

**Private & Confidential**

**PRAGMATICA**  
Management Consulting

# New LOCK Business Plan & Valuation model

25 March 2011



### ***I. New LOCK***

New LOCK is a Start-up company.

It is a spin-off from diverse players in TIC sector looking forward to take advantage from their professional capacities and knowledge by facing a market opportunity.

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### ***II. The Team***

Well Known professionals with wide & successful experience in similar business.

They are 2. "CHAIRMAN" and "CEO". One will be in charge of technical development and the other will manage commercial matters. Rest of the team is identified and committed.

They have already developed similar software, but now they are about to do the same for open operative Systems (Open OS)

They know the whole business chain

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### ***III. Products and services portfolio***

New LOCK is an internet Secure Software & Content Management company, currently the objective is to complete the product solution which is pretty advanced. The security software is to protect the information, communications, the operative system and every single application in the equipment.

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### ***IV. Sector: Secure Software & Content***

Open Systems market:

-Growing and global market, but still weak demand and offer. Opportunity to take position in the middle term reports)

-"First-mover advantages"

-Governments and big companies as main market

-Big operators (Novell, IBM, Oracle, and SUN) are entering as the only chance in front of Microsoft dominant position.

-Competitive sector. Business model based on service. Brand value. Support need to be guaranteed

Security in Open OS:

-There is no offer from big security software players (Ultimaco, Pointsec, SafeBoot, Symantec,...)

-There are small start-ups and encrypting products

-There is not a supplier that integrates: information protection + stability/systems control

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### ***V. Financial needs, Business Valuation & Transaction Structure***

Preliminary estimated capital requirements between million €1, 5 and €2, 5. Partial Draw downs will be taken down on a Scheduled basis depending on stated business milestones.

Entrepreneur's drawdown aprox. €200.000-€400.000. Initially there was still no a valuation of the business and then there was not a value for their shares.

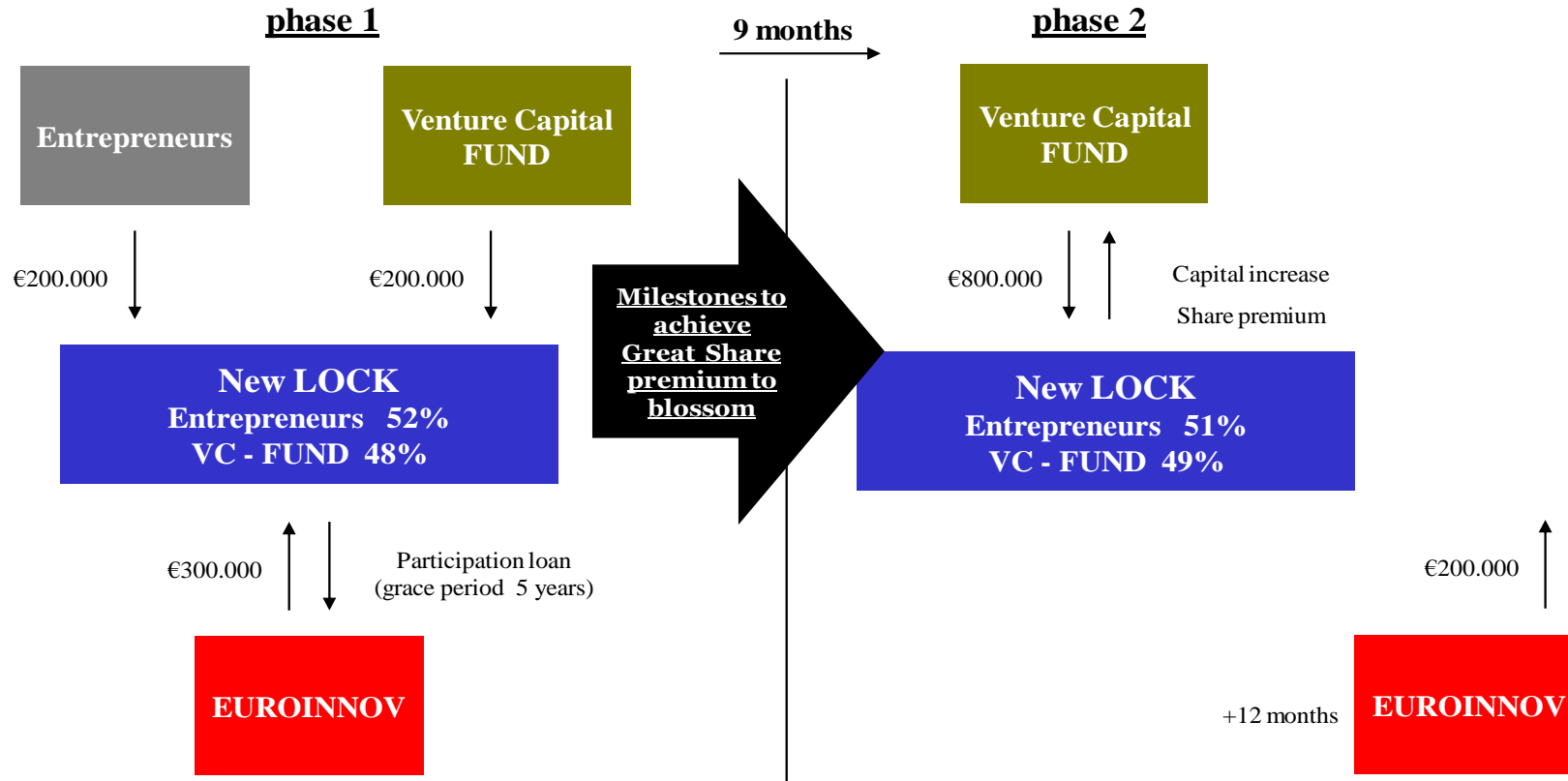
Anyway there was assumed that a share premium will be valued.

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### ***VI. Next steps***

Analysis and negotiation process begins...

**New LOCK  
Transaction & financial Structure**



# New LOCK - Inputs

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	Units	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	year 1	year 2	year 3	year 4	year 5	
<b>Revenues Assumptions</b>																			
<b>Country market</b>																			
Units	Unit	1.000	1.036	1.074	1.113	1.153	1.195	1.238	1.283	1.329	1.378	1.427	1.479	14.705	19.555	23.003	25.303	27.328	
%Growth	%		3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	38,0%	33,0%	17,6%	10,0%	8,0%	
% European market	%													4,3%	4,5%	4,8%	4,8%	4,8%	
Cumulative units	Unit	33.396	34.432	35.506	36.619	37.772	38.966	40.204	41.487	42.817	44.194	45.622	47.101	47.101	66.656	89.659	114.962	142.290	
%growth	%		3,1%	3,1%	3,1%	3,1%	3,2%	3,2%	3,2%	3,2%	3,2%	3,2%	3,2%	45,4%	41,5%	34,5%	28,2%	23,8%	
<b>European market</b>																			
Units	Unit	23.500	24.302	25.132	25.990	26.877	27.794	28.743	29.724	30.739	31.788	32.873	33.995	341.457	438.267	483.723	532.095	574.663	
%Growth	%		3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	30,5%	28,4%	10,4%	10,0%	8,0%	
Cumulative units	Unit	793.910	818.212	843.344	869.334	896.210	924.005	952.748	982.472	1.013.210	1.044.999	1.077.872	1.111.867	1.111.867	1.550.134	2.033.857	2.565.952	3.140.615	
%growth	%		3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,2%	44,3%	39,4%	31,2%	26,2%	22,4%	
<b>European market (excluding the country)</b>																			
Units	Unit	22.500	23.266	24.058	24.877	25.724	26.599	27.505	28.441	29.409	30.411	31.446	32.516	326.752	418.712	460.720	506.792	547.335	
%Growth	%		3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	30,2%	28,1%	10,0%	10,0%	8,0%	
Cumulative units	Unit	760.514	783.780	807.838	832.715	858.439	885.038	912.543	940.984	970.394	1.000.804	1.032.250	1.064.766	1.064.766	1.483.478	1.944.198	2.450.990	2.998.325	
%growth	%		3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,2%	44,3%	39,3%	31,1%	26,1%	22,3%	
Penetración Country	%	-	-	-	-	-	-	-	-	-	-	-	-	-	2,00%	5,00%	8,00%	11,00%	
Units Country	Unit	-	-	-	-	-	-	-	-	-	-	-	-	-	1.335	4.483	9.197	15.652	
Penetración European market (excl. country)	%	-	-	-	-	-	-	-	-	-	-	-	-	-	0,20%	0,70%	1,30%	2,00%	
Units European market (excl. country)	Unit	-	-	-	-	-	-	-	-	-	-	-	-	-	2.924	13.609	31.863	59.967	
Total Units	Unit	-	-	-	-	-	-	-	-	-	-	-	-	-	4.259	18.092	41.060	75.618	
Price Country	Euro	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	
Price European market ( excluding country)	Euro	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	
Country Distributor's Margin	%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	
European market Distributor's Margin (excl. Country)	%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	
Gross revenue Country	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	127	426	874	1.487	
% Growth	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,8%	105,2%	70,2%	
Gross revenue European market (excl. Country)	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	278	1.293	3.027	5.697	
% Growth	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	365,5%	134,1%	88,2%	
<b>Gross revenue</b>	<b>Euro 000s</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405</b>	<b>1.719</b>	<b>3.901</b>	<b>7.184</b>		
% Growth	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	324,8%	126,9%	84,2%	
Net revenue Country	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	76	256	524	892	
% Growth	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,8%	105,2%	70,2%	
Net revenue European market (excl. Country)	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	167	776	1.816	3.418	
% Growth	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	365,5%	134,1%	88,2%	
<b>Net revenue</b>	<b>Euro 000s</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>1.031</b>	<b>2.340</b>	<b>4.310</b>		
% Growth	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	324,8%	126,9%	84,2%	
Average collection period	days	75																	
Debtors	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	43	215	488	898	
Inflación	%	3,0%																	
<b>Cost of sales Assumptions</b>																			
Price CD+Package+others (per unit)	Euro	3	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,09	3,18	3,28	3,38	
<b>Total cost of Sales</b>	<b>Euro 000s</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>58</b>	<b>135</b>	<b>255</b>		

# New LOCK - Inputs

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	Units	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	year 1	year 2	year 3	year 4	year 5
<b>Operational and General Expenses Assumptions</b>																		
<b>Operational and General expenses</b>																		
General Manager																		
Salary	Euro 000s	90	9,0	9,0	9,0	9,0	9,0	9,0	9,0	9,0	9,0	9,0	9,0	108,0	115,6	123,6	132,3	141,6
Bonus	Euro 000s	50,0%												-	54,0	57,8	61,8	66,2
# people	Units		1	1	1	1	1	1	1	1	1	1	1			1	1	1
Office personnel																		
Salary	Euro 000s	20	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	24,0	25,7	27,5	29,4	31,5
Bonus	Euro 000s	15,0%												-	3,6	3,9	4,1	4,4
# people	Units		1	1	1	1	1	1	1	1	1	1	1			1	1	1
Total Personnel	Euro 000s																	
Board of directors	#	5																
Remuneration	Euro 000s	15	6,3	6,3	6,3	6,3	6,3	6,3	6,3	6,3	6,3	6,3	6,3	75,0	77,3	79,6	82,0	84,4
Cost office space	Euro 000s	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	36,0	37,1	38,2	39,3	40,5
Fiscal & accountant advisors	Euro 000s	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,8	9,0	9,3	9,5	9,8	10,1
Legal expenses	Euro 000s	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	12,0	12,4	12,7	13,1	13,5
IT Renting	Euro 000s	0,075	0,4	0,5	0,6	0,6	0,7	0,7	0,7	0,7	0,7	0,7	0,7	7,4	10,2	13,4	13,8	14,2
Other	Euro 000s	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	3,6	3,7	3,8	3,9	4,1
Supplies	Euro 000s	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	3,6	3,7	3,8	3,9	4,1
Communications	Euro 000s	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	12,0	12,4	12,7	13,1	13,5
Materials (courier, stationary, etc)	Euro 000s	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	12,0	12,4	12,7	13,1	13,5
Travel expenses	Euro 000s	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	18,0	18,5	19,1	19,7	20,3
Insurance	Euro 000s	2,5	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	5,0	5,0	2,6	2,7	2,7
Capital Increase legal expenses	Euro 000s	1,0%	-	-	-	-	-	-	-	-	-	-	-	-	8,0	-	-	-
Other expenses	Euro 000s	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	18,0	18,5	19,1	19,7	20,3
<b>Total Operational and General expenses</b>	<b>Euro 000s</b>	<b>17,4</b>	<b>17,5</b>	<b>17,6</b>	<b>17,6</b>	<b>17,6</b>	<b>17,7</b>	<b>17,7</b>	<b>17,7</b>	<b>17,7</b>	<b>17,7</b>	<b>17,7</b>	<b>17,7</b>	<b>211,6</b>	<b>228,4</b>	<b>227,3</b>	<b>234,1</b>	<b>241,1</b>
<i>% on Total net revenues</i>	%	-	-	-	-	-	-	-	-	-	-	-	-	-	94,1%	22,0%	10,0%	5,6%
<b>Total Operational and General expenses NOT capitalized</b>															<b>110,7</b>	<b>227,3</b>	<b>234,1</b>	<b>241,1</b>
<b>Development &amp; maintenance expenses</b>																		
<b>Development Personnel expenses</b>																		
Chief designer																		
Salary	Euro 000s	55	5,5	5,5	5,5	5,5	5,5	5,5	5,5	5,5	5,5	5,5	5,5	66,0	70,6	75,6	80,9	86,5
Bonus	Euro 000s	25,0%												-	16,5	17,7	18,9	20,2
# people	Units		1	1	1	1	1	1	1	1	1	1	1			1	1	1
Senior programmer																		
Salary	Euro 000s	35	7,0	7,0	7,0	7,0	7,0	7,0	7,0	7,0	7,0	7,0	7,0	84,0	89,9	96,2	102,9	110,1
Bonus	Euro 000s	15,0%												-	12,6	13,5	14,4	15,4
# people	Units		2	2	2	2	2	2	2	2	2	2	2			2	2	2
Junior programmer																		
Salary	Euro 000s	25	-	5,0	5,0	5,0	5,0	5,0	5,0	5,0	5,0	5,0	5,0	55,0	64,2	68,7	73,5	78,6
Bonus	Euro 000s	15,0%												-	8,3	9,6	10,3	11,0
# people	Units		-	2	2	2	2	2	2	2	2	2	2			2	2	2
Test Technician																		
Salary	Euro 000s	20	-	-	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	20,0	25,7	27,5	29,4	31,5
Bonus	Euro 000s	10,0%												-	2,0	2,6	2,7	2,9
# people	Units		-	-	1	1	1	1	1	1	1	1	1			1	1	1
Técnico de Soporte																		
Salary	Euro 000s	20	-	-	-	-	2,0	2,0	2,0	2,0	2,0	2,0	2,0	14,0	25,7	27,5	29,4	31,5
Bonus	Euro 000s	10,0%												-	1,4	2,6	2,7	2,9
# people	Units		-	-	-	-	1	1	1	1	1	1	1			1	1	1
<b>Total Development &amp; maintenance Personnel eEuro 000s</b>	<b>Euro 000s</b>	<b>12,5</b>	<b>17,5</b>	<b>19,5</b>	<b>19,5</b>	<b>19,5</b>	<b>21,5</b>	<b>21,5</b>	<b>21,5</b>	<b>21,5</b>	<b>21,5</b>	<b>21,5</b>	<b>21,5</b>	<b>239,0</b>	<b>316,8</b>	<b>341,3</b>	<b>365,2</b>	<b>390,7</b>
<i>% on Total net revenues</i>	%	-	-	-	-	-	-	-	-	-	-	-	-	-	130,5%	33,1%	15,6%	9,1%
<b>Development materials</b>	<b>Euro 000s</b>	<b>0,51</b>	<b>1,5</b>	<b>2,6</b>	<b>3,1</b>	<b>3,1</b>	<b>3,6</b>	<b>3,6</b>	<b>3,6</b>	<b>3,6</b>	<b>3,6</b>	<b>3,6</b>	<b>3,6</b>	<b>38,3</b>	<b>44,1</b>	<b>45,4</b>	<b>46,8</b>	<b>48,2</b>
<i>% on Total net revenues</i>	%	-	-	-	-	-	-	-	-	-	-	-	-	-	18,2%	4,4%	2,0%	1,1%
<b>Total Development &amp; maintenance expenses</b>	<b>Euro 000s</b>	<b>14,0</b>	<b>20,1</b>	<b>22,6</b>	<b>22,6</b>	<b>22,6</b>	<b>25,1</b>	<b>25,1</b>	<b>25,1</b>	<b>25,1</b>	<b>25,1</b>	<b>25,1</b>	<b>25,1</b>	<b>277,3</b>	<b>360,9</b>	<b>386,7</b>	<b>412,0</b>	<b>439,0</b>
<i>% on Total net revenues</i>	%	-	-	-	-	-	-	-	-	-	-	-	-	-	148,7%	37,5%	17,6%	10,2%
<b>Total Development &amp; M. expenses NOT capitalizeEuro 000s</b>															<b>160,1</b>	<b>386,7</b>	<b>412,0</b>	<b>439,0</b>



# New LOCK - Inputs

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	Units	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	year 1	year 2	year 3	year 4	year 5		
<b>General Hardware Investments</b>	<b>Euro 000s</b>																			
# joined the workforce	Units	5	2	1	-	-	1	-	-	-	-	-	-			2	-	-		
hardware investments per employee	Euro 000s	0,85	4,3	1,7	0,9	-	0,9	-	-	-	-	-	-	7,7	2,6	1,7	-	-		
reinstatements	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,2		
<b>Total General Hardware Investments</b>	<b>Euro 000s</b>	<b>4,3</b>	<b>1,7</b>	<b>0,9</b>	<b>-</b>	<b>-</b>	<b>0,9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,7</b>	<b>2,6</b>	<b>1,7</b>	<b>-</b>	<b>10,2</b>		
Cumulative Investments	Euro 000s	4,3	6,0	6,8	6,8	6,8	7,7	7,7	7,7	7,7	7,7	7,7	7,7	7,7	10,2	11,9	11,9	22,1		
<b>Depreciation Assumptions</b>																				
<b>Formation expenses</b>	<b>years</b>	<b>5</b>																		
<b>Depreciation</b>	<b>Euro 000s</b>																			
Cumulative depreciation	Euro 000s															5,7	11,4	11,4	11,4	
	Euro 000s															5,7	17,1	28,5	39,9	
<b>Other deferred expenses</b>	<b>years</b>	<b>5</b>																		
<b>Depreciation</b>	<b>Euro 000s</b>																			
Cumulative depreciation	Euro 000s															91,9	183,7	183,7	183,7	
	Euro 000s															91,9	275,6	459,3	643,0	
<b>Specific and general HW &amp; SW investments</b>	<b>years</b>	<b>3</b>																		
<b>years of depreciation</b>	<b>years</b>	<b>3</b>																		
<b>year 1</b>																				
Month 1	79	Euro 000s															13,2	26,4	26,4	13,2
Month 2	2	Euro 000s															0,3	0,6	0,6	0,3
Month 3	1	Euro 000s															0,1	0,3	0,3	0,1
Month 4	-	Euro 000s															-	-	-	-
Month 5	-	Euro 000s															-	-	-	-
Month 6	1	Euro 000s															0,1	0,3	0,3	0,1
Month 7	-	Euro 000s															-	-	-	-
Month 8	-	Euro 000s															-	-	-	-
Month 9	-	Euro 000s															-	-	-	-
Month 10	-	Euro 000s															-	-	-	-
Month 11	-	Euro 000s															-	-	-	-
Month 12	-	Euro 000s															-	-	-	-
<b>Total</b>	<b>82,7</b>	<b>Euro 000s</b>															<b>13,8</b>	<b>27,6</b>	<b>27,6</b>	<b>13,8</b>
<b>year 2</b>																				
Month 1	1	Euro 000s															0,1	0,3	0,3	0,1
Month 2	-	Euro 000s															-	-	-	-
Month 3	-	Euro 000s															-	-	-	-
Month 4	-	Euro 000s															-	-	-	-
Month 5	-	Euro 000s															-	-	-	-
Month 6	-	Euro 000s															-	-	-	-
Month 7	2	Euro 000s															0,2	0,6	0,6	0,3
Month 8	-	Euro 000s															-	-	-	-
Month 9	-	Euro 000s															-	-	-	-
Month 10	-	Euro 000s															-	-	-	-
Month 11	-	Euro 000s															-	-	-	-
Month 12	-	Euro 000s															-	-	-	-
<b>Total</b>	<b>2,6</b>	<b>Euro 000s</b>															<b>0,4</b>	<b>0,9</b>	<b>0,9</b>	<b>0,5</b>
<b>year 3</b>	1,7	Euro 000s																0,6	0,6	0,6
<b>year 4</b>	-	Euro 000s																		-
<b>year 5</b>	95,9	Euro 000s																		32,0
<b>HW &amp; SW Investments depreciation</b>	<b>Euro 000s</b>																			
Depreciation. Cumulative	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	14,2	29,0	29,0	46,8		
	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	14,2	43,1	72,1	118,9		
<b>Working Capital Assumptions</b>																				
<b>Working Capital</b>																				
Debtors	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	43,2	214,8	487,6	898,0		
Creditors	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Inventories	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Working Capital</b>	<b>Euro 000s</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,2</b>	<b>214,8</b>	<b>487,6</b>	<b>898,0</b>		
Increase / Decrease of Working Capital	Euro 000s	-	-	-	-	-	-	-	-	-	-	-	-	-	(43,2)	(171,7)	(272,7)	(410,4)		



# New LOCK - Inputs

Private & Confidential

	Units	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	year 1	year 2	year 3	year 4	year 5
<b>Debt Assumptions</b>																		
<b>EUROINNOV loan (participation loan)</b>																		
Annual interest rate - low limit (Euribor + 0,5%)	%																	
Annual interest rate - high limit (low limit + 6%)	%																	
Línea de Crédito (Año 1)	Euro 000s																	
Línea de Crédito (Año 2)	Euro 000s																	
Incremento/(Amortización)	Euro 000s				300									300	200			
Subscription fee	%																	
<b>Line of Credit</b>																		
Annual interest rate	%																	
Line of Credit (Max. Limit)	Euro 000s																	
Bank fee	%																	
<b>Interest payments (EUROINNOV loan + Line of credit)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	(8)	(15)	(15)	(60)
<b>Capitalized interest (EUROINNOV loan + Line of credit)</b>		-	-	-	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(8)	(8)			
<b>Share Capital</b>																		
Increase	Euro 000s														800			
Reductions	Euro 000s																	
<b>Total</b>	<b>Euro 000s</b>														<b>800</b>			

## Assumptions Dividends

<b>Dividends</b>		
"Pay-out Ratio" Objective	%	0,0%

# New LOCK - Key Financials

	year 1	year 2	year 3	year 4	year 5
<b>Income Statement</b>					
<b>Total Net revenues</b>	-	243	1.031	2.340	4.310
<i>% Growth</i>		-	324,8%	126,9%	84,2%
<b>Gross Margin</b>	-	230	974	2.206	4.055
<i>% on total revenues</i>	-	94,6%	94,4%	94,2%	94,1%
<b>EBITDA</b>	-	(229)	(146)	931	2.553
<i>% on total revenues</i>	-	-94,4%	-14,1%	39,8%	59,2%
<b>EBIT</b>	-	(341)	(370)	707	2.312
<i>% on total revenues</i>	-	-140,4%	-35,9%	30,2%	53,6%
<b>NET INCOME AFTER TAXES</b>	-	(348)	(385)	692	1.478
<i>% on total revenues</i>	-	-143,5%	-37,3%	29,6%	34,3%
<b>Cash Flow</b>					
Net Earning after Taxes	-	(348)	(385)	692	1.478
Depreciation	-	112	224	224	242
Increase/Decrease The Treasury	(55)	7	26	23	776
Increase/Decrease of Working Capital	-	(43)	(172)	(273)	(410)
<b>Operation Cash Flow</b>	(55)	(273)	(306)	667	2.086
Investments and deferred expenses	(636)	(424)	(2)	-	(96)
<b>CASH FLOW BEFORE FINANCIAL ACTIVITIES</b>	(692)	(697)	(308)	667	1.990
Shared Capital					
Increase	-	800	-	-	-
Reductions	-	-	-	-	-
EUROINNOV loan (participation loan)	300	200	-	-	-
Line of Credit -Increase/(Redemption)	-	-	-	-	-
<b>CASH FLOW OF FINANCIAL ACTIVITIES</b>	300	1.000	-	-	-
<b>INITIAL CASH BALANCE</b>	400	8	311	3	670
Increase/(Decrease) CASH	(392)	303	(308)	667	1.990
<b>FINAL CASH BALANCE</b>	8	311	3	670	2.660
<b>Balance Sheet</b>					
Working Capital	-	43	215	488	898
Cash/ Net Debt	(292)	(189)	(497)	170	2.160
Equity	400	852	467	1.159	2.637



# New LOCK - P & L

Private & Confidential

(Euros 000)

	Units	year 1	year 2	year 3	year 4	year 5
<b>Net revenues</b>						
Country	Euro 000s	-	76	256	524	892
Rest of West Europe	Euro 000s	-	167	776	1.816	3.418
<b>TotalNet revenues</b>	<b>Euro 000s</b>	-	<b>243</b>	<b>1.031</b>	<b>2.340</b>	<b>4.310</b>
<i>% Growth</i>	%	-	-	324,8%	126,9%	84,2%
<b>Total Cost of sales</b>	<b>Euro 000s</b>	-	<b>(13)</b>	<b>(58)</b>	<b>(135)</b>	<b>(255)</b>
<i>% on net revenues</i>	%	-	5,4%	5,6%	5,8%	5,9%
<b>Gross Margin</b>	<b>Euro 000s</b>	-	<b>230</b>	<b>974</b>	<b>2.206</b>	<b>4.055</b>
<i>% on net revenues</i>	%	-	94,6%	94,4%	94,2%	94,1%
<b>Operational and General expenses</b>						
Operational an General expenses	Euro 000s	-	(111)	(227)	(234)	(241)
Development & maintenance expenses	Euro 000s	-	(160)	(387)	(412)	(439)
Commercial expenses	Euro 000s	-	(188)	(505)	(629)	(821)
<b>Total Operational and General expenses</b>	<b>Euro 000s</b>	-	<b>(459)</b>	<b>(1.119)</b>	<b>(1.275)</b>	<b>(1.502)</b>
<i>% on net revenues</i>	%	-	189,0%	108,5%	54,5%	34,8%
<b>EBITDA</b>	<b>Euro 000s</b>	-	<b>(229)</b>	<b>(146)</b>	<b>931</b>	<b>2.553</b>
<i>% on net revenues</i>	%	-	-94,4%	-14,1%	39,8%	59,2%
Depreciation	Euro 000s	-	(112)	(224)	(224)	(242)
<b>EBIT</b>	<b>Euro 000s</b>	-	<b>(341)</b>	<b>(370)</b>	<b>707</b>	<b>2.312</b>
<i>% on net revenues</i>	%	-	-140,4%	-35,9%	30,2%	53,6%
Financial expenses (net)	Euro 000s	-	(8)	(15)	(15)	(60)
<b>Pre-Tax Income</b>	<b>Euro 000s</b>	-	<b>(348)</b>	<b>(385)</b>	<b>692</b>	<b>2.252</b>
<i>% on net revenues</i>	%	-	-143,5%	-37,3%	29,6%	52,2%
Taxes	Euro 000s	-	-	-	-	(774)
<i>% effective Tax rate</i>	%	-	0,0%	0,0%	0,0%	34,4%
<b>NET INCOME AFTER TAXES</b>	<b>Euro 000s</b>	-	<b>(348)</b>	<b>(385)</b>	<b>692</b>	<b>1.478</b>
<i>% on net revenues</i>	%	-	-143,5%	-37,3%	29,6%	34,3%

## New LOCK - Cash Flow

Private & Confidential

(Euros 000)

	Units	year 1	year 2	year 3	year 4	year 5
Net Income after Taxes	Euro 000s	-	(348)	(385)	692	1,478
Depreciation	Euro 000s	-	112	224	224	242
Increase/Decrease The Treasury	Euro 000s	(55)	7	26	23	776
Increase/Decrease of Working Capital	Euro 000s	-	(43)	(172)	(273)	(410)
<b>Operations Cash Flow</b>	<b>Euro 000s</b>	<b>(55)</b>	<b>(273)</b>	<b>(306)</b>	<b>667</b>	<b>2,086</b>
Formation expenses	Euro 000s	(57)	-	-	-	-
Other deferred expenses	Euro 000s	(497)	(422)	-	-	-
Investments in Specific Hardware & Software	Euro 000s	(75)	-	-	-	(86)
Investments in General Hardware	Euro 000s	(8)	(3)	(2)	-	(10)
<b>Investments Cash Flow</b>	<b>Euro 000s</b>	<b>(636)</b>	<b>(424)</b>	<b>(2)</b>	<b>-</b>	<b>(96)</b>
<b>CASH FLOW BEFORE FINANCIAL ACTIVITIES</b>	<b>Euro 000s</b>	<b>(692)</b>	<b>(697)</b>	<b>(308)</b>	<b>667</b>	<b>1,990</b>
Share Capital						
Increase	Euro 000s	-	800	-	-	-
Reductions	Euro 000s	-	-	-	-	-
EUROINNOV loan (participation loan)	Euro 000s	300	200	-	-	-
Line of Credit	Euro 000s	-	-	-	-	-
<b>Financial activities Cash Flow</b>	<b>Euro 000s</b>	<b>300</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INITIAL CASH BALANCE</b>	<b>Euro 000s</b>	<b>400</b>	<b>8</b>	<b>311</b>	<b>3</b>	<b>670</b>
Increase/(Decrease) CASH	Euro 000s	(392)	303	(308)	667	1,990
<b>FINAL CASH BALANCE</b>	<b>Euro 000s</b>	<b>8</b>	<b>311</b>	<b>3</b>	<b>670</b>	<b>2,660</b>

# New LOCK - Balance Sheets

Private & Confidential

(Euros 000)

	Units	opening balance sheet	year 1	year 2	year 3	year 4	year 5
<b>ASSETS</b>							
Net Fixed Assets							
Formation expenses	Euro 000s	-	57	51	40	29	17
Other deferred expenses	Euro 000s	-	497	827	643	459	276
Hardware and Software	Euro 000s	-	83	71	44	15	64
<b>Total Net Fixed Assets</b>	<b>Euro 000s</b>	<b>-</b>	<b>636</b>	<b>949</b>	<b>727</b>	<b>503</b>	<b>357</b>
Current Assets							
Cash	Euro 000s	400	8	311	3	670	2.660
The Treasury Debtor	Euro 000s	-	55	48	22	-	-
Trade Debtors	Euro 000s	-	-	43	215	488	898
Inventories	Euro 000s	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>Euro 000s</b>	<b>400</b>	<b>64</b>	<b>403</b>	<b>240</b>	<b>1.158</b>	<b>3.558</b>
<b>TOTAL ASSETS</b>	<b>Euro 000s</b>	<b>400</b>	<b>700</b>	<b>1.352</b>	<b>967</b>	<b>1.660</b>	<b>3.914</b>
<b>LIABILITIES</b>							
Current Liabilities							
The Treasury Creditor	Euro 000s	-	-	-	-	1	778
Creditors	Euro 000s	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>Euro 000s</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>778</b>
Debt							
EUROINNOV loan (participation loan)	Euro 000s	-	300	500	500	500	500
Line of Credit	Euro 000s	-	-	-	-	-	-
<b>Total Debt</b>	<b>Euro 000s</b>	<b>-</b>	<b>300</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
Equity							
Share Capital							
FUND shareholder	Euro 000s	200	200	1.000	1.000	1.000	1.000
ETREPRENEURS shareholders	Euro 000s	200	200	200	200	200	200
Reserves & retained earnings	Euro 000s	-	-	(348)	(733)	(41)	1.437
<b>Total Equity</b>	<b>Euro 000s</b>	<b>400</b>	<b>400</b>	<b>852</b>	<b>467</b>	<b>1.159</b>	<b>2.637</b>
<b>TOTAL LIABILITIES</b>	<b>Euro 000s</b>	<b>400</b>	<b>700</b>	<b>1.352</b>	<b>967</b>	<b>1.660</b>	<b>3.914</b>

Check	-	-	-	-	-	-	-
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## New LOCK - Fund`S RETURN

	Units	Exit assumption EXIT July year 6				
		Business Plan scenario				
FUND`S initial investment in the business	Euro 000s	1.000	1.000	1.000	1.000	1.000
<b>Net revenues year 5</b>	<b>Euro 000s</b>	<b>2.580</b>	<b>3.460</b>	<b>4.310</b>	<b>5.160</b>	<b>6.047</b>
% on business plan scenario	%	-40%	-20%	0%	20%	40%
<b>Múltiple on net revenues year 5</b>	entrepreneus`ve got a call x	<b>3,3x</b>	<b>3,3x</b>	<b>3,3x</b>	<b>3,3x</b>	<b>3,3x</b>
Firm Value	Euro 000s	8.514	11.418	14.224	17.029	19.954
Cash/ Net Debt	Euro 000s	<u>738</u>	<u>1.583</u>	<u>2.160</u>	<u>2.737</u>	<u>3.340</u>
Equity value at EXIT	Euro 000s	9.252	13.001	16.384	19.766	23.294
<b>EBITDA year 5</b>	Euro 000s	<b>1.022</b>	<b>1.800</b>	2.553	<b>3.306</b>	<b>4.092</b>
<b>FUND`S % of shares ( as per agreements)</b>	%	<b>49,0%</b>	<b>49,0%</b>	<b>40,0%</b>	<b>35,0%</b>	<b>30,0%</b>
<b>Amount Refunded</b>	Euro 000s	4.534	6.370	6.553	6.918	6.988
<b>TIR</b>	%	<b>38%</b>	<b>48%</b>	<b>49%</b>	<b>50%</b>	<b>51%</b>
<b>Equivalent Multiple for initial Investment</b>	x	<b>5,8x</b>	<b>8,6x</b>	<b>8,9x</b>	<b>9,5x</b>	<b>9,6x</b>

<b>Applications</b>	<b>€, 000s</b>	<b>Sources</b>	<b>€, 000s</b>
"This start-up is that big "	1.700	Entrepreneurs	200
Investments and Developement expenses	700	THE FUND	1.000
Operational and General expenses	500	Total Share Capital	1.200
Commercial expenses	500	Debt (loan)	500
		Total debt	500
<b>Total Applications</b>	<b>1.700</b>	<b>Total Sources</b>	<b>1.700</b>



## New LOCK -Revenues

	Unit	year 1	year 2	year 3	year 4	year 5
<b>Total Net Revenues</b>						
<b>Country market</b>						
Units	Unit	14.705	19.555	23.003	25.303	27.328
% Growth	%	38,0%	33,0%	17,6%	10,0%	8,0%
Cumulative units	Unit	47.101	66.656	89.659	114.962	142.290
% Growth	%	45,4%	41,5%	34,5%	28,2%	23,8%
Penetration	%	0,00%	2,00%	5,00%	8,00%	11,00%
Units	Unit	-	1.335	4.483	9.197	15.652
Price	Euro	95	95	95	95	95
Gross Revenues	Euro 000s	-	127	426	874	1.487
Distributor`s Margin	%	40,0%	40,0%	40,0%	40,0%	40,0%
<b>Net Revenues</b>	<b>Euro 000s</b>	<b>-</b>	<b>76</b>	<b>256</b>	<b>524</b>	<b>892</b>
<b>Rest of West Europe</b>						
Units	Unit	326.752	418.712	460.720	506.792	547.335
% Growth	%	30,2%	28,1%	10,0%	10,0%	8,0%
Cumulative units	Unit	1.064.766	1.483.478	1.944.198	2.450.990	2.998.325
% Growth	%	44,3%	39,3%	31,1%	26,1%	22,3%
Penetration	%	0,00%	0,20%	0,70%	1,30%	2,00%
Units	Unit	-	2.924	13.609	31.863	59.967
Price	Euro	95	95	95	95	95
Gross Revenues	Euro 000s	-	278	1.293	3.027	5.697
Distributor`s Margin	%	40,0%	40,0%	40,0%	40,0%	40,0%
<b>Net Revenues</b>	<b>Euro 000s</b>	<b>-</b>	<b>167</b>	<b>776</b>	<b>1.816</b>	<b>3.418</b>
<b>Total Net revenues</b>	<b>Euro 000s</b>	<b>-</b>	<b>243</b>	<b>1.031</b>	<b>2.340</b>	<b>4.310</b>
<b>% Growth</b>	<b>%</b>	<b>-</b>	<b>-</b>	<b>324,8%</b>	<b>126,9%</b>	<b>84,2%</b>



## New LOCK - sales cost

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	<u>units</u>	year 1	year 2	year 3	year 4	year 5
CD+Package+others (per unit)	Euro/Unit	3,00	3,09	3,18	3,28	3,38
<b>Total cost</b>	<b>Euro 000s</b>	-	<b>13</b>	<b>58</b>	<b>135</b>	<b>255</b>
<i>% on Total net revenues</i>	%	-	5,4%	5,6%	5,8%	5,9%

## New LOCK - Oper. Esp.append.

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	Units	Año 1	Año 2	Año 3	Año 4	Año 5
<b>Total expenses</b>						
Operational an General expenses	Euro 000s	-	111	227	234	241
<i>% Total on net revenues</i>	%	-	45,6%	22,0%	10,0%	5,6%
Development & manteinance expenses	Euro 000s	-	160	387	412	439
<i>% Total on net revenues</i>	%	-	65,9%	37,5%	17,6%	10,2%
Commercial expenses	Euro 000s	-	188	505	629	821
<i>% Total on net revenues</i>	%	-	77,4%	49,0%	26,9%	19,1%
<b>Total Expenses</b>	<b>Euro 000s</b>	<b>-</b>	<b>459</b>	<b>1.119</b>	<b>1.275</b>	<b>1.502</b>
<i>% Total on net revenues</i>	%	-	189,0%	108,5%	54,5%	34,8%

## New LOCK - Investments

---

	Units	year 1	year 2	year 3	year 4	year 5
<b>Investments</b>						
Specific Hardware & Software	Euro 000s	75	-	-	-	86
General Hardware	Euro 000s	8	3	2	-	10
<b>Total Investments</b>	<b>Euro 000s</b>	<b>83</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>96</b>
<i>% Total on Net revenues</i>	<i>%</i>	<i>-</i>	<i>1,1%</i>	<i>0,2%</i>	<i>0,0%</i>	<i>2,2%</i>
<b>Formation expenses</b>	<b>Euro 000s</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other deferred expenses</b>	<b>Euro 000s</b>	<b>497</b>	<b>422</b>	<b>-</b>	<b>-</b>	<b>-</b>

## New LOCK - Financ. Append.

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	Units	year 1	year 2	year 3	year 4	year 5
<b>EUROINNOV loan (participation loan)</b>						
Principal increase	Euro 000s	300	200	-	-	-
Cumulative financing	Euro 000s	300	500	500	500	500
Principal reductions	Euro 000s	-	-	-	-	-
<i>% principal reductions. Cumulative</i>	%	<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>
Interest payments (fixed rate)	Euro 000s	6	15	15	15	15
Interest payments (variable rate)	Euro 000s	-	-	-	-	45
Subscription fee	Euro 000s	2	1	-	-	-



## New LOCK - Taxes

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	Units	year 1	year 2	year 3	year 4	year 5
<b>Corporation Tax</b>						
EARNING BEFORE TAXES	Euro 000s	-	(348)	(385)	692	2.252
Tax carryback usable next year due to losses	Euro 000s	-	348	733	41	-
Taxable income	Euro 000s	-	-	-	-	2.210
<b>Gross Tax charge</b>	<b>Euro 000s</b>	-	-	-	-	<b>774</b>
<i>% effective Tax rate</i>	<i>%</i>	-	-	-	0,0%	34,4%
<b>V.A.T</b>						
	<b>Euro 000s</b>					
V.A.T. input	Euro 000s	55	60	63	69	95
V.A.T. output	Euro 000s	-	12	41	84	143
V.A.T. payable / (receivable)	Euro 000s	(55)	(48)	(22)	15	48
<b>The Treasury Creditor / (Debtor)</b>	<b>Euro 000s</b>	<b>(55)</b>	<b>(48)</b>	<b>(22)</b>	<b>1</b>	<b>4</b>
<b>Increase /Decrease The Treasury</b>	<b>Euro 000s</b>	<b>(55)</b>	<b>7</b>	<b>26</b>	<b>23</b>	<b>776</b>





## Newo LOCK - Working Capital

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	Units	year 1	year 2	year 3	year 4	year 5
<b>Working Capital</b>						
Debtors	Euro 000s	-	43	215	488	898
Creditors	Euro 000s	-	-	-	-	-
Inventories	Euro 000s	-	-	-	-	-
<b>Total working Capital</b>	<b>Euro 000s</b>	<b>-</b>	<b>43</b>	<b>215</b>	<b>488</b>	<b>898</b>
Increase / Decrease of Working Capital	Euro 000s	-	(43)	(172)	(273)	(410)
<i>% on Total net revenue</i>	%	-	<i>17,8%</i>	<i>16,6%</i>	<i>11,7%</i>	<i>9,5%</i>



## New LOCK - Personnel

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	Units	year 1	year 2	year 3	year 4	year 5
<b>Entrepreneurs</b>	#	2	2	2	2	2
<b>General Manager</b>	#	1	1	1	1	1
<b>Office personnel</b>						
Officer	#	1	1	1	1	1
<b>Sales/Commercial</b>						
Senior Salesman	#	-	1	1	1	1
Junior Salesman	#	-	2	4	4	4
<b>Development</b>						
Chief designer	#	1	1	1	1	1
Senior progammer	#	2	2	2	2	2
Junior programmer	#	2	2	2	2	2
Test technician	#	1	1	1	1	1
Support technician	#	1	1	1	1	1
<b>Total</b>		<b>11</b>	<b>14</b>	<b>16</b>	<b>16</b>	<b>16</b>

