

CULTUS

<<COMPANY NAME>>



INVESTOR READINESS REPORT OCTOBER 2018

Disclaimer: This report is a subjective analysis and opinion of an independent subject matter expert based on documents provided by the company and one on one meetings with the founding team. This report is also relevant for the limited period during which the facts do not change and /or there is no significant change in the business environment. For any clarifications you are encouraged to contact Natio Cultus Consultancy Pvt. Ltd. at inquiry@natiocultus.com

Content

Title	Page No
1. Executive Summary	3
2. Overall Qualitative Commentary	4
• Potential of the Idea	4
• Corporate Setup	4
• Market Size & Opportunity	5
• Competitive Advantage	5
• Quality, Skill & Diversity of Team	6
• Product/Service Maturity	6
• Executable Business Plan	7
• Financial Robustness	7
• Investability	8
• Exit Strategy & Probability	8
• Governance & Risks	9
3. Overall Funding Readiness Score	10
4. Funding Readiness Score by Criteria	10
5. Strengths	11
6. Areas of Focus	12
7. Recommended Funding Strategy	13

Executive Summary

<<COMPANY NAME>>

Corporate Office Address:

Address 1,

Address 2,

City, State - Zip code

Company Information:

Type of Company	:	Pvt. Ltd/LLC/LLP/Proprietorship
Industry	:	<< Industry >>
Date of Incorporation	:	MM/YYYY

Contact Information:

Name:	Full Name	Designation:	Designation
Email ID:	email@ID	Contact No:	1234567890
Name:	Full Name	Designation:	Designation
Email ID:	email@ID	Contact No:	1234567890

Requisite Investment Amount **USD 5.5 Million**

Overall total Score	1549.5 (86.67% Percentile of Closest Peer Group)
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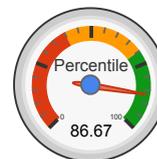
Overall Qualitative Commentary

POTENTIAL OF THE IDEA

The company has launched an app based weight loss tool that it claims to be a revolutionary way to eat smart, eat what you love, and achieve your weight loss goals. This is a huge market globally and has quite a few existing players. The company distinguishes itself in various ways and has received excellent early traction. The addressable market size is well established and the company has paying customers currently. The company has filed for a patent that has been provisionally accepted in the USA. The logo is trademarked in India. The idea and product execution is high impacting with a significant potential to disrupt current players.



Score: 192



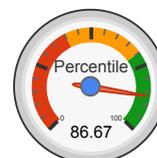
Percentile of Peer Group: 86.67

CORPORATE SETUP

The company was incorporated in Mumbai in August 2015. It has two directors. The founders have an informal advisory group functioning and the overall setup is professional and well organized. Employees as well as founders have employment contracts with non compete and confidentiality clauses. There are seven shareholders who have a formal shareholding agreement among themselves.



Score: 78

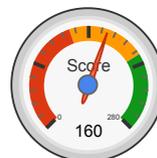


Percentile of Peer Group: 86.67

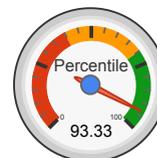
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MARKET SIZE & OPPORTUNITY

The market size is well established globally and in India. It is a fast growing market with rising awareness of health and awareness as well as rising urbanization and life style related / weight related issues. The company has positioned itself after a detailed study of the competition and has documented strategies and plans to tap into the market opportunity. The product of the company has global appeal and scaling up globally is an option with low incremental costs. The company has mapped out its targeted client base and has a fairly good idea of its client segments.



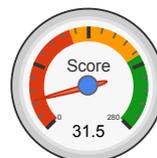
Score: 160



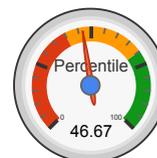
Percentile of Peer Group: 93.33

COMPETITIVE ADVANTAGE

The founders are very well versed with the competition and their offering. The company has crafted an unique product taking into account what is currently available. It has blended machine learning, AI, Gamification, the largest and best Indian food database with a nutritionist support for an unmatched experience. It will soon launch AI based Nutrition Coaches. While the market is crowded with some good apps and many "me too" offerings, this product has excellent potential to disrupt and scale due to multiple factors that the company has worked on.



Score: 31.5



Percentile of Peer Group: 46.67

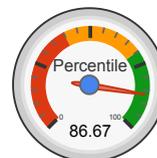
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QUALITY, SKILL & DIVERSITY OF TEAM

The two founders working in the business are highly skilled, experienced and qualified to lead the business. They are passionate about the business and have set the company up professionally for success. There are eight employees currently and the company is backed by an excellent set of advisors. All the founders are aligned to the business goals and vision. The current shareholding agreement does not have any risk for an investor investing into the business. There is an effective management team and the founders are aware of the leadership that needs to be brought in as they scale up.



Score: 280



Percentile of Peer Group: 86.67

PRODUCT/SERVICE MATURITY

The product was launched in phases starting with the app availability in October 2016, on IOS and Android platforms. There is a clear product road map and documentation of the product is adequate. In Nov 2017 the company released their food data base on website search. They are already ranking on page 1 for most foods. For Glycemic index they are the no 1 search for majority Indian foods. There is a clear USP compared to its competitors and the product road map is well defined and documented. The customer testimonials are excellent with high (comparative) retention rates and customer satisfaction scores. Almost all major development work of the product has been executed in-house.



Score: 141



Percentile of Peer Group: 93.33

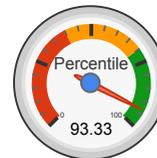
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EXECUTABLE BUSINESS PLAN

There is a documented business plan that covers all aspects of strategy, marketing and operations. The company has subscription plans that are paid for with a unique a la carte model with an AI nutrition coach. The plans are for 3/6/12 months and plans are for rolling out other offerings as well. The company also plans to offer, platform as a service to health tech companies, Insurance companies for risk assessment + packaged plans , Chronic and lifestyle disease management services with ecosystem partners – e.g. diabetes clinics. The go to market strategy is executed through strategic partnerships, social media, events, blogs, targeted events etc.



Score: 84



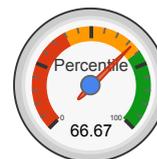
Percentile of Peer Group: 93.33

FINANCIAL ROBUSTNESS

The revenue model of the company will kick in shortly. Revenues will be from subscription services. There are documented financial plans and projections and the accounting is up to date. the founders currently draw a nominal salary from the company. There are no loans in the company and the founders have invested INR 35lacs. The capitalization of the development spend on the product needs to be done.



Score: 63



Percentile of Peer Group: 66.67

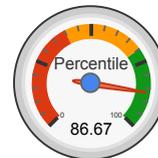
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INVESTABILITY

The company has a formal valuation report available although it is not current. The company has received an offer for a buy out in the past but the shareholders are not evaluating any offers currently. INR One crore was raised in April 2017. The company is seeking investment of INR 5 Crores against a defined spending plan. The shareholders are open to equity and non equity options of funding. The business has the potential to go viral and scale rapidly.



Score: 66



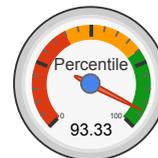
Percentile of Peer Group: 86.67

EXIT STRATEGY & PROBABILITY

The shareholders have a formal shareholding agreement among themselves. There are no apparent risks for a future investor in this agreement. The founders have a fair idea of exit options for a potential investor as they have substantial business experience prior to this company. In our opinion an exit will most likely come through a strategic acquisition or a later stage funding round.



Score: 30



Percentile of Peer Group: 93.33

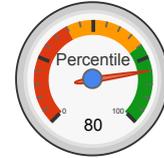
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GOVERNANCE & RISKS

Overall the company is well managed from a statutory compliances perspective. Founders work full time in the business and there are adequate financial controls with timely accounting. There is a functioning advisory board and there are reasonable checks and balances on financial matters. All statutory filings are in place and up to date.



Score: 424



Percentile of Peer Group: 80.00

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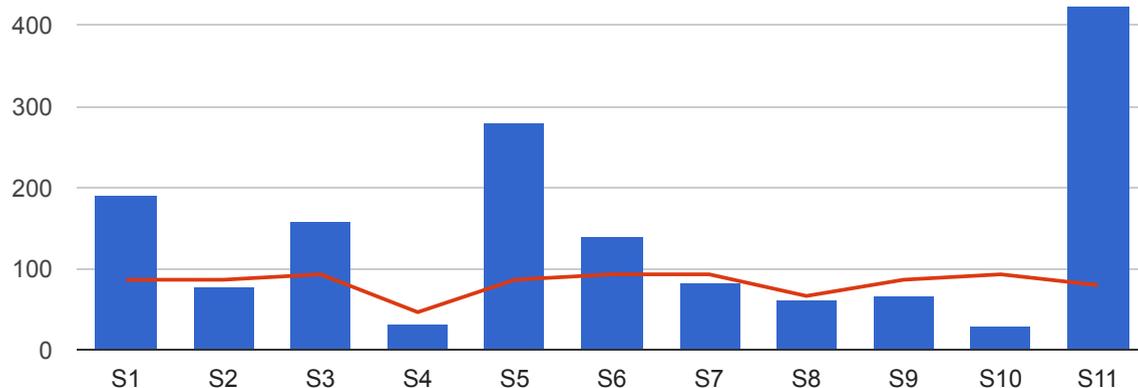
Overall Funding Readiness Score



Percentile of Closest Peer Group



Funding Readiness Score by Criteria



Score

Percentile

Potential of Idea (S1)	Corporate Setup (S2)	Market Size & Opportunity (S3)	Competitive Advantage (S4)	Quality, Skill & Diversity of Team (S5)	Product/Service Maturity (S6)	Executable Business Plan (S7)	Financial Robustness (S8)	Investability (S9)	Exit Strategy & Probability (S10)	Governance & Risks (S11)
192	78	160	31.5	280	141	84	63	66	30	424
86.67	86.67	93.33	46.67	86.67	93.33	93.33	66.67	86.67	93.33	80.00

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Strengths

- 1. Patented offering with AI / Machine Learning, gamification and worlds largest Indian food database
- 2. Highly skilled founder team working with documented plans and excellent set of advisors
- 3. Good early traction and acceptance from the market. Excellent knowledge of the markets & competition
- 4. Well governed with shareholding agreement and clear product road map



Areas of Focus

- 1. Go to market needs to be accelerated. Small launches with paid customers are essential for investor confidence
- 2. A leader for the Marketing function will be essential in the medium term



Funding Strategies

- 1. The company is well placed for Angel Investment and maybe VC investment
- 2. Continued high governance standards and statutory compliance is essential
- 3. the pace at which product roll outs are planned while simultaneously seeking funds; it is imperative that one Founder/Shareholder concentrate on fund raising as a full time activity

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