

Investment overview

April 2021

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Executive Summary

The value of the Bidwedge intended market sector is estimated at **£6 billion** pre-pandemic excluding the business travel sector and provides a perfect opportunity post-pandemic with a return to normality.

The Bidwedge solution eliminates an ongoing consumer issue by allowing a seamless platform to sell unused currencies. Unlike the current way of buying and selling currency to the public, we buy and sell at the bank rate and charge a straight fee, giving the consumer full transparency of the transaction.

Bidwedge has undertaken extensive market research and analysis to implement a proof of concept and after successful review. The business is now looking to further develop our product and services, company structure and then go to market.

The business is now seeking additional investment partners that will ensure Bidwedge is in a strong position to rapidly develop, launch and expand for maximum market penetration.

Objective

The purpose of this document is to discuss key elements of the business to fully inform potential investment partners.

Key elements.

- Company structure
- The solution
- Sales and marketing
- Financial overview

Investment requirement and offer

The investment will be used to further develop the key business activities including platform development, sales and marketing and related operations.

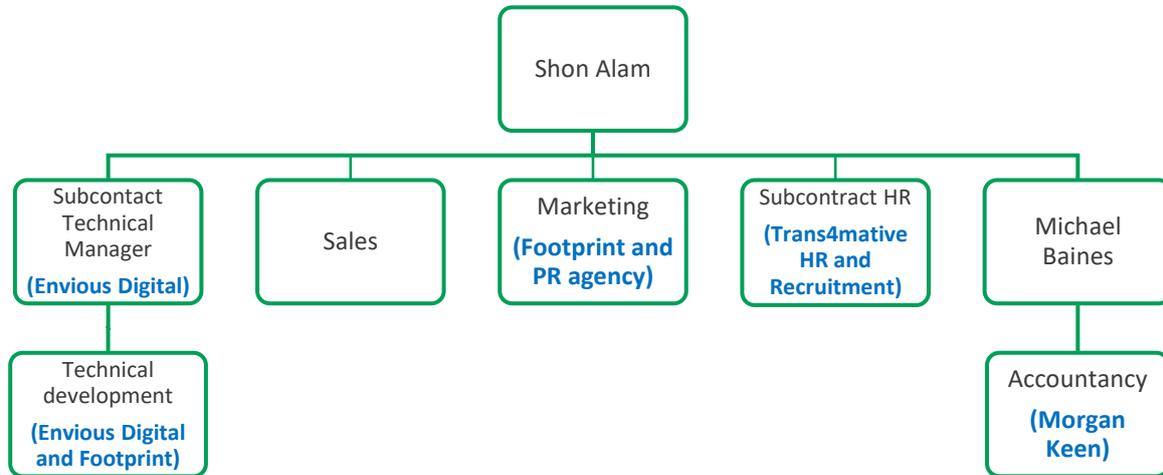
Initial investment £300k acquires 17% equity (negotiable)

£120k available through SEIS.

Full EIS

Company structure

The business is relatively new and as such the objective is to maintain operations without unnecessary expenditures. As such several roles and activities are currently outsourced to ensure costs are managed.



Overall, there is a requirement for two management teams, and we have adopted the following approach:

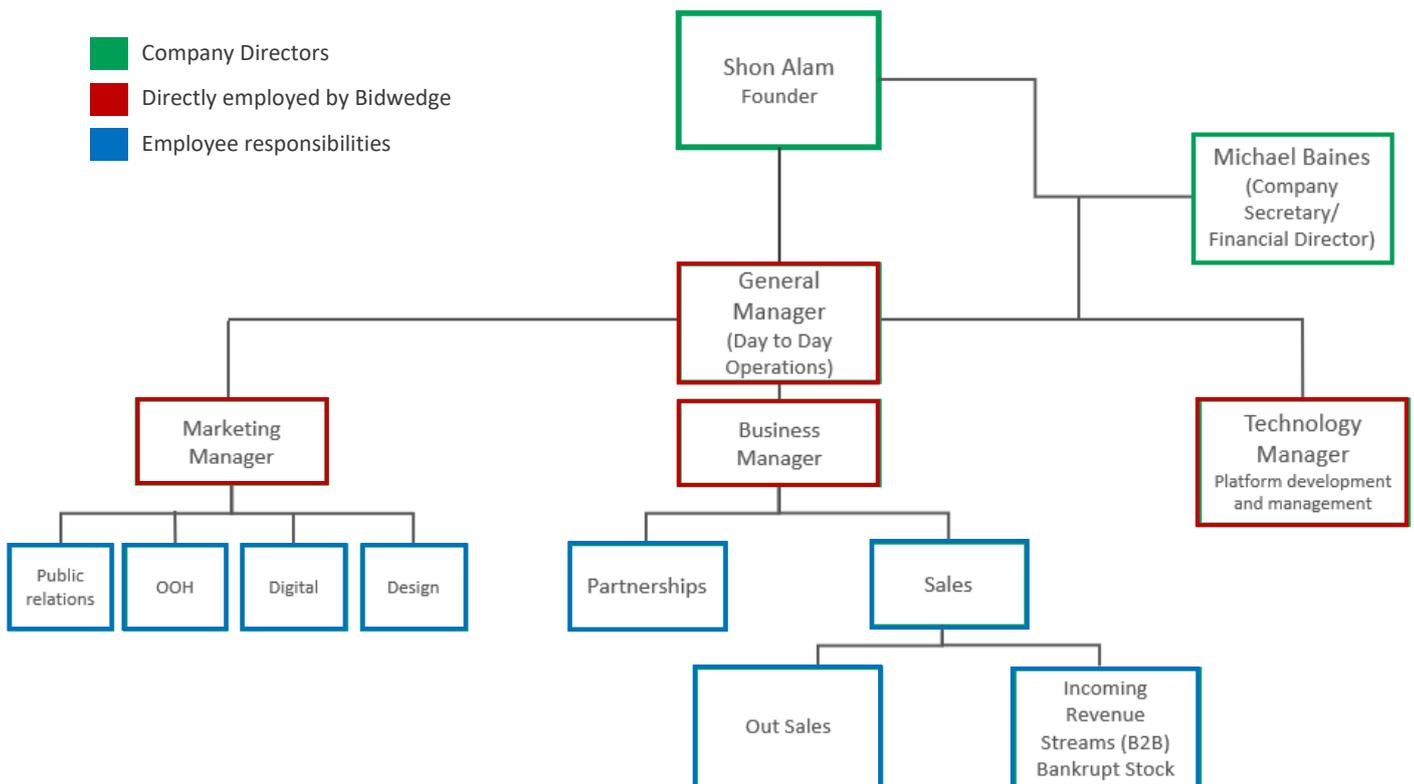
- **The Board of Directors (BOD)** made up of carefully selected Non-Exec Director and Chair, Company Secretary/Financial Director & the Founder
- **Day-to-day** management team led by the Founder provides and meets the needs of the business on a daily basis -this will be developed toward the latter end of Y1

The **BOD** is further developed at this stage. The organogram below identifies each member, and Annex 1 (page 20) provides a short summary of their skillsets and relevance to the business.



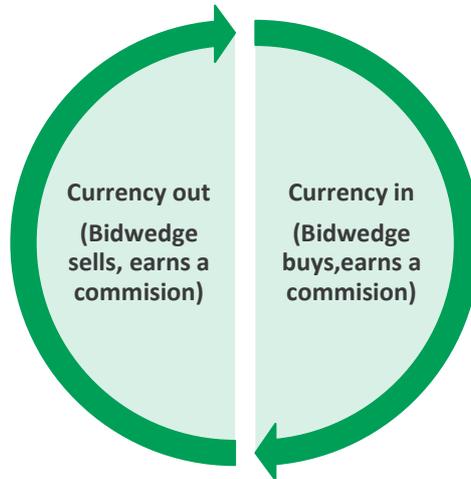
Year 2 anticipated structure

The organogram below sets out the final make-up of the day-to-day management team and the expectation on role. This team is expected to be in place by the beginning of Y2. This will include recruiting managers in both the Marketing and Technical categories. The two most crucial appointments will be in the General Management and Sales roles. The Founder understands that as the business grows, experienced professionals are required to make certain that growth is sustainable, guaranteeing that Bidwedge can reach its fullest potential delivering the maximum impact. The GM and Sales positions are the key areas that have been identified that will require professionals who have a hands-on approach to drive the business forward. This will leave the Founder to oversee that the business is run within the set ethos and model and continue to innovate and assist the day-to-day team as and when required.



The solution.

What do we do?



We buy unused cash currency, repurpose, and sell it on to a consumer base within the travel market with a fee for this service.

Our USPs include how we buy our stock. This is sourced from various streams that is **not** a bank or wholesaler. We can target popular currencies to provide a coherent streamlined business model.

Note: WE ARE NOT CURRENCY SPECULATORS. When we discuss currency, whether buying or selling, we are referring to our stock in trade.

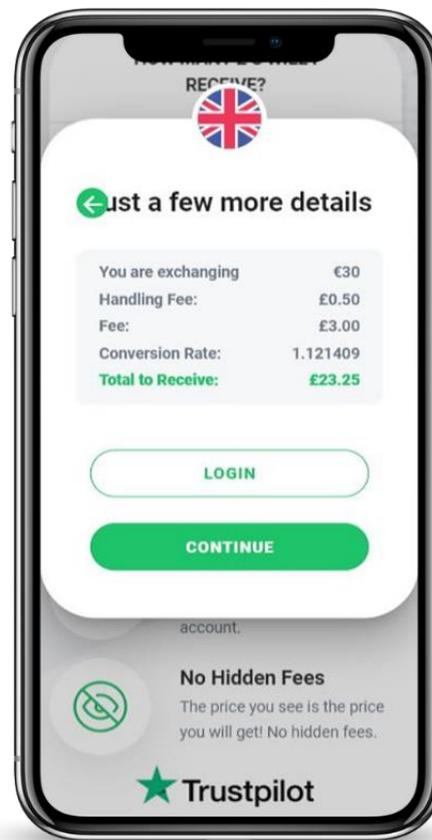
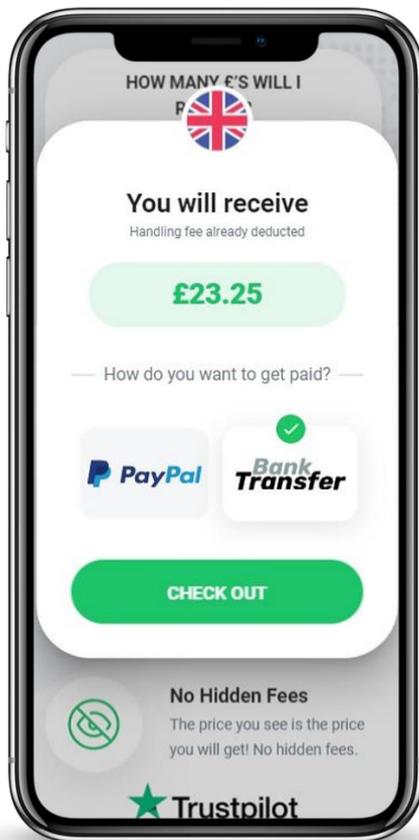
How does the platform work?

The system currently comprises of 3 parts. One is the main database, two is a webservice that handles all the logic coming in and out of the database, which is responsible for all communications including with third party providers as well. e.g., email sending, spot rate checker etc.



How do we make revenue?

To eliminate risk by using the mid-market as our exchange rate and charging a set fee for each deal. This model ensures transparency and enables customer confidence in our offering. The model covers both buying back and selling. The pricing model is simple yet amazingly effective and allows for scalability. **Note** we show below an established % fee-based structure for the selling process, this is yet to be confirmed. The phone image shows an actual calculation on the Sell product.



Sales and marketing strategy

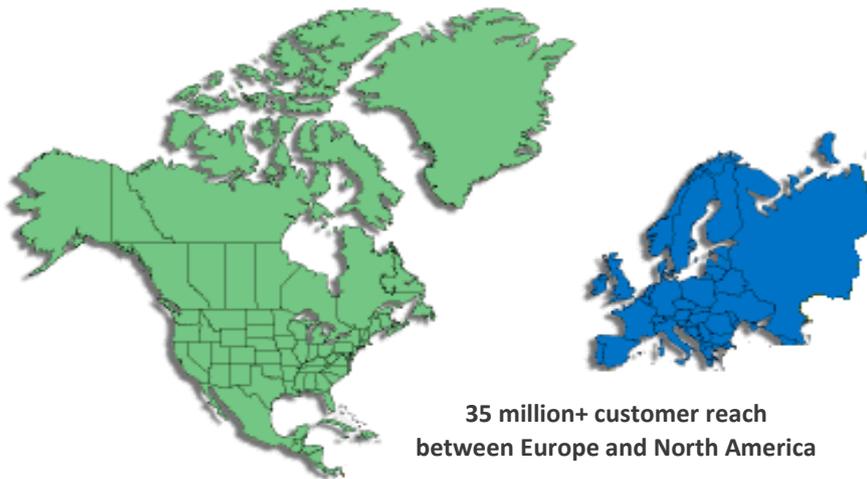
Audience & Target market

48 million take foreign holidays every year (ABTA 2018 HOLIDAY HABITS REPORT).

The top 10 destinations are located in Europe and North America, with 75% of those travelling covering our targeted audience and taking holidays in these sectors:

- All-inclusive prepaid holidays
- Beach holidays
- City breaks

These sectors, pre-coronavirus, give us an audience reach of 35 million plus and can be perceived as those with strong cash ties.



Competition

Our trading solution is niche and differs to the industry in general. Therefore, we have a unique advantage to captivate the market early and gain dominance.

Below we show on a service level only the differences that exist. Add that to the calculation process and Bidwedge wins every time.

Compare	bidwedge	The Currency Club	Currency Online Shop
No Hidden Fees	✓	✗	✗
Free Delivery	✓	✗	✗
Free Insurance	✓	✗	✗

Sales generated through marketing.

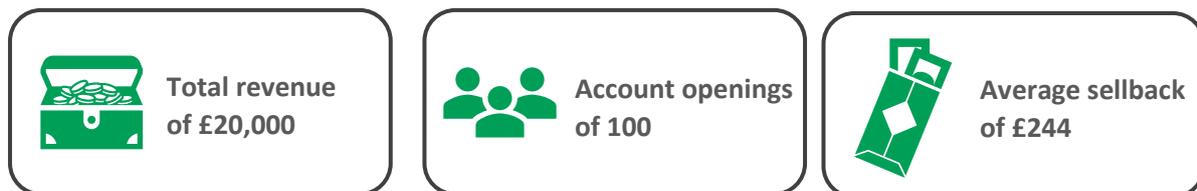
The successful completion of the POC enables us to demonstrate with a good degree of confidence the marketing path, which in turn will drive organic sales as well as assist our anticipated sales team to increase overall revenue of the next initial 3-year period and thereafter.

Continued initial focus of our strategy by developing:

- a) A visually recognisable brand.
- b) Continuing that important Trust focussed engagement.
- c) Drive traffic to the platforms and complete sales.

Historical activities conducted with minimal expenditure as shown below indicated a good ROI. These results show that our overall CTR was extremely high, and the use of strong visuals has been justified.

Category	Impressions/views	CTR	CPC	Spend
PPC	3440	208	0.74	£155
Display	461000	7390	0.03	£222
YouTube	15900 views 12.12% view rate	180	0.02	£318



Predominantly our marketing activities will focus on social media platforms but will also expand into targeted partnerships and various news outlets with over 70 pieces of press coverage at both national and regional level already:

- *The Times*
- *The Daily Express*
- *Welp Magazine*
- *Business Insider*
- *Investment Observer*

Established partnership already in place will further expand our brand awareness. Some notable partnerships are:

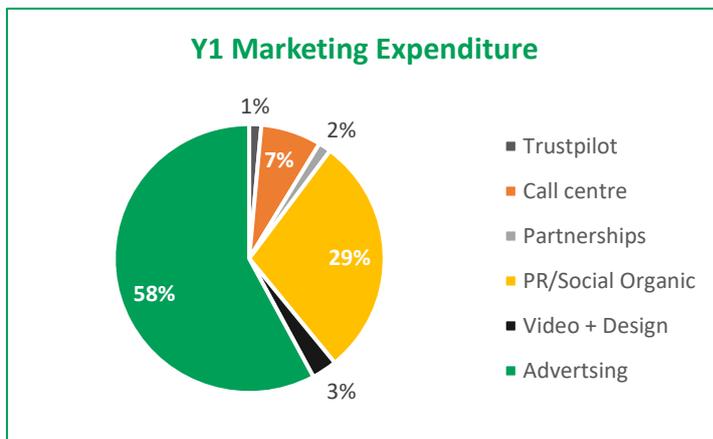
- *The Born Free Foundation.*
- *Just travel cover.*
- *Money magpie*

Marketing expenditure strategy

Over the 3-year cycle, to achieve the level of sales predicted marketing expenditure will be increased, this is demonstrated in the overall financials provided. Below is a table that represents the year-on-year increases:

Year	Cost £	Percentage increase
1	156,000	N/A
2	260,000	71%
3	330,000	26%

These increases are designed to drive further sales growth into the company and deliver brand coverage. We have detailed the initial Y1 marketing expenditure programme as set out below.



Y1 Marketing Total - £156k

Marketing tool	Yearly total
Trustpilot	£2,400
Call centre	£9,000 - £12,000
Partnerships	£2500
PR/social organic	£43200
Videos + design	£5000
Advertising	£96000

NOTE. These figures are predicted for Y1 cashflow as a demonstration. A variation will occur due to implementation that allows for increased additional spending in other areas, as the capacity to handle more traffic is built into the platforms.

Financials

The business model is cash flow positive throughout the 3-year cycle, which lays comfortably within the rigid financial governance that the founder has imposed which allows it to remain debt free.

Chart below reflects projected turn over vs projected nett loss/profit point over 3 year based on projected customers for each year, margin applied minus subsequent operational costs.

The below represents an overview of 3-year financial projections with more detailed explanation within customer growth section and investment activities.

Financial Projections

Pre-money valuation – **£1.7 million**

Post money valuation - **£2 million**

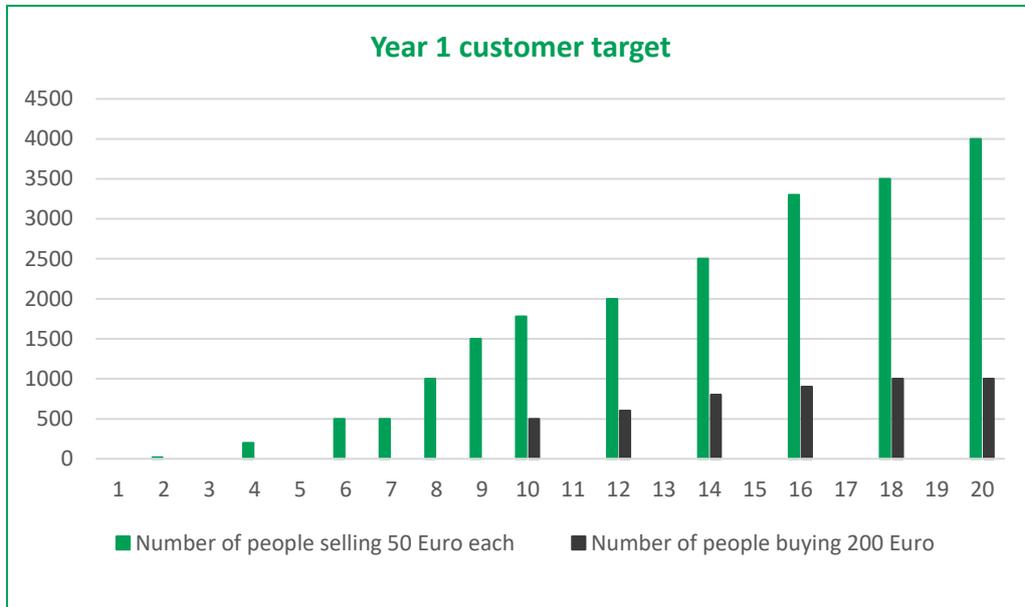
SEIS available

	<u>Year one</u>	<u>Year two</u>	<u>Year three</u>
Number of Transactions	26,000	171,500	514,000
Turnover	£1,785,700	£12,250,800	£38,228,300
Earnings/Commissions	£87,000	£820,000	£2,460,000
Total Costs	£343,000	£942,000	£1,496,000
Profit/Loss	- £256,000	- £122,000	£946,000
Income Per Transaction	£3.35	£4.78	£4.78
Profit Per Transaction	£0.84	£1.20	£1.20

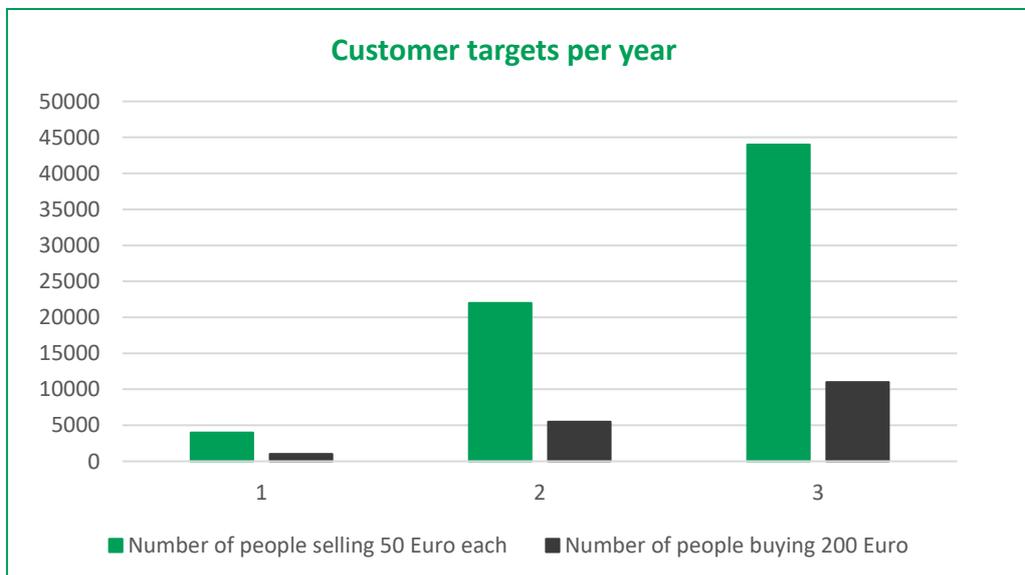
Commissions predicted to out strip cost in month 21 of 36
(Predicted 3-year Cashflow Document available)

Customer growth

Several activities will ensure fast aggressive growth in year one with a gradual steady growth projected for year 2 and year 3. The aim is to invest heavily into marketing whilst maintaining continued development of platform and organisation to ensure sustainability and maximise ROI.



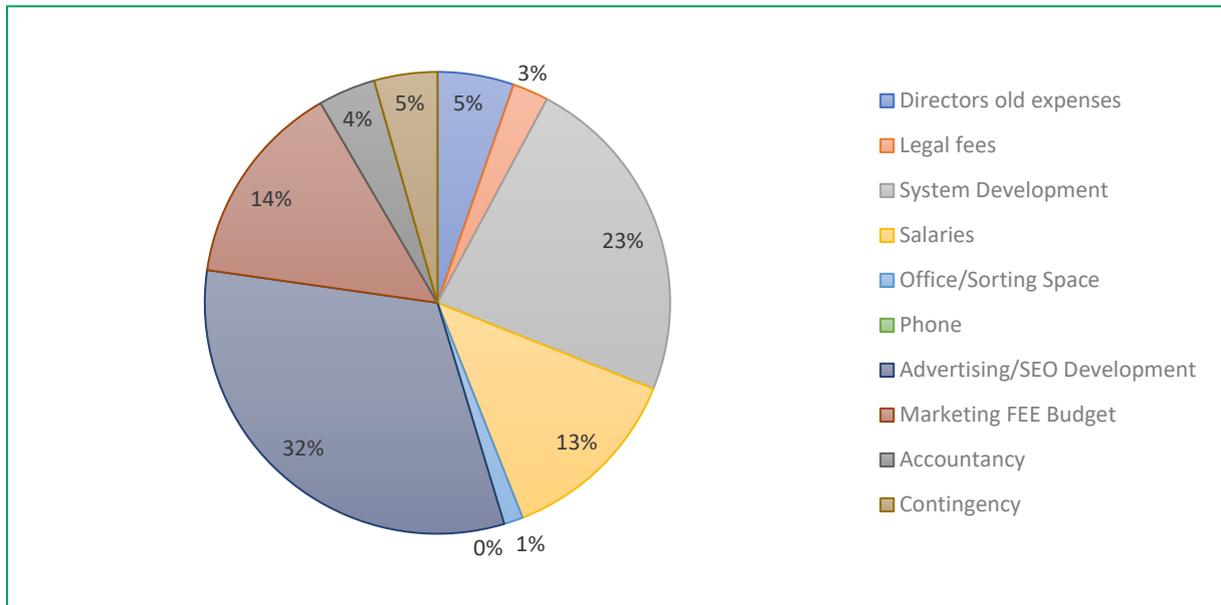
With initial kick off phase completed it is expected to grow a customer base within the first year focusing mainly on customers selling currencies (Euro' as example).



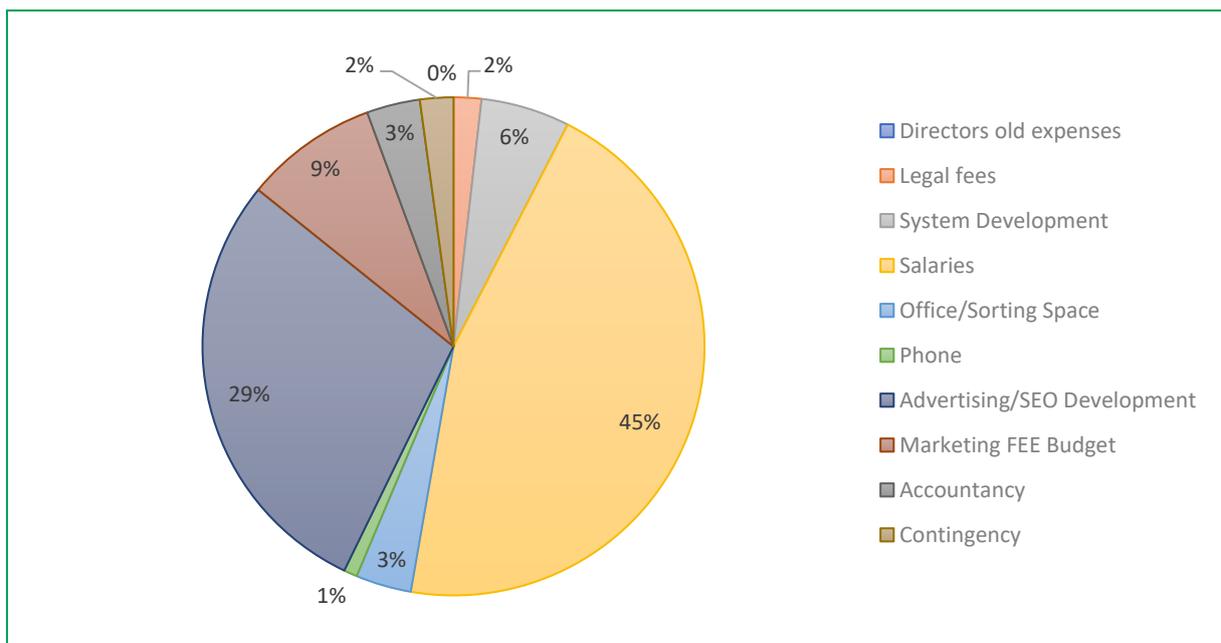
By end of year 3 the projected customer/user's growth is estimated to be in the region of 514,000 utilising the Bidwedge platform.

Investment activities

Phase 1 – is for £300k. This raise is the 2nd the company has undertaken and is shown in Y1 of the cashflow and is to fund the company’s growth plans for Y1, including further development of the IT infrastructure and marketing objectives.



Phase 2 - is for a proposed £1 million, to continue the growth in Y2 and Y3 and will be drawn down accordingly to the needs of the company’s requirements. Y2 shows £500k, being drawn down initially, with the final £500k being kept in reserve to assist our working capital requirements. Emphasis is on expanding marketing activities as well as core business operational stabilities such as additional sales and customer support staff.



Additional Information

Unit Costs

Each individual sale must make a profit operationally, this has been set at 25%. As an example, and using Tier 1 from the Buy Back option

Bidwedge charge total less VAT: £2.92

Target profit: £0.73

Balance: £2.19

Operational costs, not including marketing are currently in the region of £1.58. Leaving a balance of £0.61 on our lowest swap. **Note** our Operational costs are fixed and profits per transaction vary in the positive the more that is sold back to the company.

Key Assumptions

- The projections start from month 1 which is taken as the first month after the investment is received.
- Monthly people selling to us have been taken at an average of 50 euros each, and people buying have been taken at an average of 200 euros each.
- It has been assumed that Brexit has no significant change in the demand for euros in the future.
- It has been assumed that COVID-19 will be under control soon and travel will then return to normal levels.
- The handling fees are shown in the computations.
- It is anticipated that the company will not take on premises until income rises to a level where it becomes a necessity.
- Advertising and marketing budgets will be kept under constant review in terms of results achieved.
- The figures are shown net of VAT.
- System development will be controlled carefully.
- Some of the old directors' loans will be repaid at an early stage.
- Part of the funding will be used to build up a stock of cash to facilitate swapping but will be replaced by alternate funding allowing us to hold a separate stock purchase account.

Stock Finance

The business has a high burn 'cash' element whilst in the stock purchase phase. In the short term the stock sits dormant until the sale cycle commences. Moving forward from that position a 'STOCK FINANCE' account is being sought to mitigate the potential for a cash blockage enabling the company to complete the buying/selling circle. We are investigating what types of finance are available to us with the stock acting as a potential guarantee for any borrowing that may take place.

Please note that in the 3-year cash flow presented stock purchase and flow is represented, however the Founder/CEO believes that a separate stock purchasing alternative would benefit the company. This would allow the separation of the stock purchase and the day-to-day costs, making the business easier to run.

Company Valuation

It is always hard to predict a 'real' company valuation and worth for investment purposes. Many discussions have taken place and in truth opinions differ on methodology and calculations. Therefore, to give a starting point, Bidwedge applied the Y1 predicted Revenue/Turnover as its valuation giving us the following results:

- Pre-money - £1.7 million
- Post Money - £2 million

Key company information

Company Name	Bidwedge Limited
Trading Name	Bidwedge.com
Registered Address	Victoria House Desborough Street High Wycombe Buckinghamshire HP11 2NF
Current Trading Address	23 Wordsworth Road High Wycombe Buckinghamshire HP11 2UR
Platforms 	www.bidwedge.com https://twitter.com/bidwedge https://www.facebook.com/bidwedge/ https://www.linkedin.com/company/bidwedge/ https://www.instagram.com/bidwedge/
Founded	31 July 2017
Company Registration Number	10890104
VAT Registration Number	323929101
Founder	Shon Alam
Current Directors	Shon Alam Michael Winslow Greg Mizon
Company Secretary	Michael Baines
Company Accountants	Morgan Keen Ltd Victoria House Desborough Street High Wycombe Bucks HP11 2NF
Solicitors	BDP Pitmans LLP 1 Bartholomew Close London EC1A 7BL
Bankers	Advance Payment Solutions Ltd 6 TH Floor One London Wall London EC2Y 5EB
Current Share Capital Issued	1000 Ordinary A Shares 100 Ordinary B shares
Current Shareholders	Shon Alam Michael Winslow Greg Mizon Other
SEIS/EIS Status	Granted - £120k SEIS Available Full EIS

Annex A

Proof of concept

Overview

The goal for the Founder was a simple one. Could the consumer be **convinced** to put unused cash currency into an envelope, post it using a **FREEPOST** system to an internet-based company without any **history, no visible story and extraordinarily little marketing behind it?** To make matters just a little trickier the POC launched in the heart of the pandemic.

That was the challenge of the POC.

Stats and Insight

In the POC period we have been able to assemble valuable data and insight on all aspects of the business. Setting realistic KPIs against an exceedingly small marketing budget was almost impossible, and it would be fair to say expectations were extremely low. In summary we have set out some of the issues we envisaged:

- Trust issues that pivot around online financial businesses
- The foreseen issue of putting money into an envelope and posting it to a **FREEPOST address - TRUST!**
- Coronavirus Pandemic

Point 2 was the biggest challenge and we asked ourselves:

Below we have set out the results. These results were taken from an overall 20+ weeks of trading on a marketing budget of **under £4k**, not including fixed digital agency or PR costs for this period.

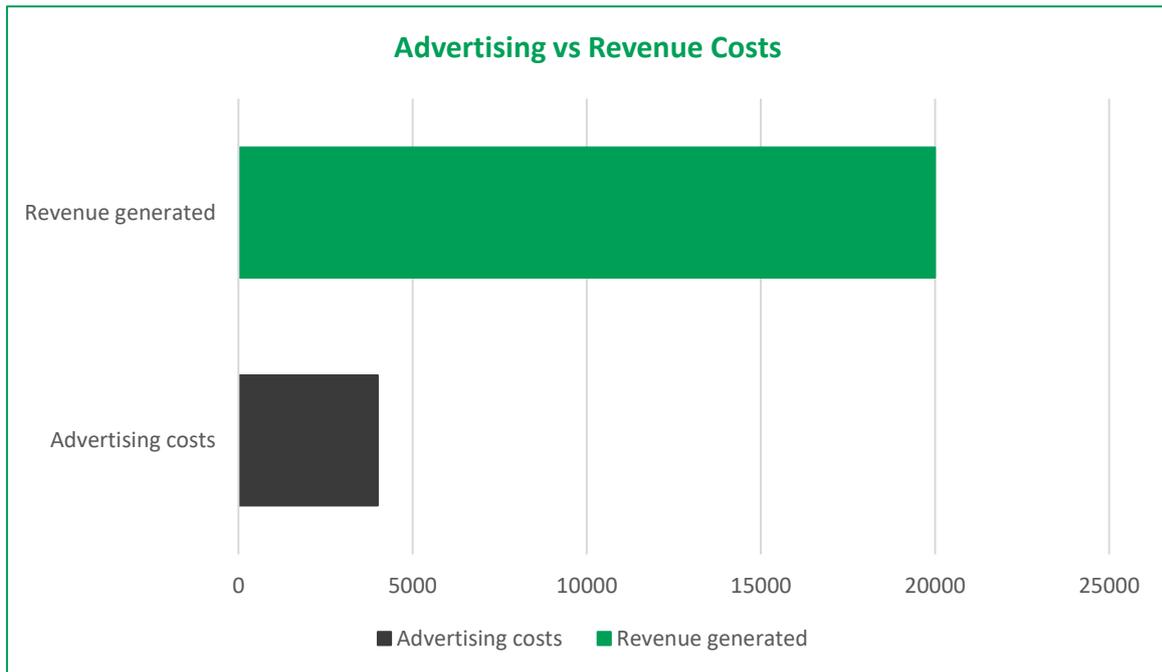
The POC started at the end of March 2020 with time being called at the end of November 2020.

NOTE. We quote a 20+ week run based on a 'stop/start' process due in part to technical issues and advertising upgrades e.g., video content and financial burn.

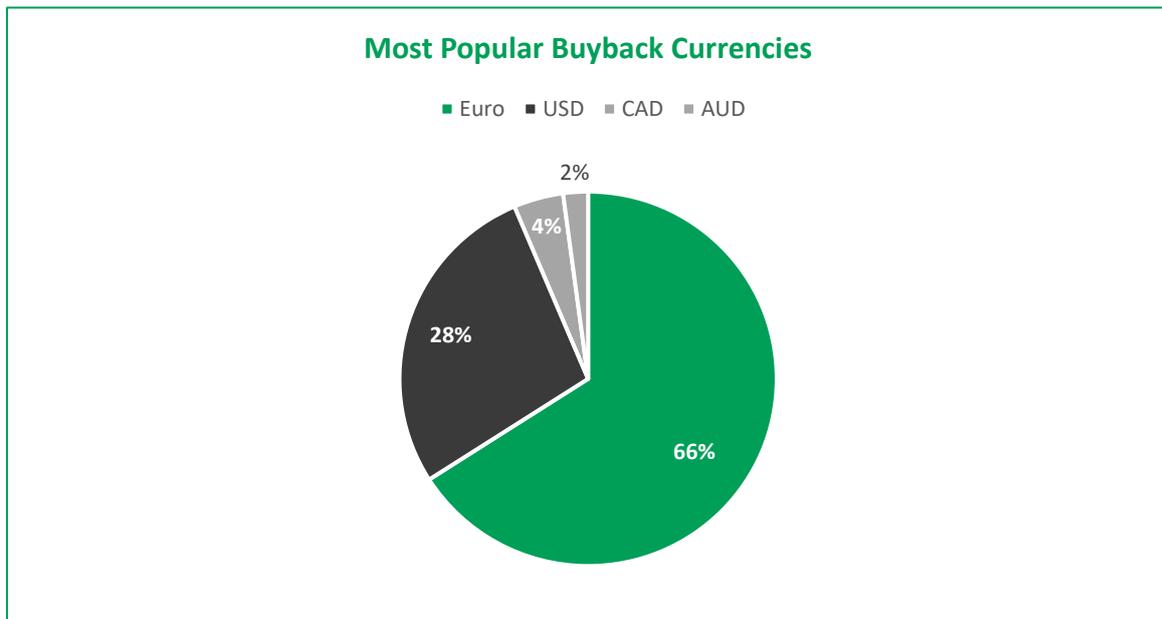
Headline numbers:

- In total Bidwedge achieved **50 sales**
- Generated a total revenue/turnover of **£20,000** on an advertising budget of £4000.
- Bidwedge ROI on advertising was **500%** using two platforms – Facebook and Google utilising YouTube advertising and PPC methods.

Note – these numbers have now been surpassed



On a marketing budget of only £4000, Bidwedge generated £20,000 in revenue with a ROI of **500%**.



In total, Bidwedge did **47 buyback sales in four currencies** with the most popular currencies being Euros and Dollars.

 <p>Average sellback of £244</p>	 <p>Largest sellback of \$1271</p>	 <p>Smallest sellback of €10</p>
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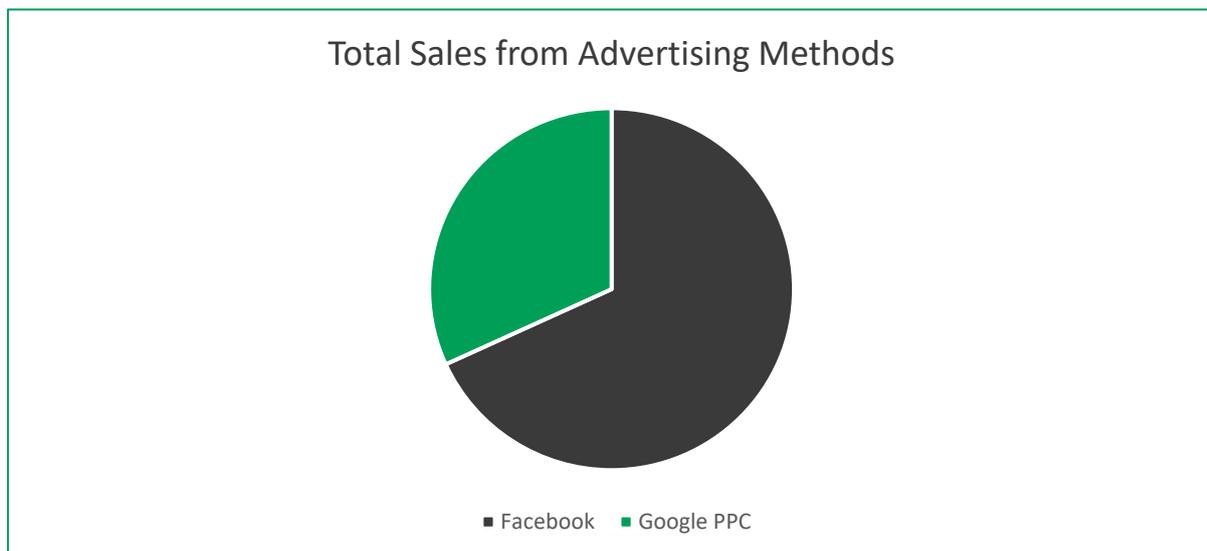
Total commission earned **£420**, an average of £8.23 in commission per person before costs are deducted.

NOTE. All Euros have been sold using our methodology. Sales have been internal.

Advertising Platforms

As part of the POC process, through our digital media providers we started by using **Facebook** advertising. The **Facebook** platform was chosen in order to test the community driven aspect of the project and what type of overall response we would receive. The results can be seen on our **Facebook** page, some interesting, positive, and negative discussions. In the early part of November, we changed focus from **Facebook** to a more concentrated effort using **Google PPC**.

This table demonstrates the number of sales delivered during the time traded per month using both platform and variations. **NOTE. Google PPC** included **YouTube** for video advertising.



Month	Facebook	Google PPC
April	1	
May	2	
June	10	
July	6	
August	4	
September	5	
October	2	
November		13
December		1

The change to **Google PPC** lasted 2 weeks given our financial constraints, and due to the overall success of using the **Pay Per Click** model, allowing us to conclude the POC and to demonstrate that we have been able to generate sales and provide a proven marketing solution to put ourselves into the position of being revenue generating ready.

The implementation of the Bidwedge video also provided extra strong results with **48,000** verified YouTube views to date. Video and the concept of being a visual company also plays a part in our marketing options.

Other Marketing Activities

Public Relations, Social Media & Partner Marketing

For the Founder, digital advertising backed up by PR and Social Media activity was the route to be used to:

- Maximise any marketing spend that was available.
- Interact with our audience directly.
- Start to deliver a trust and belief element.

Overall, we have had over 70 pieces of coverage published about Bidwedge ranging across the board from National and Regional press.

Social Media, via Facebook and Twitter, was used to interact and start building a community, putting a human face on the Bidwedge project. This was later moved toward a more serious financial approach to achieve confidence and trust.

Finally, and to add further credibility to the company's proposition, we were lucky enough to team up with 2 partners:

- Worldwide charity the **Born Free Foundation**
- 2020 British Travel Award nominated insurance company -**Just Travel Cover**

Both opportunities are yet to be fully realised however, we are starting to explore deeper relationships with both organisations. As an example, we have drawn up plans to release a '**splash page**' on behalf of **Born Free** with the specific aim of driving people to the website to donate the value of their unused currency. We then exchange this keeping our commissions and then pass over the exchanged GBP value. There are also strong indications of potential opportunities with their other partners, specifically mentioned British Airways Holidays. Bidwedge also sits on their website to authenticate our involvement.



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BORN FREE FOUNDATION + BIDWEDGE

We make it easy for you to swap or donate your unused or leftover foreign currency.

HOW MANY £'S WILL I RECEIVE?

Amount
€ 10 Min

EUR ▼

[SHOW ME THE MONEY!](#)

- 1

Enter the amount, click the currency and hit "SHOW ME THE MONEY"
- 2

Tell us how you want to be paid or if you want to donate your swap
- 3

Fill in your details, confirm if you want to donate and complete the sale.





TrustScore 4.5
18 reviews



We Donate up to 100%

For every donation that you make or swap that you do, Bidwedge will donate up to 100% of its handling fee to the Born Free Foundation.



Fully Insured Post

Send us the currency using our fully insured FREEPOST service and we will do the rest - it really is that EASY TO DO!



We Support Born Free

Every unused Euro or Dollar note makes a difference and helps to support Born Free's Big Cat Sanctuaries at the Shamwari Private Game Reserve.



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Annex B

Management Profiles

Shon Alam - Founder & CEO (major shareholder)



Qualified in HNC business and finance I am a highly skilled entrepreneur with over 30 years' experience. I am a hugely determined and driven individual who thrives on challenges to succeed especially within the 'Start Up' arena, taking a concept from an embryonic stage to market. I excel at building strong relationships around me that will add value and result in commercial success to ensure we are all working towards the same goal. I am strategic thinker with a strong management style, excellent planning, motivational and organisational skills, along with a great eye for budget management. <https://www.linkedin.com/in/shon-alam-4a3147153/>

Michael Winslow - Non-Executive Chair



Experienced Managing Partner with a demonstrated history of working in the management consulting industry. Skilled in Negotiation, Business Planning, Management, Business Development, and Business Process Improvement. Strong business development professional with a Companion (CCMI) and Chartered Manager (CMgr) focused on Organisational Leadership from The Chartered Management Institute.

Greg Mizon – Non-Executive Director



A career banker with over forty years' experience spanning Risk Management, Financial Markets Corporate Finance, Treasury Management, Product Management and Credit Portfolio Management. My primary focus has been institutional and wholesale banking, initially in financial and capital markets and in the latter years I pursued a career in risk management. My most recent role was the Chief Risk Officer, International with the Commonwealth Bank of Australia, Australia's largest bank. In this role I had responsibility for all risk functions (credit, operational, regulatory, and compliance) and was the primary risk representative to all regulators in the jurisdictions in which the bank had international offices. I have worked globally for most of my career having lived in Australia, New Zealand, Singapore and the UK I am an Australian citizen, live in London and currently hold a UK Tier 1 Visa. <https://www.linkedin.com/in/greg-mizon-04253617/>

Michael Baines – FD/Company Secretary



I am the Financial Director and Company Secretary of Bidwedge Limited. I have full responsibilities of all the company's responsibilities via company's house, ensuring accounts are in on time etc. My role as FD is to oversee the company's financial compliance with VAT and I have been able to claim back monies through the R&D credits scheme as well as set up the SEIS/EIS tax schemes for investors. I am also being included in the development of the back office operational accounting system to deliver a one stop accounting system for outside audit. I am an FCPA (Fellow of Chartered Professional Accountants) and I currently run my own practice Morgan Keen, who act on behalf of Bidwedge Limited regarding accounting matters. This is seen as a convenient cost-effective solution at this stage. I have been an accountant for way too long. My experience covers most accounting and taxation situations