



PAID
analytix

paidanalytix.com

What is our **VISION?**

We want to do for Operational Controls (Finance for now) what UiPath has done for Operational Tasks.

That is to automate/digitalize Operational Controls





AI

Our Mission

- To solve a real issue that most companies have .
- Create a solution that is using the latest technologies, shows an immediate benefit is preferred in the eyes of customer.
- Have a product that we would have purchased ourselves when we were Finance Managers.

pAID Analytix is a start-up that began out of the Internal Start-up Call programmed organized by Société Générale Groupe in 2018.

The idea of the start-up was selected from all the proposals and was financed by Société Générale Group in order to become a viable product.

pAID Analytix received in April 2019 a great award for their accomplishment: **1st** place in the Business Innovation category at Romanian ABSL (Association of Business Services Leaders) Gala.



2019 Spin off

In 2019 we decided to develop our own business in order to bring our product to other companies



The Problem

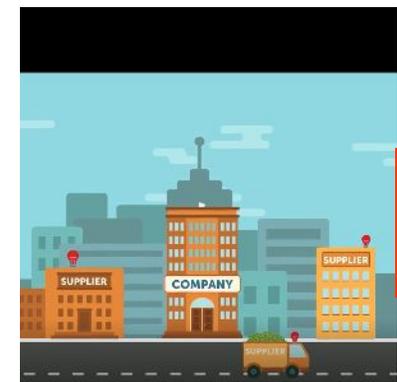
Research details

Companies lose 1% from their payments due to these errors*

□ for a company paying 100M per year, it loses 1M.



*According to various studies



Company



Accounts Payable



High number of transactions

Complex payment processes

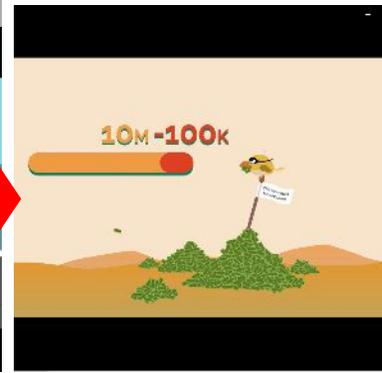
Manual controls

Low digitalization

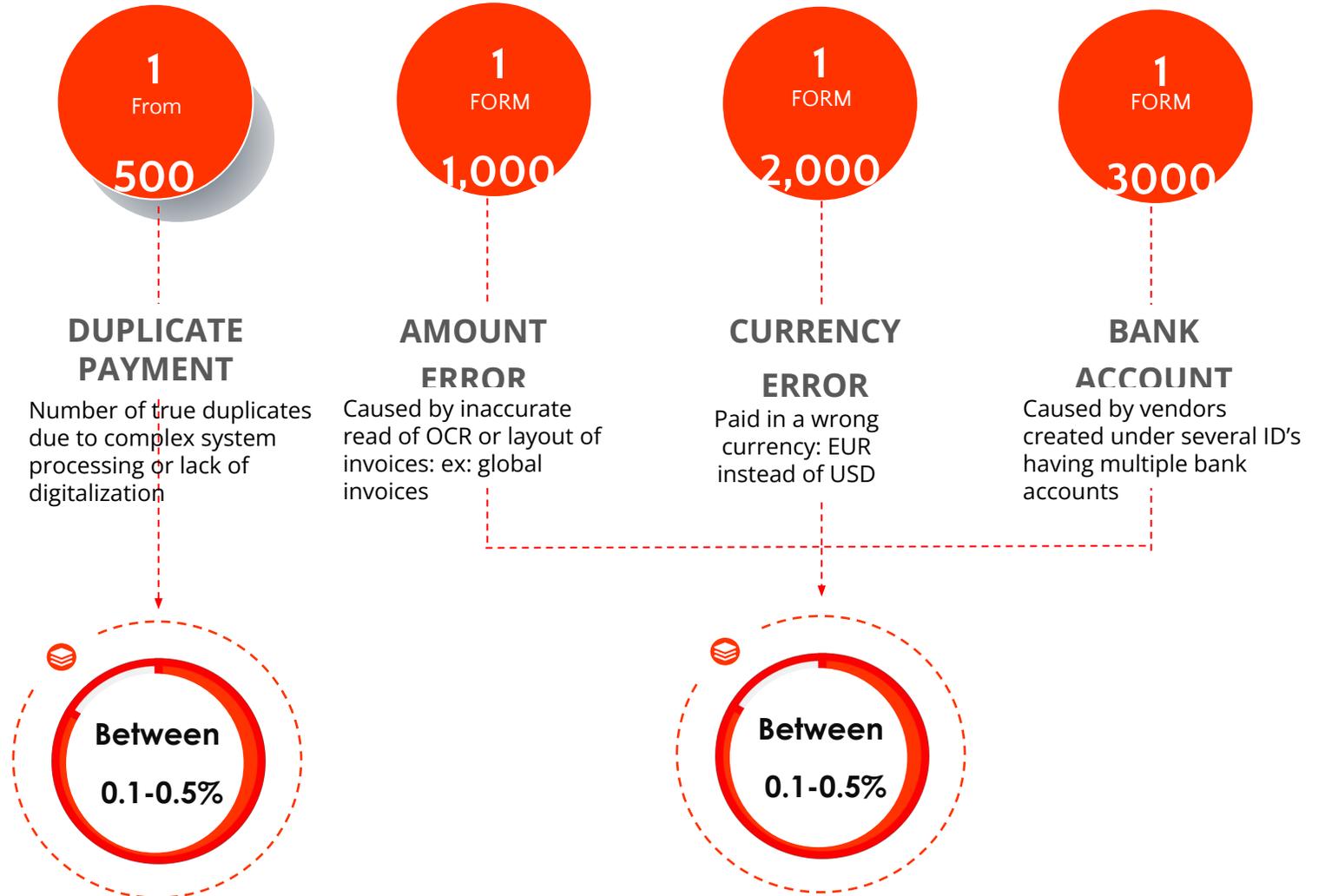
Operational errors



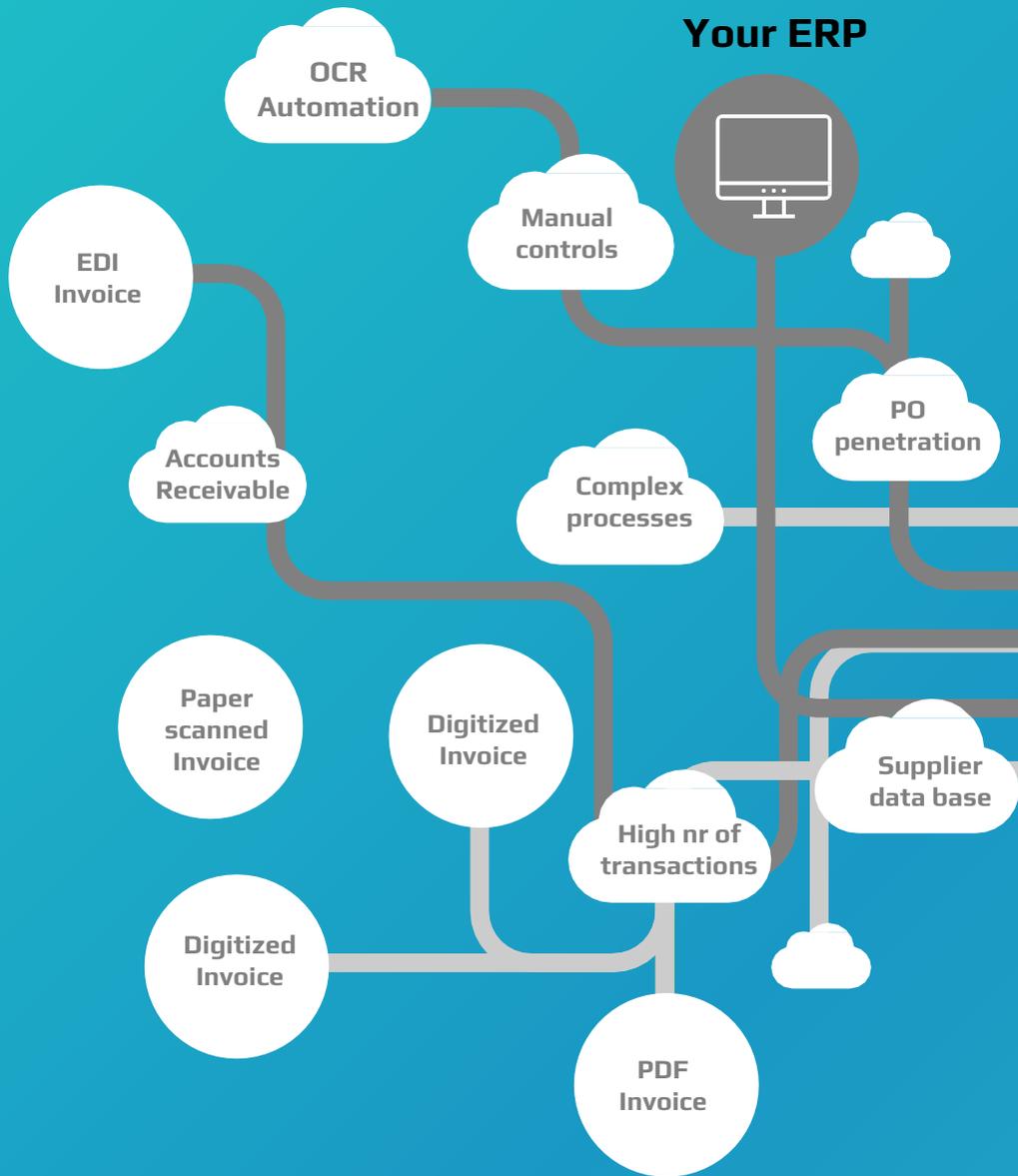
Every year a company losses up to 1%



1% Problem:



Complex Processes



Our Solution

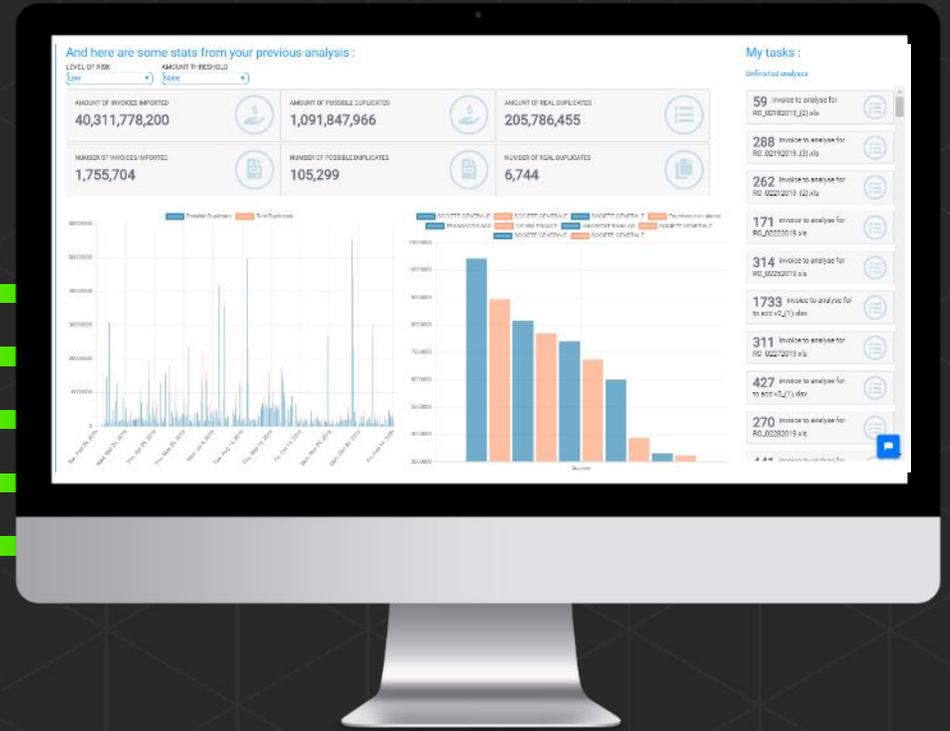


Preventive control of your actual payment processes



AI-powered engine & root cause analysis & improvement

PAID ANALYTIX AI ENGINE



Optimized Working Capital

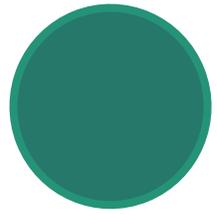
High Productivity

Compliance Minimized Risk

Who are our clients?



QUALIFICATION PHASE
We run all our clients through an initial Qualification Phase.



PROSPECTS:



300

Companies



3,000

Companies



INDUSTRY

Client needs to belong to one of the industries listed:

- Retail
- Manufacturing
- Telecom
- Logistics
- Banking

Also include companies performing in the sector of: services as Consulting, Advertising etc



TURNOVER

Client needs to be above 50M turnover

50M+



EMPLOYEES

Client needs to have above 200K employees

200+



SPEND

Client needs to have at least 2,000 invoices to be paid per month

2.000+



What does the competition look like?

Competition is extremely present but mostly just in UK and US.

The reach of these competitors is limited in central and eastern Europe so with the right partner we could be among the first

		Competition Analysis			
		Paid Analytix	Apex Analytics	Technology Insight	Own Tools
PROFILE	OVERVIEW		APEX Analytix is the world's leading provider of supplier portal software; trusted supplier data; controls, audit and analytics software; and AP recovery audit services	Partner in accounts payable analysis, identify and prevent errors, recover what you lost, gain clarity in AP operations.	Tool developed inhouse to cover the required control. Very likely that it can only be used internally but its very customized
	COMPETITIVE ADVANTAGE <i>What value do you offer customers?</i>	Easy to use, Machine Learning for more accuracy, Customized	Complex analysis covering multiple error types and for any data format	More accurate analysis with fewer false positives	Very customized and aligned to the internal data format
MARKETING PROFILE	TARGET MARKET	Romania and France mainly medium to large companies	Global Market but targets only fortune 500 and fortune 1000	Global Market but targets only fortune 500 and fortune 1000	NO market. Just internal use
	MARKETING STRATEGIES	Webinars, Events, Articles, Partner events	Webinars, Events, Mailings, Articles, Whitepapers	Webinars, Events, Mailings, Articles, Whitepapers	Not applicable
PRODUCT PROFILE	PRODUCTS & SERVICES	Free, Premium and Platinum of analytics software	control and analytics software, Recovery Audit, Supplier portal	control and analytics software, Recovery Audit	control and analytics software,
	PRICING & COSTS	Free or Flat Fee + Accuracy Increment for tool	Unclear pricing for tool	Flat Fee For Tool Contingency Fee for Recovery Audit	Internal development (one time) + maintenance cost
	DISTRIBUTION CHANNELS	Mainly Distribution Partners Secondly Direct Sales	Direct Sales	Direct Sales	Not applicable
		SWOT Analysis			
SWOT ANALYSIS	STRENGTHS	Customizable, Easy to use, unique pricing	Can handle data from multiple sources, uses AI for analysis, a lot of experience with large clients	Reduces the effort on analysis with fewer false positives, captures more of the data. Integration with various data sets	Customized, exactly tailored to own needs and data format
	WEAKNESSES	Data integration and cleaning, selling through partners	Seems not customized at all, very unspecific, a lot of effort from the customer	Seems not customized at all, very unspecific,	A lot of false errors, can not be repurposed easily
	OPPORTUNITIES	Few to none similar tools in the market providing the same value, first mover advantage in Romania	Could develop it into a standalone solution with the auditing part also automated as they have the data and the experience	Could make this solution marketble also for smaller clients, like an App	Tool could be developed further to be even more specific for the own use either in terms of accuracy or covering other types of issues
	THREATS	Threat of being redundant in a couple of years time, companies not trusting a new tool	Easy to use, good enough tool to replace their complexity	They could be made redundant in a couple of years time.	Tool or service or both providing the ease of use, additional features

Old Way

Process Controls

VS.

New Way

Paid Analytix AI Engine



Recovery Audit companies

You can contact a recovery audit company that analyses past transactions for a contingency fee.

30%



High Operational Effort

Long duration of the control due to high number of false positives. May impact payment term.

3hrs



Replicability

The current tool is not easy to adapt to new clients and connect to their accounting systems

Do it yourself



license

Paid Analytix platform allows companies to handle this issue by themselves.

Low Operational Effort



30'

50% effort reduction Day 1 which will allow the control before the payment run

Plug and Play



The pAID tool needs just a data extract in order to run the ML engine

Clients



Partnerships



Our products

AUDIT

- ✓ One time analysis
- ✓ Detective errors identification
- ✓ Key insights
- ✓ Root causes identification
- ✓ Risk assessment

Clients premises | PAID Azure Cloud

Fixed fee or % from real duplicates

SAAAs

- ✓ Ongoing analysis
- ✓ Preventive errors identification
- ✓ Key insights
- ✓ Root causes identification
- ✓ Weekly/monthly reports
- ✓ Fee based on the number of analyzed invoices or % from real duplicates

Clients premises | PAID Azure Cloud

Fixed fee or % from real duplicates



Commercial Model



%

Audit



You either pay 10% to 15% out of the true duplicates we discover so the impact is only positive.

Or you pay a fixed fee depending on the effort required for the audit.

The lower out of the two will be your final price

Oil & Gas

20K €

Total Benefits

- 529.000 EUR discovered
- Root causes and improvement plans



%

License



You either pay 10% to 15% out of the true duplicates we discover so the impact is only positive.

Or you pay a fixed fee depending on number of invoices analysed.

The lower out of the two will be your final price

Banking

25K €

Ongoing usage

- 125,000 invoices paid/year
- Current average savings around 350k/year



Sales Strategy



In terms of sales strategy we clearly learned from our experience in the last couple of years that a “door to door” approach alone can not bring the expected growth

Focus on Strategic Partnerships



CREATE NEW REVENUE STREAMS

One type of partnership is with companies that can use our product to create new revenue streams with our product. Here we would have as an example the Consulting companies like Deloitte that can use our product to conduct audits and thus identify opportunities for consulting projects that they can run based on the outcome



INTEGRATE OUR PRODUCT

Second type of partnership is with companies that can integrate our product into their product and thus offer something new to their existing/new customers. Example would be UiPath, Tradeshift, SAP etc



RE-SALES COMPANIES

Is with companies that have an existing network of clients that we are looking for, specific sales companies for example

We will be exploring solely these areas in the future.



About Us

In terms of ownership split we are 5 co-founders with the following split:



Radu Fertonea

Founder and CEO

Myself as the main founder and CEO looking mainly at new client relationships, sales and product development.



Octavian Alecu

Co-Founder and COO

As COO he handles all operational tasks including client support, oversees developments etc



Alex Faur

Co-Founder and CTO

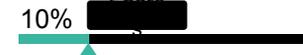
He built the original platform and he is onboarded to Paid Analytix to cover the technical requirements of the product



Vlad Cuc

Co-Founder and Marketing

Due to his extensive experience in the filed he handles the Marketing related activities



Cristian Darie

Co-Founder and Legal

Due to his extensive experience in the filed he handles the Legal related activities



Where are we right now?



€60,000/year
ARR



€ 100.000
Total Revenue

Actual Burn Rate

IT	Cost	Details
Support	€700	Someone on duty for client interventions
Development	€1,000	Improvements on existing functionality / client requests
Server reservations	€625	
Server infrastructure	€175	Azure servers cost based on annual subscriptions
Other IT related	€20	Costs related to the server's infrastructure
Salaries and Taxes	€2,000	Domain, SSL Certificate, Emails
Social Media/Website etc	€1,000	1 full time employee
Sales Outsourcing	€2,000	Creation of website, content moderation, campaigns etc
SubTotal:	\$7,52	We will be starting with French sales out sourcing company in sep.

Business Model – Client View

Revenue with 1 client € 60,000		Revenue with 5 clients € 160,000	
Cost with 1 client	Cost	Cost with 1 client	Cost
Support	€700	Support	€700
Development	€1,000	Development	€4,000
Server reservations	€650	Server reservations	€650
Server infrastructure	€175	Server infrastructure	€175
Other IT related	€20	Other IT related	€20
Salaries and Taxes	€2,000	Salaries and Taxes	€2,000
Total Cost	€ 54,240	Total Cost	€ 54,240
NET BENEFIT PER CUSTOMER	€ 5,760	NET BENEFIT PER CUSTOMER	€ 18,152

Paid Analytix Growth Projections – GO with a Partner Scenario



Revenue Types

For revenue estimations we need additional assumptions, we took into account the two revenue total: for Audit Service and revenue estimations for the license based model.



Audit Service Product



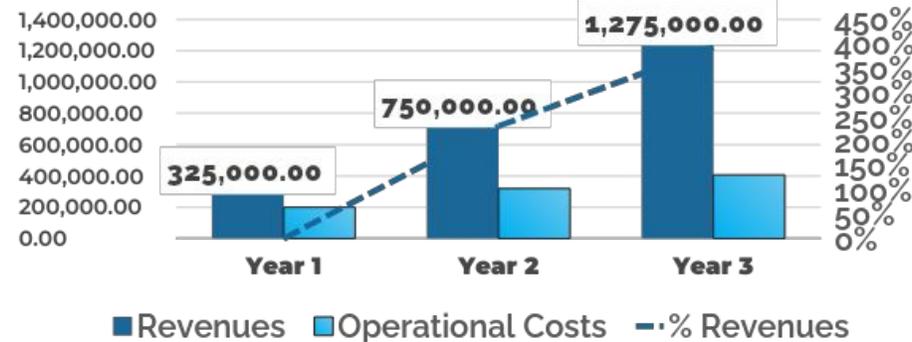
Saas License Product

CF from Operations Y1
€ 109,800

CF from Operations Y2
€ 512,300

CF from Operations Y3
€ 735,315

Revenues & Cost



Customer allocation Romania and France:

	Year 1	Year 2	Year 3
Discovery Audit	20	40	60
Saas Model	5	14	27

Cost Type	Total Cost Y1	Total Cost Y2	Total Cost Y2
Salaries	€60,000	€60,000	€60,000
IT Hardware & Software	€50,000	€50,000	€50,000
Marketing & Sales	€50,000	€50,000	€50,000
Compliance & Risk	€10,000	€10,000	€10,000
Rent	€12,000	€12,000	€12,000
Suppliers & IT Consumables	€3,000	€3,000	€3,000
Utilities	€3,000	€3,000	€3,000
Travel	€12,000	€12,000	€12,000
Total	€	€	€
Cost	200,000	319,612	407,245

What do we need?

**Money is not everything.
Especially not in our case
where the product is very
niche.**

We need a partner that can help us accelerate with one of the above strategies and support us in accessing those type of partnerships.

This is the first and upmost important factor.

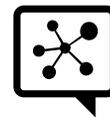
Investment need

200.000 to 250.000 €



SALES & MARKETING: 60.000 TO 90.000€

- ✓ This would be for contracting several sales outsourcing companies within 2 or 3 markets (outside Romania). Considering the day rate of 500-800 EUR and we estimate 4 days per month in terms of total effort we are looking on average around 25.000 EUR recurring cost for each of these companies.
- ✓ Beyond this we would probably have to organize specific marketing campaigns within those markets with specific actions (dedicated events etc)



PRODUCT DEVELOPMENT: 50.000 €

- ✓ In order to make our product more appealing we need to work on its integration with existing ERPs or accounting software's, to make adoption easier
- ✓ We need probably one more module in addition to duplicate payments to increase interest.



SALARIES AND ADMIN: 60.000 €

- ✓ As mentioned, we need two dedicated people to run the operation and the new growth

Valuation

For the Valuation we have taken publicly available data for Revenue and ARR multiples from similar SAAS companies taking into account current and projections of Revenue. This is a fair proxy to evaluate Paid Analytix.



The valuation below show minimum valuation, median valuation and maximum valuation:



The below is the median that combines and 10x Revenue Multiple and 8x ARR multiple as well as CAGR adjusted Valuation to create the below result

Implied Company Valuation (€M)

	Based off Comps Median	Based off Comps Average
High	€1,840.6	€1,895.4
Median	€1,108.6	€1,182.0
Low	€595.3	€638.0

Median Valuation:

1,108.6 M\$

This being said, the median valuation of 1.1 million is a fair estimate of the current valuation considering the high market, high margins and unique product Paid Analytix has to offer.



Valuation File

Paid Analytix Growth Projections – GO Alone Scenario



Revenue Types

For revenue estimations we need additional assumptions, we took into account the two revenue total: for Audit Service and revenue estimations for the license based model.



Audit Service Product



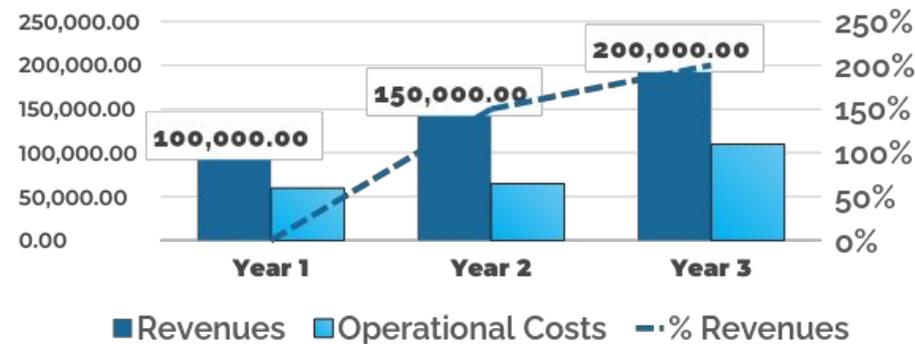
Saas License Product

CF from Operations Y1
€ 40,000

CF from Operations Y2
€ 85,000

CF from Operations Y3
€ 90,000

Revenues & Cost



Cost Type	Total Cost Y1	Total Cost Y2	Total Cost Y2
Salaries	€30,000	€30,000	€60,000
IT Hardware & Software	€10,000	€15,000	€20,000
Marketing & Sales	€20,000	€20,000	€30,000

Total Cost	€	€	€
	60,000	65,000	110,000

**Customer allocation
Romania and France:**

Discovery Audit	4	5	5
Saas Model	1	2	3

Live Demonstration



Valuation



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