

Business Valuation Report

HOUSER

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Founder & CEO**

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**Prepared For
HOUSER**

**Personal and Confidential
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****IMPORTANT NOTE****

The data in the attached report is based on forward-looking statements and projections. Much of the statements and financial data in this document reflect the current expectation of management and are based on the Company's research into and knowledge of the industry and assumptions that management believes to be reasonable. Such assumptions may, however, be incomplete or inaccurate and unanticipated events and circumstances may occur. The Company cautions that the Forward Looking Statements are subject to all the risks and uncertainties incident to a start-up development stage company, especially one that operates in a highly competitive industry. These risks include but are not limited to higher than anticipated costs and/or unexpected delays in setting up, marketing or customer acceptance of the Company's products and services. For all of the foregoing reasons, actual results may vary materially from the Forward Looking Statements and there is no assurance that the assumptions used are necessarily the most likely. Additionally, when used in this report, the words "believes," "anticipates," "intends," "expects," "plans" and similar words are intended to identify forward-looking statements. All such statements are based on the Company's expectations and are subject to a number of risks and uncertainties, many of which are beyond the Company's control. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained herein will in fact occur. The Company does not undertake any obligation to officially release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

The appraiser used Pro Forma statements furnished by HOUSER Typically, the first few years of operations for start-up organizations are financially poor ones due to the many costs and other circumstances involved. HOUSER is a newly formed organization and is in the process of raising funds in order to capitalize on large projects in which they have an opportunity to participate. Therefore, the appraiser used the Company's stated projected earnings of years three, four, and five in order to reflect the true value more accurately.

Preface

The HOUSER Valuation Report is provided for the sole and exclusive use of HOUSER. The business valuation pertains to HOUSER, a Delaware Corporation (herein after referred to as “the Company”). The purpose of this Report is to provide an opinion as to the fair market value of the Company based on The Berkus Method, which is designed for pre-revenue, or early stage, companies. Typically, the first years of operations for start-up organizations are financially poor ones due to the many costs and other circumstances involved. HOUSER is a newly formed organization and is in the process of raising funds in order to capitalize on large projects in which they have an opportunity to participate. Therefore, this analysis is based on 5 major elements of risk faced by all young companies.

1. Sound Idea (Basic Value)
2. Prototype (Reducing Technology Risk)
3. Quality Management Team (Reducing Execution Risk)
4. Strategic Relationships (Reducing Market Risk)
5. Product Roll-Out or Sales (Reducing Production Risk)

The term “fair market value” is defined as the price at which a business would change hands between a willing and knowledgeable buyer and a willing and knowledgeable seller.

This Report:

- Assumes that the new Investor(s) in the Company will have the necessary resources and commitment sought by the Company and allow the management team to execute the stated objectives in the Business Plan.
- Assumes that the investor(s) is fully knowledgeable about the Company and its operations and will accomplish a rigorous due diligence process to verify all purported facts, estimates, calculations, and suppositions and not rely solely on this document to support an investment decision.
- Highlights the Company’s desirable qualities and projected improvements, enhancements and future performance that may or may not be realizable.

The appraisal and subsequent valuation estimate of a closely held business such as HOUSER is not an exact science and requires considerable judgment of many factors such as:

- The history and nature of the business the Company is engaged in.
- The outlook for the overall economy and the industry the Company is in.
- The latest financial condition of the Company.
- The future earning capability of the Company and the associated related risks.
- The capability of the Company to continue to generate the necessary cash flow to support a purchase.
- The worth and value of the goodwill/intangible assets of the Company.

The author of this Business Valuation Report has relied on the information provided by HOUSER as to the nature of its operations and financial performance. No attempt has been made to independently verify the accuracy of the information although all facts presented are believed to be true and fully supportable under a rigorous due diligence examination.

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Business Description

Ownership, Control & Description

HOUSER is 100% owned by Andrea Esse.

Mission and Vision

To create an efficient, transparent, and connected housing market that benefits all stakeholders through the innovative use of technology and data analytics.

Vision

Empower real estate agents by providing a platform that showcases their value, equips consumers with data-driven insights, and seamlessly connects all participants in the housing market.

Goals and Objectives

- Achieve nationwide coverage and establish HOUSER as the leading platform for real estate transactions.
- Simplify the buying and selling process through intuitive design and automation.
- Provide sellers with actionable insights based on real-time buyer search criteria.
- Foster a community of trusted agents and vendors through verified profiles and ratings.

The Company's contact address is:

2926 Schroeder Blvd #113
Keego Harbor, MI 48320

Contact information is as follows:

Andrea Esse
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Nature of the Business

The real estate industry is rapidly evolving, with the digital landscape now central to buying, selling, and renting properties. This shift demands a seamless, user-friendly platform that effectively connects all stakeholders. HOUSER addresses this need by providing a comprehensive, data-driven real estate solution.

The HOUSER platform analyzes consumer demand based on search criteria, empowering sellers to strategically time their market entry. Enhanced agent profiles showcase expertise and value, while off-market connections offer buyers and sellers unique opportunities and insights into future trends.

HOUSER's intuitive and engaging platform is designed to revolutionize the real estate experience. By simplifying connections and leveraging data-driven insights, we empower buyers, sellers, agents, and vendors to efficiently achieve their housing goals. Through strategic planning, innovative technology, and a dedicated team, HOUSER is poised to lead the industry into the future.

HOUSER's unique value proposition lies in its combination of agent-focused data enhancement, consumer education, and market intelligence. Rather than seeking to displace real estate agents, HOUSER empowers them, fostering faster market penetration. The Company prioritizes full disclosure and transparency, equipping consumers with the knowledge needed to make informed decisions.

Primary Customers

- Buyers who are Looking for detailed search criteria, current, future market and off-market opportunities
- Sellers interested in knowing the best time to sell and understanding market demand
- Agents seeking educational resources, new opportunities and tools to better serve clients
- Vendors that are providing services to homeowners and real estate professionals

Management

Andrea Esse, CEO: Andrea Esse is a dynamic and accomplished real estate professional with over 20 years of industry experience. Having successfully owned and operated multiple real estate companies for 18 years, she possesses a deep understanding of business management within this sector.

Andrea's leadership style is characterized by a hands-on approach, exceptional problem-solving skills, and a commitment to fostering collaborative, high-performing teams. Her dedication to excellence and passion for innovation make her the driving force behind HOUSER's vision.

- CTO: Overseeing technology development and infrastructure
- COO: Manage day-to-day operations and ensuring efficient workflow
- CMO: Lead marketing initiatives and growing the user base
- CFO: Finance management, funding, and investor relations

Products and Services

Enhanced Profiles for Realtors, Buyers, and Sellers:

- Premium profile upgrades for increased visibility and lead generation.

Interactive Search Experience:

- Engaging list, map, and card views for exploring properties, agents, and vendors.

Dynamic Marketplace:

- A social platform for buying and selling properties, including exclusive off-market listings.
- Streamlined communication and transaction tools for all parties.

Educational Resources:

- Comprehensive guides and resources promoting transparency and informed decision-making.
- Topics include disclosures, market trends, and best practices for buyers, sellers, and agents.

The Valuation Structure

The Berkus Method assigns a number, a financial valuation, to each of the five major elements of risk faced by all young companies – after crediting the entrepreneur some basic value for the quality and potential of the idea itself. Today, the method as explained, adds \$500,000 in value for each of the following risk-reduction elements:

This valuation includes the following:

- Soundness of the Idea
- Has a Prototype?
- Quality of the Management Team
- Existing Strategic Relationships
- Product Roll-Out or Sales Plan

The values can be modified upward or downward to reflect prevailing market conditions in your country. The \$500,000 value is merely an indicative value from which you can deviate. So, the valuation can exceed the \$2.5 Million threshold of the original Berkus method.

Company Financial Forecast

HOUSER assumes that the requested funding is secured and that the Company is able to market its services aggressively.

The Berkus Method Valuation¹

Startup valuation is the process of calculating the value of a startup company. Startup valuation methods are particularly important because they are typically applied to startup companies that are currently at a pre-revenue stage.

Assigning a valuation to a startup company with no revenue can be a challenge, as you won't have these figures at hand. However, while most startup valuation methods don't have details on profit, taxes, and amortization, you will be able to consider other key factors in the process.

Important Factors for Pre-Revenue Startup Valuation:

- The value of the Founding Team
- Prototype/MPV (Minimum Viable Product)
- Supply and Demand
- Emerging Industries and Hot Trends
- High Margins

So, how does pre-revenue startup valuation compare with a mature business valuation? Unlike early-stage startups, a mature publicly listed business will have more hard data to go on. A steady stream of revenue and financial records make it easier to calculate the value of the business. This is usually done with the EBITDA formula, which calculates the value of the company based on its earnings before interest, taxes, depreciation, and amortization.

Pre-revenue startup valuation can be a tricky endeavor. There are many things to take into consideration, from the management team and market trends to the demand for the product and the marketing risks involved. After evaluating everything, even with the most effective pre-money valuation formula, the best you can hope for is still just an estimate.

The angel investor Damon Berkus thinks investors should be able to envision the company breaking \$20M within five years. His method assesses five critical aspects of a startup:

- Concept – The product offers basic value with acceptable risk.
- Prototype – This reduces technological risk.
- Quality management – If it's not already there, the startup has plans to install a quality management team.
- Connections – There are some strategic relationships in place already, which reduces competitive risks in the market.

¹ https://masschallenge.org/article/how-to-value-a-startup-company-with-no-revenue#7_ways How To Value A Start-Up Company With No Revenue, Robbie Richards, 7/9/19

- Launch plan – There is some evidence of a sales plan and preparation for product rollout. (This doesn't apply to all pre-revenue startups)

Each aspect is given a rating up to \$500,000 which means the highest possible valuation is \$2,500,000. The Berkus Method is a simple estimation, it is a useful way to gauge value.

Valuation Option and Analysis

Using the Berkus Method Mr. Douglas J. Zogby estimates that the fair market value for HOUSER's expected future earnings in the designated company is \$2,500,000 based on the 5 factors considered below, as of July 12, 2024:

Sound Idea (Basic Value)	\$500,000
Prototype (Technology)	\$500,000
Quality Management Team (Execution)	\$500,000
Strategic Relationships (Go-To-Market)	\$500,000
Product Roll-Out or Sales	\$500,000
Pre-Money Valuation (Max \$2.5 Million)	\$2,500,000

There are other options to estimate the value of a pre-revenue business:

- Scorecard Valuation Method
- Venture Capital Method
- Risk Factor Summation Method
- Combo Platter Method
- Asset Based Valuation Method
- Cost to Duplicate

Supporting and Additional Data and Documentation

- [HOUSER's Pro Forma Financial Statements](#)
- [HOUSER's Executive Summary](#)
- [HOUSER's Business Plan](#)

Certification and Credentials

In regard to the business valuation appraisal of HOUSER:

1. To the best of the undersigned appraiser's knowledge, the statements of fact contained in this Report are true and correct.
2. The appraiser's analyses, opinions, and conclusions, as well as the development of this Report, have been in reasonable accordance and conformity with the business appraisal standards of The Institute of Business Appraisers.
3. No person provided significant professional assistance to the undersigned in the development of this appraisal.

Certified by:

Douglas J Zogby, CPCU

July 12, 2024

Mr. Douglas Zogby, CPCU
President, Got Game Consulting, LLC

About Got Game Consulting, LLC:

Got Game Consulting is a boutique consulting firm headquartered in Gardiner, ME. We specialize in collaborating with Entrepreneurs and Start-Up Operations with Business Planning, General Consulting and Shipping and Logistics Planning for any type of operation, with specialization focused on Independent Filmmakers and Entertainment Projects.

About the Appraiser

Before starting his consulting practice, Got Game! Consulting, Douglas Zogby had spent 25 years in the Property and Casualty insurance industry, holding numerous senior management positions in marketing, underwriting and operations. Throughout his management career Doug has focused on the benefits of using Game Theory as a strategic management tool.

Doug graduated from the State University of NY. He has earned his Chartered Property and Casualty Underwriter (CPCU) designation and is an active member of the local and national CPCU organization. Doug's consulting practice focuses on working with start-ups and entrepreneurs. He has collaborated with clients globally and enjoys the ability to work with any type of business.

Doug is an accomplished speaker, he has presented to groups from ISPI (International Society for Performance Improvement), CPCU (Chartered Property Casualty Underwriters), BOMA (Building Owners Management Association) APICS (American Production and Inventory Control Society) and the State of Arizona Department of Adult and Juvenile Probation. Doug has also appeared as a frequent guest on the John Adam Show addressing his Game Theory in Business and Generational Workplace Transition platforms as an expert commentator. He became a weekly cast member to the John Adam Show through his “Talkin Bout the Generations” expert segment every Friday morning. Doug has also appeared on CRM (Customer Relationship Management) Talk Radio.

Doug is also regarded as a source of expertise in his field. He has been used as a contributing source for an article on generational issues in the health care field published in “Your Health Monthly,” which is a national health magazine. In addition, he has been used as an expert source for articles on business subjects in The Phoenix Business Journal.

Doug believes in giving back as he is also the Board Chair for the Gardiner Food Co-op & Cafe located in Gardiner, Maine. To date he has been instrumental in leading the operation through the pandemic and charting its future path to benefit the Co-op’s Member/Owners.

Doug can be contacted at 480-215-9518 or by email at dzogby@gotgameconsulting.com.

