

# Investment Offer

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## Brief Description of The Product

Our product comprises six software files for the Siens machine, along with six licenses, all for a total of \$4,500. These files, provided in 3D format, are specifically tailored for space-saving furniture designs.

Primarily focused on children's furniture, our offer is supported by patents issued by the authorized service of the ten largest states of the European Union, under international registration number DM/225 308.

To produce the aforementioned furniture, in addition to the software files and licenses, you will require a CNC router. This computer-controlled drill precisely follows the fabrication file's lines for accurate detail cutting.

When combined with our unparalleled offer, the wooden CNC router constitutes your entire startup investment.

Our package enables the creation of space-saving cabinets, each serving at least two functions. By consolidating functionalities, our furniture offers the value of multiple items in a single purchase, making it an economically advantageous choice.

Let's delve into the specifics of what design we offer:

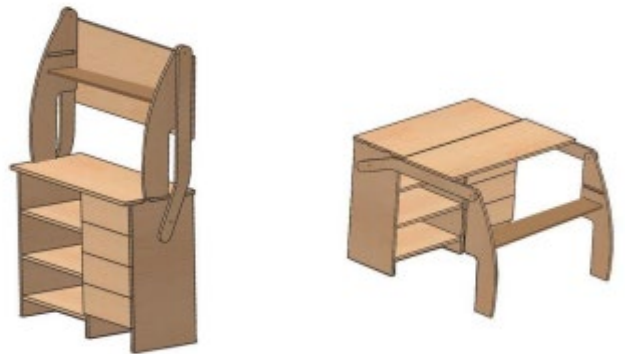
1. A **two-in-one chair**: one chair folds into another, providing seating for two people when separated. The item can be made from bending plywood, as well as double-glazed material.



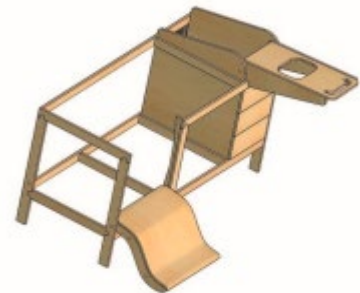
2. A **folding bunk bed, Swedish wall, and study table all in one**. Three functionalities combined into a single item.



3. **A teenager's study table with a chair, shelves, and drawers.** When unfolded, the chair doubles as a shelf. In this state, the table's width is 40 cm; when unfolded, it expands to 80 cm.



4. **A baby bed with a children's chair, table, slide, and tumbo.** Upon removal of the tumbo, it transforms into a toddler bed.



5. **Tiered bedroom shelf.** By pulling out the tiers, you can store significantly more items on it compared to any other shelf.

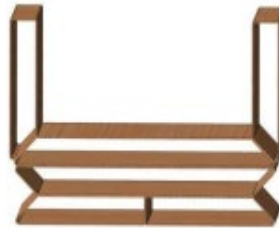
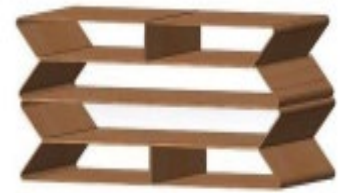


1



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6. **Bedside table, open shelves, and a chair for four people.** When folded, there is a bedside table with open shelves, and when unfolded, it serves as a chair for four people. When made from other materials, two more functions can be added: a table and a chaise longue.



After conducting test cuts on all six designs and addressing any identified errors, all holes and grooves for self-tapping screws are now marked on the revised drawings. This includes instructions for puzzle assembly of the main structure and for assembling the furniture components.

Should you choose to sell the product disassembled, assembly instructions are provided within the program files. These instructions are clear and straightforward, designed to facilitate assembly even for non-professionals.

## Competitive Advantage

The main advantages of your innovative product compared to competitors in the market are:

**Ownership of an innovative product:** You have the legal right and means to manufacture and sell this product with any reseller, making you the owner of the license.

**Lower tax expense:** Small business income is taxed at a lower rate than larger businesses.

**E-commerce:** Through online sales and on-site product delivery and assembly, you can serve the client more quickly. Additionally, you save on reseller fees or store rent costs, which are unavoidable when placing products in retail stores.

**Competitive Pricing:** The minimum price of the furniture is \$9, ensuring affordability and competitiveness in the market.

## Market Analysis

We suggest that you examine the market data, which will help you gain a comprehensive understanding of the furniture market's current landscape, including the demand for modular

furniture and its future development prospects. It is also interesting to know which countries are advanced in the smart furniture industry.

In 2023, the world furniture market amounted to \$652.4 billion USD. Additionally, the size of the furniture market is projected to grow by 5.57% by 2028, reaching \$855.5 billion USD.

The global smart furniture market size is estimated to be \$3.25 billion USD in 2023, and by 2030, it is expected to reach \$5.18 billion USD, representing an increase of approximately 7%.

The modular smart furniture market accounts for about 0.5% of the total furniture market.

We calculate the share of modular furniture based on the data from 2023. Here are the furniture market sizes in different countries in 2023:

**Germany:** With a population of 83,000,000 inhabitants, the total German furniture market is valued at \$55,200,000,000. Of this, the modular furniture market comprises approximately \$275 million.

**Belgium:** With a population of 11,590,000, Belgium's total furniture market is worth \$6.4 billion, and the modular furniture market is approximately \$32 million.

**The Netherlands:** With a population of 17,418,808, the total furniture market in the Netherlands is valued at \$8,640,000,000. Of this, the share of modular furniture is approximately 0.5%, equivalent to \$43 million.

**Luxembourg:** With a population of 122,273, the total furniture market in Luxembourg is valued at \$425,500,000. Of this, the share of modular furniture is approximately 0.5%, totaling \$2 million.

**France:** With a population of 68,700,000 inhabitants, the furniture market is valued at \$17,280,000,000, and the modular furniture market is \$86 million.

**Spain:** With a population of 48,085,361, the value of the furniture market is \$15,970,000,000. Of this, the share of modular furniture is approximately 0.5%, amounting to \$80 million.

**Turkey:** With a population of 85,200,000 inhabitants, the furniture market in Turkey is worth \$1,800,000,000, and modular furniture comprises \$9 million.

**Ukraine:** With a population of 37,600,000, the furniture market of Ukraine is valued at \$315,000,000, and modular furniture accounts for about \$2 million.

**England:** With a population of 67,736,802, the value of the English furniture market is \$3,000,000,000. Of this, the share of modular furniture is approximately 0.5%, totaling \$15 million.

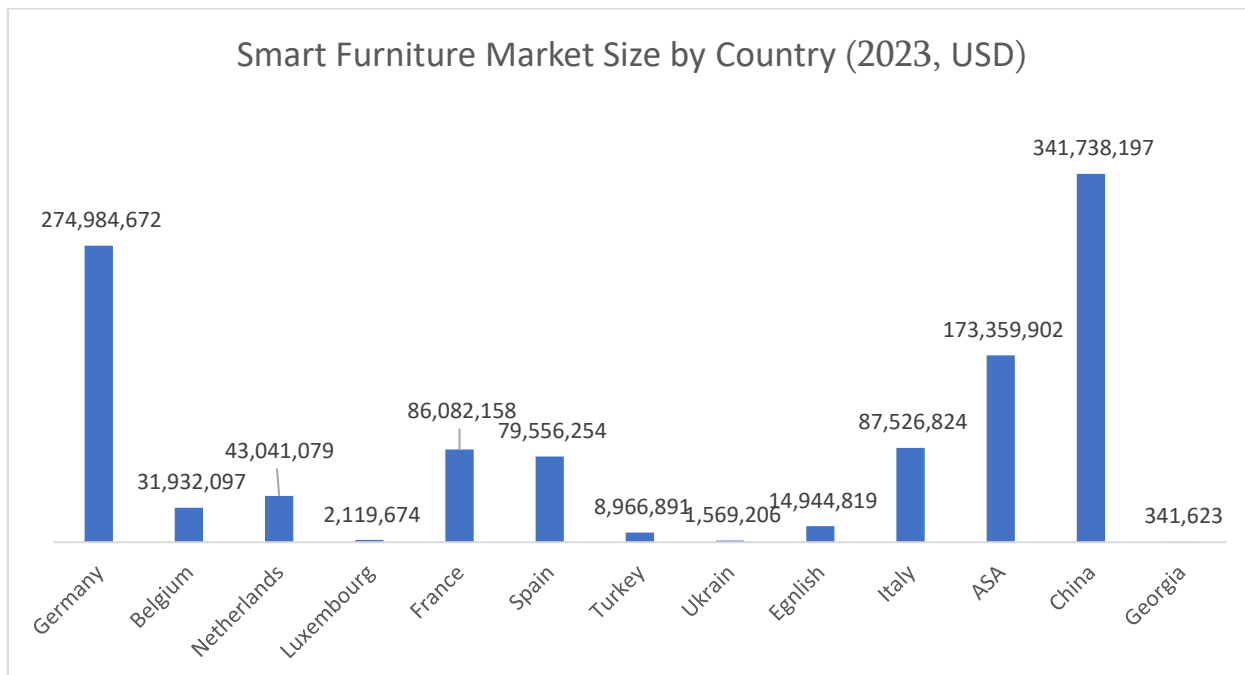
**Italy:** With a population of 59,110,000, the Italian furniture market is valued at \$17,570,000,000. The modular furniture market is about \$88 million.

**USA:** With a population of 332,403,650, the value of the American furniture market is \$34,800,000,000, and modular furniture accounts for about \$173 million.

**China:** With a population of 1,409,000,000, the furniture market in China is worth \$68,600,000,000, and the smart furniture market is approximately \$341 million.

**Georgia:** With a population of 3,802,553, the volume of the Georgian furniture market in 2023 was \$68,576,779, and the volume of modular furniture was \$342,000.

There are 977 registered furniture sellers in Georgia. In order for each of them to generate a profit, they need to sell between 46 to 50 items per month, and 552 to 600 items per year. A net profit of \$56 per 46 units of furniture amounts to \$2,576 per month and \$30,912 per year.



Hence, the smart furniture market holds significant potential, and modular furniture continues its seamless integration into various facets of our daily lives as a versatile product.

## Marketing

For marketing, we propose a puzzle marketing strategy that involves integrating the website with social media platforms.

Social media presents an optimal means to minimize a company's advertising costs.

Nowadays, it's common to find YouTube videos embedded on websites. This practice is employed quite successfully and yields two important effects. Firstly, videos encourage prolonged user engagement on the website, and secondly, your YouTube video accumulates views.

Watching a video increases the depth of view indicator on the website, enhancing the site's visibility in Google's top search results.

Proper utilization of social network algorithms fosters trust between you and your customers, while also attracting more customers without the need for paid advertising.

## Financial Plan and Investments

### List of expenses:

1. License: Calculated for 5 years, including 6 designs and drawing software files, costing \$4,500 USD. Annual payment: \$900 USD, monthly cost: \$75 USD.
2. SNS router: Costing \$6,500 USD. Monthly cost: \$0.

Total cost of the product: \$11,000 USD.

### Cost of the product:

- Each piece of furniture requires 2.5-3.0 square meters of plywood. One cube of plywood yields 18-22 pieces of furniture. The average price of one cube of plywood is 658 euros.
- The cost of plywood per unit ranges from 29 to 36 euros.
- The cutting distance of the CNC router averages 133 meters for cutting a single piece of furniture.
- Primer (1 liter), paint (2.5 liters), solvent (2.5 liters) are required, with a total cost of 20 euros.
- The cost of a wood craftsman is 50 euros.
- Packaging costs 7 euros.
- Other costs to consider include warehousing, utilities, transportation, and marketing expenses.

In total, 189 euros are needed to make one product.

### *Cost of the product (EUR)*

<i>Cost of Materials</i>	72
<i>Wood Craftsman</i>	50
<i>Packaging</i>	7
<i>Warehouse and Utility Expenses</i>	10
<i>Transportation</i>	50
<b>Total</b>	<b>189</b>