



WHAT OUR PROSPECTIVE INVESTORS AND PARTNERS NEED TO KNOW ABOUT INVESTING IN INNOVATIVE ENTREPRENEURSHIP CENTRE (IEC)



RATIONALE FOR INVESTMENT AND PARTNERSHIP

The role of investors/partners will be to provide both a financial investment and a consultancy role as a minimum in exchange for equity in IEC. The consultancy role will include the activities as outlined below. For investors who wish to be a silent partner, their investment will be made on different conditions, which can be agreed outside of the options presented here.

Investors will be required to:

- Be supportive partners to the IEC vision who will provide networking opportunities, contacts, introductory meetings and facilitate engagement with key stakeholders
- Vouch for IEC, its brand, message and staff and be an ambassador for its programme's activities in the UK and in Nigeria.
- Provide direct consultative support and details of the best way to navigate the local environment, local governance and enterprise agenda in IEC enterprise and business interest areas.
- Provide access to their professional network and be open to IEC activities and fundraising activities being presented to them.
- Provide guidance as appropriate with regards to their areas of expertise in relation to the establishing of the IEC in Lagos and further locations across Nigeria and Africa.

IEC INVESTMENT MODEL

In the light of creating our investment model, professional valuation done on IEC puts our pre-money valuation at **N250 million Naira**. The assumed value of one IEC centre and its associated business activities for each year is N50 million Naira. Therefore a 16.7% equity stake is calculated and valued at N25 million Naira.

(See below calculation):

$$N250,000,000 + N50,000,000 = N300 \text{ million naira post-money valuation}$$

Therefore:
$$N50,000,000 / N300,000,000 = 1/6 = 16.7\%$$

The rates offered below far outweigh traditional savings rates, making this a sound way to invest, as well as being part of a movement of developing enterprise support activity for Nigeria.

Equity stake	Duration	Equity Value	ROI per duration years	Repayment value
4.2%	2 years	N6.25 million	12.5 - N1,506,250	N7,531,250
8.35%	3 years	N12.5 million	13% - N4,875,000	N17,375,000
16.7%	5 years	N25 million	13.5% - N16,875,000	N41,875,000
33.4%	6 years	N50 million	14.5% - N43,500,000	N93,500,000

TERMS AND CONDITIONS

- If the full cash equity stake is not available, payment terms can be agreed before contracts are signed.
- The timing of the payment can be scheduled to coincide with other fundraising activities, meaning that the equity stake payment may not be required until other fundraising activities have generated funds.
- In the event of IEC needing to fold, all assets will be sold and investors' money will be repaid according to the agreed duration, or sooner if possible.

QUESTIONS AND ANSWERS ON WHAT YOU NEED TO KNOW AS AN IEC INVESTOR/PARTNER

OUR MANAGEMENT TEAM

- Q:** Is our management team experienced, driven, coachable, and willing to cede some control and decision-making authority to take advice from outside investors?
- A:** Yes, our team comprised of 3 experienced UK-universities former enterprise and employability managers, and 2 experienced projects and program managers with vast experience in leadership and development management. They combine an array of impressive industries skills and managerial capabilities that can accommodate investor's supports in view of promoting the vision of IEC.

TARGET CUSTOMER

- Q:** Does IEC have an identifiable market segment, and is there a demonstrable and significant demand for our proposed services/solutions?
- A:** Yes, a clear-cut and identifiable market segment and targets customers are set out in IEC detailed business plan, and our market research presented in same document indicates clearly the level of needs and demand for our proposed services across the country.

MARKET SIZE

- Q:** Is IEC projected revenues large and growing, and does IEC have a high growth potential?
- A:** Our Capital Expenditure & Cash-flow Financial Projection Plan shows a growing revenue trend under the Income items. The IEC business plan also shows specific income aspects and discusses other prospective income areas we are looking to explore as the business grows. Of course, IEC growth potential is positive, and is further supported by the massive availability of target customers demanding business-supports services, thus enabling the business to scale for massive profits and also the increasing amount of investments as well as the enabling of 'ease-

of-doing-business' policies now embarked by the present democratic government in Nigeria.

COMPETITION

Q: Has IEC identified potential competitors, and do we understand the Centre's differentiation points?

A: We have researched and considered the various categories of enterprise competitors, and did an analysis of our unique selling points, competitive advantage as well as our SWOT analysis. Our in-depth and research-based understanding of our newly introduced niches to enterprise business will give us the edge required to scale our business and maximize profits

TECHNOLOGY

Q: Does IEC have a proven concept/technology behind its service offerings and has it built a comprehensive business plan to commercialize and scale?

A: The founders of IEC has an initial over 20 years of cognate experience in education, business and development management and from their combined experiences, have designed several tested and proven enterprise concepts and models to drive the growth of IEC. Backed with initial personal investments in latest enterprise and business development technologies, the team has positioned IEC from inception to take hold of considerable share of its market and exploit niche advantage to growing its profits year on year, while it scales for expansion when applicable.

PROTECTED INTELLECTUAL PROPERTY

Q: Has IEC protected its intellectual properties and is there any ongoing plans to cover these in subsequent years?

A: Yes, the founders of IEC have made considerable plan in our detailed business strategy to protect all of our intellectual properties, patents, trademarks and licenses in the countries where we operate, and this will be appropriately communicated to all investors duly upon inception of our operations.

SALES STRATEGY

Q: Does IEC have a proven sales strategy?

A: Yes, IEC has developed an extensive and proven sales plan for its operations in order to achieve widespread market penetration for all of its service offerings. This is contained in a full-dedicated section of our detailed business plan. With the penetration of our full-departmental operation and internal, direct sales team, our sales functions and activities will not rely on occasional external channel partners/marketers.

PROFIT POTENTIAL

Q: Can IEC demonstrate how high margins and consistent cash flow growth will be achieved?

A: Through our Capital Expenditure & Cash-flow Financial Projection, the founders of IEC has demonstrated how high margins and planned cash flow growth will result in guaranteed profit for the business. Also, through provisions for monthly business development and annual re-investment of retained earnings as in our business plan, IEC looks to achieve a consistent cash

flow growth.

CAPITAL NEEDS

Q: Does IEC require funds to finance growth activities, including product development, recruiting key staff, launching sales and marketing activity?

A: Yes, this has been catered for and included in our initial recurrent expenditures and activities in the IEC's Capital Expenditure & Cash-flow Financial Projection. Thereafter, the Centre will be self-sustaining and can generate its own running costs and profits going forward, and would not need any additional funding to finance growth, product development or other activities.

FINANCIAL PROJECTIONS

Q: Has IEC developed reasonable financial projections, including an income statement, cash flow spreadsheets, based on logical, realistic assumptions?

A: Yes, we engaged seasoned procurement consultants and accountants to do the back-work for us and we are certain our projections are realistic, competitive and of current market values.

EXIT STRATEGY

Q: Does IEC have a clear exit strategy that will enable angel investors, venture capitalists and partners to generate an excellent return on their initial investment within two to six years?

A: Yes, our Investment model and terms and conditions, on the first page here clearly state this. Also, our business plan and operation strategy documents indicate how these would be achieved. In the event of IEC needing to fold, all assets will be sold, and investors' money will be repaid according to the agreed duration, or sooner if possible.

BUSINESS PLAN

Q: Has IEC developed a comprehensive business plan that articulates your key business strategies for how you will grow your venture?

A: Yes, our business plan and operational strategy documents are well researched and attested by experienced enterprise and development managers. IEC business models and mode of operations are tested and proven ones and we cannot be more than certain what great values these will deliver for our clients.

CONSIDERING VALUATION

Q: Does IEC valuation fit within Angel's risk/reward expectations for the investment?

A: Our valuation adopts a simple straightforward model relating to our business stake. Typically, investors look for pre-money valuations well below £1 million, from as little as £250K. Ours is well below, offers real values and guarantees and demonstrated consistent revenues and growth. All of the start-ups we are taking on will be properly vetted through a laid-down proven process and model to minimize risk to its barest minimum, mitigate them and guarantees investors confidence.

PRE-MONEY VALUATION

Q: What is IEC pre-money valuation?

A: The value we put on IEC before requesting for start-up capital is straight forward and competitive. Our pre-money valuation is based on IEC's associated business activities and market worth. IEC's pre-money valuation is total of £625,000 and the business offers much more in our offering of fully diluted shares and equities, based on percentage of the company.

INVESTMENT VALUE vs. COMPANY VALUATION

Q: What is IEC's investment value to company value?

A: IEC put our first Angel investors at the heart of our valuation model as we seek that they get values for their investment in our venture. As we grow in the future, we envisage their values and shares will grow as the Centre's operation expands and other funds are recouped back in the business, so their investments will not be diluted in any way.