

## **Pitch Deck**



### **Raney & Associates**

Enterprise Value Creation, Direct Listings and Trading Market Development of Listed Shares

#### **Company Purpose**

Valuation Multiples, Liquidity and Shareholder Returns for Portfolio Brands

#### **Problem**

Pre-unicorn investments don't justify IPOs, while sacrificing tremendous growth in public valuations

#### **Solution**

Provide enterprise value creation and investor expectation to justify liquidity from public listings

#### **Traction, Market**

Institutional interest in direct listings was established through two decades Chinese reverse takeovers

Alternative Public Offerings (APO) create risk free windfall returns for private placement investors

Corporate development and investor relations drive all four components underlying value creation

Internet, social media, and email marketing can scale enterprise value creation to grow brand equity

#### **Traction, Service Offering**

Industry vanguards for private placements and Chinese reverse takeovers

US corporate development for Asian PE funds foundation for Chinese reverse takeover industry

10 years of trading market development of directly listed shares

Developed enterprise value creation system, ProAltIR™ to protect and grow market capitalization

Each component of ProAltIR™ system is ECM proven

Executive Board Director Hong Kong Listed ADR

Numerous PRC State sponsored cases

Expansive audience of institutional investors, including each capital stack layer for CRM acquisitions

Generalist with domestic and cross border deal experience in a wide variety of industries and stages

## Why Now

The collapse of the APO market for PRC listings has created pent-up demand for direct listing liquidity and returns from Institutional Investors

This pent-up demand is driving SPAC Funding. But SPAC listings and capital do not guarantee liquidity or market demand for shares. SPACs also lack key IPO resources to manage the trading market development of their shares, namely public market position strategies, active investor relations professionals or campaigns, Wall Street valuation endorsements, nor buy side introductions or analyst coverage.

In addition, many SPAC listings are providing immediate liquidity for employees, LPs and PIPE investors! This lack of trading market development resources, and high probability of a near term over supply of shares in the market naturally puts downward pressure on SPAC share prices

Given their arbitrary valuation methodologies, SPACs have high short selling risks due to any miscalculations of valuation multiples or milestone projections. SPAC CEOs are ill prepared for market makers taking control of their valuations, and I expect enough market volatility to indefinitely keep institutional short seller attention and provide them unlimited profits.

## Market Size

\$1 Trillion in Unrealized LP Returns

## Competition

Value Creations: CPAs and Management Consulting Firms (incremental vs exponential)

Direct Listing: SPAC IPO Underwriters and SPAC Sponsors (deal makers vs value creation)

Trading Market Development of Directly Listed Shares: IR Firms and Stock Promoters (single static news distribution platforms vs interactive multichannel communication platforms for enterprise value creation campaigns that drive investor expectations and share prices appreciation.

## Core Revenue Sources

### Integrated Services and Consideration

|                                      |   |
|--------------------------------------|---|
| Enterprise Value Creation:           | Cash Retainer, Equity Participation, and Board Seat     |
| Corporate Development:               | % Partnership Revenue                                   |
| Private Placements:                  | % Capital Raised  |
| Direct Listing:                      | Cash Retainer, Equity Participation and Board Seat      |
| Multichannel Platform and Analytics: | Monthly Budget for Outsourced IT and Marketing Services |
| Secondary Underwriting Referrals:    | % of Capital Raised                                     |

## Potential Revenue Sources

### **Warrants**

Private Placements

Listings and Secondary Offerings

### **Provide In-House IT and Marketing Services**

To consume monthly budget for client's integrated multichannel communication platforms, eliminating management and overhead of individual client's outsourced IT and marketing services

### **Commercializing R&D to expand service offering, gross margins and monthly fees charged for in-house IT services, data, and analytics**

Digitized Monthly Analytics and App

Virtual Deal Data Room

Client Intranet

White Labeled ProAltIR™ Systems

### **S8 Shares**

Managing listed client's outsourced IT and marketing service provider; their investor relations, corporate development, and brand awareness campaigns; as well as their public markets corporate governance

### **Commercializing In-House Training**

Enterprise Value Creation conferences, online trainings, and tiered certifications

Enterprise Value Creation academic text and online MBA course

### **Commercializing Call Center**

Sales commissions from client revenues

Success fees from Private Placement Memorandums (PPM) investment sales

### **Commercializing Investor Database (accreted and institutional investors)**

Success fees for CRE capital stacks

Success fees from Private Placement Memorandums (PPM) investment sales

Success fees from fund creation

### **Team**

George Raney (OSU and UM): ProActive Alternative Investor Relations (ProAltIR™), Enterprise Value Creation, Direct Listings, and Trading Market Development of Listed Shares

Manto Wong (UM): Institutional Investors

Brian Sloan (OSU): Client Marketing and Sales

**Projected Cash and Equity Considerations per Sponsored Portfolio Client \***

|   |                                  |
|---|----------------------------------|
| <b>(Q1)</b> Cash and Equity Retainers =                               | \$10,000 + 3% Equity <b>(Q1)</b> |
| <b>(Q2)</b> Buy Side Success Fees from Corporate Development Revenue: | \$500,000 x 3% = \$15,000        |
| <b>(Q3)</b> Sell Side Success Fees from Private Placement:            | \$3,000,000 X 3% = \$90,000      |
| <b>(Q4)</b> Direct Listing Cash and Equity Retainers:                 | \$50,000 + 3% Equity <b>(Q4)</b> |
| IPO Referral Success Fees:  | \$10,000,000 X 1% = \$100,000    |
| Monthly Budget Outsourced IT and Marketing Services:                  | \$10,000 X 12 = <u>\$120,000</u> |
|   | <b>\$385,000</b>                 |

**Year 1 Revenue projections after sale equity interests of 6%**

|   |                  |
|---|------------------|
| Cash: \$10,000 + \$15,000 + \$90,000 + \$50,000 + \$100,000 =                         | \$265,000        |
| Equity: 3% Portfolio Client + 3% Direct Listing = 6% X \$10,000,000 Public Offering = | <u>\$600,000</u> |
| Total:  | <b>\$865,000</b> |

**Year 2 Residual Income**

|  |                                  |
|--|----------------------------------|
| Monthly Budget Outsourced IT and Marketing Services: | \$10,000 X 12 = <b>\$120,000</b> |
|--|----------------------------------|

|                  | Y1        | Y2     | Y3      | Y4      | Y5      | Y6    | Y7      | Y8      | Y9      |
|------------------|-----------|--------|---------|---------|---------|-------|---------|---------|---------|
| Revenue*         | \$495,000 | \$5.5M | \$11.7M | \$13.7M | \$15.1M | \$20M | \$46M   | \$25.4M | \$25.4M |
| Expense**        | \$5.1M    | \$6.5M | \$11.6M | \$13.7M | \$25M   | \$26M | \$25.5M | \$25.5M | \$25.5M |
| Gross            | -\$4.5M   | -\$1M  | \$100K  | \$0M    | -\$10M  | -\$6M | \$20M   | -\$100K | -\$100K |
| New Offices      | 1         | 4      | 5       | 10      | 0       | 0     | 0       | 0       | 0       |
| New Employees    | 17        | 35     | 62      | 92      | 151     | 184   | 0       | 0       | 0       |
| Clients          | 5         | 16     | 28      | 40      | 52      | 92    | 0       | 0       | 0       |
| Clients / Office | 5         | 3.2    | 2.8     | 4       | 2.6     | 4.6   | 4.6     | 4.6     | 4.6     |

\*\* Revenue Assumptions: See R&A Revenue Projections

\*\* Expense Assumptions: See R&A Projected Expenses

## Closing Thoughts

**Big picture strategy** is for five US regional markets, each with three offices as well as five emerging market offices and five money center offices. Obviously, initial focus is on the Los Angeles, San Francisco, and Vancouver region and establishing Los Angeles headquarters. Four new regional offices open in Year 2. Each region gets a new office in Year 3, and their last of its three offices in Year 4, which also see international expansion into 5 emerging market cities for a total of 10 new offices on the year and 20 in total for the company.

Each client will bring first year revenue in the \$1million range if all equity is sold during first public offering. Key timing variables are for the listings and public offerings, which may stretch into year 2.

Except for a \$10,000 cash retainer to cover brand awareness campaign startup costs, revenue is success fee and equity based. ***This translates into over \$500,000 of first year services for \$10,000!***

Revenue projections calculate success fees from only one \$500,000 corporate development deal, one \$3M private placement financing, and one \$10M public offering per clients. Obviously lower middle market, growth stage and late-stage brands can generate deals five to ten times larger.

My projections are for breakeven early Y2. The company basically stays even during first five years of regional expansion. Year 5 loss results from doubling offices to 20, which are projected to bring in 10 new clients per quarter in Y6. ***No new offices, employees or clients are included in Year 7 profit projection, or in Y8 and Y9 breakeven projections.***

\$10,000 monthly budget for client cost for outsourced IT and marketing services are never increased.

Expense projections include a R&D budget to digitize analytics, SAAS and App development, deal data room designs and client intranets communications. Additional expenses include a budget for state-of-the-art training programs; developing complete in-house IT capabilities to minimize outsourcing overhead and increase margins; and a call center to drive new client sales and grow sales commissions from client revenues.

**Expansion strategies** include repositioning enterprise value creation service offering as (1) corporate development outsourcing, (2) delisting relief, and (3) proactive alternative investor relations to listed small cap and ADRs on top of continued enterprise value creation marketing.

**Additional revenue will be generated by commercializing:** 1) the in-house training programs, 2) the call center, 3) the investor databases, as well as through online professional certifications programs, academic publications, online MBA course work, and regional conferences. Integrated service revenue streams, ProAltIR™ interactive multichannel infrastructure, and an in-house IT profit center could disrupt the investor relations industry.

Initial target clients include portfolio brands in lower middle market private equity, growth equity and late-stage venture capital funds as well as family offices. Secondary funds, GP single asset acquisition funds and SPACs will be included in client marketing outreach campaigns during phase two expansion.

The third phase of growth will ***target non-sponsored regional brands for Direct Listings*** in competitions with regional funds, which may cause some disruption. Portfolio brands in emerging markets could provide cross border M&A and listing opportunities.

Finally, a fund to provide the working capital that finances client's monthly budget for multichannel platforms can create risk free windfall returns, like those of Alternative Public Offerings.



| Original Positions  | Original Employees | Yr 1               | New Employees | Yr 2               | 4 New Regions | Yr 3                | New Employees | Raises Yr 4         | 5 Regionals 5 EM | Yr 5                | New Employees | Yr 6                | New Employees | Yr 7                | New Employees | Yr 8                | New Employees | Yr 9                |
|---|--------------------|--------------------|---------------|--------------------|---------------|---------------------|---------------|---------------------|------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|
| CEO   | 1                  | \$250,000          |               |                    |               |                     |               | \$250,000           |                  |                     |               |                     |               |                     |               |                     |               |                     |
| CFO   | 1                  | 200,000            |               |                    |               |                     |               | 50,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Controller  | 1                  | 150,000            |               |                    |               |                     |               | 25,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| COO   |                    |                    |               |                    |               | 200,000             |               | NA                  |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Attorney  | 1                  | 150,000            |               |                    |               |                     |               | 25,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Director IT   | 1                  | 200,000            |               |                    |               |                     |               | 50,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Director Human Resources                                      | 1                  | 150,000            |               |                    |               |                     |               | 25,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Director Research   | 1                  | 150,000            |               |                    |               |                     |               | 25,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Director Analytics  | 1                  | 150,000            |               |                    |               |                     |               | 25,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Director Sales  | 1                  | 150,000            |               |                    |               |                     |               | 25,000              |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Director Training   |                    |                    |               |                    |               |                     | 1             | 150,000             |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Director Public Relations                                     |                    |                    |               |                    |               |                     | 1             | 150,000             |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Campaign Managers   | 1                  | 200,000            |               |                    | 4             | 800,000             | 5             | 1,000,000           | 10               | 2,000,000           |               |                     |               |                     |               |                     |               |                     |
| Vice Presidents   | 1                  | 150,000            | 4             | 600,000            | 4             | 600,000             | 5             | 750,000             | 10               | 1,500,000           |               |                     |               |                     |               |                     |               |                     |
| Associates  | 1                  | 125,000            | 4             | 500,000            | 4             | 500,000             | 5             | 625,000             | 10               | 1,250,000           |               |                     |               |                     |               |                     |               |                     |
| Analysts  | 1                  | 100,000            | 4             | 400,000            | 4             | 400,000             | 5             | 500,000             | 10               | 1,000,000           |               |                     |               |                     |               |                     |               |                     |
| Director Translation  |                    |                    |               |                    |               |                     |               |                     | 1                | 150,000             |               |                     |               |                     |               |                     |               |                     |
| Copy Writer   | 1                  | 100,000            |               |                    |               |                     |               |                     |                  |                     | 1             | 100,000             |               |                     |               |                     |               |                     |
| Graphic Designer  | 1                  | 100,000            |               |                    |               |                     |               |                     |                  |                     | 1             | 100,000             |               |                     |               |                     |               |                     |
| Internet Marketing Manager                                    |                    |                    |               |                    |               |                     | 1             | 75,000              | 1                | 75,000              |               |                     |               |                     |               |                     |               |                     |
| Social Media Marketing Manager                                |                    |                    |               |                    |               |                     | 1             | 75,000              | 1                | 75,000              |               |                     |               |                     |               |                     |               |                     |
| Email Marketing Manager                                       |                    |                    |               |                    |               |                     | 1             | 75,000              | 1                | 75,000              |               |                     |               |                     |               |                     |               |                     |
| Call Center Manager   | 1                  | 75,000             |               |                    |               |                     |               |                     |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Callers   | 1                  | 50,000             | 5             | 250,000            | 5             | 250,000             | 5             | 250,000             | 5                | 250,000             | 30            | 1,500,000           |               |                     |               |                     |               |                     |
| Clerical  | 1                  | 50,000             | 2             | 100,000            | 6             | 300,000             | 5             | 250,000             | 10               | 500,000             | 3             | 150,000             |               |                     |               |                     |               |                     |
| Annual Payroll Increase                                       |                    | \$2,500,000        | 18            | \$1,850,000        | 27            | \$3,050,000         | 30            | 4,400,000           | 59               | 6,725,000           | 33            | 1,850,000           | 0             |                     | 0             |                     | 0             |                     |
| Total Employees   | 18                 |                    | 35            |                    | 62            |                     | 92            |                     | 151              |                     | 184           |                     | 0             |                     | 0             |                     | 0             |                     |
| <b>Expenses</b>   |                    |                    |               |                    |               |                     |               |                     |                  |                     |               |                     |               |                     |               |                     |               |                     |
| Total Payroll   |                    | \$2,500,000        |               | \$4,350,000        |               | \$7,400,000         |               | \$11,800,000        |                  | \$18,525,000        |               | \$20,375,000        |               | \$20,375,000        |               | \$20,375,000        |               | \$20,375,000        |
| Equipment   |                    | 500,000            |               | 100,000            |               | 500,000             |               | 200,000             |                  | 1,000,000           |               | 100,000             |               | 100,000             |               | 100,000             |               | 100,000             |
| Professional Service Outsourcing                              |                    | 100,000            |               | 200,000            |               | 500,000             |               | 250,000             |                  | 1,000,000           |               | 1,000,000           |               | 1,000,000           |               | 1,000,000           |               | 1,000,000           |
| Research  |                    | 0                  |               | 100,000            |               | 100,000             |               | 100,000             |                  | 250,000             |               | 250,000             |               | 250,000             |               | 250,000             |               | 250,000             |
| Furniture   |                    | 500,000            |               | 100,000            |               | 500,000             |               | 100,000             |                  | 1,000,000           |               | 100,000             |               | 100,000             |               | 100,000             |               | 100,000             |
| Marketing   |                    | 500,000            |               | 500,000            |               | 500,000             |               | 500,000             |                  | 1,000,000           |               | 1,000,000           |               | 1,000,000           |               | 1,000,000           |               | 1,000,000           |
| Training  |                    | 500,000            |               | 100,000            |               | 100,000             |               | 100,000             |                  | 200,000             |               | 200,000             |               | 200,000             |               | 200,000             |               | 200,000             |
| Utilities, Supplies, Consultants, Insurance, Taxes and Travel |                    | 500,000            |               | 500,000            |               | 1,000,000           |               | 100,000             |                  | 1,000,000           |               | 1,000,000           |               | 1,000,000           |               | 1,000,000           |               | 1,000,000           |
| Rent per employees per month (\$833.88 X 50 X12)              |                    | 500,000            |               | 500,000            |               | 1,000,000           |               | 500,000             |                  | 1,000,000           |               | 1,500,000           |               | 1,500,000           |               | 1,500,000           |               | 1,500,000           |
| Total Expenses  |                    | \$5,100,000        |               | \$6,450,000        |               | \$11,600,000        |               | \$13,650,000        |                  | \$24,975,000        |               | \$25,525,000        |               | \$25,525,000        |               | \$25,525,000        |               | \$25,525,000        |
| <b>Annual Budgets</b>   |                    | <b>\$5,000,000</b> |               | <b>\$7,000,000</b> |               | <b>\$12,000,000</b> |               | <b>\$15,000,000</b> |                  | <b>\$25,000,000</b> |               | <b>\$25,000,000</b> |               | <b>\$25,000,000</b> |               | <b>\$25,000,000</b> |               | <b>\$25,000,000</b> |
| <b>Total Employees</b>  | <b>17</b>          |                    | <b>35</b>     |                    | <b>62</b>     |                     | <b>92</b>     |                     | <b>151</b>       |                     | <b>184</b>    |                     | <b>184</b>    |                     | <b>184</b>    |                     | <b>184</b>    |                     |
| <b>Projected Clients</b>                                      | <b>5</b>           |                    | <b>16</b>     |                    | <b>28</b>     |                     | <b>40</b>     |                     | <b>52</b>        |                     | <b>92</b>     |                     | <b>92</b>     |                     | <b>92</b>     |                     | <b>92</b>     |                     |
| <b>New Offices</b>  | <b>1</b>           |                    | <b>4</b>      |                    | <b>5</b>      |                     | <b>10</b>     |                     | <b>0</b>         |                     | <b>0</b>      |                     | <b>0</b>      |                     | <b>0</b>      |                     | <b>0</b>      |                     |
| <b>Clients/Office</b>   | <b>5</b>           |                    | <b>3.2</b>    |                    | <b>2.8</b>    |                     | <b>2</b>      |                     | <b>2.6</b>       |                     | <b>4.6</b>    |                     | <b>4.6</b>    |                     | <b>4.6</b>    |                     | <b>4.6</b>    |                     |
| <b>Employee/Client</b>  | <b>3.4</b>         |                    | <b>2.19</b>   |                    | <b>2.21</b>   |                     | <b>2.30</b>   |                     | <b>2.90</b>      |                     | <b>2</b>      |                     | <b>2</b>      |                     | <b>2</b>      |                     | <b>2</b>      |                     |
| Projected Revenue   |                    | \$495,000          |               | 5,480,000          |               | 11,670,000          |               | 13,680,000          |                  | 15,120,000          |               | 19,955,000          |               | 45,990,000          |               | 25,440,000          |               | 25,440,000          |
| Projected Expenses  |                    | 5,100,000          |               | 6,450,000          |               | 11,600,000          |               | 13,650,000          |                  | 24,975,000          |               | 25,525,000          |               | 25,525,000          |               | 25,525,000          |               | 25,525,000          |
| Gross Profit  |                    | -\$4,605,000       |               | -\$970,000         |               | \$70,000            |               | \$30,000            |                  | -\$9,855,000        |               | -\$5,570,000        |               | 20,465,000          |               | -\$85,000           |               | -\$85,000           |

