

INVESTMENT PROPOSAL

YourGreenhouses

yourgreenhouses.com

ABOUT US



YourGreenhouses is an **ecommerce platform** designed to make available high quality European gardening products to US Clients at affordable prices.

In a post-covid environment, where Clients return to home-grown and self-sufficient produce consumption, we can offer European quality products and Client service.

Also, for our product suppliers, we offer a **platform** via which to enter the huge, yet sometimes difficult-to-access US gardening market, being an «Amazon for Gardening».

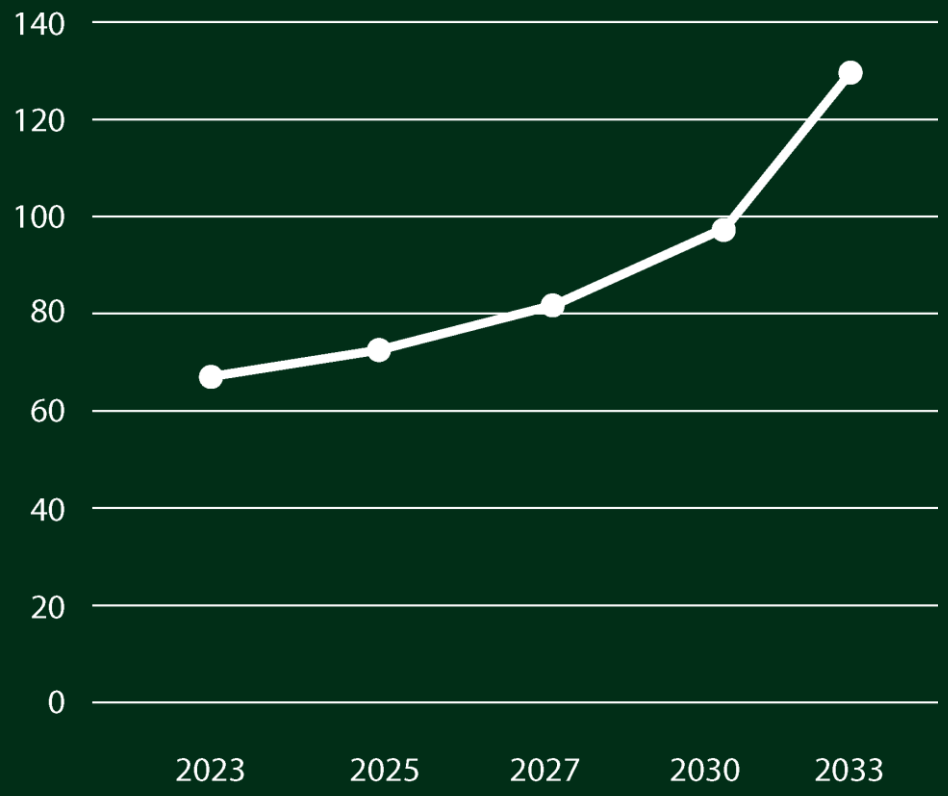
Our business concept is based on individual, B-2-C sales. Our core added values are:

- **We capitalize on pricing arbitrage between Eastern European costs and US-market prices.**
- **We accumulate a huge Client base, which we can target with add-on sales**
- **We do not lose money on intermediaries and distributors – we sell directly to the Customer.**

MARKET OPPORTUNITY







The global gardening equipment market size was evaluated at USD 68.2 Billion in 2023.

Iit is expected to hit around USD 128.7 Billion by 2033, poised to grow at a CAGR of 6.60% during the forecast period from 2024 to 2033.

MODE OF OPERATIONS NOW:
DROPSHIPPING



(2)
Order & Postpayment

(1)
Order & Payment

YourGreenhouses
YourGreenhouses.com
(USA LLC)

Producer
(Baltic States)

USA Client

Product

(3)

Delivery
to the clients
doorstep

STRUCTURAL HIGHLIGHTS AND COOPERATION PARTNERS



- ✓ **Sales of USD 1m reached in under 5 months from nil!**
- ✓ **Profit making business already**

- ✓ ShopifyPlus account

- ✓ Payment infrastructure solved
- ✓ Post-payment service for Clients introduced
- ✓ Logistics partners: swotzy. FedEx

- ✓ Product supplier arranged: Baumera

- ✓ Accountancy in the US arranged: NUMBERS MATTER ACCOUNTING & BOOKKEEPING LLC, Avalara Tax compliance done right

- ✓ Own investment EUR 50k cash plus over 1,600 hours of invested work.
- ✓ Daily founder, marketing and product staff of 8 people involved
- ✓ Product management staff hired
- ✓ Product import / certification / customs procedures solved



PERFORMANCE HIGHLIGHTS

- ✓ Commercial readiness level: **9** (product brought to market, market assumptions validated, USD 1m earned)
- ✓ **Profitable business concept proven during the first 4 months of operations already**

- ✓ Overwhelmingly positive client feedback received

- ✓ Average order value: USD 2,267
- ✓ Number of orders: 470
- ✓ Average delivery time: 11 working days



INVESTMENT OFFER

- **500,000 USD Investment for 7,5% shareholding**
- Structure and investment plan:
  - Together with the Investor, establish a new LLC in USA, to which all Greenhouse business is transferred;
  - Start gradual transfer of mode of operations from Dropshipping to Stock in Warehouse
  - Corporate governance principles implementation with regular Investor supervision
- Use of funds:
  - As an e-commerce market standard, 25% of sales are frozen for up to 3 months by the payment processing service providers. This working capital shall be funded.
  - Purchase of stock balance – USD 400k
  - Increase in marketing activities – USD 170k/month (funded by self-generated cash flow and investment)
  - Back-office: working capital for staff costs
  - Back-office: work on product portfolio expansion
  - Back-office: own packaging and product sampling line
  - Market testing on product deliveries by sea-freight and own air-freight charters

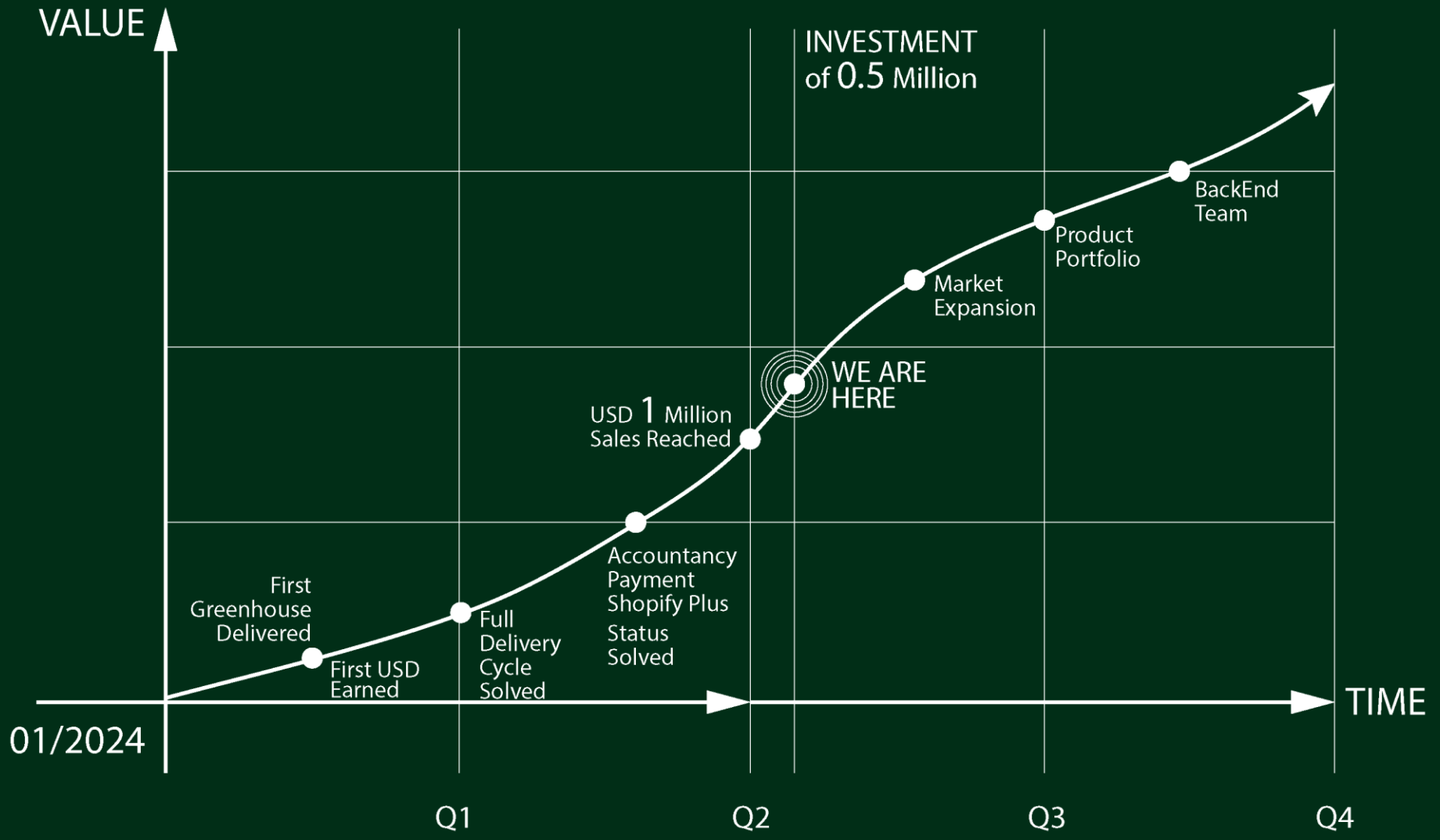
Company Valuation target:

Normalized EBITDA ‘27:	USD 3.5m
Market multiple:	x 16.6
100% shareholding value:	USD 63.4m
Investor share value:	USD 4.76m

Money multiple in 3.5 years x 9.5

EXPANSION STRATEGY



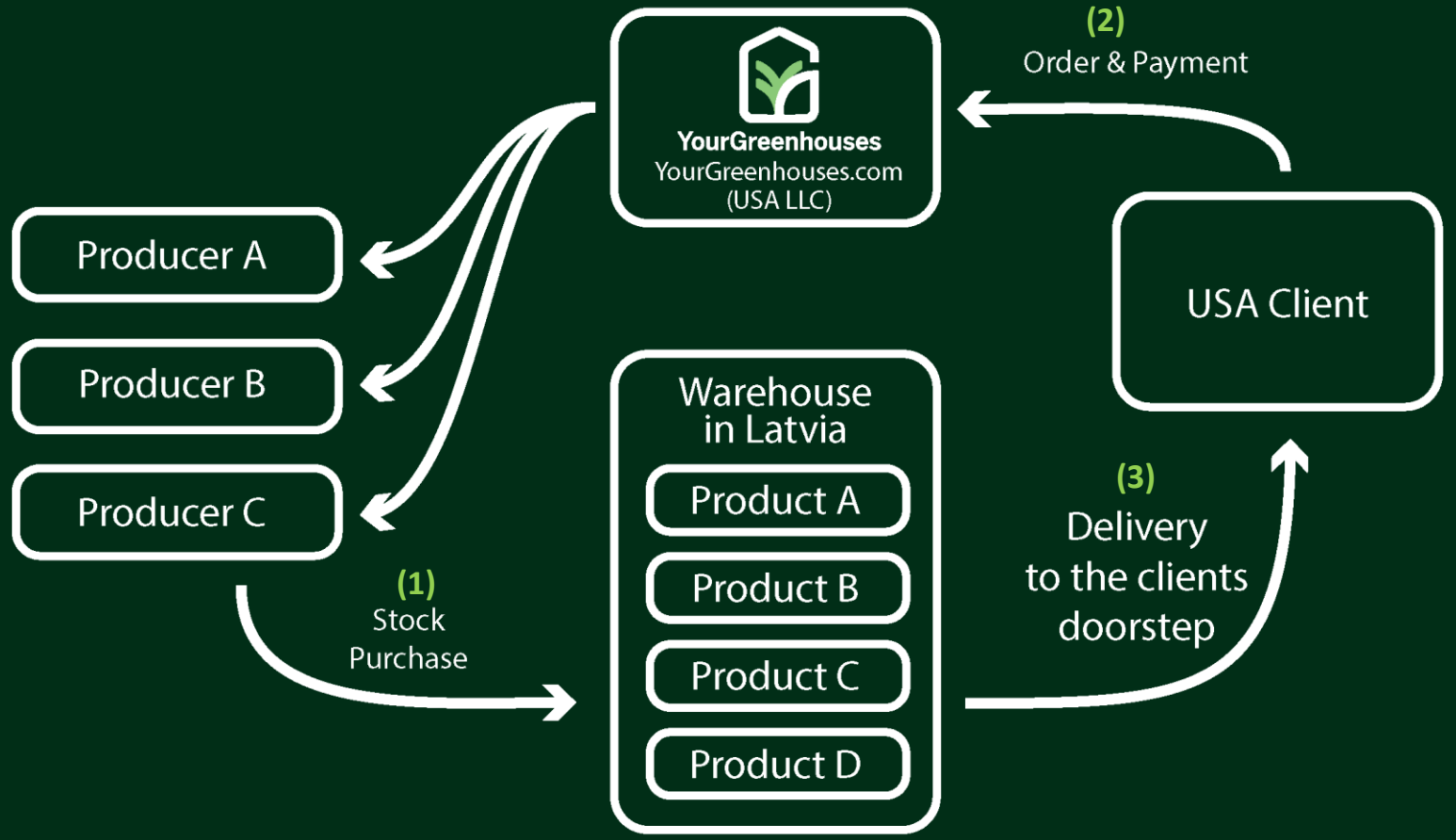


Start of the business via existing shell company

USE OF FUNDS:
Stock; Marketing, Team

POST-INVESTMENT MODE OF OPERATIONS: OWN WAREHOUSE





KEY FINANCIAL INFORMATION



Cash Flow Statement, USD '000

	2024				2025				2026				2027			
	Q1 EST	Q2 EST	Q3 FC	Q4 FC	Q1 FC	Q2 FC	Q3 FC	Q4 FC	Q1 FC	Q2 FC	Q3 FC	Q4 FC	Q1 FC	Q2 FC	Q3 FC	Q4 FC
Operating Cash flow																
Revenues	611	611	3 043	3 348	3 683	4 051	4 456	4 902	5 392	5 931	6 524	7 176	7 894	8 683	9 552	10 507
Shopify fee	- 24	- 24	- 119	- 131	- 144	- 158	- 174	- 191	- 210	- 231	- 254	- 280	- 308	- 339	- 373	- 410
Product	- 162	- 162	- 700	- 770	- 847	- 932	- 1 025	- 1 127	- 1 240	- 1 364	- 1 501	- 1 651	- 1 816	- 1 997	- 2 197	- 2 417
Shipping	- 206	- 206	- 989	- 1 088	- 1 197	- 1 317	- 1 448	- 1 593	- 1 752	- 1 928	- 2 120	- 2 332	- 2 566	- 2 822	- 3 104	- 3 415
Marketing	- 135	- 135	- 761	- 837	- 921	- 1 013	- 1 114	- 1 225	- 1 348	- 1 483	- 1 631	- 1 794	- 1 973	- 2 171	- 2 388	- 2 627
Accountancy	- 6	- 6	- 30	- 33	- 37	- 41	- 45	- 49	- 54	- 59	- 65	- 72	- 79	- 87	- 96	- 105
Admin and salaries	-	-	- 90	- 99	- 109	- 120	- 132	- 145	- 159	- 175	- 193	- 212	- 233	- 257	- 282	- 311
Warehouse costs	-	-	- 9	- 10	- 11	- 12	- 13	- 14	- 16	- 18	- 19	- 21	- 23	- 26	- 28	- 31
Warehouse staff costs	-	-	- 15	- 17	- 18	- 20	- 22	- 24	- 27	- 29	- 32	- 35	- 39	- 43	- 47	- 52
Net operating cash flow	**78**	**78**	**330**	**363**	**400**	**440**	**484**	**532**	**585**	**644**	**708**	**779**	**857**	**943**	**1 037**	**1 140**
Financing cash flow																
Funding received - Founders	56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding received - Investors	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments frozen	- 153	- 153	- 761	- 837	- 921	- 1 013	- 1 114	- 1 225	- 1 348	- 1 483	- 1 631	- 1 794	- 1 973	- 2 171	- 2 388	- 2 627
Payments released	-	76	153	457	799	879	967	1 063	1 170	1 287	1 415	1 557	1 713	1 884	2 072	2 279
Net financing cash flow	**- 97**	**- 76**	**- 108**	**- 380**	**- 122**	**- 134**	**- 147**	**- 162**	**- 178**	**- 196**	**- 216**	**- 237**	**- 261**	**- 287**	**- 316**	**- 347**
Net cash flow during period	**- 19**	**1**	**222**	**- 17**	**278**	**306**	**336**	**370**	**407**	**448**	**492**	**542**	**596**	**655**	**721**	**793**
Openig cash balance	**-**	**- 19**	**- 18**	**204**	**188**	**466**	**771**	**1 108**	**1 478**	**1 885**	**2 332**	**2 825**	**3 367**	**3 962**	**4 618**	**5 339**
Closing cash balance	**- 19**	**- 18**	**204**	**188**	**466**	**771**	**1 108**	**1 478**	**1 885**	**2 332**	**2 825**	**3 367**	**3 962**	**4 618**	**5 339**	**6 132**

MEET THE TEAM



GUSTAVS GOTAUTS; Co-Founder, Marketing and Logistics

Being the Founder of eCOMHUB.agency, Gustavs is an e-commerce entrepreneur and mentor with over a decade of experience, and deep understanding of logistics chains. Being an active social media opinion leader, Gustavs helps to build and scale e-commerce businesses for Clients reaching boosts over EUR 100m.
Gustavs responsibility is to coordinate the product portfolio, product flow, logistics and marketing strategy.



JĀNIS DZALBE; Co-founder, Marketing and Product

In over 10 years experience in marketing and e-commerce, Jānis has helped Clients to generate over EUR 60m in sales boosts. He is also the founder and head of the eCOMHUB.agency.
With Yourgreenhouses.com, Jānis manages and implements marketing campaigns and strategies and takes care of Client communication.



KĀRLIS BABULIS; Co-founder, Finance and Legal.

With over 20 years experience in Finance and Investment Management, Kārlis has lead a number of M&A and Financial restructuring projects. Kārlis also is the Director of the Investment Management arm of DB Partners.
With Yourgreenhouses.com, Kārlis responsibility is to take care of corporate governance, compliance, financial and legal aspects of the business.

LAURIS RUTKIS; Mentor and Logistics Partner

Lauris Rutkis, Co-founder & CEO at swotzy, is not only an invaluable logistics partner for Yourgreenhouses.com, but also shares his insights in start-up venture navigation.