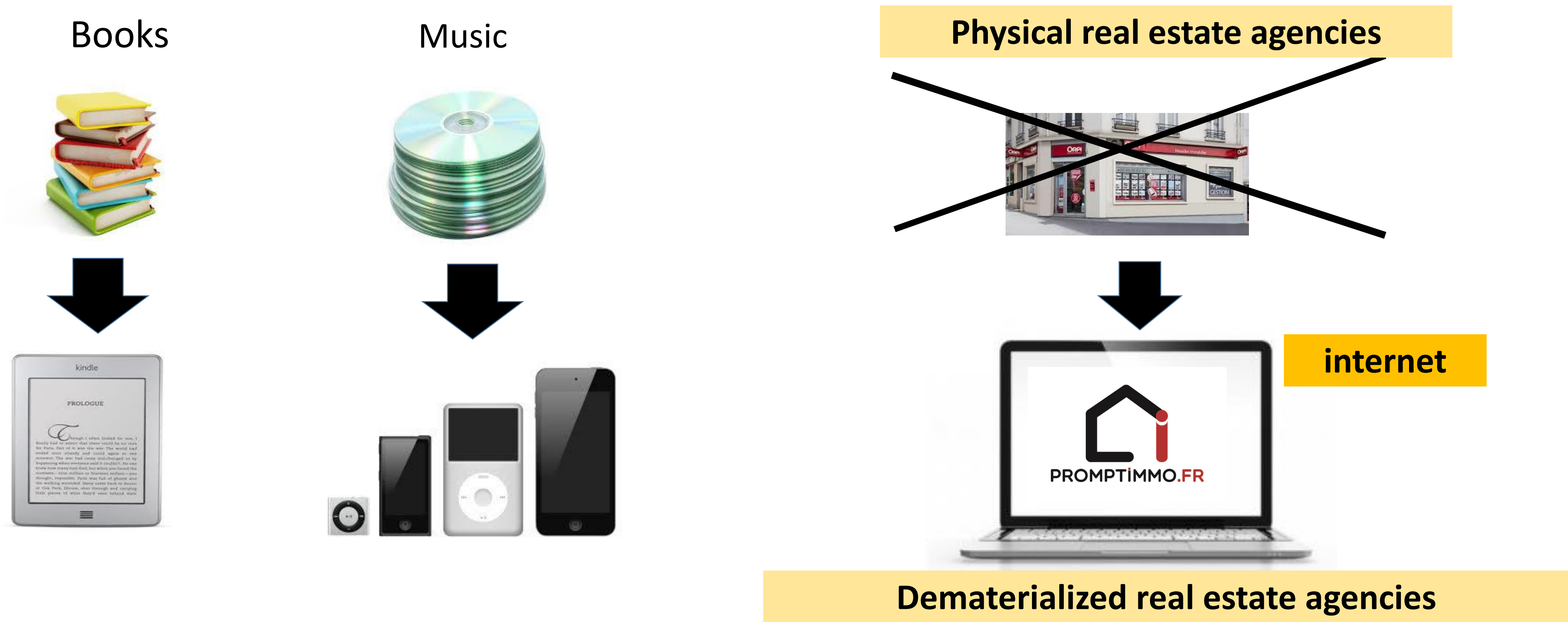
- ❑ 2011, creation of PROMPTIMMO with **€ 2500**
- ❑ By 2015, according to XERFI, PROMPTIMMO was among the **40 most influential** agencies
- ❑ In 2015, PROMPTIMMO exceeded a **€ 300 000** turnover
- ❑ In 2017, still according to XERFI PROMPTIMMO was one of the **22 most influential** agencies
- ❑ In 2017, PROMPTIMMO exceeded a **€ 500 000** turnover (**Rex:10%**)
- ❑ In 2018, creation of **www.ESFI.fr** (real estate training centre issuing a certification)

Key data

- ❑ 100% owned capital
- ❑ 120 real estate agents
- ❑ No financial debt
- ❑ Double-digit turnover growth per year and +31% turnover growth in advance in the first quarter of 2018

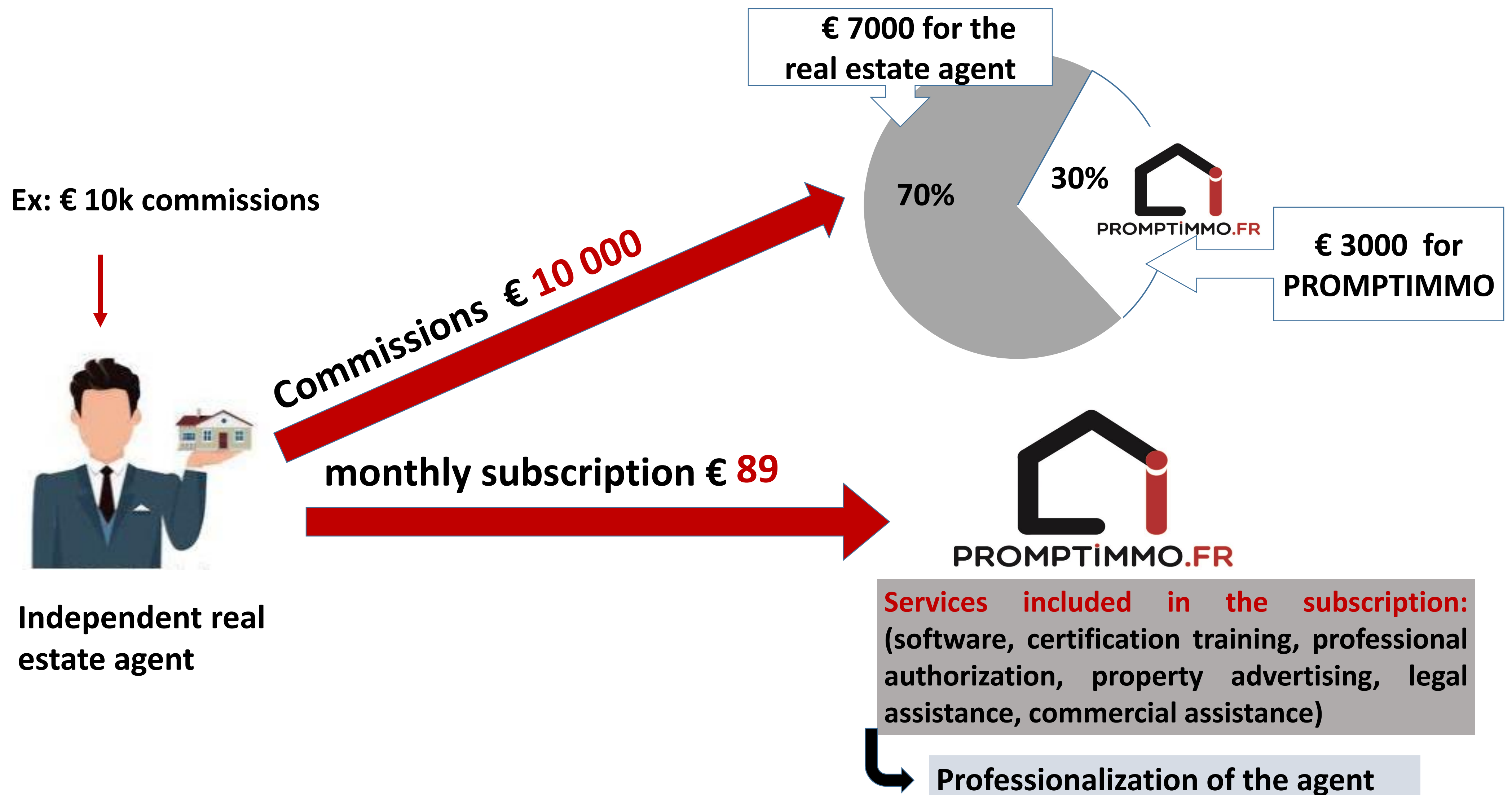
The business model

Today, as **95% of property searches are done on the Internet**, physical agencies have become obsolete.

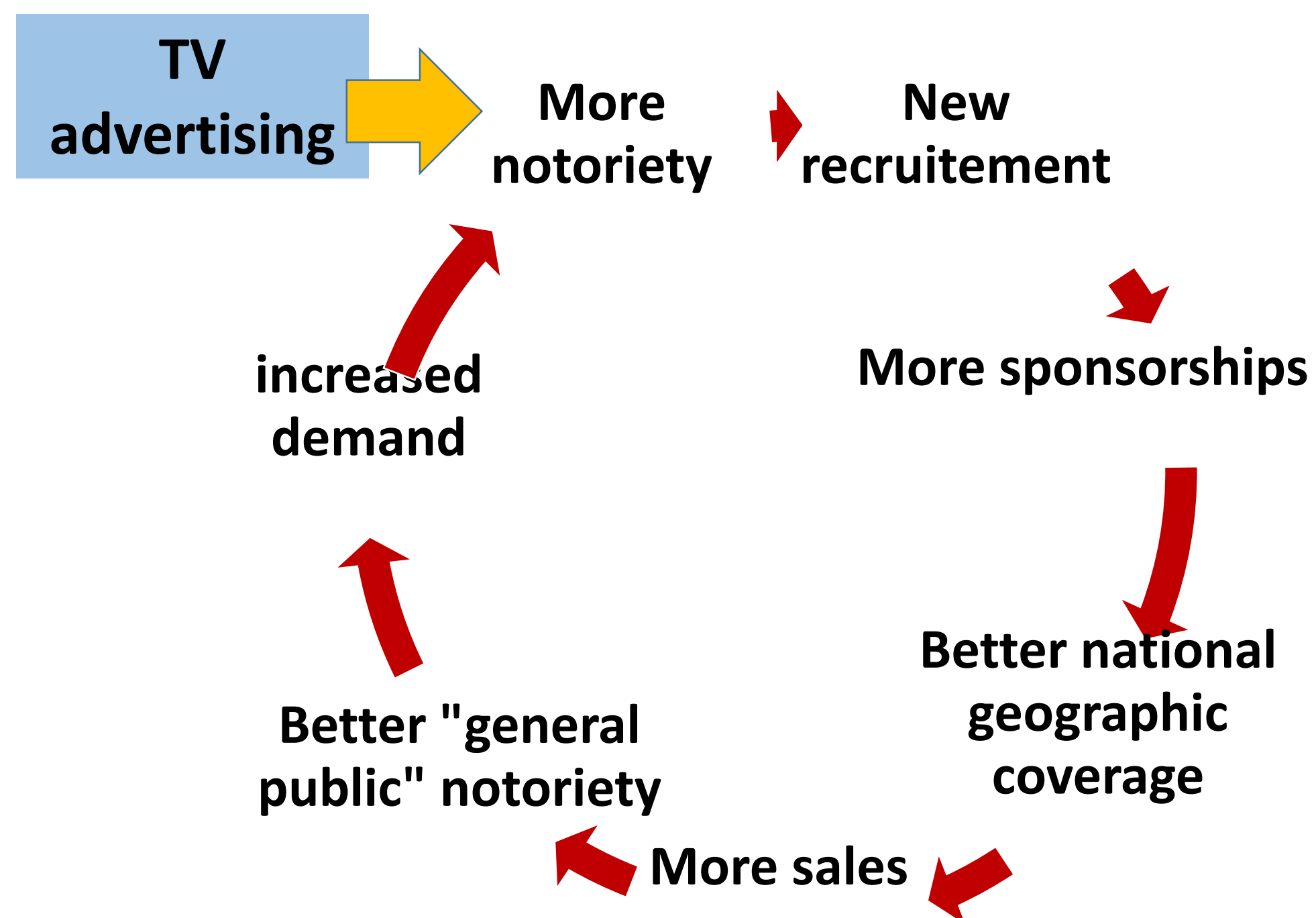


How do you look for a property yourself?

PROMPTIMMO offers a package of services in exchange for a monthly subscription and a share of the agency commission (30%)



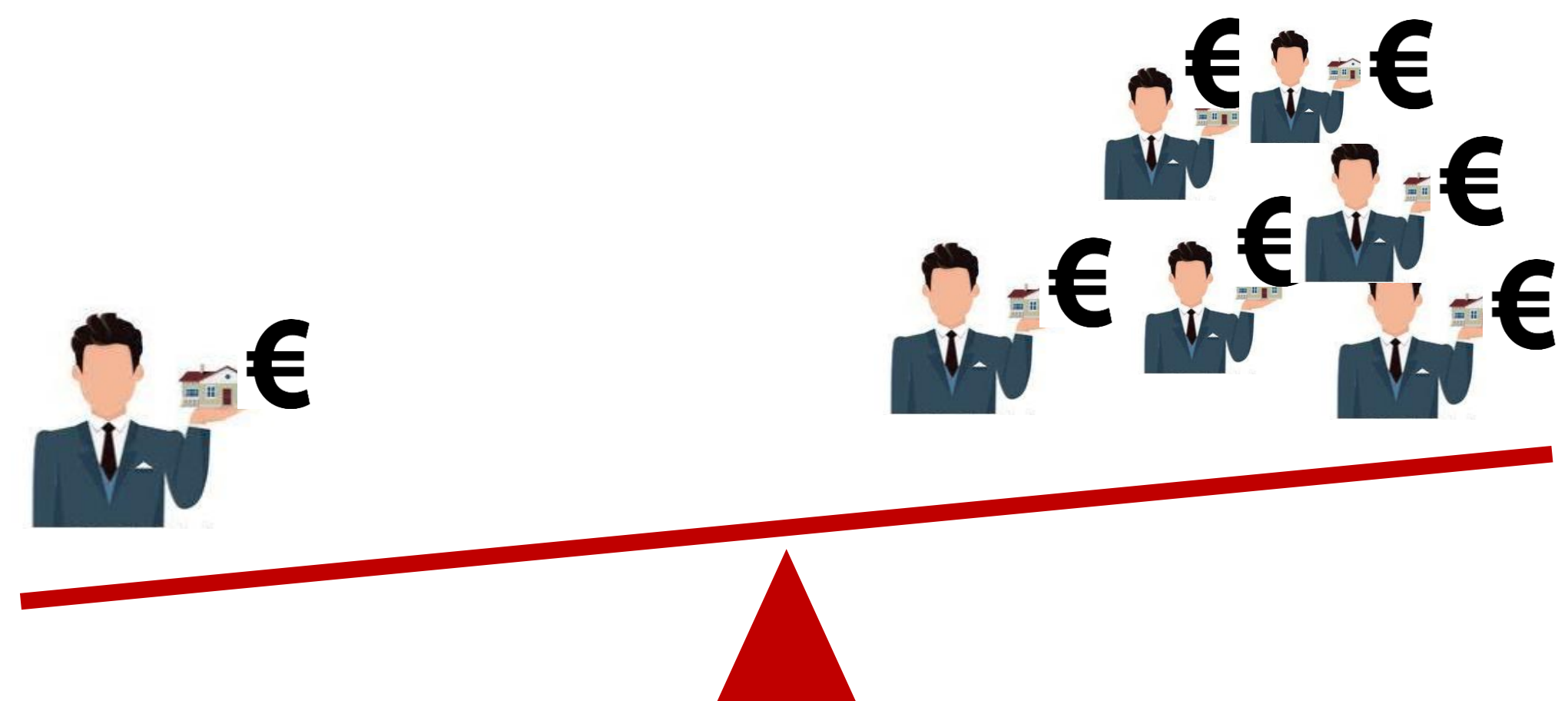
Exponential growth



A model with a high leverage effect

Real estate agent can:

1. Generate tens of thousands of euros in turnover
2. Sponsor several referrals



Sponsor



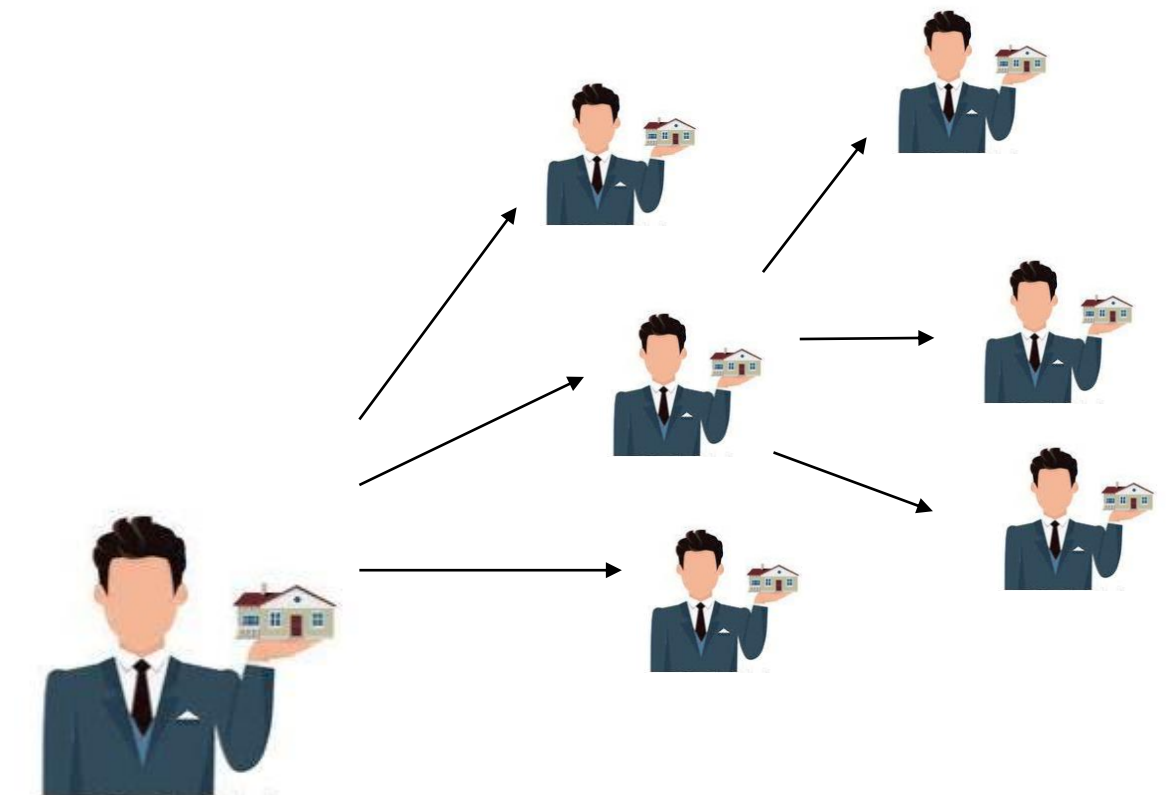
Significant acquisition and training costs

Expensive recruitment: TV, social agencies, adwords, press, job board)
Costly training: immobilization of resources at headquarters

Sponsorship



Referrals



Low acquisition and training costs

Cheap recruitment: sponsorship, word of mouth, recommendation... (better loyalty)
Inexpensive training: delegated* to the sponsor in the field



Increasing yields

*Nb: We have set up a program of accompaniment and training between sponsor and referrals

	PROMPTIMMO	Classic Agencies
Few fixed costs (payment only based on commission, no expensive commercial spaces...)	✓ YES	✗ NO
Economy of scale (significant negotiating power depending on the volume of advertisements, the number of software licenses, the pooling of secretarial services and assistance, large-scale training)	✓ YES	✗ NO
Advantageous remuneration for the negotiator	✓ YES 70% of the commission	✗ NO 40% of the commission
Reduced commission rate for the client	✓ YES 4% of the price	✗ NO 6% of the price
Risk diversification (by working with a large number of real estate agents spread across different geographic sectors, with different types of properties)	✓ YES	✗ NO
efficacy	✓ YES	✗ NO

A training centre

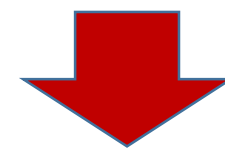
PROMPTIMMO is the only company aside from the 4 major agencies which has its own e-learning education center (www.ESFI.FR). The education center provide more than a hundred hours of training, all the chapters are validated by MCQs and an assessment system. No other agency has such a training offer. The training is certified and approved by the “Prefecture of Paris”. This training represents a real advantage by reducing fixed training costs and could enable thousands of agents to train on a **massive scale**.

A 100% dematerialized structure

The company has historically grown “agile” and “fully digitalized” by adapting its processes and fully dematerializing recruitment and training. Thus, the company can potentially recruit **massively** with very few fixed costs and staff. While other agencies recruit mainly through the organization of expensive physical meetings.

The best offer on the market

PROMPTIMMO, offers the best offer on the market in terms of value for money. With a first pack at € 45, and unlimited (in ads) from € 89. No other agency offers such a complete offer at such a rate. Significant TV advertising would **massively encourage new agents to join** the agency and take advantage of services and training at a better price than our competitors.



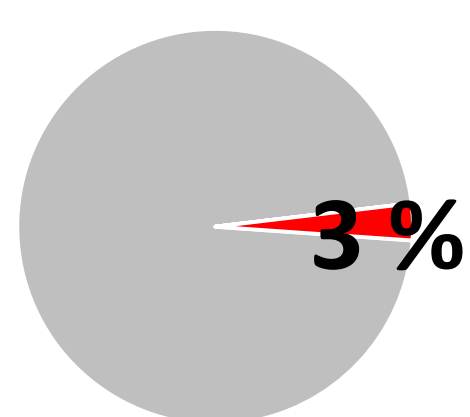
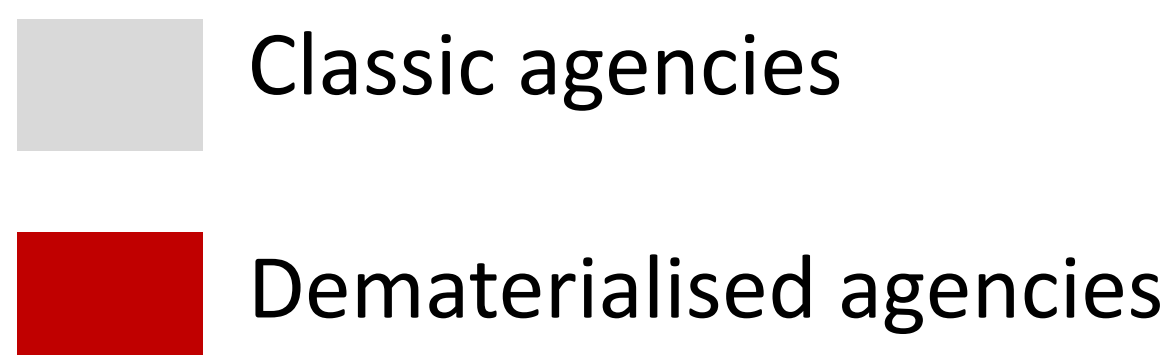
PROMPTIMMO, a **more agile** agency, offering a total **dematerialization**, a better cost control and a higher training offer than the competition! The company is calibrated to recruit **massively**.

The Market

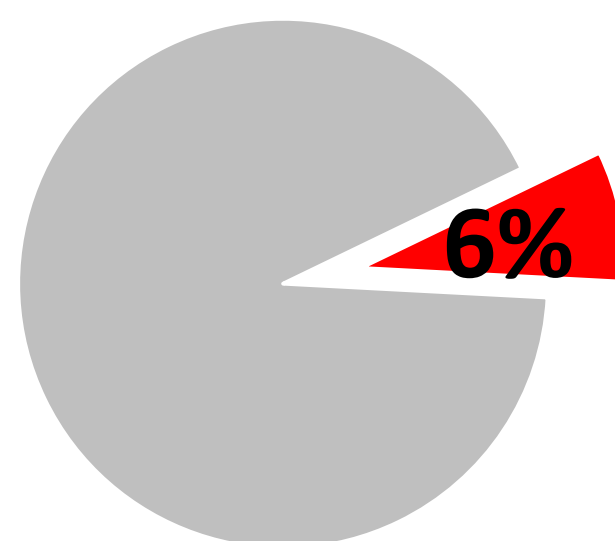
Size of the French market

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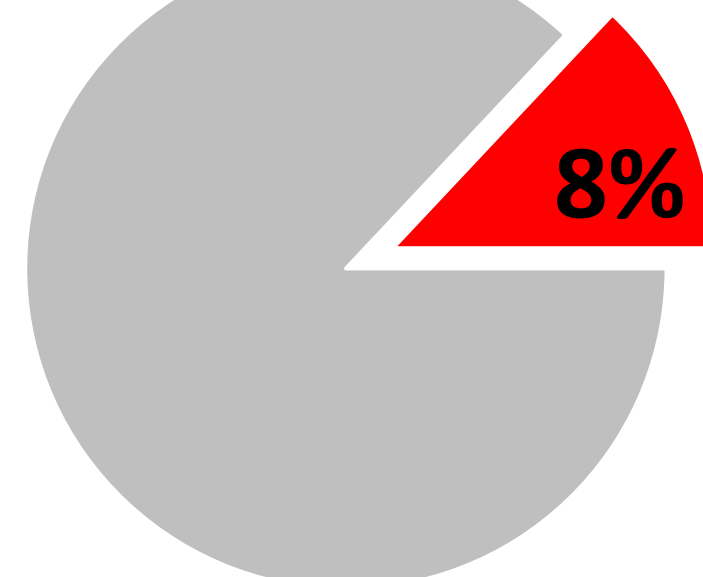
From 0% to 12% of the French real estate market in less than 10 years! (Xerfi)



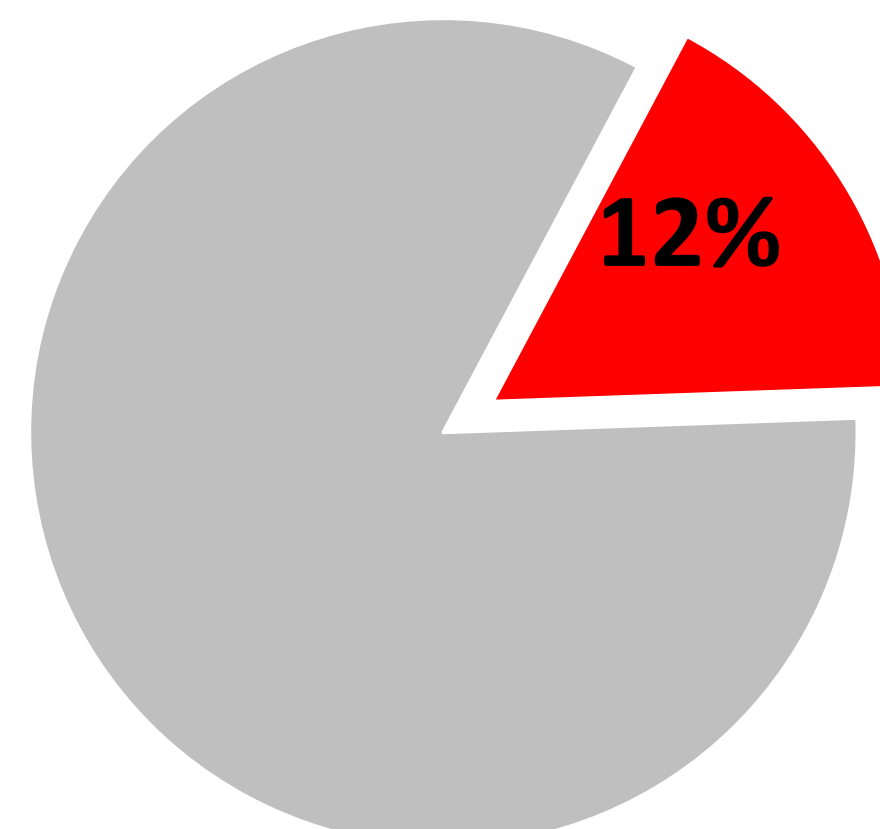
2011



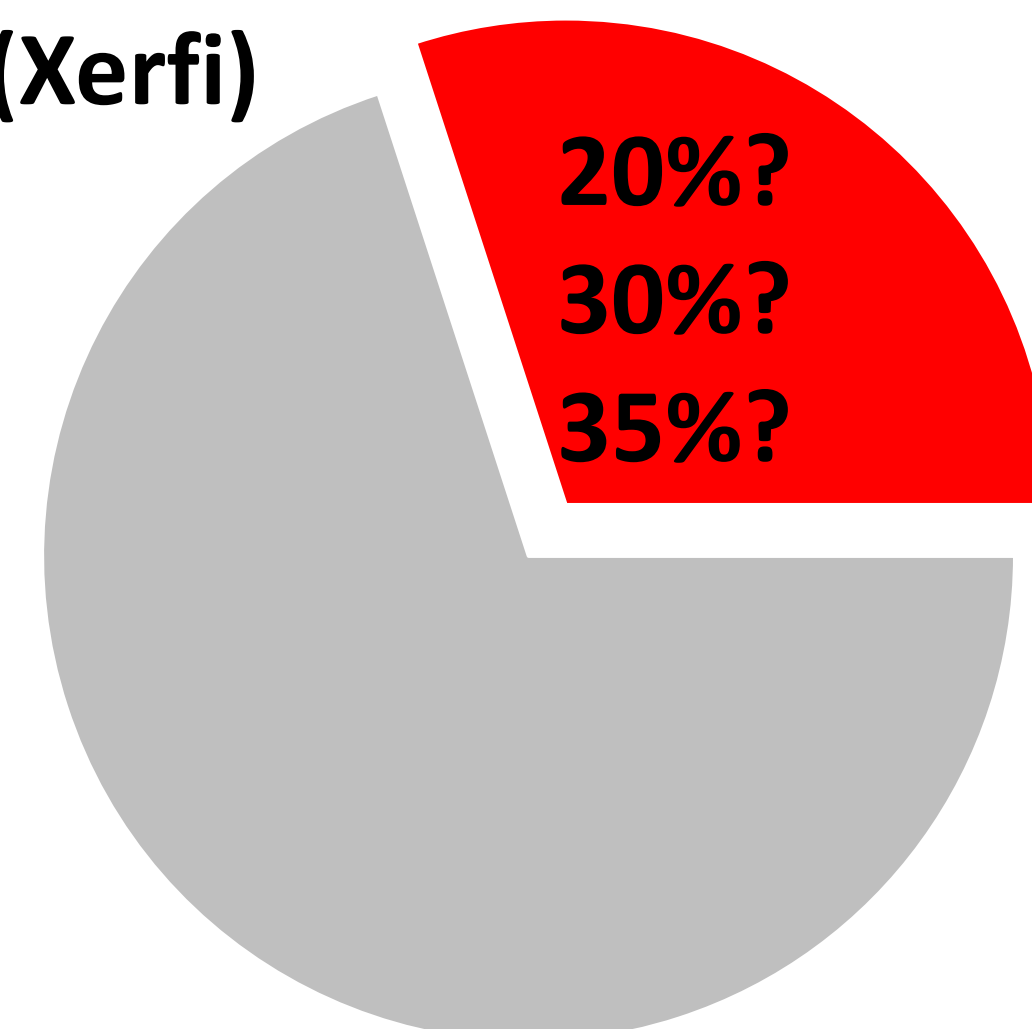
2012



2014



2015



2022 Forecast

A market with huge opportunities

In 2015, the total turnover of the agent agencies increased **by 45%**.
In 2016, the total turnover of the agent agencies increased **by 35%**.
In 2017, the total turnover of the agent agencies increased **by 40%**.

A constantly growing market

Physical agencies

Keller William: **150 000**
real estate agents on
every continent

Century 21:
101 000 real
estate agents in 78
countries

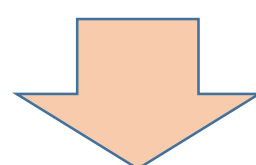
Remax: **116000 agents**
worldwide in 100 countries

Engel volker: **10 000 agents** in
36 countries

Coldwell banker : **91 000**
agents in 36 countries

Era: **32000 agents** in
35 countries

And many more other international agencies



A saturated market

Dematerialized agencies

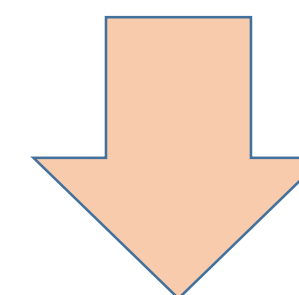
i@d : **550 agents** in Portugal (€ 2M turnover, opening
in 2015)

Optimhome: **90 agents** in Portugal

Empty foreign market

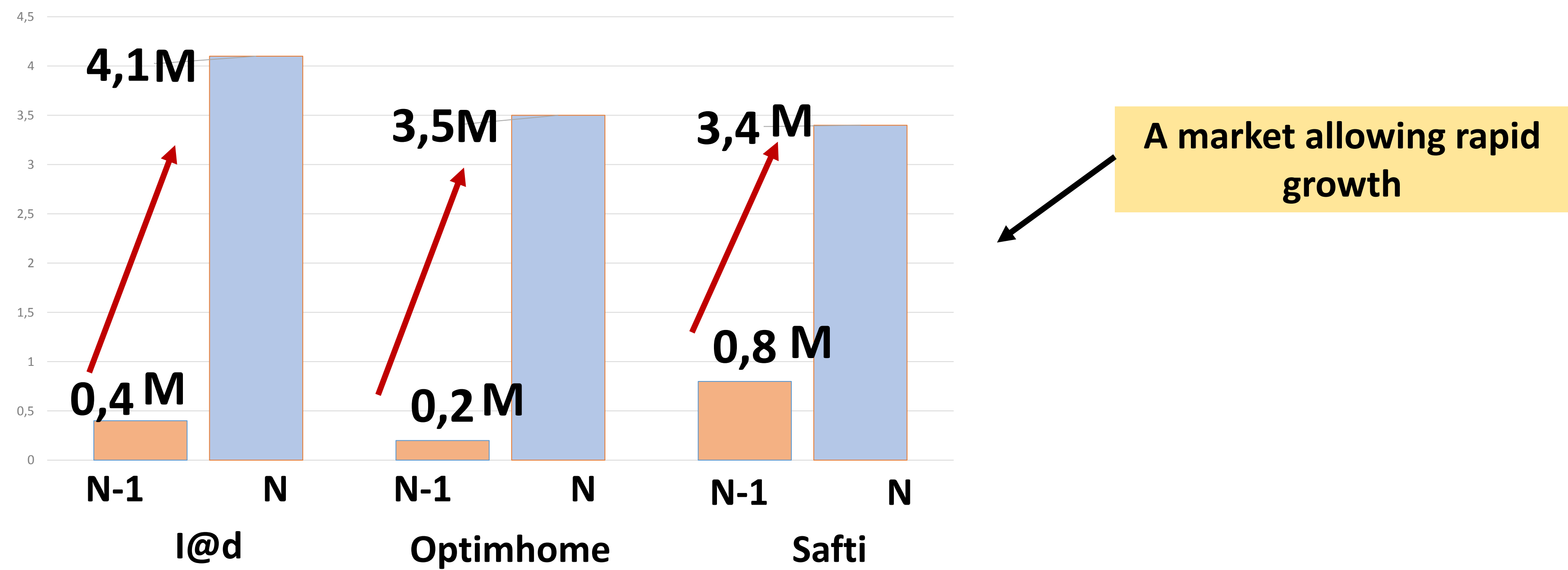


PROMPTIMMO wants to open in 2 countries per
year from year 2. In order to become the 1st
European dematerialized agency within 5 years.

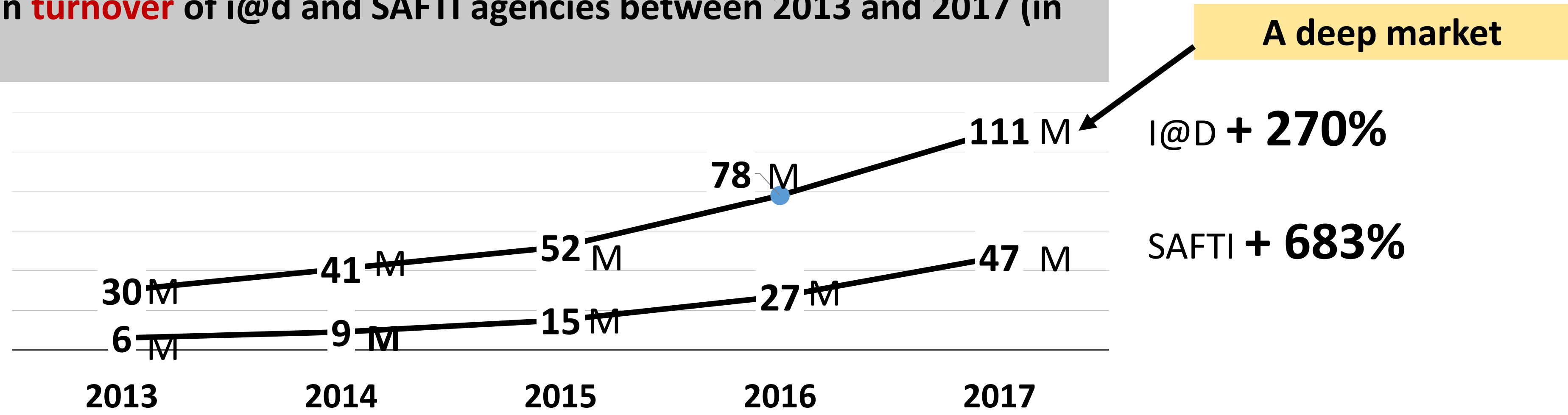


No competition abroad yet, in a new market with
exceptional forecasts

Increase in **turnover** of 3 competitors (in 1 year)



Increase in **turnover** of i@d and SAFTI agencies between 2013 and 2017 (in millions)



In less than 10 years, i@d -the **dematerialized** agency- has had more agents than the Century 21 **physical agencies**, which proves the enthusiasm for the concept.

i@d: dematerialized agency

Century 21: physical agency

(**6000** agents) > (**5800** agents)

10 years < **31 years**

Invest in a dematerialized agency to become market leader* in French and European transactions.

*physical and dematerialized agencies combined i.e. Orpi, ERA, Century21, La Forêt

Competition

The forces at work: 105 active agencies

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4 agencies having raised funds

101 agencies that did not raise funds

2 dynamic agencies

I@D { Fonds IK
Fonds Five ARROWS
Fonds NEXICAP PARTNER

SAFTI → Initial public offering

- Moderate pack price
- strong corporate culture
- intensive mentoring
- general public notoriety (TV)
- good e-reputation

↳ Become number 1 and number 2 in three years.
(Outperformance).

2 aging agencies

CAPIFRANCE Artemis (Pinault)

OPTIMHOME Artemis (Pinault)

- pack price too high
- weak corporate culture (not - conducive to sponsorship)
- lack of general public notoriety
- (no TV coverage)
- bad e-reputation

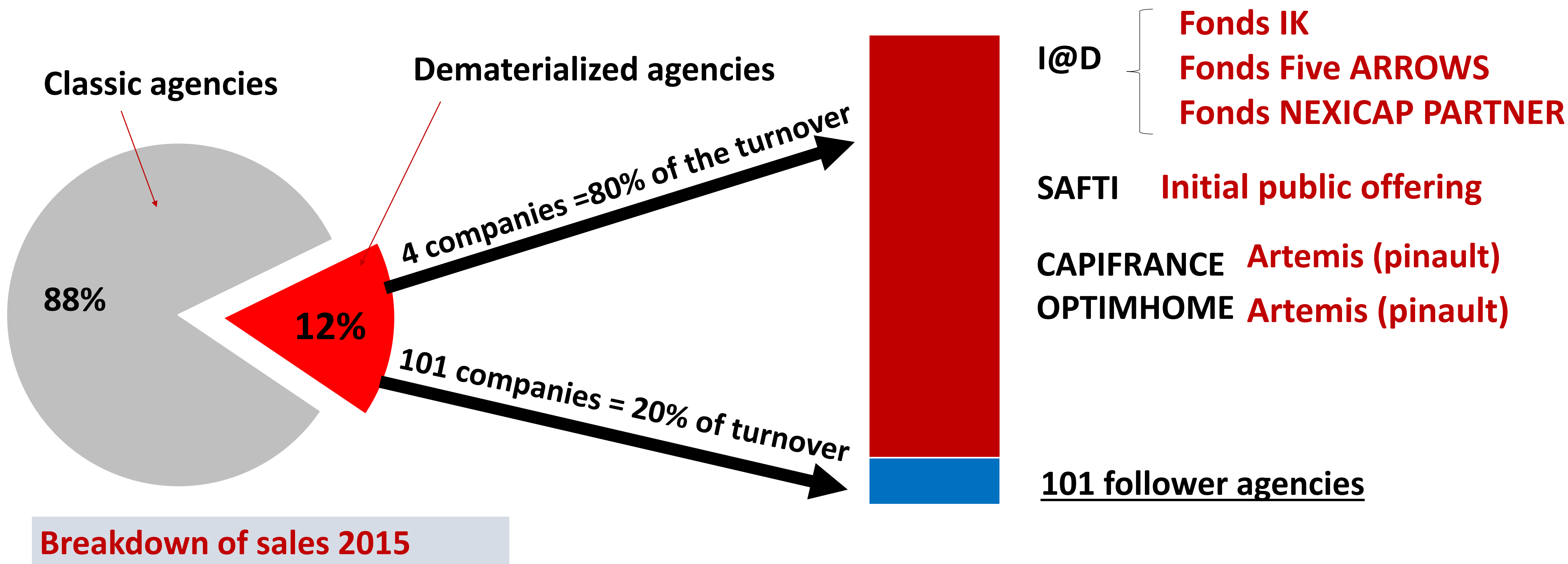
↳ Decline in agency rankings
from places 1 and 2 to
places 3 and 4
(underperformance)

101 following agencies

No funding

Unstructured, and not
financed by the market,
they do not take advantage
of the opportunities offered
by the market.

The first 4 companies represent 80% of the total market turnover



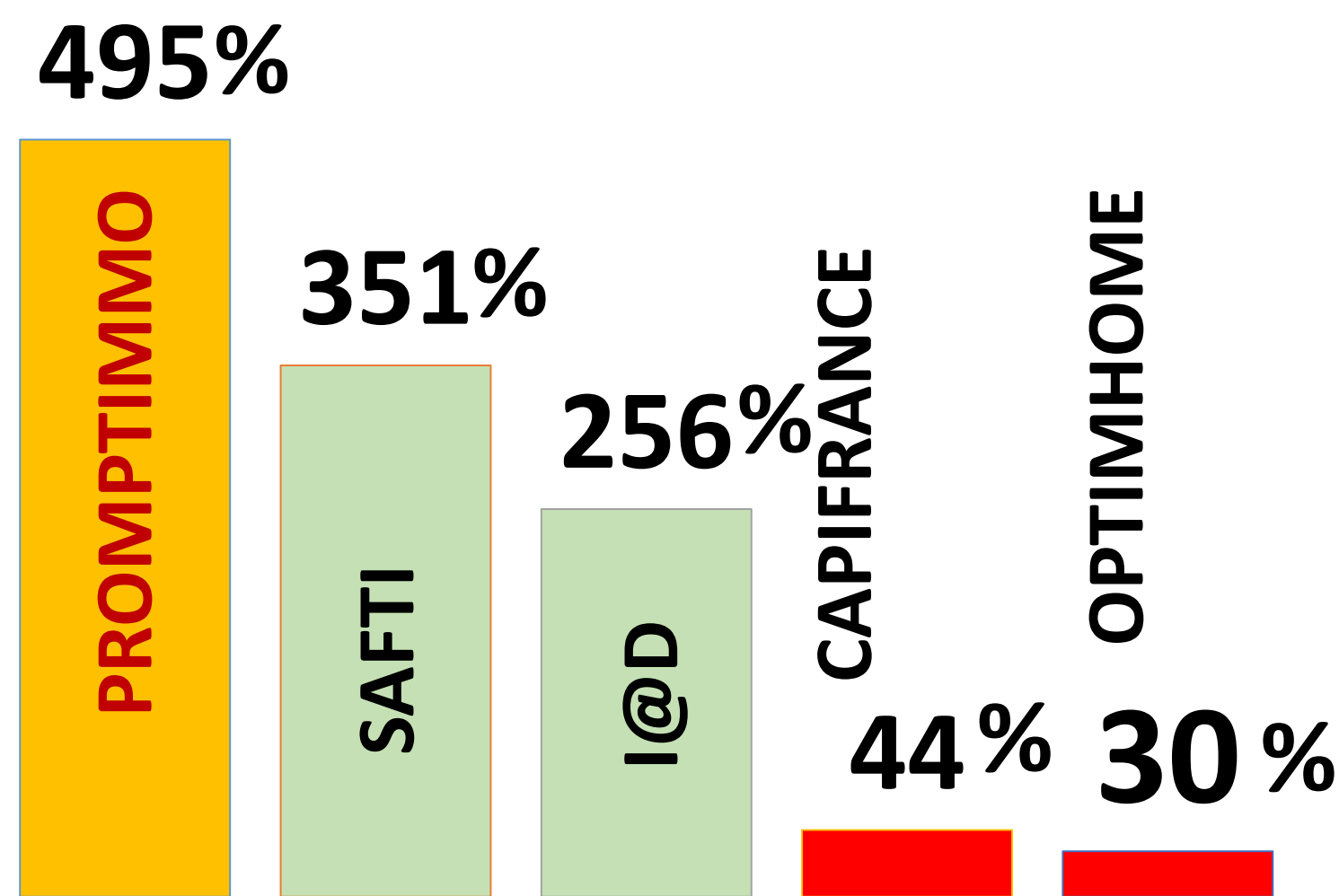
By investing in a dematerialized agency, you ensure you own a significant share of the French real estate market, and quickly become a major player in the real estate sector.

Nb: Only 4 agencies raised funds and they are in the first 4 places of the ranking

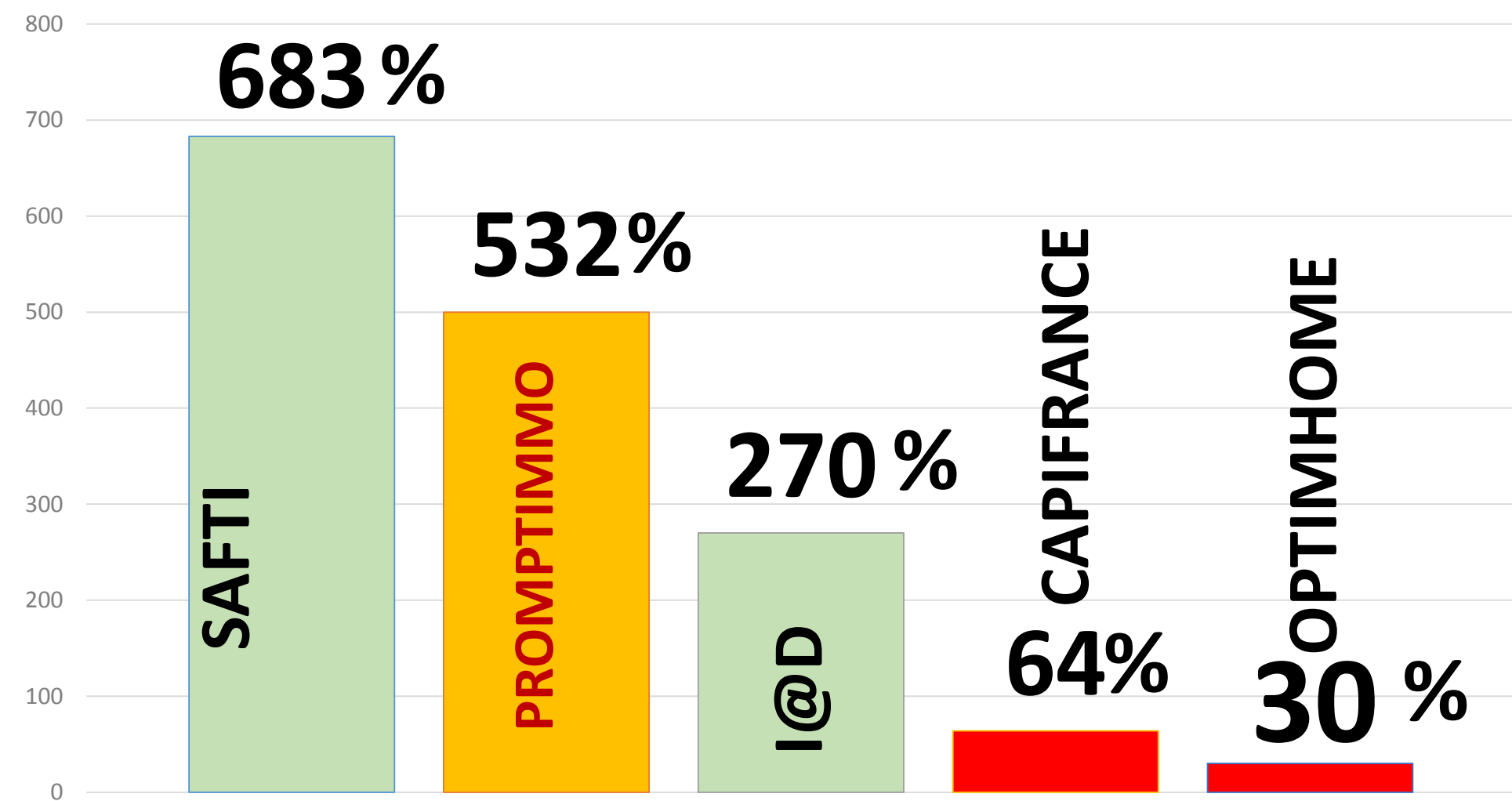
PROMPTIMMO's traction **VS** the first 4 companies (between 2013 and 2017)*

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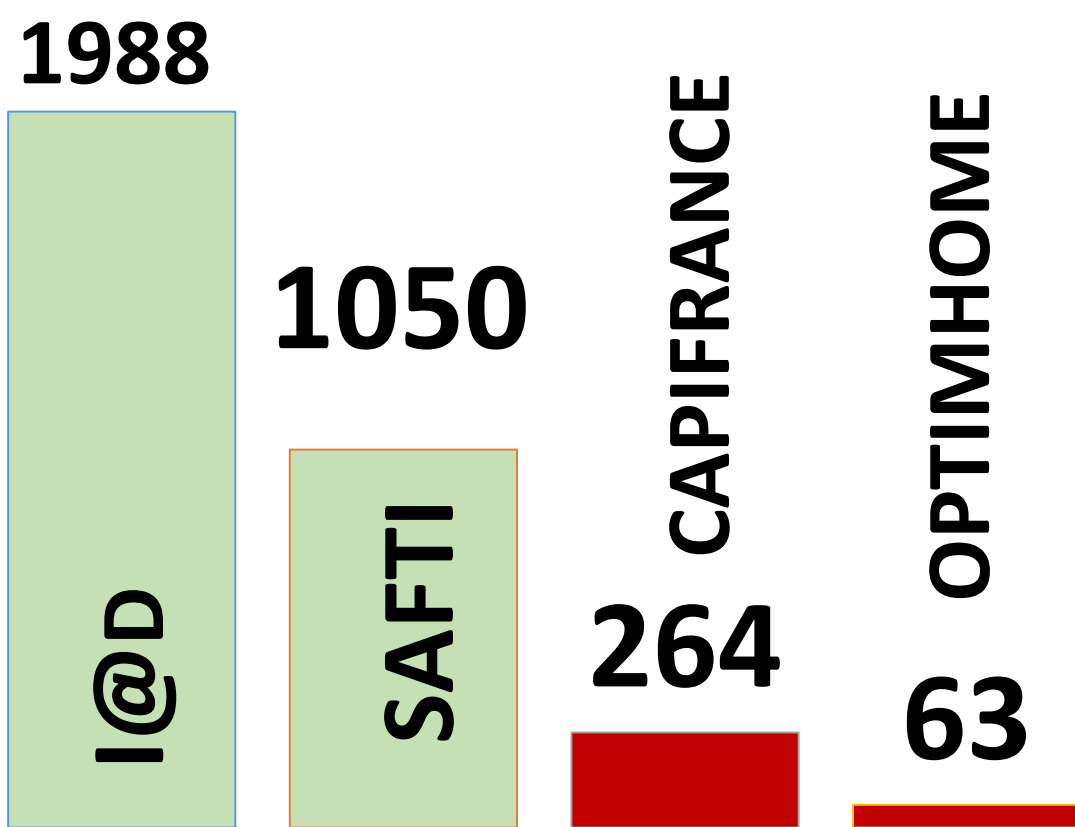
Trend in **recruitment** from 2013 to 2017



Increase in **turnover** in % (2013 to 2017)



Number of real estate agents recruited in 2017



Underperformance of old companies such as **OPTIMHOME** and **CAPIFRANCE**. A real opportunity for the next company to raise funds

Example: OPTIMHOME, recruited only **63 agents** in 2017 vs **1988 agents** for i@d

*Figures are available in annexe

The Positioning

Offer subject to conditions: only applies to ads less than 6 months old (recent price decrease)

Low pack price



PROMPTIMMO.FR

€ 89 VAT not included



OPTIMHOME
immobilier

€209 VAT not
included*



€199



€ 165 VAT not included

Aging agencies

(Under performance compared to the market, low corporate culture, few sponsorships, high pack prices...)

Agile agencies

(Complete offer, total dematerialization, on market performance, corporate culture, intensive sponsorship)



€360 VAT
non included

Low prices and agility are the keys to massive recruitment

High pack price

Strengths

- ✓ A founder having created several companies
- ✓ A low pack price policy (unlimited from € 89)
- ✓ PROMPTIMMO owns its school
- ✓ Quality training (over 100 hours of training)
- ✓ Strong proximity between management and agents
- ✓ PROMPTIMMO is the 22nd most influential agency (XERFI).
- ✓ Sponsorship policy and courses in place
- ✓ Structure limiting fixed costs (total dematerialization)
- ✓ Light and decentralized structure (sponsors train the referrals)
- ✓ Good e-reputation (blog, forum..)
- ✓ Good corporate culture, encouraging sponsorship
- ✓ Full service offer equivalent to that of the MAJOR companies.
- ✓ High retention through long training and low pack prices
- ✓ Perfect knowledge of the market and key recruitment factors
- ✓ Three-figure growth in sales over 5 years

Opportunities

- ✓ Favourable economic context
- ✓ Older and less reactive competitors who lose in competitiveness and image
- ✓ Dematerialized agencies can very quickly reach exceptional sizes
- ✓ Fast growing deep market
- ✓ The public is beginning to know the system of real estate agents
- ✓ Explosion in demand
- ✓ The independent real estate agent system appeals to people wishing to change their life and set up their own business.
- ✓ Apart from the 4 major companies, very unstructured market, fragmented competition

Weaknesses

- ✓ Lack of commercial power, marketing and communication
- ✓ Lack of visibility for the general public
- ✓ Lack of field presence (no field meetings with real estate agents)
- ✓ Limit in terms of staff, to continue to grow significantly

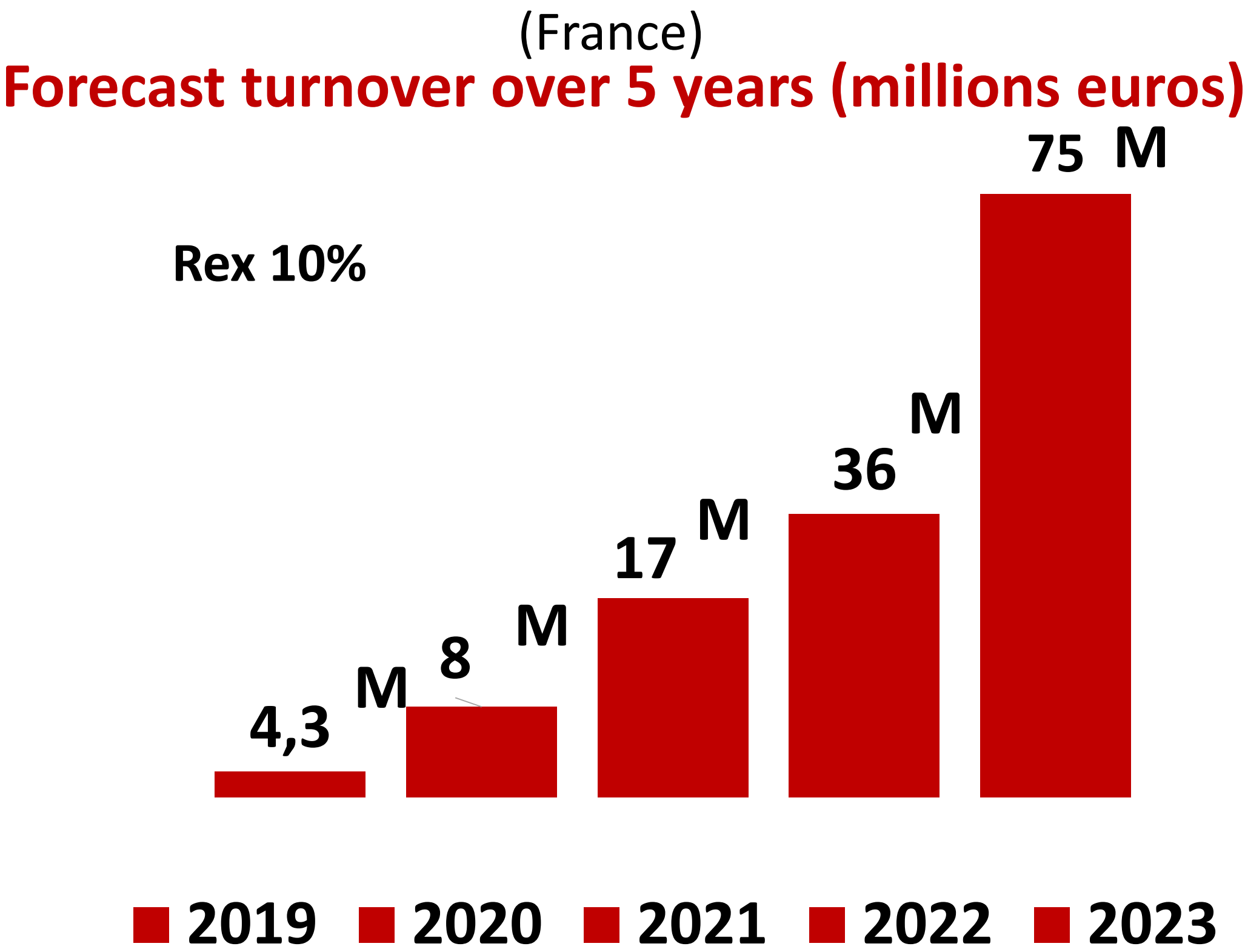
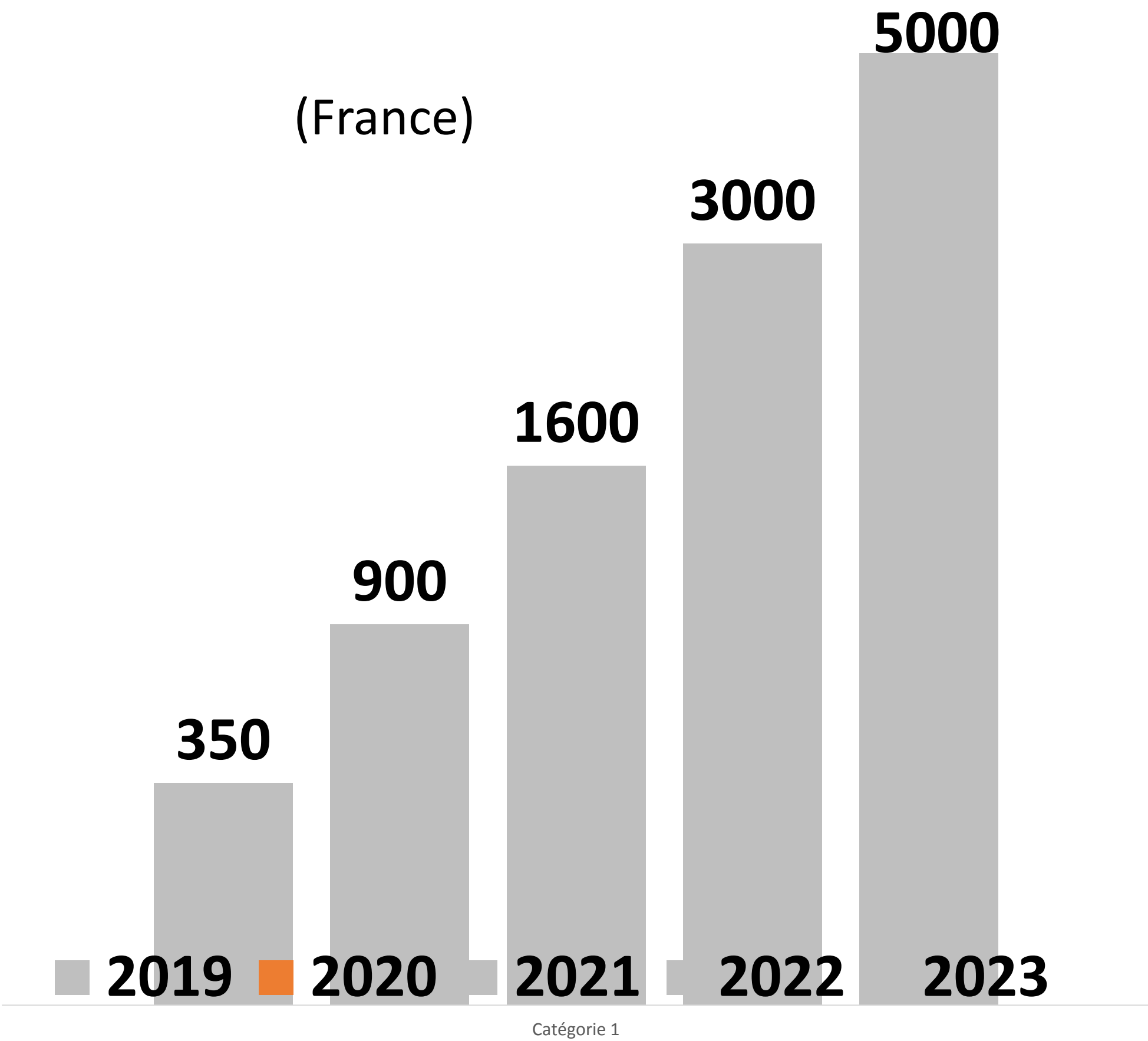
Threats

- ✓ Allow existing companies to grow too large
- ✓ Not taking advantage of the current explosion in demand
- ✓ Not taking advantage of the current depth of the market
- ✓ Let another agency raise funds before PROMPTIMMO

Strategic Plan

- 1. Becoming the 1st European dematerialized agency within 5 years
- 2. Breaking the oligopolistic market in France
- 3. Become the 1st company in terms of notoriety in France and Europe
- 4. Exceed the 5000 negotiators in France within 5 years
- 5. Set up abroad (Italy, Spain, Portugal, Germany) in the second year by duplicating the model, then invade all of Europe in 5 years

Cumulative number of real estate agents over 5 years



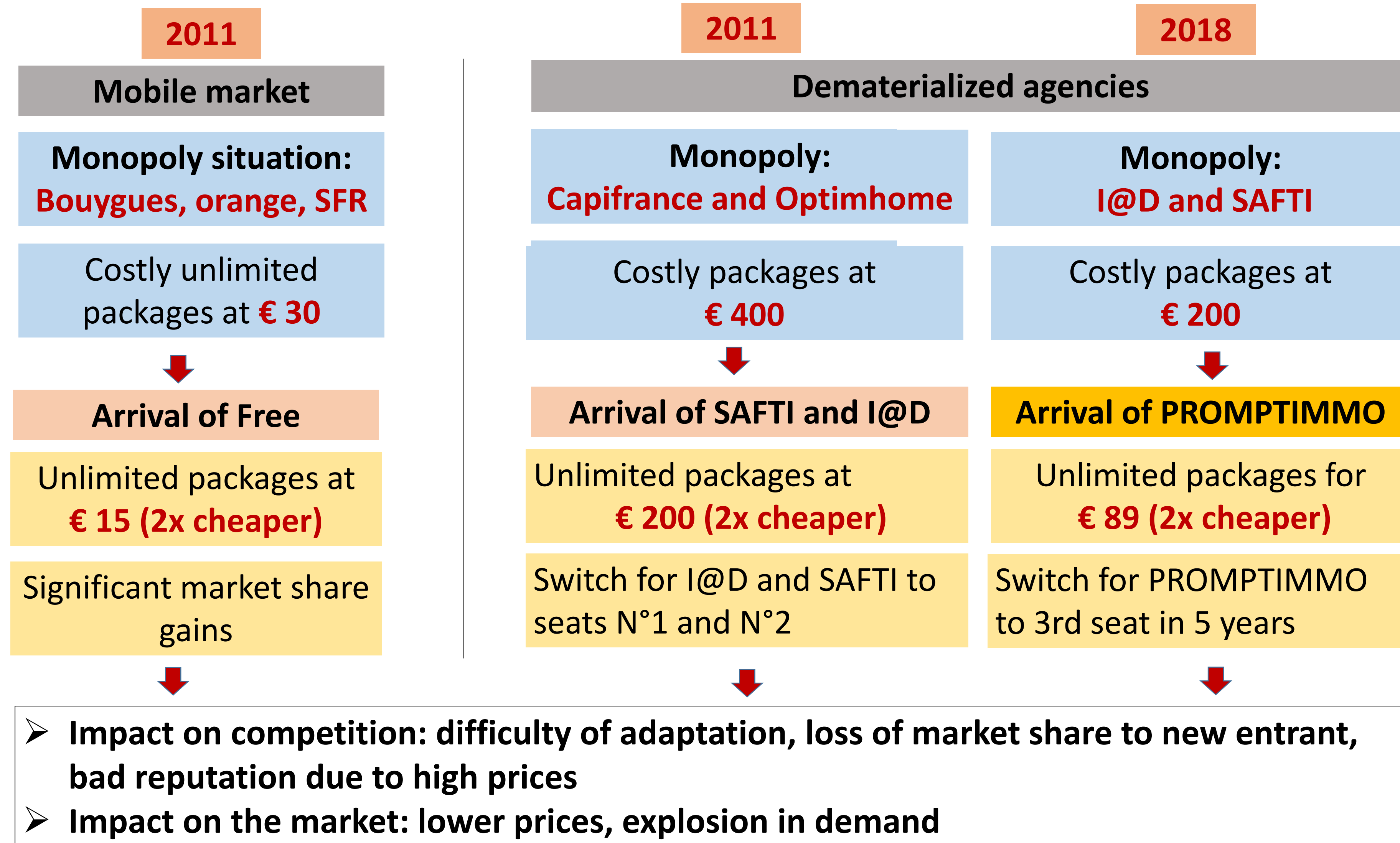
Recruitment via:

- ☐ General public notoriety (TV)
- ☐ Effective MLM marketing (multilevel marketing based on sponsorship)
- ☐ A powerful digital presence
- ☐ Field teams (recruitment and training)
- ☐ A strong corporate culture

Breaking the **oligopolistic market**

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Characteristics of the oligopolistic market: few suppliers, situation rents, high price agreements, uncompetitive market



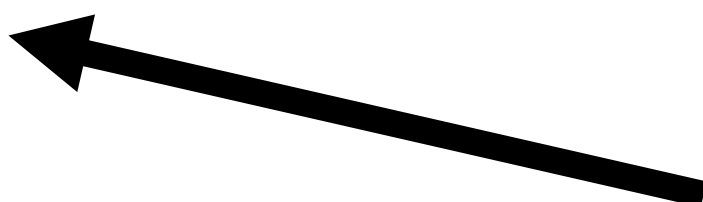
Prices that do not drop

It is almost impossible for agencies in a monopoly situation to lower the price of the pack, without generating a large loss of turnovers. The greater the number of existing agents, the more negative the impact of the tariff reduction will be! This is a decisive advantage which will allow PROMPTIMMO to penetrate the market with its advantageous prices!

Become the 1st dematerialized **European agency**

Development **abroad**

- ☐ Portugal
- ☐ Spain
- ☐ Italy
- ☐ Germany
- ☐ Development of the other European countries at the rate of opening of 2 European countries per year.
- ☐ Development in North America



Interactions and cultural similarities between these countries and France: common history, family ties, waves of immigration, travel, university exchanges.
Cultural and legal similarities to support the deployment of our strategy.

Replication **strategy**

- ☐ **Initially:** developing antennas made up of very little staff in the targeted countries (2 to 3 people). Then, manage the activity from France by adapting the marketing and communication tools in order to test the market and put traction in motion.
- ☐ **Rationalization** of tools, methods, sales techniques, sponsorship, training, etc. in order to propose a standardized model in terms of methodology for the opening of each country.
- ☐ **In a second phase,** deployment of additional staff and massive communication.

The team

Lionel Barclay (up to 120 real estate agents and increase in turnover from € 0 to € 500 000)

Studies

- ☐ Business School diploma (ISEG)
- ☐ Master 2 Research Currency Bank Finance (ASSAS)
- ☐ Master 2 Market Finance Research (Sorbonne)
- ☐ Master 2, Applied Mathematics in finance (Évry).
- ☐ Master 2 Risk and Asset Management in Finance (Evry)
- ☐ Louvres School (Art History)

Professional experience

- ☐ Experience in financial market on exotic interest rate derivatives, commodities and convertible bond arbitrage markets, then as a market finance consultant on commodity derivatives. Experience in investment banks (SGCIB, Calyon, Systeia) and corporates (Lafarge, ArcelorMittal..)
- ☐ Experience in setting up a business
- ☐ 2015: ESFI (training centre), set up in 2018 (www.esfi.fr)
- ☐ 2011: PROMPTIMMO
- ☐ 2008: Mygreenhouse (ecological personal services company)
- ☐ 2001: ATOME (courier company)

The company intends to recruit within its board:

- ☐ A MLM marketing specialist
- ☐ A specialist in digital communication
- ☐ An expert in real estate training
- ☐ A specialist in the implementation of international franchises

Advisory



Hicham Kochman: director of KeakR, a free digital application dedicated to urban music.

Conclusion

Investment :

- ☐ **On an international level**: would allow to benefit from the **little competition on the European market** and to **become the first international group** in terms of the number of countries covered and the number of agents recruited
- ☐ **On a national level**: would allow to easily dominate the 101 “follower agencies”, which are poorly structured and suffer from insufficient financial strength, to **take advantage of the strong growth of the dematerialized market** and position ourselves **as a key player in the French market** (physical and dematerialized agencies combined). This fund raising would make it possible within 5 years to **become the 3rd French real estate agents** and to surpass the historical and ageing agencies such as CAPIFRANCE and OPTIMHOME, which are maintained only thanks to the accumulated historical lead and facing little credible competition.

Financing requirement

- ☐ Stage 1: Structuring the company: € 1.5 million
- ☐ Stage 2: Development of visibility: EUR 2 million
- ☐ Stage 3: Development abroad EUR 2,5 million

Pre-money valuation

- ☐ The executive wishes to limit dilution to a maximum acceptable level of 30%.

➤ **A capital increase of € 6 MILLION is targeted.**

Lionel Barclay

- Mail: contact@promptimmo.net
- Tel: +33778880510

Appendix

balance sheet

	CA 2015	CA 2016	CA 2017
Turnover	313k	345k	509k
Masse salariale	4K		24K
Prestations	196K	225K	308K
Loyer	7K	24K	23K
Réception	9K	26K	22K
Assurance	0,8K	1,5K	0,4k
Publicité	27K	67K	62K
Autres achats/ Charges	29k	19k	16K
EBE	38k	-18k	52k
REX	38k	-19k	52k
Résultat net	+33k	-19k	+47k

Step 1: Structuring the company (1,5mio)

- ☐ -9001 certification.-Creation of a physical school training centre and relocation to an office to accommodate the internal teams, but also to create a training centre capable of receiving the real estat agent to be trained.
- ☐ -Corporate culture: capitalization around the PROMPTTEAM brand to promote membership and sponsorship-Light structuring of th company and decentralisation of recruitment and management (via real estate managers)
- ☐ -Redefinition of large-scale recruitment processes-Redefinition of large-scale loyalty processes
- ☐ -Creation of new remuneration opportunities for agents and establishment of partnerships (insurance, credit...)
- ☐ -Increase of the training offer in order to improve the performance of the agents (initial and continuous training)
- ☐ -Increased digital presence
- ☐ -Increased presence on job boards, magazines, press relations, advertising, marketing, communication
- ☐ -Website update
- ☐ -Acceleration of growth through the recruitment of several employees. (The wage bill will change as a result of threshold effects).
- ☐ - (Recruitment of itinerant trainer-recruiter, recrutement of a sedentary recruiter-trainer at the head office, recruitment of a community manager/marketing/communication, recruitment of an HR, recruitment of 2 administrative staff,
- ☐ - Recruitment of a developer specializing in network marketing,
- ☐ - Recruitment of a network marketing specialist

Step 2: Notoriety of the company (2 mio)

- ☐ After having structured the network, the objective will be to increase notoriety, and develop "general public" visibility and thus increase the brand's power. The objective will be two fold:
 - ☐ Recruit
 - ☐ Make ourselvse known
- ☐ -Organization of national recruitment campaigns
- ☐ -Increased digital presence (strengthening the positive image of the company)
- ☐ - Increase in the number of partners (sites specialized in real estate)
- ☐ -TV campaign
- ☐ -Digital Campaign
- ☐ -Magazine campaign
- ☐ -Jobboard
- ☐ -SEO (paid, natural)
- ☐ **Deploy a strategy at local and regional level by intensively developing sponsorship and decentralised recruitment**
 - ☐ **-Sector Leader Development**
 - ☐ **-Local snail structuring**
 - ☐ **-training of the managers**

Step 3: Foreign and other levers (2,5mio)

☐ Development abroad

Portugal

Spain

Italy

Germany

- ☐ Strategy: Initially, antennas made up of very few staff in the targeted countries, 1 or 2 people maximum. Manage the activity from France by adapting the marketing and communication tools in order to test the market.

- ☐ In a second time deployment of additional staff and a massive communication.

☐ The other levers to work on will be:

- Recruitment speed

- Training of agents

- The length of time the agents will be beginners

- The improvement of the performance of the agents once they have become "confirmed"

☐ Gain on fixed and variable charges :

The increase in the number of agents will allow for greater bargaining power with suppliers (seloger, leboncoin, software, etc.) and numerous economies of scale.

- ☐ **Phase 1: Multiply turnover by 8 in 1 year thanks to market traction, i.e. 4.3 million euros, while preserving margins and generating REX which should be above 12% of turnover.**
- ☐ **Phase 2: development of notoriety. On the horizon (2 to 5 years), be able to capitalize on notoriety and sponsorship**
- ☐ **Phase 3: development abroad and opening new markets by duplicating the concept.**

Forecast recruitment of agents

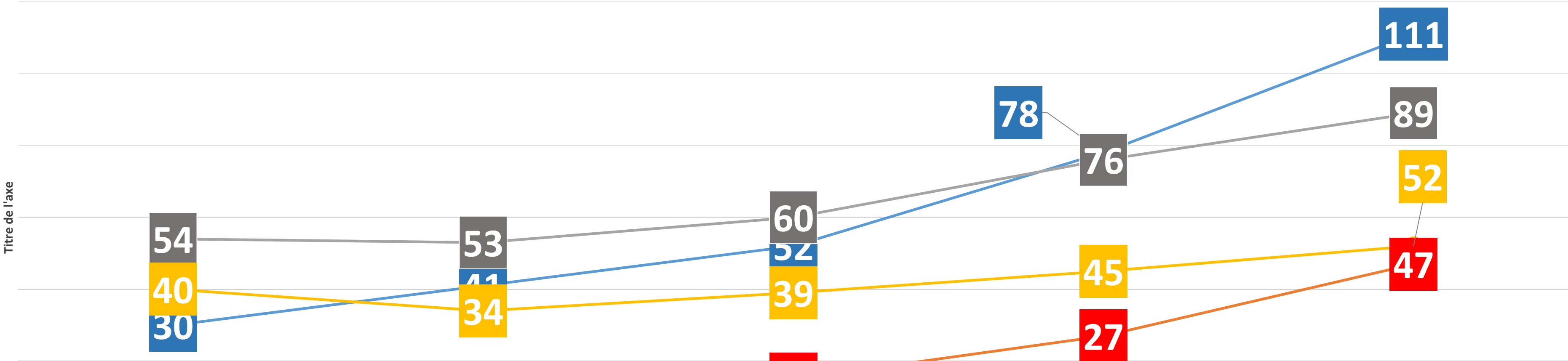
- 230 agents the 1st year (19 per month)
- 550 agents the 2nd year (45 per month)
- 700 agents in the 3rd year (58 per month)
- 1400 agents in the 4th year (116 per month)
- 2000 agents in the 5th year (167 per month)

Favourable recruitment factors

- ☐ Annual growth can be very rapid, recruitment scenarios have been confirmed by the past evolution of competitors.
- ☐ The depth of the market increases every year. Thanks to the increasing development of the concept's general public notoriety
- ☐ Agents could change agency, in favour of PORMPTIMMO, because of the advantageous conditions offered by our company.
- ☐ The number of agents will be due to massive advertising, but will also be linked to sponsorship, which will be widely acclaimed within the company.

Aging companies: A turnover that doesn't take off

Titre du graphique

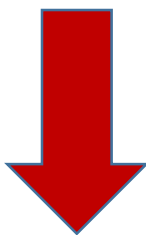


	2103	2014	2015	2016	2017
●I@d	30	41	52	78	111
●SAFTI	6	9	15	27	47
●CAPIFRANCE	54	53	60	76	89
●OPTIMHOME	40	34	39	45	52

Aging Societies (turnover)

Optimhome: + 30%

Capifrance: +64%



the turnover of dynamics companies

i@d: + 270%

Safti: +683%



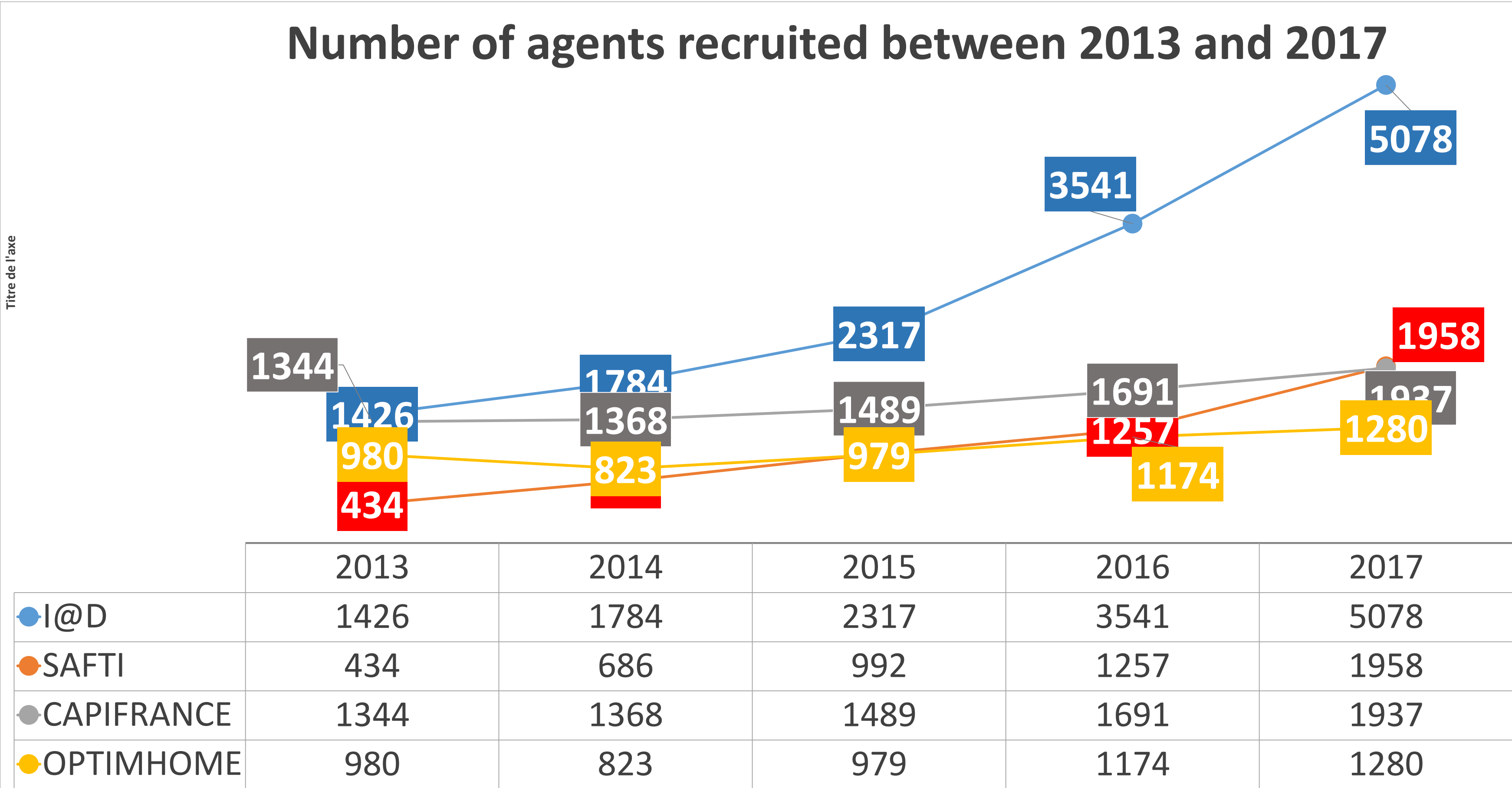
PROMPTIMMO

PROMPTIMMO 532%

From 79k to 509k euros in turnover



Aging societies no longer recruit!



Aging Societies (turnover)

the turnover of dynamics companies

PROMPTIMMO

Optimhome: + 30%

Capifrance: +44%

i@d: + 256%

Safti: +351%

Promptimmo +495%

20 to 119 agents