

**GUIDE FOR SUBMISSION
FOR
VENTUREXCHANGE IN SOUTH EAST EUROPE
2010 COMPETITION**

- 1. HOW TO COMPLETE THE SUBMISSION SET FORMS?**
- 2. EVALUATION CRITERIA AND KEY ELEMENTS LIKELY TO BE ASSESSED BY THE EVALUATION COMMITTEE**
- 3. CHECK LIST OF THE DOCUMENTS TO SEND**

1. HOW TO COMPLETE THE SUBMISSION SET FORMS?

COVER PAGE OF THE SUBMISSION SET (to be filled by applicant)

PLEASE NOTE THAT THE COVER PAGE OF THE SUBMISSION SET IS OBLIGATORY AND SHOULD BE FILLED IN ENGLISH LANGUAGE ONLY.

**SUMMARY INFORMATION ON THE PROJECT (repeated on all the forms)
PLEASE NOTE THAT THIS FORM IS REPEATED ON ALL FORMS.**

1. Proposed acronym of the project / company name

Use a clear, self explanatory title, providing guidance as to the content of the project

2. Applicant Name

Indicate name of the applicant: full legal name for the registered company or name (first name and surname) of the person

3. Competition category

Please choose one of the following:

(i) STARTUP

- for companies in early stage and entrepreneurs (persons);

(ii) TECHNOLOGY MEDIA TELECOMMUNICATION

- for companies from technology, media and telecommunication sectors;

(iii) CLEANTECH

- for companies with profitable opportunities of adopting environment protecting and preserving technologies (“clean technologies”) in the wide range of sectors including energy production from renewable energy sources, preservation of natural resources, transportation, agriculture and other sectors;

(iv) EXPANSION

- for companies requiring expansion capital in order to expand their existing business;

(v) BUYOUT

- for companies in late stage of development with established large businesses representing buyout opportunity for management (current or new) or another company;

(vi) TURNAROUND

- for companies in late stage of development with established large businesses requiring restructuring.

In case the applicant is entrepreneur (person), please choose the category STARTUP. The applicant may be a company that can fit in two categories (e.g. STARTUP and TECHNOLOGY MEDIA TELECOMMUNICATION). In the case of overlap, the applicant may chose either of the categories and that choice will not influence hers or his chances to be selected as finalists. The Evaluation Committee will choose finalists through the selection process according to the criteria of quality regardless of the category of application.

INFORMATION ON PROPOSAL

(for OFFICIAL USE ONLY to be filled by Public Notary and CVCA)

PLEASE LEAVE BLANC THIS SECTION ON THE FRONT PAGE.

FORM A/1 – APPLICATION FORM (to be filled by applicant)

PLEASE NOTE THAT THE FORM A/1 IS OBLIGATORY AND SHOULD BE FILLED IN ENGLISH LANGUAGE ONLY.

I. SUMMARY INFORMATION ON THE PROJECT (repeated on all the forms)

Copy from the Cover Page and again copy on all the forms.

II. Contact Person

Please fill the details for the contact person of the project.

III. Address

Please provide the official address.

IV. Proposal summary (max 250 words)

Please provide summary of your proposal in no more than 250 words. Please note that this summary is very important and in the case your application is selected as one of the finalists it will be visible to large number of investors. The proposal summary represents a pitch how to persuade potential investors to contact you and to obtain further details on your company or project.

V. Proposal website

If your proposal has website, please state it. If you will be selected as the finalist, all publications including the listing of your project on the website www.ventureexchange-see.com will contain the link to your website.

VI. Proposal logo

If your proposal has logo, please provide it both in form A/1 and additionally electronically. If you will be selected as the finalist, all publications will contain your logo and on the website www.ventureexchange-see.com will serve as the banner that will be linked to your website (if any).

FORM A/2 – EXECUTIVE SUMMARY (to be filled by applicant)

PLEASE NOTE THAT THE FORM A/2 IS OBLIGATORY AND SHOULD BE FILLED IN ENGLISH LANGUAGE ONLY.

I. BUSINESS SUMMARY (2/3 OF THE FRONT PAGE)

[Please provide summary of [Company Name] business using the format provided and continue until the end of the front page].

The format provided includes the following key elements to present in your business summary:

- ✓ [Company Name] has developed [product, service].
- ✓ [Company Name] is startup / an established company seeking expansion capital / an established company with buyout potential / an established company requiring turnaround.
- ✓ [Short description of product service and why is this valuable to potential or existing customers].
- ✓ [Short description of how will/is [Company Name] generate/generating revenue from its potential customers].
- ✓ [Short description of how will [Company Name] create sustainable comparative advantage over competition and position [product/service] on markets [specify national, regional, global]. The estimated size of target market is EUR [xxx million per year] and [Company name] can reach an estimated [%] of customers in its target market over the course of [X] years].
- ✓ [If [Company Name] is not startup, please provide a short summary of recent results.]
- ✓ [If [Company Name] has significant business partners or alliances for the business please mention them here.]
- ✓ [Please mention any other important details for the [Company Name] business.]

SAMPLE BUSINESS SUMMARY (2/3 OF THE PAGE)

PlanetPortal.com™ has developed a patent pending, marketing technology that allows web URL's to be encoded on both paper and plastic cards (SlideCards™). Consumers swipe the cards, PlanetPortal.com logs the swipe data, and our servers redirect the user to the URL encoded on the card. The result is the creation of a massive database of user profiles that can be data mined and used to develop highly targeted marketing campaigns. The technology (patent pending) is proprietary to PlanetPortal.com and available today.

The concept involves taking a plastic or paper card and imprinting on that card a unique binary code (e.g., all of the cards in your wallet are eligible for encoding). The code maps to the URL of the company or individual which is distributing the card. When swiped through a PlanetPortal.com card reader, the user is immediately redirected to the web site of the distributor on the card. Real time reports can be produced showing card usage, demographics of the user swiping the card, and also swipe origination.

Card readers are low cost and are being licensed into computer peripherals and OEM keyboards (see licensing details). To further accommodate adoption and drive to ubiquity, PlanetPortal.com has developed a Web Remote Control™ which contains the card reader for legacy PC owners who do not have access to a card reader. The Web Remote Control is being licensed into affinity programs (ISPs) as a loyalty and customer relationship tool.

Revenue is derived by positioning PlanetPortal.com as the "Internic" of the binary codes imprinted on the cards. Individuals and firms that wish to encode a URL on their cards must first register (and pay a fee) with PlanetPortal.com to get assigned a binary code (similar to domain name registration). Current technology will

allow several billion unique binary codes, resulting in billions of individual cards encoded with PlanetPortal.com codes.

Revenue is further derived from Web Remote sales and the outsourced reselling of the SlideCards at pennies per card. In time, the profile database becomes the primary revenue generator, with PlanetPortal.com databases silently collecting and building the user profiles that are valuable to marketers worldwide. Our data mining model is very similar to Abacus Direct (recently acquired by DoubleClick for \$1.7 Billion)

Over the course of the last nine months, PlanetPortal has entered into working development partnerships with several leading firms including Oracle, Fairchild Semiconductor, Chicony Electronics and PBM Graphics.

II. Management Team

Please provide Name, Function in Proposed Project and Summary Resume for each of the members of the Management Team.

Sample Management Team

Name	Function in Proposed Project	Summary resume (100 words)
Brent YYY	CEO and Founder	A former Marketing Manager within the ThinkPad division at IBM, Brent brings to PlanetPortal.com a wealth of experience in new product development, product marketing, market research and worldwide brand management. Brent is the founder of PlanetPortal.com and will direct the daily operations of PlanetPortal.com as its Chief Executive Officer. He has an MBA from the University of Notre Dame.
XXXXXXXXXX.	Member of the Board, intellectual property portfolio	With over twenty years of experience managing entrepreneurial startups under his belt, XXX is well suited to head up the PlanetPortal.com technical team. XXX was most recently the founder, inventor and CEO of XXXXXXXXXXXXXXXXXXXX. XXX is primarily responsible for the development of the company's intellectual property portfolio.
XXXXXXXXXX.	Member of the Board, new software development	is the former chairman of IBM's Invention Review Board and a past member of IBM's pervasive computing group. While at IBM, XXXXX patented several new programming methodologies and led the software development efforts of ten individuals. XXXXX has a Ph.D. in Computer Science from Yale University.
XXXXXXXXXX.	Chief Financial Officer	XXXXXXXXXX, has spent the last several years as the Vice President of Business Development at Thomson Consulting. He holds board positions at several mutual funds including the China Fund and the Taiwan Fund. XXXX is responsible for building the strategies and relationships necessary to position PlanetPortal.com as a leader in ease of use and connectivity. XXXX has a Ph.D. in Economics from Duke University.

III. Funds Requested (in EUR)

[Please provide the amount of the funds requested from the private equity or venture capital fund in Euros (EUR).]

IV. Use of Proceeds

[Please provide the information on how will you use the funds requested from the private equity or venture capital fund (“Use of Proceeds”).]

Please note that this is a summary description while the same category in the business plan provides the detailed account.

SAMPLE Use of Proceeds can include one or all of the following:

Expansion of New Business Development / Sales / Marketing Teams
Further development of [Product/Service].

V. Business Type, Equity Capital and Number of Employees

Please provide requested details including the following:

- **Business Type** refers to the incorporation type of your company (e.g. limited liability company, public company, sole proprietorship).
- **Equity Capital** represents the amount of issued equity capital (book/accounting value).
- **Number of Employees** is number of full-time employees working for the company. The contribution of the part-time staff should be accounted for in the full-time equivalent number (e.g. two part-time staff members working on 50% basis represent 1 full-time equivalent employee).
- In case you are applying as person, you should tick **Not Applicable**.

VI. Owners

Please provide list of owners of the issued equity capital with % of equity holding for each owner. In the case you are applying as person, you should tick Not Applicable.

VII. Summary Project Financials (all the figures in thousands of EUR, unless otherwise indicated)

Please provide the key summary forecast figures for the next five years (2010 – 2014) with all the figures in thousands of Euros (EUR), except for percentages (%) where:

- **Revenue** = representing the gross revenue (number of units sold x unit price at which product/service is sold)
- **Revenue Growth (%)** = representing the forecast year-to-year growth
- **COGS** = representing the Costs of Goods Sold (direct costs required to produce product/service, including inventory costs, direct labour costs (wages) and other direct costs. COGS excludes indirect expenses such as distribution costs and sales force costs)
- **Gross Margin** = Revenues – COGS (Gross Margin also represents the gross profit)
- **Gross Margin (%)** = Gross Margin / Revenues
- **SGA** = Selling, General and Administrative Expenses (represent all direct and indirect selling expenses and all general and administrative expenses of a company. Direct selling expenses can

be linked to specific unit such as credit, warranty and advertising expenses. Indirect expenses cannot be linked to specific unit but are allocated prorata and include telephone, interest, postal charges. General and administrative expenses include salaries of non-sales non-production personnel, rent, heating, electricity).

- **EBITDA** = Earnings before Interest Taxes Depreciation and Amortisation (EBITDA) = Gross Margin – SGA
- **EBITDA Margin (%)** = EBITDA / Revenues

SAMPLE Summary Project Financials (all the figures in thousands of EUR, unless otherwise indicated)

	2010	2011	2012	2013	2014
Revenues	2.000	7.000	10.000	12.000	14.000
<i>Revenue Growth (%)</i>		250%	43%	20%	17%
COGS	1.500	5.000	7.000	8.500	10.000
Gross Margin	500	2.000	3.000	3.500	4.000
GM (%)	25%	29%	30%	29%	29%
SGA	200	800	1.200	1.500	1.800
EBITDA	300	1.200	1.800	2.000	2.200
EBITDA (%)	15%	17%	18%	17%	16%

VIII. Exit Strategy

[Please provide clearly exit strategy (one or more proposed options).]

Exit strategy refers to proposed closing of private equity or venture capital investment in your proposed project or company. After an average of 5 years (can also be more or less (e.g. 3 or 7 years)), private equity and venture capital investors intends to sell his stake in your company and possible exit strategy include acquisition of your company by strategic partner, management buyout (repurchase of your company by the management team), initial public offering (IPO) and other exit strategies. Please note that you may provide more than one alternative for the proposed exit strategy.

SAMPLE Exit Strategy

Acquisition by strategic partner or Management Buyout (repurchase of the [Your Company Name] by Management Team) in [5] years.

FORM B – BUSINESS PLAN(to be filled by applicant)

PLEASE NOTE THAT THE FORM B IS NOT OBLIGATORY AND THE APPLICANT CAN USE HER OR HIS OWN TEMPLATE. THIS FORM CAN BE FILLED IN ENGLISH OR IN ANY OF THE OFFICIAL LANGUAGES OF THE SOUTH EASTERN EUROPEAN COUNTRIES (as defined by Specifications). IN CASE APPLICANT USES HER OR HIS OWN FORM, PLEASE MAKE SURE ALL THE REQUIRED ELEMENTS OF THE BUSINESS PLAN ARE CONTAINED FOR THE EVALUATION PURPOSES.

I. MARKET OPPORTUNITY (2/3 OF THE FRONT PAGE)

[Please describe the market opportunity on 2/3 of the page]

SAMPLE MARKET OPPORTUNITY (2/3 OF THE FRONT PAGE)

Information Appliance and PC Growth Rates

Bolstered by the almost-daily announcement of new products, technologies, and vendors, the marketplace for information appliances (IAs) is rapidly taking off, according to new research from IDC. As an ever-broader group of vendors attempt to address the "Post PC Era," the worldwide market for information appliances will exceed 89 million units, or \$17.8 billion, in 2004, up from a market of 11 million units and \$2.4 billion in 1999.

IA numbers triple when web-enabled cell phones are added to the mix. eTForecasts predicts that Information appliances (IAs) will mushroom from less than 12 million units last year to more than 300 million worldwide by 2005.

IAs are defined as just about any widget that can access the Internet, including set-top boxes, cell phones, handheld computers and game and entertainment consoles.

Despite the rapid proliferation of information appliances, eTForecasts that PC sales will also remain healthy. In a separate report it pegs PC growth increasing from 124 million this year to more than 217 million in 2005.

Electrolux Screen Fridge



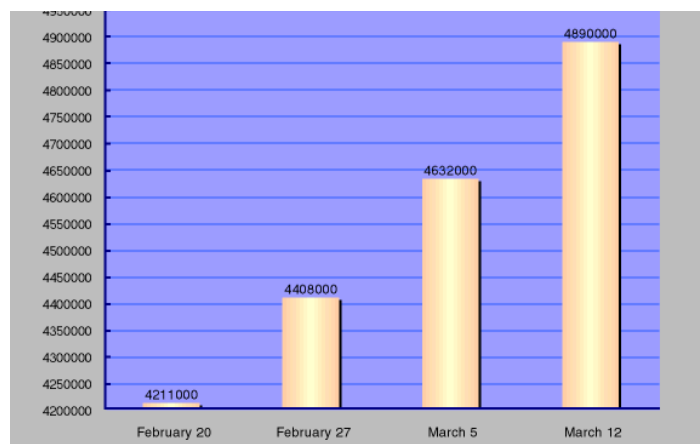
Web-enabled Mobile Phones



On March 17, 2000, NTT DoCoMo announced that it registered the five millionth subscriber to its i-mode service, which provides direct access to the Internet via cellular phones.

DoCoMo launched the i-mode service just 13 months ago. It previously forecasted that subscribers would total about 4.8 million users by the end of March, so i-mode's popularity has exceeded even DoCoMo's high expectations.

Subscriber Growth Rates for DoCoMo i-Mode Service



Summary

The tremendous growth in the information appliance industry will fuel manufacturer demand for third party infrastructure providers. Customers will demand an Internet experience that is seamless and easy-to-use, while also learning from their online surfing and buying patterns. Manufacturers, traditionally focused on product functionality, are ill-equipped to meet the requirements of the online consumer. Manufacturers that are to be successful in the age of high bandwidth, wireless computing will have to move beyond simple linking technologies, to more sophisticated, content delivery solutions, that provide consumers with a comprehensive, value-added, easy-to-use Internet experience.

II. VALUE PROPOSITION (1/2 OF THE PAGE)

[Please provide short description of your value proposition product / service on one half of a page (1/2)]

N.B. Value proposition is defined here as short explanation of why your potential customers should find your product or service valuable.

SAMPLE VALUE PROPOSITION (1/2 OF THE PAGE)

[Company Name] product will be valuable to consumers and advertising and direct marketing firms.

Benefits to consumers:

(i) Ease-of-Use

- The WebRemote Control significantly reduces the amount of time a consumer spends sifting through thousands of unrelated, broken, or outdated links.
- WebCards give consumers an ability to quickly view a promotion or product online. WebCards also eliminate the long tracking URL's associated with direct mail campaigns.
- The software is intelligent and dynamic. Like Kmart blue light specials, PlanetPortal software will push new offers and specials to the users in real time.

(ii) Exploring the Internet. Internet users usually visit only a handful of Internet sites. To explore new sites, they rely on search engines, or word of mouth – both time consuming and limiting.

- The WebRemote Control provides a quick alternative to explore new sites by bringing together popular web sites in a variety of categories in a safe, trusted environment.
- WebCards give users the opportunity to check out new products, promotions and services that might have escaped them had they relied on word of mouth or other traditional means of advertising.

(iii) Efficient and Time Saving. The WebRemote Control gives consumers the ability to quickly accomplish their most important online tasks. Research shows that the majority of consumers go online for news, weather and sports. They also check e-mail, do comparison shopping and spend lots of time gathering information. Consumers may still use their bookmarks, but many of their bookmarks can now be imported into the WebRemote.

Benefits to advertising and direct marketing firms:

In this age of the consumer profile, advertisers and direct marketers are constantly seeking data that will give them a better “snapshot” of the consumer to whom they market. Online banner firms such as DoubleClick and AdForce are acquiring firms that have built consumer databases with characteristics that might allow them to more accurately target consumers with appropriate messaging, products and promotions - all in an effort to drive up click through, and online purchasing.

III. COMPANY / PROJECT NAME SHORT HISTORY (1/2 OF THE PAGE)

Please provide short history of your company or project on one half of a page (1/2)

SAMPLES COMPANY/PROJECT NAME SHORT HISTORY INCLUDE (1/2 OF THE PAGE)

In [Month, Year] [I/we] formed a [Product/Service] company that manufactured start-of-the-art complex widgetry. This company was located in [City, State]. [I/we] formed this company as a [limited liability company / other incorporation type]. Others involved in this business were: [names].

The main goal of this company was to [explain].

Financing was arranged through [home equity loans, savings, venture capital, friends and family, etc.] [Explain terms, rates and ability to repay.]

This venture was very successful in generating and increasing sales, but was not effective in achieving profitability. The main reason for this was the amount of actual overhead experienced. This overhead was not initially anticipated by me at the beginning of that venture. Items including credit checking, warranty program management, extensive travel, maintaining warehouse stock and the management and expense of a national sales

force were expenses not originally forecast or expected. With this level of overhead, it was mathematically impossible to achieve profitability.

or:

Our company was very successful in generating and increasing sales, as well as effective in achieving profitability. This was due to the following reasons:

[Reason 1]

[Reason 2]

[Reason 3]

or:

[Company Name] was recently conceived and is still in the beginning stages. To this point the following has been accomplished:

- A team consisting of [list names and primary responsibility. (i.e XY, CEO: ZW, Marketing) has been formed.
- A prospective [customer/client] list has been drawn up.
- Strategy meetings are being held every Monday, Wednesday and Friday evenings.
- This business plan has been drawn up.

[Now link the past to the future - how your present company and history will lead into any future plans. A short paragraph should suffice.]

IV. PRODUCT / SERVICE DESCRIPTION (ONE PAGE)

[Please provide short description of your product / service on one page (1)]

The following are the key elements you may want to mention in your description:

[Company Name] intends to offer [product/service]. This [product/service] offers our customers the best possible solution as it:

<Product>

- Offers the lowest price on the market
- Is the most technically advanced
- Offers more useful features
- Saves them time and money
- Offers our users better value per dollar spent
- Provides an alternative way to achieve a similar task.

<Service>

- Provides a service which is not presently available in this area.
- Is strengthened by a team with combined experience of XX years.
- Saves them time and money
- Provides an alternative, cost effective way for them to realize a similar goal.

We have a [copyright, service mark, trademark] or [exclusive agency, marketing rights] for this [product/service]. This agency will last until 20XX at which time it may be extended for XX years or terminated. This agency agreement is cancellable upon XX days written notice.

<Product>

The [product/service] has a useful life of XX years. To distribute this product so that it remains usable for our customers, we must use the following methods of storage and transportation:

1. Overnight delivery
2. Cold storage
3. Incorporate preservatives
4. Shipment within two weeks to distributors.
5. Specially padded boxcars.

Even though the technology used to create this product is new, we expect that others will be able to substantially reproduce our patented results within XX years. To remain on the leading edge of this product, we will need to devote approximately XX% of revenues toward research and development. Also due to the fast changing nature of this industry, we will need to retrofit these machines within XX years at customer expense. Our manufacturing plan has considered this.

SAMPLE PRODUCT/SERVICE DESCRIPTION FOR ILLUSTRATION PURPOSES (1 PAGE)

“Web Sites in the Palm of Your Hand!”

PlanetPortal.com, Inc. is bringing to market a marketing framework which integrates traditional and new media advertising programs. This system is built around PlanetPortal.com’s proprietary SlideCard™ technology (patent pending), the Web Remote Control™ (patent pending) and PlanetPortal.com’s consumer profiling database which will enable marketers to profile user behaviour across millions of users.

SlideCard Description

SlideCards provide marketers and advertisers with a mechanism to significantly increase response rates when doing direct marketing (online and traditional). SlideCards, read by an optical reader imbedded in the computer keyboard or the Web Remote Control, take the user immediately to the web page designated by the card sponsor. Compared to traditional direct mail, publication inserts and online banner ads, SlideCards are intriguing to the customer. The customer who has a card reader and is a known user is almost certain to respond to a new card promotion. By selecting customers mined from the PlanetPortal.com database, marketers can dramatically increase their response rates. Focus group testing has shown that while many consumers dislike banner advertisements, they love the SlideCards. This powerful technology is proprietary to PlanetPortal.com. PlanetPortal.com will control the issuing of bit codes necessary for card manufacturing. PlanetPortal.com will also license the card reader technology while retaining the database and analytical functions necessary to optimize marketing campaigns.

Web Remote Control™

The PlanetPortal.com Web Remote Control is the first true Internet remote control, incorporating push button access to web sites, cursor navigation controls and a card reader for SlideCard usage. Each device has a bank of twenty-seven one-touch buttons. Six large buttons are designed for branding by advertisers or sponsors, and twelve buttons are categorical buttons designed to allow quick access to e-commerce enabled affiliate sites. The Web Remote Control provides users with a springboard to the Internet. It embodies simplicity and ease of use while efficiently connecting users to brand-name content and e-commerce sites. Novice Internet users use the Web Remote as an easy introduction to the vast array of web sites and information flows available to them. More experienced users use it as an organizational tool to keep favourite sites at their fingertips without remembering URLs or searching through hundreds of disorganized entries in a bookmark file. In the corporate environment, the Web Remote Control has applications as an enabling tool for intra- and extranets and as a link to OLAP and other reporting systems.

User Database

PlanetPortal.com will develop and maintain a comprehensive user database recording users’ Internet experiences and buying habits. In addition to traditional profiling of online user behaviour, PlanetPortal.com will track the habits of users responding to a particular class of offer, along with offers from particular vertical markets. We will build value in the use of SlideCard campaigns by enhancing the marketers’ ability to predict responses far beyond what is available today.

Intellectual Property and Barriers to Entry

PlanetPortal.com is building a formidable portfolio of intellectual property in an effort to build value in the company and reduce the threat of new entrants. We intend to add to this portfolio as our products and services develop and expand.

- U.S. Patent Application Serial No. 60/156,020 for METHODS AND SYSTEMS FOR FACILITATING ACCESS TO WEB SERVERS USING PORTAL DEVICE
- U.S. Design Patent Application Serial No. 29/111,276 for PORTAL DEVICE
- Licensing agreements with world's largest peripheral and keyboard manufacturers assures that new entrants cannot develop competing card service framework. Only PlanetPortal cards can be read through the card readers.
- Binary code agreements with large card issuers assure long term competitive advantage for PlanetPortal.com.

Product Delivery Mix

PlanetPortal.com products and services are available in a variety of packages which can be tailored to the requirements of major customers:

PlanetPortal.com provides the customer with a turnkey system including:

- Web Remote Control is branded per the customers' requirements
- Software development kit for customizing the look and feel of the installation
- Database architecture for storing user data and access to the SlideCard supply chain system

V. REVENUE MODEL (ONE PAGE)

[Please provide details on how will you generate revenues on your product(s) and/or service(s) on one page (1)].

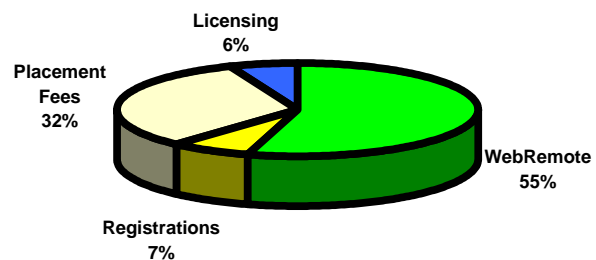
SAMPLE REVENUE MODEL (ONE PAGE)

The revenue model includes revenues from the sale of the WebRemote, WebCode registration fees, licensing revenues, WebCard placement fees, and also charges for reporting and data mining.

WebRemote Revenues

The majority of revenues (55%) realized in the first year will result from actual sales of the WebRemote into the retail channel and affinity groups. As WebCode reader penetration increases, licensing and affiliate revenues will drastically increase.. WebRemote sales revenue as a percentage of total revenue will begin to decline. In the future, the WebRemote portion of the business may be spun off into another subsidiary and sold.

2000 Revenue Splits



WebCode Registration Fees

PlanetPortal will charge each individual card issuer a fee to register their WebCode with PlanetPortal. Without paying the registration fee, the cards will not work in the card reader.

ALL firms must register with PlanetPortal if they wish to issue WebCards.

The fee structure will be tiered with large corporations (and corresponding large card volumes) paying \$3000 or more per registration. As reader penetration rates increase, it will become more feasible for small and medium business to begin issuing cards and registering for WebCodes. These smaller volumes customers will be charged setup fees beginning at \$500.

Once PlanetPortal has ironed out the back end processes and fulfilment mechanisms, individuals will be able to issue their own cards as well. WebCode registration will cost as little \$10.00. In some instances, firms wishing to brand an individual card will give the individual the opportunity to register for free – provided, of course, the user allow the logo of the sponsoring company to appear on the user's card.

WebCard™ Placement Fees

WebCards will be included with the keyboard, gaming machine or WebRemote. Advertisers will be charged on a

cost per thousand rate schedule (CPM). Thus, if Compaq has 200,000 PCs that are print-to-web enabled, PlanetPortal can leverage the Compaq demographic and sell WebCards in the box. Our plan is to charge \$200 - \$300 (.20 - .30 cents per card) CPM rates. Our cost is around \$100 CPM (.10 cents per card).

Consumers that choose to opt-in will also receive periodic web-enabled CardPacks. In time, third party advertisers will begin to issue web-enabled cards and inserts that are distributed to PlanetPortal print-to-web customers. This is the goal of the model. While we lose the placement fees, we are still able to extract a small per card royalty from the printers while also realizing a large increase in WebCode registrations.

Licensing Revenues

PlanetPortal may license a retail version of the WebRemote Control to a distributor or manufacturer. In this instance, a licensing agreement would be worked with a firm such as Kensington or Logitech to create a retail version of the product. A retail version might include a wireless interface and a form of cursor navigation such as a trackpoint or a touchpad.

Additionally, the printers will be required to pay a small per card royalty to print WebCodes. These initial royalties are being waived as we build alliances and partnership with the printers.

Affiliate Revenues

One of the more important components of the model are the affiliate programs. Affiliate programs were first created by Amazon.com in an attempt to sell more books. Since then, affiliate programs have grown exponentially. There are now thousands of affiliate programs throughout the world.

To help manage and coordinate the efforts of all affiliate programs, firms such as LinkShare and BeFree evolved into affiliate aggregators. They manage thousands of affiliate programs for merchants all over the world. PlanetPortal is a member of both LinkShare and BeFree. We are also members of many independent programs.

The WebRemote Control aggregates affiliate programs under categories in an attempt to provide a competitive value proposition to our customers. In many instances, the merchants issuing the WebCards will have an affiliate program. For example, Macys.com might want to do a WebCard for Christmas showcasing a promotion on Hugo Boss suits. The WebCode on the card might point to the following URL:

http://www.macys.com/mens_suits/Hugo_Boss/?planetportal

The URL is long and complex, but that does not matter to the consumer because it is hidden behind the WebCode. Notice that PlanetPortal is identified in the http string. This identifies PlanetPortal as a member of the Macys affiliate program and allows us to collect a percentage of every sale that results from the promotion on the card.

VI. MARKETING PLAN (ONE PAGE)

[Please provide your marketing plan on one page (1)]

SAMPLE MARKETING PLAN (ONE PAGE)

Based on the corporate mission of pioneering new technologies to deliver data-driven marketing solutions for e-businesses, PlanetPortal has a marketing strategy built around five objectives:

- 1) Establish PlanetPortal as THE global leader in the print-to-web industry.
- 2) Drive to WebCode reader ubiquity. Push the WebCode readers into consumer homes via distribution channels such as ISP's, affinity programs, and the retail channel. License the WebCode readers into all points of Internet access including keyboards, gaming machines, information appliances, PDAs, MP3 players and cell phones.
- 3) WebCode and data analysis demand generation activities. Multiple activities including forward selling of WebCodes into large card issuers, alliances with business card printers, trade show attendance, viral marketing programs, etc.
- 4) Development of alternate WebCode based applications such as interactive role playing games and dynamic contact management. High demand for an interactive RPG would drive swift worldwide adoption of the WebCode reader.

By successfully achieving these objectives, we will possess an unprecedented amount of knowledge pertaining to consumer usage, adoption and purchasing behaviour. This knowledge base will allow PlanetPortal to provide targeted marketing programs and extensive data analysis to meet the advertising needs of our clients.

Establish PlanetPortal as the Global Leader in Print-to-Web

Our primary objective is to establish PlanetPortal as the leader in the print-to-web space. PlanetPortal will go to the highest mountain and shout to all who will listen that we are the world leader in the print-to-web space. We will drive the notion of print-to-web into every sector with priorities given to the realms of advertising and direct marketing. This objective further

supports other corporate goals including fund raising, sales and new business development.

PlanetPortal has engaged the services of Scanlon Corporate Communications, a public relations firm with a proven track record in creating visibility for high-tech start-ups. We rely heavily on Scanlon's ability to generate awareness for our brand through the following tactics:

- 1) Gain the support of Internet technology and analysts including Gartner Group, Jupiter Communications, Forrester Research and The Yankee Group.
- 2) Leverage analyst support to build our media momentum.

Our specific marketing strategies will include:

- Securing press interviews and coverage for senior management in computing, technology, marketing and sales publications, as well as general business publications (i.e. PC Week, Ad Age, Industry Standard, CNN, etc.)
- Press releases chronicling PlanetPortal milestones such as: management team additions, beta product, board of directors, strategic partnerships, sponsorships and pilot programs.
- Attending trade shows that are well attended by marketing and business development decision makers within dot coms, ISPs and other affinity programs.
- Launching a corporate Web site to communicate corporate objectives and register with advertising sites such as TheAdStop.com
- Initiating pilot marketing programs with several beta sponsors to test consumer response to the WebRemote Control and WebCards, acquisition and retention programs for ISP's, as well as our database infrastructure.

Drive to WebCode Reader Ubiquity

Successful implementation of our first objective ensures awareness of our technology among potential licensing and distribution partners. To build demand within these groups, our marketing efforts will include:

- Continued public relation efforts targeting the Internet, technology, marketing and advertising sectors. Press releases announcing additional strategic partnerships, direct marketing programs, consumer usage reports, and release 1 product details.
- Re-launching PlanetPortal website to function as a communication tool to our potential and existing sponsors. This would include the development of an extranet site for clients that tracks and provides reports on their current campaigns.
- Creating advertiser focused sales kits and collateral outlining our product benefits, consumer research findings and our data tracking abilities.
- Supporting the business development team with sales kits for securing WebCode reader licensing agreements with leading computer and Internet appliance OEMs.
- Creating a marketing program kit for private labelled WebRemotes. These kits will include product information and best practices for sponsors to aggregate their advertisers on the device and successfully launch private label program to acquire or retain consumers.

Demand Generation Activities for Data Analysis and WebCode™ Programs

Once WebCard reader technology reaches mass-market ubiquity, the marketing strategy will shift to focus on creating demand among advertisers. Our extensive data collection and tracking technology will enable advertisers to improve the performance of online marketing programs, increase ROI, and meet customer acquisition and retention goals. Advertisers can use these data to create one-to-one marketing programs, providing immediate drive to web results.

The following demand generation activities are planned:

- Exhibiting at tradeshows such as Jupiter, DMA Conferences and AdTech forums to target marketing, business development and advertising executives.
- Continued public relation efforts targeting the Internet, technology, marketing and advertising sectors, with an emphasis on securing byline opportunities or speaking engagements at industry trade shows and forums.
- Targeted advertising campaigns towards advertising decision makers. We will mainly focus on traditional marketing and advertising publications (Ad Age, DM News, etc) and interactive media publications, both online and print versions. Industry newsletters (i.e. ICONOCAST), direct email and limited direct mail will round out our advertising mix.
- Instituting WebCard™ programs clustered around traditional retail cycles (holidays, birthdays, weddings, sport seasons, etc) and featuring online "coupons," exclusive online viewings and enticing trial offers.

VII. COMPETITIVE ADVANTAGE (1/2 OF THE PAGE)

[Please provide explanation how you have or can potentially achieve sustainable comparative advantage on one half of a page (1/2)]

SAMPLE COMPETITIVE ADVANTAGE (1/2 OF THE PAGE)

To counter the threat of new entrants / copycats, we are erecting the following barriers to entry:

- ✓ **Intellectual Property.** Several provisional patent applications covering the business model have been submitted to the United States Patent Office for review. Jenkins and Wilson have been retained as our local patent and intellectual property attorneys. Haarmann, Hemmelrath & Partner are responsible for foreign patent filings. As of March 2000, we have filed foreign patent applications in Japan, Taiwan and with the European Patent Office (EPO).
- ✓ Additionally, Deutsche Telekom as a partner is a deterrent to potential new market entrants. New entrants are forced to consider the potential ramifications of investing in technology that potentially infringes upon PlanetPortal / Deutsche Telekom patents. PlanetPortal / Deutsche Telekom will aggressively defend and protect our extensive intellectual property portfolio.
- ✓ **OEM Licensing Agreements.** PlanetPortal is moving quickly to secure licensing arrangements with the largest keyboard manufacturers in the world.
- ✓ Update: Secured partnership with Chicony Electronics, maker of 30% of world's keyboards.
- ✓ **ISP Private Label Agreements.** PlanetPortal is working to develop exclusive relationships with top ISP's throughout the world. Specifically, we are working with T-Online (Deutsche Telekom) in Europe and @Nifty in Japan. In the US, we have engaged several to p tier ISPs including Prodigy and EarthLink.
- ✓ **Proprietary Sensor Technology.** Together with several leading optoelectronic vendors, PlanetPortal has developed a proprietary reflective sensor that gives us the ability to embed bar codes on cards made of paper or plastic. The technology is robust and implementable in multiple form factors.
- ✓ Update: Chicony has developed a sensor that is low cost, meets the PlanetPortal specifications, and also meets the strict requirements required by Chicony to implement into Chicony keyboards.
- ✓ **Experience in the Hardware and Internet Industries.** Together, the PlanetPortal team has over twenty years of hands-on experience in the hardware / software and Internet industries.
- ✓ **Understanding of the Customer.** Resulting from our experience in developing products for the computer industry as well as our interactive marketing experience, we have an in depth understanding of the wants, needs and desires of today's Internet consumer. The end results are products and services designed with the full needs of the customer in mind.
- ✓ **First to Market / First Mover Advantage.** The WebRemote Control and the print-to-web enabled keyboard will be the first products of their kind in the market. In market volumes will be significant - allowing us the opportunity to exploit the benefits of being first mover.
- ✓ **Interactivity.** Research has shown that a keyboard is an input device which is highly personable to the end user. Once a keyboard is found that the user likes, that keyboard is very difficult to replace. Most consumers will not switch keyboards unless the current version is broken or does not meet their initial satisfaction.
- ✓ Print-to-web allows for the next generation of Internet interactivity. Platforms that are print-to-web enabled are a source of short term competitive advantage for the distributor and / or OEM.

VIII. COMPETITORS (1/2 OF THE PAGE)

[Please provide description of your main competitors and their competitive advantages and disadvantages to your product /service on one half of a page (1/2)]

SAMPLE COMPETITORS (1/2 OF THE PAGE)

Original Equipment Manufacturers

OEMs represent both a threat and an opportunity. On the plus side, OEM's might license SlideCard technology into the keyboard. Additionally, by distributing the Web Remote Control with consumer systems, OEMs would further there messaging of an "Internet enabled PC" and participate further in the Internet business model. OEMs might also be a threat in that they could set the standard for future internet navigational devices by choosing to distribute the product of a competitor.

Competitive Advantages:

- Own the most feasible distribution channel for an Internet Navigation device
- Marketing – established brand name
- Existing portal partnerships would allow an OEM to quickly develop a competitive product

Competitive Disadvantages:

- Management unwillingness to manufacture low profit margin products would make it extremely difficult to introduce a competitive device similar to the PlanetPortal Web Remote Control. More

feasible to buy versus build.

- An OEM initiative would require a significant amount of manpower to develop a product offering that requires an integration of Internet programs and hardware/software/database development. This would take several months of recruiting and an estimated twelve months of development to enter market.

IX. OPERATIONS PLAN (ONE PAGE)

[Please provide description of your operations plan with key steps over the next twelve months, one year and five year periods and the achieved targeted milestones on one page (1)]

SAMPLE OPERATIONS PLAN (ONE PAGE)

The PlanetPortal.com operations strategy is to outsource the majority of its infrastructure, manufacturing and support services to experts in their respective fields. Internally, we are building a technical team skilled in the areas of network architecture, data mining, and software development. The long term goal of PlanetPortal is to become the “Internic of Bits” and the entity through which all SlideCards are registered, issued and ultimately swiped – all operations will map to that goal. To attain our goals, significant resources are being allocated to the areas of sales, marketing, logistics and new business development. The first twelve months of operations will be dedicated to the licensing of the SlideCard technology and the reselling our Web Remote Control into various affinity channels. Successful execution in these efforts will drive the further development and mining of our consumer profile database. Hardware development and OEM licensing agreements require a longer development and sales cycle than most typical web development efforts. We have created six critical phases of our overall operations plan.

Phase One: Beta Development, Market Research and Customer Segmentation (5 months)

Hardware development kicks off phase I. This is due to the long lead-times out of Taiwan. Firmware, device drivers, and tooling all require considerable investments in time and resources. Marketing and software development will run concurrently to determine the key features, functions and benefits required for the Beta product. The web development team will begin to develop the corporate web site and the infrastructure to support web-based product support. The database infrastructure will begin to be architected and built. The sales team will recruit top name dot-com brands for the sponsorship of the Beta Web Remote Control.

10,000 units of the Beta Web Remote and SlideCards will be manufactured and assembled for the primary purpose of running a series of tests to include:

- Software and hardware quality assurance via 3rd party testing facility
- Focus groups for product validation and consumer targeting
- Database trials to ensure data is captured and maintained
- Computer compatibility across multiple PC manufacturers and configurations.

Building “Buzz” is also of critical importance during this period. In the initial stages we will begin to build a buzz among potential customers, vendors and investors. Our public relations firm will be responsible for working the various groups to spread the word that PlanetPortal.com is developing a revolutionary to marketing framework for connecting consumers to web sites and e-commerce. Our PR firm is aggressive and experienced. We are currently working with Scanlon Corporate Communications out of Chicago.

Phase Two – Part A: Beta distribution, Pilot Programs and Data Tracking (4 months)

Based on Phase One focus groups and customer feedback, tweaks (both major and minor) may be made to the Beta product - including revisions to the software, firmware, device drivers and SlideCard bit structure. The remaining Beta devices will be produced and distributed in bulk to four beta sponsors with target audiences complimentary to the prime consumer set identified in focus group testing. The PlanetPortal.com sales and marketing team will assist sponsors with a pilot marketing program to offer 4,000 Web Remotes as premiums to a select group of their existing customer base.

As the Web Remotes are installed and utilized by consumers in the marketplace, PlanetPortal.com will create customer-reporting tools based on sales, marketing and beta sponsor’s tracking requirements, while respecting user privacy. These tools will take the usage behaviour of registered Web Remote users and translate them into valuable, easy-to-read marketing reports. Operating procedures will be instituted to readily maintain and administer our SlideCard bit structures.

Phase Two – Part B: SlideCard Reader and Web Remote Product Development and Sales

Part B runs concurrently with Part A. The focus here is the development of release one (R1) of both products. This process was formally kicked off on 12 / 15. The Web Remote has been completely redesigned and significant enhancements are being made to the software and firmware functionality. With functional Beta Web Remotes in hand and artist renderings / models of R1, our business development team will call and close sales on targeted ISP and affinity accounts to sponsor private labelled versions of the first one million devices (three months worth of volumes). PlanetPortal will continue to build and maintain an affiliate programs for resale into affinity accounts which do not currently have a program in place.

The PlanetPortal.com new business development team will proactively seek partners in the PC and Internet Appliances industry to develop complimentary outlets for licensing our SlideCard Reader technology into those products. We will rely on our partners to manage the majority of product development, with PlanetPortal.com supplying peripheral consulting

services – allowing our focus to remain on the continued development of the dot com business model (read consumer profile databases)

Included in this phase is a small pilot program run by our fist large ISP account (1000 units)

Phase Three: Release 1 of Web Remote / Slidecard

(May 2000)

Sales and New Business Development efforts will continue to sell and license product into new channels with focus centering on the US market. Data mining and reporting tools will be fined tuned and expanded. Additional account management personnel will be hired to service existing accounts. Additional sales personnel will be added to build and promote the SlideCard licensing efforts.

The database of user behavioural profiles will allow PlanetPortal.com to compile and create valuable, open-sourced marketing reports, including robust information about users purchasing behaviour resulting from our affiliate programs. These reports will greatly assist our Slidecard sales and marketing team.

X. GROWTH STRATEGY (ONE PAGE)

[Please provide description of your growth strategy in each of the planned markets for your products / services one page (1)]

SAMPLE GROWTH STRATEGY (ONE PAGE)

Subsequent to a successful national market launch in 2000, a portion of our focus will then turn to market share growth in various foreign markets. Although PC and Internet growth rates in the US remain strong, the largest growth will be seen in other geographies. PlanetPortal will leverage our existing relationships with the Asian manufacturers and PC OEM's to aggressively license our Print-to-Web technology into keyboards all over the world. Additionally, we work closely with Deutsche Telekom and other foreign ISP's to resell the WebRemote Control into those channels.

National Market

In the National Market, PlanetPortal will continue to expand the breadth and scope of both our licensing agreements and WebRemote distribution channels.

Once the print-to-web technology has become mainstream, all OEM's will be forced to adopt in an effort to provide the benefit to their customers and meet competitive standards. Concurrently, our licensing efforts will target thin clients, set top boxes and other web based information appliances.

We will target additional licensing opportunities with large affinity programs, large institutions and selected membership associations such as AARP, etc. Additionally, we will look to expand on our marketing messages by always looking for new ways to deliver enhanced ease of use to our customers. By focusing on the customer we will differentiate ourselves and position PlanetPortal as a leader in ease of use and profitability.

International Expansion

Deutsche Telekom will play a strategic role in the introduction of the WebRemote Control into Germany and the rest of Europe. Deutsche Telekom T-Online is the #2 ISP in the world with over 4.2 million subscribers. We will work to leverage and turnkey many of their existing e-commerce vendors and merchants.

PlanetPortal plans to pursue a funding strategy that will allow us to easier penetrate foreign markets. It is thought that we will pursue New Media companies that have a strong international presence to fuel our overseas expansion. Firms such as NewsCorp, Telefonica, etc.

PC growth rates in overseas markets are rapidly expanding. The introduction of extremely low cost or in some cases, free PC's, will allow the world market for PC's to enjoy fantastic growth in the coming years. Many firms are already beginning to exploit formerly nascent geographies such as Latin America and Japan. 95% of the world remains without a PC. PlanetPortal will look to partner with foreign OEM distributors. This will allow our software to be preloaded on the machine and our device or WebCard technology bundled with the box.

XI. USE OF PROCEEDS (1/2 OF THE PAGE)

[Please provide the amount in Euros (EUR) and your proposal how to use of the funds obtained from private equity or venture capital fund on one half of a page (1/2)]

SAMPLE USE OF PROCEEDS (1/2 OF THE PAGE)

The money invested in [Your Company Name] will be used for the following purposes:

- Purchase of DEF Machine, Model # 333058 including installation - (EUR 150,000)
- Working capital - (EUR 50,000)
- Leasehold improvements - (est. EUR15,000)
- Laboratory equipment - Beakers, test tubes, petrie dishes - (EUR 1,500)
- Startup costs - legal fees, filing fees
- Inventory -raw materials - (EUR 25,000)
- Delivery trucks (GMC Model 80, EUR 10,995)
- Computer equipment –x number of HP Model XY - (EUR 40,425)

These outlays will enable us to operate at a level that will allow us to meet our conservative sales goals for the first year. This will also allow us to outright purchase these items rather than finance or lease them.

XII. EXIT STRATEGY (1/2 OF THE PAGE)

[Please provide your proposal for the exit strategy on one half (1/2) of the page.]

Exit strategy refers to proposed closing of private equity or venture capital investment in your proposed project or company. After an average of 5 years (can be also 3 or 7), private equity and venture capital investors indents to sell his stake in your company and possible exit strategy include acquisition of your company by strategic partner, management buyout (repurchase of your company by the management team), initial public offering (IPO) and other exit strategies. You may provide more than one alternative for the proposed exit strategy.

SAMPLE EXIT STRATEGY (1/2 OF THE PAGE)

PlanetPortal can achieve exit strategy via Initial Public Offering or Acquisition.

Initial Public Offering

PlanetPortal has created a powerful new consumer profiling technology. The technology will allow PlanetPortal to build a massive, proprietary database containing millions of consumer profiles from all over the world. Ultimately it will be the profiling data that will be the most coveted piece of the business model.

Additionally, PlanetPortal will have secured the necessary standards, intellectual property and licensing agreements to assure long term dominance of an entirely new advertising medium.

The WebRemote Control portion of the business model may become a viable spin-off portion of the business. A peripheral manufacturer such as Logitech may find that portion of our business desirable – especially when considering the burgeoning growth markets in other geographies.

Acquisition

PlanetPortal will have exceptional opportunities to be acquired by another firm that may be looking to:

- 1) Secure access to a new method of driving “eyes” to their web site
- 2) Acquire the consumer swiping profiles of over fifteen million plus customers
- 3) Derive new opportunities for revenue growth
- 4) Realize synergies that may result from the combination of two companies doing similar forms of business

XIII. RISK ASSESMENT (ONE PAGE)

[Please provide the risk assessment of your proposal one page by filling the table below:]

No.	Risk Event	Impact	Mitigation Strategy

Where:

Risk Event – represents risk event to your proposed project / company business

Impact – represents the strength of the detrimental effect the Risk Event would have on your business and can be LOW, MEDIUM or HIGH

Mitigation Strategy – represents the steps you may take for preventing the Risk Event to impact your business

You may add or delete lines in the table as deemed necessary.

SAMPLE RISK ASSESMENT (ONE PAGE)

	Risk Event	Impact	Mitigation Strategy
1	OEM's fail to adopt SlideCard technology in large volumes	High	Working closely with Lite-on and Chicony (produce 60% of world's keyboards) to bring comprehensive program to OEM's.
2	Consumers fail to adopt the Web Remote Control	Medium	Focus group testing, product redesign, soliciting requirements directly from customers
3	PlanetPortal unable to staff marketing and new business development staffs	Medium	Retain executive search firms, hiring of recruitment manager
4	Inadequate capitalization results in delayed time to market	High	Continuous pursuit of additional capitalization. Checkpoints in place to assure funding requirements are adequate
5	Cypress Semiconductor unable to supply USB microcontrollers in volume. PlanetPortal.com unable to meet lead times due to startup cash constraints	High	Heightened emphasis on keyboard licensing, lessened emphasis on distribution of Web Remote Control
6	Product BOM estimates exceed projections	Medium	Work closely with manufacturers, designers and product development to manage BOM
7	Partner revenue auditing, shipping, packaging, CD's, technical docs all have logistics which need to be managed	High	Hiring of VP of Operations and Logistics
8	PlanetPortal SlideCard standard thwarted by a competitive standard	High	PlanetPortal working closely with keyboard and peripheral manufacturers to agree to a universal standard
9.	PlanetPortal.net proves to be unstable. OEM's and ISP's will not trust their brands to a startup that has trouble with network reliability	High	Forming partnerships with Sun / Oracle / Exodus to assure maximum performance and reliability.

FORM C – FINANCIAL PLAN (to be filled by applicant)

FINANCIAL ANALYSIS (2/3 OF THE FRONT PAGE)

Please provide **SHORT** and **BRIEF** analysis of your **Financial Plan** stating the following:

- (i) **Assumptions underlying the Financial Plan**
 - ✓ What are the underlying assumptions on which you base your Financial Plan?
 - ✓ In particular, what is your underlying assumption regarding the revenue growth rate?
- (ii) **Gross and operating margins**
 - ✓ Describe the magnitude of the gross margin and operating margin for your product(s) and/or service(s) in the market niche(s) that you plan to attack.
- (iii) **Profit potential and durability**
 - ✓ Describe the magnitude and expected durability of the profit stream your business is expected to generate. If possible, provide the reference of the industry benchmarks.
 - ✓ Address the issue of how perishable or durable the profit stream appears to be. Provide reasons why your profit stream is perishable or durable, such as barriers to entry you can create, your technological and market lead time, and environmental sustainability (which in some cases can be a driver for cost reduction).
- (iv) **Fixed, variable and semivariable costs**
 - ✓ Comment on your fixed, variable and semivariable costs providing details if possible and showing industry benchmarks if possible.
- (v) **Months/years to breakeven**
 - ✓ Given your entry strategy or your expansion strategy, marketing plan and proposed financing, show how long it will take to reach a unit break-even sales level.
- (vi) **Months/years to reach positive cash flow**
 - ✓ Given your strategy and assumptions, show when the proposed project will attain the positive cash flow.

FINANCIAL PLAN (USE EXCEL TEMPLATE PROVIDED)

PLEASE USE THE EXCEL FILE TO COMPLETE FINANCIAL PLAN (FORM C) AND PRINT EACH OF THE WORKSHEETS (Income Statement, Balance Sheet, Cash Flow) AND ATTACH HERETO.

THE EXCEL FILE FORM C – FINANCIAL PLAN CAN BE DOWNLOADED FROM THE CVCA WEBSITE www.cvca.hr

(Exceptionally, CVCA will accept Financial Plan in other formats than the template provided. In case applicant is using own Financial Plan – please indicate clearly on the cover page of such plan “FINANCIAL PLAN”).

Form C_Financial Plan Template in Excel contains the following worksheets:

- ✓ **Instructions**
- ✓ **IS (Income Statement)**
- ✓ **BS (Balance Sheet)**
- ✓ **CF (Cash Flow Statement)**

FINANCIAL PLAN (USE EXCEL TEMPLATE PROVIDED) - CONTINUED

INSTRUCTIONS ON HOW TO COMPLETE FINANCIAL PLAN TEMPLATE IN EXCEL

General Assumptions:

The financial statement worksheets include two years of historical financial statement figures (2007A, 2008A), one year of estimate financial statement figures (2009E) and five years of forecasts (2010F - 2014F). All the figures are expressed in thousands of Euros ('000 EUR) or as percentage (%).

- 1) In the case your company is an established business, please provide the historical financial statement figures corresponding to the figures in the annual financial statements (2007A, 2008A), estimate figures for this year (2009E) and five years of forecasts (2010F-2014F).
- 2) In the case your company is a startup and is yet to be incorporated, you should provide only forecasts for the next five years (2010F-2014F). You may leave blank or delete the columns corresponding to historical figures (2007A, 2008A, 2009E).
- 3) This template proposes all the figures to be expressed in thousands of Euros ('000 EUR). You may modify this by providing all the figures expressed in one of the local currencies of South East European countries (SEE).
- 4) This template is in English, but you may also use it translated in one of the official SEE languages.
- 5) If you use this template, you should put figures only in the BLUE shaded cells (INPUT CELL). You should put figures in the INPUT cells and other cells will be calculated automatically (OUTPUT CELL). **You may modify this automatic calculation should you need to.**
- 6) In the worksheet IS (Income Statement), red shaded cells represent the calculated % of Revenue growth rate and margins. You may also use these cells as assumption cells (in that case you may need to modify the template).
- 7) In the worksheet BS (Balance Sheet), yellow shaded cell represents the control cell.

INPUT	→		
OUTPUT	→		
OUTPUT CELL OR ASSUMPTION	→		
CONTROL	→		

FINANCIAL PLAN (USE EXCEL TEMPLATE PROVIDED) - CONTINUED

8) If you use this template to submit your Financial Plan, please save it as:

Form C_Financial Plan_[PROJECT ACRONYM]

Please print worksheets IS (Income Statement), BS (Balance Sheet) and CF (Cash Flow) and attach it to your Submission Set.

Please note that you should submit all forms of the Submission Set in triplicate, including three copies of THIS Form C (every worksheet (IS, BS, CF) needs to be printed in 3 copies each). In addition, you include the copy of this Form C and other forms on the CD-rom in your proposal.

9) Please note that this template is not **OBLIGATORY** and you may use **YOUR OWN** financial plan to be submitted as Form C - Financial Plan. In case you use your own financial plan, please try to provide as many details as are contained here since the evaluation of your proposal also depends on the quality of financial plan. Your financial plan in your own form can be (a) expressed in thousands of Euros ('000 EUR) or in one of the local SEE currencies; and (b) in English or in one of the official SEE languages.

FORM D – MANAGEMENT RESUMES (to be filled by applicant)

PLEASE USE THE EUROPASS CURRICULUM VITAE FORMAT FOR EACH MEMBER OF THE MANAGEMENT TEAM AND ATTACH HERETO.

THE EUROPASS CURRICULUM VITAE CAN BE DOWNLOADED FROM THE CVCA WEBSITE

www.cvca.hr

Apart from the Form D_Management Resume Template (Europass CV) the following guides can also be downloaded from the CVCA website to help you complete the Europass CV:

- ✓ Instructions_How to complete Europass CV
- ✓ Example 1_Europass CV
- ✓ Example 2_Europass CV

(Exceptionally, CVCA will accept Management Resumes in other formats than the Europass Curriculum Vitae format. In case applicant is using own Management Resume format – please indicate clearly on the cover page of such document “MANAGEMENT RESUMES”).

FORM E– EXCLUSION CRITERIA FORM (to be filled by applicant, duly signed and stamped)

Please fill in the appropriate details in the table provided where:

- **The undersigned** – is the name of the company or person signing the Form E;
- **Applicant Name and Title** – is the name and title of the applicant (Applicant Name as defined on page 3 of this Guide);
- **Company or Person** – please indicate whether the applicant is registered company or person;
- **Complete Official Name of the Applicant Company** – please provide complete official name of the applicant company as recorded in the official incorporation documents. Please leave blank if the applicant is a person;
- **Legal address** – please provide legal address where the company / person is registered;
- **Registration number** – please provide registration number for the company / person;
- **VAT number** – please provide VAT number for the company, if any;
- **Name of the signatory of this form (representative legally authorised to represent the candidate vis-à-vis third parties and acting on behalf of the aforementioned company)** – please provide the full name of the person authorized to sign the document on behalf of the applicant company. Please leave blank if the applicant is a person.

Please execute signature and official stamp on the Form E – Exclusion Criteria Form.

CVCA is asking the applicants to complete Form E to prevent individuals or companies under legal proceedings or conflict of interest to submit their proposals. In the case you are selected as finalist, you may if requested be required to send additional documents as provided by the Form E.

2. EVALUATION CRITERIA AND KEY ELEMENTS LIKELY TO BE ASSESSED BY THE EVALUATION COMMITTEE

All proposals will be examined and assessed by an Evaluation Committee, set up for that purpose by CVCA. The assessment of each proposal will be based on the information provided by the applicants in the proposal submitted. In addition, CVCA reserves the right to use any other information from public or specialist sources. All the information will be assessed in light of the **Eligibility and Award criteria** set out in the Specification for VentureXchange South East Europe 2010 Competition (“Specifications”). The eligibility, selection and evaluation procedure consists of **successive stages**. Only the proposals meeting the requirements of one stage of the assessment will pass on to the next. The Evaluation Committee may ask an applicant to provide additional information or to clarify the supporting document submitted in connection with the application, in particular in the case of evident material errors. At the end of the evaluation, the Evaluation Committee draws up a list of proposals, which are selected as finalists. The conclusion of the Evaluation Committee is recorded in a report signed by the members of the Evaluation Committee. Such report will be published on the CVCA website (www.cvca.hr).

Further information concerning the evaluation:

When assessing the Award criteria set out in the Specifications, the Evaluation Committee generally pays attention to the following elements. Please note that those elements, which are indicative and non-exhaustive, are given on the basis of transparency and in order to help applicants to improve their applications.

Evaluation criteria and key elements likely to be assessed by the Evaluation Committee:

N.B. NOTATION

- ✓ *Tick represents the positive elements*
- *Minus represents the negative elements*

1. Business idea

- ✓ Does the business idea identify the market need?
- ✓ Does the business idea represent the market driven, clearly identified recurring revenue niche?
- ✓ Does the business idea include groundbreaking, one-of-a-kind technology?
- ✓ Is the timing of the business idea perfect?
- Is the business idea unfocused with regards to the market need?
- Does the business idea represent only onetime revenue opportunity?
- Does the business idea present product or service with many substitutes or competitors?

2. Potential for fast revenue growth

- ✓ Can the product or service create or expand the customer base? Are the customers reachable?
- ✓ Does the product or service provide high value added?
- ✓ Does the company have pricing advantage compared to competitors with the proposed product or service?
- ✓ Is the revenue growth assumed to grow at rate faster than 30% or 50% and is that assumption realistic?
- Is it difficult for the product or service to create or expand the customer base? Are the customers loyal to others or unreachable?
- Does the product or service provide low value added?
- Does the company need to offer low prices to undercut competitors and sell its product or service?
- Is the revenue growth assumed to grow at rate slower than 10%?

3. Potential for achieving sustainable comparative advantage

- ✓ Does the company have (or can gain) proprietary protection for its product/service?
- ✓ Does the company have legal or contractual advantages (proprietary or exclusivity)?
- ✓ Does the company have cost advantages compared to competitors?
- ✓ Does the company have strong control over costs, prices and distribution?
- Does the company have no possibilities of gaining proprietary protection for its product/service?
- Does the company have no cost advantages compared to competitors?
- Does the company have only a weak control over costs, prices and distribution?

4. Potential for achieving target market share (national, regional, global)

- ✓ Does product or service clearly respond to the market need?
- ✓ Is target market or market niche large with imperfect, fragmented competition, or emerging industry?
- ✓ What are the assumptions for attaining the market share within 5 years? Does the company have the potential to attain 20% of market share or become the leader in the target market or market niche?
- ✓ Does the company have potential to expand beyond the national market to regional and/or global markets?
- Is the product or service unfocused with regards to the market need?
- Is target market or market niche small with highly concentrated or mature or declining industry?
- Does the product or service present product or service with many substitutes or competitors?
- Does the company have very limited prospect to attain any significant market share (less than 5%) in the target market or market niche?
- Will the company struggle to reach significant share in the national market and has no potential to expand in the regional and/or global markets?

5. Detailed and realistic business plan with clearly defined goals

- ✓ Is the business plan presented detail and realistic?
- ✓ Are the assumptions presented in the business plan realistic?
- ✓ Does the business plan contain clear and objective short description of each of the sections required ((i) Market Opportunity, (ii) Value Proposition, (iii) Company / Project Name Short History, (iv) Product / Service Description, (v) Revenue Model, (vi) Marketing Plan, (vii) Competitive Advantage, (viii) Competitors, (ix) Operations Plan, (x) Growth Strategy, (xi) Use of Proceeds, (xii) Exit Strategy, (xiii) Risk Assessment)?
- Does the business plan contain one or more of fatal flaws?
- Does the business plan lack description of one or more of the sections required ((i) Market Opportunity, (ii) Value Proposition, (iii) Company / Project Name Short History, (iv) Product / Service Description, (v) Revenue Model, (vi) Marketing Plan, (vii) Competitive Advantage, (viii) Competitors, (ix) Operations Plan, (x) Growth Strategy, (xi) Use of Proceeds, (xii) Exit Strategy, (xiii) Risk Assessment)?

6. Detailed and realistic financial plan with clearly defined goals

- ✓ Is the financial plan presented detailed and realistic?
- ✓ Are the assumptions presented in the financial plan realistic?
- ✓ Does the financial plan contain completed forecast and historical (if available) figures for Income Statement, Balance Sheet and Cash Flow Statement?
- Is the financial plan presented full of flaws, lacking detail and unrealistic?
- Is the financial plan lacking significant part, or whole of the forecast and historical (if available) figures for Income Statement, Balance Sheet and Cash Flow Statement?

7. Management capacity to manage the proposed project

- ✓ Does the proposed management team include top talent team? Do members of the management team have top of the field, superior track record in industry and technical experience?
- ✓ Is the integrity of the management team at the highest standards?
- ✓ Are members of the management team free agents?
- ✓ Can the entrepreneur hire top talent management team?
- Does the proposed team include underdeveloped team with weak industry and technical expertise?
- Does the proposed team include solo entrepreneur unable to hire capable management team?
- Is the integrity of the management team questionable?
- Do members of the management team have full time positions that may be difficult to leave for the proposed venture? If members of the management team are not free agents, would they accept cut in salary by taking positions in the proposed venture?

8. Profitability of the project

- ✓ Is the revenue growth rate 30% or 50% per annum?
- ✓ Is the proposed venture profitable achieving 10% to 15% or more of net margin? Does the gross margin exceed 40%? Is such profitability durable?
- ✓ Does it take less than 2 years to breakeven with Cash Flow and Income Statement?
- ✓ Does the proposed venture have high return on investment potential with potential to return 25% or more?
- ✓ Does the proposed venture have high internal rate of return potential with potential to return 25% or more per year?
- Is the revenue growth rate less than 10% per year?
- Is the proposed venture with very limited profitability with gross margins under 20% and net margins less than 10%?
- Is profitability of the proposed venture very fragile?
- Does it take more than 4 years to breakeven with Cash Flow and Income Statement?
- Is the return on investment potential less than 15%?
- Is the internal rate on return potential less than 15% per year?

9. Transparency

- ✓ Are all the details provided by the proposal clear and identifiable?
- ✓ Does the applicant use the Submission Set Forms (Cover Page, A/1, A/2, B, C, D, E) and/or content equivalent own forms replacing proposed Submission Set Forms (B, C, D)?
- Is the proposal presented with unidentifiable (secret) description of product / service and other details of the business plan?
- Does the proposal contain no real financial figures?
- Does the proposal contain no real and proper names for the members of the management team?
- Are own forms replacing proposed Submission Set Forms (B, C, D) lacking information compared to proposed template forms?

10. Clearly defined exit strategy

- ✓ Does the proposed venture represent high strategic value added potential?
- ✓ Is the exit mechanism present and the exit strategy includes envisioned options? Is the exit strategy presented realistic?
- Does the proposed venture represent low strategic value added potential?
- Is the exit mechanism undefined? Can the proposed venture turn to be illiquid investment?

3. CHECK LIST OF THE DOCUMENTS TO SEND

Before sending in the application, please check that your proposal includes the following:

- ✓ **Cover Page of the Submission Set** – completed in English using the template provided by the Submission Set
- ✓ **Application Form completed (Form A/1)** – completed in English using the template provided by the Submission Set
- ✓ **Executive Summary Template completed (Form A/2)** – completed in English using the template provided by the Submission Set
- ✓ **Business Plan Template completed (Form B)** – completed in English or in one of the official languages of South East European Countries using the template provided or your own template
- ✓ **Financial Plan Template completed (Form C)** – completed in English or in one of the official languages of South East European Countries using the template provided or your own template
- ✓ **Management Team Resumes in the Europass CV format (Form D)** – completed in English or in one of the official languages of South East European Countries using the template provided or your own template
- ✓ **Exclusion Criteria Form (Form E)** – completed and duly signed and stamped in English using the template provided by the Submission Set
- ✓ **ALL OF THE ABOVE FORMS PRINTED AND SUBMITTED IN TRIPLICATE (three copies)**
- ✓ **ALL OF THE ABOVE FORMS SUBMITTED ON THE CD-rom**