

## Financial charts

# Koldo

One of the beauties of this system is its conceptual simplicity, which is also reflected in the financial chapter.

According to the data in our Business Plan, the expenses and income chapters of this project can be divided as follows:

<b>Expenses</b>	<b>Incomes</b>
Initial development cost	From annual subscriptions
Promotion cost	From "fingers" or modules
Cost of maintenance / improvements	From micro-commissions on online transactions
Cost of infrastructure	

The items of the expenses chapter are detailed as follows:

<b>Initial development cost</b>	
<b>Concept</b>	<b>Cost for the period</b>
Development team salaries	180.800 USD
Salaries of non-technical personnel	39.600 USD
Micro-externalization costs	25.000 USD
<b>Total</b>	<b>245.400 USD</b>

<b>Cost of promotion</b>	
<b>Concept</b>	<b>Annual cost</b>
Paid social media campaigns	11.600 USD
Influencers	3.000 USD
Media, radio, TV	7.500 USD
Telephone calls	300 USD
<b>Total</b>	<b>22.400 USD</b>

<b>Cost of maintenance / improvements</b>	
<b>Concept</b>	<b>Annual cost</b>
Development team salaries	129.600 USD
Salaries of non-technical personnel	12.600 USD
Micro-externalization costs	31.250 USD
<b>Total</b>	<b>173.450 USD</b>

<b>Cost of infrastructure</b>	
<b>Concept</b>	<b>Annual cost</b>
Office rental	18.000 USD
Miscellaneous	5.400 USD
Main server	7.200 USD
<b>Total</b>	<b>30.600 USD</b>

Applying the pertinent adjustments to the distribution of these costs over time, we have the following scenario:

<b>Concepts</b>	<b>18 months of development</b>	<b>Cost for the year +1</b>	<b>Cost for the year +2</b>
<b>Development</b>	265.800 USD		
<b>Marketing</b>		22.100 USD	12.000 USD
<b>Maintenance</b>		157.800 USD	157.800 USD
<b>Extra fingers</b>		31.250 USD	
<b>Infrastructure</b>	1.800 USD	3.600 USD	7.200 USD
<b>Totales</b>	<b>267.600 USD</b>	<b>214,750 USD</b>	<b>177.000 USD</b>

On the other hand, the income chapter is a direct function of the number of users achieved for the system, and would be distributed as follows:

- Previous subscriptions
- New subscriptions
- Subscriptions to "fingers" or specialized modules
- Organic subscriptions
- Micro-commissions for online transactions

Since each of them is a function of the number of users, it is necessary to apply formulas to each of these concepts in order to observe their evolution over time and obtain a revenue projection.

The different configurations that these formulas can take, would also give rise to a series of scenarios, which in order to obtain a financial view that

can be analyzed objectively, we will simply divide into three scenarios: Pessimistic, Intermediate and Optimal.

<b>Concept</b>	<b>Pessimistic</b>	<b>Intermediate</b>	<b>Optimal</b>
Annual users	30.000	160.000	300.000
% of users who also have a subscription to "fingers" or specialized modules	10%	20%	30%
% of users who perform online transactions	10%	25%	50%
Accumulated monthly average in micro-commissions per transaction of a user who operates online	10 USD/month	20 USD/month	30 USD/month

Applying these amounts and percentages to the subscription costs (50 USD) for both the basic system and the specialized modules quantifies these scenarios as follows:

	<b>Units</b>	<b>Unit cost</b>	<b>Annual subtotal</b>
Per basic subscription	30.000	50 USD	1.500.000 USD
Per modules	3.000	50 USD	150.000 USD
Per transactions	3.000	120 USD	360.000 USD
<b>Total pessimistic scenario</b>			<b>2.010.000 USD</b>

	<b>Units</b>	<b>Unit cost</b>	<b>Annual subtotal</b>
Per basic subscription	160.000	50 USD	8.000.000 USD
Per modules	32.000	50 USD	1.600.000 USD
Per transactions	40.000	240 USD	9.600.000 USD
<b>Total intermediate scenario</b>			<b>19.200.000 USD</b>

	<b>Units</b>	<b>Unit cost</b>	<b>Annual subtotal</b>
Per basic subscription	300.000	50 USD	15.000.000 USD
Per modules	90.000	50 USD	1.600.000 USD
Per transactions	150.000	360 USD	54.000.000 USD
<b>Total optimal scenario</b>			<b>70.600.000 USD</b>

In order to make an annual growth calculation, based on the three scenarios above, we use the following numbers:

<b>Concept</b>	<b>Pessimistic</b>	<b>Intermediate</b>	<b>Optimal</b>
Annual marketing impact	2%	4%	6%
Annual impact of organic growth	2%	5%	10%

Both growth percentages are cumulative in the different scenarios and therefore, we can make a three-year forecast of the impact of such growth.

<b>Scenario</b>	<b>Initial status</b>	<b>Growth</b>	<b>Year +1</b>	<b>Year +2</b>	<b>Year +3</b>
Pessimistic	30.000	4%	31.200	32.448	33.746
Intermediate	160.000	9%	174.000	190.096	207.205
Optimal	300.000	16%	348.000	403.680	468.269

Therefore, we can make a quick balance of the three scenarios considering these initial values as a starting point and without taking into account the growth percentages detailed above, even considering that the annual expenditure will double the largest expenditure item, which is that of the development period. This would be as follows:

	<b>Incomes</b>	<b>Expenses</b>	<b>Profit</b>
<b>Pessimistic</b>	2.010.000 USD	535.200 USD	1.474.800 USD
<b>Intermediate</b>	19.200.000 USD	535.200 USD	<b>18.664.800 USD</b>
<b>Optimal</b>	70.600.000 USD	535.200 USD	70.064.800 USD

Thus, applying that profit chart to the growth percentages detailed above over the years under study, we would have the following breakdown:

	<b>Of the scenario</b>	<b>Year + 1</b>	<b>Year +2</b>	<b>Year +3</b>	<b>Accumulated Profit</b>
<b>Pessimistic Growth 4%</b>	1.474.800	1.533.792	1.595.144	1.658.949	6.262.685 USD
<b>Intermediate Growth 9%</b>	18.664.800	20.344.632	22.175.648	24.171.456	<b>85.356.536 USD</b>
<b>Optimal Growth 16%</b>	70.064.800	81.275.168	94.279.194	109.363.865	354.983.027 USD

As a final note, 30,000 users is less than 1% of the local direct market in Kyrgyzstan. Or, the minuscule figure of 600 users for each of the 50 countries of deployment. The potential market for a comprehensive management tool for SMEs and freelancers is obviously many thousands of times larger than that.

Therefore, just as the beauty of the system is its conceptual simplicity, the mathematical beauty of its financial projection is also due to the same. The numbers are so clear and powerful that they don't even need to be accompanied by colorful graphics.

We hope this information is to your liking.

The Koldo team.