



# Aquarules Business plan

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# Executive summary

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## Project objectives

- Achieve a 70% market share in Turkish market.
- Expand into the North American markets specifically the United States and Canada.
- Establish a presence in additional international markets.

## Business description

- Aquarules is a software solution designed to address both back-end front-end needs for capital markets asset management corporations.
- The product suite includes a comprehensive back-office module that manages client, account, transaction, reference and financial data, as well as an order management system, model portfolio management system, fund management and accounting.
- While Aquarules is planned as a startup, a significant portion of the modules are already developed and successfully implemented in the Turkish market as part of an earlier venture by the founder.
- Aquarules is planned to be headquartered in the Greater Toronto Area (GTA), Ontario.
- The business is set to launch in the rapidly growing Turkish asset management market, characterized by a significant increase in the number and volume of asset management firms and funds.
- Revenue generated in the Turkish market will fuel expansion into North American markets and support the establishment of a presence in international markets during later phases of the business plan.

## Products and services

- A back-office module for asset management corporations that manages client, account, transaction, reference, and financial data.
- An order management system using FIX protocol communicating with brokerage companies.
- Model portfolio management system to manage portfolios manages model portfolios by allowing asset management corporations to design, implement, and monitor investment strategies tailored to specific client objectives and risk profiles. It automates portfolio adjustments, tracks performance, and ensures alignment with strategic goals across multiple client accounts.
- Fund management system handling back-office requirements for the funds managed by the AMC.
- Accounting system working together with an integration rule engine handling journal entry tailoring.

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## Financing need

Aquarules requires \$3,000,000 in initial financing to ensure smooth operations through the middle of the second year, with positive cash flow projected to begin in Year 2. From that point, we anticipate a significant acceleration in revenue growth, outpacing expenses and leading to a minimum accumulated profit of \$3.9 million in Year 2 and \$14.9 million in Year 3.



## Key people

Murat Arabacioglu, President (100% Ownership) [LinkedIn Page](#)

- Software development professional with total experience of more than 30 years across Turkey, USA and Canada including significant domain knowledge in capital markets.
- Over 10 years of experience in software development business management, including entrepreneurial experience.

Ally / Arzu Toktay [LinkedIn Page](#)

- Finance professional with over 25 years of experience in capital markets asset management industry.
- Diverse skill set, including expertise in fund and portfolio management, marketing, broadcasting, and training within the capital markets sector.

## Risk assessment and contingency plan

- Aquarules is a startup that will be established with proprietary software developed by entrepreneur Murat Arabacioglu, who is currently seeking investment to support market entry. The Turkish market has been chosen as the initial launch market to mitigate entry risks, leveraging the deep knowledge and extensive connections of Murat Arabacioglu and key partner Arzu Toktay in this market.
- Expansion into the U.S. and Canadian markets will require expertise and connections that the founders currently lack. To address this, a specialized team of employees and consultants with experience in the North American market, business analysis, and marketing will be assembled. This team will be further supported by a comprehensive market analysis report from an established research firm.



# 01. Business overview

## Business description

- Aquarules will provide software solutions to Asset management corporations, cloud based or in premise depending on client choice. The product set contains:
  - Portfolio management that covers transaction management for individual and institutional clients supporting all market instruments and OTC products.
  - Management fee, success premium calculations based on comprehensive benchmark comparison.
  - Fund management.
  - Rule based accounting integration
  - Accounting
  - Order management system and Model portfolio / strategy modules are to be added for competitive advantage in Turkish market.
  - A risk module
  - In the long term, the accounting integration rule engine, along with the accounting product, can be marketed in regions where the company has an established client base.
  - The codebase can be further extended to support brokerage systems in the long term.
  - A risk module supporting The Fundamental Review of the Trading Book (FRTB) can add additional value to the product set in long term.
- Five asset management firms have been approached, with two receiving demonstrations of existing products. One of the firms have committed to pilot agreement, even before the official establishment of the company.
- The company will be headquartered in Greater Toronto Area (GTA), Ontario, while software development will be outsourced to a Turkish company owned by the founder of Aquarules. This strategy not only ensures significant cost savings but also ensures direct control over the development process, reducing the risks associated with outsourcing to an independent offshore organization and securing a reliable support structure for the initial market.
- While Aquarules is a new entrant in the market, key professionals Murat Arabacioglu and Arzu Toktay each bring over 20 years of presence and significant connections in the Turkish capital markets sector.

## Mission, vision, values

- **Mission Statement:** Aquarules is dedicated to delivering high-quality, innovative, and secure solutions for the capital markets, leveraging the latest technology trends to empower asset management firms with flexibility and reliability.
- **Vision:** Aquarules strives to be the leading choice in the Turkish asset management sector and to establish itself as a recognized and respected brand across North America.
- **Values:** People, Innovation, Service
  - People: We will invest in the team with employees, contractors and outsourced development team members, improving their skill set and make our staff to feel like owners of the products.



- Innovation: As a new entrant, innovation is our main tool. Innovation in development tools as well as processes will help us gain advantage over the competitors in the market with products and processes from earlier decades.
- Service: In the finance sector, the reliability of service is paramount. We ensure our service level agreements are meticulously defined and rigorously enforced, prioritizing trust and consistency alongside product quality.

## Industry overview and trends

- The Turkish asset management company (AMC) market is experiencing rapid growth in both assets under management and the number of asset management firms, as illustrated in the table and charts below.

Table 1

Date	AUM	# of AMC's
2008-12-31	\$415,027,669	14
2009-12-31	\$496,984,000	12
2010-12-31	\$552,264,880	15
2011-12-31	\$509,284,593	18
2012-12-31	\$31,510,234,083	33
2013-12-31	\$30,371,630,079	36
2014-12-31	\$35,067,007,220	39
2015-12-31	\$33,609,901,242	41
2016-12-31	\$34,603,519,342	44
2017-12-31	\$41,841,277,522	48
2018-12-31	\$32,662,147,361	49
2019-12-31	\$47,667,455,477	43
2020-12-31	\$48,979,558,958	46
2021-12-31	\$48,835,104,173	50
2022-12-31	\$83,509,486,954	56
2023-12-31	\$107,079,094,728	58
2024-07-31	\$157,201,050,157	64

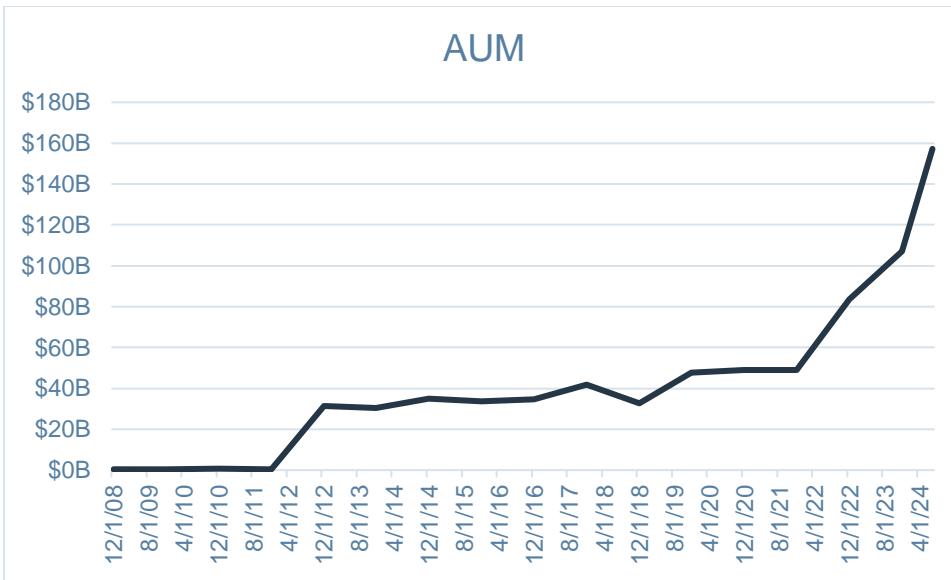


Chart 1

- The growth in the number of asset management companies, our primary target clients, is particularly notable.

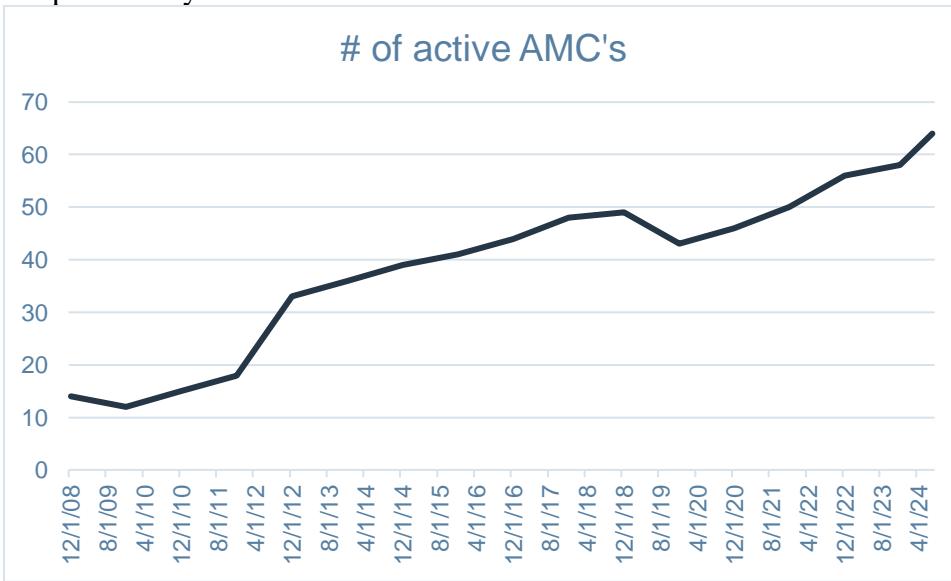


Chart 2

- The establishment of new Asset Management Companies (AMCs) and the growth in Assets Under Management (AUM) directly drive demand for AMC software. Each new AMC entering the market creates opportunities for software vendors to supply essential components tailored to the firm's needs. An increase in AUM offers an even greater opportunity, particularly for new vendors who can deliver technologically advanced solutions. These vendors can cater to the additional requirements that come with higher AUM, such as managing a larger number of funds, supporting



complex products like model portfolio strategies and order management systems, enhancing audit functionalities, and providing better control over transactions.

- After analyzing the factors behind the significant growth in the Turkish Capital Markets over the past five years, we strongly believe that this growth will continue over the next decade. The key reasons can be summarized under the following headings:
  - The Individual Pension System (BES), which started operations with the definition of the contract in 2003, increased its appeal in terms of savings with new regulations and state contributions introduced in 2012. Consequently, the size of pension funds managed by Portfolio Management Companies has consistently grown, both in absolute and relative terms. The number of investors in the pension system was 12,891,886 in 2021, and this figure reached 14,608,423 by July 2027. Pension funds constitute 21% of the total assets under management in the sector.
  - The COVID-19 pandemic, which began in 2020, increased investor interest in the Turkish Capital Markets. As the global economy entered an inflationary period, Turkey faced challenges in combating rising inflation. During this period, investors seeking to preserve the value of their savings against inflation turned to equities, both directly and through investment funds. Chart 3 shows big increase in number of mutual funds.

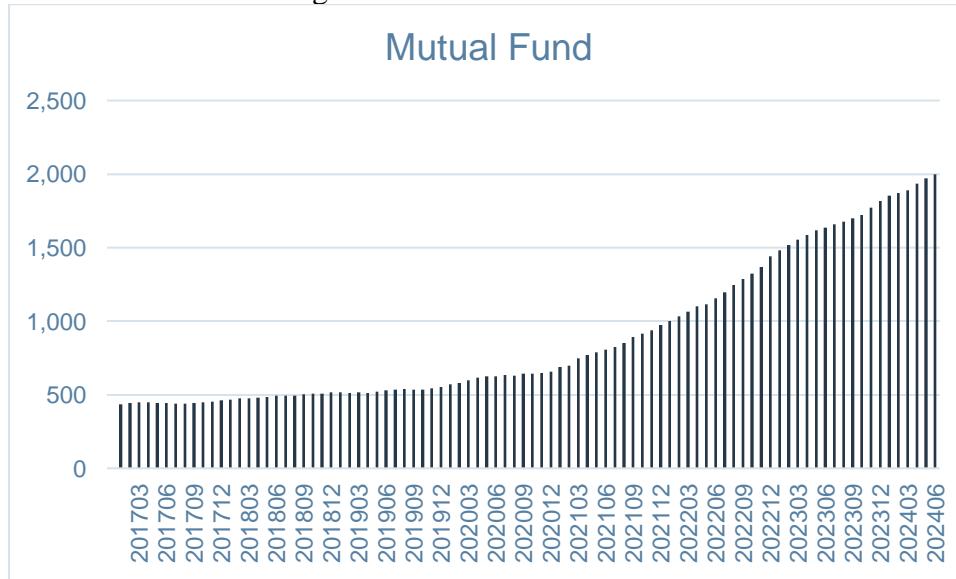


Chart 3

- In the last five years, organizations operating within the sector have launched a coordinated financial literacy campaign to promote BES and Investment Funds in the growing market.
- The Turkish financial sector, with its developing structure, attracted direct foreign investment. Partnerships between large Turkish banks and major foreign banks helped the portfolio management subsidiaries (AMC) of these banks to approach European standards in terms of fund and product diversity.
- Funds investing in international markets, thematic funds, and exchange-traded funds (ETFs) diversified the range of funds traded in the sector. Most importantly, the TEFAS (Electronic Fund Trading Platform) system made it easier for investors to access funds traded in the market.



- At this point, the portfolio management sector within the Turkish Capital Markets has the potential to serve savers in changing economic conditions, thanks to the rapid development experienced over the past five years.

## Technological trends

- The Turkish AMC market lags its Western counterparts in technology adoption, primarily due to cost-benefit considerations. Currently, orders are manually prepared for each account and entered into brokerage systems, leading to inefficiencies. As AUM continues to grow, there will be a rising demand for more sophisticated solutions, including model portfolio and strategy-based methods, as well as FIX protocol-based order management systems that streamline and automate order processing.
- While software products were traditionally deployed on-premises, the industry has recently shifted towards cloud-based implementations. This transition necessitates multi-tenant support to optimize cloud management costs for software development companies. We have begun integrating multi-tenant capabilities into our new products and plan to gradually transition our portfolio management component to a microservices architecture. Over time, we will expand multi-tenant support across all our offerings, enhancing scalability and cost-efficiency.

## Government regulations

- While capital market concepts are largely consistent across countries, there are significant differences in accounting regulations, audit requirements, and financial controls for mutual funds. To address these variations, we offer a rule-based accounting integration product that provides additional flexibility for our clients by accommodating different regulatory frameworks. Our comprehensive audit functionality, included in every module, helps meet diverse audit requirements and serves as a key competitive advantage. Financial control reporting for each national market is handled through tailored implementations, and taxation rules may necessitate separate modules or integrations, depending on the availability of relevant services.

## The market

### Overview of market trends

- There are 69 registered asset management companies listed by the Capital Markets Board of Turkey, 4 of which are currently inactive. Our products can cater to all these companies, as well as any financial institutions managing capital markets investments for themselves or their clients. Stock brokerage firms in the Turkish capital markets, of which there are currently 71 members of Borsa Istanbul, provide asset management services, limited to client portfolios, they are not permitted to manage funds. Other potential clients include pension trusts managing their own investments and workplace pension funds.
- Our initial target is asset management companies, as our products are specifically designed to meet their unique requirements. This focus is also supported by our strong connections with key managers in these firms. Over time, we will expand our outreach to include stock brokerage firms and other financial institutions that manage their own portfolios.



- Number and worth of Turkish asset management companies grow at a very high pace in last years as shown in Table 1, Chart 1 and Chart 2.
- The U.S. and Canadian asset management markets will be targeted as the next phase of our expansion. North America is home to approximately 13,000 to 15,000 asset management firms, ranging from large, well-known institutions managing trillions of dollars to smaller, specialized boutique firms. There are a good number of other financial institutions managing capital markets investments as well. To gain a comprehensive understanding of this market, we will collaborate with a reputable market analysis firm and recruit experienced employees and contractors.

## Target market

- Our primary target client is an asset management corporation. An **asset management corporation** is a financial services company that manages investments on behalf of clients. These corporations pool together funds from individuals, institutions, or entities to invest in various asset classes such as stocks, bonds, real estate, and other securities. The primary goal of an asset management corporation is to grow and preserve the clients' assets while generating returns aligned with their investment objectives and risk tolerance. Asset management corporations serve a wide range of clients, including individual investors, pension funds, insurance companies, foundations, endowments, and government entities

Key functions of an asset management corporation include:

- **Portfolio Management:** Creating and managing a diversified investment portfolio tailored to clients' goals and risk profiles.
- **Research and Analysis:** Conducting in-depth research and market analysis to identify investment opportunities and make informed decisions.
- **Risk Management:** Monitoring and mitigating risks associated with investments to ensure stability and compliance with regulatory standards.
- **Reporting and Communication:** Providing clients with regular reports and updates on their investment performance, market conditions, and strategic adjustments.

Our products address key requirements in portfolio management, reporting, and communication. While there are existing solutions for risk management, our products can seamlessly provide the necessary data to support those risk management tools.

- Our initial target market is Turkey, followed by expansion into the U.S. and Canadian markets. This will enhance definition of portfolio management with order management system interacting with brokerage systems and model portfolio / strategy / re-balance orders. And considering current rate of growth, same enhancement requirement is expected in Turkish AMC market as well.

## The competition

There are three software vendors serving asset management firms in the Turkish financial sector and standing out in terms of market share.

Companies providing software services to fund and portfolio management firms:

1. Infina is a leading provider of accounting integration solutions in the Turkish market. In addition to its Fund Management and Portfolio Management Platform, the company offers a dedicated program for custody system solutions. As of 2024, Infina is a solution partner to 35 portfolio management



companies, making it a key competitor in the Turkish asset management sector. Notably, Murat Arabacioglu, the founder of Aquarules, played a pivotal role in Infina's early development stages. He served as a senior technical expert in 1995 during the creation of its brokerage solution and again between 2005 and 2011, contributing significantly to the development of the current AMC solution.

2. Tradesoft's flagship product for fund and portfolio management in the financial sector is ATP Tradesoft. Additionally, the company offers three other software solutions for sectors outside the financial industry, with a strong focus on brokerage services. While ATP Tradesoft holds the largest market share in the overall capital market software industry, the company's core strength lies in the brokerage sector rather than the asset management market.
3. Optimus offers a preferred brokerage software that competes directly with ATP Tradesoft in that part of the sector. The company expanded into the market with its Portfolio Management module, targeting both portfolio management companies and brokerage firms involved in individual portfolio management activities.

### Competitors' strengths and weaknesses

- Infina and ATP Tradesoft both launched their initial products in the mid-1990s. Infina's FinBase and Tradesoft's ATP were both brokerage solutions built on client-server technology. Although both products were updated in the early 2000s to accommodate web-based requirements, their backends remained unchanged. Infina, under the leadership of Murat Arabacioglu, the founder of Aquarules, developed a new asset management product, Inflex, between 2007 and 2009. This product achieved a leadership position in the Turkish asset management software market. In contrast, Tradesoft continues to rely on its original 1990s product, which is increasingly viewed as a technological disadvantage given the rapid advancements in technology. While Infina appears stronger in this regard, especially with improvements in Java technology such as Spring Boot, its relatively modern product, Inflex, is an EJB 3 solution, which now poses a challenge for competitive software development.
- From our discussions, another notable weakness of both Infina and Tradesoft is their management style. Both companies are still grappling with the adoption of agile methodologies, which affects their ability to adapt to rapid changes in the industry.
- Optimus, founded in 2016, is essentially a continuation of IDB. Despite being a newer company, its technology is not more advanced than that of its competitors.
- The inability of these three companies to expand into foreign markets in such a long time indicates that they face challenges in advancing and improving their offerings.
- The strength of these 3 companies is their experience and client base in the industry.
- To gain a thorough understanding of the asset management software competitive landscape in North America, we will collaborate with a reputable market analysis firm.

### Competitive advantage and differentiator

- Aquarules will enter Turkish AMC market with functionalities that are not offered by existing products:
  - An order management system utilizing the FIX protocol to communicate with brokerage companies, enabling clients to operate efficiently in both local and international markets, including major U.S. stock exchanges.
  - Model portfolio/strategy/rebalance orders: This functionality automatically generates rebalance orders in client portfolios whenever a portfolio manager makes an investment decision in a



model portfolio, based on the strategy assigned to each client portfolio. This feature is expected to become increasingly popular as the number of portfolios managed by asset management companies (AMCs) grows.

- The chart of accounts under Turkish regulations is highly complex, with client investment accounts tracked at a detailed instrument level. An accounting system integrated with a rule engine for journal entry customization offers accountants the flexibility to design their account structure according to their specific needs.
- All new modules are developed using a microservices architecture, rather than adding complexity to the existing portfolio management module. This approach simplifies modifications and the addition of new functionalities, providing a significant advantage over legacy solutions with monolithic architectures. In the dynamic and rapidly evolving capital markets industry, where flexibility and speed are crucial, this architecture enables faster adaptation to market changes, regulatory updates, and client needs, ensuring the software remains competitive and responsive to industry demands.
- Maker/Checker functionality is built into all our products by design. Since this is an optional, rather than essential, requirement for each client, it is configurable for each screen. This feature is not available in competitors' products, which are based on outdated technology and monolithic architectures, making it difficult for them to add such functionality easily.
- Audit logging is also an integral part of all our products by design. Our products include audit reporting capabilities that provide detailed records of all manually entered transactions, including timestamps, user details, and transaction specifics. Batch transactions, including the ones triggered by file uploads, are also fully detailed but reported as a batch. Audit logging is a significant differentiator, as the absence of such functionality often leaves problematic transactions unexplained. Due to their outdated systems, our competitors in the Turkish market cannot easily add this feature.



## 02. Sales and marketing

### Customers

Aquarules is currently planned as a startup company with no customers yet. Our initial target market is asset management companies registered in Turkey. All 69 asset management firms listed at [KAP](#) are considered prospects. We are already in contact with two of these companies, have conducted product demonstrations, and are in the process of negotiating a pilot client agreement.

Name		Address	Terms	Product/Service
1	Foneria Portfoy	Omer Avni Mah. İnönü Caddesi Devres Han No:50/2, Beyoğlu/İSTANBUL	Not defined yet	Aquarules Portfolio Management, Accounting, Fund Management
2	Atlas Portfoy	Esentepe, Haberler Sk. No:10-3, 34394 Sisli/Istanbul	Pilot Client Agreement	Aquarules Portfolio Management, Accounting, Fund Management

### Suppliers

Name		Address	Terms	Product/Service
1	Amazon		Usage based	AWS ECS, Beanstalk, RDS
2	Frekans Bilisim		USD \$120,000 / year	Software Development
3	Sales / Support Partners in local markets		25 % of revenue + 10% if local sale	Level 1 and Level 2 support

### Advertising and promotion

- The most effective way to initiate the sales process in the Turkish asset management market is through direct engagement with top-level management. This approach enabled us to present product demos and enter pilot client negotiations with Foneria Portfoy and Atlas Portfoy. With over 20 years of experience in this market, Murat Arabacioglu and Arzu Toktay have established connections that provide access to the CEOs of all 69 asset management companies in Turkey.
- The process can also work in reverse. When an asset management company (AMC) requires an additional product, they typically reach out to their primary software vendor and, if needed, consult with two other competitors. Once Aquarules establishes a client base in the market, these companies will also consider us as a potential provider.



- Another scenario occurs when an asset management company (AMC) becomes dissatisfied with its primary vendor. In such cases, they may either reach out to a competitor they consider the best option for a switch or explore alternatives by contacting multiple vendors. Our near-term goal is to become the de facto standard in the market, positioning Aquarules as the preferred choice for all 69 registered asset management companies due to our superior product features and high-quality services.
- As highlighted in the "Industry Overview and Trends" section, the Turkish asset management market is experiencing rapid growth, with new AMCs being registered every month. While these new firms typically reach out to software vendors, the registration process often takes several months. This provides us an opportunity to proactively identify and engage with their top management as early as possible.
- Other potential prospects in the Turkish market include stock brokerage firms, pension trusts managing their own investments, and workplace pension funds. All of these can be accessed through the regulatory bodies' directories. Additionally, the established networks of Murat Arabacioglu and Arzu Toktay will be instrumental in reaching these institutions.
- While the next step is to enter the U.S. and Canadian markets, there is no need to wait for revenue from the Turkish market before beginning our efforts in North America. In the initial months of operation, we will partner with a reputable market analysis firm and assemble a team of professionals with both industry expertise and valuable connections. Given the size and geographic diversity of the North American market, our marketing strategy will likely differ significantly from the approach used in Turkey.

## Pricing and distribution

- There are currently 2 main products in market:
  - Portfolio management integrated with accounting
  - Fund management integrated with accounting
- Aquarules will introduce 3 additional products:
  - An order management system using FIX protocol communicating with brokerage companies.
  - The model portfolio management system allows asset management corporations to design, implement, and monitor investment strategies tailored to specific client objectives and risk profiles. It facilitates the management of model portfolios by generating automated rebalancing orders whenever a portfolio manager makes investment decisions that affect the portfolio's composition.
  - Accounting system working together with an integration rule engine handling journal entry tailoring.
  - Initial annual subscription pricing is listed in table 2 (USD).

Table 2

Portfolio Management	60000
Fund Management	2400 * (# of funds)
OMS	20000
Model Portfolio Management	20000



Portfolio management and fund management prices reflect current market trends. At the beginning we are planning to deduct OMS and model portfolio management prices to gain competitive advantage.

- New accounting system with rule engine is prepared for North American and international markets. However it will be introduced to Turkish market as well as an additional flexibility in accounting. It's annual price will be USD \$7500 + \$150 \* (# of funds).
- There will be an additional development fee (and maybe increase in annual subscription fee) if client requires additional special features.
- There will be 2 ways of delivering products:
  - AWS Cloud based: This will be the standard way and there won't be any additional charge to clients.
  - In-premise: This will require installing the products into the server in client's network. Due to the additional work involved, there will be an additional one-time installation fee of USD \$2000. And a 10% increase in annual subscription fee.

## **Customer service policy and warranties**

Customer service requires SLA definitions and penalties can be requested in agreements, general standard is as follows:

- **Priority Levels:**
  - **Critical:** severe impact on business operations.
  - **High:** [Definition of a high-priority issue, e.g., significant functionality impaired but not business-critical.]
  - **Medium:** [Definition of a medium-priority issue, e.g., minor impact or inconvenience.]
  - **Low:** [Definition of a low-priority issue, e.g., cosmetic issues or general inquiries.]
- **Response Times:**
  - **Critical:** Within 1 hour
  - **High:** Within 4 hours
  - **Medium:** Within 1 business day
  - **Low:** Within 2 business days
- **Resolution Times:**
  - **Critical:** Within 4 hours
  - **High:** Within 1 business day
  - **Medium:** Within 3 business days
  - **Low:** Within 5 business days
- Penalties may need to be defined in the Service Level Agreements (SLAs) as a percentage of the monthly fees. In critical cases, the total penalties in a month could potentially reach up to 100% of the monthly fee.



# 03. Operating plan

## Business location

- Company will be headquartered in GTA, Ontario.
- Software development, including coding only, will be outsourced to Frekans Bilişim in Istanbul, Turkey, while project management, business analysis, and user acceptance testing will be conducted in Ontario.
- Level 1 and Level 2 support will be outsourced to local partners in each market, except for North America. Since the initial target market is the Turkish asset management sector, the corresponding support organization will be based in Turkey.

## Equipment & Technology requirements and investment needs

- Required equipment consists of computers only. Laptop computers will be provided for every employee.
- AWS Cloud will be used for demo purposes as well as hosting depending on Clients' preference.



# 04. People

## Description of the management team

Murat Arabacioglu, President (100% Ownership)

- Over 30 years of experience in software development, with more than 20 years in capital markets.
- Previous startup experience includes managing one company as an executive and founding another as an entrepreneur.
- M. Sc. Software Engineering, George Mason University
- Responsible for overseeing software development, technical operations, and overall company management.

Ally / Arzu Toktay, Vice President

- Finance professional with over 25 years of experience in capital markets asset management industry and diverse skill set, including expertise in fund and portfolio management, marketing, broadcasting, and training within the capital markets sector.
- BBA in Business Administration from Istanbul University.

## Description of advisory team

- As the company will be a new startup, we welcome any suggestions on lawyers, accountants, financial advisors, trade /distribution consultants, or external sales representatives that you engage regularly to offer advice and support our business.

## Key employees

Employees are to be hired following official start of the company.

- Business Analyst with experience in North American asset management corporations and marketing skills.
- Business Analyst with experience in software development projects in capital markets domain in USA and/or Canada.



# 05. Action plan

## Project objectives

- Achieve a 70% market share in Turkish AMC market.
- Expand into the North American markets.
- Establish a presence in additional international markets.

## Resources required

- Annual: \$1,250,000 (Note: CAD / USD conversion rate assumed 1.35)
  - Total cost of key personnel: \$840,000 including benefits and taxes paid by company (total cost / personnel salary assumed as 1.4).
    - President: CAD \$250,000 / year
    - Vice President: CAD \$120,000 / year
    - BA with marketing skills in North America: CAD \$120,000 / year
    - Project Manager CAD \$ 120,000 / year
    - 2 BAs with software development experience: each CAD \$100,000 / year
  - Total cost of the software development out-sourcing: \$160,000.
  - Market, Competition and Gap analysis for US & Canadian Markets: CAD \$75,000
  - Gap Analysis for 3th market \$25,000
  - Cost of development environment (Computers, AWS cloud, IDE + DevSecOps tools): CAD \$20,000
  - Remaining costs (Office costs including rent, admin, accounting etc.): CAD \$200,000

Table 3

Plan 3	Year 1
President	259,259
Vice President	124,444
BA with marketing skills in North America	124,444
BA 1 with software development experience	103,704
BA 2 with software development experience	103,704
Project Manager	124,444
Software development out-sourcing 4	160,000
Cost of development environment 3-1	7,407
Remaining costs 1	148
Gap Analysis for 3th market	18,519
Market, Competition and Gap analysis for US & Canadian Markets	55,556
	1,081,629



Table 4

	Year 2
President	259,259
Vice President	124,444
BA with marketing skills in North America	124,444
BA 1 with software development experience	103,704
BA 2 with software development experience	103,704
Project Manager	124,444
Software development out-sourcing 4	160,000
Cost of development environment 3-2	18,519
Remaining costs 1	148
	1,018,667

Table 5

	Year 3
President	259,259
Vice President	124,444
BA with marketing skills in North America	124,444
BA 1 with software development experience	103,704
BA 2 with software development experience	103,704
Project Manager	124,444
Software development out-sourcing 4	160,000
Cost of development environment 2-1	55,556
Cost of development environment 3-3	148
	1,055,704

- Table 3, 4 and 5 are projected cost calculations for Year 1, Year 2 and Year 3 respectively.
- We will contribute with the software that is ready at the level of competitors in Turkish AMC market. Our estimate of products' value is \$3,000,000.

## Action plan

Action		Key milestone/metrics	Person responsible
1	North America market and competition analysis	Month 2	
2	North America product gap analysis	Month 4	
3	Development of additional products	Month 5	
4	Sales Partner Agreement in the 3th market	Month 6	



5	Completion of 2 pilot implementations in Turkey	Month 8	
6	3th Market product gap analysis	Month 10	
7	Additional software development for US and Canadian markets	Month 10	
8	Sales and implementation in additional 3 Clients in Turkey	Month 12	
9	Completion of 2 pilot implementations in US or Canada	Month 14	
10	Additional software development for 3th market	Month 14	
11	Completion of 2 pilot implementations in the 3th market	Month 18	
12	Sales and implementation in additional 30 Clients in Turkey	Month 24	
13	Sales and implementation in additional 50 Clients in US or Canada	Month 24	
14	Sales and implementation in additional 10 Clients in 3th market	Month 24	

## Cost – Revenue Projection

We anticipate achieving profitability by Year 2, with sustainable growth beginning in Year 3. Our projected cost-revenue outlook, based on the action plan, is detailed in Table 3.

Table 6

Year	Year 1	Year 2	Year 3
Number of Sales (Turkey)	5	30	40
Total Revenue (Turkey)	\$300,000	\$2,100,000	\$4,500,000
Revenue (US & Canada)	\$100,000	\$5,000,000	\$10,000,000
Revenue (International)	\$0	\$600,000	\$1,200,000
<b>Total Revenue</b>	<b>\$400,000</b>	<b>\$7,700,000</b>	<b>\$15,200,000</b>
<b>Total Costs</b>	<b>\$1,081,629</b>	<b>\$1,018,667</b>	<b>\$1,055,704</b>
<b>Gross Profit</b>	<b>-\$825,036</b>	<b>\$6,683,333</b>	<b>\$14,644,296</b>
Net Profit (25% Risk Adjusted)	-\$1,050,000	\$5,011,000	\$10,983,222

## Risk assessment and contingencies

- Software development projects are inherently subject to changes due to evolving requirements and user feedback. To address this, timelines are prepared with conservative estimates to manage potential variations. However, experience indicates that even conservative estimates can sometimes fall short.



Agile project management helps by allowing the implementation of key functionalities within the original timeline while minimizing the impact of delays.

- In addition to the risks of latency in software development, sales forecasting is inherently challenging, both of which can affect cash flow. Financial institutions prefer to work with software vendors that demonstrate robust financial stability to mitigate the risks associated with software issues. Therefore, we are focusing on securing a strong capital structure before embarking on this venture.
- Implementations that will make the cash flow is projected in asset management industries of Turkey, USA and Canada. Other sectors listed below make Plan B:
  - Portfolio management with limited requirements in stock brokerage companies.
  - Other financial institutions like trusts that manage their own portfolio.
- Another contingency plan is embedded in our product development approach. Instead of a monolithic structure, our software is built using a microservices architecture, resulting in multiple smaller products that can seamlessly interact with other solutions. For instance, our accounting integration rule engine can facilitate the integration of any business software with various accounting systems. Similarly, our Model Portfolio Management and Order Management systems are designed to work alongside other companies' products through multiple integration mechanisms.
- Another contingency plan is that significant part of the code base of our products can be used to develop other products that can be used in capital markets domain. Stock brokerage is an example to that.



# Business Plan

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