Catalyst Financial Analysis

1

Market

We will go over a detailed breakdown of the market and our sections.

2

Revenue

This will be going over key revenue assumptions and calculations when developing our profit and loss statement.

3

Costs

This will be going over key startup costs and other assumptions when developing our profit and loss statement.

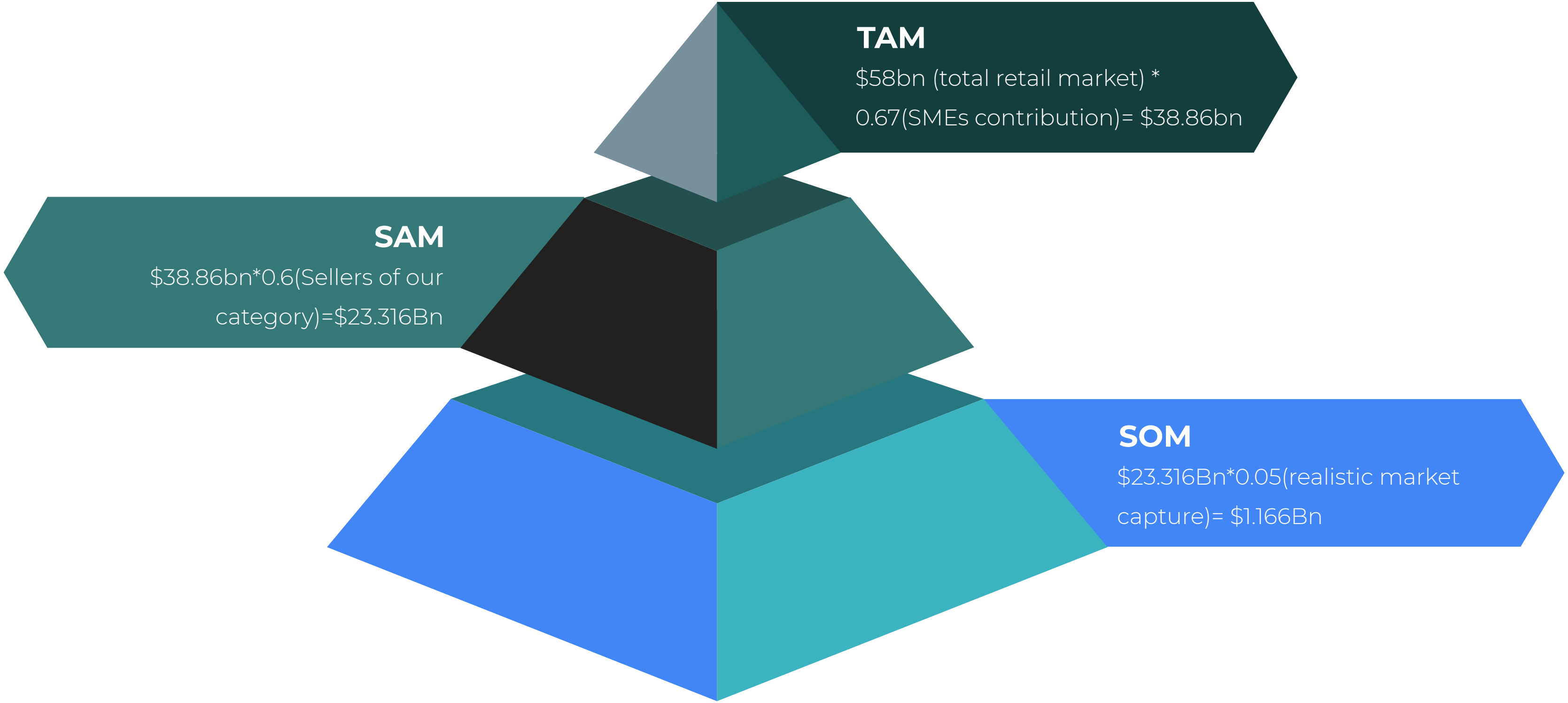
4

Fundraising

We will go over a brief overview of the funds we will raise and the timeline for it.

Market Size

TAM, SAM, SOM (UAE ONLY)



Source: Arabian Business*

Market Size

TAM

TAM

$58bn (total retail market) *

0.67(SMEs contribution)= $38.86bn

Here we take a 67% chunk of the total UAE retail market as that is the sales contribution made by the SME/local business sector which we are targeting.

Source: Arabian Business*

Market Size

SAM

SAM

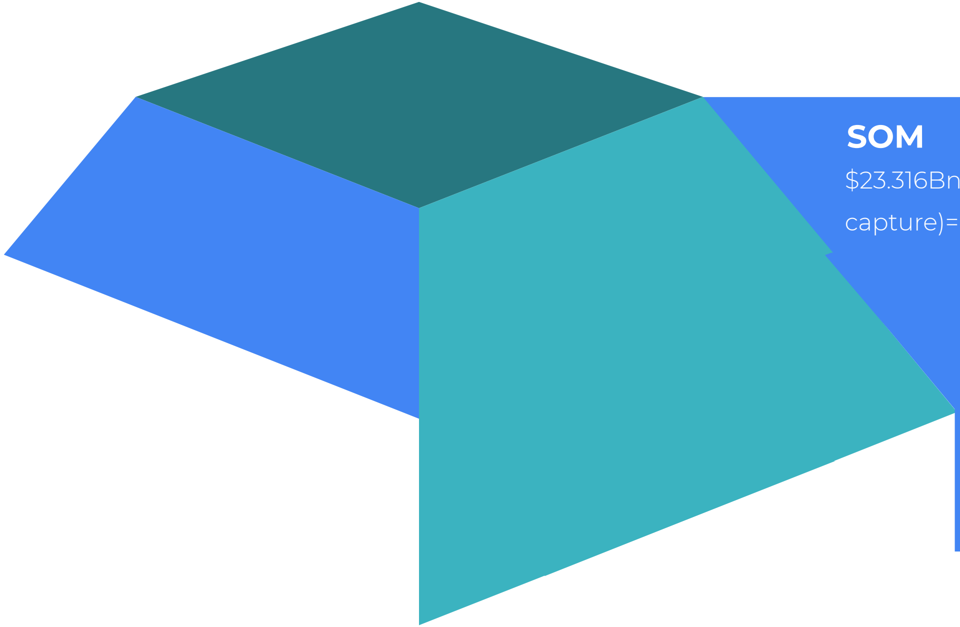
$38.86bn*0.6(Sellers of our category)=$23.316Bn

Here we had to narrow down further by taking a 60% chunk of that market size as those included the sales of products that we would be selling which do not include groceries, and the like.

Source: Arabian Business*

Market Size

SOM



SOM

$23.316Bn*0.05(realistic market capture)= $1.166Bn

For our SOM, we wanted to take the most realistic amount of the market we could capture long term. This lead us to taking only 5% of the narrowed market still leaving us with with over a billion.

Source: Arabian Business*

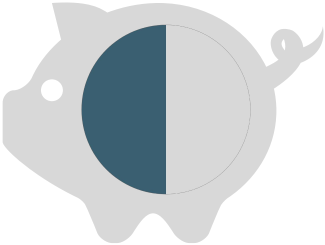
Financial Plan

Profit & Loss.

	YEAR 1	YEAR 2	YEAR 3
REVENUE	932,800	4,664,000	13,992,560
COGS	158,576	792,880	3,498,140
GROSS PROFIT	774,224	3,871,120	10,494,550
OPERATING EXPENSES	402,684	4,014,987	8,355,456
OPERATING PROFIT	371,540	-143,867	2,139,094

*Data does not take into account revenue from advertising and Big Data

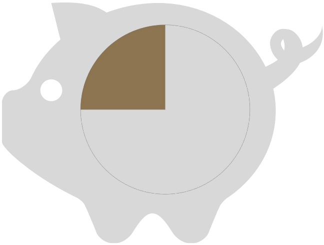
Revenue Assumptions



Year 1

1%

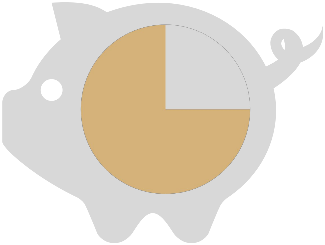
To calculate our potential revenue, we decided to take small chunks of our SOM. for Year 1, we started with a realistic 1% of SOM, and then 8% of that, which is our average commission (main source of revenue).



Year 2

5%

For the second year we took a generous 5% of the total SOM. And then getting the 8% of that left us with the $4.6 Million.

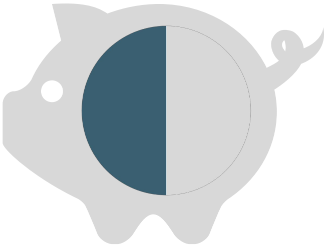


Year 3

15%

For the 3rd year, we took an even more generous 15% of total SOM, adding our commission to that left us with nearly $14 million.

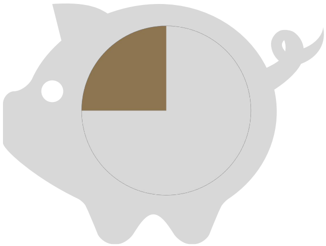
Cost Assumptions



Year 1

17%

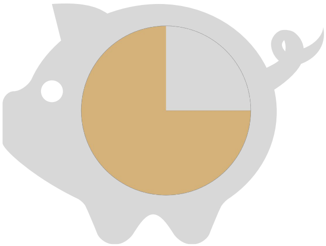
To calculate our COGS we had to take some benchmarks. Upon tedious research we saw that for a startup of this size a 17% COGS is reasonable taking into account server and processing costs.



Year 2

17%

For the second year, we decided to keep it the same as sales had not increased that greatly.



Year 3

25%

For the 3rd year, we had reached 8 figures and so we realised costs would increase dramatically so we increased our COGS to around 25%.

Fundraising

Pre-seed / Angel

We plan to raise a pre-seed/ angel investment round of around $15,000 to get us a headstart in seller acquisition and development.

Seed -> Series A

Depending on which stage we start requiring capital to expand (due to large revenues and low costs) we might go straight to a series A round of $25mill to expand regionally in the GCC as well as streamline infrastructure.

Series B -> IPO

Due to our fortunate profitability we may be able to skip a series B and go straight to an IPO at a $2bn+ valuation 5 years into it.