



Malina 2.0 Valuation and Assessment of Strategic Growth Opportunities

1. Introduction

1.1 Context

- TechnoMarkt LLC (further on TM) is to re-launch the coalition loyalty programme MALINA in conjunction and cooperation with a direct marketing platform under the brand "TeamRing" and an umbrella name MALINA 2.0
- TM is to consolidate three separate business proposition as one business system, namely:
 - MALINA – a coalition loyalty programme
 - BENZOVOZ – a retail fuel card programme
 - KOMMUNALKA – a retail multi-partner Utility Bill programme
- TM is to accumulate launch investments and initial working capital via issuance of Electronic Coupons to the members of the TeamRing system
 - 100 000 electronic digital coupons are to be issued
 - In equivalent of 49,9% of the Shareholding Capital of TM
 - To be converted in a five year time into preferred stocks of the same value
- That creates the need for an independent estimate of the MALINA 2.0 value at the pre-launch stage to calculate the initial value (starting quotation) of a single electronic coupon
- The valuation should take into account the current state of the business as well as an assessment of the potential financial impact for viable strategic growth options

1.2 The objectives of the assessment project

- To provide a well-founded estimate of the financial value of MALINA 2.0 consolidated assets (pre-launch)
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- To assess a realistic strategic plan, exploring various options for growing TM business including appropriate expansion opportunities
- To produce the appropriate sensitivity and scenario analyses with a recommended course of action for pursuing the appropriate strategic options

1.3 The Valuation approach

- The core value of the consolidated assets under MALINA 2.0
 - Financial Analysis evaluating historic financial statements, forecasts, reports of MALINA and BENZOVOZ operations
 - Residual value of MALINA and BENZOVOZ hard and soft assets including but NOT limited to the Software, registered brands, Accumulated Consumer Data, Size and usability of Cardholders contact details Know-How etc. assessed within similar programmes in other countries
- The premium multiplier of KOMMUNALKA Strategy and Business Plan
 - Evaluation of strategy and business plan for KOMMUNALKA to develop the Unique programme consumer and partner proposition and First to Market qualifications to be factored in after the calculation of the core value
- An assessment of integrated risks will provide a discounted factor to be applied to the core value multiplied by the premium multiplier

1.4 Period of the Valuation Project

- All the activities in relation of the Project were carried out and completed from 1st July 2021 till 31st October 2021
- The final paper and report we submitted to TM on 1st November 2021





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2. Executive summary

- The combined fair market value of MALINA 2.0 is estimated at USD 13 780 000, whereas
 - TM core value of the ~~consolidated~~ assets of MALINA and BENZOVOZ is estimated to arrived at **USD 13 250 000**, whereas
 - MALINA – USD 12 500 000
 - BENZOVOZ – USD 750 000
 - The Premium multiplier of KOMMUNALKA strategic growth opportunities is estimated at 1,3 on the core value of the consolidated assets, that gives
 - USD 17 225 000
 - The discounted factor of launch risk assessment is factored at 0,8 (minus 20%) on the multiplied value of the core value
- The final estimation calculation USD: $((12\,500\,000 + 750\,000) \times 1,3) \times 0,8 = 13\,780\,000$
- The starting quotation of one single electronic coupon is hence valued at **USD 137,8**

In addition to growth of the core consolidated business, the initial value of the business can further be increased by an estimated 25% by pursuing a diversification strategy from the launch, subject to the consent between TM and the TeamRing platform.

The CEO McKinven Expert

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