

FOODOO



FOODOO INVESTMENT PROJECT

CONTENT

1. DEVELOPMENT PLAN

- 1.1 Foodoo - the introduction
- 1.2 Current Status
- 1.3 Company approach
- 1.4 Services in test mode
- 1.5 Road map
- 1.6 Objectives and Vision

2. MARKETING PLAN

- 2.1 Market analysis
 - 2.1.1 Our competitors
- 2.2 Offer of unique value
- 2.3 Marketing Strategy

3. FINANCIAL PLAN

- 3.1 Unit economy
- 3.2 Investment proposal
- 3.3 Necessary funding
- 3.4 Financial Outlook
- 3.5 Income and expenses of future periods
- 3.6 Accounting policies and financial controls
- 3.7 Dividend policy

4. PRESENT RISKS

5. TEAM

6. LEGAL INFORMATION

7. CONCLUSION

1. DEVELOPMENT PLAN

1.1 Foodoo – the introduction.

Alexander Medvedev established Medvedev Prodigy Systems LLC in 2019 specifically to create and register rights for Foodoo mobile app and other intellectual property in the catering area. The idea to create the app came to him while he was working on his own chain of cafes – Holodilnik, with Aero loft restaurant and based on his own experience of eating out.

Catering is one of the most demanded services in the world. The market keeps growing every year and reacts flexibly to customer expectations and needs. At the same time, it lags behind in terms of IT innovations.

Research shows that there are no apps in the market that are able to provide both restaurants and guests a complete package of services. At the moment remote services are only available to VIP guests, and to get them they have to make a phone call to the restaurant.

Alexandr Medvedev | Founder



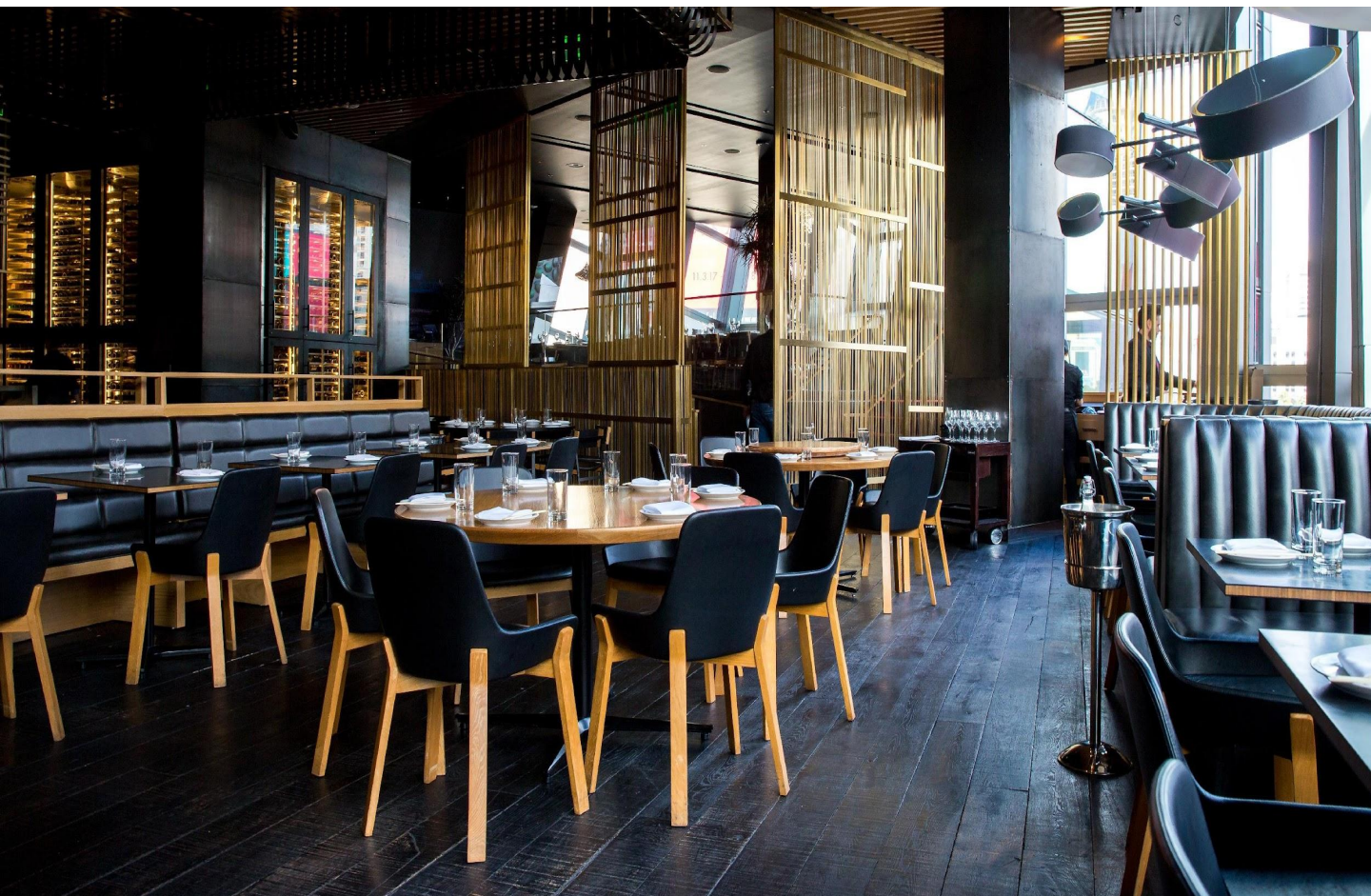
1.2 Current Status

Foodoo is finished and functioning. We provide apps for Android and IOS and back-end and front-end, a management system for restaurants and integration with iiko ERP system. R-keeper is under development.

The mobile application has all the available functions. The management system for restaurants is based on surface-level analytics, which requires extension, the mobile app's interface and design require improvement.

There are websites for restaurant guests, constructors and algorithms for the service implementation for restaurants. So implementation does not require special skills.

The service logo and brand name were patented [patents of Russia No. 2019744725]. We are preparing documents to patent a part of the app's original interface and design



1.3 Company approach

FOODOO can solve all the above problems of restaurant owners by means of complete integration of the software with ERP (Enterprise Resource Planning) restaurant management system.

The system will collect and later analyse data about all orders for a particular guest. It will allow restaurants to make effective TARGETED advertising for specific guests. As a result, they will get higher profits and reduce marketing costs. At the moment, waiters and administrators have all information about guests and their preferences. When they leave, information is lost. Also, the system can analyse the most and least popular menu items and optimize menus to gain higher profits.

Second, a wide functionality of the mobile app will provide full information about the restaurant and opportunity to book tables online, access menu and make orders. The app will replace waiters. All they need to do will be to serve food.

Third, guests can manage their orders and bookings via the mobile app. As a result, the restaurant owners will reduce salary budget and reduce the number of staff to cut costs.

Forth, guests can leave a tip directly through the app. Tips are a gift to the waiter, so they do not increase tax burden of the restaurant. Working without paper bills and receipts is more attractive for waiters.

Fifth, restaurants can increase table turnover rate and reduce workload on the waiters. Guests will wait less and get faster, higher quality service.

For the guests all solutions will be in a single mobile app.

Mobile app – user part. It provides extended functionality to guests. Let's see what it includes:

- Interactive map of the restaurants/cafes or list of places with user filters (rating, distance, free seats, cuisine, average bill, etc.)
- Detailed information about the place. Information in the app is synchronized with changes in ERP (Enterprise Resource Planning) system of the restaurant, so information is always up-to-date (photos, layout, reviews, menu, prices, discounts, promotions)
- Choosing and booking a table for a particular time (based on the layout of the dining area, guests can select a table at the window or in a quiet area)
- Full menu with pictures, photos, prices, recommendations, ingredients and calories.
- Order and pay food and drinks to take away.
- Delivery
- Making an order for a particular time, payment through the app.
- Making an order at the restaurant without calling a waiter
- Adding friends to a joint order
- Adding extra items without calling a waiter
- Making a bill in the app without calling a waiter, opportunity to split the bill based on particular dishes and based on the amount
- Opportunity to leave a tip based on the percentage of the amount paid or a particular amount of tip
- Elements of a social network, making a list of friends and family, colleagues, sending push notifications, invitations to events, to visit a restaurant including extra information, such as: address, name, time, table number, theme of the event
- Making a bonus account due to cash-back, opportunity to pay orders using cash-back
- Opportunity to repeat or edit orders.

This functionality will allow guests to get full information about the place, book any table through the app. save time by making pre-orders for a particular time and cutting time for communication with staff, also guests do not have to attract the attention of the waiters. All loyalty systems are in one app.

1.4 Services in test mode

Now the service is being tested at our own restaurants Holodilnik and AeroLoft. Restaurants collect analytical data of registered users, and time spent by guests in the restaurant is reduced.

Early booking, pre-orders and delivery services are also available. During the first month of operation the service processed 27% of all orders.

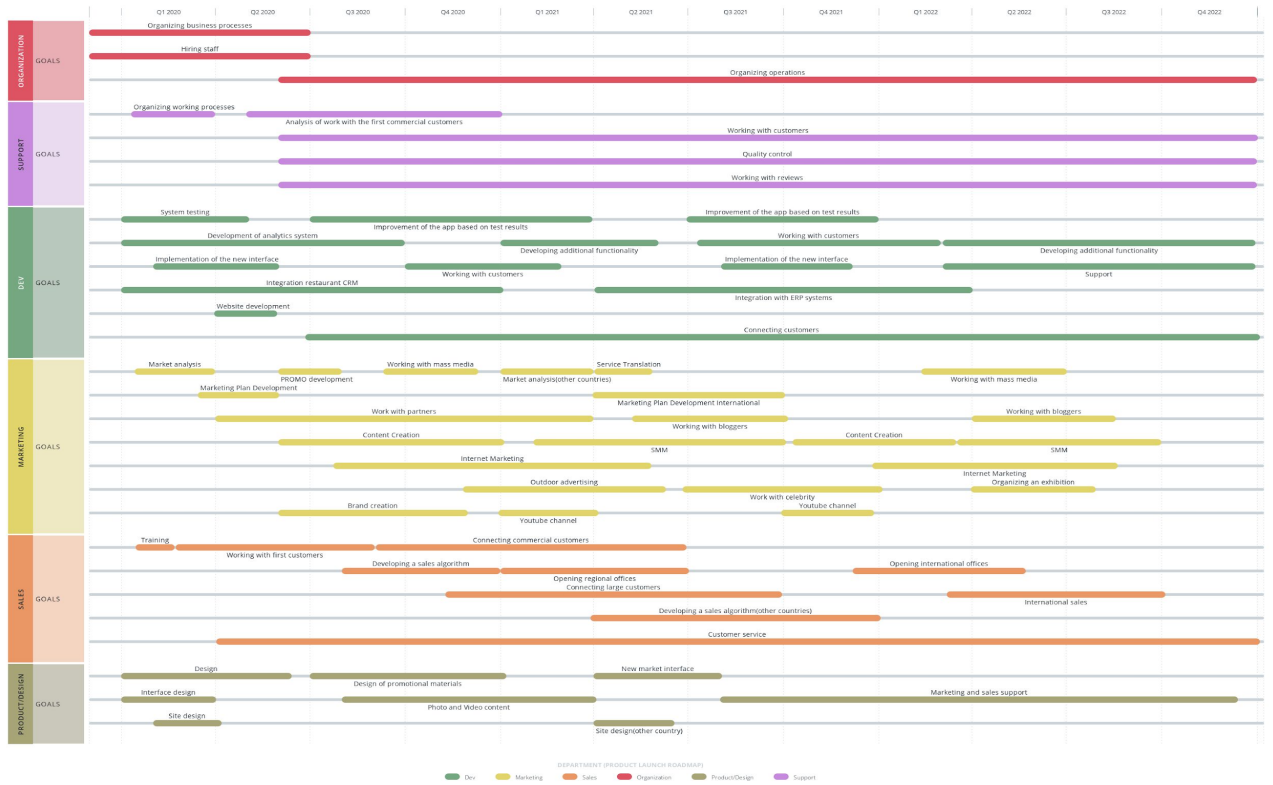
After testing, interface, design and analytics improvement Foodoo will be ready for a wide-scale launch.



1.5 Road map

FOODOO - TIMELINE

1 jan. 2019 t. - 1 jan. 2023 t.



Published on: 27 november 2019.

Designed with roadmunk



1.6 Objectives and Vision

Our app is already used successfully by two restaurants – Holodilnik and Aeroflot. In January 2020 5 more cafes and restaurants in Perm city will be connected to it. Agreements are in place, at the moment analysis of their IT structure is carried out in order to provide high quality connection.

Potential investors' money will be used for a massive advertising campaign that will allow us to enter the markets of major Russian cities, such as Perm, Yekaterinburg, Kazan, Saint Petersburg and Moscow with the population over 1.5 million people. Also it will allow to expand the functionality of the service to meet the needs of each customer in each region, and this shift the service to a brand new level.

We plan to cover 15% of the Russian catering market turnover in 5 years by connecting 40% of all Russian restaurants and cafes.



2. MARKETING PLAN

2.1 Market Analysis

The development of the catering segment is a socially important task at the macro level, as it indicates the development of the country. At the micro level it is an indicator of the living standard.

Catering business in Russia suffered during the economic crisis in 2014–2016, but in 2017 it began to recover showing 6.3% growth in revenue per year.

According to RBK.research, the Russian catering market will demonstrate growth rate of 6 to 8% per year, unless new economic problems come up. The main drivers of the market will be high customer confidence, higher incomes, increased living standards that promote the culture of eating out. The Rosstat report shows that in 2018 the turnover of the industry grew by 6.5 % and amounted to \$23,92 billion.

Revenues in the catering sector in Russia

2016 \$21,12 billion.

2017 \$22,46 billion.

2018 \$23,92 billion.

Every year more and more companies enter the catering market. Consumers can choose from a greater number of offers, so competition increases. To win this competitive battle, catering companies strive for providing customers with products and services which satisfy their requirements and needs to the fullest extent.

Digital technologies are an up-to-date tool that makes provision of products and services as convenient as possible and is able to give the customer all information he needs. Digital technologies can also attract guests making the process of purchasing goods or receiving services more fascinating and extraordinary.

Surveys show that 10% of orders in restaurants/cafes were made with the use of digital technologies such as mobile apps, websites and terminals. Clients making online orders visit restaurants by 67% oftener than others.

According to LevelUp report, advance order function available in mobile apps or on websites of restaurants generates about 5% of sales volume in the first three months after its integration.

LevelUp study shows that from 5% to 12% of customers accept an individual loyalty program of a restaurant/cafe, 56% of respondents answered "very unlikely" and "no" to an offer to download an app for a certain restaurant, and only 6% of the responses were positive. If a loyalty program has a mobile payment function, the share of positive responses reaches 18–28%. With an added advance order function, this figure goes up to 15–35%.

Recently, a lot of solutions were developed to help restaurant owners. As a rule, new technologies include IT solutions for smartphones, tablets or computers at various stages of the company working processes. One of the most popular is introduction of electronic menus. They provide an advantage of adding new items without the need to re-print the paper menu. Also, they increase interest of the guests, because they can get information about each dish.

Fast-food chains often use terminals to simplify selection of dishes and order placement. Information goes directly into the system or to employees of the restaurant. McDonald's was the first to introduce the new system in the Russian market.

As popularity of smartphone and tablets grows, many restaurants develop their own mobile apps. Such apps provide up-to-date information about all open locations in the chain (working hours, addresses), company news, discounts and promotions, information about the loyalty program, bonus points. In addition to mobile apps, there are mobile loyalty programs (MLP). Their advantage is absence of physical loyalty cards. To take part in a loyalty program, it is necessary to install the app and use it for each order.

Another very simple innovation is the use of wireless buttons to call waiters. These buttons are installed on the table, and waiters have a beeper to get signals from the buttons. A guest can call the waiter at any time without the need to attract attention in other ways.

2.1.1 Our competitors

There are also two solutions in the Russian market: Foodle and SberFood.

SberFood

SberFood came to the market in 2019, when Sberbank acquired Plazius LLC with their mobile app. Plazius was designed as a mobile loyalty platform, later it got the functions of making orders without a waiter based on the restaurant table code, leaving tips and making pre-orders. Bonuses and cash-back were calculated based on promo codes of each restaurant that had to be shown to the waiter. The system is integrated with ERP, R-Keeper and liko. Such narrow functionality was not very popular in the industry, at the moment 2000 restaurants in Russia are connected.

Sberbank kept the main idea of Plazius, but focused more on making pre-orders by changing pricing policy for fixed monthly payments about 10,000 rubles and by adding a high commission (10% from each booking and 10% from pre-orders) from each transaction through the app. Plazius cooperates with Afisha.Restaurants and provides general information about all main popular restaurants and cafes. SberFood functionality does not solve all problems of the guests and restaurants and is aimed at large chains and big restaurants.

Foodle

Foodle has been in the market of Saint Petersburg since 2018 with less than 300 restaurants at the moment. It does not provide integration with ERP systems, orders made in the app are transferred into the restaurant using a support team, so human mistakes are possible. Foodle charges restaurants 10% of all transactions through the service. Most of the announced functionality is not available. The announced number of restaurants connected to the system is higher than the actual.



Comparing Foodoo functionality with competitors

Indicator		Foodoo	SberFood	Foodle
Functions	Information about the restaurant	v	v	v
	Map of restaurants in the system	v	v	v
	Interactive map showing seat availability	v	x	x
	Making a call	v	v	v
	All cafes/restaurants of the chain	v	v	v
	News and promos	v	v	v
	Pre-order	v	v	v
	Comments to the order	v	v	v
	Payment	v	v	v
	Layout	v	x	x
	Table reservation	v	v	v
	Choice of particular table	v	x	x
	Menu download	v	v	v
	Recommendations to menu	v	x	x
	Details about ingredients	v	v	x
	Making orders in the restaurant	v	v	v
	Split the bill	v	v	v
	Joint order	v	v	x
	Repeat order (including edit function)	v	x	x
	Hookah constructor	v	x	x
	Leave tips	v	v	v
	List of friends	v	x	x
	Invite friends (push)	v	x	x
Make a menu based on preferences	v	x	x	
Delivery	v	x	x	
Reviews	v	v	v	
Loyalty	Promos	v	v	x
	Cash-back, levels	3	3	x
	Automatic cash-back without entering a code	v	x	x
	Special offers from restaurants	v	v	x
Extra services	Marking a restaurant on the map	v	x	x
	Marking a restaurant as recommended	v	x	x
Integration	Integration with ERP	v	v	x

Cost of services:

Service	Foodoo	SberFood	Foodle
Booking	Free	10%	Free
Pre-order	3%	10%	10%
Loyalty program	Free	\$30	no
Promos	Free	\$77	no
Mailings and analytics	Free	\$77	no
Mobile payment	Free	Relatively free	Free
Wallet	Free	\$15	no

In monthly equivalent, costs of using a service look like this:

Average monthly turnover of a restaurant in Russia \$21 920		Foodoo	SberFood	Foodle
	Commission per month (25% of turnover through the app)	\$164	\$548	\$548
	Fixed payments	no	\$170 (package discount)	no
TOTAL		\$164	\$718	\$548

Advantage of competitors is that they are already present in the market, have a customer base and user base. Our advantage is full functionality, integration with ERP, possibility to use for cafes and restaurants of any size and format, low commission of 3% and extra privileges for restaurants and mobile app users.

2.2 Offer of unique value

FooDoo can be used in restaurants/cafes with different cuisine, floor space and price levels. It will implement new and unique functions to provide high-quality and advanced services to its users:

- Full analytics
- Direct mailing
- Advertising inside the app
- Integration with ERP systems
- Interactive map
- Full-featured booking of tables
- Layout of restaurants showing location of tables and windows / WC / bar / entrance / exit
- Possibility to make orders for delivery
- Orders and follow-up orders in the app
- List of friends
- Hookah constructor

FooDoo – is a new way of getting a traditional service!

2.3 Marketing Strategy

According to surveys, the most effective advertising channels for IT products are promotion on the Internet, at exhibitions and through sales agents. Outdoor advertisements are not so effective, but their continuous presence all around customers and users forms positive opinions and brand's perception and awareness.

When developing a marketing strategy, main attention will be paid to the quality of leads rather than their quantity, in order to improve sales department performance. Focusing on qualitative audience provides better heating up of customers and allows to speed up their journey through a sales funnel and prepare them for making a deal.

The most effective and popular advertising channels on the Internet are search engine advertising, search queries, retargeting and advertisements in Instagram, YouTube and Facebook. Advertising at specialized exhibitions pursues different goals, including the following: image-building (image formation / sustaining), marketing (marketing intelligence and promotion) and commercial (search and attraction of new partners / customers).

All restaurants use ERP systems distributed by regional dealers by franchising. That's why one of the main distribution channels of Foodoo is a partner program based on agency contracts. This channel has its own client base, and all new restaurants/cafes apply for equipment and software before opening. Partnership with Foodoo is an additional source of revenue.

To involve the market majors, it is planned to interact with media personalities of the market and celebrities.

3. FINANCIAL PLAN

3.1 Unit economy

3.2 Investment proposal

To implement the project in Russia, the company needs investment in the amount of **\$10 000 000**

This amount is required to provide brand recognition, create a high quality product, provide integration with ERP systems and build a strong sales team. Special attention will be paid to marketing and advertising. After 3 investment rounds, **13 000** customers will be connected to the app.

3 investment rounds are planned

- **\$3 756 267** The first round of investment will help us build our brand, move the app to the new level, and launch it in all major regions of Russia.
- **\$4 576 189** The second round will allow us to get a dominating position in the area.
- **\$1 667 543** The third round will support active development of the service until it reaches the payback point.

The investor who will be ready to finance the first stage is offered a 10% stake in the company in the first round of financing and special conditions for entering the second round. In the second round, when the full amount is closed, the investor is offered another 15% of the company. The third round of investments is equivalent to a 5% stake. In total, after three rounds, the investor will be able to dispose of a 40% stake in the company.

3.3 Necessary funding

		2020	2021	2022
Operational costs		\$3 756 267	\$4 576 189	\$1 667 543
	Salary budget	\$1 307 030	\$2 000 000	\$973 841
	Taxes	\$574 072	\$878 863	\$424 904
	Administration	\$1 875 165	\$1 697 326	\$268 798

TOTAL: \$10 000 000

Due to this investment, the company will be able to get a dominating position in the market by 2021 and achieve payback point in 2022.

P.S. The exact amounts may vary due to external factors. However, the budget will not increase.

3.4 Financial Outlook

Financial plan of the company is made for five years. It is based on the expected annual growth of the Russian catering market by 5% and gradual involvement of restaurants into the service. The number of connected customers and payments through the service in the first year is estimated as 25%, in the fifth year as 40%. Research has shown that up to 85% of payments in the catering sector are non-cash, some of them will be done through the app.

Company profit estimation is based on the commission of 3%. This will be the most attractive offer in the market. Competitors charge over 10% at the moment. It will allow to attract a maximum number of clients and users in a short time and at more fair and competitive conditions. Therefore, company income depends on the following 3 main factors:

- volume of the covered market;
- share of payments through the app;
- commission of the service.

We can influence each of these factors separately and thus manage the company income

Revenues in the catering sector			Revenues of fast-food cafes	Target turnover
year	billion \$	growth	billion \$	billion \$
2015	20,48	6,00%	6,14	14,34
2016	21,12	3,10%	6,33	14,78
2017	22,46	6,37%	6,74	15,72
2018	23,92	6,49%	7,18	16,74
2019	25,19	5,30%	7,56	17,63
2020 plan	26,45	5,00%	7,93	18,51
2021 plan	27,77	5,00%	8,33	19,44
2022 plan	29,16	5,00%	8,75	20,41
2023 plan	30,62	5,00%	9,18	21,43
2024 plan	32,15	5,00%	9,64	22,50

According to the Russian Statistics Agency, there are about 100 thousand restaurants and cafes in Russia, 30% of them are fast-food cafes.

Our figures do not include fast-food cafes, because they are not our target customers since there is no need to book a particular table.

However, making orders through the app may be a demanded service, because there are lines in rush hours at the cashier desks. If customers make a pre-order, they can collect a prepared and packed order without waiting in line.

Based on the above figures. the average annual revenue of one cafe / restaurant is \$263 040, and average monthly revenue is \$21 920. The average bill is \$16 per customer. We will use these figures to calculate the required number of cafes / restaurants and users in the system to achieve the expected economic indicators.

Calculations were based on the Russian taxation system: VAT – 20%. Profit tax – 13.5%. This indicator is different from the average Russian (20%), because our company is a resident of the TechoPark, which allows us to get tax benefits. Other tax benefits are possible if the company is registered in the Ministry of Communications, including reduction of the VAT rate down to 0% and reduction of social security payments rate for employees.

By the end of January 2020, we plan to connect 20 partner testers to the system. The partners will have preferential conditions for maintenance during the first year of operation and everlasting favourable terms of cooperation.

The estimated number of partners in various regions and cities of Russia is 100. Involvement of partners and advertising cooperation for partners' benefit and with the use of their facilities will attract the first users to the system. Programs motivating users to download the app and register in it will maintain and enhance this effect. Great increase of the number of users in the system will allow us to start cooperating under commercial conditions, as where there's demand, there's supply.



3.5 Income and expenses of future periods

2020

	Market share	Number of cafes / restaurants		Turnover of connected	Turnover through the app		Commission of the service (MRR)	Operation costs	VAT	Profit tax, 13.5%	Net profit
Jan 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Feb 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Mar 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Apr 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
May 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Jun 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Jul 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Aug 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Sep 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Oct 2020	0,00%	0	0	\$0		\$0	\$0	\$313 022	\$0	\$0	\$0
Nov 2020	0,00%	0	0	\$0	25,00%	\$0	\$0	\$313 022	\$0	\$0	\$0
Dec 2020	0,01%	7	7	\$154 273	25,31%	\$39 040	\$1 171	\$313 022	\$195	\$0	\$976
TOTAL	0,01%		7	\$154 273	25,31%	\$39 040	\$1 171	\$3 756 267	\$195	\$0	\$976

Cooperation with the first commercial partners is expected to start in the second half of 2020. By this time, we will redesign the interface and perform integration with major ERP systems, which will minimize negative experience of customer interaction and allow connecting restaurants/cafes of any type.

During the first year, advertising costs will be limited to expenditures for partner testers, shared advertising by Foodoo and its partners, maintenance of social media profiles, social media advertising and motivation programs. At the end of the first year, the company receives a commission from customer turnover.

2021

	Market share	Number of cafes / restaurants		Turnover of connected	Turnover through the app		Commission of the service (MRR)	Operation costs	VAT	Profit tax, 13.5%	Net profit
Jan 2021	0,02 %	7	15	\$323 973	25,61%	\$82 976	\$2 489	\$381 349	\$415	\$0	\$2 074
Feb 2021	0,45 %	316	331	\$7 289 383	25,92%	\$1 889 262	\$56 678	\$381 349	\$9 446	\$0	\$47 232
Mar 2021	0,88 %	316	647	\$14 254 793	26,22%	\$3 738 177	\$112 145	\$381 349	\$18 691	\$0	\$93 454
Apr 2021	1,31 %	316	963	\$21 220 203	26,53%	\$5 629 720	\$168 892	\$381 349	\$28 149	\$0	\$140 743
May 2021	1,74 %	316	1 279	\$28 185 613	26,84%	\$7 563 891	\$226 917	\$381 349	\$37 819	\$0	\$189 097
Jun 2021	2,17 %	316	1 596	\$35 151 023	27,14%	\$9 540 691	\$286 221	\$381 349	\$47 703	\$0	\$238 517
Jul 2021	2,60 %	316	1 912	\$42 116 433	27,45%	\$11 560 118	\$346 804	\$381 349	\$57 801	\$0	\$289 003
Aug 2021	3,03 %	316	2 228	\$49 081 843	27,75%	\$13 622 175	\$408 665	\$381 349	\$68 111	\$0	\$340 554
Sep 2021	3,46 %	316	2 544	\$56 047 253	28,06%	\$15 726 859	\$471 806	\$381 349	\$78 634	\$1 596	\$391 575
Oct 2021	3,89 %	316	2 860	\$63 012 663	28,37%	\$17 874 172	\$536 225	\$381 349	\$89 371	\$8 843	\$438 011
Nov 2021	4,32 %	316	3 177	\$69 978 073	28,67%	\$20 064 113	\$601 923	\$381 349	\$100 321	\$16 234	\$485 369
Dec 2021	5,00 %	500	3 677	\$80 993 140	28,98%	\$23 470 192	\$704 106	\$381 349	\$117 351	\$27 730	\$559 025
TOTAL	5,00 %		3 677	\$467 654 388	28,98%	\$130 762 345	\$3 922 870	\$4 576 189	\$653 812	\$54 403	\$3 214 655

In the second year the company has a large marketing budget targeted at brand promotion by means of outdoor advertising, celebrities and advertising through YouTube bloggers. Internet and social media advertising will also be used on a wider scale. Special conditions for large market players and their involvement in the service will also promote wider use of the app.

At the end of the second year we are planning to have up to 3677 commercial customers and over 1 million mobile app users in large Russian cities, such as Moscow, Saint Petersburg, Yekaterinburg, Nizhniy Novgorod, Kazan. Turnover through the app will be **\$130 762 345**.

2022

	Market share	Number of cafes / restaurants		Turnover of connected	Turnover through the app		Commission of the service (MRR)	Operation costs	VAT	Profit tax, 13.5%	Net profit
Jan 2022	7,08%	1 531	5 207	\$120 420 600	29,28%	\$35 263 968	\$1 057 919	\$367 388	\$176 320	\$69 419	\$812 181
Feb 2022	9,16%	1 530	6 737	\$155 798 403	29,59%	\$46 100 748	\$1 383 022	\$367 388	\$230 504	\$105 993	\$1 046 526
Mar 2022	11,24%	1 530	8 267	\$191 176 207	29,90%	\$57 154 039	\$1 714 621	\$367 388	\$285 770	\$143 298	\$1 285 553
Apr 2022	13,32%	1 530	9 797	\$226 554 010	30,20%	\$68 423 842	\$2 052 715	\$367 388	\$342 119	\$181 333	\$1 529 263
May 2022	15,40%	1 530	11 327	\$261 931 813	30,51%	\$79 910 158	\$2 397 305	\$367 388	\$399 551	\$220 099	\$1 608 258
Jun 2022	17,48%	1 530	12 857	\$297 309 617	30,81%	\$91 612 985	\$2 748 390	\$367 388	\$458 065	\$259 596	\$1 663 340
Jul 2022	19,56%	1 530	14 386	\$332 687 420	31,12%	\$103 532 325	\$3 105 970	\$367 388	\$517 662	\$299 824	\$1 921 096
Aug 2022	21,64%	1 530	15 916	\$368 065 224	31,43%	\$115 668 177	\$3 470 045	\$367 388	\$578 341	\$340 783	\$2 183 534
Sep 2022	23,72%	1 530	17 446	\$403 443 027	31,73%	\$128 020 541	\$3 840 616	\$367 388	\$640 103	\$382 472	\$2 450 654
Oct 2022	25,80%	1 530	18 976	\$438 820 830	32,04%	\$140 589 418	\$4 217 683	\$367 388	\$702 947	\$424 892	\$2 722 456
Nov 2022	27,88%	1 530	20 506	\$474 198 634	32,34%	\$153 374 806	\$4 601 244	\$367 388	\$766 874	\$468 043	\$2 998 940
Dec 2022	29,96%	1 530	22 036	\$509 576 437	32,65%	\$166 376 707	\$4 991 301	\$367 388	\$831 884	\$511 924	\$3 280 106
TOTAL	29,96%		22 036	\$3 779 982 222	32,65%	\$1 186 027 714	\$35 580 831	\$4 408 655	\$5 930 139	\$3 407 675	\$23 501 906

The company will achieve its full operating capacity in the third year, the number of employees in every department will be at its peak. Convenience of use and popularity of the app among users will drive natural promotion of the app among both customers and restaurants. Marketing Department will finish analysing foreign markets by the end of the third year and make a marketing and strategic plan for scaling the project. Advertising costs: in year three we are planning to have a theme exhibition IT in Catering. We will focus on advertising in social media, YouTube and advertising targeted at brand recognition and brand promotion.

Translation to other languages will attract foreign users and tourists in the local market and will promote the company's expansion to the US and European markets. By the end of the third year over 22 036 cafes and restaurants will be connected to the service. Turnover through the app will be **\$1 186 027 714**.

	Market share	Number of cafes / restaurants		Turnover of connected	Turnover through the app		Commission of the service (MRR)	Operation costs	VAT	Profit tax, 13.5%	Net profit
Jan 2023	30,4 %	336	22 372	\$543 270 393	32,9 %	\$179 040 191	\$5 371 206	\$404 127	\$895 201	\$549 704	\$3 522 174
Feb 2023	30,8 %	309	22 681	\$550 771 168	33,2 %	\$183 197 506	\$5 495 925	\$404 127	\$915 988	\$563 734	\$3 612 076
Mar 2023	31,2 %	309	22 990	\$558 271 942	33,5 %	\$187 400 726	\$5 622 022	\$404 127	\$937 004	\$577 920	\$3 702 971
Apr 2023	31,6 %	309	23 298	\$565 772 717	33,8 %	\$191 649 850	\$5 749 496	\$404 127	\$958 249	\$592 261	\$3 794 858
May 2023	32,1 %	309	23 607	\$573 273 492	34,1 %	\$195 944 879	\$5 878 346	\$404 127	\$979 724	\$606 757	\$3 887 738
Jun 2023	32,5 %	309	23 916	\$580 774 266	34,4 %	\$200 285 814	\$6 008 574	\$404 127	\$1 001 429	\$621 408	\$3 981 611
Jul 2023	32,9 %	309	24 225	\$588 275 041	34,7 %	\$204 672 652	\$6 140 180	\$404 127	\$1 023 363	\$636 213	\$4 076 476
Aug 2023	33,3 %	309	24 534	\$595 775 816	35,1 %	\$209 105 396	\$6 273 162	\$404 127	\$1 045 527	\$651 174	\$4 172 335
Sep 2023	33,7 %	309	24 843	\$603 276 590	35,4 %	\$213 584 044	\$6 407 521	\$404 127	\$1 067 920	\$666 289	\$4 269 185
Oct 2023	34,2 %	309	25 152	\$610 777 365	35,7 %	\$218 108 597	\$6 543 258	\$404 127	\$1 090 543	\$681 559	\$4 367 029
Nov 2023	34,6 %	309	25 461	\$618 278 140	36,0 %	\$222 679 055	\$6 680 372	\$404 127	\$1 113 395	\$696 985	\$4 465 865
Dec 2023	35,0 %	309	25 770	\$625 778 914	36,3 %	\$227 295 417	\$6 818 863	\$404 127	\$1 136 477	\$712 565	\$4 565 694
TOTAL	35,0 %		25 770	\$7 014 295 845	36,3 %	\$2 432 964 127	\$72 988 924	\$4 849 521	\$12 164 821	\$7 556 569	\$48 418 014

During its fourth year, the company will firmly establish itself in the Russian market and will have connected 26 000 cafes and restaurants to Foodoo service. The majority of connection will happen naturally. Requests of guests will drive restaurants and cafes to use the app. Another sales channel will be our own Sales Department and partner programs. Developers Team will implement new functions, improve the interface and mobile app design to keep users interest.

The company is planning to enter the US and European markets. Now they are not taken into account due to lack of analytics.

2024

	Market share	Number of cafes / restaurants		Turnover of connected	Turnover through the app		Commission of the service (MRR)	Operation costs	VAT	Profit tax, 13.5%	Net profit
Jan 2024	35,4 %	318	26 087	\$664 943 673	36,6 %	\$243 555 569	\$7 306 667	\$444 539	\$1 217 778	\$761 987	\$4 882 363
Feb 2024	35,8 %	309	26 396	\$672 819 487	36,9 %	\$248 499 149	\$7 454 974	\$444 539	\$1 242 496	\$778 672	\$4 989 267
Mar 2024	36,3 %	309	26 705	\$680 695 300	37,2 %	\$253 490 930	\$7 604 728	\$444 539	\$1 267 455	\$795 519	\$5 097 215
Apr 2024	36,7 %	309	27 014	\$688 571 114	37,5 %	\$258 530 910	\$7 755 927	\$444 539	\$1 292 655	\$812 529	\$5 206 204
May 2024	37,1 %	309	27 323	\$696 446 927	37,8 %	\$263 619 091	\$7 908 573	\$444 539	\$1 318 095	\$829 702	\$5 316 236
Jun 2024	37,5 %	309	27 632	\$704 322 740	38,1 %	\$268 755 471	\$8 062 664	\$444 539	\$1 343 777	\$847 037	\$5 427 310
Jul 2024	37,9 %	309	27 941	\$712 198 554	38,4 %	\$273 940 052	\$8 218 202	\$444 539	\$1 369 700	\$864 535	\$5 539 427
Aug 2024	38,4 %	309	28 250	\$720 074 367	38,7 %	\$279 172 832	\$8 375 185	\$444 539	\$1 395 864	\$882 195	\$5 652 586
Sep 2024	38,8 %	309	28 559	\$727 950 181	39,0 %	\$284 453 813	\$8 533 614	\$444 539	\$1 422 269	\$900 019	\$5 766 787
Oct 2024	39,2 %	309	28 868	\$735 825 994	39,3 %	\$289 782 993	\$8 693 490	\$444 539	\$1 448 915	\$918 005	\$5 882 031
Nov 2024	39,6 %	309	29 177	\$743 701 807	39,6 %	\$295 160 373	\$8 854 811	\$444 539	\$1 475 802	\$936 153	\$5 998 316
Dec 2024	40,0 %	309	29 486	\$751 577 621	39,9 %	\$300 585 954	\$9 017 579	\$444 539	\$1 502 930	\$954 465	\$6 115 645
TOTAL	40,0 %		29 486	\$8 499 127 766	39,9 %	\$3 259 547 137	\$97 786 414	\$5 334 473	\$16 297 736	\$10 280 818	\$65 873 388

In the fifth year of operations, the Russian market will continue to develop according to the chosen strategy, the company is expected to take a leading position and become a monopolist in the market. All experience and potential of the company will be scaled to the US and European market.

Total for 5 years

Market share	Number of cafes / restaurants	Turnover of connected	Turnover through the app	Commission of the service (MRR)	Operation costs	VAT	Profit tax, 13.5%	Net profit	Return on investment cost	
40%	29 486	\$19 761 214 494	40%	\$7 009 340 363	\$210 280 211	\$22 925 106	\$35 046 702	\$21 299 465	\$141 008 938	\$131 008 938

	2020	2021	2022	2023	2024	TOTAL
			Years			
Annual revenue of the sector	\$18 512 717 623	\$19 438 353 504	\$20 410 271 180	\$21 430 784 739	\$22 502 323 975	
Market share at the end of the year	0,01%	5,00%	30%	35%	40%	
Customers' turnover at the end of the year	\$154 273	\$467 654 388	\$3 779 982 222	\$7 014 295 845	\$8 499 127 766	
Turnover through the app at the end of the year	25%	29%	33%	36%	40%	
Share of turnover through the app to total catering turnover	\$39 040	\$130 762 345	\$1 186 027 714	\$2 432 964 127	\$3 259 547 137	\$7 009 340 363
Commission of the service	\$1 171	\$3 922 870	\$35 580 831	\$72 988 924	\$97 786 414	\$210 280 211
Investment	\$3 756 267	\$4 576 189	\$1 667 543	\$0	\$0	\$10 000 000
Operational costs	\$3 756 267	\$4 576 189	\$4 408 655	\$4 849 521	\$5 334 473	\$22 925 106
Salary budget	\$1 307 030	\$2 000 000	\$2 574 644	\$2 832 108	\$3 115 319	\$11 829 101
Taxes	\$574 072	\$878 863	\$1 123 362	\$1 235 698	\$1 359 268	\$5 171 264
Administration	\$1 875 165	\$1 697 326	\$710 650	\$781 715	\$859 886	\$5 924 742
VAT	\$195	\$653 812	\$5 930 139	\$12 164 821	\$16 297 736	\$35 046 702
Profit tax, 13.5%	\$0	\$54 403	\$3 407 675	\$7 556 569	\$10 280 818	\$21 299 465
Net profit	\$976	\$3 214 655	\$23 501 906	\$48 418 014	\$65 873 388	\$141 008 938
Dividend tax, 15%	\$146	\$482 198	\$3 525 286	\$7 262 702	\$9 881 008	\$21 151 341
Dividends	\$830	\$2 732 457	\$19 976 620	\$41 155 312	\$55 992 379	\$119 857 598
EBITDA	-\$3 490 264	\$3 269 552	\$62 344 352	\$136 278 806	\$184 903 882	

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Technical Support Team	\$90 128	\$192 587	\$308 050	\$338 855	\$372 740	\$1 302 360
Staff	9	19	28	28	28	28
Salary budget	\$60 279	\$128 996	\$206 876	\$227 564	\$250 321	\$874 036
Taxes	\$27 125	\$58 048	\$93 094	\$102 404	\$112 644	\$393 316
Fixed costs	\$34 664	\$37 482	\$40 019	\$44 021	\$48 423	\$204 609
Developers Team	\$1 096 245	\$1 181 930	\$1 439 835	\$1 583 819	\$1 742 201	\$7 044 031
Staff	29	36	44	44	44	44
Salary budget	\$598 403	\$749 429	\$925 793	\$1 018 372	\$1 120 210	\$4 412 206
Taxes	\$269 281	\$337 243	\$416 607	\$458 268	\$504 094	\$1 985 493
Fixed costs	\$60 705	\$64 744	\$64 932	\$71 425	\$78 568	\$340 373
Sales Department	\$358 509	\$836 048	\$1 102 914	\$1 213 206	\$1 334 526	\$4 845 204
Staff	11	28	34	34	34	34
Salary budget	\$241 741	\$566 025	\$758 622	\$834 484	\$917 933	\$3 318 805
Taxes	\$94 692	\$233 574	\$306 152	\$336 767	\$370 444	\$1 341 631
Fixed costs	\$58 713	\$73 086	\$74 777	\$82 255	\$90 480	\$379 310
Marketing and Advertising Department	\$374 714	\$543 477	\$651 055	\$716 161	\$787 777	\$3 073 185
Staff	18	27	29	29	29	29
Salary budget	\$252 075	\$366 714	\$440 517	\$484 568	\$533 025	\$2 076 898
Taxes	\$113 434	\$165 021	\$198 233	\$218 056	\$239 861	\$934 604
Fixed costs	\$65 571	\$68 107	\$68 671	\$75 538	\$83 092	\$360 978
Administrative Department	\$245 585	\$295 607	\$374 469	\$411 916	\$453 108	\$1 780 686
Staff	9	10	12	12	12	12
Salary budget	\$154 533	\$188 837	\$242 835	\$267 119	\$293 831	\$1 147 155
Taxes	\$69 540	\$84 977	\$109 276	\$120 204	\$132 224	\$516 220
Fixed costs	\$29 216	\$29 497	\$30 061	\$33 067	\$36 374	\$158 215
Advertising budget	\$308 439	\$1 526 538	\$532 331	\$585 564	\$644 121	\$3 596 994
Variable costs	\$1 282 646	\$0	\$0	\$0	\$0	\$0
	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Expenditures	\$3 756 267	\$4 576 189	\$4 408 655	\$4 849 521	\$5 334 473	\$22 925 106
Staff	76	120	147	147	147	

3.6 Accounting policies and financial controls

The following sequence of work defines the basic principles of financial accounting of the company:

- 1) Constant collection of information to the financial department and the unified information system;
- 2) An account of any monetary and other transactions having material expression;
- 3) Daily compilation and provision of information to management for accounting, planning, control, and management of the company.
- 4) If certain information is important to an investor or lender using the financial statements, that information should be disclosed within the statement or in the notes to the statement.
- 5) company will continue to exist long enough to carry out its objectives and commitments and will not liquidate in the foreseeable future. If the company financial situation is such that the accountant believes the company will not be able to continue on, the accountant is required to disclose this assessment.
- 6) To use the accrual basis of accounting. The matching principle requires that expenses be matched with revenues.
- 7) Under the accrual basis of accounting (as opposed to the cash basis of accounting), revenues are recognized as soon as a product has been sold or a service has been performed, regardless of when the money is actually received.
- 8) If a situation arises where there are two acceptable alternatives for reporting an item, conservatism directs the accountant to choose the alternative that will result in less net income and / or less asset amount. Conservatism helps the accountant to «break a tie.» It does not direct accountants to be conservative. Accountants are expected to be unbiased and objective.



3.7 Dividend policy

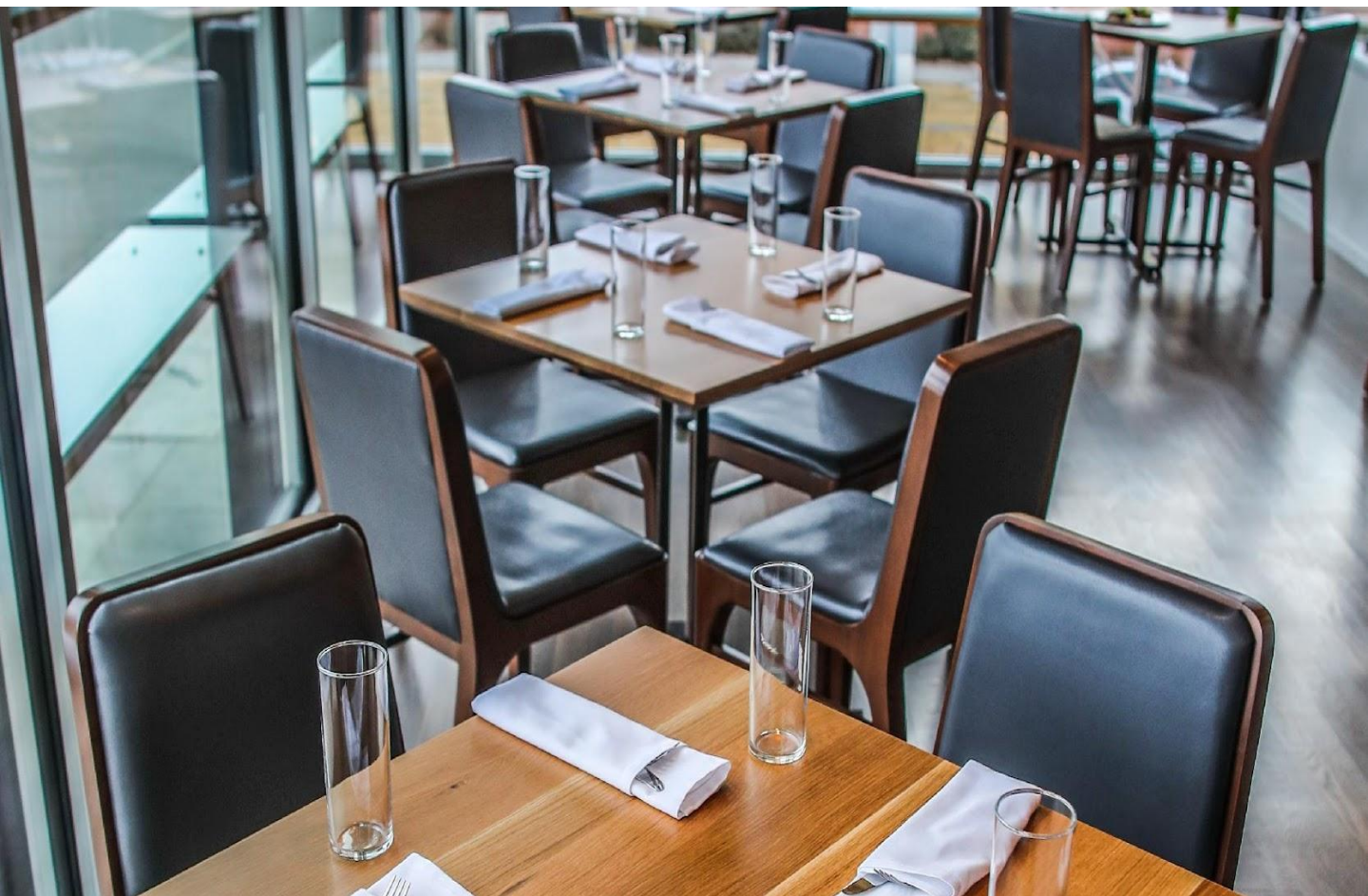
The Board of Directors may recommend the amount of dividends to the General meeting of shareholders. However, only the General meeting of shareholders can approve the amount of dividends.

Dividends are distributed after the company reaches production capacity.

The dividend policy of the company allows to meet the needs of industrial development faster and to increase the market value of company.

Therefore, dividend distribution will be as follows: 100% of total net profit will be distributed every quarter starting from the 11th quarter after raising investment. Before that, all money will be reinvested into the development of the company and marketing costs. The company development plans will be discussed at the General Meeting.

Final distribution of the dividends between company shareholders will be discussed and approved at the General Meeting.



4. PRESENT RISKS

Economic situation in the Russian catering sector stabilized after the crisis of 2014-2016 and now is coming close to pre-crisis figures. turnover increases every year. Economic factors that may affect the project development include ruble depreciation, expanded food import embargo, reduction of population incomes and increase in food and alcohol prices. However, the market does not show the tendency for decrease in demand now. Restaurants managed to benefit from the crisis, as they followed more cost-effective strategies. This had a positive income on pricing and customer demand.

The main factor that can affect the project development is entry of new competitors with similar functionality, which may cause outflow of customers from Foodoo. More aggressive policy of competitors can also influence our service. To protect the service, the company's intellectual property such as the app functionality, design and interface is timely registered in the Federal Institute for Industrial Property and patent applications are filed with foreign patent agencies.

SberFood and Foodle have fewer functions, are not user-friendly, have no integration with ERP and are much more expensive. Thus, we can guess that development of our competitors will be slow, and in competition Foodoo is more profitable for its clients and is user-friendly.

Protection of intellectual property and preservation of advantages consisting in Foodoo extended functionality are the main focus in the strategy development.



5. TEAM



Alexander Medvedev
Founder & CEO

20-year experience in business, construction, utility services, 2 restaurants, engineering innovations and intellectual property in catering. Annual business turnover is \$8 million



Ilya Postanogov
CTO

EPRIMEGlobal (online payments service) CTO, LivePortrait USA (mobile app) Senior Mobile Developer, LivePortrait RUS (mobile app) CTO, “K vrachu” (mobile app) Head of Mobile Development, Pointerry (mobile app) CTO, TransCapitalBank Senior Developer, Qutella (online payments service) CEO. Chief Marketing Manager (Brand manager) – projects



Danil Maslennikov
CIO

Diageo Sales Manager, “Power-Saving Technologies” Executing Director, LAKEWOOD Houses & Apartments Chief Business Officer (design, construction, sales).

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7. CONCLUSION

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