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**BUSINESS  
VALUATION  
REPORT  
KOLOXO**

**2019**



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Date: January 23, 2019



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# **Executive Summary**



# 1 Executive Summary

## 1.1 Dashboard

*Equity Value*

**€76.7 million**  
**(\$87.4 million)**

*Equity investment required*

**€27.0 million**  
**(\$30.8 million)**

*Net revenue in 2028*

**€820.6 million**

*EBITDA in 2028*

**€120.9 million**

*Net income in 2028*

**€96.5 million**

*Weighted average cost of Capital*

**40%**

*Number of transactions in 2028  
(e-commerce vertical)*

**134.4 million**

*Gross Merchandise Value  
in 2028*

**€9.7 billion**

*Number of listings in 2028  
(property listing vertical)*

**8.7 million**

*Number of transactions in 2028  
(property listing vertical)*

**6.5 million**

## 1.2 Company

Koloxo Global Services Limited and Koloxo Technology FZCO (collectively referred to as “Koloxo” or “the Company”), together launched a B2C e-commerce platform in 2016. The Company plans to launch another vertical in the online property listing and rental space.

The e-commerce vertical lists items on its website for sale. The unique proposition the Company offers through its e-commerce vertical is that a customer can order a product from any part of the world and he/she gets the products in one courier/shipment from across the world. Further, Koloxo plans to directly buy from manufacturers and sell to end consumers. This would lead to reduction in costs, processing time and damage to products. The Company plans to lists all types of products on its website and aims to be a one stop shop for any type of shopper.

Koloxo aims to be a marketplace for renting of properties through its property listing vertical. Koloxo plans to employ agents to list properties on its property listing platform. Since agents will be responsible for uploading information and pictures of the properties on Koloxo’s portal, the chances of misspelling due to non-disclosure of relevant information is expected to be reduced. Further, the Company plans to charge €2 per transaction which is significantly lower that the transaction cost of traditional marketplaces.

## 1.3 Target market

The Company has started its e-commerce operations in Spain, United Arab Emirates, Saudi Arabia and Australia. In 2019, the Company plans to start e-commerce operations in 5 countries: Oman, Brazil, US, Canada and India. In 2020, the Company plans to start e-commerce operations in Pakistan, UK, Egypt and China.

Koloxo’s property listing vertical aims to enter 5 countries in 2019: Saudi Arabia, India, Poland, Brazil and Nigeria. The company plans to enter 13 additional countries including US, China and Australia in 2020.

The Company plans to expand both its businesses to the rest of the world 2021 onwards.

## 1.4 Industry outlook

The global online retail sales industry is expected to increase from \$929.6 billion in 2017 to \$1,739.1 billion in 2022, expanding at a CAGR of 13.3%. The global real estate industry is expected to increase from \$4.50 trillion in 2017 to \$5.35 trillion in 2022, expanding at a CAGR of 3.5%.

Primary factors behind the expected growth of the online retail sales and the online property listing and rental industry are increase in internet and mobile commerce penetration. Other contributing factors are rise in aggressive marketing strategies adopted by industry operators, improved digital literacy and higher disposable income.

Evolving government regulations and possible security threats could deter the industries’ growth in future.

## 1.5 Funding requirement

Koloxo is expected to be unprofitable until 2025. The Company plans to invest significantly in fixed assets, sales & marketing and product development in the initial years of operations. The Company expects to be cash flow negative until 2023. The cash burn expected each year is as follows:

|                            | 2019  | 2020  | 2021  | 2022  | 2023 |
|----------------------------|-------|-------|-------|-------|------|
| Cash burn (in € millions)  | 17.36 | 9.63  | 16.92 | 9.42  | 4.73 |
| Cash burn (in \$ millions) | 19.79 | 10.98 | 19.28 | 10.74 | 5.39 |

The Company requires a funding of approximately **€27 million (\$30.78 million)** in order to fund its operations until 2020. In 2021, the Company expects further funding of **€32 million (\$36.48 million)** to fund its operations until 2023. After 2023, the Company expects to be cash flow positive and will be able to fund its operations through its business activities.

## 1.6 Valuation Framework

The purpose of this valuation analysis is to determine the Fair Value of Koloxo to raise funds.

## 1.7 Valuation Results

Income approach – Discounted Cash Flow (DCF) method was used for valuing the Company. Under the DCF method, we determined the Free Cash Flows to Firm (FCFF) for the Company on our estimates for EBITDA, taxes, working capital, and fixed assets. The WACC is considered at 40%. The revenue multiples for calculation of terminal value were taken as 2.5x and 3.0x for the e-commerce and the property listing verticals respectively for based on multiples of the selected Guideline Public Companies (GPCs). We determined the division's terminal value at €2.09 billion by applying the exit multiple to the terminal year's (2028) revenue.

FCFF for the explicit forecast period and terminal value were discounted to their present values on the valuation date i.e. December 31, 2018 by applying the discount rate determined above to find the enterprise value. Based on this, the equity value of €76.7 million was arrived.



# Company Overview



## 2 Company Overview

Koloxo Global Services Limited, and Koloxo Technology FZCO, incorporated in United Arab Emirates (collectively referred to as "Koloxo" or "the Company"), together launched a B2C e-commerce platform in 2016. The Company plans to launch another vertical in the online property listing and rental space.

The e-commerce vertical purchases items directly from manufacturers across the world. Once the company enrolls supplier to its network, the company lists its items on Koloxo's platform. Retail consumers can thus conveniently purchase various products from across the world. Koloxo ships the purchased items from manufacturers' warehouse/factory to the buyer through tie up with its logistics network.

The online property listing vertical's platform is under development. Koloxo plans to set up a marketplace for home owners and tenants online. The Company plans to appoint agents to list properties available for rent on its portal. Once listed, potential tenants can view the properties and get introduced to the owner of the property in order to rent the same.

### 2.1 Business Verticals and Plan

The Company plans to operate in two business verticals: E-commerce and online property listing. The business plans of both the verticals are as follows:

#### 2.1.1 E-commerce vertical

##### 2.1.1.1 Introduction

The Company's e-commerce vertical's website has been set up and had approximately 80,000 products listed as on the valuation date.

Koloxo plans to introduce a new way of shopping to consumers. Koloxo aims to tie up with manufacturers across the world in order to list their products on the Company's website. Any product manufactured in any country is expected to be available to all consumers on Koloxo's platform.

For example, if a customer orders 10 different products which are manufactured in 10 different countries, Koloxo plans to ensure the delivery of the products through its logistics network in one single parcel. Koloxo does not plan to charge any delivery costs to the customer's if the customer's cart value is above a particular amount. Also, the customers can choose the currency in which they would like to pay.

In case of other players in the market, the consumer would need to visit different website depending on the country from where they would like to order. There may be separate delivery costs charged to the customer. Also, the customers would need to make payments in different currencies depending on the country from where they would order.

Consumers are expected to significantly benefit from this platform as highlighted below:

- Lower prices due to lesser intermediaries in the supply chain
- Availability of products manufactured across the world
- Comfort of using one platform to purchase all types of products
- Availability of products in any currency

Manufacturers also benefit from Koloxo's offering as they would get a global reach through Koloxo's platform.

### **2.1.1.2 Logistics**

To process transactions and avoid any logistics problems, the Company has created a logistics map. The Company's main logistics hub is in Oman. Furthermore, it plans to have regional and continental hubs.

The major benefit of having Oman as the global logistics hub is the US-Oman Free Trade Agreement that came into force in 2009. Except for certain textile and apparel products, any B2C trade between Oman and the US is free of duties.

The culture of the Omanis is such that they normally stay in the country for life, and build their routine and future based on their job. Therefore, the employee turnover among Omanis is very less. This is very helpful to the Company as it would need to invest time in its employees.

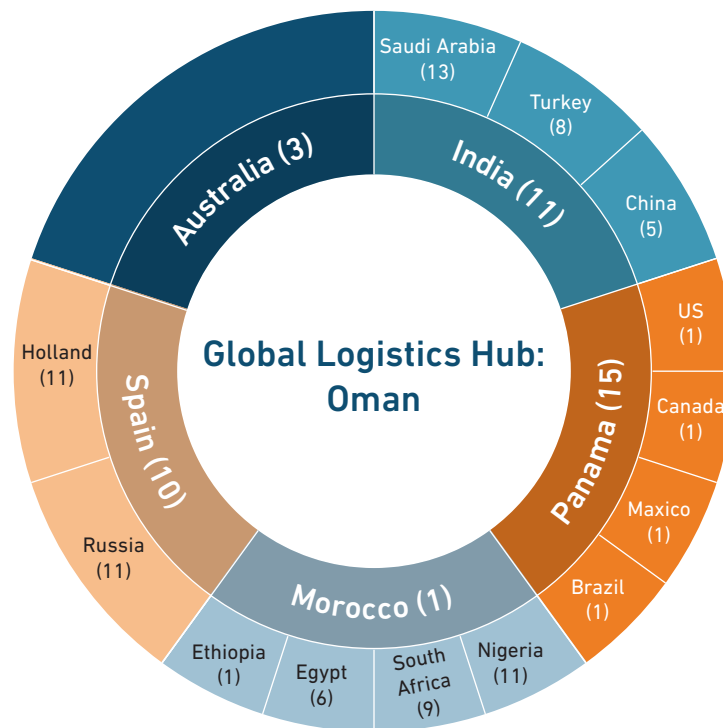
The tax system is very business friendly in all GCC countries. Due to all these reasons, Koloxo selected Oman as its global logistics hub. To explain further, the processing of each transaction would depend on the location of the seller and buyer. If the buyer and seller are from the same country, the transaction is expected to be processed in that country itself through a local courier.

If the buyer and seller are from different countries, such as countries that fall under the same regional hub, the transaction is expected to be processed through the regional hub. For example, if the seller is located in Pakistan and the buyer in Bangladesh, the transaction is expected to be processed through India, which is the regional hub for both the countries.

Transactions would be processed through continental hubs in case the buyer and seller are located in different countries within the same continent. Similarly, transactions are expected to be processed through the global hub, i.e., Oman, only when the buyer and seller are located in different continents.

The second layer in the diagram below refers to continental hubs and the third layer refers to regional hubs. The number in brackets against each country refers to the number of countries that come under each regional hub. Each continental hub also acts as a regional hub.

The Company's logistics map highlighting the planned continental and regional hubs is as follows:



As of the valuation date, the hubs in Oman and Spain are operational.

Reasons for selection of continental hubs:

- **India:**

The Company's Asian hub is expected to be established in Kerala, India. Koloxo plans to set up its call centre in Kerala as well. Any queries or questions raised by manufacturers or consumers would be answered through the call centre in Kerala. This call centre may also be used for marketing purpose.

There are two main reasons for selecting India as Koloxo's Asian hub: availability of cheap English-speaking workforce, and easy access to the country, e.g., easy visa procedures.

- **Spain:**

Since Koloxo was started in Spain, it already has a setup in the country. Therefore, it would be a time-consuming and costly process to move the setup.

Moreover, of all the European countries, Spain has one of the lowest operational costs. Geographically, Spain is closest to North Africa and South America. These points make Spain an ideal destination to be the European hub.

- **Panama:**

Koloxo plans to set up its North and South American hub in Panama. The Company also plans to make Panama its financial hub due to the country's tax haven status and business-friendly financial policies.

Panama's geographical location is perfect for handling both North and South America. Moreover, the operational costs in the country are quite low.

- **Morocco:**

The Company's African hub is expected to be set up in Morocco. It also plans to use the Moroccan facility for product research in the African market as the market is at a nascent stage of e-commerce evolution.

The reasons for selecting Morocco as the African hub include low operational and human resource cost, good infrastructure setup for foreign companies, and easy access to the country. In addition, Morocco is one of the most stable countries in Africa.

- **Australia**

The Company plans to set up its Oceanic hub in Australia. While there are no major benefits in this choice, Australia is the largest country in the region and therefore it has been selected.

Through this logistics setup, Koloxo is able to deliver order products within 15 days depending on the location of the manufacturer and buyer.

### **2.1.1.3 Geographical expansion**

Koloxo already delivers and derives sizable revenue from four countries, Spain, UAE, Saudi Arabia, and Australia. Further, Koloxo also delivers to another 20 different countries however sales volume is marginal at present and without any marketing efforts.

The Company plans to start operations in nine countries over the next two years with planned efforts and aiming to capture marginal market share, after which it plans to expand to the rest of the world.

Koloxo plans to enter five countries in 2019, namely Oman, Brazil, the US, Canada, and India. In 2020, it plans to expand to UK, Egypt and China.

Once the Company establish operations in these countries, it plans to start expanding to the rest of the world 2021 onwards.

### 2.1.1.4 Brands Associated with Koloxo

Over 60 suppliers had signed an agreement with Koloxo to list their products on its platform as of the valuation date. Some of the larger brands whose products are listed on Koloxo's platform are as follows:



Brands associated with



## 2.1.2 Property listing vertical

### 2.1.2.1 Introduction

Koloxo is currently developing a website that is expected to be a marketplace for rental properties across the world. The website is almost ready and anticipated to go live by February 15, 2019. The mobile application for the website would complete development by February 28, 2019. The Company plans to launch the website in the market in May 2019.

Properties available for rent are expected to be listed on the website. Koloxo plans to list these properties through a network of agents that may be paid per property listed. Each listing is expected to include pictures of the property and relevant information such as size, number of rooms, distance from landmarks and facilities available.

Potential renters would be able to view these listings and decide which property they would want to rent. Once they make the decision, Koloxo would connect the potential renter and property owner. After a deal is finalized, Koloxo would appoint an agent to such parties to complete the paperwork.

Koloxo plans to charge each party €1.00 on successful completion of each transaction. Therefore, it expects to earn €2.00 per completed transaction. The Company would also allow advertisers to publish content on its property listing website. This is likely to generate another stream of revenue for the Company.

Koloxo plans to develop only one global website/mobile App, which is expected to be very helpful as the Company would not incur separate marketing costs to advertise websites/mobile App for different countries. Furthermore, the website would attract not only local renters but also people shifting to a new country for business purposes.

While there are many players in the market, Koloxo plans to be a market differentiator by applying the following strategies to its business plan:

- Hiring of agents for listing properties and completing paperwork
- Having one website for listing properties across the world
- Having a social media feel by using a rating system for evaluation of tenant and properties
- Charging only €2.00 per rental transaction processed through its website

Since Koloxo plans to scale the property listing vertical globally, risks faced by the property listing business are similar to those faced by the e-commerce vertical.

### 2.1.2.2 Geographical expansion

The Company plans to start operations in 18 countries over the next two years, after which it aims to expand to the rest of the world.

Koloxo's property listing vertical aims to enter 5 countries in 2019: Saudi Arabia, India, Poland, Brazil and Nigeria. By 2020, Koloxo plans to enter 13 countries including US, China and Australia through its property listing vertical. In 2021, Koloxo plans to start global expansion.

While both the verticals of Koloxo have different expansion strategies, research in all countries is expected to start together. For example, Koloxo’s e-commerce vertical has already started operating in Spain. Although the property listing vertical starts Spain operations in 2020, data collection and research for the property listing business will start in 2019 itself.

## 2.2 Corporate Structure and Shareholding

### 2.2.1 Koloxo Global Services Limited

Koloxo Global Services Limited has total of 2.2 million shares out of which 1.2 million shares are issued. Of these, 5,000 shares are ordinary shares and the rest are preference shares. The founder, Hadriel Radovitzky Kindziur, holds all the ordinary shares. The preference shares are held by 22 investors, with Hadri1969 Ltd having the maximum shareholding of 17.08%. Given below is the break-up of the shareholding of Koloxo Global Services Limited:

| Shareholder                               | Quantity Held    | Percentage Holding |
|---|------------------|--------------------|
| Hadri1969 Ltd                             | 205,000          | 17.08%             |
| Hadriel Radovitzky Kindziur*              | 5,000            | 0.42%              |
| Parmina Ltd                               | 200,000          | 16.67%             |
| Azafran Ltd                               | 134,000          | 11.17%             |
| Factory To Client S.L.                    | 50,000           | 4.17%              |
| Individual shareholders (16 shareholders) | 606,000          | 50.50%             |
| <b>Total</b>                              | <b>1,200,000</b> | <b>100.00%</b>     |

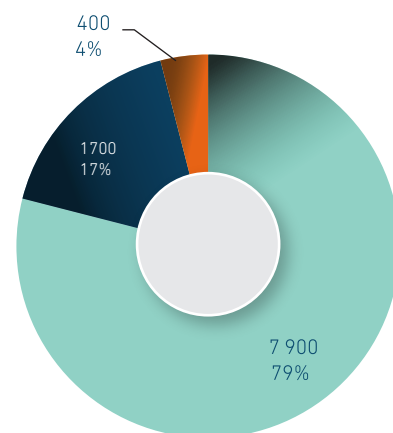
\*The 5,000 shares held by Hadriel Radovitzky Kindziur are ordinary shares. The rest of the shareholding is preferential in nature.

Note: The founder, Hadriel controls Hadri1969 Ltd., Azafran Ltd., Factory to Client S.L. and Koloxo America Ltd. Therefore, he has a collective stake of 24.07%

### 2.2.2 Koloxo Technology FZCO

Koloxo Technology FZCO has issued a total of 10,000 shares. Of these, 79% shares are held by Koloxo Global Services Limited. The founder, Hadriel Radovitzky Kindziur, owns 1,700 shares. The rest of the shares are held by two individual investors.

Given below is the break-up of the shareholding of Koloxo Technology FZCO:



- Koloxo Global Services Ltd.
- Hadriel Radovitzky Kindziur
- Individual shareholders (2 individuals)

## 2.3 Founder & CEO – Hadriel Radovitzky Kindziur

**Hadriel Radovitzky Kindziur**



**Founder & CEO**

Hadriel is an energetic and ambitious individual who has developed a mature and responsible approach to any tasks undertaken through his rich experience in the commercial sector. His communication and organisation skills enable him to lead teams and handle pressure situations with ease.

Hadriel led the adoption of business plans in many companies in the commercial sector. Through this experience, he developed the ability to analyse information to make decision and also attained the experience of managing large teams during this time.

The initiative to solve problems efficiently and achieve the goals and objectives set by the company drives Hadriel to consistently work hard. He focuses on improvement through invention of new concepts within an existing market. He believes that disruption and chaos leads to opportunities to excel. Through this approach, he is always able to add value to the organisation he works with.

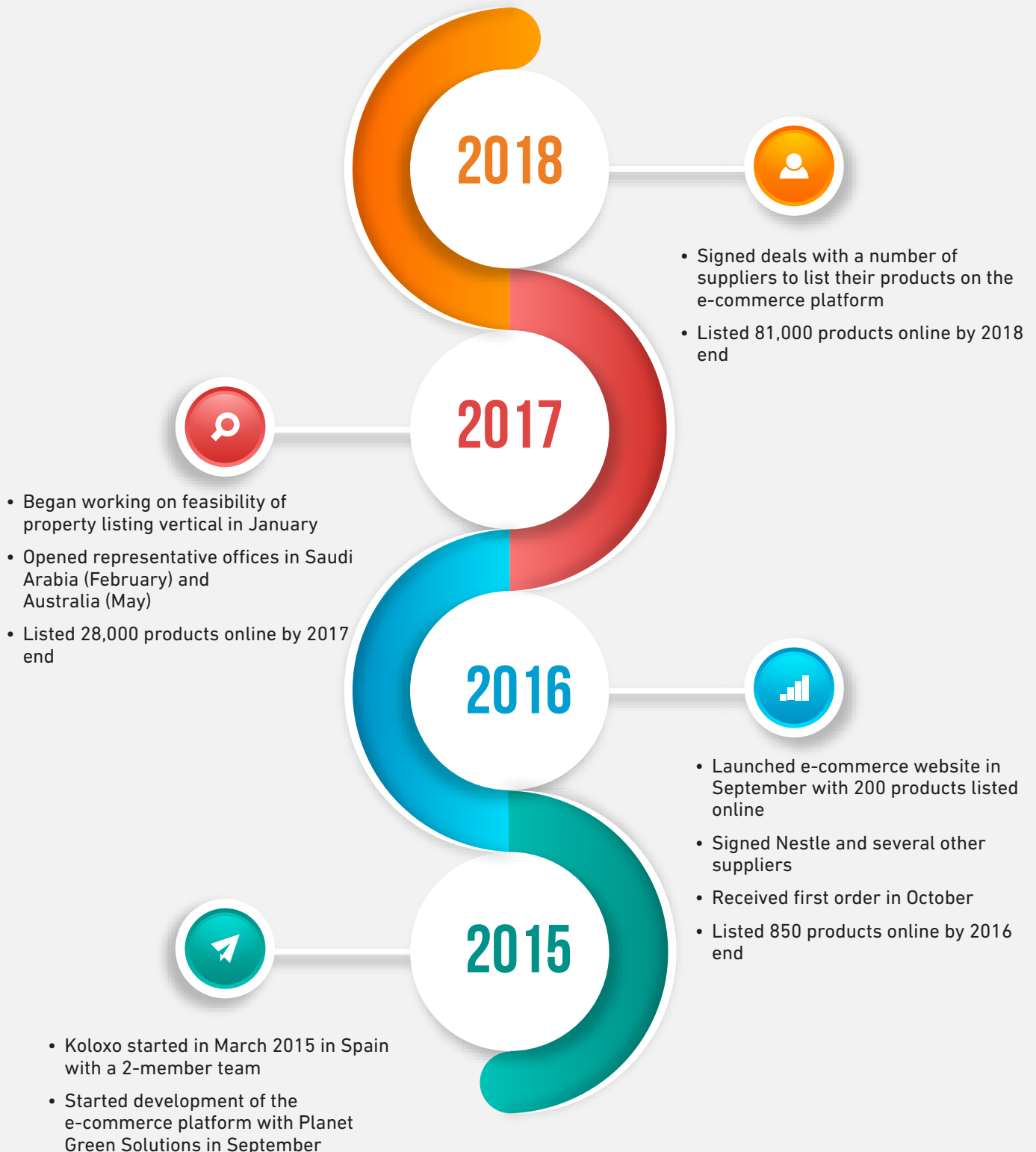
Hadriel has diversified experience in various sectors with a specialty in the food & beverage sector. He has managed a company that imported food products from across the world to Brazil. The company also exported food products from Brazil to China. Hadriel also managed a trading company that imported baby products in China. He entered into a Joint Venture with ICBC Bank to start ICBC Mall in Spain.

Hadriel founded Koloxo in 2015. Through his experience, he believes that there is a major requirement in the market for availability of products from across the world on one e-commerce platform. Many people from across the world do not get the opportunities to purchase products which are available in other countries. For example, dishwashers are not available for sale in most underdeveloped countries. However, the utility for dishwashers is in all countries. Further, many people are very brand sensitive and may want to buy products which are not available in their country. Hadriel plans to service this market through Koloxo's e-commerce vertical.

Hadriel also sees significant opportunity in the property listing and rental business. Most property listing companies have regional presence. Therefore, they do not have any brand value. Due to this, regions having the presence of property listing platforms are still dominated by traditional marketplaces i.e. property brokers. Hadriel plans to develop one global platform for property listing in order to create a global brand value.



## 2.4 Key Milestones Achieved



## 2.5 Technical Partners

Koloxo has tied up with two organizations, Planet Green Solutions and Webcastle Technologies LLC, to develop and maintain its IT infrastructure. Planet Green Solutions is responsible for the development and maintenance of the e-commerce platform. Webcastle Technologies LLC is responsible for the development and maintenance of the property listing platform.

### 2.5.1 Planet Green Solutions

Planet Green Solutions is a global technology solutions company delivering dynamic IT solutions to leading public and private organizations. The company has seven years of experience. It adheres to stringent quality standards to ensure the development of software, application, and web solutions that give its client's business an edge over their competitors.

Planet Green Solutions follows the approach of smart thinking and intelligent actions in the development of path-breaking software solutions to change the direction of businesses. The company aims to empower its customers to provide the best services to their clients.

Planet Green Solutions has set aside a team of six highly talented individuals to manage Koloxo's account.

### 2.5.2 Webcastle Technologies LLC

Webcastle Technologies LLC works to derive a "smarter way to reach the better audience". The organization aims to serve its clients by understanding their business and goals. Webcastle has over 10 years of experience with more than 300 satisfied customers across the globe.

The firm has over 70 employees. Webcastle Technologies has set aside a team of 15 members to manage Koloxo's account. The team comprises two UI designers, three UI developers, six developers (web, android, and iOS), and four directors.

## 2.6 Unique Proposition

While the marketplace Koloxo operates in and plans to enter is crowded with regional and global competitors, the Company provides certain unique propositions that are not offered by any of its competitors as highlighted below:

### 2.6.1 E-commerce vertical

#### 2.6.1.1 *Elimination of intermediaries between manufacturers and consumers*

Koloxo aims to partner with manufacturers directly in order to list products on its platform. Once an order is placed by a customer, Koloxo would collect the goods from the manufacturer and deliver them to the consumer. Since the only intermediary between the consumer and manufacturer would be Koloxo, the Company expects to successfully eliminate intermediaries such as distributors and wholesalers. This adds value to the consumer and manufacturer. The value addition includes lesser cost to consumers, higher margins to manufacturers, and less chances of damage to products due to a substantial decrease in the number of intermediaries.

### **2.6.1.2 Availability of a large variety of products**

Koloxo plans to be a one-stop shop for all kinds of consumers. A variety of products are expected to be listed on the platform. This would enable users to buy any type of product from just one website, reducing the time spent by users in looking for different marketplaces for various types of products.

### **2.6.1.3 Availability of products across the world on one platform**

Companies such as Amazon and eBay offer products to consumers across the world, but a different website is developed for each country. Hence, a person from Country A cannot order from Country B unless they go to Country B's website and pay in Country B's currency. Furthermore, some of these websites do not deliver globally.

Koloxo offers a global delivery option. On its platform, a person is able to order from any country and the Company would deliver the product. Koloxo also offers payment options in different currencies, which is very beneficial to customers. Further, a customer is likely to benefit from product consolidation as he/she would receive the order from different brand and different country in one delivery which reduces the shipping cost.

## **2.6.2 Property listing vertical**

### **2.6.2.1 Involvement of agents for listing of properties**

Agents are expected to be recruited to list properties on the property listing platform. The Company plans to hand over the responsibility of clicking pictures of the subject property and uploading them on the platform to the recruited agents. The idea of carrying out this exercise is to make sure that every aspect of the property relevant to the potential tenant is put up online. This also ensures that no relevant information, such as distance from important areas, locality details, security details, furniture present, and details of facilities available, is missed out. The agents are expected also handle all the paperwork required.

This is very helpful to customers, i.e., potential tenants, because other websites generally allow the owner of the property to list the property themselves, which leads to miss-selling in many cases.

### **2.6.2.2 Global platform**

Koloxo plans to build its property listing platform on a global scale, which would enable it to target local renters as well people moving countries. Most online property listing companies only have regional presence, while only a few have national presence.

### **2.6.2.3 Rating system**

Koloxo intends to set up a rating system. Every tenant would be allowed to rate their experience of living in a particular property and add comments about it. The rating would depend on the tenant's satisfaction with respect to the property, such as maintenance of the property and availability of facilities.

Similarly, owners would be able to rate tenants and add comments about them. The ratings would depend on the owner's satisfaction with respect to the tenant, such as timely payments, proper usage of facilities, and avoiding damage to the property or its furniture.

The rating system is an additional benefit that would help the owner to choose the right tenant and the tenant to choose the right property. This is also expected to improve the quality of the properties since every owner would want their property to have a high rating as it may enable them to charge a higher rental.

#### **2.6.2.4 Cheaper option**

To take a property on rent, the owner and tenant need to pay a brokerage amount to the person who connects the two parties and handles all the paperwork. This amount ranges between 5% and 15% of the annual rental amount of the property depending on its location. The amount is also charged at the time of renewal of the agreement.

Koloxo plans to charge €1.00 per party for each transaction processed through its website. This would amount to €2.00 per transaction, which is significantly less costly than the traditional method of renting properties.

## **2.7 Risks**

Koloxo has already set up an online marketplace and plans to launch an online property listing website, which is under development. The Company's operating and financial results are subject to various risks and uncertainties that could adversely affect the business, financial condition, results of operations, and cash flows. Each of these factors is associated with many risks, which have been summarized below.

### **2.7.1 Considerable and increasingly intense competition worldwide in e-commerce**

The businesses and markets in which Koloxo operates are fiercely competitive. The Company competes with a wide variety of online and offline companies providing goods and services to consumers and merchants. New, rapidly evolving and intensely competitive channels are provided by Internet and mobile networks for the sale of all types of goods and services. The Company competes in a two-sided market, and must attract both buyers and sellers to use its platform. Consumers that purchase goods and services through Koloxo have more alternatives while merchants have more channels to reach consumers. The competition is expected to continue to intensify. Online and offline businesses are increasingly rivalling with each other. Koloxo's competitors include a number of online and offline retailers with considerable resources, large user communities, and well-established brands. Moreover, barriers to entry into these channels are very low. Online sites or mobile platforms and applications can be easily launched at a low cost through commercially available software or by partnering with any of a number of successful e-commerce companies.

### **2.7.2 Global and regional economic conditions could harm Koloxo's business**

Koloxo's operations and performance largely depend on global and regional economic conditions. Adverse economic conditions and events, such as volatility or distress in the equity and/or debt or credit markets, have in the past negatively impacted regional and global financial markets. Such events and conditions are expected to continue to influence the global and regional economies. Moreover, financial turmoil affecting financial markets or banking systems could cause additional consolidation of the financial services industry. This could lead to new or further tightening in credit markets; significant financial service institution failures leading to lower liquidity; and extreme volatility in the fixed income, credit, currency, and equity markets. Negative impacts on

customers, banking systems, or financial markets could have a material adverse effect on Koloxo's business, including a reduction in the volume and prices of transactions on the e-commerce platform.

### **2.7.3 Keeping pace with technological developments – Mobile transactions**

Mobile devices are increasingly used for e-commerce transactions. Many customers may be lost if Koloxo is not able to meet users' mobile and multi-screen experience expectations. There are a variety of technical and other configuration issues with respect to developing a platform for mobiles. This is primarily due to the variety of different mobile devices and platforms available. In addition, products and services focusing on the mobile market have already been introduced by many other companies.

Koloxo's ability to successfully address challenges posed by the rapidly evolving market for mobile transactions is crucial for its continued success. Any failure to continuously increase the volume of mobile transactions effected through Koloxo's platform could harm the business.

The mobile app enrolment for property listing vertical is expected to be done in next few months. For e-commerce vertical, the mobile app would be launched once the company list at least 500,000 products online.

### **2.7.4 Exposure to fluctuations in foreign currency exchange rates**

Koloxo plans to expand globally, operating in almost every country. However, as its revenue would be generated in euros, its financial results would be impacted by fluctuations in foreign currency exchange rates. If the euro weakens against foreign currencies, the translation of these foreign currency-denominated revenues or expenses would result in increased euro-denominated revenues and expenses. Similarly, if the euro strengthens against foreign currencies, the translation of foreign currency-denominated revenues or expenses would result in lower euro-denominated net revenues and expenses. In addition to this translation effect, a strengthening euro would typically adversely affect the volume of goods being sold by European sellers to other countries more than it positively affects the volume of goods being sold by sellers in those geographies to buyers in Europe, thereby further dampening Koloxo's financial results.

### **2.7.5 Koloxo's users may be subject to sales tax and other taxes**

The application of indirect taxes (e.g., sales and use tax, value-added tax, goods and services tax, business tax, and gross receipt tax) to e-commerce businesses and users is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. In many cases, it is not clear how existing statutes apply to the Internet or e-commerce. In addition, governments are increasingly looking for ways to increase revenues, which has resulted in discussions about tax reform and other legislative action to raise tax revenues, including through indirect taxes. Tax determination is uncertain for many transactions that occur during the ordinary course of business.

### **2.7.6 Factors that reduce cross-border trade or make such trade more difficult**

Cross-border trade is an important source of revenue and profit for Koloxo. It would also represent Koloxo's primary (in some cases, only) presence in certain important countries. In addition, cross-border trade is subject to and may be impacted by foreign exchange rate fluctuations.

The interpretation and application of specific national or regional laws are extremely complicated in the context of cross-border trade. These laws include laws related to selective distribution networks, intellectual property rights of authentic products, and sellers in other countries listing items on the Internet. The interpretation and application of laws of multiple jurisdictions (e.g., the jurisdiction of the buyer, the seller, and/or the location of the item being sold) are another major concern. These laws could impose restrictions on or increase the cost of selling, shipping, purchasing, or returning goods across national borders.

The shipping of goods across national borders is generally more complicated and expensive than domestic shipping. Customs procedures, such as duty-free thresholds in various markets, use of national postal systems, and security-related governmental processes at international borders, may increase costs, discourage cross-border purchases, create shipping uncertainties, and delay transit. Any factors that increase the cost of cross-border trade or restrict, delay, or make cross-border trade more difficult or impractical would hurt Koloxo's revenues and profits.

### **2.7.7 Government regulation and oversight**

Koloxo is subject to laws and regulations that affects its domestic and international operations in numerous areas, including but not limited to data privacy requirements, consumer protection, intellectual property ownership and infringement, anti-competition, prohibited items and stolen goods, tax, anti-corruption, export requirements, labour, advertising, digital content, real estate, billing, promotions, e-commerce, quality of services, telecommunications, mobile communications and media, environmental and health and safety regulations, and laws and regulations intended to combat money laundering and the financing of terrorist activities.

Compliance with these laws, regulations, and similar requirements may be expensive. The variances from jurisdiction to jurisdiction may further increase the cost of compliance and doing business. Any such costs, which may rise as a result of changes in these laws and regulations or in their interpretation, could individually or in the aggregate make Koloxo's products and services less attractive to customers. It may also lead to delay in the introduction of new products or services in one or more regions, or cause the Company to change or limit its business practices.

### **2.7.8 Regulation in areas of privacy and protection of user data**

Koloxo is subject to laws related to the collection, use, retention, security, and transfer of personally identifiable information about users worldwide. Much of the personal information that is collected, especially financial information, is regulated by multiple laws. User data protection laws may be interpreted and applied in a variable manner from country to country. In many cases, these laws apply to not only third-party transactions but also transfers of information between or among Koloxo's own subsidiaries, foreign branches, and other parties with which it has commercial relations. These laws continue to develop in unpredictable ways and that may harm the business.

### 2.7.9 Online security risks, including security breaches and cyber attacks

Koloxo's business involves the storage and transmission of users' personal financial information. In addition, a significant number of users may authorize Koloxo to bill their payment card accounts directly for all transaction and other fees charged. Many websites, including those owned by several other large online and offline companies have disclosed security breaches. Some of these attacks involved sophisticated and highly targeted attacks on part of their websites or infrastructure.

The techniques used to disable or degrade service, obtain unauthorized access, or sabotage systems change frequently. Therefore, it may be difficult to detect such attacks for a long time. Certain efforts are supported by significant financial and technological resources and therefore may be even more difficult to detect. Hence, Koloxo may be unable to anticipate these techniques or implement adequate preventative measures.

Koloxo's systems and facilities may be vulnerable to unauthorized access by parties through various means, including hacking into systems or facilities, fraud, trickery, or other means of deceiving employees, contractors, and temporary staff.

A party that is able to circumvent Koloxo's security measures could misappropriate the Company's or its users' personal information, cause interruption or degradations in operations, damage Koloxo's computers or those of its users, or otherwise damage Koloxo's reputation.

Koloxo's users are expected to be continuously targeted by parties using fraudulent spoof and phishing emails to misappropriate user names, passwords, payment card numbers, or other personal information or to introduce viruses or other malware via Trojan horse programs to users' computers. Koloxo's IT and infrastructure may be exposed to cyber-attacks or security incidents. Moreover, third parties may be able to access users' proprietary information and payment card data that are stored on or accessible through the Company's systems.



# Industry Overview





### 3 Industry Overview

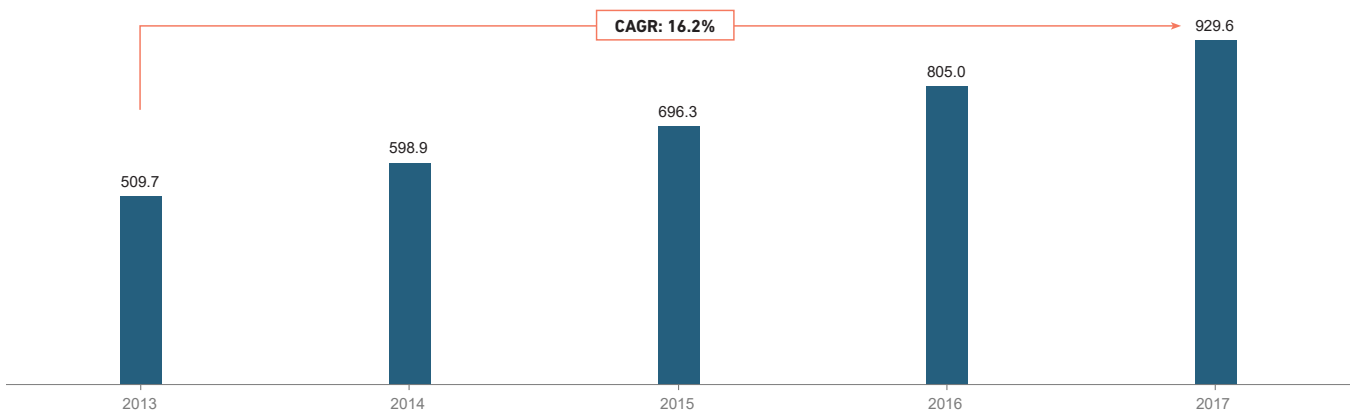
#### 3.1 E-Commerce Industry

Online retail comprises products or services consumers can buy directly from sellers over the Internet. Online retail is gaining popularity due to change in consumer preferences. Since the mid-1990s, e-commerce through the Internet has revolutionised retail. Rise in online marketplaces, seamless transition from traditional shopping to shopping using mobile devices and faster growth in digital and online marketing are the key effects of e-commerce over the past two decades.

Using an online marketplace, consumers can search through an array of product offerings that fit their needs. E-commerce helps users compare brands and prices, read customer reviews, and sometimes purchase products at prices below their traditional retail prices. Mobile optimisation of e-commerce also vastly impacts how companies connect to consumers and market their products. Users, particularly the younger demographic, keep mobile devices handy; this makes them much more accessible to advertisers and marketers. Online and digital marketing campaigns have now completely replaced previous methods of marketing to consumers, and are centred on places where people spend their time online, such as e-mail, games, websites, and other applications. As e-commerce has evolved, online marketing has become seemingly limitless in its potential to reach and persuade consumers throughout their online behaviour.

More consumers are currently willing to purchase online due to higher Internet penetration, changing preferences, and growing confidence in payment security. As a result, the Internet has evolved into a significant retail channel. The global online retail sector has witnessed tremendous growth in recent years. Growth is expected to remain strong during the forecast period, albeit slowing a little as the market matures. The report states that global online retail sector grew from \$509.7 billion in 2013 to \$929.6 billion in 2017, expanding at a CAGR of 16.2%<sup>1</sup>. During the same period, Asia-Pacific (\$346.9 billion) and the US (\$290.8 billion), the top two markets, recorded a CAGR of 24.6% and 10.7%, respectively.

**Global E-Commerce Market (\$ billion)**



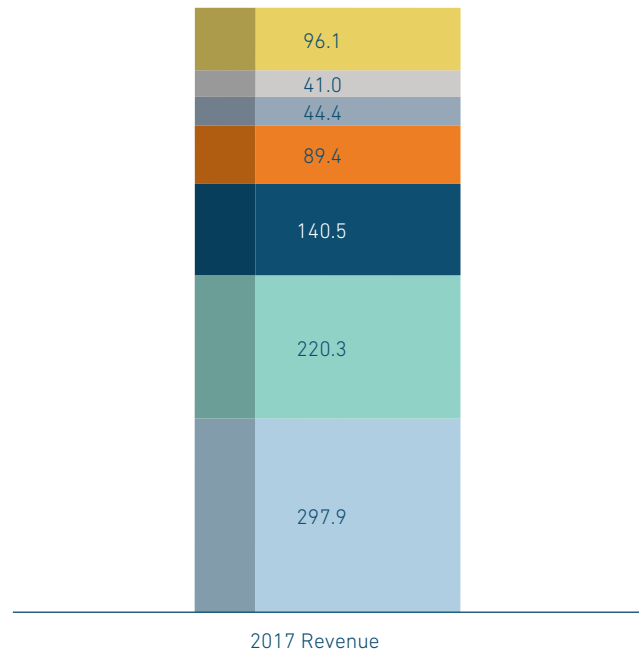
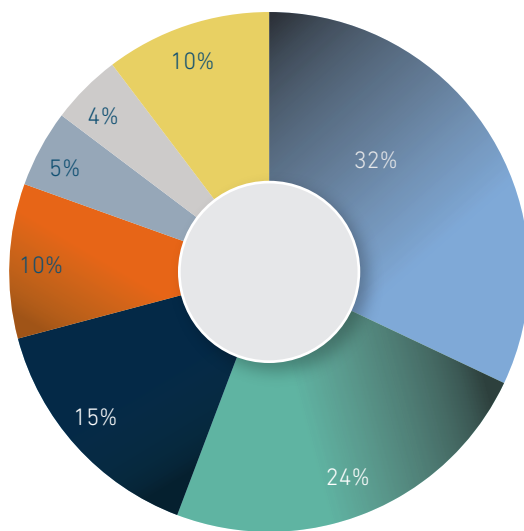
Source: Global – Online Retail, Marketline, November 2018

<sup>1</sup> Global – Online Retail, Marketline, November 2018

### 3.1.1 Market Segmentation<sup>1</sup>

The electrical & electronics segment accounted for approximately \$297.9 billion, or 32%, of global online retail sales in 2017. It was followed by apparel retail, with \$220.3 billion in revenue, or 23.7%. A snapshot of the online retail sector by category in 2017 is presented in the chart below.

**2017 online retail sector market segmentation (figures in \$ billion)**



- Electrical & Electronics
- Apparel
- Furniture & Floor Coverings
- Footwear
- Food & Grocery
- Home & Garden Products
- Other

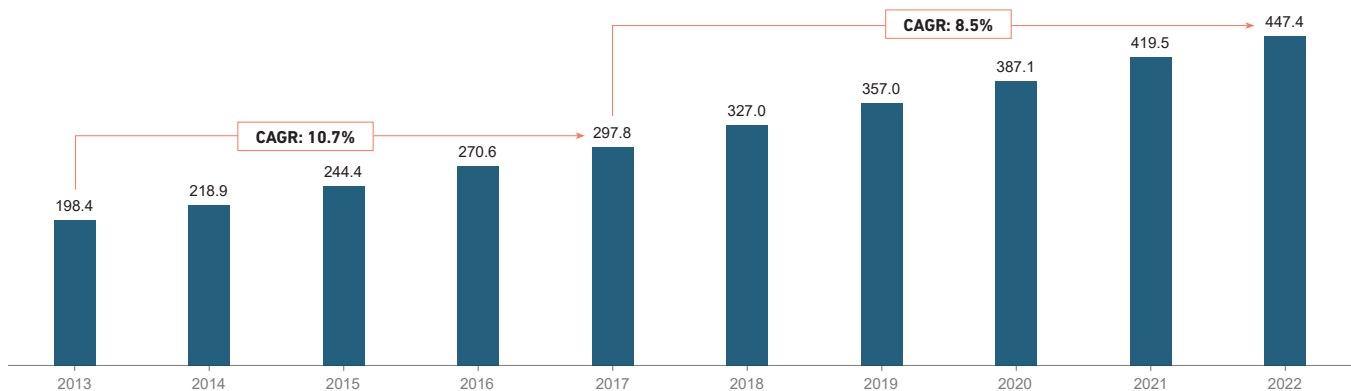
Source: Global – Online Retail, Marketline, November 2018

### 3.1.2 Geographical Segmentation

#### 3.1.2.1 The US<sup>2</sup>

The US's online retail sector expanded at a CAGR of 10.7% to \$297.8 billion from \$198.4 billion over 2013–17. Growth was primarily led by increase in Internet penetration, growth in consumers opting for online shopping, and introduction of online stores by brick-and-mortar retailers. Of the total revenue in 2017, the electrical & electronics retail segment accounted for approximately 35.7% (or \$106.2 billion), followed by the apparel segment at 22.6% (or \$67.4 billion).

#### US Online Retail Market (\$ billion)



Source: US – Online Retail, Marketline, November 2018

The US's online retail sector is expected to expand at a CAGR of 8.5% to \$447.4 billion over 2017–22. Growth is expected to be primarily driven by supply of products, strong expansion by retailers such as Amazon, and increasing focus of multichannel retailers such as Walmart on growing the proportion of online sales. However, as the penetration of online retail sales is close to saturation, the growth rate is expected to be lower than that achieved since 2013. Despite the slowing growth, online retailers are positive about the future of the US market. ASOS, a British fashion retailer, is spending \$40 million for setting up its second distribution centre in the US to further strengthen sales in the country. Ocado, a British online supermarket, plans to build robotically operated warehouses for Kroger in a bid to compete strongly with Amazon.

Competition in the US's online retail segment is expected to be intense. Amazon has started price-based competition against rivals, squeezing its own profitability margins lower than those of the competitors. The strategy has helped Amazon to increase its share to 38% in the US online sales market. Additionally, Amazon's expansion in the brick-and-mortar stores segment, through the acquisition of Whole Foods, is expected to intensify competition with Walmart. On the other hand, Walmart is aggressively targeting the online retail sales market—it aims to increase online sales by 40% in 2019. Walmart's acquisition of e-commerce websites Jet.com for \$33.3 billion in 2016 and online apparel retailers ModCloth and Bonobos are steps in this direction. Walmart also picked up majority stake in Flipkart, an e-commerce platform in India.

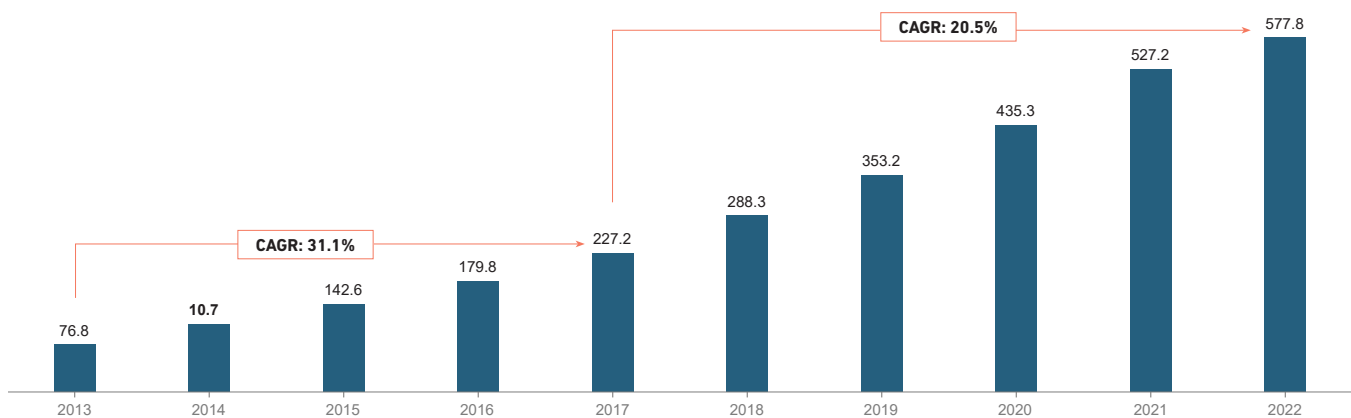
<sup>2</sup> US – Online Retail, Marketline, November 2018

Third-party logistics services may be another business where Amazon and Walmart might go head-to-head in the future. To compete effectively with brick-and-mortar retailers such as Walmart, which also has a logistics infrastructure, Amazon is opting for backward integration of these services. However, the acquisition of Parcel, a company engaged in express courier service, has enabled Walmart to offer one-day delivery service in urban cities. Heavy discounts and free & quick delivery services have impacted the business of traditional brick-and-mortar retailers. For instance, RadioShack declared bankruptcy in 2015, while Sears filed Chapter 11 bankruptcy in October 2018.

### 3.1.2.2 China<sup>3</sup>

China's online retail sector grew from approximately \$76.8 billion in 2013 to \$227.2 billion in 2017, expanding at a CAGR of 31.1%. Rising disposable income and tech-savvy young population are the primary reasons behind the growth of the Chinese online retail market. Rising adoption of smartphones and relaxation in regulations for cross-border transactions have also contributed to the country's online retail sector. Of the total revenues for 2017, the electrical & electronics online retail segment constituted approximately 30.2% (or \$68.7 billion), followed by the apparel segment at 20.7% (or \$47.1 billion). Alibaba and JD.com are the top players in China's e-commerce market.

#### China online retail Market (\$ billion):



Source: China – Online Retail, Marketline, November 2018

The Chinese online retail sector is expected to expand at a CAGR of 20.5% to \$577.8 billion over 2017–22. Penetration of online shopping in terms of Internet users is low in China compared to that in developed countries. Increase in penetration and rise in demand for online retail in rural areas are the primary factors expected to drive growth in online sales in China in future.

Alibaba's Singles Day on November 11<sup>th</sup> is the world's biggest online shopping day. It is more than four times the size of Cyber Monday and Black Friday. Chinese consumers spent \$25 billion in 2017. To help in dealing with the demand on Singles Day in 2018, a Chinese logistics firm, owned primarily by Alibaba, launched a warehouse with over 700 robots.

3 China – Online Retail, Marketline, November 2018

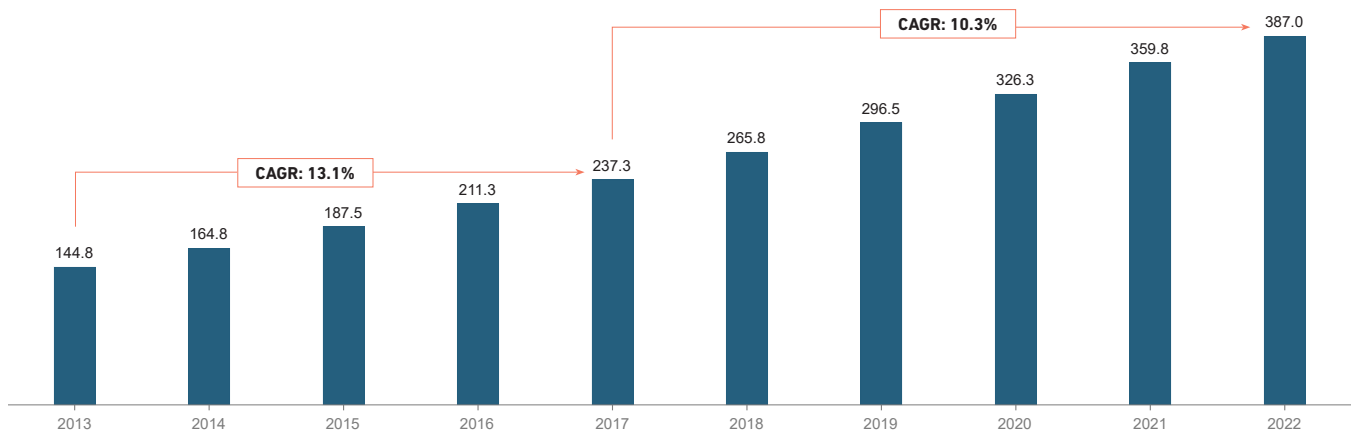
### 3.1.2.3 Europe<sup>4</sup>

Europe’s online retail sector grew from \$144.8 billion in 2013 to \$237.3 billion in 2017, expanding at a CAGR of 13.1%. Of the total revenue in 2017, the electrical & electronics online retail segment accounted for approximately 28.1% (or \$66.7 billion), followed by the apparel segment at 25.9% (or \$61.6 billion).

During 2013–17, the online retail sector in Germany and the UK expanded at a CAGR of 13.5% to \$46 billion and 9.9% to \$56.6 billion, respectively. Although growth has been strong, the rates are lower than those in regions such as South America or Asia-Pacific. Growth rates in Finland and Denmark are among the lowest globally, indicating markets in these countries are maturing.

The UK, Sweden, Germany, and Denmark lead Europe in terms of Internet users that shop online. High consumer engagement with the Internet has boosted the online shopping habits in Europe. Extremely high mobile Internet penetration in countries in Scandinavia has pushed online shopping transactions to the point of saturation. Weak performers (economically) in the Eurozone such as Greece, Italy, and Portugal are indicating shift in preference towards online shopping amid price sensitivity. This is evident from the fact that growth in the online sector is lower than the growth in online retail sales as a share of total retail sales.

#### European Online Retail Market (\$ billion):



Source: Europe – Online Retail, Marketline, November 2018

Europe’s online retail sector is expected to expand at a CAGR of 10.3% to \$387.2 billion over 2017–22. Comparatively, during the same time, the online sector in Germany and the UK is expected to expand at a CAGR of 10.4% to \$75.4 billion and 6.6% to \$78.1 billion, respectively.

With regard to developed countries in Europe, penetration of online shopping in terms of Internet users has reached maturity. Consequently, outlook for the market will be based on the increase in consumption of existing online shoppers, instead of addition of new ones. The case is not the same for Southern and Eastern European countries, where online shopping penetration has not peaked as of 2017. Despite the slowdown, Cyber Monday and Black Friday attracts millions of customers. As per IMRG, an online retailer trade body, £1.4 billion (\$1.8

<sup>4</sup> Europe – Online Retail, Marketline, November 2018

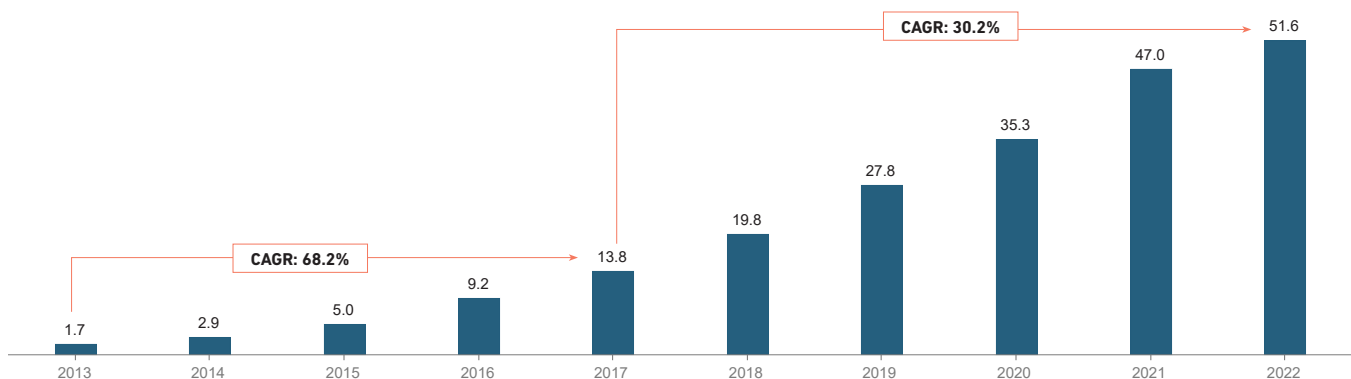
billion) was spent on online sales in the UK alone on Black Friday in 2017, up 11.7% from 2016. Such sales are expected to help the industry grow in the future.

### 3.1.2.4 India<sup>5</sup>

The Indian online retail sector grew from approximately \$1.7 billion in 2013 to \$13.8 billion in 2017, expanding at a CAGR of 68.2%. Comparatively, during the same time, the Chinese and South Korean markets reached \$227.2 billion (2013–17 CAGR: 31.1%) and \$29.7 billion (2013–17 CAGR: 10%). Amazon India, Flipkart, and Paytm Mall are the three biggest online retailers in India. Of the total revenue in 2017, the electrical & electronics online retail segment accounted for approximately 55.2% (or \$7.6 billion), followed by the apparel segment at 26.3% (or \$3.6 billion).

Primary drivers of the Indian online retail market are rise in disposable income, increase in smartphone adoption and mobile Internet, and improvement in digital literacy. Additionally, the demonetisation drive of 2016 had an indirect positive impact on the online retail sector as it facilitated online transactions. Billion-dollar investments in the Indian online retail market have also contributed to the country’s online retail sales market. An interesting trend is the intense price competition between the top players that are engaging in aggressive marketing, including offering heavy discounts.

### Indian Online Retail Market (\$ billion):



Source: India – Online Retail, Marketline, November 2018

The Indian online retail market is expected to expand at a CAGR of 30.2% to \$51.6 billion over 2017–22. In comparison, the Chinese and South Korean online markets are expected to record a CAGR of 20.5% to \$577.9 billion and 8.8% to \$45.1 billion, respectively. Increase in Internet penetration and rise in disposable income are expected to boost the online retail market in future. Big Billion Day, introduced in 2014, is the biggest shopping festival in India.

5 India – Online Retail, Marketline, November 2018

### 3.1.3 Five Forces Analysis

**Rivalry**, despite significant growth in value, in the online sector remains intense owing to the large number of players and size of some of the popular online retailers such as Amazon. Low switching costs and similar offerings have resulted in incumbents battling on price and pursuing aggressive marketing strategies to attract and maintain customers. Lack of geographical boundaries in online retail has intensified rivalry in the market.

**Consumers** have become aware more than ever with regard to pricing and availability of product options. Price comparison websites have further benefited consumers. Penetration of e-commerce is increasing based on rise in Internet penetration, improvement in digital literacy, shift in consumers' preferences, growing convenience, and price-based competition. These trends show that the buying power of consumers has increased over the years.

**Suppliers** to online retail companies include packaging material suppliers, logistics services, and ICT system developers, and, of course, manufacturers of products. As secure and reliable ICT infrastructure is a necessity, given the nature of the industry, companies providing these services have become increasingly significant. While large online retailers have their own delivery services, small retailers depend on third-party logistics services. The likelihood of suppliers opting for forward integration in the online retail sector has increased, creating significant pressure on online retailers. In addition, suppliers with the capacity to meet the requirements of big retailers are typically large in size, which further enhances supplier power. Suppliers offering differentiated products are more powerful than those offering similar products. For instance, Walmart's strategy to enter the online retail sales sector has affected Amazon's moves.

**New entrants** can be new companies or existing online retailers diversifying online offerings or brick-and-mortar retailers diversifying to include online retail. New entrants are attracted to the sector due to rapid growth and low fixed costs. Barriers to entry in online retail are low particularly due to small capital investment. Furthermore, trade regulations in many countries have been adjusted to include electronic transactions, privacy protection, consumer protection and anti-cybercrime laws. This makes it more attractive for brick-and-mortar retailers to build online presence in other markets in order to boost sales.

**Substitutes** to online retailers include traditional brick-and-mortar retail outlets. To overcome this threat, online retailers are becoming multichannel companies. A significant drawback of online retailing is the time of delivery. However, the issue has been tackled well by major online retailers such as Amazon, which launched a range of initiatives, including one-day delivery or same-day delivery in some areas. In 2017, online sales accounted for around 6.5%<sup>6</sup> of total retail sales. The threat of substitution is more valid primarily for companies that operate exclusively online.

### 3.1.4 Competitive Landscape

In the online retail sales market, competition is primarily based on pricing and marketing strategies. Leading online retailers have the ability to reduce prices significantly and operate at thin margins owing to their high sale volume and economies of scale. Large companies further benefit from their purchasing power, customer service, and inventory management. With regard to marketing strategies, larger companies offer heavy discounts

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6 Global – Online Retail, Marketline, November 2018

and free or immaterial shipping charges. For instance, Amazon's Amazon Prime offers free express shopping for a reasonably priced special membership. It is estimated that 80% of Amazon Prime subscribers utilise Amazon's services at least once in a month. Given that consumers are concerned about security offered by online transactions, they tend to rely on large companies more. Large players offer similar products and the competition among them is primarily based on price, which in turn benefits consumers. However, this is not the case with retailers offering niche products. All these factors affect scalability for smaller companies.

Given the diverse products available online, large retailers have diversified their offerings to include as many goods as possible. This helps in reducing reliance on a particular product segment and increasing customer base at the same. Large online retailers such as Amazon and Alibaba have achieved diversification by building an international presence, which protects them against any negative shocks with regard to demand in any particular country. International presence also helps in brand building and enhancing economies of scale. This strategy has a direct impact on domestic retailers as large international online retail sales companies induce price competition. Nonetheless, the impact is subdued by the existence of custom duties and unfavourable exchange rates.

Globally, the European region is most competitive as it is highly fragmented with a large number of pure-play online retailers as well as multichannel players. Canada and the US segments are concentrated with a few retailers. The Asia-Pacific market is concentrated with a few online retailers. Competition is expected to intensify in the largest regions in Europe and the US as they approach maturity. In most developed regions, frequency of transactions is expected to plateau with penetration of online shopping having reached its peak. On the other hand, increasing penetration of online shopping is expected to boost the demand in developing countries in South America and Asia-Pacific.

While there are a large number of online retailers globally, some of the key characteristics of top players competing with most players in an industry are detailed below.

#### **3.1.4.1 Amazon, Inc.**

Amazon.com, Inc., an online retailer, offers a wide range of products and services through its e-commerce site, amazon.com. Products offered include content and merchandise purchased for resale from vendors (direct sales) and products offered by third-party sellers (marketplace). Amazon also manufactures and sells Kindle devices. Additionally, it provides co-branded credit card agreements and advertising services.

Amazon operates through three business segments: North America, International, and Amazon Web Services (AWS). The North America segment focuses on retail sales of consumer products and subscriptions through North America-focused websites. In FY2017, the North America segment reported \$106.11 billion in revenue, accounting for 59.7% of total revenue. The International segment earns revenue from the retail sales of consumer products and subscriptions from international websites. In FY2017, it recorded \$54.30 billion in revenue, accounting for 30.5% of total revenue. AWS generates revenues from the sale of storage, database, and other service offerings for government agencies, enterprises, start-ups, and academic institutions globally. In FY2017, AWS's revenue totalled \$17.46 billion, representing 9.8% of total revenue.

Amazon's primary customers are developers, consumers, sellers, and content creators. The company caters to sellers by offering its platform to them to sell products on both Amazon's websites and resellers' website.



By doing so, Amazon earns revenue-share fees, fixed fees, per-unit activity fees, and interest on transactions. The company serves enterprises and developers via AWS. Amazon Fresh's entry in the US food and grocery market has been a key factor in increasing rivalry. The \$13.7 billion acquisition of Whole Foods in 2017 also contributed to it. Amazon is the leader in the US's online food and beverage retail market, with an estimated share of almost 33%<sup>7</sup>.

#### **3.1.4.2 Alibaba Group Holdings Limited**

Alibaba Group Holding Limited (Alibaba), an online and mobile commerce company, operates as a platform for third parties. It conducts its business through subsidiaries. Alibaba offers technology and services to enable merchants, consumers, and other participants to conduct commerce on its platform. The company has offices in China, India, Japan, Singapore, South Korea, Australia, Germany, the UK and the US.

Alibaba primarily operates through four segments: Cloud Computing, Core Commerce, Digital Media and Entertainment, and Innovation Initiatives and Others. Core Commerce comprises platforms engaged in retail and wholesale commerce in China and internationally. Retail commerce includes Taobao Marketplace (C2C commerce), a Chinese mobile commerce destination; and Tmall (B2C commerce), a Chinese third-party platform for brands and retailers. Wholesale commerce includes its domestic wholesale marketplace. International retail commerce includes worldwide marketplace targeting users around the globe for buying directly from distributors and manufacturers in China (AliExpress – B2C and B2B commerce platforms) and e-commerce platforms in Southeast Asia (Lazada). In FY2018, the Core Commerce segment reported CNY 214.02 billion in revenue, accounting for 85.5% of total revenue.

Cloud Computing is operated by Alibaba Cloud Computing, a provider of public cloud services. It offers a complete suite of cloud services such as storage and content delivery network, elastic computing, database, security, large scale computing, big data analytics, management and application services, and a machine learning platform for customers across various industries. In FY2018, the segment generated CNY 13.39 billion in revenue, accounting for 5.4% of total revenue.

Digital Media and Entertainment operates businesses through media properties, which include Youku Tudou and UCWeb. In FY2018, the segment's revenue totalled CNY 19.56 billion, representing 7.8% of total revenue.

#### **3.1.4.3 eBay Inc.**

eBay Inc. (eBay), founded in 1995, operates e-commerce marketplaces and classifieds platforms that connect various buyers and sellers worldwide. The company's platforms are designed to enable sellers worldwide to offer and organise their products for sale, and buyers to search and purchase.

eBay's marketplace platforms include its online marketplace [www.ebay.com](http://www.ebay.com), its localised counterparts and mobile applications. The company's StubHub platforms ([www.stubhub.com](http://www.stubhub.com)) include an online ticket platform, its localised counterparts and mobile applications. StubHub platforms help fans connect with sporting events, theatres, concerts, and other entertainment events. The company's Classifieds platforms include collection of brands such as Kijiji, Gumtree, mobile.de, eBay Kleinanzeigen, and Marktplaats.

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<sup>7</sup> Global – Online Retail, Marketline, November 2018

eBay offers Price Match Guarantee, which allows consumers to get the best price on approximately 80,000 products. It also offers eBay Authenticate, wherein sellers could have their luxury items, such as handbags, authenticated by eBay. Additionally, majority of the company's transactions in the US, the UK and Germany continue to include free shipping. eBay Money Back Guarantee covers majority of items purchased on the eBay platform in various countries, including the US, the UK, Germany and Australia, through a qualifying payment method and protects majority of buyers with regard to items that are not received or are received but not as described in the listing. Some purchases, including some vehicles, are not covered. eBay Money Back Guarantee provides coverage for the purchase price of the item, plus original shipping costs, for a limited period of time from the date of delivery and includes a streamlined interface to help buyers and sellers navigate the process.

Sellers could choose to list their products and services through fixed price listings or an auction-style format on the company's platforms. The fixed price format on eBay allows buyers and sellers to close transactions at a pre-determined price set by the seller. Sellers also are able to signal that they would be willing to close the transaction at a lower price. Additionally, its auction-style format allows a seller to select a minimum price for opening bids. Sellers could list items that are new, refurbished and used, and common and rare on its marketplace platforms. Sellers could use promoted listings to improve the visibility of their listings so that items have a chance of standing out and getting sold faster. Sellers could list luxury items, such as handbags, through eBay Authenticate.

In FY2017, eBay reported net revenue of \$9.57 billion, up 6.5% from the previous year.

#### **3.1.4.4 JD.com Inc.**

JD.com Inc. (JD), an e-commerce company, provides consumers with online retail services through mobile applications and website (www.jd.com). Additionally, JD provides online and in-person payment options and customer services. The company classifies its operations into two segments: JD Mall and New Businesses. In FY2017, JD Mall generated 98.3% of the company's total revenue, while New Businesses, the remaining 1.7%.

JD Mall offers products and services through an e-commerce platform. The company's wide range of products include apparels, electronics, home furnishings, fresh food, FMCG, home appliances, and other related products. New Businesses comprises logistics services provided to third parties, overseas business, technology services, insurance and O2O products.

JD's R&D division focuses on the maintenance and development of technology platform data science, virtual and augmented reality, artificial intelligence, robotics, automation, and autonomous vehicle systems. As of December 2017, JD employed 11,938<sup>8</sup> research and development personnel to design, develop, and operate its technology platform. The company also has a global team comprising artificial intelligence and supply chain technology professionals.

In China, JD has more than 500 warehouses (covering floor area of 10 million m<sup>2</sup>) as well as around 7,000 delivery and pick-up stations. The company's logistics network covers 99% of China's population<sup>9</sup>.

8 Global – Online Retail, Marketline, November 2018

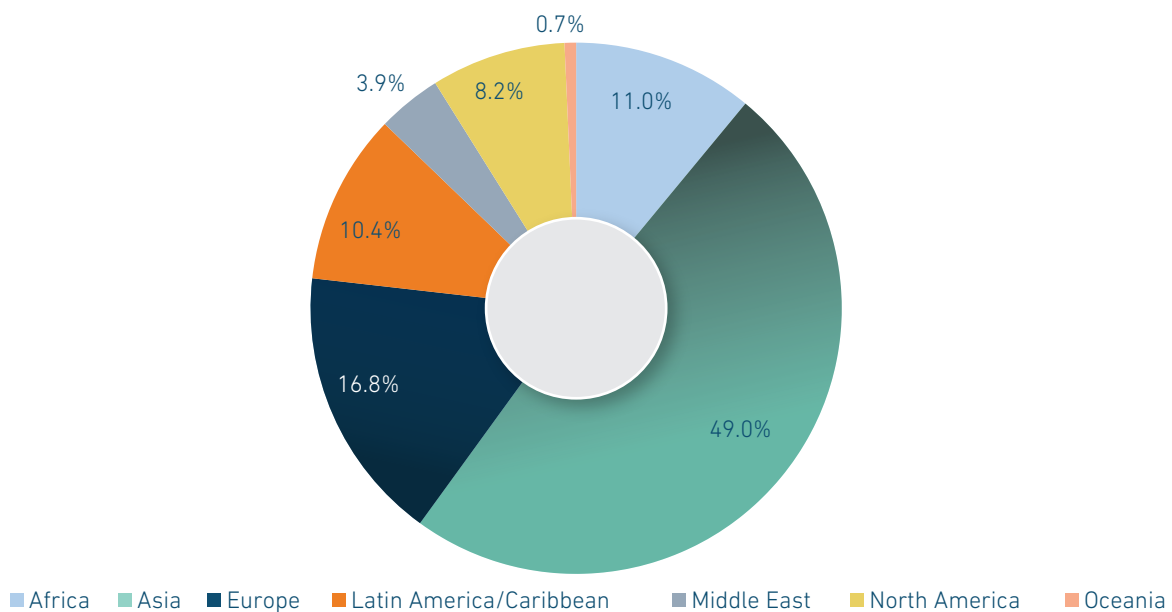
9 Global – Online Retail, Marketline, November 2018

### 3.1.5 Key Trends and Drivers

#### 3.1.5.1 Growth in Internet penetration

The high impact of the Internet over consumers, along with rise in penetration of mobile Internet, has boosted the adoption of online shopping, particularly in developed countries. The rapid penetration of mobile Internet and smartphones is visible in Asia-Pacific's developing countries owing to improvement in digital literacy. China is the primary driver of the said growth in Asia-Pacific, as its large young population is actively engaged in online retail transactions. Comparatively, adoption of the Internet in other developing countries in the region is low. However, Asia-Pacific has reported the highest growth rates in recent years, as adoption is still picking up. On the other hand, demand in the online retail sector in the US and developed European countries is maturing, based on the frequency of transactions. In this regard, growth in the industry is expected to be based on usage by existing online shoppers instead of new ones.

**Internet Users as a % of global internet users**

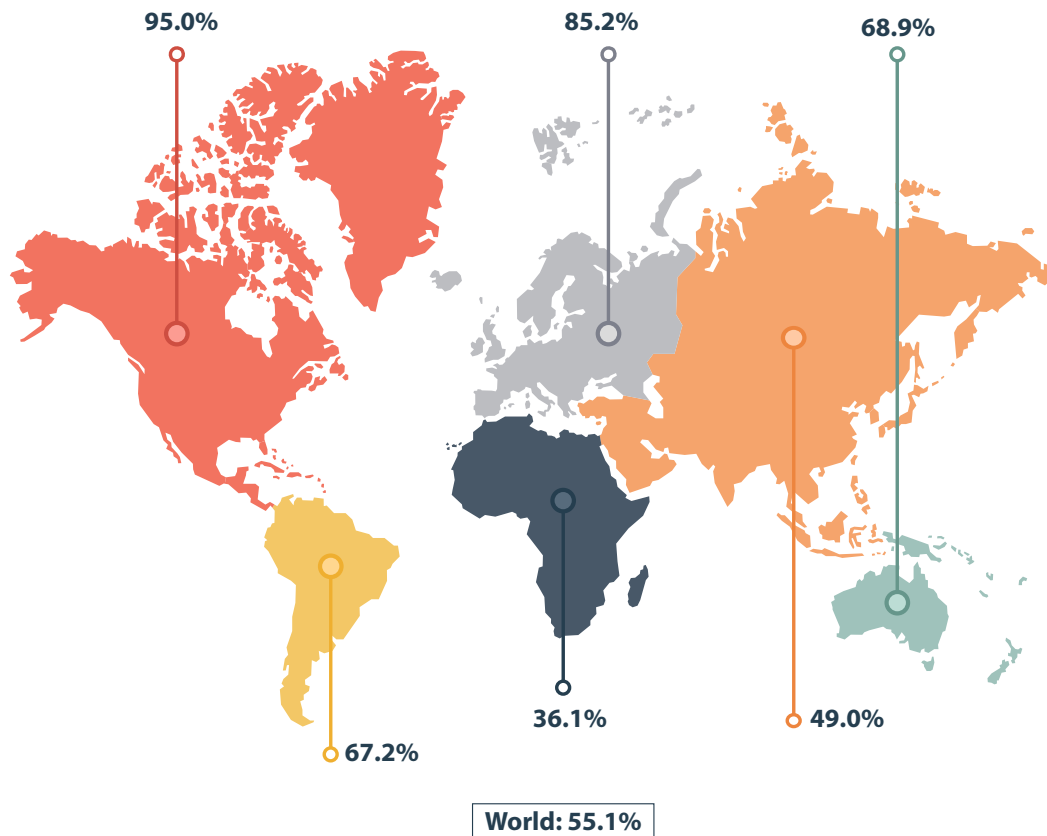


Source: Internet World Stats, June 2018

The expansion of broadband coverage in Asia-Pacific and South America, along with the rising disposable income and improving infrastructure in these regions to facilitate logistics services, is expected to boost online shopping adoption. In Asia-Pacific, mobile commerce has been growing at a faster and stronger pace than that in developed countries. This is due to the fact that most consumers in Asia-Pacific's developing countries skipped using personal computers, shifting directly to smartphones to access the Internet.

Worldwide internet penetration of world population has increased from 39.0% in December 2013 to 55.1%<sup>10</sup> in June 2018.

<sup>10</sup> Internet World Stats



Source: *Internet World Stats, June 2018*

### 3.1.5.2 Rise in use of mobile devices and social media advertising

In 2017, retail e-commerce sales worldwide increased at an annual rate of 24.8% to \$2.30 trillion<sup>11</sup>. Of the total e-commerce sales, m-commerce accounted for 58.9%. In 2017, total retail sales increased 5.8% to \$22.64 trillion<sup>12</sup>. The share of e-commerce sales as a percentage of total sales increased to 10.2% in 2017 from 8.6% in 2016. Factors such as higher employment and wages, improving export business, and rising e-commerce cross-border sales boosted total retail spending. China, Japan, South Korea, the UK and the US spend most on mobile phones. Global mobile penetration is expected to reach 70%<sup>12</sup> by 2022, almost double the total number of users in 2008, based on the rising mobile penetration in Asia- Pacific, particularly in India and China. As it is convenient to shop online through mobile devices, consumers engage in impulse buying. Increase in adoption and usage of social media platforms such as Facebook, Instagram, and Snapchat contributed to impulse buying. Online retailers spend heavily on predictive analytics and marketing on social media channels. Consumers are enticed with heavy discounts on these platforms. Increase in Internet and mobile penetration as well as social media marketing is expected to boost online retail sales.

<sup>11</sup> Worldwide Retail and Ecommerce Sales: eMarketer’s Updated Forecast and New Mcommerce Estimates for 2016–2021

<sup>12</sup> <https://tech.economictimes.indiatimes.com/news/mobile/india-to-lead-as-mobile-penetration-globally-to-hit-70-by-2022-report/59648473>

### **3.1.5.3 Technological advancements in mobile data services backed on growing smartphone penetration<sup>13</sup>**

In 2019, 4G is expected to become the leading mobile network technology (more than 3 billion) worldwide by number of connections. Meanwhile, the mobile industry continues its research and development with 5G, including successful trials in different parts of the world and approval of the non-standalone 5G new radio specifications in December 2017. A number of mobile 5G launches are expected over the next three years in North America and major markets across Asia and Europe. The US, China, and Japan are expected to be the leading countries by 5G connections in 2025, while Europe as a whole will continue to make progress with 5G deployments. Overall, these four economies will comprise of more than 70% of the 1.2 billion expected 5G connections globally by the end of 2025. By 2025, around 75% of mobile connections (excluding cellular IoT) across the globe will operate on high-speed networks, with 4G comprising 53% of total mobile SIMs and 5G at 14%. To support customer migration and further drive consumer engagement in the digital era, mobile operators are expected to invest \$0.5 trillion in mobile capex worldwide over 2018-20.

By 2025, mobile internet penetration is expected to reach 61% of the world population and 86% of unique subscribers. Most of the 1.75 billion increase in the number of mobile internet users during 2017-25 are expected to come from China (around 350 million new users), India (330 million), and Sub-Saharan Africa (280 million). Key factors of growth include increasing population coverage of 3G and 4G networks, an increasing willingness among users to consume social media and a range of services and content online, and more affordable smartphones and data tariffs. Smartphone adoption is expected to grow by 20 percentage points globally between 2017 and 2025. By then, three in four mobile connections are expected to operate on smartphones, with the rest on basic/feature phones and data-only devices. Smartphones will become the leading handset type in all individual regions by 2020 and almost all individual countries globally by 2025. While most developed countries are already highly penetrated, new large mobile-internet markets are emerging in the developing world. China overtook the US to become the largest smartphone market by installed base in 2012; four years later, India also overtook the US. Indonesia and Brazil are growing fast too; the number of smartphone connections in Indonesia is approaching that of the US. By 2025, there will be more than 10 markets in the world with over 100 million smartphone connections. These represent major addressable markets for e-commerce, fintech and a range of digitally delivered services and content. E-commerce businesses are expected to benefit from technology advancement in mobile data services as well as increase in smartphone penetration.

### **3.1.5.4 Range and options enhanced by global shipping**

Retailers operating in developing countries typically have limited stock and variety of international goods, resulting in limited domestic e-commerce for international products. For instance, retailers in China primarily rely on low-cost fashion and electronic products; however, high-end brands of Gucci in apparels and Alienware in electronics are seldom available, making them premium products. Online retail sale has resolved this issue. Large retailers such as eBay, AliExpress, and Amazon are targeting consumers from developing countries such as China and India, which together hold around half the world's population. With Internet penetration expected to increase significantly, online shoppers are expected to grow. If online retailers are able to manage delivery lag time and compete with domestic players while following foreign import tax laws, cross-border online retail sales would increase.

<sup>13</sup> The Mobile Economy 2018, GSM Association, Feb 2018

### 3.1.6 Key Challenges

#### 3.1.6.1 *Evolving Government Regulations*

Online retailers are subject to general business regulations and laws, as well as regulations and laws specifically governing the Internet, e-commerce, electronic devices, and other services. Existing and future laws and regulations may impede the industry's growth. Due to stringent laws and regulations, industry players may face a plethora of issues related to privacy, data protection, taxation, pricing, content, copyrights, distribution, transportation, and mobile communication, among others. It is not clear how existing laws governing issues such as property ownership, libel, and personal privacy apply to the Internet, e-commerce, digital content, and web services. Unfavourable regulations and laws could diminish the demand for, or availability of, products and services and increase cost of doing business.

#### 3.1.6.2 *Data loss or other security breaches*

As online retail services are web-based and since companies operating in the industry process, store, and transmit large amount of personal information and other critical data related to customers, there is a possibility of data loss, security breaches or misuse of information. This serves as a deterrent for consumers to shop online. Major technology companies such as Facebook and Amazon have been the victim of information misuse or security breaches. Although many retailers engage third-party experts, who design technology and systems to prevent data loss and protect customer information or at least reduce the impact of any security breaches, there is no assurance that such measures provide absolute security.

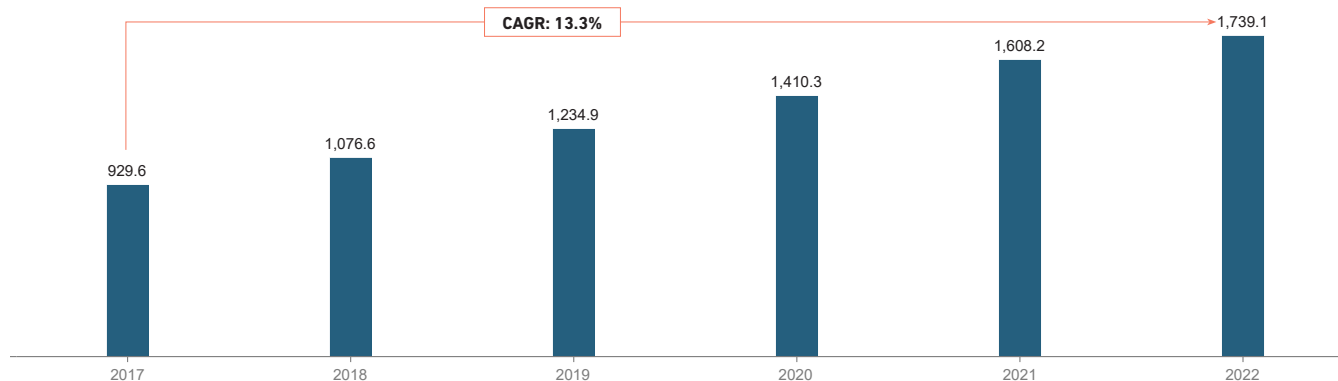
#### 3.1.6.3 *Fraudulent or unlawful activities for sellers*

Law related to the liability of online payment services providers is currently unsettled. Additionally, governmental agencies across the world could require changes in the way online retail business is conducted. There is a possibility that online retailers may be unable to prevent third-party sellers from conducting unlawful or fraudulent activities. For instance, third-party resellers may offer products materially different from the sellers' description or collect payments fraudulently. Sellers may also sell unlawful goods or sell goods in an unlawful manner. While retailers do offer reimbursements for the payments made by the buyers, it comes at a cost of loss of reputation to the company. If the number of such activities increases, consumers might lose trust on online retailers and could decrease or stop purchasing products online.

### 3.1.7 Outlook

The global online retail sales industry is expected to increase from \$929.6 billion in 2017 to \$1,739.1 billion in 2022, expanding at a CAGR of 13.3%. Primary factors behind the expected growth are increase in Internet and mobile commerce penetration. Other contributing factors are rise in aggressive marketing strategies adopted by industry operators, improved digital literacy, and higher disposable income. Evolving government regulations and possible security threats could deter the industry's growth in future.

### Global E-Commerce Market (\$ billion)



Source: Global – Online Retail, Marketline, November 2018

### 3.1.8 Investments in the e-commerce in 2018

Given below are the details of few companies that have received **series A** funding in the e-commerce industry in 2018:

| Company          | Description  | Deal date | Deal size (USD mn) | Post-money valuation (USD mn) |
|------------------|--|-----------|--------------------|-------------------------------|
| Quip (Oral Care) | Provider of oral care products and dental services online. The company offerings include a wide selection of one of the first American Dental Association accepted (ADA seal) electric toothbrushes, a subscription service on a dentist recommended a schedule for brush heads and optional toothpaste, ongoing oral health advice and support, and incentives for timely dental check-ups. | 24-Nov-18 | 40.00              | 170.00                        |
| Roman Health     | Developer of a direct-to-consumer telehealth company that handles everything from diagnosis to the convenient delivery of medication. The company has two end-to-end services, one for men’s health starting with erectile dysfunction and the other to help people quit smoking.  | 18-Sep-18 | 88.00              | 153.93                        |

| Company  | Description  | Deal date | Deal size (USD mn) | Post-money valuation (USD mn) |
|----------|--|-----------|--------------------|-------------------------------|
| Tecovas  | Operator of a direct-to-consumer western brand intended to offer luxury products. The company's brand uses custom tanned leathers to create western boots, belts and accessories, enabling customers to buy products at prices unattainable through traditional retail models.   | 20-Dec-18 | 24.00              | 146.00                        |
| Grailed  | Provider of an online marketplace intended to make quality clothing affordable and available to everyone. The company's marketplace offers fashion and lifestyle accessories and apparel for men and women at affordable prices, enabling customers to purchase in a secure and hassle free manner.  | 21-Jun-18 | 15.00              | 105.00                        |
| Carbon38 | Developer of an online wardrobe platform designed to help women live life on their own terms. The company's retail platform offers and distributes luxury active apparel from the leading sportswear designers across the globe, and provides their own exclusive branded label, enabling women to choose and buy curated wardrobe choices at discounted rates.  | 19-Jan-18 | 17.10              | 102.60                        |
| Lively   | Provider of lingerie created to offer women an alternative to expensive and uncomfortable undergarments. The company's clothing includes a range of bras, underwear, swim wear and leisure wear designed to blend the most desirable elements of high-style with comfort, providing women with comfortable and stylish garments that feel good and look good.  | 16-Aug-18 | 6.50               | 101.00                        |
| Sensel   | Developer of pressure-sensitive touchpad devices designed to translate user intentions in expressive and intuitive ways. The company's touchpad devices are multi-touch, highly sensitive, low power and mobile which detect anything with mass and the individual pressure and orientation of every single contact point, enabling creators and innovators to explore endless possibilities in music, art, gaming and beyond. | 28-Nov-18 | 10.00              | 100.00                        |



| Company      | Description   | Deal date | Deal size (USD mn) | Post-money valuation (USD mn) |
|--------------|---|-----------|--------------------|-------------------------------|
| Teikametrics | Developer of a retail optimization software designed to help sellers be more profitable. The company's software helps sellers to dynamically optimize pricing, operations, inventory performance and uses data to provide a competitive advantage and view of trends and optimization strategies to tackle the dynamic nature of today's ecommerce markets, enabling them to optimize their profitability and increase growth.  | 25-Oct-18 | 10.00              | 80.00                         |
| Scentsbird   | Provider of direct to consumer fragrance subscription service designed to revolutionize the way people shop for fragrances. The company's fragrance subscription service offers different types of fragrances through an online platform that are tailor made for men and women, offering a range of perfumes and scents, enabling consumers to buy scent and fragrances faster and at cheaper rates.   | 17-May-18 | 18.60              | 78.60                         |
| Dolls Kill   | Operator of an online shopping platform designed to offer quirky designed outfits for girls. The company's online shopping platform offers a wide range of outfits and accessories for girls and women like designer clothes, swimwear, bags, belts, shoes and more, enabling girls to rediscover fashion and make a bold statement with their outfits.   | 21-Dec-18 | 10.72              | 74.22                         |
| Faire        | Operator of an online wholesale marketplace intended to mitigate the burden of inventory risk for retailers. The company's marketplace leverages artificial intelligence and predictive analytics to forecast which products will fly off its virtual shelves in order to source and manage inventory as efficiently as possible, enabling retailers to aggregate merchandise from a number of wholesalers and distributors, and reduce the time and money they spend on finding goods to sell. | 22-Feb-18 | 12.00              | 62.50                         |

| Company                   | Description  | Deal date | Deal size (USD mn) | Post-money valuation (USD mn) |
|---------------------------|--|-----------|--------------------|-------------------------------|
| Hush.                     | Provider of an online makeup retail platform intended to sell beauty products. The company's online makeup retail platform offers beauty products for lips, eyes, face, cheeks and skincare products, enabling users to buy beauty products at discounted rates.   | 03-Jan-18 | 9.00               | 53.00                         |
| Burrow (Home Furnishings) | Provider of luxury furniture made for real life. The company's sofas, ottomans and sectionals are made from safe and environmentally-friendly components that are hand selected to ensure sustainability and durability, and are delivered directly to customers, enabling them to avoid retail mark-ups and enjoy clever, comfortable furniture for their life and living room. | 21-Mar-18 | 14.00              | 52.00                         |
| TrueFacet                 | Provider of an online marketplace intended to offer designer jewellery and watches. The company's marketplace offers luxury brands such as Tiffany & Co., Cartier, Rolex, Omega and Hermes, enabling customers to get the best price in a competitive market.  | 30-Apr-18 | 9.50               | 51.50                         |
| LovePop                   | Provider of an online platform intended to offer 3D pop-up greeting cards. The company's online platform aims to innovate the traditional greeting card industry through the deployment of creative technology tools, both licensed and proprietary content and omni-channel distribution, enabling users to access greeting card and other social expression mediums.           | 03-Jan-18 | 12.50              | 50.00                         |

Source: D&B database and analysis

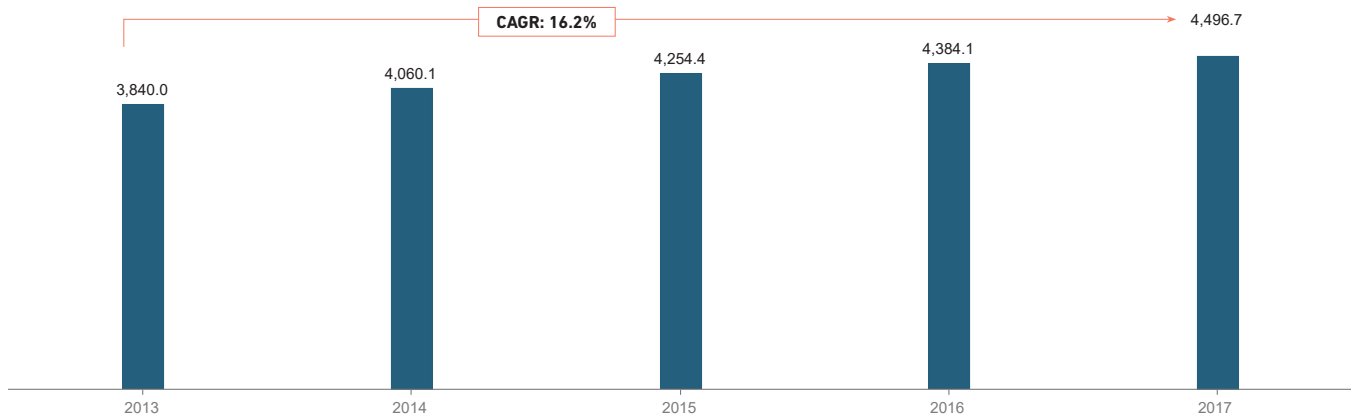
It is important to note that the businesses of the above companies may not be the same as Koloxo. Koloxo's e-commerce operates in the B2C online sales business. The above companies may be in other businesses within the e-commerce industry.

### 3.2 Real Estate Industry

The real estate industry includes renting and leasing of residential properties. The industry is valued using total revenues generated by landlords through leasing and renting of private and council properties.

The global real estate industry recorded moderate growth over 2013–17, although growth slowed in 2017. The industry is expected to grow at a stable rate in the next few years as a result of high housing prices and low rents. The global real estate industry’s revenue increased from \$3.84 trillion in 2013 to \$4.50 trillion in 2017<sup>14</sup>, expanding at a CAGR of 4.0% over the period. Comparatively, real estate industries in the Asia-Pacific and the US expanded at a CAGR of 4.0% to \$2.26 trillion and 3.3% to \$0.76 trillion, respectively, in 2017<sup>15</sup>. The real estate industry in Asia-Pacific constituted over 50% of the global real estate industry in 2017, becoming the market leader.

**Global Real Estate Market (\$ billion)**



Source: Global – Real Estate, Marketline, April 2018

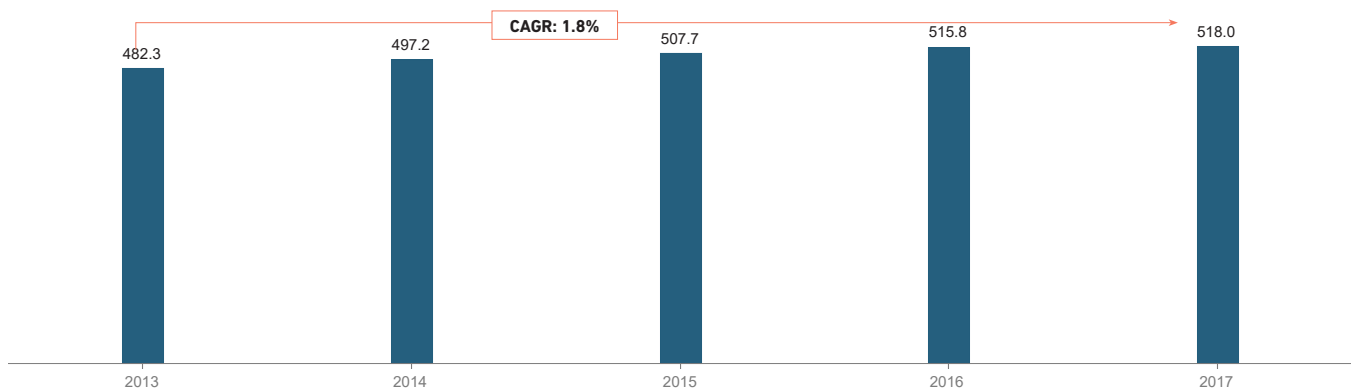
The world we live in today is a digital one. Buyers now have applications that assist them to search homes by location and neighbourhoods. Online listings help the consumers search, compare, and save time while taking virtual tours through plethora of options. Not only consumers or home buyers/tenants use online portals, but also agents/brokers/realtors use the technology to expand their business.

Based on transaction volume, the global real estate industry increased from 482.3 million housing units in 2013 to 518.0 million units in 2017, expanding at a CAGR of 1.8%. Factors such as high house prices and mortgage interest rates have discouraged buyers from entering the housing market, thereby increasing demand for rental properties.

14 Global – Real Estate, Marketline, April 2018

15 Global – Real Estate, Marketline, April 2018

## Global Real Estate Market (million housing units)



Source: Global – Real Estate, Marketline, April 2018

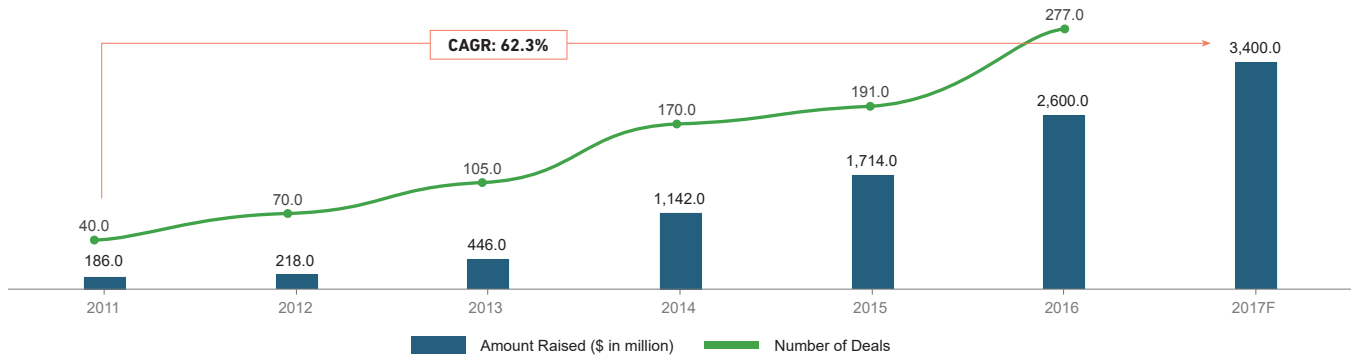
### 3.2.1 Online Real Estate Industry

The real estate industry has been witnessing a dramatic shift in the techniques used to enable buying, selling and leasing transactions.

The world we live in today is a digital one and searching for a home is no different. Buyers now have applications that let them search by location and neighbourhoods. Online listings have virtual tours so viewers can look at a bunch of potential homes while narrowing down their search to a select few in the effort to save time. Online searching maximizes the ability to compare and contrast homes on the market by selected features. Most of this is done before a potential home buyer connects with a real estate agent.

In the pre-Internet age, clients searching for properties sought advertisements in local newspapers or a portfolio of properties at a local real estate agency. Since the advent of technology, the analysis of real estate information has profoundly altered in the past two decades, especially in the way that information is delivered. Online real estate platforms initially served the purpose of listing properties, enabling brokers to market their portfolios to wider bases. These platforms helped smaller builders gain access to unmatched visibility and reach, most cost effectively. With the portals finding acceptance by buyers and sellers, the platforms evolved from basic listing websites to enablers of end-to-end transactions. Online real estate platforms have an edge over traditional offline agents as these use technology to reach a wider audience and thus enable faster conversions. Moreover, using online platforms saves commissions or brokerage fees charged by traditional brokers.

## Venture Capital Investment in Property Technology



Source: *Emerging Trends in Real Estate – The global outlook for 2018*, PWC

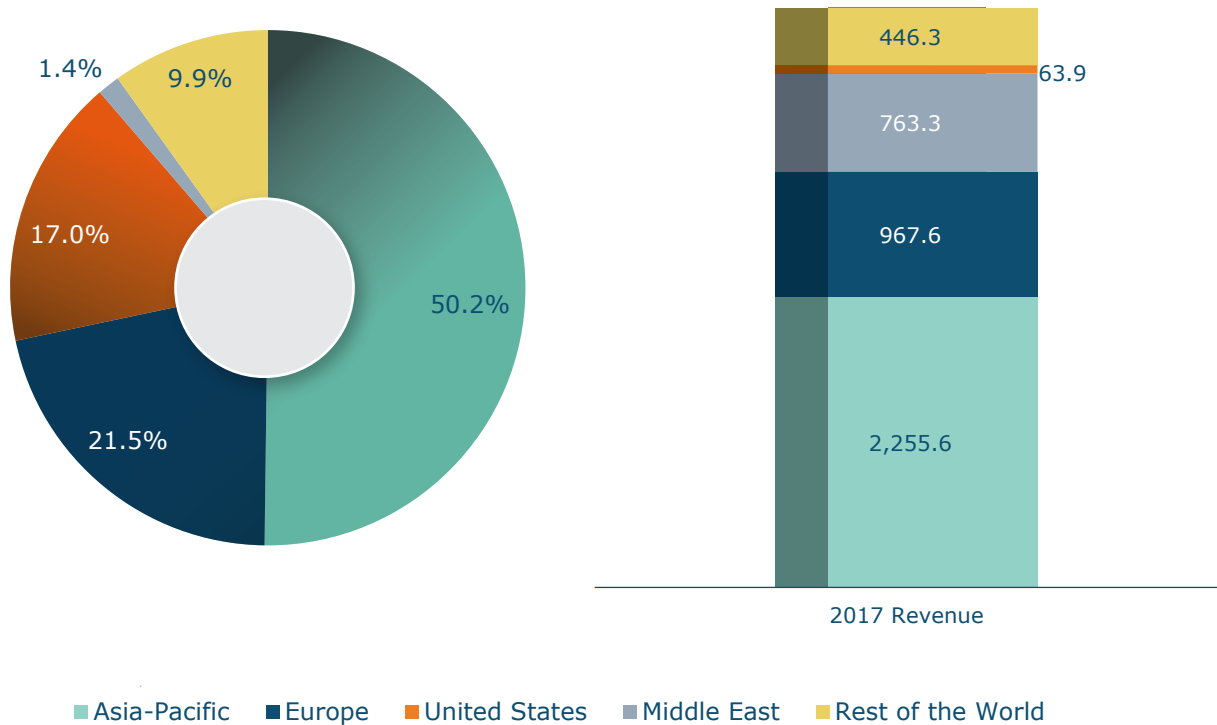
Features of Online Real Estate Portals:

- Map-based search:** A potential buyer can get a clear picture of the location and the area around the property through map-based searches. These searches provide the prospective buyer a geographical view of nearby facilities such as roads, rails, ATMs, parks and important establishments such as hospitals, school, colleges, and fire brigades. Apart from this, map-based searches pinpoint the property, guiding the buyer to approach the property physically. Such searches also enable a potential buyer to see and compare properties available in the same area in a single click.
- Virtual 3D tours:** These tours offer a walk-through of the floor plan. A 3D tour offers self-explanatory images of the layout of a particular apartment or property. It provides the buyer a 360-degree view of the floor and living spaces. The 3D tours help users view the exact dimensions of a property, thus saving them time and efforts.
- Verified properties:** Lately, real estate portals have started providing detailed information of the authenticity of property listings to tackle the problem of fake listings. Online real estate portals also offer buyers information about the current status of a property, about the developer, and also whether the said property is compliant with the existing government norms. Real photographs and details of the property are also uploaded to help build confidence in a potential buyer.
- Algorithms to simplify decisions:** Most updated online real estate websites use algorithms to process information such as the lifestyle rating index of the property, demand and supply index of the properties in a particular area or locality, child friendliness index, price heat map, etc. Such information helps buyers make rational decisions before purchasing or renting a property.
- Apartment management solutions:** Such software act as an intranet to the establishment. The software is integrated with multiple functionalities such as accounts and book-keeping management, compliance management, issuance of internal notifications and circulars to residents, and even allows residents to interact through an instant messaging system. Such software also incorporates features such as payment gateways for contributing to events or to pay maintenance.

### 3.2.2 Market Segmentation

Asia-Pacific contributes maximum to the real estate sector, followed by Europe and the US.

**2017 global real estate sector market segmentation (figures in \$ billion)**



Source: Global – Real Estate, Marketline, April 2018

### 3.2.3 Five Forces Analysis<sup>16</sup>

Uncertainty surrounding the global economic climate, which could hamper access to capital, has intensified competition (**rivalry**) in the industry. Emerging urbanisation has induced demand for renting properties in Asia-Pacific, reducing competition for sale of properties. Contrarily, low interest rates in Europe led to increase in mortgage lending. However, the industry did not record strong growth, resulting in competition intensifying in some countries. In the US, amid the positive outlook for the economy, demand in the country’s real estate industry has become stronger, with increasing rentals.

Real estate industry services a plethora of individual customers, which diminishes the **buying power** as loss of one customer does not impact suppliers. Buyers in the industry are of disparate size and financial strength, indicating that the buyers’ power depends on their financial muscle and ability to negotiate with suppliers. For instance, a buyer looking to rent an average-sized one bedroom apartment in a big city would have less buying power when compared to a group of buyers looking to rent an expensive penthouse.

<sup>16</sup> Global – Real Estate, Marketline, April 2018

Building and construction contractors, along with property agencies, are generally key suppliers and their services are often critical to industry players, thereby boosting **supplier power**. Construction companies are the most powerful suppliers for the real estate industry since their number is limited due to the significant capital required. Based on the factors mentioned above, supplier power in the industry seems moderate in nature.

**Entry** in the real estate industry requires substantial capital in order to purchase and maintain property. Such capital can often be raised through several means such as business or mortgage loans. However, the economic crisis of 2008 paved the way for more stringent credit market regulations, making it more difficult to raise capital. New companies may face financial pressure as significant investment is required and it usually takes some time before revenues on let-out properties are generated.

**Substitute** for renting a property is buying the property. Decision on which approach is better depends on multiple variables, particularly interest rates. Higher the mortgage rates, lesser appealing the option to purchase a house. Interest rates in most countries in Asia-Pacific have been historically high, although declining in recent years. Mortgage lending in countries such as Japan and China has resulted in an increase in housing stock supply. In contrast, low interest rates offered by the European Central Bank have boosted property buying over renting.

### 3.2.4 Key Trends and Drivers

#### 3.2.4.1 Migration from domestic to urban cities

Globally, migration has occurred from rural to urban areas, from small cities to big ones. It has been the strongest in less-urbanised emerging economies rather than in the more urbanised developed economies. These migration and urbanisation patterns have been important drivers of real estate markets and real estate investment in the last two decades. Global investment has been increasingly focused on particular cities rather than countries in general. Not all migration crosses borders. The largest population movements, particularly in Asia, have been domestic. This influx of human capital in turn fuels the city economy so that, in many cases, city GDP growth exceeds that of the host nation. It shows that the biggest gains in urban population have been made in the emerging economies of Sub-Saharan Africa and Asia, particularly China and India. These countries have seen internal population shifts from rural areas to urban ones. The map also shows a tendency for the largest cities to attract the biggest increases in population. This is particularly evident in China where the economically diverse, first-tier megacities of Beijing, Shanghai, as well as those in the Pearl River Delta have grown significantly, while some of the smaller, industrially specialised, third-tier cities have shrunk in size.

#### 3.2.4.2 Favourable economic conditions<sup>17</sup>

The global macroeconomic outlook looks quite healthy, with 2018 likely to be the peak year for global growth, as most regions worldwide move upward together. Aided by stronger global economic growth, inflation is increasing and long-term interest rates have risen (particularly in the US). Political tensions, such as recent events in North Korea, Italy, as well as ongoing global trade issues, threaten to impede growth globally, and create volatility and uncertainty in markets. Despite the turbulence, capital inflows to real estate remain strong and returns are at/above historical average levels. Strong economic growth, divergent interest rate policies,

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17 Morgan Stanley

and volatile currency movements continue to create a favourable investment environment for commercial real estate, albeit one that warrants more caution and prudence, given the abundance of available capital and cycle maturity.

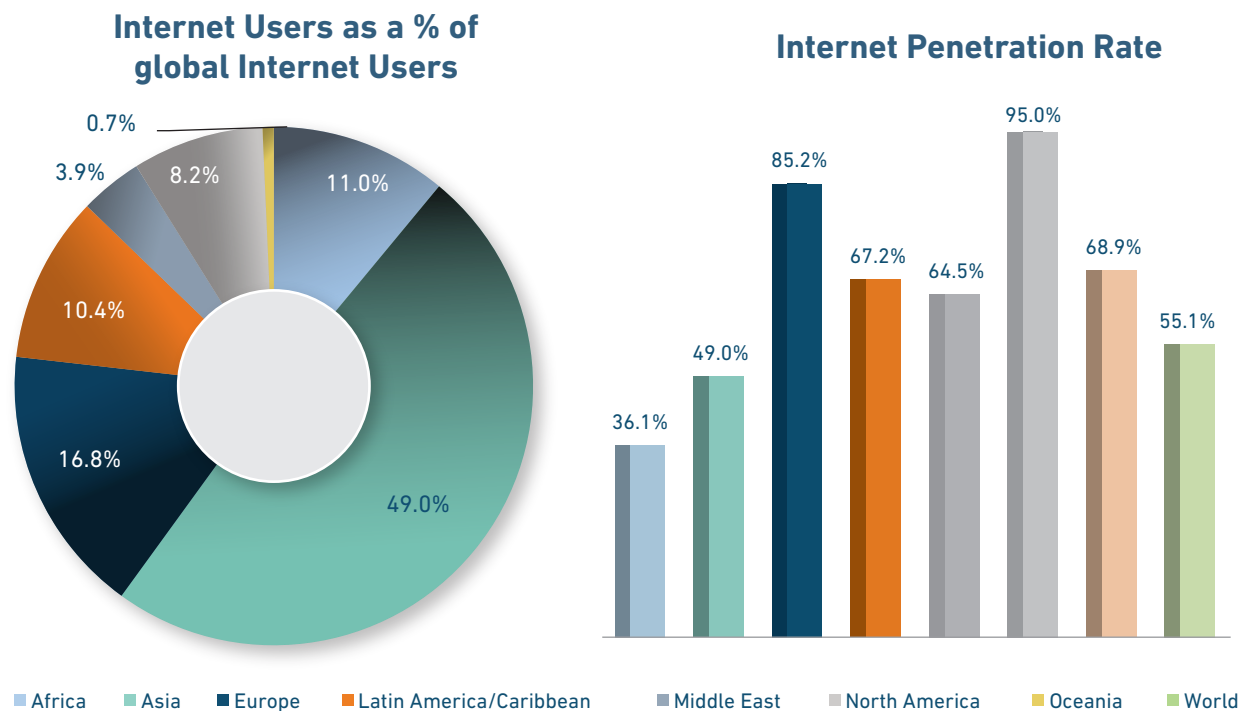
### 3.2.4.3 Continuous technological advancements

The real estate industry is gradually recognising the need to adapt to the disruptive change that technology is bringing about in the sector, and starting to come up with the strategies it thinks are the best way to address and profit from this change. Technological advancements in the real estate industry are rapid and all real estate agents should adapt these to maximise exposure for their listings. Companies such as Trulia, Redfin, Zillow, and Homesnap have been changing the way sellers and buyers perceive the market and it is crucial for agents to quickly adapt to the new reality.

### 3.2.4.4 Growth in Internet penetration

The high impact of the Internet over consumers, along with rise in penetration of mobile Internet, has boosted the adoption of online shopping, particularly in developed countries. The rapid penetration of mobile Internet and smartphones is visible in Asia-Pacific's developing countries owing to improvement in digital literacy. China is the primary driver of the said growth in Asia-Pacific, as its large young population is actively engaged in online retail transactions. Comparatively, adoption of the Internet in other developing countries in the region is low. However, Asia-Pacific has reported the highest growth rates in recent years, as adoption is still picking up.

The expansion of broadband coverage in Asia-Pacific and South America, along with the rising disposable income and improving infrastructure in these regions is expected to boost online property listing adoption.



Source: Internet World Stats, June 2018



### 3.2.5 Key Challenges

#### 3.2.5.1 Data loss or other security breaches

As online property listing services are web-based and since the companies operating in the industry process, store, and transmit large amounts of personal information and other critical data of customers; there is a possibility of data loss, security breaches or misuse of information. This becomes an inhibition for consumers to use web based property listing services. Major technology companies such as Facebook and Amazon have been the victim of information misuse or security breaches.

#### 3.2.5.2 Fraudulent or unlawful activities for the sellers

The law relating to the liability of providers of online payment services is currently unsettled. Additionally, governmental agencies across the world could require changes in the way online retail business is conducted. There is a possibility that the online property listing companies may be unable to prevent third-party brokers/agents conducting unlawful or fraudulent activities. For instance, third-party brokers may offer properties without title checks. If the number of such activities increases, consumers might lose trust on online services.

### 3.2.6 Competitive Landscape<sup>18</sup>

While there are a large number of online property retailers globally, there are limited players operating at a global scale or in multiple countries. Since, Koloxo plan to enter the property listing market in multiple countries, we have considered key players in certain countries operating in online property listing segment.

#### 3.2.6.1 Zillow Group, Inc.

Zillow Group, Inc. was incorporated as a Washington corporation in 2004. Zillow Group, Inc. ("Zillow") operates real estate and home-related information marketplaces on mobile and the Web, with a complementary portfolio of products and brands to help people find information about homes and connect with local professionals.

The company's brands focus on various stages of the home lifecycle, such as buying, selling, renting and financing. Its portfolio of consumer brands includes real estate and rental marketplaces Zillow, Trulia, StreetEasy, HotPads, Naked Apartments, RealEstate.com and OutEast.com. In addition, the company provides a suite of marketing software and technology solutions to help real estate, rental and mortgage professionals improve business opportunities and connect with various consumers. It also owns and operates various business brands for real estate, rental and mortgage professionals, including Mortechn, dotloop, Bridge Interactive and New Home Feed. In 2017, the company began testing the Zillow Instant Offers marketplace, a way for homeowners to sell their homes by providing them with offers from investors and a market analysis from a local real estate agent, as an estimate for what the home might fetch on the open market.

The company's construction marketing platform, promoted communities, allows home builders to showcase their available inventory to various in-market home shoppers across the Web.

The company develops its rental marketplace across mobile, web, and a set of apps that serve both consumers and rental professionals. Zillow Group Rentals is the major rental network on the Internet and includes listing

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18 Capital IQ

distribution across Zillow, Trulia and HotPads, reaching various rental shoppers each month. Zillow Group Rentals advertisers gain access to major technology and marketing platform that connects rental properties with consumer contacts. Additionally, Zillow offers advertising products and services for real estate, rental and mortgage professionals that enable them to create and promote content for consumers. The company's Premier Agent and Premier Broker programs offer a suite of marketing and business technology products and services to help real estate agents and brokers achieve their advertising needs.

The company offers two mortgage advertising products, Long Form and Custom Quotes. In Zillow Group's Long Form platform, consumers answer a series of questions to find a local lender, and mortgage professionals receive contacts based on data, such as location and customer reviews. In its Custom Quotes mortgage marketing platform, lending institutions display their mortgage rates directly to consumers who are shopping for refinance and purchase rates.

The company has 23 patents of varying lengths issued in the United States and internationally. It has 51 patent applications pending in the United States and internationally, which seek to cover proprietary techniques relevant to its products and services.

### **3.2.6.2 Redfin Corporation**

The company was incorporated in Washington in 2002. It was reincorporated in 2005 in Delaware. The company was formerly known as Appliance Computing Inc. and changed its name to Redfin Corporation in 2006. Redfin Corporation operates as a residential real estate brokerage company.

The company operates an online real estate marketplace and provides real estate services, including assisting individuals in the purchase or sale of their residential property. The company also provides title and settlement services, originates and sells mortgages, and buys and sells residential property. The company operates in approximately 80 markets across 40 states and Washington, D.C.

The company also contracts with independent associate agents to create a network of licensed real estate agents to deliver service for customer tours, open houses, and inspections. The company has developed partnerships with approximately 3,200 agents at other brokerages.

In 2017, the company began offering an experimental new service called Redfin Now, where the company buys homes directly from home sellers. The company offers Redfin Now to various customers in two markets.

The company develops new services. In 2017, the company began originating and underwriting mortgage loans for customers in Texas through its wholly owned subsidiary, Redfin Mortgage LLC (Redfin Mortgage). Redfin Mortgage expanded its operations to Illinois, Pennsylvania, Virginia, and Washington D.C. Redfin Mortgage funds its loans using its warehouse credit facilities, intending to sell all loans to third-party financial institutions after a holding period.

Redfin Mortgage funds its loans using two separate warehouse credit facilities, each with a loan limitation of \$10.0 million. Redfin Mortgage intends to sell every loan to third-party investors pursuant to existing correspondent relationships. Redfin Mortgage offers both conventional conforming and jumbo loans, with both fixed and adjustable interest rate products available.

As of December 31, 2017, the company owned 13 U.S. patents, which expire between 2026 and 2036; and had 14 U.S. patent applications and one Canadian patent application. As of December 31, 2017, the company owned 21 U.S. and two Canadian trademark registrations, including Redfin, Redfin Estimate, Walk Score, Title Forward, and related logos and designs. The company also owns various domain names, including Redfin, WalkScore, the company's other trademarks, and similar variations.

### **3.2.6.3 CoStar Group, Inc.**

CoStar Group, Inc., a Delaware corporation, was founded in 1987. CoStar Group, Inc. provides information, analytics and online marketplaces to the commercial real estate industry in the United States (U.S.) and the United Kingdom (U.K.).

The company's service offerings span various commercial property types, including office, retail, industrial, multifamily, commercial land, mixed-use and hospitality. It manages its business geographically in two operating segments, with its primary areas of measurement and decision-making being North America, which includes the U.S. and Canada; and International, which includes the U.K., Spain, Germany and France.

The company delivers its commercial real estate information content to its U.S. customers primarily through an integrated suite of online service offerings that includes information about space available for lease, comparable sales information, information about properties for sale, tenant information, Internet marketing services, analytical capabilities, information for clients' Websites, information about industry professionals and their business relationships, data integration and industry news. It also operates complementary online marketplaces for commercial real estate listings and apartment rentals. The company focuses to cross-sell its services to its customers and to upsell services that might suit their needs. It has five major brands, which include CoStar, LoopNet, Apartments.com, BizBuySell and LandsofAmerica.

The company's suite of information, analytics and online marketplaces is branded and marketed to its customers. Its services are primarily derived from a database of building-specific information and offer customers specialized tools for accessing, analysing and using its information. In addition, the company offers CoStar Investment Analysis Portfolio Maximizer, CoStar Investment Analysis Request, CoStar Real Estate Manager Corporate Edition, and CoStar Real Estate Manager Retail Edition that are real estate management software solutions; CoStar Private Sale Network, which provides clients with custom-designed and branded Websites; and CoStar Brokerage Applications. Further, it offers LoopNet Premium Lister and LoopNet Power Listings for commercial real estate professionals and other customers to market their listings; LoopNet Premium Searcher for members searching for commercial real estate; LoopLink, an online real estate marketing and database services suite; apartment marketing sites, including Apartments.com, ApartmentFinder.com, ForRent.com, ApartmentHomeLiving.com, Apartamentos.com, WestsideRentals.com, and The Screening Pros; LandsofAmerica, LandAndFarm, and LandWatch that are online marketplaces for rural land for sale; and BizBuySell and BizQuest that are online marketplaces for operating businesses for sale.

### **3.2.6.4 Reis, Inc.**

The company was founded in 1980. It was formerly known as Wellsford Real Properties, Inc. and changed its name to Reis, Inc. in 2007. As of October 12, 2018, Reis, Inc. operates as a subsidiary of Moody's Corporation.

Reis, Inc., through its subsidiary, Reis Services, LLC provides commercial real estate market information and analytical tools to real estate professionals in the United States. The company maintains a proprietary database containing information on commercial properties, including apartment, office, retail, warehouse/distribution, flex/research and development, self-storage, and seniors and student housing properties in the metropolitan markets and neighbourhoods.

Its data is used by real estate investors, lenders, and other professionals to make informed buying, selling, and financing decisions; and debt and equity investors to assess, quantify, and manage the risks of default and loss associated with individual mortgages, properties, portfolios, and real estate backed securities.

The company's product portfolio features Reis SE, a flagship delivery platform aimed at larger and mid-sized enterprises; Reis Portfolio CRE and other portfolio support products and services aimed at risk managers and credit administrators at banks and non-bank lending institutions; and ReisReports aimed at prosumers and smaller enterprises.

Its products offer online access to a proprietary database of commercial real estate information and analytical tools designed to facilitate debt and equity transactions, and ongoing asset and portfolio evaluations; and access to market trends and forecasts at metropolitan and neighbourhood levels, as well as building-specific information, such as rents, vacancy rates, lease terms, property sales, new construction listings, property valuation estimates, and property level tax information. The company serves various lending institutions, equity investors, brokers, and appraisers.

### **3.2.6.5 CoreLogic, Inc.**

The company was incorporated in California in 1894 and was reincorporated in Delaware in 2010. It was formerly known as The First American Corporation and changed its name to CoreLogic, Inc. in 2010.

CoreLogic, Inc., together with its subsidiaries, provides property information, insight, analytics, and data-enabled solutions in North America, Western Europe, and the Asia Pacific. The company operates in two segments, Property Intelligence & Risk Management Solutions (PIRM) and Underwriting & Workflow Solutions (UWS).

The PIRM segment combines property information, mortgage information, and consumer information to deliver housing market and property-level insights, predictive analytics, and risk management capabilities. This segment also offers proprietary technology and software platforms to access, automate, or track this information and assist its clients with decision-making and compliance tools in the real estate industry, insurance industry, and the single and multifamily industry. It primarily serves commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, MLS companies, property and casualty insurance companies, title insurance companies, government agencies, and government-sponsored enterprises.

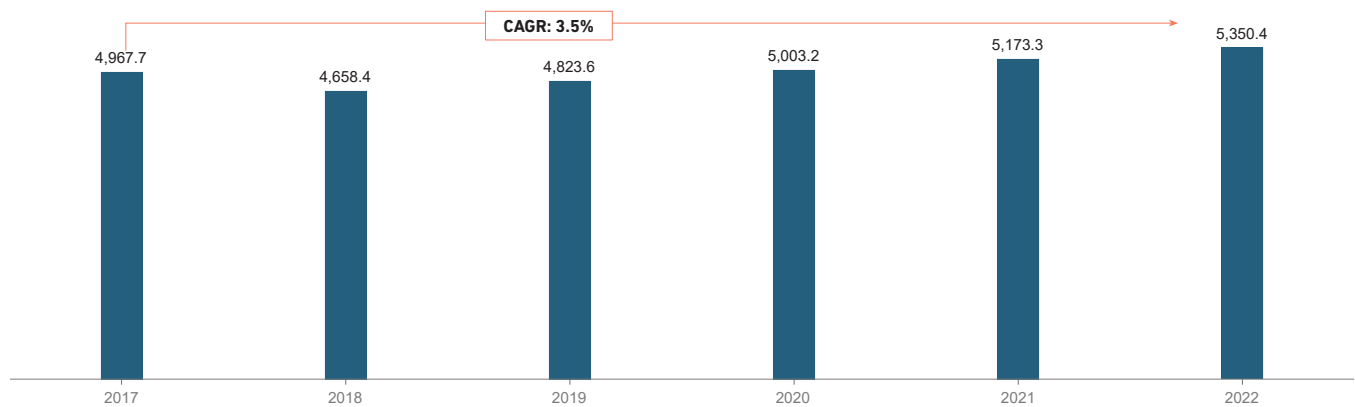
The UWS segment combines property information, mortgage information, and consumer information to provide comprehensive mortgage origination and monitoring solutions, including underwriting-related solutions, and data-enabled valuations and appraisals. This segment also provides proprietary technology and software platforms to access, automate, or track this information and assist its clients with vetting and on boarding prospects, and meeting compliance regulations, as well as understanding, diagnosing, and monitoring property

values. It primarily serves mortgage lenders and servicers, credit unions, commercial banks, fixed-income investors, government agencies, and property and casualty insurance companies.

### 3.2.7 Outlook

The global real estate industry is expected to increase from \$4.50 trillion in 2017 to \$5.35 trillion in 2022, expanding at a CAGR of 3.5%.

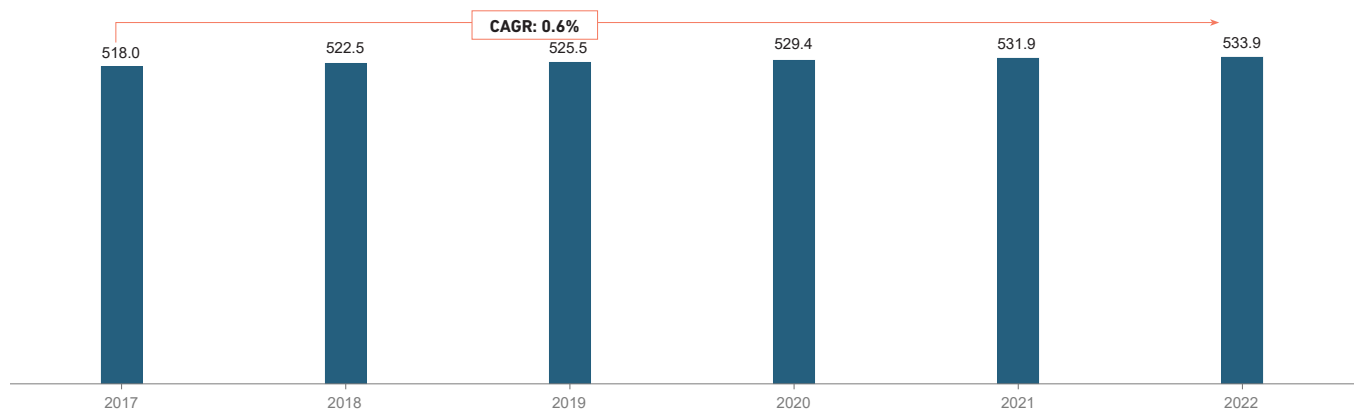
#### Global Real Estate Market (\$ billion)



Source: Global – Real Estate, Marketline, April 2018

In terms of transactions volume, the global real estate industry is expected to increase from 518 million housing units to 533.9 million housing units, expanding at a CAGR of 0.6%.

#### Global Real Estate Market (million housing units)



Source: Global – Real Estate, Marketline, April 2018

### 3.2.8 Series A investments in the real estate technology industry in 2018

Given below are few companies that have received **series A** funding in the real estate technology industry in 2018:

| Company                             | Description  | Deal date | Deal size (USD mn) | Post-money valuation (USD mn) |
|-------------------------------------|--|-----------|--------------------|-------------------------------|
| Spruce (Insurance Service Platform) | Operator of a mortgage insurance platform intended to offer insurance products to real estate purchasers. The company's platform integrates with lenders to provide title insurance and escrow services that radically simplify and enhance the real estate closing process, enabling clients to replace decades-old practices and get modern partners in the mortgage process, creating a one-stop shop for a smoother closing. | 17-Jul-18 | 15.58              | 70.58                         |
| Bungalow                            | Operator of a residential real estate platform providing people with houses and roommates. The company takes care of everything from matching roommates and furnishing a home's common areas to streamlining rent and utilities payments and handling service requests, enabling users to rent without the usual rental frictions and difficulties.  | 23-Aug-18 | 64.00              | 69.00                         |
| FlyHomes                            | Provider of a full-service non-traditional real estate brokerage and technology platform focused on re-imagining home buying and selling. The company's disruptive platform offers segmented expertise and a cash offer to advance payment in cash to the seller, enabling buyers more time to shop for lower rates from lenders and the ability to buy the home they want.  | 31-May-18 | 17.00              | 67.00                         |
| CREXi                               | Provider of an online portal intended to help in commercial real estate searches. The company's online portal provides details of available properties, structured property listing and sales process, simplified deal management software, analytics and reporting, helps in submitting deals and ensure exposure, enabling buyers, brokers and owners to sell and buy properties.  | 21-May-18 | 11.00              | 51.00                         |

| Company     | Description   | Deal date | Deal size (USD mn) | Post-money valuation (USD mn) |
|-------------|---|-----------|--------------------|-------------------------------|
| Lyric       | Operator of an online pricing platform designed to offer vacation and short-term rentals on Airbnb, VRBO and HomeAway. The company's online pricing platform finds events and determines how to price them, analyses home performance in comparison to nearby similar listings as well as visualizes how neighbours are booking on any given day, enabling individuals to create a pricing strategy that suits their needs, homes and guests.   | 20-Feb-18 | 15.50              | 45.50                         |
| Door        | Provider of a next-generation residential real estate transaction platform designed to improve operating capabilities and provide a better experience across multiple points of the residential value chain. The company's platform offers clear visibility of the transactions, as well as specialized agents to guide through the process and close the transaction for a flat fee, enabling users to simplify the process of buying or selling their home and save money.  | 16-Mar-18 | 8.80               | 43.80                         |
| Zeus Living | Developer of a property management platform designed to rent furnished housing estates. The company's property management platform with state of art technology enables start-ups, students and companies to focus on their growing portfolios while earning more money from existing properties without any hassle.  | 30-Aug-18 | 11.50              | 41.50                         |
| HubHaus     | Provider of a shared community platform created to solve the challenges of co-living management and make it easy for professionals to find community in shared housing. The company's housing community offers a holistic service for setting people up in co-living spaces, from creating welcoming homes in neighbourhoods people want to live in, setting up Wi-Fi and utilities to furnishing the place and finding suitable tenants to share with, enabling young, urban and mobile professionals to discover shared housing with other people who share common interests. | 14-Mar-18 | 10.00              | 40.00                         |

| Company        | Description   | Deal date | Deal size (USD mn) | Post-money valuation (USD mn) |
|----------------|---|-----------|--------------------|-------------------------------|
| The Riveter    | Provider of a shared workspace community and office services created to value and empower women-owned businesses. The company's shared workspace community includes individual office spaces, floating desk, dedicated desk, private office, fitness studios, meditation rooms, retail space, among others, enabling women to run their businesses with ease having proper office services as well as a curated wellness experience.  | 11-Dec-18 | 15.00              | 40.00                         |
| Juniper Square | Developer of an investment management software intended to transform the real estate investment experience. The company's software saves time and money on back-office accounting activities, as well as reduces errors and eliminates data silos, enabling clients to improve productivity and avail enhanced digital investment experience.   | 31-Jan-18 | 6.00               | 40.00                         |
| Airsorted      | Provider of an Airbnb homestay management platform designed to make listing a hassle free process. The company's platform automates substantial parts of the property letting, price optimizations, marketing and management aspects of guest bookings made on notable travel websites including Airbnb, Expedia, Booking.com and HomeAway, enabling homeowners to make more money by helping them achieve the optimal blend of rental yield and stress free customer service.          | 13-Mar-18 | 6.15               | 36.18                         |
| RealMassive    | Provider of a cloud-based marketing platform intended to offer commercial real estate information. The company's platform provides a source for real-time commercial real estate information and helps to collaborate and streamline the marketing efforts while gaining insight into the performance of the space and buildings, enabling commercial real estate professionals to browse retail, office and industrial space options for any size of business in a hassle free manner. | 01-Aug-18 | 13.50              | 35.00                         |

Source: D&B database and analysis



It is important to note that the businesses of the above companies may not be the same as Koloxo's. Koloxo's property listing vertical aims to be a marketplace for owners and potential tenants of properties available for rent. The above companies may be in other businesses within the real estate technology industry.



# Financial Projections

## 4 Financial Projections

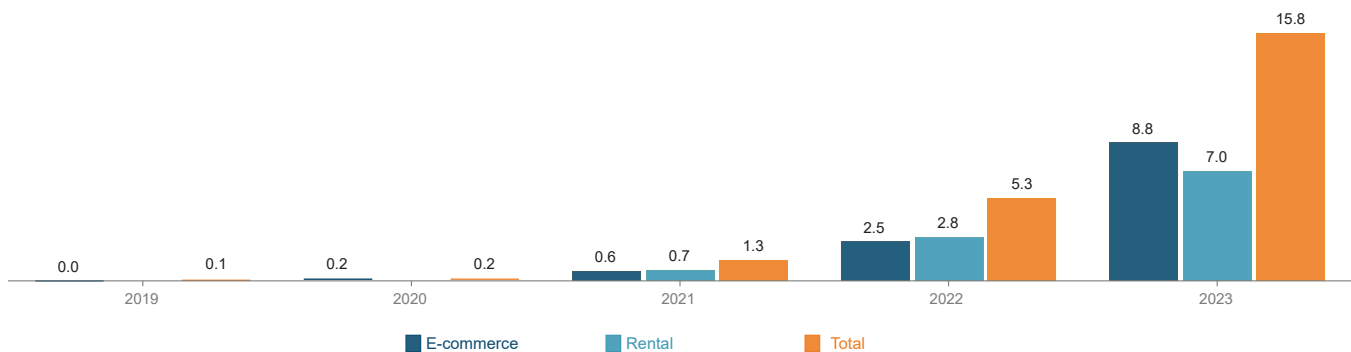
During the course of developing the financial projections, limited reviews, inquiries, discussions and analysis were conducted, which were deemed appropriate for this valuation analysis. The review and analysis include, but are not limited to, the following:

- High-level secondary research on the industries in which Koloxo operates
- Research and analysis of financial data available from public sources of certain public companies operating in the same or similar industries, which, in our opinion, are comparable to the Company
- Review and analysis of certain other available Company documents, industry statistics, forecasts, and studies

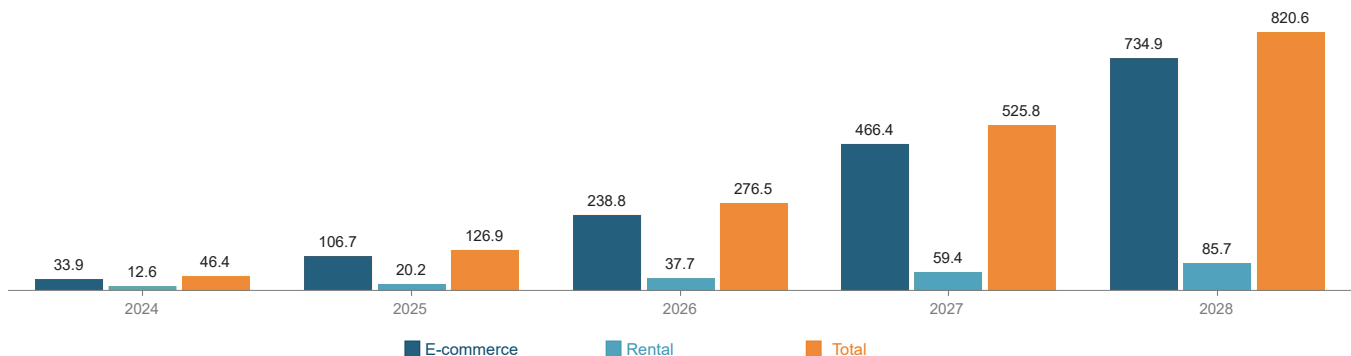
Each of these assumptions has been explained below.

The net revenue by vertical has been summarised below:

**Consolidated net revenue (in € millions)**



**Consolidated net revenue (in € millions)**



## 4.1 Net revenue–e-commerce vertical

The e-commerce vertical lists products on its platform, i.e., website and mobile application, to sell these to retail consumers. Before listing products, Koloxo enters into agreements with various manufacturers and thereafter purchases the products from them. By doing so, Koloxo is the only intermediary between the manufacturer and the end-user, thus reducing the number of intermediaries. Due to this, Koloxo is able to sell products at a lower price than its competitors.

### 4.1.1 Gross Merchandise Value (GMV)

Gross merchandise value indicates the total sales in dollar value for merchandise sold through an online marketplace over a period of time. Net revenue is arrived after deducting cost of products and other fees & commission from the GMV.

GMV is the number of items sold to customers multiplied by the sales price charged per item. For example, if an organisation sells 10 items at \$100 per item, the GMV is \$1,000. If the business is based on a retail model, i.e., the organisation purchases the items, maintains inventory (if required) and finally sells the items to the customer, the GMV is also known as 'gross revenue'. In this case, the GMV does not provide any insight on net sales as the GMV does not include discounts, costs involved and product returns.

#### 4.1.1.1 GMV by product category

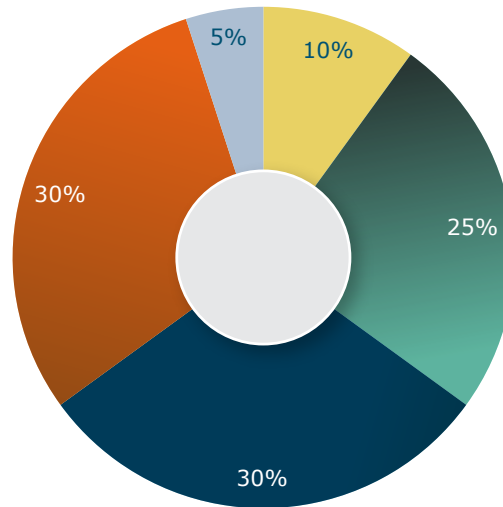
Koloxo plans to have 5 product categories: baby products, fashion and jewellery, electronics, cosmetics and groceries. While the cost of one item under grocery could be as low as €2.00, the Company expects that a grocery cart would be worth an average €11.95. This is because if the total price of the order is below a specific amount, the Company would charge a heavy transportation fee. Similarly, the average gross selling price (or GMV) per transaction by product category is as follows.

| Product category      | GMV per transaction |
|-----------------------|---------------------|
| Baby products         | €28.68              |
| Fashion and jewellery | €59.74              |
| Electronics           | €143.39             |
| Cosmetics             | €35.85              |
| Groceries             | €11.95              |

#### 4.1.1.2 Proportion of transactions by product category

Koloxo expects maximum transactions in electronics and cosmetic products. The proportion of number of transactions in each product category is as follows:

**Proportion of transactions by product category**



■ Baby Products    
 ■ Fashion and jewellery    
 ■ Electronics    
 ■ Cosmetics    
 ■ Groceries

#### 4.1.1.3 Weighted average GMV per transaction

The expected weighted average GMV per transaction is arrived at by using the GMV per transaction and the proportion of transactions by product category as follows:

| Product category                            | GMV per transaction | Proportion of transactions | Weighted average GMV per transaction |
|---|---------------------|----------------------------|--------------------------------------|
| Baby products                               | €28.68              | 10%                        | €2.87                                |
| Fashion and jewellery                       | €59.74              | 25%                        | €14.94                               |
| Electronics                                 | €143.39             | 30%                        | €43.02                               |
| Cosmetics                                   | €35.85              | 30%                        | €10.75                               |
| Groceries                                   | €11.95              | 5%                         | €0.60                                |
| Weighted average <b>GMV</b> per transaction |                     |                            | <b>€72.17</b>                        |

#### 4.1.1.4 Number of transactions

The number of transactions is expected to be 8,429 in 2019. It is expected to increase to 134.44 million in 2028. The number of transactions is arrived at by building up forecasts for each target country and continent

For the purpose of arriving at the number of transactions, the following inputs were used for each country/continent:

- Population
- Population using internet
- Annual online spend per customer
- Market obtained by Koloxo
- Average spend per transaction
- Population growth
- Number of online buyers
- Cross-border e-commerce market
- Annual spend per Koloxo customer

The expected number of transactions by country is as follows:

(‘000s)

| Country        | 2019     | 2020      | 2021       | 2022       | 2023         | 2024         | 2025          | 2026          | 2027          | 2028           |
|----------------|----------|-----------|------------|------------|--------------|--------------|---------------|---------------|---------------|----------------|
| Spain          | 1        | 2         | 5          | 15         | 77           | 232          | 621           | 1,555         | 3,895         | 6,244          |
| UAE            | 1        | 3         | 7          | 34         | 68           | 345          | 700           | 2,129         | 4,678         | 7,298          |
| Saudi Arabia   | 1        | 1         | 4          | 14         | 51           | 222          | 756           | 1,543         | 4,720         | 8,024          |
| Australia      | 1        | 1         | 4          | 15         | 67           | 226          | 688           | 1,553         | 3,945         | 6,412          |
| Oman           | 0        | 1         | 2          | 5          | 25           | 132          | 277           | 580           | 1,215         | 2,067          |
| Brazil         | 0        | 2         | 4          | 21         | 83           | 209          | 842           | 2,122         | 3,209         | 4,312          |
| US             | 2        | 4         | 8          | 42         | 149          | 429          | 2,159         | 4,349         | 8,758         | 15,435         |
| Canada         | 1        | 2         | 3          | 10         | 40           | 153          | 516           | 1,045         | 2,116         | 4,282          |
| India          | 1        | 3         | 8          | 52         | 132          | 532          | 1,345         | 2,720         | 5,499         | 9,729          |
| Pakistan       | -        | 1         | 2          | 8          | 32           | 82           | 334           | 853           | 1,305         | 1,774          |
| UK             | -        | 3         | 8          | 31         | 78           | 391          | 1,572         | 2,373         | 4,774         | 9,605          |
| Egypt          | -        | 1         | 2          | 8          | 34           | 86           | 351           | 894           | 1,367         | 1,857          |
| China          | -        | 13        | 25         | 63         | 255          | 642          | 2,584         | 6,500         | 13,078        | 19,735         |
| Rest of Asia   | -        | -         | 8          | 34         | 86           | 346          | 872           | 2,639         | 5,325         | 8,955          |
| Rest of Africa | -        | -         | 8          | 32         | 165          | 846          | 2,601         | 6,221         | 8,200         | 12,143         |
| Rest of Europe | -        | -         | 13         | 66         | 264          | 1,321        | 3,305         | 6,615         | 13,241        | 16,564         |
| <b>Total</b>   | <b>8</b> | <b>36</b> | <b>111</b> | <b>450</b> | <b>1,606</b> | <b>6,194</b> | <b>19,524</b> | <b>43,690</b> | <b>85,323</b> | <b>134,436</b> |

Refer to Annexure 6.1 to understand the calculation of number of transactions by region.

The number of transactions is expected to be the highest in China, at 19.73 million, by 2028. This is primarily because China is one of the largest e-commerce markets in the world. Rest of Europe is expected to have the second highest number of transactions, at 16.56 million, by 2028.

The expected number of transactions by product category is as follows:

(‘000s)

| Product category      | 2019     | 2020      | 2021       | 2022       | 2023         | 2024         | 2025          | 2026          | 2027          | 2028           |
|-----------------------|----------|-----------|------------|------------|--------------|--------------|---------------|---------------|---------------|----------------|
| Baby products         | 1        | 4         | 11         | 45         | 161          | 619          | 1,952         | 4,369         | 8,532         | 13,444         |
| Fashion and jewellery | 2        | 9         | 28         | 113        | 401          | 1,548        | 4,881         | 10,922        | 21,331        | 33,609         |
| Electronics           | 3        | 11        | 33         | 135        | 482          | 1,858        | 5,857         | 13,107        | 25,597        | 40,331         |
| Cosmetics             | 3        | 11        | 33         | 135        | 482          | 1,858        | 5,857         | 13,107        | 25,597        | 40,331         |
| Groceries             | 0        | 2         | 6          | 23         | 80           | 310          | 976           | 2,184         | 4,266         | 6,722          |
| <b>Total</b>          | <b>8</b> | <b>36</b> | <b>111</b> | <b>450</b> | <b>1,606</b> | <b>6,194</b> | <b>19,524</b> | <b>43,690</b> | <b>85,323</b> | <b>134,436</b> |

#### 4.1.1.5 Gross Merchandise Value

The GMV expected to be achieved for each country/continent was arrived at by multiplying the number of transactions per country with the weighted average selling price per transaction. The GMV expected for 2019 is €0.61 million. It is expected to rise to €9.70 billion by 2028. The expected country-wise GMV is as follows:

(in € millions)

| Country        | 2019     | 2020     | 2021     | 2022      | 2023       | 2024       | 2025         | 2026         | 2027         | 2028         |
|----------------|----------|----------|----------|-----------|------------|------------|--------------|--------------|--------------|--------------|
| Spain          | 0        | 0        | 0        | 1         | 6          | 17         | 45           | 112          | 281          | 451          |
| UAE            | 0        | 0        | 0        | 2         | 5          | 25         | 51           | 154          | 338          | 527          |
| Saudi Arabia   | 0        | 0        | 0        | 1         | 4          | 16         | 55           | 111          | 341          | 579          |
| Australia      | 0        | 0        | 0        | 1         | 5          | 16         | 50           | 112          | 285          | 463          |
| Oman           | 0        | 0        | 0        | 0         | 2          | 10         | 20           | 42           | 88           | 149          |
| Brazil         | 0        | 0        | 0        | 1         | 6          | 15         | 61           | 153          | 232          | 311          |
| US             | 0        | 0        | 1        | 3         | 11         | 31         | 156          | 314          | 632          | 1,114        |
| Canada         | 0        | 0        | 0        | 1         | 3          | 11         | 37           | 75           | 153          | 309          |
| India          | 0        | 0        | 1        | 4         | 9          | 38         | 97           | 196          | 397          | 702          |
| Pakistan       | -        | 0        | 0        | 1         | 2          | 6          | 24           | 62           | 94           | 128          |
| UK             | -        | 0        | 1        | 2         | 6          | 28         | 113          | 171          | 345          | 693          |
| Egypt          | -        | 0        | 0        | 1         | 2          | 6          | 25           | 65           | 99           | 134          |
| China          | -        | 1        | 2        | 5         | 18         | 46         | 187          | 469          | 944          | 1,424        |
| Rest of Asia   | -        | -        | 1        | 2         | 6          | 25         | 63           | 190          | 384          | 646          |
| Rest of Africa | -        | -        | 1        | 2         | 12         | 61         | 188          | 449          | 592          | 876          |
| Rest of Europe | -        | -        | 1        | 5         | 19         | 95         | 239          | 477          | 956          | 1,195        |
| <b>Total</b>   | <b>1</b> | <b>3</b> | <b>8</b> | <b>32</b> | <b>116</b> | <b>447</b> | <b>1,409</b> | <b>3,153</b> | <b>6,158</b> | <b>9,702</b> |

Refer to Annexure 6.1 to understand the calculation of GMV by region.

The GMV expected to be achieved for each product category was arrived at by multiplying the number of transactions per product category with the average selling price per transaction for each product category. The expected GMV achieved by product category is as follows:

(in € millions)

| Product category      | 2019     | 2020     | 2021     | 2022      | 2023       | 2024       | 2025         | 2026         | 2027         | 2028         |
|-----------------------|----------|----------|----------|-----------|------------|------------|--------------|--------------|--------------|--------------|
| Baby products         | 0        | 0        | 0        | 1         | 5          | 18         | 56           | 125          | 245          | 386          |
| Fashion and jewellery | 0        | 1        | 2        | 7         | 24         | 93         | 292          | 653          | 1,274        | 2,008        |
| Electronics           | 0        | 2        | 5        | 19        | 69         | 266        | 840          | 1,879        | 3,670        | 5,783        |
| Cosmetics             | 0        | 0        | 1        | 5         | 17         | 67         | 210          | 470          | 918          | 1,446        |
| Groceries             | 0        | 0        | 0        | 0         | 1          | 4          | 12           | 26           | 51           | 80           |
| <b>Total</b>          | <b>1</b> | <b>3</b> | <b>8</b> | <b>32</b> | <b>116</b> | <b>447</b> | <b>1,409</b> | <b>3,153</b> | <b>6,158</b> | <b>9,702</b> |

## 4.1.2 Net revenue

Net revenue refers to the GMV net of all procurement and selling costs. Procurement cost includes the cost of items purchased from the manufacturer and the cost incurred to bring the items to Koloxo's warehouse. Selling costs include logistics cost to send the item to the customer and any discounts given to the customer on the final selling price of the product.

The net revenue for the Company is arrived at by applying a percentage to the GMV based on the product category.

### 4.1.2.1 Net revenue as a percentage of GMV

The expected net revenue as a percentage of GMV by product category is as follows:

| Product category   | Percentage (Annual transactions < 7,200) | Percentage (Annual transactions > 7,200) |
|--|--|--|
| Baby products  | (10%)                                    | 10%                                      |
| Fashion and jewellery                                      | 0%                                       | 20%                                      |
| Electronics  | (20%)                                    | 0%                                       |
| Cosmetics  | 0%                                       | 20%                                      |
| Groceries  | (13%)                                    | 7%                                       |
| <b>Weighted average net revenue as a percentage of GMV</b> | <b>(13.43%)</b>                          | <b>7.57%</b>                             |

When the annual number of transactions is less than 7,200, the percentage of GMV is expected to be 20% (on absolute terms) vis-à-vis when the annual number of transactions is more than 7,200. This is because of the higher cost of logistics. When the number of transactions increases, Koloxo expects to receive a volume discount from logistics vendors.



However, the number of transactions processed by Koloxo in each of the forecasted years is greater than 7,200. Therefore, the revenue as a percentage of GMV each year stands at 7.57%.

In electronics, Koloxo does not expect to earn any net revenue. This is due to competition in the product category. Many consumers prefer to purchase electronic items from trusted offline retailers. This is because offline retailers offer a bundle of services with the product, including installation and service. Even though Koloxo does not expect to earn revenue in the electronics category, it plans to sell electronics because it aims to become a one-stop shop for all kinds of products.

Koloxo expects the highest net revenue as a percentage of GMV of 20% in the fashion, jewellery and cosmetics segment.

Gross margins and net revenues of four companies, namely Amazon, eBay, MercadoLibre and JD.com and were analysed for the first 10 years from their respective listing dates. This exercise was done to validate the weighted average net revenue as a percentage of GMV.

Amazon's gross margin for the period ranged from 17.7% to 25.6%. During the period, Amazon sold products as a retailer as well as a marketplace where third parties could list their products on Amazon's platform. As a marketplace, Amazon would only receive a commission on the sale of products. Commission is shown as an income; no direct costs are shown with respect to this revenue. Therefore, Amazon's gross margins as a retailer are believed to be lower than the gross margins of the company as a whole. Also, Amazon has been the largest company in the e-commerce industry and is therefore able to command a higher price on most of its products.

eBay's commission rate as a percentage of GMV earned during this period ranged from 7.3% to 11.6%. eBay is only a marketplace that sells third-party products worldwide. It was founded in 1995 and has global operations. It is therefore able to command high margins on its products.

MercadorLibre's commission rate as a percentage of GMV earned during this period ranged from 4.5% to 6.5%. MercadoLibre is only a marketplace selling third-party products in Latin America. It was founded in 1999 and has operations only in Latin America, where it is a market leader. However, to compete with larger players such as Amazon, MercadorLibre uses a competitive pricing strategy. Therefore, the commission rates it earns are very low.

JD.com's gross margin as a percentage of GMV during this period ranged from 1.0% to 2.6%. The company is a retailer as well as a marketplace that sells third-party products in China. It is primarily focused in the electronics segment. JD.com has approximately 55% share in China's e-commerce market. As the company is focused in the electronics market and competes with Alibaba in China, its margins are quite low.

Based on the above analysis, Koloxo's net revenue as a percentage of GMV should be much lower than Amazon's gross margin as Amazon is the largest player in the industry. Amazon's other businesses should also be considered and gross margins should be discounted further.

eBay and MercadoLibre act as marketplaces. They do not take on inventory risk. Therefore, Koloxo's net revenue as a percentage of GMV should be higher than these two companies. However, as eBay is well established in

the market and has an operating history since 1995, Koloxo's net revenue as a percentage of GMV should be close to eBay's commission rate.

JD.com only operates in China where it faces tough competition from Alibaba. Furthermore, the company is highly focussed on the electronics segment, which is a low-margin business. Therefore, Koloxo's net revenue as a percentage of GMV should be higher than JD.com's gross margin.

Based on the above analysis, the normalized weighted net revenue as a percentage of GMV of 7.57% is considered to be appropriate.

#### 4.1.2.2 Net revenue

The expected net revenue is arrived at by applying the net revenue as a percentage of GMV to the GMV. The country-wise net revenue is as follows:

(in € millions)

| Country        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024         | 2025          | 2026          | 2027          | 2028          |
|----------------|-------------|-------------|-------------|-------------|-------------|--------------|---------------|---------------|---------------|---------------|
| Spain          | 0.00        | 0.01        | 0.03        | 0.08        | 0.42        | 1.27         | 3.39          | 8.50          | 21.29         | 34.13         |
| UAE            | 0.01        | 0.01        | 0.04        | 0.18        | 0.37        | 1.89         | 3.83          | 11.64         | 25.57         | 39.90         |
| Saudi Arabia   | 0.00        | 0.01        | 0.02        | 0.08        | 0.28        | 1.22         | 4.13          | 8.43          | 25.80         | 43.87         |
| Australia      | 0.00        | 0.01        | 0.02        | 0.08        | 0.36        | 1.23         | 3.76          | 8.49          | 21.56         | 35.05         |
| Oman           | 0.00        | 0.01        | 0.01        | 0.03        | 0.14        | 0.72         | 1.51          | 3.17          | 6.64          | 11.30         |
| Brazil         | 0.00        | 0.01        | 0.02        | 0.11        | 0.45        | 1.14         | 4.60          | 11.60         | 17.54         | 23.57         |
| US             | 0.01        | 0.02        | 0.05        | 0.23        | 0.81        | 2.34         | 11.80         | 23.77         | 47.88         | 84.37         |
| Canada         | 0.00        | 0.01        | 0.02        | 0.05        | 0.22        | 0.84         | 2.82          | 5.71          | 11.57         | 23.41         |
| India          | 0.01        | 0.01        | 0.04        | 0.28        | 0.72        | 2.91         | 7.35          | 14.87         | 30.06         | 53.18         |
| Pakistan       | -           | 0.00        | 0.01        | 0.04        | 0.18        | 0.45         | 1.83          | 4.66          | 7.13          | 9.70          |
| UK             | -           | 0.02        | 0.04        | 0.17        | 0.42        | 2.14         | 8.60          | 12.97         | 26.10         | 52.50         |
| Egypt          | -           | 0.00        | 0.01        | 0.05        | 0.18        | 0.47         | 1.92          | 4.89          | 7.47          | 10.15         |
| China          | -           | 0.07        | 0.14        | 0.35        | 1.40        | 3.51         | 14.13         | 35.53         | 71.49         | 107.88        |
| Rest of Asia   | -           | -           | 0.05        | 0.19        | 0.47        | 1.89         | 4.77          | 14.43         | 29.11         | 48.95         |
| Rest of Africa | -           | -           | 0.04        | 0.18        | 0.90        | 4.62         | 14.22         | 34.01         | 44.82         | 66.38         |
| Rest of Europe | -           | -           | 0.07        | 0.36        | 1.44        | 7.22         | 18.07         | 36.16         | 72.38         | 90.55         |
| <b>Total</b>   | <b>0.05</b> | <b>0.20</b> | <b>0.61</b> | <b>2.46</b> | <b>8.78</b> | <b>33.86</b> | <b>106.73</b> | <b>238.83</b> | <b>466.42</b> | <b>734.90</b> |

The expected net revenue by product category is as follows:

(in € millions)

| Product category      | 2019        | 2020        | 2021        | 2022        | 2023        | 2024         | 2025          | 2026          | 2027          | 2028          |
|-----------------------|-------------|-------------|-------------|-------------|-------------|--------------|---------------|---------------|---------------|---------------|
| Baby products         | 0.00        | 0.01        | 0.03        | 0.13        | 0.46        | 1.78         | 5.60          | 12.53         | 24.47         | 38.55         |
| Fashion and jewellery | 0.03        | 0.11        | 0.33        | 1.34        | 4.80        | 18.50        | 58.32         | 130.51        | 254.88        | 401.59        |
| Electronics           | -           | -           | -           | -           | -           | -            | -             | -             | -             | -             |
| Cosmetics             | 0.02        | 0.08        | 0.24        | 0.97        | 3.45        | 13.32        | 41.99         | 93.97         | 183.51        | 289.14        |
| Groceries             | 0.00        | 0.00        | 0.00        | 0.02        | 0.07        | 0.26         | 0.82          | 1.83          | 3.57          | 5.62          |
| <b>Total</b>          | <b>0.05</b> | <b>0.20</b> | <b>0.61</b> | <b>2.46</b> | <b>8.78</b> | <b>33.86</b> | <b>106.73</b> | <b>238.83</b> | <b>466.42</b> | <b>734.90</b> |

## 4.2 Gross margin – property listing vertical

Koloxo is developing a website to facilitate renting of household properties. The website under development is expected to be a marketplace for owners wishing to put up properties for rent and potential tenants. The website is expected to list properties available for rent. Potential tenants would be able to search for properties on the platform and rent these. Koloxo plans to serve 18 countries by 2020, after which it plans to expand to the rest of the world.

The revenue figure has been built up by arriving at the number of transactions expected through the platform and the number of listings on the platform. The expected number of transactions and listings were arrived at by estimating market size in each country using the following inputs:

- Population
- Urban population
- Percentage of rental households
- Percentage of transactions processed by competitors
- Population growth
- Average population per household
- Vacancy rate
- Market share obtained by Koloxo

The Company plans to generate revenue from two sources: advertising and transactional revenue.

### 4.2.1 Advertising revenue

Advertising revenue refers to fees charged for display of advertisements on the Company's website. This revenue is considered to be driven by the number of property listings on the website. As the number of properties listed on the website increases, the website would become more popular, thus attracting advertisers to use Koloxo's website for advertising.

#### 4.2.1.1 Advertising revenue per listing

Koloxo is not expected to generate any advertising revenue in 2019 and 2020 as the website is not expected to be very popular by then. Advertising revenue generated per listing is estimated to be **€4.1580** and **€6.6529** in 2021 and 2022, respectively. From 2023, the Company is expected to generate **€8.3161** per listing.

#### 4.2.1.2 Number of listings

The number of listings expected country-wise each year is as follows:

(‘000s)

| Country        | 2019       | 2020        | 2021         | 2022         | 2023         | 2024           | 2025           | 2026           | 2027           | 2028           |
|----------------|------------|-------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Saudi Arabia   | 0.6        | 3.3         | 10.1         | 20.6         | 35.0         | 53.5           | 72.8           | 126.2          | 189.3          | 262.7          |
| India          | 1.4        | 6.9         | 20.8         | 35.1         | 70.9         | 107.5          | 144.9          | 219.8          | 370.4          | 524.2          |
| Poland         | 0.3        | 1.7         | 5.0          | 9.9          | 16.6         | 24.9           | 33.2           | 53.1           | 76.3           | 106.1          |
| Brazil         | 1.1        | 4.8         | 14.9         | 37.6         | 56.9         | 76.4           | 134.8          | 194.2          | 274.0          | 394.6          |
| Nigeria        | 0.0        | 0.1         | 0.4          | 0.9          | 2.7          | 9.3            | 28.7           | 73.5           | 125.7          | 206.4          |
| Turkey         | -          | 0.8         | 3.9          | 11.9         | 24.2         | 41.0           | 62.4           | 118.2          | 188.6          | 261.0          |
| China          | -          | 3.0         | 15.0         | 45.8         | 77.7         | 158.0          | 241.1          | 457.7          | 664.9          | 1,014.3        |
| Israel         | -          | 0.2         | 1.0          | 3.0          | 6.1          | 10.4           | 15.9           | 30.3           | 46.4           | 67.5           |
| Russia         | -          | 0.7         | 3.3          | 10.0         | 20.0         | 33.4           | 50.1           | 93.7           | 147.4          | 201.1          |
| Spain          | -          | 0.8         | 3.9          | 11.8         | 23.7         | 39.6           | 59.5           | 111.3          | 167.3          | 239.5          |
| Panama         | -          | 0.1         | 0.3          | 1.1          | 2.1          | 3.6            | 5.5            | 10.4           | 15.9           | 23.1           |
| Canada         | -          | 1.1         | 5.7          | 17.2         | 34.9         | 58.8           | 89.3           | 168.8          | 256.2          | 370.3          |
| US             | -          | 4.7         | 23.9         | 72.2         | 145.4        | 244.1          | 393.2          | 692.9          | 1,096.5        | 1,505.7        |
| Mexico         | -          | 1.0         | 5.1          | 15.6         | 31.7         | 53.5           | 86.7           | 153.7          | 244.7          | 338.0          |
| South Africa   | -          | 0.4         | 1.9          | 5.7          | 11.6         | 19.5           | 31.6           | 56.0           | 81.0           | 122.9          |
| Egypt          | -          | 0.1         | 0.3          | 1.5          | 6.3          | 16.0           | 32.7           | 66.7           | 101.9          | 155.7          |
| Ethiopia       | -          | 0.4         | 1.9          | 5.8          | 11.9         | 20.3           | 33.4           | 59.8           | 87.6           | 134.7          |
| Australia      | -          | 0.4         | 1.9          | 5.8          | 11.7         | 19.9           | 32.3           | 57.4           | 83.3           | 126.9          |
| Rest of Asia   | -          | -           | 4.4          | 22.0         | 66.7         | 134.6          | 226.3          | 456.6          | 645.0          | 929.7          |
| Rest of Africa | -          | -           | 3.0          | 15.3         | 47.0         | 96.4           | 164.8          | 337.9          | 519.6          | 710.3          |
| Rest of Europe | -          | -           | 0.1          | 0.2          | 12.1         | 60.6           | 121.3          | 303.5          | 668.2          | 1,033.4        |
| <b>Total</b>   | <b>3.5</b> | <b>30.2</b> | <b>126.9</b> | <b>349.2</b> | <b>715.3</b> | <b>1,281.5</b> | <b>2,060.6</b> | <b>3,841.7</b> | <b>6,050.1</b> | <b>8,728.4</b> |

Refer to Annexure 6.2 to understand the calculation of number of listings.

The number of listings is expected to be the highest in the US, at 1.51 million in 2028. This is primarily due to the high proportion of urban population in the US, which is 82%<sup>19</sup> of the overall population. This significantly increases the market size of this industry. Acquiring a small share of this industry in the US would bring Koloxo a significant share of revenue and a number of listings in the country.

The number of listings in China is expected to be 1.01 million in 2028. This is due to the high population. Although the population of India and China are similar, the number of listings in India is much lower than that in China. This is because India’s urban population and rental household (as a percentage of total households) figures are much less than China’s.

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#### 4.2.1.3 Advertising revenue

Based on the above, the expected advertising revenue country-wise is as follows:

(in € millions)

| Country        | 2019 | 2020 | 2021        | 2022        | 2023        | 2024         | 2025         | 2026         | 2027         | 2028         |
|----------------|------|------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Saudi Arabia   | -    | -    | 0.04        | 0.14        | 0.29        | 0.45         | 0.61         | 1.05         | 1.57         | 2.18         |
| India          | -    | -    | 0.09        | 0.23        | 0.59        | 0.89         | 1.21         | 1.83         | 3.08         | 4.36         |
| Poland         | -    | -    | 0.02        | 0.07        | 0.14        | 0.21         | 0.28         | 0.44         | 0.63         | 0.88         |
| Brazil         | -    | -    | 0.06        | 0.25        | 0.47        | 0.64         | 1.12         | 1.61         | 2.28         | 3.28         |
| Nigeria        | -    | -    | 0.00        | 0.01        | 0.02        | 0.08         | 0.24         | 0.61         | 1.05         | 1.72         |
| Turkey         | -    | -    | 0.02        | 0.08        | 0.20        | 0.34         | 0.52         | 0.98         | 1.57         | 2.17         |
| China          | -    | -    | 0.06        | 0.30        | 0.65        | 1.31         | 2.00         | 3.81         | 5.53         | 8.44         |
| Israel         | -    | -    | 0.00        | 0.02        | 0.05        | 0.09         | 0.13         | 0.25         | 0.39         | 0.56         |
| Russia         | -    | -    | 0.01        | 0.07        | 0.17        | 0.28         | 0.42         | 0.78         | 1.23         | 1.67         |
| Spain          | -    | -    | 0.02        | 0.08        | 0.20        | 0.33         | 0.49         | 0.93         | 1.39         | 1.99         |
| Panama         | -    | -    | 0.00        | 0.01        | 0.02        | 0.03         | 0.05         | 0.09         | 0.13         | 0.19         |
| Canada         | -    | -    | 0.02        | 0.11        | 0.29        | 0.49         | 0.74         | 1.40         | 2.13         | 3.08         |
| US             | -    | -    | 0.10        | 0.48        | 1.21        | 2.03         | 3.27         | 5.76         | 9.12         | 12.52        |
| Mexico         | -    | -    | 0.02        | 0.10        | 0.26        | 0.44         | 0.72         | 1.28         | 2.03         | 2.81         |
| South Africa   | -    | -    | 0.01        | 0.04        | 0.10        | 0.16         | 0.26         | 0.47         | 0.67         | 1.02         |
| Egypt          | -    | -    | 0.00        | 0.01        | 0.05        | 0.13         | 0.27         | 0.55         | 0.85         | 1.30         |
| Ethiopia       | -    | -    | 0.01        | 0.04        | 0.10        | 0.17         | 0.28         | 0.50         | 0.73         | 1.12         |
| Australia      | -    | -    | 0.01        | 0.04        | 0.10        | 0.17         | 0.27         | 0.48         | 0.69         | 1.06         |
| Rest of Asia   | -    | -    | 0.02        | 0.15        | 0.55        | 1.12         | 1.88         | 3.80         | 5.36         | 7.73         |
| Rest of Africa | -    | -    | 0.01        | 0.10        | 0.39        | 0.80         | 1.37         | 2.81         | 4.32         | 5.91         |
| Rest of Europe | -    | -    | 0.00        | 0.00        | 0.10        | 0.50         | 1.01         | 2.52         | 5.56         | 8.59         |
| <b>Total</b>   | -    | -    | <b>0.53</b> | <b>2.32</b> | <b>5.95</b> | <b>10.66</b> | <b>17.14</b> | <b>31.95</b> | <b>50.31</b> | <b>72.59</b> |

## 4.2.2 Transactional revenue

Koloxo plans to charge €1.00 from each party, i.e., the tenant and owner of the property, on each transaction processed through its platform. It would thus generate €2.00 per transaction.

### 4.2.2.1 Number of transactions

The number of transactions expected to be processed by Koloxo is arrived at by applying a discount to the number of listings. This discount is to account for vacancy of properties in the country and the transactions of those properties processed by competitors. The number of transactions expected to be processed by Koloxo is as follows:

(‘000s)

| Country        | 2019       | 2020        | 2021        | 2022         | 2023         | 2024         | 2025           | 2026           | 2027           | 2028           |
|----------------|------------|-------------|-------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| Saudi Arabia   | 0.5        | 2.3         | 7.1         | 14.4         | 24.5         | 37.5         | 51.0           | 88.4           | 132.5          | 183.9          |
| India          | 1.0        | 4.9         | 14.8        | 24.9         | 50.3         | 76.3         | 102.9          | 156.1          | 263.0          | 372.2          |
| Poland         | 0.3        | 1.3         | 4.0         | 8.1          | 13.4         | 20.1         | 26.9           | 43.0           | 61.8           | 86.0           |
| Brazil         | 0.8        | 3.7         | 11.4        | 28.9         | 43.6         | 58.6         | 103.4          | 148.9          | 210.2          | 302.7          |
| Nigeria        | 0.0        | 0.1         | 0.3         | 0.7          | 2.0          | 6.9          | 21.2           | 54.4           | 93.0           | 152.7          |
| Turkey         | -          | 0.5         | 2.4         | 7.4          | 15.0         | 25.4         | 38.7           | 73.3           | 116.9          | 161.8          |
| China          | -          | 1.9         | 9.5         | 28.9         | 48.9         | 99.6         | 151.9          | 288.3          | 418.9          | 639.0          |
| Israel         | -          | 0.2         | 0.8         | 2.4          | 5.0          | 8.5          | 12.9           | 24.6           | 37.6           | 54.7           |
| Russia         | -          | 0.5         | 2.5         | 7.4          | 14.9         | 24.9         | 37.4           | 69.8           | 109.8          | 149.9          |
| Spain          | -          | 0.4         | 2.0         | 5.9          | 11.9         | 19.8         | 29.8           | 55.7           | 83.7           | 119.8          |
| Panama         | -          | 0.1         | 0.3         | 0.8          | 1.6          | 2.8          | 4.2            | 8.0            | 12.3           | 17.8           |
| Canada         | -          | 0.9         | 4.6         | 14.0         | 28.4         | 47.8         | 72.6           | 137.2          | 208.3          | 301.1          |
| US             | -          | 3.7         | 18.5        | 56.0         | 112.7        | 189.1        | 304.7          | 537.0          | 849.8          | 1,166.9        |
| Mexico         | -          | 0.7         | 3.6         | 10.9         | 22.0         | 37.2         | 60.3           | 106.9          | 170.2          | 235.1          |
| South Africa   | -          | 0.3         | 1.4         | 4.2          | 8.6          | 14.4         | 23.4           | 41.4           | 59.9           | 90.9           |
| Egypt          | -          | 0.0         | 0.2         | 0.9          | 3.5          | 8.8          | 18.0           | 36.7           | 56.0           | 85.7           |
| Ethiopia       | -          | 0.3         | 1.5         | 4.5          | 9.2          | 15.7         | 25.7           | 46.1           | 67.5           | 103.7          |
| Australia      | -          | 0.3         | 1.6         | 4.8          | 9.7          | 16.5         | 26.8           | 47.6           | 69.1           | 105.3          |
| Rest of Asia   | -          | -           | 3.6         | 18.3         | 55.3         | 111.7        | 187.8          | 379.0          | 535.4          | 771.7          |
| Rest of Africa | -          | -           | 2.5         | 12.7         | 39.0         | 80.1         | 136.8          | 280.5          | 431.3          | 589.5          |
| Rest of Europe | -          | -           | 0.1         | 0.2          | 10.1         | 50.3         | 100.7          | 251.9          | 554.6          | 857.7          |
| <b>Total</b>   | <b>2.5</b> | <b>21.9</b> | <b>92.5</b> | <b>256.1</b> | <b>529.7</b> | <b>952.0</b> | <b>1,537.0</b> | <b>2,874.6</b> | <b>4,541.5</b> | <b>6,548.0</b> |

Refer to Annexure 6.2 to understand the calculation of the number of transactions.

#### 4.2.2.2 Transactional revenue

Based on the above, the expected transactional revenue country-wise is as follows:

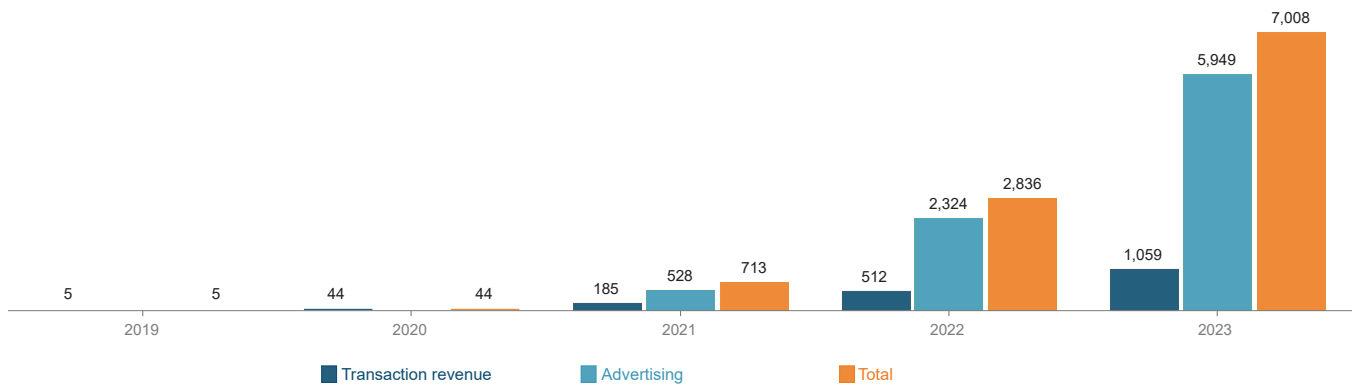
(in € thousands)

| Country        | 2019     | 2020      | 2021       | 2022       | 2023         | 2024         | 2025         | 2026         | 2027         | 2028          |
|----------------|----------|-----------|------------|------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Saudi Arabia   | 1        | 5         | 14         | 29         | 49           | 75           | 102          | 177          | 265          | 368           |
| India          | 2        | 10        | 30         | 50         | 101          | 153          | 206          | 312          | 526          | 744           |
| Poland         | 1        | 3         | 8          | 16         | 27           | 40           | 54           | 86           | 124          | 172           |
| Brazil         | 2        | 7         | 23         | 58         | 87           | 117          | 207          | 298          | 420          | 605           |
| Nigeria        | 0        | 0         | 1          | 1          | 4            | 14           | 42           | 109          | 186          | 305           |
| Turkey         | -        | 1         | 5          | 15         | 30           | 51           | 77           | 147          | 234          | 324           |
| China          | -        | 4         | 19         | 58         | 98           | 199          | 304          | 577          | 838          | 1,278         |
| Israel         | -        | 0         | 2          | 5          | 10           | 17           | 26           | 49           | 75           | 109           |
| Russia         | -        | 1         | 5          | 15         | 30           | 50           | 75           | 140          | 220          | 300           |
| Spain          | -        | 1         | 4          | 12         | 24           | 40           | 60           | 111          | 167          | 240           |
| Panama         | -        | 0         | 1          | 2          | 3            | 6            | 8            | 16           | 25           | 36            |
| Canada         | -        | 2         | 9          | 28         | 57           | 96           | 145          | 274          | 417          | 602           |
| US             | -        | 7         | 37         | 112        | 225          | 378          | 609          | 1,074        | 1,700        | 2,334         |
| Mexico         | -        | 1         | 7          | 22         | 44           | 74           | 121          | 214          | 340          | 470           |
| South Africa   | -        | 1         | 3          | 8          | 17           | 29           | 47           | 83           | 120          | 182           |
| Egypt          | -        | 0         | 0          | 2          | 7            | 18           | 36           | 73           | 112          | 171           |
| Ethiopia       | -        | 1         | 3          | 9          | 18           | 31           | 51           | 92           | 135          | 207           |
| Australia      | -        | 1         | 3          | 10         | 19           | 33           | 54           | 95           | 138          | 211           |
| Rest of Asia   | -        | -         | 7          | 37         | 111          | 223          | 376          | 758          | 1,071        | 1,543         |
| Rest of Africa | -        | -         | 5          | 25         | 78           | 160          | 274          | 561          | 863          | 1,179         |
| Rest of Europe | -        | -         | 0          | 0          | 20           | 101          | 201          | 504          | 1,109        | 1,715         |
| <b>Total</b>   | <b>5</b> | <b>44</b> | <b>185</b> | <b>512</b> | <b>1,059</b> | <b>1,904</b> | <b>3,074</b> | <b>5,749</b> | <b>9,083</b> | <b>13,096</b> |

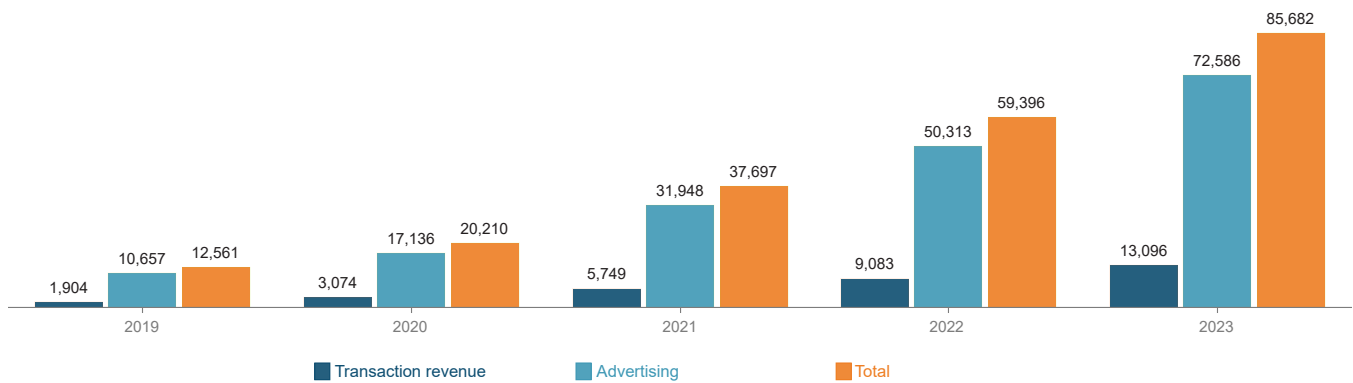
### 4.2.3 Total revenue

Total revenue of the property listing vertical includes advertising and transactional revenue, which are as follows:

#### Revenue - property listing vertical(in € thousands)



#### Revenue - property listing vertical(in € thousands)





#### 4.2.4 Listing costs

Koloxo plans to list properties on its platform through a network of agents who would be paid per property listed. The listing cost per property varies by country.

Refer to Annexure 6.3 to view the expected country-wise listing cost per property.

##### 4.2.4.1 Number of incremental listings

The country-wise number of incremental listings is as follows:

(‘000s)

| Country        | 2019       | 2020        | 2021        | 2022         | 2023         | 2024         | 2025         | 2026           | 2027           | 2028           |
|----------------|------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|
| Saudi Arabia   | 0.6        | 2.7         | 6.8         | 10.5         | 14.4         | 18.5         | 19.3         | 53.4           | 63.1           | 73.3           |
| India          | 1.4        | 5.5         | 13.9        | 14.3         | 35.8         | 36.6         | 37.4         | 74.9           | 150.6          | 153.9          |
| Poland         | 0.3        | 1.3         | 3.3         | 5.0          | 6.6          | 8.3          | 8.3          | 19.9           | 23.2           | 29.8           |
| Brazil         | 1.1        | 3.7         | 10.1        | 22.7         | 19.3         | 19.6         | 58.4         | 59.3           | 79.8           | 120.6          |
| Nigeria        | 0.0        | 0.1         | 0.3         | 0.5          | 1.8          | 6.6          | 19.4         | 44.9           | 52.2           | 80.7           |
| Turkey         | -          | 0.8         | 3.1         | 8.0          | 12.3         | 16.8         | 21.4         | 55.8           | 70.3           | 72.4           |
| China          | -          | 3.0         | 12.1        | 30.8         | 31.9         | 80.3         | 83.0         | 216.6          | 207.3          | 349.4          |
| Israel         | -          | 0.2         | 0.8         | 2.0          | 3.1          | 4.3          | 5.5          | 14.4           | 16.0           | 21.1           |
| Russia         | -          | 0.7         | 2.7         | 6.7          | 10.0         | 13.4         | 16.7         | 43.5           | 53.7           | 53.8           |
| Spain          | -          | 0.8         | 3.2         | 7.9          | 11.9         | 15.9         | 19.9         | 51.8           | 56.0           | 72.2           |
| Panama         | -          | 0.1         | 0.3         | 0.7          | 1.1          | 1.5          | 1.9          | 4.9            | 5.5            | 7.2            |
| Canada         | -          | 1.1         | 4.6         | 11.6         | 17.7         | 24.0         | 30.5         | 79.4           | 87.4           | 114.2          |
| US             | -          | 4.7         | 19.2        | 48.3         | 73.2         | 98.6         | 149.2        | 299.7          | 403.6          | 409.2          |
| Mexico         | -          | 1.0         | 4.1         | 10.5         | 16.0         | 21.8         | 33.2         | 67.0           | 91.0           | 93.3           |
| South Africa   | -          | 0.4         | 1.5         | 3.8          | 5.9          | 8.0          | 12.1         | 24.4           | 25.0           | 42.0           |
| Egypt          | -          | 0.1         | 0.2         | 1.2          | 4.8          | 9.7          | 16.7         | 34.0           | 35.2           | 53.8           |
| Ethiopia       | -          | 0.4         | 1.5         | 3.9          | 6.1          | 8.4          | 13.0         | 26.5           | 27.8           | 47.1           |
| Australia      | -          | 0.4         | 1.5         | 3.9          | 6.0          | 8.1          | 12.4         | 25.1           | 25.9           | 43.6           |
| Rest of Asia   | -          | -           | 4.4         | 17.7         | 44.6         | 67.9         | 91.7         | 230.3          | 188.4          | 284.7          |
| Rest of Africa | -          | -           | 3.0         | 12.3         | 31.7         | 49.4         | 68.3         | 173.1          | 181.7          | 190.7          |
| Rest of Europe | -          | -           | 0.1         | 0.1          | 11.9         | 48.5         | 60.7         | 182.2          | 364.7          | 365.3          |
| <b>Total</b>   | <b>3.5</b> | <b>26.8</b> | <b>89.3</b> | <b>192.2</b> | <b>277.8</b> | <b>400.4</b> | <b>558.3</b> | <b>1,195.5</b> | <b>1,473.6</b> | <b>1,837.6</b> |

#### 4.2.4.2 Listing costs

Listing cost is arrived at by multiplying the number of additional listings by the listing price per property for each country. This listing cost is as follows:

(in € thousands)

| Country        | 2019      | 2020       | 2021       | 2022         | 2023         | 2024         | 2025         | 2026         | 2027          | 2028          |
|----------------|-----------|------------|------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Saudi Arabia   | 4         | 16         | 41         | 63           | 86           | 111          | 116          | 321          | 379           | 440           |
| India          | 7         | 28         | 70         | 71           | 179          | 183          | 187          | 374          | 753           | 769           |
| Poland         | 2         | 7          | 17         | 25           | 33           | 41           | 41           | 99           | 116           | 149           |
| Brazil         | 7         | 22         | 61         | 136          | 116          | 117          | 350          | 356          | 479           | 723           |
| Nigeria        | 0         | 0          | 1          | 1            | 6            | 20           | 58           | 135          | 157           | 242           |
| Turkey         | -         | 3          | 13         | 32           | 49           | 67           | 86           | 223          | 281           | 290           |
| China          | -         | 18         | 72         | 185          | 191          | 482          | 498          | 1,299        | 1,244         | 2,096         |
| Israel         | -         | 1          | 5          | 12           | 19           | 26           | 33           | 86           | 96            | 127           |
| Russia         | -         | 4          | 16         | 40           | 60           | 80           | 100          | 261          | 322           | 323           |
| Spain          | -         | 5          | 19         | 47           | 71           | 95           | 120          | 311          | 336           | 433           |
| Panama         | -         | 0          | 1          | 4            | 5            | 7            | 9            | 25           | 27            | 36            |
| Canada         | -         | 8          | 32         | 81           | 124          | 168          | 213          | 556          | 612           | 799           |
| US             | -         | 33         | 134        | 338          | 512          | 690          | 1,044        | 2,098        | 2,825         | 2,864         |
| Mexico         | -         | 6          | 25         | 63           | 96           | 131          | 199          | 402          | 546           | 560           |
| South Africa   | -         | 2          | 8          | 19           | 29           | 40           | 60           | 122          | 125           | 210           |
| Egypt          | -         | 0          | 1          | 6            | 24           | 49           | 83           | 170          | 176           | 269           |
| Ethiopia       | -         | 2          | 8          | 20           | 30           | 42           | 65           | 132          | 139           | 235           |
| Australia      | -         | 3          | 11         | 27           | 42           | 57           | 87           | 176          | 181           | 305           |
| Rest of Asia   | -         | -          | 20         | 81           | 206          | 313          | 423          | 1,062        | 869           | 1,313         |
| Rest of Africa | -         | -          | 10         | 42           | 109          | 170          | 235          | 596          | 626           | 657           |
| Rest of Europe | -         | -          | 1          | 1            | 70           | 287          | 359          | 1,078        | 2,159         | 2,162         |
| <b>Total</b>   | <b>19</b> | <b>157</b> | <b>564</b> | <b>1,295</b> | <b>2,059</b> | <b>3,178</b> | <b>4,369</b> | <b>9,883</b> | <b>12,447</b> | <b>15,004</b> |

## 4.2.5 Gross margin

Listing cost is the only direct cost in the property listing vertical. Therefore, gross margin in the property listing vertical is as follows:

(in € thousands)

| Country              | 2019        | 2020         | 2021       | 2022         | 2023         | 2024          | 2025          | 2026          | 2027          | 2028          |
|----------------------|-------------|--------------|------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Advertising revenue  | -           | -            | 528        | 2,324        | 5,949        | 10,657        | 17,136        | 31,948        | 50,313        | 72,586        |
| Transaction revenue  | 5           | 44           | 185        | 512          | 1,059        | 1,904         | 3,074         | 5,749         | 9,083         | 13,096        |
| <b>Total revenue</b> | <b>5</b>    | <b>44</b>    | <b>713</b> | <b>2,836</b> | <b>7,008</b> | <b>12,561</b> | <b>20,210</b> | <b>37,697</b> | <b>59,396</b> | <b>85,682</b> |
| Listing costs        | 19          | 157          | 564        | 1,295        | 2,059        | 3,178         | 4,369         | 9,883         | 12,447        | 15,004        |
| Gross margin         | <b>(14)</b> | <b>(114)</b> | <b>149</b> | <b>1,540</b> | <b>4,949</b> | <b>9,383</b>  | <b>15,841</b> | <b>27,814</b> | <b>46,949</b> | <b>70,678</b> |

## 4.3 Operating expense

Koloxo is expected to have three types of operating expenses, i.e., product development, sales & marketing, and general & administrative expense. Each of these expenses is explained below.

### 4.3.1 Product development expense

Product development costs include payroll and related expenses for employees involved in the development, design, and maintenance of Koloxo's websites. This includes the display and curation of products made available on websites and infrastructure costs. Infrastructure costs include rent and utilities of data centres, servers, networking equipment, and other expenses necessary to support the website and the mobile application. Collectively, these costs reflect the investment expected of Koloxo that could enable it to offer the best experience to customers.

#### 4.3.1.1 Product development expense—e-commerce vertical

The product development cost for the e-commerce vertical is as follows:

(in € millions)

| Country             | 2019   | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027  | 2028  |
|---------------------|--------|------|------|------|------|------|------|------|-------|-------|
| Product development | 4.0    | 0.5  | 1.5  | 2.5  | 4.0  | 13.5 | 37.4 | 71.7 | 116.6 | 147.0 |
| % of net revenue    | 8,681% | 255% | 248% | 102% | 45%  | 40%  | 35%  | 30%  | 25%   | 20%   |

The product development expense for the e-commerce vertical is expected to be €4 million in 2019. In 2020, it is expected to reduce to €0.5 million. In 2019, Koloxo plans to enhance its current platform. Therefore, the Company would need to spend a lot on product development. Once developed, Koloxo would only need to maintain its platforms. Therefore, the product development is expected to increase with increase in revenue and increase in traffic on the Company's platforms. It is expected to increase to €147 million by 2028.

The product development expense is expected to increase annually on an absolute basis. As a percentage of revenue, it is expected to normalise to 20% by 2028, which is the approximate product development expense of players in the e-commerce industry.

#### 4.3.1.2 Product development expense–property listing vertical

The product development cost for the property listing vertical is as follows:

(in € millions)

| Country             | 2019    | 2020   | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------|---------|--------|------|------|------|------|------|------|------|------|
| Product development | 5.0     | 0.5    | 1.5  | 2.5  | 2.5  | 3.8  | 5.1  | 7.5  | 8.9  | 12.9 |
| % of revenue        | 98,386% | 1,141% | 210% | 88%  | 35%  | 30%  | 25%  | 20%  | 15%  | 15%  |

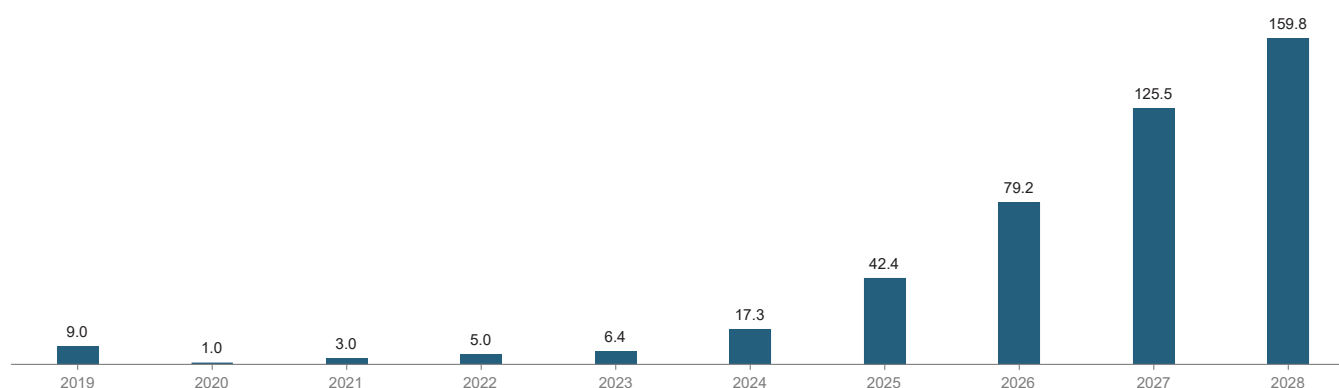
The product development expense for the property listing vertical is expected to be €5 million in 2019. In 2020, it is expected to reduce to €0.5 million. In 2019, Koloxo plans to develop its property listing platform. Therefore, the Company would need to spend a lot on product development. Once developed, Koloxo would only need to maintain its platforms. Therefore, the product development is expected to increase with increase in revenue and increase in traffic on the Company’s platforms. It is expected to increase to €13 million by 2028.

As the Company grows and gains a positive cash flow, it plans to spend more on product development to maintain its servers and thus improve the user experience.

#### 4.3.1.3 Total product development expense

Based on the previous discussions, total product development expense is as follows:

### Product development expense (in € millions)



#### 4.3.2 Sales & marketing expense

Koloxo plans to attract customers to its websites primarily through targeted online marketing channels such as social and online advertising, sponsored search, television advertising, and other initiatives. The cost involved would also include the salaries of sales & marketing personnel.

#### 4.3.2.1 Sales & marketing expense—e-commerce vertical

The sales & marketing expense for the e-commerce vertical is as follows:

(in € millions)

| Country           | 2019   | 2020   | 2021 | 2022 | 2023 | 2024 | 2025 | 2026  | 2027  | 2028  |
|-------------------|--------|--------|------|------|------|------|------|-------|-------|-------|
| Sales & marketing | 2.5    | 2.5    | 2.5  | 2.5  | 6.1  | 20.3 | 58.7 | 119.4 | 233.2 | 367.5 |
| % of net revenue  | 5,426% | 1,275% | 413% | 102% | 70%  | 60%  | 55%  | 50%   | 50%   | 50%   |

The sales & marketing expense for the e-commerce vertical is expected to be €2.5 million each year from 2019 to 2022. In order to compete with the existing players in the market, Koloxo plans to spend large amounts on sales & marketing even though there isn't significant revenue generated.

In 2023, the Company expects to spend €6.1 million on sales and marketing for its e-commerce vertical. This expense is expected to increase to €367.5 million by 2028. After 2022, the sales & marketing expense of the e-commerce vertical is expected to increase annually on an absolute basis. As a percentage of net revenue, it is expected to normalise to 50% by 2026, which is the significantly higher than the sales & marketing expense of players in the e-commerce industry.

Koloxo's competitors spend 30–45% of the net revenue/gross profits on sales & marketing. However, these competitors are well established in the market. Koloxo aims to enter an intensely competitive market and would therefore need to spend more on marketing to establish itself.

#### 4.3.2.2 Sales & marketing expense—property listing vertical

The sales & marketing cost for the property listing vertical is as follows:

(in € millions)

| Country           | 2019    | 2020   | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|-------------------|---------|--------|------|------|------|------|------|------|------|------|
| Sales & marketing | 2.5     | 2.5    | 2.5  | 2.5  | 3.9  | 6.3  | 9.1  | 17.0 | 23.8 | 34.3 |
| % of revenue      | 49,193% | 5,704% | 351% | 88%  | 55%  | 50%  | 45%  | 45%  | 40%  | 40%  |

The sales & marketing expense for the property listing vertical is expected to be €2.5 million each year from 2019 to 2022. In order to compete with the existing players in the market, Koloxo plans to spend high amounts on sales & marketing even though there isn't significant revenue generated.

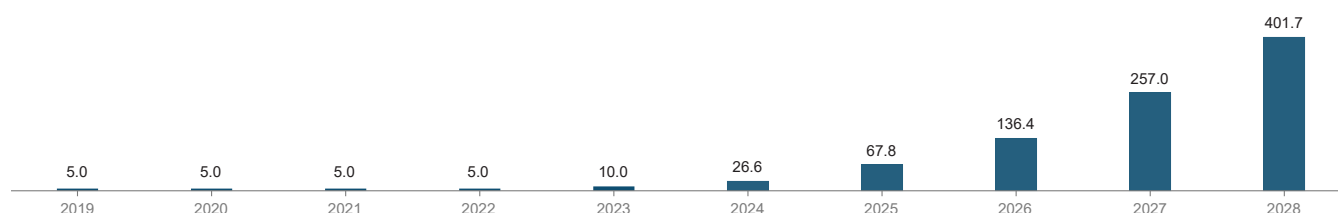
In 2023, the Company expects to spend €3.9 million on sales and marketing for its property listing vertical. This expense is expected to increase to €34.3 million by 2028. After 2022, the sales & marketing expense of the property listing vertical is expected to increase annually on an absolute basis. As a percentage of net revenue, it is expected to normalise to 40% by 2027, which is the approximate sales & marketing expense of players in the property listing industry.

As the Company grows, it expects to spend more on sales & marketing to tackle competition and maintain its growth rate.

### 4.3.2.3 Total sales & marketing expense

Based on the previous discussion, total sales & marketing expense is as follows:

#### Sales & marketing expense (in € millions)



### 4.3.3 General & administrative expense

General & administrative expenses relate to the day-to-day operations cost of Koloxo. These pertain to operational expenses, including rent, utilities, insurance, and managerial salaries.

#### 4.3.3.1 General & administrative expense—e-commerce vertical

The general & administrative expense for the e-commerce vertical euros is as follows:

(in € millions)

|                          | 2019   | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028  |
|--------------------------|--------|------|------|------|------|------|------|------|------|-------|
| General & administrative | 0.5    | 0.8  | 1.5  | 2.0  | 2.6  | 8.5  | 21.4 | 35.8 | 70.0 | 110.2 |
| % of net revenue         | 1,085% | 383% | 248% | 81%  | 30%  | 25%  | 20%  | 15%  | 15%  | 15%   |

The general & administrative expense for the e-commerce vertical is expected to be €500,000 in 2019. It is expected to increase to €110 million by 2028. The general & administrative expense is expected to increase annually on an absolute basis. As a percentage of net revenue, it is expected to normalise to 15% by 2026, which is the approximate general & administrative expense of players in the e-commerce industry.

#### 4.3.3.2 General & administrative expense – property listing vertical

The general & administrative expense for the property listing vertical is as follows:

(in € millions)

|                          | 2019   | 2020   | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--------------------------|--------|--------|------|------|------|------|------|------|------|------|
| General & administrative | 0.5    | 0.8    | 1.5  | 2.0  | 2.8  | 4.4  | 6.1  | 7.5  | 8.9  | 12.9 |
| % of revenue             | 9,839% | 1,711% | 210% | 71%  | 40%  | 35%  | 30%  | 20%  | 15%  | 15%  |

The general & administrative expense for the property listing vertical is expected to be €500,000 in 2019. It is expected to increase to €13 million by 2028. The general & administrative expense is expected to increase

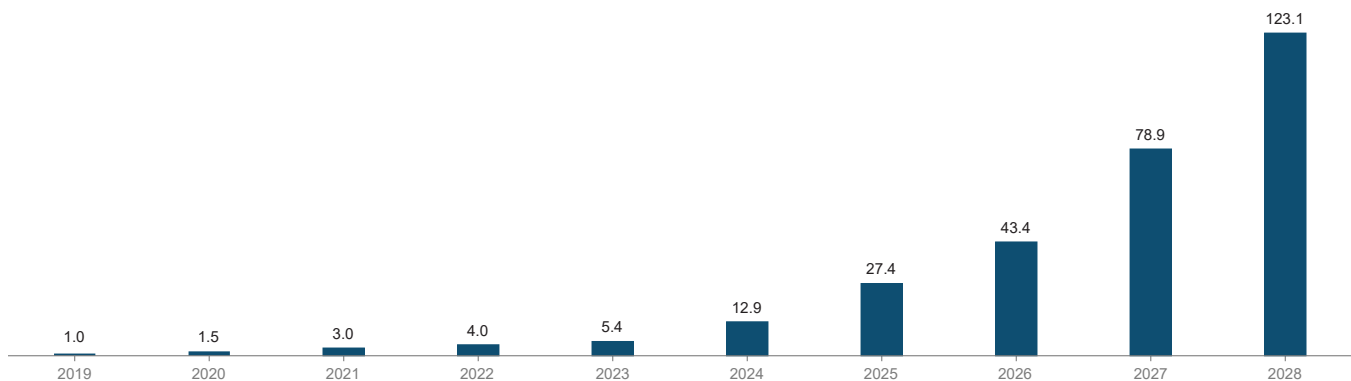
annually on an absolute basis. As a percentage of revenue, it is expected to normalize to 15% by 2027 which is slightly lower than the approximate general & administrative expense in the industry.

Players in the property listing industry spend approximately 20-25% of the revenue on general & administrative costs. However, Koloxo's property listing vertical is not expected to spend so much as it aims to share its office infrastructure with the property listing vertical. The additional costs of rent and utilities are expected to be minimal. Personnel resources would also be shared for many departments such as accounts. Therefore, it is appropriate to consider 15% as the office & administrative expense for Koloxo's property listing vertical.

#### 4.3.3.3 Total general & administrative expense

Based on the above, the total general & administrative expense is as follows:

### General & administrative expense (in € millions)



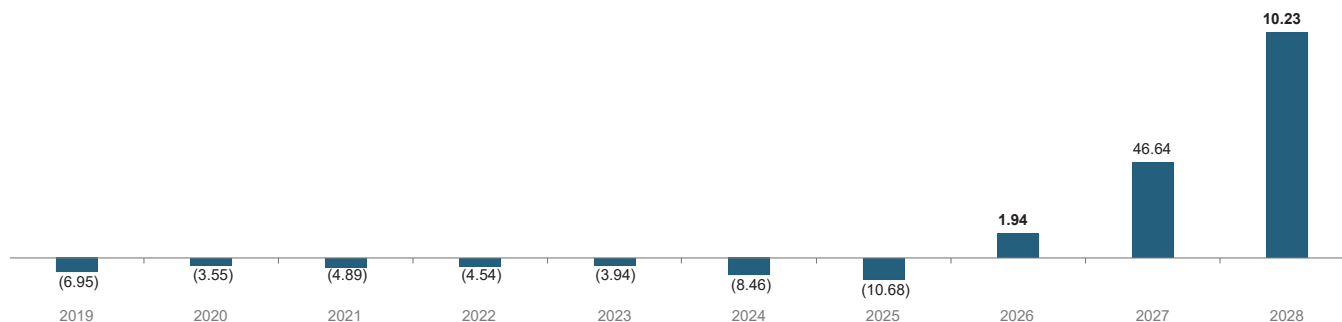
## 4.4 EBITDA (operating profit/income)

Based on the above, Koloxo is expected to incur an operating loss of €15.0 million in 2019. The Company expects to become EBITDA positive in 2026, with an operating profit of approximately €7.7 million. In 2028, it expects an EBITDA of €120.9 million. The operating income statement forecasts by vertical and on a consolidated basis are presented below.

### 4.4.1 E-commerce vertical – EBITDA and operating income statement

Koloxo expects an operating loss of €7.0 million in 2019 from the e-commerce vertical. This vertical is expected to break even on an operating level in 2026, with an operating profit of €11.9 million. In 2028, the e-commerce vertical is expected to generate an operating profit of €110.2 million. The forecasted EBITDA for the e-commerce vertical is shown below.

### EBITDA - e-commerce vertical (in € millions)



The forecasted operating income statement for the e-commerce vertical is as follows:

(in € millions)

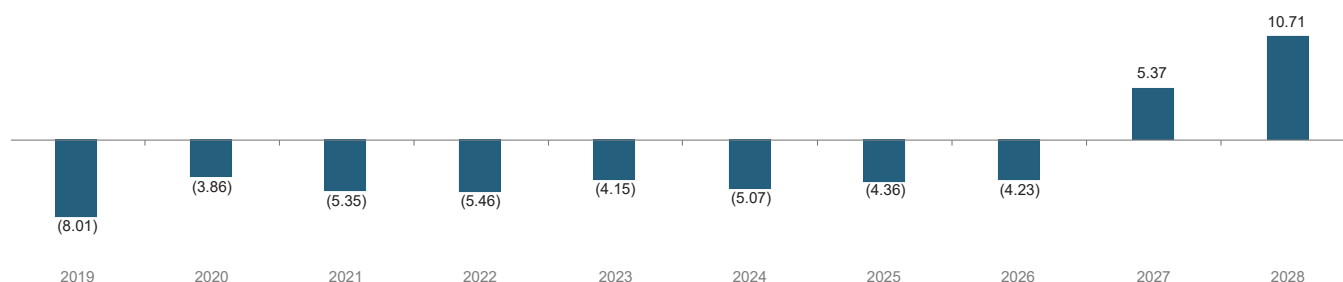
|   | 2019         | 2020            | 2021          | 2022          | 2023         | 2024         | 2025          | 2026         | 2027         | 2028         |
|---|--------------|-----------------|---------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|
| GMV   | 0.6          | 2.6             | 8.0           | 32.5          | 115.9        | 447.0        | 1,409.1       | 3,153.1      | 6,157.8      | 9,702.3      |
| Processing costs                            | 0.6          | 2.4             | 7.4           | 30.0          | 107.1        | 413.2        | 1,302.3       | 2,914.3      | 5,691.4      | 8,967.4      |
| <b>Net revenue</b>                          | <b>0.0</b>   | <b>0.2</b>      | <b>0.6</b>    | <b>2.5</b>    | <b>8.8</b>   | <b>33.9</b>  | <b>106.7</b>  | <b>238.8</b> | <b>466.4</b> | <b>734.9</b> |
| <i>Net revenue (% of GMV)</i>               | <i>7.57%</i> | <i>7.57%</i>    | <i>7.57%</i>  | <i>7.57%</i>  | <i>7.57%</i> | <i>7.57%</i> | <i>7.57%</i>  | <i>7.57%</i> | <i>7.57%</i> | <i>7.57%</i> |
| Operating Expense:                          |              |                 |               |               |              |              |               |              |              |              |
| Product development                         | 4.0          | 0.5             | 1.5           | 2.5           | 4.0          | 13.5         | 37.4          | 71.7         | 116.6        | 147.0        |
| Sales & marketing                           | 2.5          | 2.5             | 2.5           | 2.5           | 6.1          | 20.3         | 58.7          | 119.4        | 233.2        | 367.5        |
| General & administrative                    | 0.5          | 0.8             | 1.5           | 2.0           | 2.6          | 8.5          | 21.4          | 35.8         | 70.0         | 110.2        |
| <b>Total</b>                                | <b>7.0</b>   | <b>3.8</b>      | <b>5.5</b>    | <b>7.0</b>    | <b>12.7</b>  | <b>42.3</b>  | <b>117.4</b>  | <b>226.9</b> | <b>419.8</b> | <b>624.7</b> |
| <i>Operating expense (% of net revenue)</i> |              | <i>1913%</i>    | <i>909%</i>   | <i>284%</i>   | <i>145%</i>  | <i>125%</i>  | <i>110%</i>   | <i>95%</i>   | <i>90%</i>   | <i>85%</i>   |
| <b>EBITDA</b>                               | <b>(7.0)</b> | <b>(3.6)</b>    | <b>(4.9)</b>  | <b>(4.5)</b>  | <b>(3.9)</b> | <b>(8.5)</b> | <b>(10.7)</b> | <b>11.9</b>  | <b>46.6</b>  | <b>110.2</b> |
| <i>EBITDA margin</i>                        |              | <i>(1,813%)</i> | <i>(809%)</i> | <i>(184%)</i> | <i>(45%)</i> | <i>(25%)</i> | <i>(10%)</i>  | <i>5%</i>    | <i>10%</i>   | <i>15%</i>   |



#### 4.4.2 Property listing vertical – EBITDA and operating income statement

Koloxo expects an operating loss of €8.0 million in 2019 from the property listing vertical. This vertical is expected to break even on an operating level in 2027, with an operating profit of €5.4 million. In 2028, the property listing vertical is expected to generate an operating profit of €10.7 million. The forecasted EBITDA for the property listing vertical is shown below.

#### EBITDA - property listing vertical (in € millions)



The forecasted operating income statement for the property listing vertical is as follows:

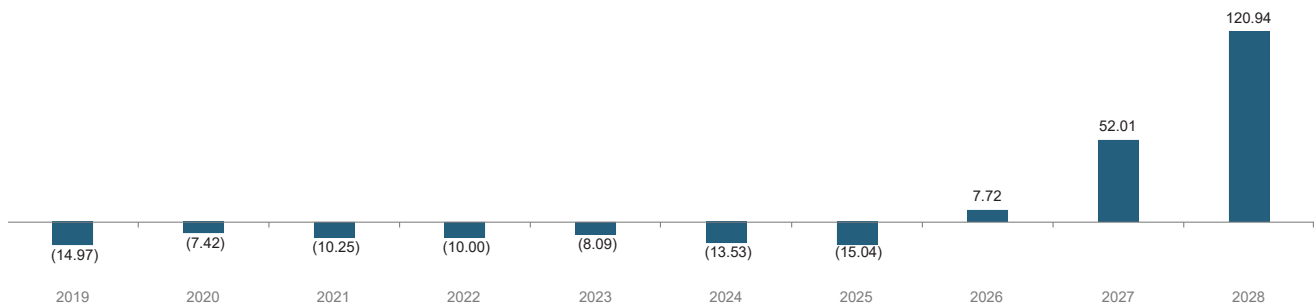
(in € millions)

|   | 2019          | 2020            | 2021          | 2022          | 2023         | 2024         | 2025         | 2026         | 2027        | 2028        |
|---|---------------|-----------------|---------------|---------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Advertising                                 | -             | -               | 0.5           | 2.3           | 5.9          | 10.7         | 17.1         | 31.9         | 50.3        | 72.6        |
| Transactional revenue                       | 0.0           | 0.0             | 0.2           | 0.5           | 1.1          | 1.9          | 3.1          | 5.7          | 9.1         | 13.1        |
| <b>Total revenue</b>                        | <b>0.0</b>    | <b>0.0</b>      | <b>0.7</b>    | <b>2.8</b>    | <b>7.0</b>   | <b>12.6</b>  | <b>20.2</b>  | <b>37.7</b>  | <b>59.4</b> | <b>85.7</b> |
| <b>Direct Costs:</b>                        |               |                 |               |               |              |              |              |              |             |             |
| Listing costs                               | 0.0           | 0.2             | 0.6           | 1.3           | 2.1          | 3.2          | 4.4          | 9.9          | 12.4        | 15.0        |
| <b>Gross Profit</b>                         | <b>(0.0)</b>  | <b>(0.1)</b>    | <b>0.1</b>    | <b>1.5</b>    | <b>4.9</b>   | <b>9.4</b>   | <b>15.8</b>  | <b>27.8</b>  | <b>46.9</b> | <b>70.7</b> |
| <i>Gross Margin</i>                         | <i>(273%)</i> | <i>(259%)</i>   | <i>21%</i>    | <i>54%</i>    | <i>71%</i>   | <i>75%</i>   | <i>78%</i>   | <i>74%</i>   | <i>79%</i>  | <i>82%</i>  |
| <b>Operating Expense:</b>                   |               |                 |               |               |              |              |              |              |             |             |
| Product development                         | 5.0           | 0.5             | 1.5           | 2.5           | 2.5          | 3.8          | 5.1          | 7.5          | 8.9         | 12.9        |
| Sales & marketing                           | 2.5           | 2.5             | 2.5           | 2.5           | 3.9          | 6.3          | 9.1          | 17.0         | 23.8        | 34.3        |
| General & administrative                    | 0.5           | 0.8             | 1.5           | 2.0           | 2.8          | 4.4          | 6.1          | 7.5          | 8.9         | 12.9        |
| <b>Total</b>                                | <b>8.0</b>    | <b>3.8</b>      | <b>5.5</b>    | <b>7.0</b>    | <b>9.1</b>   | <b>14.5</b>  | <b>20.2</b>  | <b>32.0</b>  | <b>41.6</b> | <b>60.0</b> |
| <i>Operating expense (% of net revenue)</i> |               | <i>8,555%</i>   | <i>772%</i>   | <i>247%</i>   | <i>130%</i>  | <i>115%</i>  | <i>100%</i>  | <i>85%</i>   | <i>70%</i>  | <i>70%</i>  |
| <b>EBITDA</b>                               | <b>(8.0)</b>  | <b>(3.9)</b>    | <b>(5.4)</b>  | <b>(5.5)</b>  | <b>(4.2)</b> | <b>(5.1)</b> | <b>(4.4)</b> | <b>(4.2)</b> | <b>5.4</b>  | <b>10.7</b> |
| <i>EBITDA margin</i>                        |               | <i>(8,814%)</i> | <i>(751%)</i> | <i>(193%)</i> | <i>(59%)</i> | <i>(40%)</i> | <i>(22%)</i> | <i>(11%)</i> | <i>9%</i>   | <i>12%</i>  |

### 4.4.3 Consolidated entity – EBITDA and operating income statement

Koloxo expects an operating loss of €15.0 million in 2019 from the property listing vertical and the e-commerce vertical on a consolidated basis. The Company is expected to break-even on an operating level in 2026, with an operating profit of €7.7 million. In 2028, Koloxo is expected to generate an operating profit of €120.9 million. The forecasted consolidated EBITDA is shown below.

**EBITDA (in € millions)**



The forecasted operating income statement for the consolidated entity is as follows:

(in € millions)

|   | 2019          | 2020            | 2021          | 2022          | 2023         | 2024          | 2025          | 2026         | 2027         | 2028         |
|---|---------------|-----------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|--------------|
| Net revenue – e-commerce                    | 0.0           | 0.2             | 0.6           | 2.5           | 8.8          | 33.9          | 106.7         | 238.8        | 466.4        | 734.9        |
| Advertising                                 | -             | -               | 0.5           | 2.3           | 5.9          | 10.7          | 17.1          | 31.9         | 50.3         | 72.6         |
| Transactional revenue                       | 0.0           | 0.0             | 0.2           | 0.5           | 1.1          | 1.9           | 3.1           | 5.7          | 9.1          | 13.1         |
| <b>Net revenue</b>                          | <b>0.1</b>    | <b>0.2</b>      | <b>1.3</b>    | <b>5.3</b>    | <b>15.8</b>  | <b>46.4</b>   | <b>126.9</b>  | <b>276.5</b> | <b>525.8</b> | <b>820.6</b> |
| Direct Costs:                               |               |                 |               |               |              |               |               |              |              |              |
| Listing costs                               | 0.0           | 0.2             | 0.6           | 1.3           | 2.1          | 3.2           | 4.4           | 9.9          | 12.4         | 15.0         |
| <b>Gross Profit</b>                         | <b>0.0</b>    | <b>0.1</b>      | <b>0.8</b>    | <b>4.0</b>    | <b>13.7</b>  | <b>43.2</b>   | <b>122.6</b>  | <b>266.6</b> | <b>513.4</b> | <b>805.6</b> |
| <i>Gross Margin</i>                         | <i>63%</i>    | <i>34%</i>      | <i>57%</i>    | <i>76%</i>    | <i>87%</i>   | <i>93%</i>    | <i>97%</i>    | <i>96%</i>   | <i>98%</i>   | <i>98%</i>   |
| Operating Expense:                          |               |                 |               |               |              |               |               |              |              |              |
| Product development                         | 9.0           | 1.0             | 3.0           | 5.0           | 6.4          | 17.3          | 42.4          | 79.2         | 125.5        | 159.8        |
| Sales & marketing                           | 5.0           | 5.0             | 5.0           | 5.0           | 10.0         | 26.6          | 67.8          | 136.4        | 257.0        | 401.7        |
| General & administrative                    | 1.0           | 1.5             | 3.0           | 4.0           | 5.4          | 12.9          | 27.4          | 43.4         | 78.9         | 123.1        |
| <b>Total</b>                                | <b>15.0</b>   | <b>7.5</b>      | <b>11.0</b>   | <b>14.0</b>   | <b>21.8</b>  | <b>56.8</b>   | <b>137.6</b>  | <b>258.9</b> | <b>461.4</b> | <b>684.6</b> |
| <i>Operating expense (% of net revenue)</i> |               | <i>3126%</i>    | <i>835%</i>   | <i>264%</i>   | <i>138%</i>  | <i>122%</i>   | <i>108%</i>   | <i>94%</i>   | <i>88%</i>   | <i>83%</i>   |
| EBITDA                                      | <b>(15.0)</b> | <b>(7.4)</b>    | <b>(10.2)</b> | <b>(10.0)</b> | <b>(8.1)</b> | <b>(13.5)</b> | <b>(15.0)</b> | <b>7.7</b>   | <b>52.0</b>  | <b>120.9</b> |
| <i>EBITDA margin</i>                        |               | <i>(3,092%)</i> | <i>(777%)</i> | <i>(189%)</i> | <i>(51%)</i> | <i>(29%)</i>  | <i>(12%)</i>  | <i>3%</i>    | <i>10%</i>   | <i>15%</i>   |

## 4.5 Balance sheet assumptions and taxation

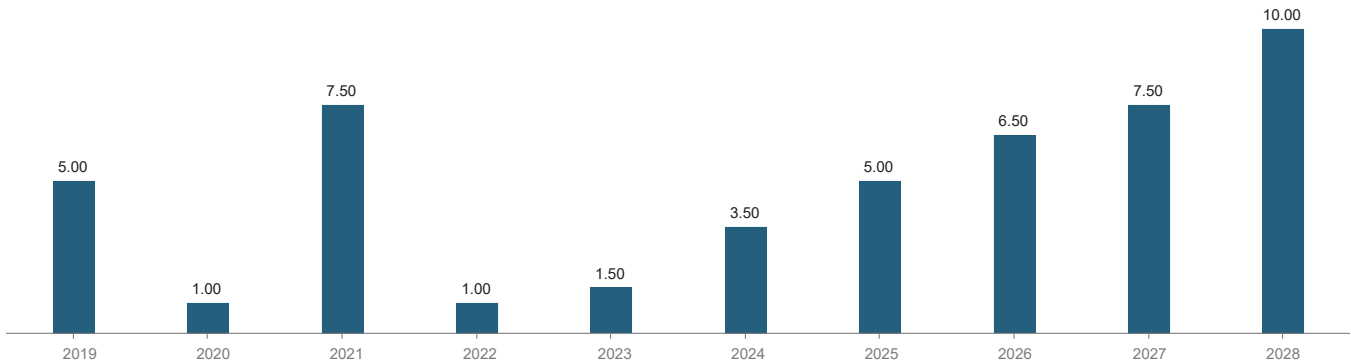
### 4.5.1 Fixed assets

Fixed assets include assets such as properties, heavy equipment, servers and networking equipment, furniture and fixture, and internal-use software and website development. As Koloxo plans to share office equipment, servers and properties for both verticals, fixed assets are not divided among the verticals.

#### 4.5.1.1 Fixed assets purchased

Koloxo plans to start operations in several other countries over the forecast period. Therefore, it would need to invest in fixed assets to set up infrastructure required to start the business in each country. Thus, the Company's expected annual investment in fixed assets is given below:

### Fixed assets purchased (in € millions)

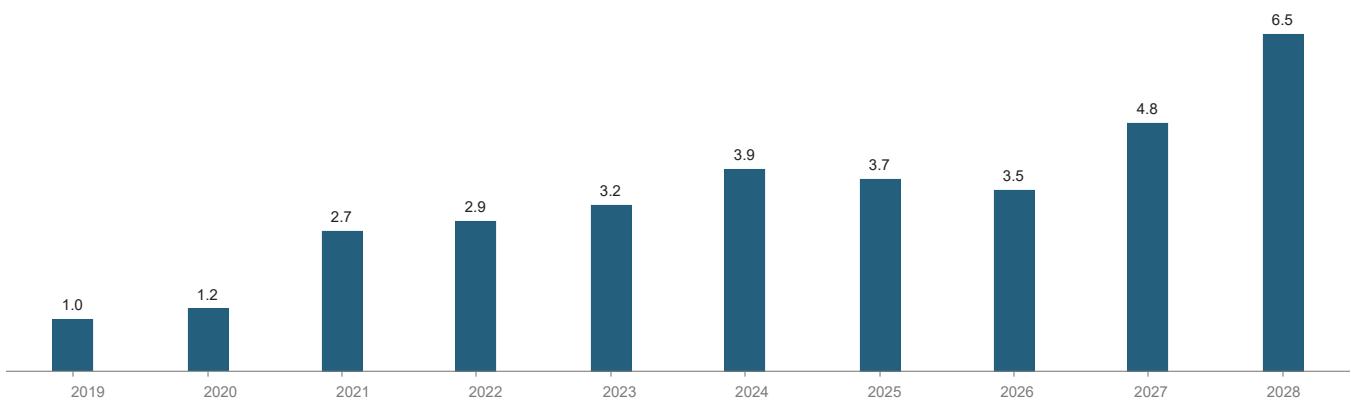


Koloxo plans make heavy investments in fixed assets in 2019 and 2021 of €5 million and €7.5 million, respectively. In 2019, the Company plans to purchase fixed assets in order to set up office spaces and warehouses across countries where it plans to start operations. In 2021, significant investment in fixed assets is planned by the Company in order to fund the expansion of operations to the rest of the world.

#### 4.5.1.2 Depreciation

The depreciation rate varies depending on the asset classes the Company owns. Generally, properties depreciate at a rate of 2.5%, implying a useful life of 40 years. Investment in software, computers, etc. depreciates at 33.33%, implying a useful life of 3 years. Furniture and fixtures depreciate at **20%**, implying a useful life of 5 years. As Koloxo plans to invest in all these assets, a combined depreciation rate of 20% is considered appropriate. The straight line method of depreciation has been used to calculate depreciation. The depreciation expense in millions is shown below:

### Depreciation (in € millions)



### 4.5.1.3 Fixed assets schedule

Based on the previous discussion, the fixed assets schedule is as follows:

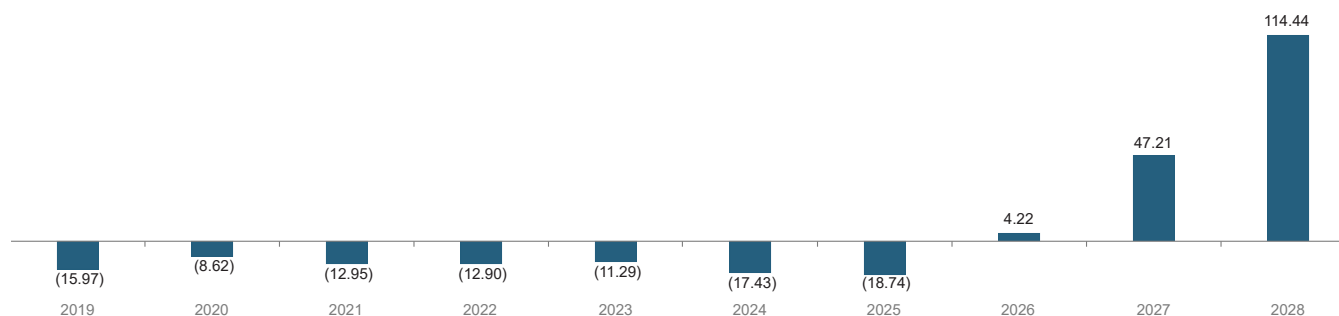
(in € millions)

|                           | 2019       | 2020       | 2021        | 2022        | 2023        | 2024        | 2025        | 2026        | 2027        | 2028        |
|---------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening fixed assets      | -          | 5.0        | 6.0         | 13.5        | 14.5        | 16.0        | 19.5        | 24.5        | 31.0        | 38.5        |
| Additions                 | 5.0        | 1.0        | 7.5         | 1.0         | 1.5         | 3.5         | 5.0         | 6.5         | 7.5         | 10.0        |
| Gross fixed assets        | <b>5.0</b> | <b>6.0</b> | <b>13.5</b> | <b>14.5</b> | <b>16.0</b> | <b>19.5</b> | <b>24.5</b> | <b>31.0</b> | <b>38.5</b> | <b>48.5</b> |
| Depreciation for the year | (1.0)      | (1.2)      | (2.7)       | (2.9)       | (3.2)       | (3.9)       | (3.7)       | (3.5)       | (4.8)       | (6.5)       |
| Accumulated depreciation  | (1.0)      | (2.2)      | (4.9)       | (7.8)       | (11.0)      | (14.9)      | (18.6)      | (22.1)      | (26.9)      | (33.4)      |
| Net fixed assets          | <b>4.0</b> | <b>3.8</b> | <b>8.6</b>  | <b>6.7</b>  | <b>5.0</b>  | <b>4.6</b>  | <b>5.9</b>  | <b>8.9</b>  | <b>11.6</b> | <b>15.1</b> |

### 4.5.2 Earnings before tax

Based on the operating income and the depreciation as calculated above, Koloxo's expected earnings before tax is as follows:

#### Earnings before tax (in € millions)



### 4.5.3 Taxes

Koloxo plans to expand operations worldwide. Therefore, it would need to comply with various tax regulations. The tax rate considered is **26.47%**<sup>20</sup>, which is the average statutory tax rate weighted by the GDP of 208 tax jurisdictions.

As the Company expects to make losses until 2026, it is not expected to pay taxes until then. Also, Koloxo would be able to carry forward losses and set off these against future profits. Due to this, the Company is not expected

<sup>20</sup> Tax foundation

to pay corporate taxes in 2027. In 2028, it is expected to pay taxes on a part of its profit as the carried forward losses expire. Koloxo's forecasted tax schedule based on the tax rate and earnings before taxes is as follows:

(in € millions)

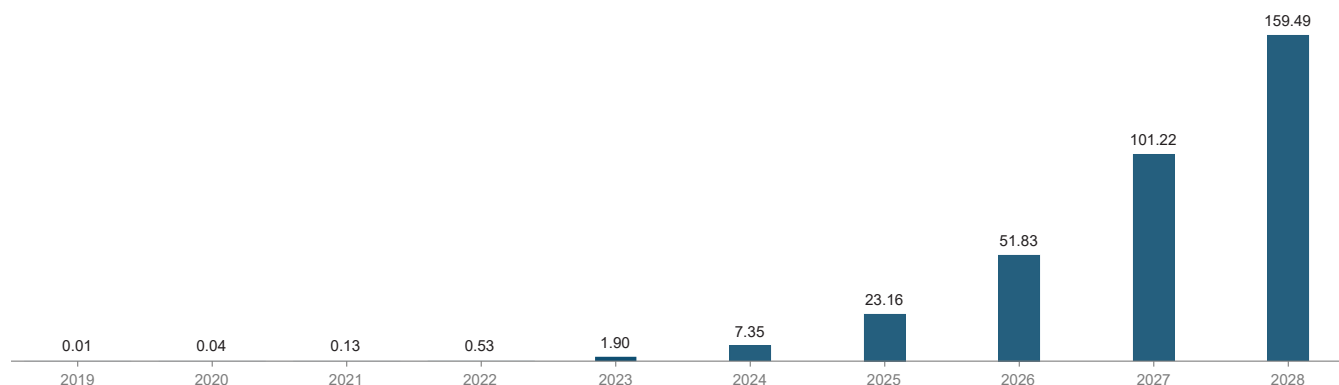
|                                      | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        | 2026        | 2027        | 2028        |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Profit (loss) before tax             | (16.0)      | (8.6)       | (12.9)      | (12.9)      | (11.3)      | (17.4)      | (18.7)      | 4.2         | 47.2        | 114.4       |
| Opening balance of c/f losses        | -           | 16.0        | 24.6        | 37.5        | 50.4        | 61.7        | 79.2        | 97.9        | 93.7        | 46.5        |
| Loss during the year                 | 16.0        | 8.6         | 12.9        | 12.9        | 11.3        | 17.4        | 18.7        | -           | -           | -           |
| Loss set-off against profit          | -           | -           | -           | -           | -           | -           | -           | 4.2         | 47.2        | 46.5        |
| <b>Closing balance of c/f losses</b> | <b>16.0</b> | <b>24.6</b> | <b>37.5</b> | <b>50.4</b> | <b>61.7</b> | <b>79.2</b> | <b>97.9</b> | <b>93.7</b> | <b>46.5</b> | <b>-</b>    |
| Taxable income                       | (16.0)      | (8.6)       | (12.9)      | (12.9)      | (11.3)      | (17.4)      | (18.7)      | -           | -           | 68.0        |
| <b>Taxes</b>                         | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>18.0</b> |

#### 4.5.4 Accounts receivable

##### 4.5.4.1 Accounts receivable – e-commerce vertical

Accounts receivable days are taken as 6 days of the GMV for the e-commerce vertical as the Company's bank account is credited 6 days after the date of sale. As per this assumption, expected accounts receivables for the e-commerce vertical at year ends are shown below:

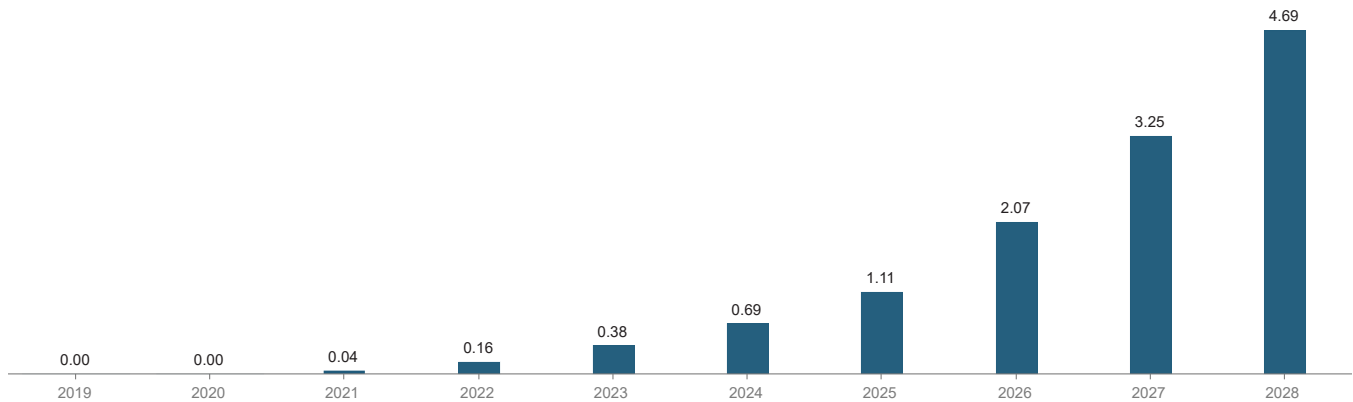
#### Accounts receivable - e-commerce vertical (in € millions)



#### 4.5.4.2 Accounts receivable – property listing vertical

Accounts receivable days are taken as 30 days of the revenue for the property listing vertical based on the ratios of the selected Guideline Public Companies (GPCs). As per this assumption, expected accounts receivables for the property listing vertical at the year ends are shown below:

#### Accounts receivable - property listing vertical (in € millions)

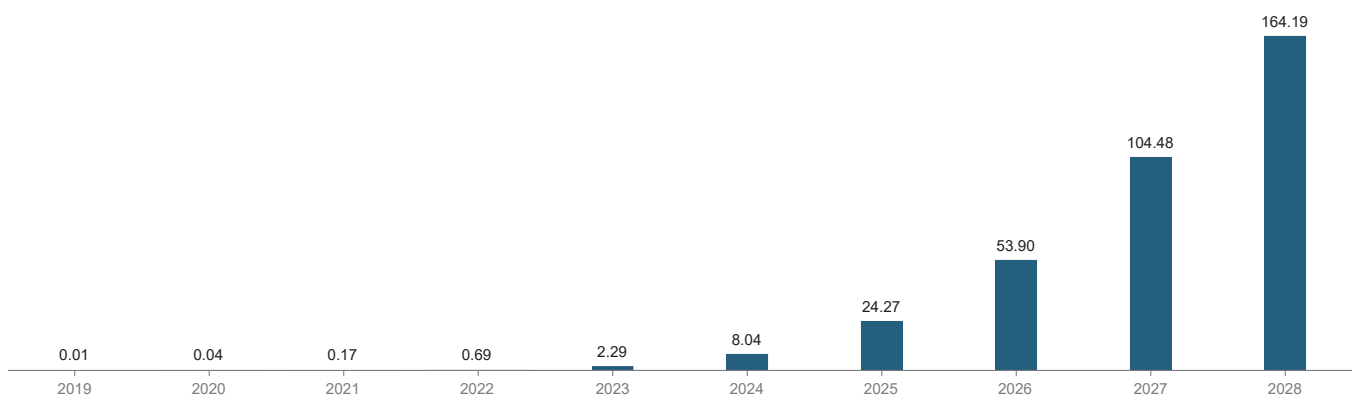


Refer to Annexure 6.4 for description of GPCs

#### 4.5.4.3 Total accounts receivable

Based on the above, expected accounts receivables on a consolidated basis at the year ends are shown below:

#### Accounts receivable (in € millions)

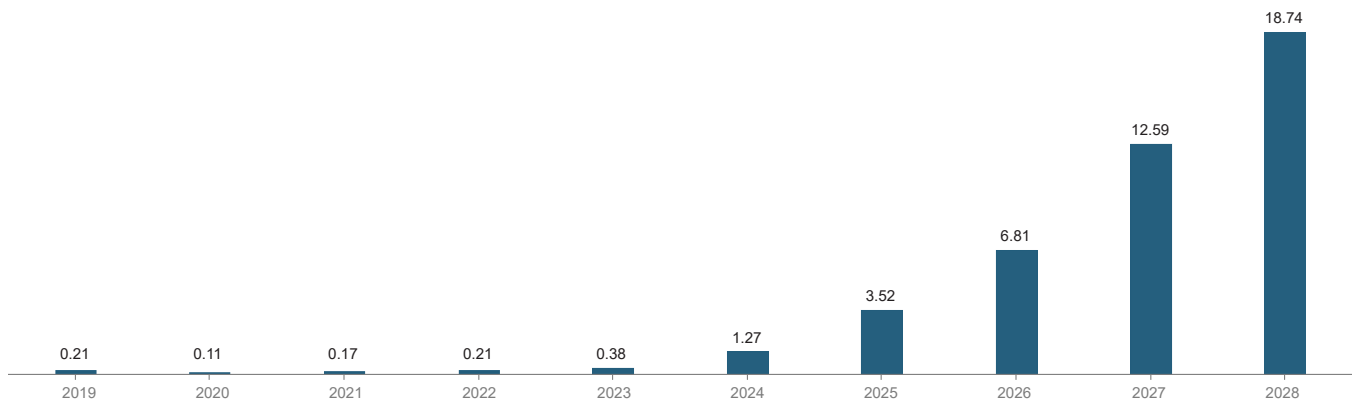


## 4.5.5 Prepaid expenses

### 4.5.5.1 Prepaid expenses – e-commerce vertical

Prepaid expenses as a percentage of operating expenses are expected to be 3% for the e-commerce vertical based on the ratios of the selected GPCs. As per this assumption, the expected prepaid expenses for the e-commerce vertical at the year ends are shown below:

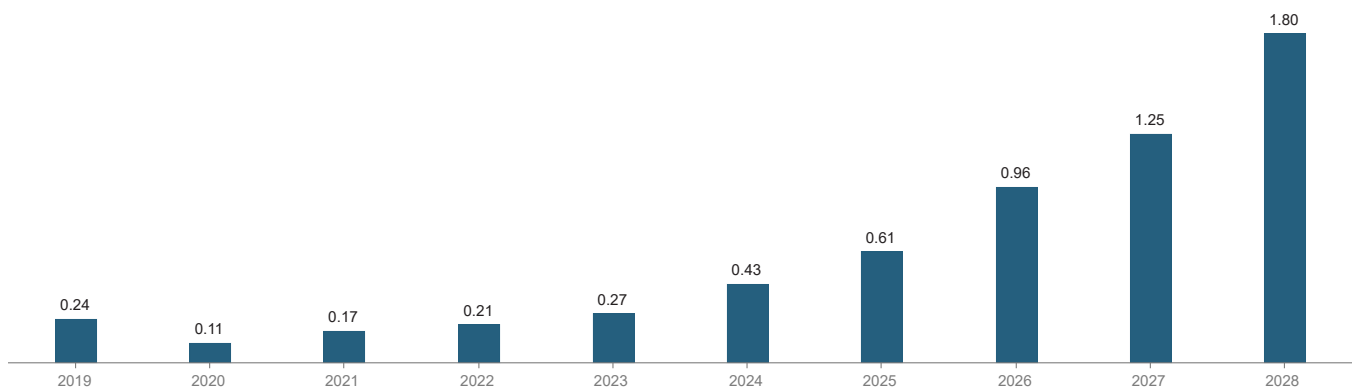
#### Prepaid expense - e-commerce (in € millions)



### 4.5.5.2 Prepaid expenses – property listing vertical

Prepaid expenses as a percentage of operating expenses are expected to be 3% for the property listing vertical based on the ratios of the selected GPCs. As per this assumption, the expected prepaid expenses for the property listing vertical at the year ends are shown below:

#### Prepaid expense - property listing vertical (in € millions)

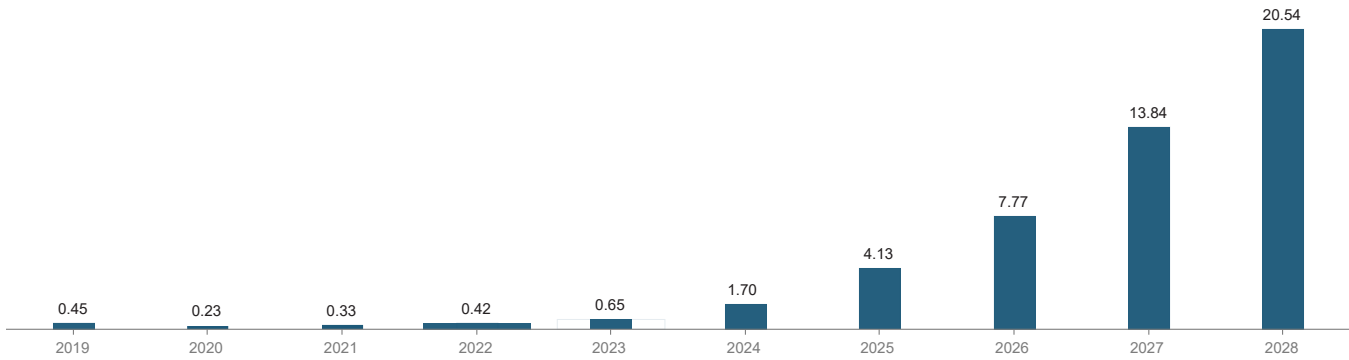


### 4.5.5.3 Total prepaid expense

Based on the above, the expected prepaid expense on a consolidated basis at the year ends is shown below:



### Prepaid expense (in € millions)

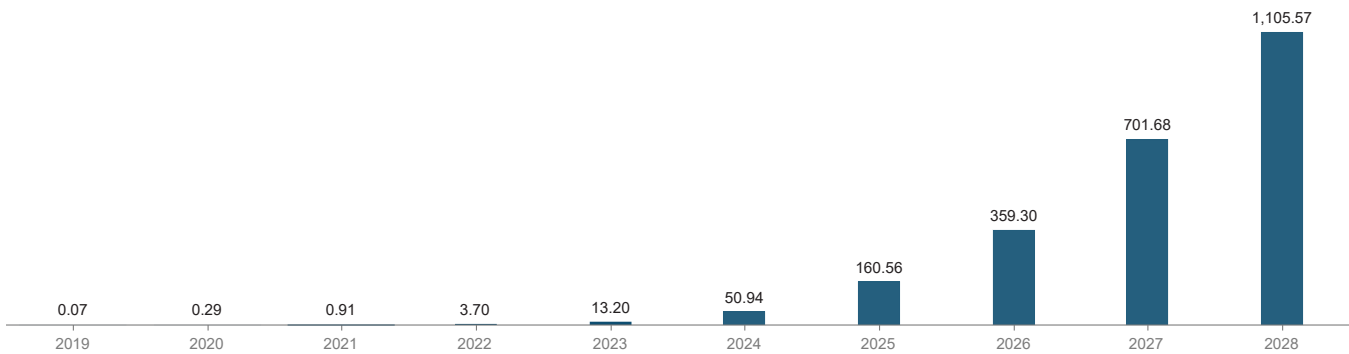


## 4.5.6 Accounts payable

### 4.5.6.1 Accounts payable – e-commerce vertical

Accounts payable days are taken as 45 days of the processing costs for the e-commerce vertical based on the ratios of the selected GPCs. As per this assumption, expected accounts payables for the e-commerce vertical at the year ends are shown below:

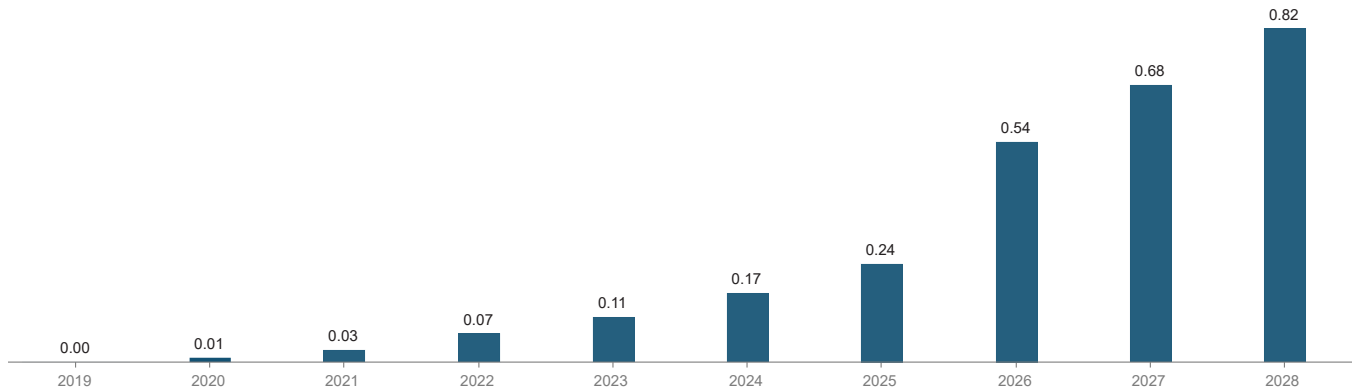
### Accounts payable - e-commerce vertical (in € millions)



### 4.5.6.2 Accounts payable – property listing vertical

Accounts payable days are taken as 20 days of the listings costs for the property listing vertical based on the ratios of the selected GPCs. As per this assumption, expected accounts payables for the property listing vertical at the year ends are shown below:

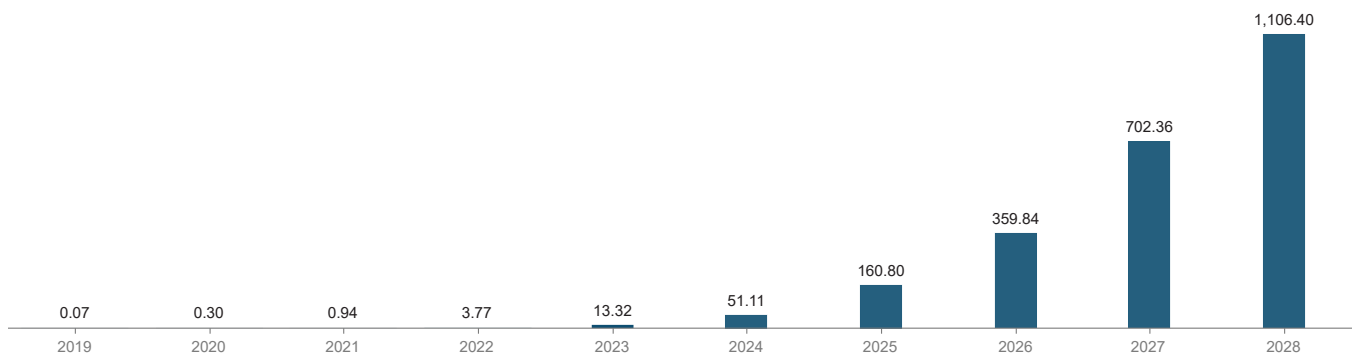
### Accounts payable - property listing vertical (in € millions)



#### 4.5.6.3 Total accounts payable

Based on the above, the expected accounts payable on a consolidated basis at the year ends is shown below:

### Accounts payable (in € millions)

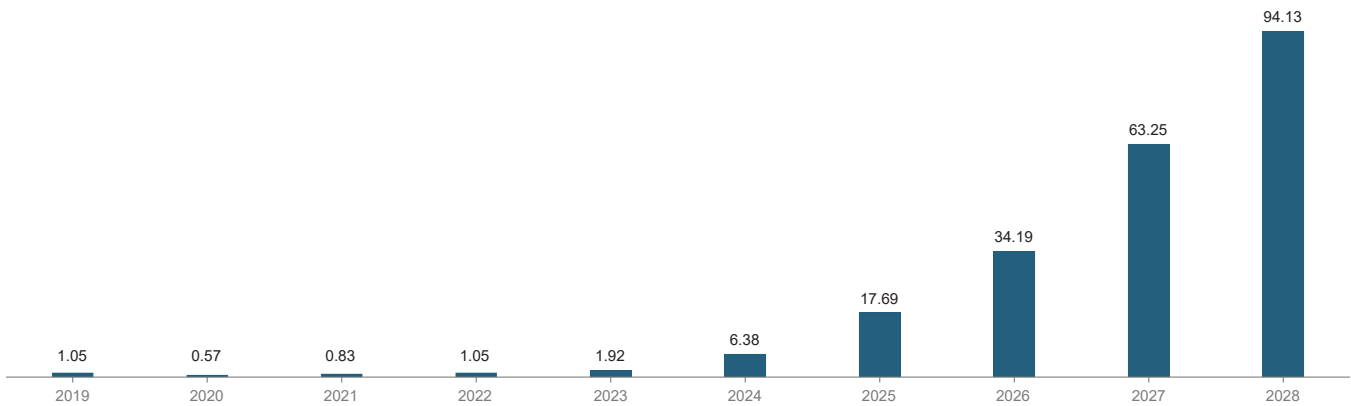


#### 4.5.7 Other current liabilities

##### 4.5.7.1 Other current liabilities – e-commerce vertical

Other current liability days are taken as 55 days of the operating expenses for the e-commerce vertical based on the ratios of the selected GPCs. As per this assumption, expected other current liabilities for the e-commerce vertical at the year ends are shown below:

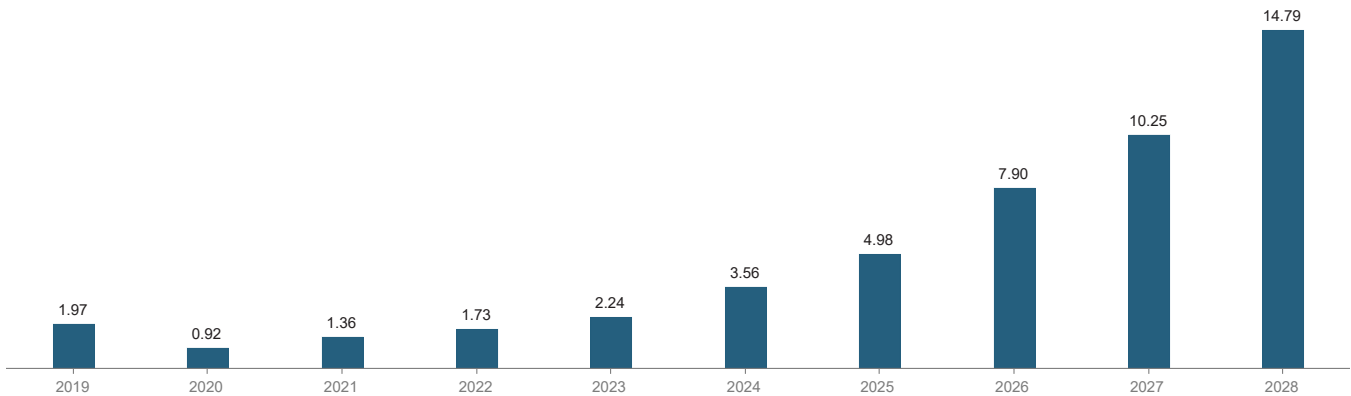
### Other current liabilities - e-commerce vertical (in € millions)



#### 4.5.7.2 Other current liabilities – property listing vertical

Other current liability days are taken as 90 days of the operating expenses for the property listing vertical based on the ratios of the selected GPCs. As per this assumption, expected other current liabilities for the property listing vertical at the year ends are shown below:

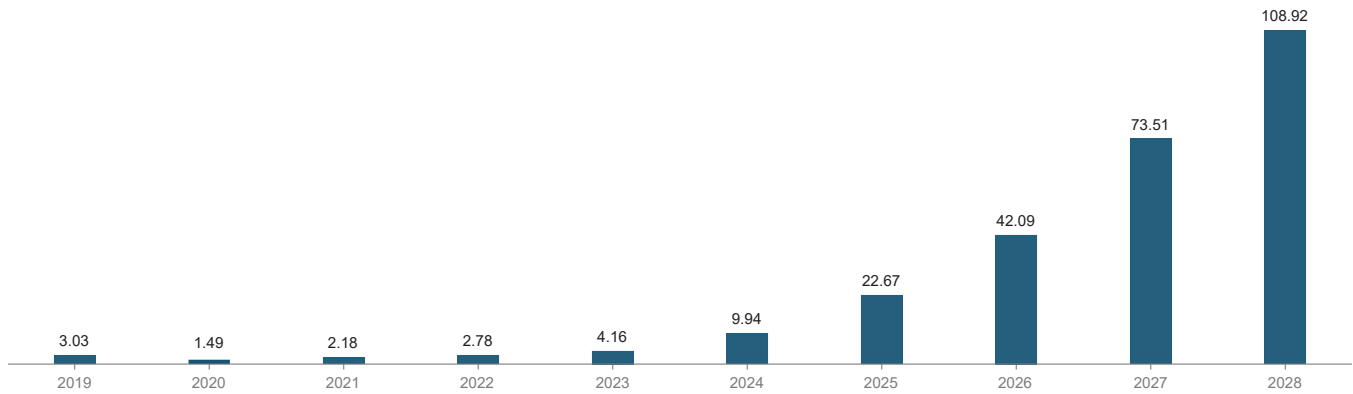
### Other current liabilities - property listing vertical (in € millions)



#### 4.5.7.3 Total other current liabilities

Based on the above, the expected other current liabilities on a consolidated basis at the year ends is shown below:

### Other current liabilities (in € millions)

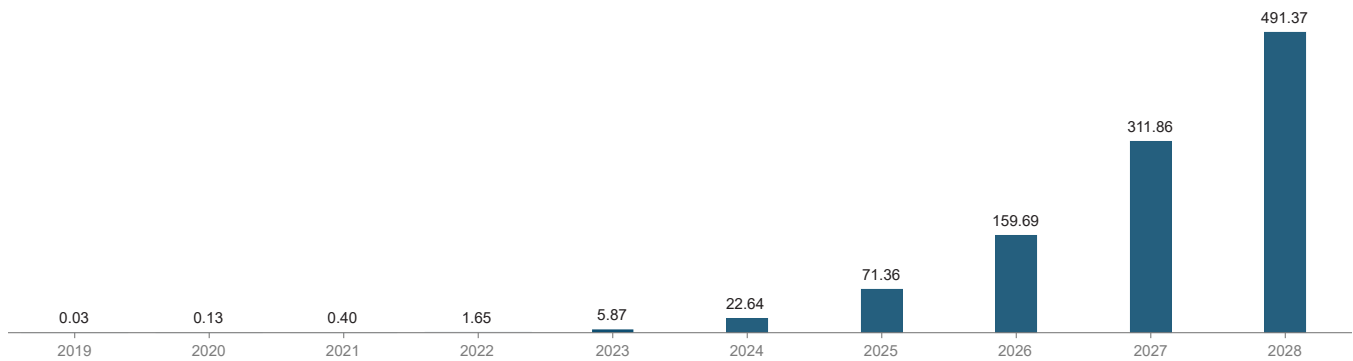


#### 4.5.8 Inventories

The property listing vertical would not hold any inventory because of the nature of the business. Therefore, the inventory expected to be held by the Company is purely for the e-commerce vertical.

Inventory days are taken as 20 days of the processing cost for the e-commerce vertical based on the ratios of the selected GPCs. As per this assumption, expected inventories for the Company at the year ends are shown below:

### Other current liabilities (in € millions)



#### 4.5.9 Funding requirement

Koloxo is expected to be unprofitable until 2025 as the Company plans to invest significantly to build brand in a highly competitive market. The company plans to invest a significant amount in sales & marketing. Further, it would require to incur significant product development expenditure.

The cash burn expected each year is as follows:

|                            | 2019  | 2020  | 2021  | 2022  | 2023 |
|----------------------------|-------|-------|-------|-------|------|
| Cash burn (in € millions)  | 17.36 | 9.63  | 16.92 | 9.42  | 4.73 |
| Cash burn (in \$ millions) | 19.79 | 10.98 | 19.28 | 10.74 | 5.39 |

The Company requires a funding of approximately **€27 million (\$30.78 million)** in order to fund its operations until 2020. In 2021, the Company expects further funding of **€32 million (\$36.48 million)** to fund its operations until 2023. After 2023, the Company expects to be cash flow positive and will be able to fund its operations through its business activities.

## 4.6 Consolidated financial statements

### 4.6.1 Consolidated income statement

The forecasted consolidated income statement is given below:

(in € millions)

|   | 2019          | 2020         | 2021          | 2022          | 2023          | 2024          | 2025          | 2026         | 2027         | 2028         |
|---|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| Net revenue                                 | 0.1           | 0.2          | 1.3           | 5.3           | 15.8          | 46.4          | 126.9         | 276.5        | 525.8        | 820.6        |
| Listing costs                               | 0.0           | 0.2          | 0.6           | 1.3           | 2.1           | 3.2           | 4.4           | 9.9          | 12.4         | 15.0         |
| <b>Gross Profit</b>                         | <b>0.0</b>    | <b>0.1</b>   | <b>0.8</b>    | <b>4.0</b>    | <b>13.7</b>   | <b>43.2</b>   | <b>122.6</b>  | <b>266.6</b> | <b>513.4</b> | <b>805.6</b> |
| <i>Gross Margin</i>                         |               | 34%          | 57%           | 76%           | 87%           | 93%           | 97%           | 96%          | 98%          | 98%          |
| <b>Operating Expense:</b>                   |               |              |               |               |               |               |               |              |              |              |
| Product development                         | 9.0           | 1.0          | 3.0           | 5.0           | 6.4           | 17.3          | 42.4          | 79.2         | 125.5        | 159.8        |
| Sales & marketing                           | 5.0           | 5.0          | 5.0           | 5.0           | 10.0          | 26.6          | 67.8          | 136.4        | 257.0        | 401.7        |
| General & administrative                    | 1.0           | 1.5          | 3.0           | 4.0           | 5.4           | 12.9          | 27.4          | 43.4         | 78.9         | 123.1        |
| <b>Total</b>                                | <b>15.0</b>   | <b>7.5</b>   | <b>11.0</b>   | <b>14.0</b>   | <b>21.8</b>   | <b>56.8</b>   | <b>137.6</b>  | <b>258.9</b> | <b>461.4</b> | <b>684.6</b> |
| <i>Operating expense (% of net revenue)</i> |               | 3,126%       | 835%          | 264%          | 138%          | 122%          | 108%          | 94%          | 88%          | 83%          |
| <b>EBITDA</b>                               | <b>(15.0)</b> | <b>(7.4)</b> | <b>(10.2)</b> | <b>(10.0)</b> | <b>(8.1)</b>  | <b>(13.5)</b> | <b>(15.0)</b> | <b>7.7</b>   | <b>52.0</b>  | <b>120.9</b> |
| <i>EBITDA margin</i>                        |               | (3,092%)     | (777%)        | (189%)        | (51%)         | (29%)         | (12%)         | 3%           | 10%          | 15%          |
| Depreciation                                | 1.0           | 1.2          | 2.7           | 2.9           | 3.2           | 3.9           | 3.7           | 3.5          | 4.8          | 6.5          |
| <b>Profit (loss) before tax</b>             | <b>(16.0)</b> | <b>(8.6)</b> | <b>(12.9)</b> | <b>(12.9)</b> | <b>(11.3)</b> | <b>(17.4)</b> | <b>(18.7)</b> | <b>4.2</b>   | <b>47.2</b>  | <b>114.4</b> |
| <i>PBT margin</i>                           |               | (3,592%)     | (982%)        | (244%)        | (72%)         | (38%)         | (15%)         | 2%           | 9%           | 14%          |
| Taxes                                       | -             | -            | -             | -             | -             | -             | -             | -            | -            | 18.0         |
| <b>Profit (loss) after tax</b>              | <b>(16.0)</b> | <b>(8.6)</b> | <b>(12.9)</b> | <b>(12.9)</b> | <b>(11.3)</b> | <b>(17.4)</b> | <b>(18.7)</b> | <b>4.2</b>   | <b>47.2</b>  | <b>96.4</b>  |
| <i>PAT margin</i>                           |               | (3,592%)     | (982%)        | (244%)        | (72%)         | (38%)         | (15%)         | 2%           | 9%           | 12%          |

## 4.6.2 Consolidated balance sheet

The forecasted consolidated balance sheet is given below:

(in € millions)

|                                       | 2019        | 2020       | 2021        | 2022        | 2023         | 2024          | 2025          | 2026          | 2027         | 2028           |
|---------------------------------------|-------------|------------|-------------|-------------|--------------|---------------|---------------|---------------|--------------|----------------|
| <b>ASSETS:</b>                        |             |            |             |             |              |               |               |               |              |                |
| Cash                                  | 9.6         | 0.0        | 15.1        | 5.7         | 0.9          | 3.9           | 38.9          | 137.0         | 346.6        | 633.1          |
| Accounts receivable                   | 0.0         | 0.0        | 0.2         | 0.7         | 2.3          | 8.0           | 24.3          | 53.9          | 104.5        | 164.2          |
| Inventories                           | 0.0         | 0.1        | 0.4         | 1.6         | 5.9          | 22.6          | 71.4          | 159.7         | 311.9        | 491.4          |
| Prepaid expense                       | 0.5         | 0.2        | 0.3         | 0.4         | 0.7          | 1.7           | 4.1           | 7.8           | 13.8         | 20.5           |
| <b>Total current assets</b>           | <b>10.1</b> | <b>0.4</b> | <b>16.0</b> | <b>8.4</b>  | <b>9.8</b>   | <b>36.3</b>   | <b>138.7</b>  | <b>358.4</b>  | <b>776.8</b> | <b>1,309.2</b> |
| Fixed assets (gross)                  | 5.0         | 6.0        | 13.5        | 14.5        | 16.0         | 19.5          | 24.5          | 31.0          | 38.5         | 48.5           |
| (Accumulated depreciation)            | (1.0)       | (2.2)      | (4.9)       | (7.8)       | (11.0)       | (14.9)        | (18.6)        | (22.1)        | (26.9)       | (33.4)         |
| <b>Fixed assets (net)</b>             | <b>4.0</b>  | <b>3.8</b> | <b>8.6</b>  | <b>6.7</b>  | <b>5.0</b>   | <b>4.6</b>    | <b>5.9</b>    | <b>8.9</b>    | <b>11.6</b>  | <b>15.1</b>    |
| <b>Total non-current assets</b>       | <b>4.0</b>  | <b>3.8</b> | <b>8.6</b>  | <b>6.7</b>  | <b>5.0</b>   | <b>4.6</b>    | <b>5.9</b>    | <b>8.9</b>    | <b>11.6</b>  | <b>15.1</b>    |
| <b>Total assets</b>                   | <b>14.1</b> | <b>4.2</b> | <b>24.6</b> | <b>15.1</b> | <b>14.8</b>  | <b>40.9</b>   | <b>144.6</b>  | <b>367.3</b>  | <b>788.4</b> | <b>1,324.3</b> |
| <b>EQUITY &amp; LIABILITIES:</b>      |             |            |             |             |              |               |               |               |              |                |
| Accounts payable                      | 0.1         | 0.3        | 0.9         | 3.8         | 13.3         | 51.1          | 160.8         | 359.8         | 702.4        | 1,106.4        |
| Other current liabilities             | 3.0         | 1.5        | 2.2         | 2.8         | 4.2          | 9.9           | 22.7          | 42.1          | 73.5         | 108.9          |
| <b>Total liabilities</b>              | <b>3.1</b>  | <b>1.8</b> | <b>3.1</b>  | <b>6.6</b>  | <b>17.5</b>  | <b>61.1</b>   | <b>183.5</b>  | <b>401.9</b>  | <b>775.9</b> | <b>1,215.3</b> |
| Paid in capital                       | 27.0        | 27.0       | 59.0        | 59.0        | 59.0         | 59.0          | 59.0          | 59.0          | 59.0         | 59.0           |
| Retained earnings                     | (16.0)      | (24.6)     | (37.5)      | (50.4)      | (61.7)       | (79.2)        | (97.9)        | (93.7)        | (46.5)       | 50.0           |
| <b>Shareholders' equity</b>           | <b>11.0</b> | <b>2.4</b> | <b>21.5</b> | <b>8.6</b>  | <b>(2.7)</b> | <b>(20.2)</b> | <b>(38.9)</b> | <b>(34.7)</b> | <b>12.5</b>  | <b>109.0</b>   |
| <b>Total liabilities &amp; equity</b> | <b>14.1</b> | <b>4.2</b> | <b>24.6</b> | <b>15.1</b> | <b>14.8</b>  | <b>40.9</b>   | <b>144.6</b>  | <b>367.3</b>  | <b>788.4</b> | <b>1,324.3</b> |

### 4.6.3 Consolidated cash flow statement

The forecasted consolidated cash flow statement is given below:

(in € millions)

|                                      | 2019          | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         | 2028          |
|--------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>OPERATING CASH FLOW</b>           |               |              |              |              |              |              |              |              |              |               |
| PBT                                  | (16.0)        | (8.6)        | (12.9)       | (12.9)       | (11.3)       | (17.4)       | (18.7)       | 4.2          | 47.2         | 114.4         |
| Depreciation                         | 1.0           | 1.2          | 2.7          | 2.9          | 3.2          | 3.9          | 3.7          | 3.5          | 4.8          | 6.5           |
| <b>Changes in working capital</b>    |               |              |              |              |              |              |              |              |              |               |
| Receivables                          | (0.0)         | (0.0)        | (0.1)        | (0.5)        | (1.6)        | (5.7)        | (16.2)       | (29.6)       | (50.6)       | (59.7)        |
| Inventories                          | (0.0)         | (0.1)        | (0.3)        | (1.2)        | (4.2)        | (16.8)       | (48.7)       | (88.3)       | (152.2)      | (179.5)       |
| Prepaid expenses                     | (0.5)         | 0.2          | (0.1)        | (0.1)        | (0.2)        | (1.0)        | (2.4)        | (3.6)        | (6.1)        | (6.7)         |
| Accounts payable                     | 0.1           | 0.2          | 0.6          | 2.8          | 9.5          | 37.8         | 109.7        | 199.0        | 342.5        | 404.0         |
| Other current liabilities            | 3.0           | (1.5)        | 0.7          | 0.6          | 1.4          | 5.8          | 12.7         | 19.4         | 31.4         | 35.4          |
| <b>Net change in working capital</b> | <b>2.6</b>    | <b>(1.2)</b> | <b>0.8</b>   | <b>1.6</b>   | <b>4.9</b>   | <b>20.0</b>  | <b>55.0</b>  | <b>96.9</b>  | <b>165.1</b> | <b>193.5</b>  |
| Taxes                                | -             | -            | -            | -            | -            | -            | -            | -            | -            | (18.0)        |
| <b>Cash flow from operations</b>     | <b>(12.4)</b> | <b>(8.6)</b> | <b>(9.4)</b> | <b>(8.4)</b> | <b>(3.2)</b> | <b>6.5</b>   | <b>40.0</b>  | <b>104.6</b> | <b>217.1</b> | <b>296.5</b>  |
| <b>INVESTMENT CASH FLOW</b>          |               |              |              |              |              |              |              |              |              |               |
| Fixed Assets purchased               | (5.0)         | (1.0)        | (7.5)        | (1.0)        | (1.5)        | (3.5)        | (5.0)        | (6.5)        | (7.5)        | (10.0)        |
| <b>Cash flow from investments</b>    | <b>(5.0)</b>  | <b>(1.0)</b> | <b>(7.5)</b> | <b>(1.0)</b> | <b>(1.5)</b> | <b>(3.5)</b> | <b>(5.0)</b> | <b>(6.5)</b> | <b>(7.5)</b> | <b>(10.0)</b> |
| <b>FINANCING CASH FLOW</b>           |               |              |              |              |              |              |              |              |              |               |
| Equity share capital                 | 27.0          | -            | 32.0         | -            | -            | -            | -            | -            | -            | -             |
| <b>Cash flow from financing</b>      | <b>27.0</b>   | <b>-</b>     | <b>32.0</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>      |
| <b>Total cash flows</b>              | <b>9.6</b>    | <b>(9.6)</b> | <b>15.1</b>  | <b>(9.4)</b> | <b>(4.7)</b> | <b>3.0</b>   | <b>35.0</b>  | <b>98.1</b>  | <b>209.6</b> | <b>286.5</b>  |
| Opening cash balance                 | -             | 9.6          | 0.0          | 15.1         | 5.7          | 0.9          | 3.9          | 38.9         | 137.0        | 346.6         |
| <b>Closing cash balance</b>          | <b>9.6</b>    | <b>0.0</b>   | <b>15.1</b>  | <b>5.7</b>   | <b>0.9</b>   | <b>3.9</b>   | <b>38.9</b>  | <b>137.0</b> | <b>346.6</b> | <b>633.1</b>  |





# **Valuation Analysis - Discounted Cash Flow**

## 5 Valuation Analysis – Discounted Cash Flow

### 5.1 Cost of Capital

The cost of capital is the rate of return that a willing financial buyer, acting rationally, would expect to receive from an investment to compensate for the inherent risks and the time value of money. Moreover, this rate of return should be acceptable to a willing seller with the same knowledge of facts, as explained in the fair market value definition.

The determination of Cost of Capital was based on a qualitative analysis of various risks that the Company is exposed to. The Company is in the expansion stage and its growth and profitability are linked to critical risk factors as discussed in the Risk section. We selected **40%** as the appropriate cost of capital for Koloxo.

Furthermore, the return expected by venture capitalists for companies in different stages of financing was considered, as described in the two publications identified in the AICPA Practice Aid.

| Rates of return                           |                       |                                    |   |
|---|-----------------------|------------------------------------|---|
| Stage of development                      | Plummer <sup>21</sup> | Scherlis and Sahlman <sup>22</sup> | Sahlman, Stevenson, and Bhide <sup>23</sup> |
| Start-Up                                  | 50-70%                | 50-70%                             | 50-100%                                     |
| <b>First Stage or 'Early Development'</b> | <b>40-60%</b>         | <b>40-60%</b>                      | <b>40-60%</b>                               |
| Second Stage or 'Expansion'               | 35-50%                | 30-50%                             | 30-40%                                      |
| Bridge/IPO                                | 25-35%                | 20-35%                             | 20-30%                                      |

The Venture Economics publication presented in the AICPA Practice Aid, illustrating the average rates of returns, were studied for various venture capital funds.

| Type of fund                   | 5-year return | 10-year return | 20-year return |
|--------------------------------|---------------|----------------|----------------|
| Early/Seed Stage <sup>24</sup> | 51.4%         | <b>34.9%</b>   | 20.4%          |
| Balanced <sup>25</sup>         | 20.9%         | 20.9%          | 14.3%          |
| Later Stage <sup>26</sup>      | 10.6%         | 21.6%          | 15.3%          |
| All ventures                   | 28.3%         | 26.3%          | 16.6%          |

21 Plummer, James L., QED Report on Venture Capital Financial Analysis, Palo Alto: QED Research, Inc., 1987.

22 Scherlis, Daniel R. and William A. Sahlman, "A Method for Valuing High-Risk, Long Term, Investments: The Venture Capital Method," Harvard Business School Teaching Note 9-288-006, Boston: Harvard Business School Publishing, 1989.

23 Sahlman, Stevenson, and Bhide "Financial Entrepreneurial Ventures," Business Fundamental Series, Boston: Harvard Business School Publishing, 1998.

24 Seed Stage is defined by Venture Economics as including investments in portfolio companies that have not yet fully established commercial operations and may involve continued research and development. Early Stage is defined by Venture Economics as including investments in portfolio companies for product development and initial marketing, manufacturing, and sales activity.

25 Balanced is defined by Venture Economics as including investments in portfolio companies at a variety of stages of development (Seed Stage, Early Stage, Later Stage).

26 Later Stage is defined by Venture Economics as including financing for the expansion of a company that is producing, shipping, and increasing sales.

## 5.2 Free Cash Flow to Firm

Based on the financial projections, the free cash flow to firm (FCFF) was arrived at as follows:

(in € millions)

|                                       | 2019          | 2020         | 2021          | 2022          | 2023          | 2024          | 2025          | 2026        | 2027         | 2028         |
|---------------------------------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|-------------|--------------|--------------|
| EBIT                                  | (16.0)        | (8.6)        | (12.9)        | (12.9)        | (11.3)        | (17.4)        | (18.7)        | 4.2         | 47.2         | 114.4        |
| Taxes                                 | -             | -            | -             | -             | -             | -             | -             | -           | -            | (18.0)       |
| <b>Net operating profit after tax</b> | <b>(16.0)</b> | <b>(8.6)</b> | <b>(12.9)</b> | <b>(12.9)</b> | <b>(11.3)</b> | <b>(17.4)</b> | <b>(18.7)</b> | <b>4.2</b>  | <b>47.2</b>  | <b>96.4</b>  |
| Depreciation                          | 1.0           | 1.2          | 2.7           | 2.9           | 3.2           | 3.9           | 3.7           | 3.5         | 4.8          | 6.5          |
| Changes in WC                         | 2.6           | (1.2)        | 0.8           | 1.6           | 4.9           | 20.0          | 55.0          | 96.9        | 165.1        | 193.5        |
| Net CapEx                             | (5.0)         | (1.0)        | (7.5)         | (1.0)         | (1.5)         | (3.5)         | (5.0)         | (6.5)       | (7.5)        | (10.0)       |
| <b>Free cash flow to firm</b>         | <b>(17.4)</b> | <b>(9.6)</b> | <b>(16.9)</b> | <b>(9.4)</b>  | <b>(4.7)</b>  | <b>3.0</b>    | <b>35.0</b>   | <b>98.1</b> | <b>209.6</b> | <b>286.5</b> |

## 5.3 Terminal Value

The terminal value was calculated by using the H-model and applying the multiples of publicly listed companies to the expected revenue of the terminal year.

### 5.3.1 H-model

The terminal value arrived at using the H-model was approximately **€1.48 billion** using the following inputs:

|  | Terminal value       |
|--|----------------------|
| 2028 FCFF  | €286.48 million      |
| Short-term growth rate (based on FCFF growth rate in 2028) | 37%                  |
| Long-term growth rate (based on global GDP growth rate)    | 4%                   |
| Time taken for growth rate to normalise                    | 5 years              |
| <b>Terminal value</b>                                      | <b>€1.48 billion</b> |

### 5.3.2 Exit multiple

The terminal value arrived at using the exit multiple was approximately **€2.09 billion** using the following inputs:

|   | Terminal value         |
|---|------------------------|
| 2028 net revenue – e-commerce               | €734.90 million        |
| Net revenue multiple                        | 2.5x                   |
| <b>Terminal value – e-commerce vertical</b> | <b>€1.84 billion</b>   |
| 2028 revenue – property listing             | €85.68 million         |
| Revenue multiple                            | 3.0x                   |
| <b>Terminal value – property listing</b>    | <b>€257.05 million</b> |
| <b>Total terminal value</b>                 | <b>€2.09 billion</b>   |

To select an appropriate multiple for the e-commerce vertical, the EV/gross profit multiple of the selected GPCs were analysed. The EV/gross profit was considered an appropriate multiple because of the nature of the business of the GPCs. These GPCs included online marketplaces, online retailers, and mostly a combination of both.

The online marketplaces showed commission received from sale as their revenue. Logistics costs incurred by these companies are shown as direct costs. Therefore, gross profit for these companies would be calculated in a manner similar to that used to calculate the net revenue of Koloxo's e-commerce vertical.

The online retailers showed GMV as their revenue. Procurement and logistics costs incurred by these companies are shown as direct costs. Therefore, gross profit for these companies would be calculated in a manner similar to that used to calculate the net revenue of Koloxo's e-commerce vertical.

The GPCs in both businesses showed GMV and commission as revenue. Procurement and logistics costs incurred by these companies are shown as direct costs. Therefore, gross profit for these companies would be calculated in a manner similar to that used to calculate the net revenue of Koloxo's e-commerce vertical.

The LTM EV/gross profit for these companies ranged from 0.36x to 18.44x. Meanwhile, 0.94x, 3.28x, and 6.55x are the quartile 1, median, and quartile 3 measures, respectively. By 2028, Koloxo's e-commerce vertical is expected to be well established in the market. Therefore, the e-commerce vertical should attract a multiple greater than the quartile 1 GPC EV/gross profit multiple of 0.94x. However, there are significant risks the Company faces and the industry it operates in is highly competitive. Thus, Koloxo should attract a multiple lower than the median GPC EV/gross profit multiple of 3.28x.

Based on the discussion above, it was considered appropriate to apply a **2.5x** multiple to Koloxo's 2028 net revenue to arrive at the terminal value of **€1.84 billion** for the e-commerce vertical.

To select an appropriate multiple for the property listing vertical, the EV/revenue multiple of the selected GPCs were analysed. The LTM EV/revenue for GPCs operating in the property listing vertical ranged from 0.01x to 10.62x. Meanwhile, 0.62x, 2.84x, and 4.44x are the quartile 1, median, and quartile 3 measures, respectively.

The LTM multiples for most selected GPCs were the lowest compared to multiples prevailing from 2013 to 2017. Therefore, it was considered appropriate to use the 2017 EV/revenue multiples of the selected GPCs, which ranged from 0.11x to 9.79x. Meanwhile, 1.62x, 4.74x, and 6.52x are the quartile 1, median, and quartile 3 measures, respectively.

By 2028, Koloxo’s property listing vertical is expected to be well established in the market by 2028. Therefore, the property listing vertical should attract a multiple greater than the quartile 1 GPC EV/gross profit multiple of 1.62x. However, there are significant risks the Company faces and the industry it operates in is highly competitive. Thus, Koloxo should attract a multiple lower than the median GPC EV/gross profit multiple of 4.74x.

Based on the discussion above, it was considered appropriate apply a **3.0x** multiple to Koloxo’s 2028 net revenue to arrive at the terminal value of **€257.05 million** for the property listing vertical.

Thus, the total terminal value of **€2.09 billion** was arrived at using the exit multiple.

The exit multiple was considered a more accurate measure of arriving at the terminal value compared to the H-model. This is because it is difficult to predict the time the Company would require to normalise the growth rate. Therefore, the terminal value of **€2.09 billion** was considered appropriate.

Refer to Annexure 6.5 for selection of exit multiple.

## 5.4 Equity Value

The cost of capital determined above was used to discount both the FCFF for the explicit forecast period and the terminal value. As no net operating losses were carried forward at the end of the forecast period, there was no expected future saving of taxes. The enterprise value was calculated by adding the PVs of the FCFF and terminal value.

As the cash and cash equivalents and debt balance as of the date of valuation were assumed to be NIL, the equity value is equal to the enterprise value of **€76.66 million** as calculated below:

|                                | Equity value          |
|--------------------------------|-----------------------|
| Sum of PV of FCFF              | €4.26 million         |
| PV of terminal value           | €72.40 million        |
| <b>Equity/Enterprise value</b> | <b>€76.66 million</b> |

### 5.4.1 Sum of PV of FCFF

The sum of the PV of the FCFF was calculated as follows:

(in € millions)

|                          | 2019          | 2020         | 2021         | 2022         | 2023         | 2024       | 2025       | 2026       | 2027        | 2028        |
|--------------------------|---------------|--------------|--------------|--------------|--------------|------------|------------|------------|-------------|-------------|
| Free cash flow to firm   | (17.4)        | (9.6)        | (16.9)       | (9.4)        | (4.7)        | 3.0        | 35.0       | 98.1       | 209.6       | 286.5       |
| Year fraction            | 1.0           | 2.0          | 3.0          | 4.0          | 5.0          | 6.0        | 7.0        | 8.0        | 9.0         | 10.0        |
| PV factor                | 0.85          | 0.60         | 0.43         | 0.31         | 0.22         | 0.16       | 0.11       | 0.08       | 0.06        | 0.04        |
| <b>PV of FCFF</b>        | <b>(14.7)</b> | <b>(5.8)</b> | <b>(7.3)</b> | <b>(2.9)</b> | <b>(1.0)</b> | <b>0.5</b> | <b>3.9</b> | <b>7.9</b> | <b>12.0</b> | <b>11.7</b> |
| <b>Sum of PV of FCFF</b> | <b>4.26</b>   |              |              |              |              |            |            |            |             |             |

### 5.4.2 PV of terminal value

The PV of the terminal value was calculated as follows:

|                             | PV of terminal value  |
|-----------------------------|-----------------------|
| Terminal value              | €2.09 billion         |
| 2028 PV factor              | 0.03                  |
| <b>PV of terminal value</b> | <b>€72.40 million</b> |



# Annexures

## 6 Annexures

### 6.1 Calculation of GMV and number of transactions

The GMV and number of transactions for each region are arrived at using a top-down approach starting from the population of the region. The population for each year has been arrived at by applying the actual 2017 population growth rate to the actual 2017 population.

Since Koloxo's reach would only be to the population using the internet, the population not using the internet has been subtracted from the total population. The population using the internet is further reduced by the internet users not making online purchases to arrive at the online buyers of the region. This number is multiplied by the average online spend per person to arrive at the e-commerce market of the region.

Since Koloxo's unique proposition allows customers to purchase products from across the world, the e-commerce market of each region is further discounted for regional competition to arrive at the cross-border e-commerce market. This would be the addressable market for Koloxo's e-commerce business.

The addressable market as calculated above is multiplied by the expected market share obtained by Koloxo in order to arrive at the GMV for each region. The expected market share increases each year after start of operations in a particular region.

The number of transactions is arrived at by dividing the GMV by the weighted average spend per transaction. The calculation of GMV and number of transactions has been further explained below.

|                                      | Calculation            |
|--------------------------------------|------------------------|
| Population                           | [A]                    |
| Not using internet (a%)              | [B] = [A] x a%         |
| <b>Internet users</b>                | <b>[C] = [A] - [B]</b> |
| Not shopping online (b%)             | [D] = [C] x b%         |
| <b>Online shoppers</b>               | <b>[E] = [C] - [D]</b> |
| Average online spend per shopper     | [F]                    |
| <b>E-commerce market</b>             | <b>[G] = [E] x [F]</b> |
| Cross-border e-commerce market (c%)  | [H] = [G] x c%         |
| Market obtained                      | d%                     |
| <b>GMV</b>                           | <b>[I] = [H] x d%</b>  |
| Average spend per Koloxo transaction | [J]                    |
| <b>Number of transactions</b>        | <b>[K] = [I] / [J]</b> |

*Given below are the GMV and the number of transactions for each region.*

- The population, not using internet, internet users, not shopping online, online shoppers and number of transactions are in thousands.
- The online spend per shopper and average spends per Koloxo transaction is in euros.
- The e-commerce market, cross-border e-commerce market and GMV are in thousand euros.



### 6.1.1 Spain

|   | 2019              | 2020              | 2021              | 2022              | 2023              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>27</sup> (in 000s)                              | 46,759            | 46,852            | 46,946            | 47,040            | 47,228            |
| Not using internet (15% <sup>28</sup> ) (in 000s)               | 7,014             | 7,028             | 7,042             | 7,056             | 7,070             |
| <b>Internet users (in 000s)</b>                                 | <b>39,745</b>     | <b>39,824</b>     | <b>39,904</b>     | <b>39,984</b>     | <b>40,063</b>     |
| Not shopping online (31% <sup>29</sup> ) (in 000s)              | 12,321            | 12,346            | 12,370            | 12,395            | 12,420            |
| <b>Online shoppers (in 000s)</b>                                | <b>27,424</b>     | <b>27,479</b>     | <b>27,534</b>     | <b>27,589</b>     | <b>27,644</b>     |
| Online spend per shopper <sup>30</sup> (in €)                   | 538               | 538               | 538               | 538               | 538               |
| <b>E-commerce market (in € 000s)</b>                            | <b>14,754,038</b> | <b>14,783,546</b> | <b>14,813,113</b> | <b>14,842,740</b> | <b>14,842,740</b> |
| Cross-border e-commerce market (15% <sup>31</sup> ) (in € 000s) | 2,213,106         | 2,217,532         | 2,221,967         | 2,226,411         | 2,230,864         |
| Market obtained   | 0.0025%           | 0.0050%           | 0.0150%           | 0.0500%           | 0.2500%           |
| <b>GMV (in € 000s)</b>  | <b>55</b>         | <b>111</b>        | <b>333</b>        | <b>1,113</b>      | <b>5,577</b>      |
| Average spend per Koloxo transaction (in €)                     | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>                         | <b>1</b>          | <b>2</b>          | <b>5</b>          | <b>15</b>         | <b>77</b>         |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 47,228            | 47,322            | 47,417            | 47,512            | 47,607            |
| Not using internet (15%) (in 000s)               | 7,084             | 7,098             | 7,113             | 7,127             | 7,141             |
| <b>Internet users (in 000s)</b>                  | <b>40,144</b>     | <b>40,224</b>     | <b>40,305</b>     | <b>40,385</b>     | <b>40,466</b>     |
| Not shopping online (31%) (in 000s)              | 12,445            | 12,469            | 12,494            | 12,519            | 12,544            |
| <b>Online shoppers (in 000s)</b>                 | <b>27,699</b>     | <b>27,755</b>     | <b>27,810</b>     | <b>27,866</b>     | <b>27,921</b>     |
| Online spend per shopper (in €)                  | 538               | 538               | 538               | 538               | 538               |
| <b>E-commerce market (in € 000s)</b>             | <b>14,902,170</b> | <b>14,931,974</b> | <b>14,961,838</b> | <b>14,991,762</b> | <b>15,021,745</b> |
| Cross-border e-commerce market (15%) (in € 000s) | 2,235,325         | 2,239,796         | 2,244,276         | 2,248,764         | 2,253,262         |
| Market obtained                                  | 0.7500%           | 2.0000%           | 5.0000%           | 12.5000%          | 20.0000%          |
| <b>GMV (in € 000s)</b>                           | <b>16,765</b>     | <b>44,796</b>     | <b>112,214</b>    | <b>281,096</b>    | <b>450,652</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>232</b>        | <b>621</b>        | <b>1,555</b>      | <b>3,895</b>      | <b>6,244</b>      |

27 World Bank – 2017 population and population growth

28 World Bank

29 Eurostat (based on Europe)

30 Postnord Group AB [SE]

31 KPMG (based on Western Europe)

## 6.1.2 United Arab Emirates (UAE)

|   | 2019              | 2020              | 2021              | 2022              | 2023              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>32</sup> (in 000s)                              | 9,665             | 9,801             | 9,938             | 10,077            | 10,218            |
| Not using internet (5% <sup>33</sup> ) (in 000s)                | 483               | 490               | 497               | 504               | 511               |
| <b>Internet users (in 000s)</b>                                 | <b>9,182</b>      | <b>9,310</b>      | <b>9,441</b>      | <b>9,573</b>      | <b>9,707</b>      |
| Not shopping online (37% <sup>34</sup> ) (in 000s)              | 3,397             | 3,445             | 3,493             | 3,542             | 3,592             |
| <b>Online shoppers (in 000s)</b>                                | <b>5,785</b>      | <b>5,866</b>      | <b>5,948</b>      | <b>6,031</b>      | <b>6,115</b>      |
| Online spend per shopper <sup>35</sup> (in €)                   | 3,214             | 3,214             | 3,214             | 3,214             | 3,214             |
| <b>E-commerce market (in € 000s)</b>                            | <b>18,590,381</b> | <b>18,850,646</b> | <b>19,114,555</b> | <b>19,382,159</b> | <b>19,653,509</b> |
| Cross-border e-commerce market (50% <sup>36</sup> ) (in € 000s) | 9,295,190         | 9,425,323         | 9,557,278         | 9,691,080         | 9,826,755         |
| Market obtained   | 0.0010%           | 0.0020%           | 0.0050%           | 0.0250%           | 0.0500%           |
| <b>GMV (in € 000s)</b>  | <b>93</b>         | <b>189</b>        | <b>478</b>        | <b>2,423</b>      | <b>4,913</b>      |
| Average spend per Koloxo transaction (in €)                     | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>                         | <b>1</b>          | <b>3</b>          | <b>7</b>          | <b>34</b>         | <b>68</b>         |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 10,361            | 10,506            | 10,653            | 10,802            | 10,953            |
| Not using internet (5%) (in 000s)                | 518               | 525               | 533               | 540               | 548               |
| <b>Internet users (in 000s)</b>                  | <b>9,843</b>      | <b>9,981</b>      | <b>10,120</b>     | <b>10,262</b>     | <b>10,406</b>     |
| Not shopping online (37%) (in 000s)              | 3,642             | 3,693             | 3,745             | 3,797             | 3,850             |
| <b>Online shoppers (in 000s)</b>                 | <b>6,201</b>      | <b>6,288</b>      | <b>6,376</b>      | <b>6,465</b>      | <b>6,556</b>      |
| Online spend per shopper (in €)                  | 3,214             | 3,214             | 3,214             | 3,214             | 3,214             |
| <b>E-commerce market (in € 000s)</b>             | <b>19,928,658</b> | <b>20,207,660</b> | <b>20,490,567</b> | <b>20,777,435</b> | <b>21,068,319</b> |
| Cross-border e-commerce market (50%) (in € 000s) | 9,964,329         | 10,103,830        | 10,245,283        | 10,388,717        | 10,534,159        |
| Market obtained                                  | 0.2500%           | 0.5000%           | 1.5000%           | 3.2500%           | 5.0000%           |
| <b>GMV (in € 000s)</b>                           | <b>24,911</b>     | <b>50,519</b>     | <b>153,679</b>    | <b>337,633</b>    | <b>526,708</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>345</b>        | <b>700</b>        | <b>2,129</b>      | <b>4,678</b>      | <b>7,298</b>      |

32 World Bank – 2017 population and population growth

33 World Bank

34 Global Media Insights

35 KPMG

36 KPMG (based on Africa and Middle East)

### 6.1.3 Saudi Arabia

|   | 2019              | 2020              | 2021              | 2022              | 2023              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>37</sup> (in 000s)                              | 34,269            | 34,954            | 35,653            | 36,366            | 37,094            |
| Not using internet (20% <sup>38</sup> ) (in 000s)               | 6,854             | 6,991             | 7,131             | 7,273             | 7,419             |
| <b>Internet users (in 000s)</b>                                 | <b>27,415</b>     | <b>27,963</b>     | <b>28,523</b>     | <b>29,093</b>     | <b>29,675</b>     |
| Not shopping online (56% <sup>39</sup> ) (in 000s)              | 15,352            | 15,660            | 15,973            | 16,292            | 16,618            |
| <b>Online shoppers (in 000s)</b>                                | <b>12,063</b>     | <b>12,304</b>     | <b>12,550</b>     | <b>12,801</b>     | <b>13,057</b>     |
| Online spend per shopper <sup>40</sup> (in €)                   | 3,214             | 3,214             | 3,214             | 3,214             | 3,214             |
| <b>E-commerce market (in € 000s)</b>                            | <b>38,766,487</b> | <b>39,541,816</b> | <b>40,332,653</b> | <b>41,139,306</b> | <b>41,962,092</b> |
| Cross-border e-commerce market (50% <sup>41</sup> ) (in € 000s) | 19,383,243        | 19,770,908        | 20,166,326        | 20,569,653        | 20,981,046        |
| Market obtained   | 0.0003%           | 0.0005%           | 0.0015%           | 0.0050%           | 0.0175%           |
| <b>GMV (in € 000s)</b>  | <b>58</b>         | <b>99</b>         | <b>302</b>        | <b>1,028</b>      | <b>3,672</b>      |
| Average spend per Koloxo transaction (in €)                     | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>                         | <b>1</b>          | <b>1</b>          | <b>4</b>          | <b>14</b>         | <b>51</b>         |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 37,836            | 38,592            | 39,364            | 40,151            | 40,955            |
| Not using internet (20%) (in 000s)               | 7,567             | 7,718             | 7,873             | 8,030             | 8,191             |
| <b>Internet users (in 000s)</b>                  | <b>30,269</b>     | <b>30,874</b>     | <b>31,491</b>     | <b>32,121</b>     | <b>32,764</b>     |
| Not shopping online (56%) (in 000s)              | 16,950            | 17,289            | 17,635            | 17,988            | 18,348            |
| <b>Online shoppers (in 000s)</b>                 | <b>13,318</b>     | <b>13,585</b>     | <b>13,856</b>     | <b>14,133</b>     | <b>14,416</b>     |
| Online spend per shopper (in €)                  | 3,214             | 3,214             | 3,214             | 3,214             | 3,214             |
| <b>E-commerce market (in € 000s)</b>             | <b>42,801,334</b> | <b>43,657,360</b> | <b>44,530,507</b> | <b>45,421,118</b> | <b>46,329,540</b> |
| Cross-border e-commerce market (50%) (in € 000s) | 21,400,667        | 21,828,680        | 22,265,254        | 22,710,559        | 23,164,770        |
| Market obtained                                  | 0.0750%           | 0.2500%           | 0.5000%           | 1.5000%           | 2.5000%           |
| <b>GMV (in € 000s)</b>                           | <b>16,051</b>     | <b>54,572</b>     | <b>111,326</b>    | <b>340,658</b>    | <b>579,119</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>222</b>        | <b>756</b>        | <b>1,543</b>      | <b>4,720</b>      | <b>8,024</b>      |

37 World Bank – 2017 population and population growth

38 World Bank

39 eshopworld

40 Based on UAE

41 KPMG (based on Africa and Middle East)

### 6.1.4 Australia

|   | 2019             | 2020             | 2021             | 2022             | 2023             |
|---|------------------|------------------|------------------|------------------|------------------|
| Population <sup>42</sup> (in 000s)                              | 25,392           | 25,799           | 26,211           | 26,631           | 27,057           |
| Not using internet (13% <sup>43</sup> ) (in 000s)               | 3,301            | 3,354            | 3,407            | 3,462            | 3,517            |
| <b>Internet users (in 000s)</b>                                 | <b>22,091</b>    | <b>22,445</b>    | <b>22,804</b>    | <b>23,169</b>    | <b>23,540</b>    |
| Not shopping online (56% <sup>44</sup> ) (in 000s)              | 12,371           | 12,569           | 12,770           | 12,975           | 13,182           |
| <b>Online shoppers (in 000s)</b>                                | <b>9,720</b>     | <b>9,876</b>     | <b>10,034</b>    | <b>10,194</b>    | <b>10,357</b>    |
| Online spend per shopper <sup>45</sup> (in €)                   | 590              | 590              | 590              | 590              | 590              |
| <b>E-commerce market (in € 000s)</b>                            | <b>5,731,035</b> | <b>5,822,731</b> | <b>5,915,895</b> | <b>6,010,549</b> | <b>6,106,718</b> |
| Cross-border e-commerce market (35% <sup>46</sup> ) (in € 000s) | 2,005,862        | 2,037,956        | 2,070,563        | 2,103,692        | 2,137,351        |
| Market obtained   | 0.0025%          | 0.0050%          | 0.0150%          | 0.0500%          | 0.2250%          |
| <b>GMV (in € 000s)</b>  | <b>50</b>        | <b>102</b>       | <b>311</b>       | <b>1,052</b>     | <b>4,809</b>     |
| Average spend per Koloxo transaction (in €)                     | 72.17            | 72.17            | 72.17            | 72.17            | 72.17            |
| <b>Number of transactions (in 000s)</b>                         | <b>1</b>         | <b>1</b>         | <b>4</b>         | <b>15</b>        | <b>67</b>        |

|  | 2024             | 2025             | 2026             | 2027             | 2028             |
|--|------------------|------------------|------------------|------------------|------------------|
| Population (in 000s)                             | 27,490           | 27,930           | 28,377           | 28,831           | 29,292           |
| Not using internet (13%) (in 000s)               | 3,574            | 3,631            | 3,689            | 3,748            | 3,808            |
| <b>Internet users (in 000s)</b>                  | <b>23,916</b>    | <b>24,299</b>    | <b>24,688</b>    | <b>25,083</b>    | <b>25,484</b>    |
| Not shopping online (56%) (in 000s)              | 13,393           | 13,607           | 13,825           | 14,046           | 14,271           |
| <b>Online shoppers (in 000s)</b>                 | <b>10,523</b>    | <b>10,691</b>    | <b>10,863</b>    | <b>11,036</b>    | <b>11,213</b>    |
| Online spend per shopper (in €)                  | 590              | 590              | 590              | 590              | 590              |
| <b>E-commerce market (in € 000s)</b>             | <b>6,204,426</b> | <b>6,303,696</b> | <b>6,404,555</b> | <b>6,507,028</b> | <b>6,611,141</b> |
| Cross-border e-commerce market (35%) (in € 000s) | 2,171,549        | 2,206,294        | 2,241,594        | 2,277,460        | 2,313,899        |
| Market obtained                                  | 0.7500%          | 2.2500%          | 5.0000%          | 12.5000%         | 20.0000%         |
| <b>GMV (in € 000s)</b>                           | <b>16,287</b>    | <b>49,642</b>    | <b>112,080</b>   | <b>284,682</b>   | <b>462,780</b>   |
| Average spend per Koloxo transaction (in €)      | 72.17            | 72.17            | 72.17            | 72.17            | 72.17            |
| <b>Number of transactions (in 000s)</b>          | <b>226</b>       | <b>688</b>       | <b>1,553</b>     | <b>3,945</b>     | <b>6,412</b>     |

42 World Bank – 2017 population and population growth

43 World Bank

44 Roymorgan

45 Finder

46 KPMG (based on Australia and New Zealand)

### 6.1.5 Oman

|   | 2019             | 2020             | 2021             | 2022             | 2023             |
|---|------------------|------------------|------------------|------------------|------------------|
| Population <sup>47</sup> (in 000s)                              | 5,082            | 5,321            | 5,571            | 5,833            | 6,107            |
| Not using internet (41% <sup>48</sup> ) (in 000s)               | 2,084            | 2,182            | 2,284            | 2,392            | 2,504            |
| <b>Internet users (in 000s)</b>                                 | <b>2,999</b>     | <b>3,139</b>     | <b>3,287</b>     | <b>3,442</b>     | <b>3,603</b>     |
| Not shopping online (37% <sup>49</sup> ) (in 000s)              | 1,109            | 1,162            | 1,216            | 1,273            | 1,333            |
| <b>Online shoppers (in 000s)</b>                                | <b>1,889</b>     | <b>1,978</b>     | <b>2,071</b>     | <b>2,168</b>     | <b>2,270</b>     |
| Online spend per shopper <sup>50</sup> (in €)                   | 3,214            | 3,214            | 3,214            | 3,214            | 3,214            |
| <b>E-commerce market (in € 000s)</b>                            | <b>6,071,097</b> | <b>6,356,438</b> | <b>6,655,191</b> | <b>6,967,985</b> | <b>7,295,480</b> |
| Cross-border e-commerce market (50% <sup>51</sup> ) (in € 000s) | 3,035,548        | 3,178,219        | 3,327,595        | 3,483,992        | 3,647,740        |
| Market obtained   | 0.0005%          | 0.0025%          | 0.0050%          | 0.0100%          | 0.0500%          |
| <b>GMV (in € 000s)</b>  | <b>15</b>        | <b>79</b>        | <b>166</b>       | <b>348</b>       | <b>1,824</b>     |
| Average spend per Koloxo transaction (in €)                     | 72.17            | 72.17            | 72.17            | 72.17            | 72.17            |
| <b>Number of transactions (in 000s)</b>                         | <b>0</b>         | <b>1</b>         | <b>2</b>         | <b>5</b>         | <b>25</b>        |

|  | 2024             | 2025             | 2026             | 2027             | 2028             |
|--|------------------|------------------|------------------|------------------|------------------|
| Population (in 000s)                             | 6,394            | 6,695            | 7,010            | 7,339            | 7,684            |
| Not using internet (41%) (in 000s)               | 2,622            | 2,745            | 2,874            | 3,009            | 3,150            |
| <b>Internet users (in 000s)</b>                  | <b>3,773</b>     | <b>3,950</b>     | <b>4,136</b>     | <b>4,330</b>     | <b>4,533</b>     |
| Not shopping online (37%) (in 000s)              | 1,396            | 1,461            | 1,530            | 1,602            | 1,677            |
| <b>Online shoppers (in 000s)</b>                 | <b>2,377</b>     | <b>2,488</b>     | <b>2,605</b>     | <b>2,728</b>     | <b>2,856</b>     |
| Online spend per shopper (in €)                  | 3,214            | 3,214            | 3,214            | 3,214            | 3,214            |
| <b>E-commerce market (in € 000s)</b>             | <b>7,638,368</b> | <b>7,997,371</b> | <b>8,373,247</b> | <b>8,766,790</b> | <b>9,178,829</b> |
| Cross-border e-commerce market (50%) (in € 000s) | 3,819,184        | 3,998,685        | 4,186,624        | 4,383,395        | 4,589,415        |
| Market obtained                                  | 0.2500%          | 0.5000%          | 1.0000%          | 2.0000%          | 3.2500%          |
| <b>GMV (in € 000s)</b>                           | <b>9,548</b>     | <b>19,993</b>    | <b>41,866</b>    | <b>87,668</b>    | <b>149,156</b>   |
| Average spend per Koloxo transaction (in €)      | 72.17            | 72.17            | 72.17            | 72.17            | 72.17            |
| <b>Number of transactions (in 000s)</b>          | <b>132</b>       | <b>277</b>       | <b>580</b>       | <b>1,215</b>     | <b>2,067</b>     |

47 World Bank – 2017 population and population growth

48 World Bank

49 Based on UAE

50 Based on UAE

51 KPMG (based on Africa and Middle East)

### 6.1.6 Brazil

|  | 2019              | 2020              | 2021              | 2022              | 2023              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>52</sup> (in 000s)                 | 212,650           | 214,351           | 216,066           | 217,795           | 219,537           |
| Not using internet (34% <sup>53</sup> ) (in 000s)  | 72,301            | 72,880            | 73,463            | 74,050            | 74,643            |
| <b>Internet users (in 000s)</b>                    | <b>140,349</b>    | <b>141,472</b>    | <b>142,604</b>    | <b>143,745</b>    | <b>144,895</b>    |
| Not shopping online (60% <sup>54</sup> ) (in 000s) | 84,210            | 84,883            | 85,562            | 86,247            | 86,937            |
| <b>Online shoppers (in 000s)</b>                   | <b>56,140</b>     | <b>56,589</b>     | <b>57,042</b>     | <b>57,498</b>     | <b>57,958</b>     |
| Online spend per shopper <sup>55</sup> (in €)      | 206               | 206               | 206               | 206               | 206               |
| <b>E-commerce market (in € 000s)</b>               | <b>11,587,229</b> | <b>11,679,927</b> | <b>11,773,366</b> | <b>11,867,553</b> | <b>11,962,494</b> |
| Cross-border e-commerce market (50%) (in € 000s)   | 5,793,615         | 5,839,963         | 5,886,683         | 5,933,777         | 5,981,247         |
| Market obtained                                    | 0.0005%           | 0.0025%           | 0.0050%           | 0.0250%           | 0.1000%           |
| <b>GMV (in € 000s)</b>                             | <b>29</b>         | <b>146</b>        | <b>294</b>        | <b>1,483</b>      | <b>5,981</b>      |
| Average spend per Koloxo transaction (in €)        | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>            | <b>0</b>          | <b>2</b>          | <b>4</b>          | <b>21</b>         | <b>83</b>         |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 221,293           | 223,064           | 224,848           | 226,647           | 228,460           |
| Not using internet (34%) (in 000s)               | 75,240            | 75,842            | 76,448            | 77,060            | 77,677            |
| <b>Internet users (in 000s)</b>                  | <b>146,054</b>    | <b>147,222</b>    | <b>148,400</b>    | <b>149,587</b>    | <b>150,784</b>    |
| Not shopping online (60%) (in 000s)              | 87,632            | 88,333            | 89,040            | 89,752            | 90,470            |
| <b>Online shoppers (in 000s)</b>                 | <b>58,421</b>     | <b>58,889</b>     | <b>59,360</b>     | <b>59,835</b>     | <b>60,314</b>     |
| Online spend per shopper (in €)                  | 206               | 206               | 206               | 206               | 206               |
| <b>E-commerce market (in € 000s)</b>             | <b>12,058,194</b> | <b>12,154,659</b> | <b>12,251,896</b> | <b>12,349,912</b> | <b>12,448,711</b> |
| Cross-border e-commerce market (50%) (in € 000s) | 6,029,097         | 6,077,330         | 6,125,948         | 6,174,956         | 6,224,355         |
| Market obtained                                  | 0.2500%           | 1.0000%           | 2.5000%           | 3.7500%           | 5.0000%           |
| <b>GMV (in € 000s)</b>                           | <b>15,073</b>     | <b>60,773</b>     | <b>153,149</b>    | <b>231,561</b>    | <b>311,218</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>209</b>        | <b>842</b>        | <b>2,122</b>      | <b>3,209</b>      | <b>4,312</b>      |

52 World Bank – 2017 population and population growth

53 Globalizationpartners

54 www.export.gov

55 www.export.gov

### 6.1.7 US

|   | 2019               | 2020               | 2021               | 2022               | 2023               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population <sup>56</sup> (in 000s)                              | 330,295            | 332,607            | 334,936            | 337,280            | 339,641            |
| Not using internet (16% <sup>57</sup> ) (in 000s)               | 51,493             | 51,853             | 52,216             | 52,582             | 52,950             |
| <b>Internet users (in 000s)</b>                                 | <b>278,802</b>     | <b>280,754</b>     | <b>282,719</b>     | <b>284,698</b>     | <b>286,691</b>     |
| Not shopping online (16% <sup>58</sup> ) (in 000s)              | 43,465             | 43,770             | 44,076             | 44,384             | 44,695             |
| <b>Online shoppers (in 000s)</b>                                | <b>235,337</b>     | <b>236,984</b>     | <b>238,643</b>     | <b>240,314</b>     | <b>241,996</b>     |
| Online spend per shopper <sup>59</sup> (in €)                   | 1,814              | 1,814              | 1,814              | 1,814              | 1,814              |
| <b>E-commerce market (in € 000s)</b>                            | <b>426,995,028</b> | <b>429,983,993</b> | <b>432,993,881</b> | <b>436,024,838</b> | <b>439,077,012</b> |
| Cross-border e-commerce market (14% <sup>60</sup> ) (in € 000s) | 59,779,304         | 60,197,759         | 60,619,143         | 61,043,477         | 61,470,782         |
| Market obtained   | 0.0003%            | 0.0005%            | 0.0010%            | 0.0050%            | 0.0175%            |
| <b>GMV (in € 000s)</b>  | <b>179</b>         | <b>301</b>         | <b>606</b>         | <b>3,052</b>       | <b>10,757</b>      |
| Average spend per Koloxo transaction (in €)                     | 72.17              | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>                         | <b>2</b>           | <b>4</b>           | <b>8</b>           | <b>42</b>          | <b>149</b>         |

|  | 2024               | 2025               | 2026               | 2027               | 2028               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population (in 000s)                             | 342,019            | 344,413            | 346,824            | 349,251            | 351,696            |
| Not using internet (16%) (in 000s)               | 53,321             | 53,694             | 54,070             | 54,448             | 54,829             |
| <b>Internet users (in 000s)</b>                  | <b>288,698</b>     | <b>290,719</b>     | <b>292,754</b>     | <b>294,803</b>     | <b>296,867</b>     |
| Not shopping online (16%) (in 000s)              | 45,008             | 45,323             | 45,640             | 45,960             | 46,282             |
| <b>Online shoppers (in 000s)</b>                 | <b>243,690</b>     | <b>245,396</b>     | <b>247,113</b>     | <b>248,843</b>     | <b>250,585</b>     |
| Online spend per shopper (in €)                  | 1,814              | 1,814              | 1,814              | 1,814              | 1,814              |
| <b>E-commerce market (in € 000s)</b>             | <b>442,150,551</b> | <b>445,245,605</b> | <b>448,362,324</b> | <b>451,500,861</b> | <b>454,661,367</b> |
| Cross-border e-commerce market (14%) (in € 000s) | 61,901,077         | 62,334,385         | 62,770,725         | 63,210,120         | 63,652,591         |
| Market obtained                                  | 0.0500%            | 0.2500%            | 0.5000%            | 1.0000%            | 1.7500%            |
| <b>GMV (in € 000s)</b>                           | <b>30,951</b>      | <b>155,836</b>     | <b>313,854</b>     | <b>632,101</b>     | <b>1,113,920</b>   |
| Average spend per Koloxo transaction (in €)      | 72.17              | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>          | <b>429</b>         | <b>2,159</b>       | <b>4,349</b>       | <b>8,758</b>       | <b>15,435</b>      |

56 World Bank – 2017 population and population growth

57 eMarketer

58 Disruptive advertising

59 Cbre.us

60 KPMG (based on North America)

### 6.1.8 Canada

|   | 2019              | 2020              | 2021              | 2022              | 2023              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>61</sup> (in 000s)                              | 37,594            | 38,045            | 38,502            | 38,964            | 39,432            |
| Not using internet (10% <sup>62</sup> ) (in 000s)               | 3,797             | 3,843             | 3,889             | 3,935             | 3,983             |
| <b>Internet users (in 000s)</b>                                 | <b>33,797</b>     | <b>34,203</b>     | <b>34,613</b>     | <b>35,029</b>     | <b>35,449</b>     |
| Not shopping online (24% <sup>63</sup> ) (in 000s)              | 8,111             | 8,209             | 8,307             | 8,407             | 8,508             |
| <b>Online shoppers (in 000s)</b>                                | <b>25,686</b>     | <b>25,994</b>     | <b>26,306</b>     | <b>26,622</b>     | <b>26,941</b>     |
| Online spend per shopper <sup>64</sup> (in €)                   | 772               | 772               | 772               | 772               | 772               |
| <b>E-commerce market (in € 000s)</b>                            | <b>19,827,428</b> | <b>20,065,357</b> | <b>20,306,141</b> | <b>20,549,815</b> | <b>20,796,413</b> |
| Cross-border e-commerce market (14% <sup>65</sup> ) (in € 000s) | 2,775,840         | 2,809,150         | 2,842,860         | 2,876,974         | 2,911,498         |
| Market obtained   | 0.0020%           | 0.0050%           | 0.0075%           | 0.0250%           | 0.1000%           |
| <b>GMV (in € 000s)</b>  | <b>56</b>         | <b>140</b>        | <b>213</b>        | <b>719</b>        | <b>2,911</b>      |
| Average spend per Koloxo transaction (in €)                     | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>                         | <b>1</b>          | <b>2</b>          | <b>3</b>          | <b>10</b>         | <b>40</b>         |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 39,905            | 40,384            | 40,868            | 41,359            | 41,855            |
| Not using internet (10%) (in 000s)               | 4,030             | 4,079             | 4,128             | 4,177             | 4,227             |
| <b>Internet users (in 000s)</b>                  | <b>35,874</b>     | <b>36,305</b>     | <b>36,741</b>     | <b>37,181</b>     | <b>37,628</b>     |
| Not shopping online (24%) (in 000s)              | 8,610             | 8,713             | 8,818             | 8,924             | 9,031             |
| <b>Online shoppers (in 000s)</b>                 | <b>27,265</b>     | <b>27,592</b>     | <b>27,923</b>     | <b>28,258</b>     | <b>28,597</b>     |
| Online spend per shopper (in €)                  | 772               | 772               | 772               | 772               | 772               |
| <b>E-commerce market (in € 000s)</b>             | <b>21,045,970</b> | <b>21,298,521</b> | <b>21,554,104</b> | <b>21,812,753</b> | <b>22,074,506</b> |
| Cross-border e-commerce market (14%) (in € 000s) | 2,946,436         | 2,981,793         | 3,017,575         | 3,053,785         | 3,090,431         |
| Market obtained                                  | 0.3750%           | 1.2500%           | 2.5000%           | 5.0000%           | 10.0000%          |
| <b>GMV (in € 000s)</b>                           | <b>11,049</b>     | <b>37,272</b>     | <b>75,439</b>     | <b>152,689</b>    | <b>309,043</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>153</b>        | <b>516</b>        | <b>1,045</b>      | <b>2,116</b>      | <b>4,282</b>      |

61 World Bank – 2017 population and population growth

62 Internet world stats

63 CBC

64 Salecycle.com

65 KPMG (based on North America)



### 6.1.9 Pakistan

|   | 2019              | 2020              | 2021              | 2022              | 2023              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>66</sup> (in 000s)                              | 204,975           | 209,075           | 213,256           | 217,522           | 221,872           |
| Not using internet (78% <sup>67</sup> ) (in 000s)               | 159,471           | 162,660           | 165,913           | 169,232           | 172,616           |
| <b>Internet users (in 000s)</b>                                 | <b>45,505</b>     | <b>46,415</b>     | <b>47,343</b>     | <b>48,290</b>     | <b>49,256</b>     |
| Not shopping online (18% <sup>68</sup> ) (in 000s)              | 8,191             | 8,355             | 8,522             | 8,692             | 8,866             |
| <b>Online shoppers (in 000s)</b>                                | <b>37,314</b>     | <b>38,060</b>     | <b>38,821</b>     | <b>39,598</b>     | <b>40,390</b>     |
| Online spend per shopper <sup>69</sup> (in €)                   | 274               | 274               | 274               | 274               | 274               |
| <b>E-commerce market (in € 000s)</b>                            | <b>10,205,428</b> | <b>10,409,537</b> | <b>10,617,727</b> | <b>10,830,082</b> | <b>11,046,684</b> |
| Cross-border e-commerce market (21% <sup>70</sup> ) (in € 000s) | 2,143,140         | 2,186,003         | 2,229,723         | 2,274,317         | 2,319,804         |
| Market obtained   | 0.0000%           | 0.0025%           | 0.0050%           | 0.0250%           | 0.1000%           |
| <b>GMV (in € 000s)</b>  | <b>-</b>          | <b>55</b>         | <b>111</b>        | <b>569</b>        | <b>2,320</b>      |
| Average spend per Koloxo transaction (in €)                     | -                 | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>                         | <b>-</b>          | <b>1</b>          | <b>2</b>          | <b>8</b>          | <b>32</b>         |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 226,309           | 230,836           | 235,452           | 240,161           | 244,965           |
| Not using internet (78%) (in 000s)               | 176,069           | 179,590           | 183,182           | 186,846           | 190,582           |
| <b>Internet users (in 000s)</b>                  | <b>50,241</b>     | <b>51,246</b>     | <b>52,270</b>     | <b>53,316</b>     | <b>54,382</b>     |
| Not shopping online (18%) (in 000s)              | 9,043             | 9,224             | 9,409             | 9,597             | 9,789             |
| <b>Online shoppers (in 000s)</b>                 | <b>41,197</b>     | <b>42,021</b>     | <b>42,862</b>     | <b>43,719</b>     | <b>44,593</b>     |
| Online spend per shopper (in €)                  | 274               | 274               | 274               | 274               | 274               |
| <b>E-commerce market (in € 000s)</b>             | <b>11,267,617</b> | <b>11,492,970</b> | <b>11,722,829</b> | <b>11,957,286</b> | <b>12,196,431</b> |
| Cross-border e-commerce market (21%) (in € 000s) | 2,366,200         | 2,413,524         | 2,461,794         | 2,511,030         | 2,561,251         |
| Market obtained                                  | 0.2500%           | 1.0000%           | 2.5000%           | 3.7500%           | 5.0000%           |
| <b>GMV (in € 000s)</b>                           | <b>5,915</b>      | <b>24,135</b>     | <b>61,545</b>     | <b>94,164</b>     | <b>128,063</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>82</b>         | <b>334</b>        | <b>853</b>        | <b>1,305</b>      | <b>1,774</b>      |

66 World Bank – 2017 population and population growth

67 Internet world stats

68 Pakistantoday

69 Based on India

70 KPMG (based on Asia)

### 6.1.10 United Kingdom

|   | 2019               | 2020               | 2021               | 2022               | 2023               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population <sup>71</sup> (in 000s)                              | 66,817             | 67,218             | 67,621             | 68,027             | 68,435             |
| Not using internet (10% <sup>72</sup> ) (in 000s)               | 6,682              | 6,722              | 6,762              | 6,803              | 6,844              |
| <b>Internet users (in 000s)</b>                                 | <b>60,135</b>      | <b>60,496</b>      | <b>60,859</b>      | <b>61,224</b>      | <b>61,592</b>      |
| Not shopping online (27% <sup>73</sup> ) (in 000s)              | 16,237             | 16,334             | 16,432             | 16,531             | 16,630             |
| <b>Online shoppers (in 000s)</b>                                | <b>43,899</b>      | <b>44,162</b>      | <b>44,427</b>      | <b>44,694</b>      | <b>44,962</b>      |
| Online spend per shopper <sup>74</sup> (in €)                   | 3,325              | 3,325              | 3,325              | 3,325              | 3,325              |
| <b>E-commerce market (in € 000s)</b>                            | <b>145,963,219</b> | <b>146,838,998</b> | <b>147,720,032</b> | <b>148,606,353</b> | <b>149,497,991</b> |
| Cross-border e-commerce market (15% <sup>75</sup> ) (in € 000s) | 21,894,483         | 22,025,850         | 22,158,005         | 22,290,953         | 22,424,699         |
| Market obtained   | 0.0000%            | 0.0010%            | 0.0025%            | 0.0100%            | 0.0250%            |
| <b>GMV (in € 000s)</b>  | <b>-</b>           | <b>220</b>         | <b>554</b>         | <b>2,229</b>       | <b>5,606</b>       |
| Average spend per Koloxo transaction (in €)                     | -                  | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>                         | <b>-</b>           | <b>3</b>           | <b>8</b>           | <b>31</b>          | <b>78</b>          |

|  | 2024               | 2025               | 2026               | 2027               | 2028               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population (in 000s)                             | 68,846             | 69,259             | 69,674             | 70,092             | 70,513             |
| Not using internet (10%) (in 000s)               | 6,885              | 6,926              | 6,967              | 7,009              | 7,051              |
| <b>Internet users (in 000s)</b>                  | <b>61,961</b>      | <b>62,333</b>      | <b>62,707</b>      | <b>63,083</b>      | <b>63,462</b>      |
| Not shopping online (27%) (in 000s)              | 16,729             | 16,830             | 16,931             | 17,032             | 17,135             |
| <b>Online shoppers (in 000s)</b>                 | <b>45,232</b>      | <b>45,503</b>      | <b>45,776</b>      | <b>46,051</b>      | <b>46,327</b>      |
| Online spend per shopper (in €)                  | 3,325              | 3,325              | 3,325              | 3,325              | 3,325              |
| <b>E-commerce market (in € 000s)</b>             | <b>150,394,979</b> | <b>151,297,349</b> | <b>152,205,133</b> | <b>153,118,363</b> | <b>154,037,074</b> |
| Cross-border e-commerce market (15%) (in € 000s) | 22,559,247         | 22,694,602         | 22,830,770         | 22,967,755         | 23,105,561         |
| Market obtained                                  | 0.1250%            | 0.5000%            | 0.7500%            | 1.5000%            | 3.0000%            |
| <b>GMV (in € 000s)</b>                           | <b>28,199</b>      | <b>113,473</b>     | <b>171,231</b>     | <b>344,516</b>     | <b>693,167</b>     |
| Average spend per Koloxo transaction (in €)      | 72.17              | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>          | <b>391</b>         | <b>1,572</b>       | <b>2,373</b>       | <b>4,774</b>       | <b>9,605</b>       |

71 World Bank – 2017 population and population growth

72 World Bank

73 Office of national statistics–UK

74 E-commerce Europe

75 KPMG (based on Western Europe)

### 6.1.11 Egypt

|   | 2019             | 2020             | 2021             | 2022             | 2023             |
|---|------------------|------------------|------------------|------------------|------------------|
| Population <sup>76</sup> (in 000s)                              | 101,295          | 103,220          | 105,181          | 107,180          | 109,216          |
| Not using internet (55% <sup>77</sup> ) (in 000s)               | 55,712           | 56,771           | 57,850           | 58,949           | 60,069           |
| <b>Internet users (in 000s)</b>                                 | <b>45,583</b>    | <b>46,449</b>    | <b>47,332</b>    | <b>48,231</b>    | <b>49,147</b>    |
| Not shopping online (60% <sup>78</sup> ) (in 000s)              | 27,350           | 27,869           | 28,399           | 28,938           | 29,488           |
| <b>Online shoppers (in 000s)</b>                                | <b>18,233</b>    | <b>18,580</b>    | <b>18,933</b>    | <b>19,292</b>    | <b>19,659</b>    |
| Online spend per shopper <sup>79</sup> (in €)                   | 248              | 248              | 248              | 248              | 248              |
| <b>E-commerce market (in € 000s)</b>                            | <b>4,524,743</b> | <b>4,610,713</b> | <b>4,698,317</b> | <b>4,787,585</b> | <b>4,878,549</b> |
| Cross-border e-commerce market (50% <sup>80</sup> ) (in € 000s) | 2,262,372        | 2,305,357        | 2,349,159        | 2,393,793        | 2,439,275        |
| Market obtained   | 0.0000%          | 0.0025%          | 0.0050%          | 0.0250%          | 0.1000%          |
| <b>GMV (in € 000s)</b>  | <b>-</b>         | <b>58</b>        | <b>117</b>       | <b>598</b>       | <b>2,439</b>     |
| Average spend per Koloxo transaction (in €)                     | -                | 72.17            | 72.17            | 72.17            | 72.17            |
| <b>Number of transactions (in 000s)</b>                         | <b>-</b>         | <b>1</b>         | <b>2</b>         | <b>8</b>         | <b>34</b>        |

|  | 2024             | 2025             | 2026             | 2027             | 2028             |
|--|------------------|------------------|------------------|------------------|------------------|
| Population (in 000s)                             | 111,291          | 113,406          | 115,560          | 117,756          | 119,993          |
| Not using internet (55%) (in 000s)               | 61,210           | 62,373           | 63,558           | 64,766           | 65,996           |
| <b>Internet users (in 000s)</b>                  | <b>50,081</b>    | <b>51,033</b>    | <b>52,002</b>    | <b>52,990</b>    | <b>53,997</b>    |
| Not shopping online (60%) (in 000s)              | 30,049           | 30,620           | 31,201           | 31,794           | 32,398           |
| <b>Online shoppers (in 000s)</b>                 | <b>20,032</b>    | <b>20,413</b>    | <b>20,801</b>    | <b>21,196</b>    | <b>21,599</b>    |
| Online spend per shopper (in €)                  | 248              | 248              | 248              | 248              | 248              |
| <b>E-commerce market (in € 000s)</b>             | <b>4,971,242</b> | <b>5,065,695</b> | <b>5,161,943</b> | <b>5,260,020</b> | <b>5,359,961</b> |
| Cross-border e-commerce market (50%) (in € 000s) | 2,485,621        | 2,532,848        | 2,580,972        | 2,630,010        | 2,679,980        |
| Market obtained                                  | 0.2500%          | 1.0000%          | 2.5000%          | 3.7500%          | 5.0000%          |
| <b>GMV (in € 000s)</b>                           | <b>6,214</b>     | <b>25,328</b>    | <b>64,524</b>    | <b>98,625</b>    | <b>133,999</b>   |
| Average spend per Koloxo transaction (in €)      | 72.17            | 72.17            | 72.17            | 72.17            | 72.17            |
| <b>Number of transactions (in 000s)</b>          | <b>86</b>        | <b>351</b>       | <b>894</b>       | <b>1,367</b>     | <b>1,857</b>     |

76 World Bank – 2017 population and population growth

77 World Bank

78 Societe Generale

79 PPRO

80 KPMG (based on Africa and Middle East)

### 6.1.12 India

|   | 2019              | 2020              | 2021              | 2022              | 2023              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>81</sup> (in 000s)                              | 1,368,804         | 1,383,861         | 1,399,083         | 1,414,473         | 1,430,033         |
| Not using internet (63% <sup>82</sup> ) (in 000s)               | 862,347           | 871,832           | 881,423           | 891,118           | 900,921           |
| <b>Internet users (in 000s)</b>                                 | <b>506,458</b>    | <b>512,029</b>    | <b>517,661</b>    | <b>523,355</b>    | <b>529,112</b>    |
| Not shopping online (75% <sup>83</sup> ) (in 000s)              | 379,843           | 384,021           | 388,246           | 392,516           | 396,834           |
| <b>Online shoppers (in 000s)</b>                                | <b>126,614</b>    | <b>128,007</b>    | <b>129,415</b>    | <b>130,839</b>    | <b>132,278</b>    |
| Online spend per shopper <sup>84</sup> (in €)                   | 274               | 274               | 274               | 274               | 274               |
| <b>E-commerce market (in € 000s)</b>                            | <b>34,629,459</b> | <b>35,010,384</b> | <b>35,395,498</b> | <b>35,784,848</b> | <b>36,178,482</b> |
| Cross-border e-commerce market (21% <sup>85</sup> ) (in € 000s) | 7,272,186         | 7,352,181         | 7,433,055         | 7,514,818         | 7,597,481         |
| Market obtained   | 0.0010%           | 0.0025%           | 0.0075%           | 0.0500%           | 0.1250%           |
| <b>GMV (in € 000s)</b>  | <b>73</b>         | <b>184</b>        | <b>557</b>        | <b>3,757</b>      | <b>9,497</b>      |
| Average spend per Koloxo transaction (in €)                     | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>                         | <b>1</b>          | <b>3</b>          | <b>8</b>          | <b>52</b>         | <b>132</b>        |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 1,445,763         | 1,461,666         | 1,477,745         | 1,494,000         | 1,510,434         |
| Not using internet (63%) (in 000s)               | 910,831           | 920,850           | 930,979           | 941,220           | 951,573           |
| <b>Internet users (in 000s)</b>                  | <b>534,932</b>    | <b>540,817</b>    | <b>546,766</b>    | <b>552,780</b>    | <b>558,861</b>    |
| Not shopping online (75%) (in 000s)              | 401,199           | 405,612           | 410,074           | 414,585           | 419,145           |
| <b>Online shoppers (in 000s)</b>                 | <b>133,733</b>    | <b>135,204</b>    | <b>136,691</b>    | <b>138,195</b>    | <b>139,715</b>    |
| Online spend per shopper (in €)                  | 274               | 274               | 274               | 274               | 274               |
| <b>E-commerce market (in € 000s)</b>             | <b>36,576,445</b> | <b>36,978,786</b> | <b>37,385,552</b> | <b>37,796,793</b> | <b>38,212,558</b> |
| Cross-border e-commerce market (21%) (in € 000s) | 7,681,053         | 7,765,545         | 7,850,966         | 7,937,327         | 8,024,637         |
| Market obtained                                  | 0.5000%           | 1.2500%           | 2.5000%           | 5.0000%           | 8.7500%           |
| <b>GMV (in € 000s)</b>                           | <b>38,405</b>     | <b>97,069</b>     | <b>196,274</b>    | <b>396,866</b>    | <b>702,156</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>532</b>        | <b>1,345</b>      | <b>2,720</b>      | <b>5,499</b>      | <b>9,729</b>      |

81 World Bank – 2017 population and population growth

82 World Bank

83 Economic Times

84 Deccan Chronicle

85 KPMG (based on Asia)

### 6.1.13 China

|   | 2019               | 2020               | 2021               | 2022               | 2023               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population <sup>86</sup> (in 000s)                              | 1,403,082          | 1,411,500          | 1,419,969          | 1,428,489          | 1,437,060          |
| Not using internet (46% <sup>87</sup> ) (in 000s)               | 645,418            | 649,290            | 653,186            | 657,105            | 661,048            |
| <b>Internet users (in 000s)</b>                                 | <b>757,664</b>     | <b>762,210</b>     | <b>766,783</b>     | <b>771,384</b>     | <b>776,012</b>     |
| Not shopping online (30% <sup>88</sup> ) (in 000s)              | 227,299            | 228,663            | 230,035            | 231,415            | 232,804            |
| <b>Online shoppers (in 000s)</b>                                | <b>530,365</b>     | <b>533,547</b>     | <b>536,748</b>     | <b>539,969</b>     | <b>543,209</b>     |
| Online spend per shopper <sup>89</sup> (in €)                   | 1,616              | 1,616              | 1,616              | 1,616              | 1,616              |
| <b>E-commerce market (in € 000s)</b>                            | <b>856,899,903</b> | <b>862,041,303</b> | <b>867,213,550</b> | <b>872,416,832</b> | <b>877,651,333</b> |
| Cross-border e-commerce market (21% <sup>90</sup> ) (in € 000s) | 179,948,980        | 181,028,674        | 182,114,846        | 183,207,535        | 184,306,780        |
| Market obtained   | 0.0000%            | 0.0005%            | 0.0010%            | 0.0025%            | 0.0100%            |
| <b>GMV (in € 000s)</b>  | <b>-</b>           | <b>905</b>         | <b>1,821</b>       | <b>4,580</b>       | <b>18,431</b>      |
| Average spend per Koloxo transaction (in €)                     | -                  | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>                         | <b>-</b>           | <b>13</b>          | <b>25</b>          | <b>63</b>          | <b>255</b>         |

|  | 2024               | 2025               | 2026               | 2027               | 2028               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population (in 000s)                             | 1,445,682          | 1,454,356          | 1,463,082          | 1,471,861          | 1,480,692          |
| Not using internet (46%) (in 000s)               | 665,014            | 669,004            | 673,018            | 677,056            | 681,118            |
| <b>Internet users (in 000s)</b>                  | <b>780,668</b>     | <b>785,352</b>     | <b>790,065</b>     | <b>794,805</b>     | <b>799,574</b>     |
| Not shopping online (30%) (in 000s)              | 234,201            | 235,606            | 237,019            | 238,441            | 239,872            |
| <b>Online shoppers (in 000s)</b>                 | <b>546,468</b>     | <b>549,747</b>     | <b>553,045</b>     | <b>556,363</b>     | <b>559,702</b>     |
| Online spend per shopper (in €)                  | 1,616              | 1,616              | 1,616              | 1,616              | 1,616              |
| <b>E-commerce market (in € 000s)</b>             | <b>882,917,241</b> | <b>888,214,744</b> | <b>893,544,033</b> | <b>898,905,297</b> | <b>904,298,729</b> |
| Cross-border e-commerce market (21%) (in € 000s) | 185,412,621        | 186,525,096        | 187,644,247        | 188,770,112        | 189,902,733        |
| Market obtained                                  | 0.0250%            | 0.1000%            | 0.2500%            | 0.5000%            | 0.7500%            |
| <b>GMV (in € 000s)</b>                           | <b>46,353</b>      | <b>186,525</b>     | <b>469,111</b>     | <b>943,851</b>     | <b>1,424,270</b>   |
| Average spend per Koloxo transaction (in €)      | 72.17              | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>          | <b>642</b>         | <b>2,584</b>       | <b>6,500</b>       | <b>13,078</b>      | <b>19,735</b>      |

86 World Bank – 2017 population and population growth

87 World Bank

88 Bac-cn

89 eMarketer

90 KPMG (based on Asia)

### 6.1.14 Rest of Asia

|   | 2019               | 2020               | 2021               | 2022               | 2023               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population <sup>91</sup> (in 000s)                              | 1,784,018          | 1,800,074          | 1,816,275          | 1,832,621          | 1,849,115          |
| Not using internet (51% <sup>92</sup> ) (in 000s)               | 909,849            | 918,038            | 926,300            | 934,637            | 943,049            |
| <b>Internet users (in 000s)</b>                                 | <b>874,169</b>     | <b>882,036</b>     | <b>889,975</b>     | <b>897,984</b>     | <b>906,066</b>     |
| Not shopping online (52% <sup>93</sup> ) (in 000s)              | 458,939            | 463,069            | 467,237            | 471,442            | 475,685            |
| <b>Online shoppers (in 000s)</b>                                | <b>415,230</b>     | <b>418,967</b>     | <b>422,738</b>     | <b>426,543</b>     | <b>430,381</b>     |
| Online spend per shopper <sup>94</sup> (in €)                   | 274                | 274                | 274                | 274                | 274                |
| <b>E-commerce market (in € 000s)</b>                            | <b>113,566,851</b> | <b>114,588,953</b> | <b>115,620,253</b> | <b>116,660,836</b> | <b>117,710,783</b> |
| Cross-border e-commerce market (21% <sup>95</sup> ) (in € 000s) | 23,849,039         | 24,063,680         | 24,280,253         | 24,498,775         | 24,719,264         |
| Market obtained   | 0.0000%            | 0.0000%            | 0.0025%            | 0.0100%            | 0.0250%            |
| <b>GMV (in € 000s)</b>  | <b>-</b>           | <b>-</b>           | <b>607</b>         | <b>2,450</b>       | <b>6,180</b>       |
| Average spend per Koloxo transaction (in €)                     | -                  | -                  | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>                         | <b>-</b>           | <b>-</b>           | <b>8</b>           | <b>34</b>          | <b>86</b>          |

|  | 2024               | 2025               | 2026               | 2027               | 2028               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population (in 000s)                             | 1,865,757          | 1,882,549          | 1,899,492          | 1,916,587          | 1,933,836          |
| Not using internet (51%) (in 000s)               | 951,536            | 960,100            | 968,741            | 977,459            | 986,257            |
| <b>Internet users (in 000s)</b>                  | <b>914,221</b>     | <b>922,449</b>     | <b>930,751</b>     | <b>939,128</b>     | <b>947,580</b>     |
| Not shopping online (52%) (in 000s)              | 479,966            | 484,286            | 488,644            | 493,042            | 497,479            |
| <b>Online shoppers (in 000s)</b>                 | <b>434,255</b>     | <b>438,163</b>     | <b>442,107</b>     | <b>446,086</b>     | <b>450,100</b>     |
| Online spend per shopper (in €)                  | 274                | 274                | 274                | 274                | 274                |
| <b>E-commerce market (in € 000s)</b>             | <b>118,770,180</b> | <b>119,839,112</b> | <b>120,917,664</b> | <b>122,005,923</b> | <b>123,103,976</b> |
| Cross-border e-commerce market (21%) (in € 000s) | 24,941,738         | 25,166,213         | 25,392,709         | 25,621,244         | 25,851,835         |
| Market obtained                                  | 0.1000%            | 0.2500%            | 0.7500%            | 1.5000%            | 2.5000%            |
| <b>GMV (in € 000s)</b>                           | <b>24,942</b>      | <b>62,916</b>      | <b>190,445</b>     | <b>384,319</b>     | <b>646,296</b>     |
| Average spend per Koloxo transaction (in €)      | 72.17              | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>          | <b>346</b>         | <b>872</b>         | <b>2,639</b>       | <b>5,325</b>       | <b>8,955</b>       |

91 Worldometers –2018 population and population growth

92 Internet World

93 Based on India and China

94 Based on India

95 KPMG (based on Asia)

### 6.1.15 Rest of Africa

|  | 2019              | 2020              | 2021              | 2022              | 2023              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population <sup>96</sup> (in 000s)                               | 1,233,693         | 1,264,782         | 1,296,654         | 1,329,330         | 1,362,829         |
| Not using internet (65% <sup>97</sup> ) (in 000s)                | 799,433           | 819,579           | 840,232           | 861,406           | 883,113           |
| <b>Internet users (in 000s)</b>                                  | <b>434,260</b>    | <b>445,203</b>    | <b>456,422</b>    | <b>467,924</b>    | <b>479,716</b>    |
| Not shopping online (60% <sup>98</sup> ) (in 000s)               | 260,556           | 267,122           | 273,853           | 280,755           | 287,830           |
| <b>Online shoppers (in 000s)</b>                                 | <b>173,704</b>    | <b>178,081</b>    | <b>182,569</b>    | <b>187,170</b>    | <b>191,886</b>    |
| Online spend per shopper <sup>99</sup> (in €)                    | 248               | 248               | 248               | 248               | 248               |
| <b>E-commerce market (in € 000s)</b>                             | <b>43,106,375</b> | <b>44,192,655</b> | <b>45,306,310</b> | <b>46,448,029</b> | <b>47,618,519</b> |
| Cross-border e-commerce market (50% <sup>100</sup> ) (in € 000s) | 21,553,187        | 22,096,328        | 22,653,155        | 23,224,015        | 23,809,260        |
| Market obtained  | 0.0000%           | 0.0000%           | 0.0025%           | 0.0100%           | 0.0500%           |
| <b>GMV (in € 000s)</b>   | <b>-</b>          | <b>-</b>          | <b>566</b>        | <b>2,322</b>      | <b>11,905</b>     |
| Average spend per Koloxo transaction (in €)                      | -                 | -                 | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>                          | <b>-</b>          | <b>-</b>          | <b>8</b>          | <b>32</b>         | <b>165</b>        |

|  | 2024              | 2025              | 2026              | 2027              | 2028              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population (in 000s)                             | 1,397,173         | 1,432,381         | 1,468,477         | 1,505,483         | 1,543,421         |
| Not using internet (65%) (in 000s)               | 905,368           | 928,183           | 951,573           | 975,553           | 1,000,137         |
| <b>Internet users (in 000s)</b>                  | <b>491,805</b>    | <b>504,198</b>    | <b>516,904</b>    | <b>529,930</b>    | <b>543,284</b>    |
| Not shopping online (60%) (in 000s)              | 295,083           | 302,519           | 310,142           | 317,958           | 325,971           |
| <b>Online shoppers (in 000s)</b>                 | <b>196,722</b>    | <b>201,679</b>    | <b>206,762</b>    | <b>211,972</b>    | <b>217,314</b>    |
| Online spend per shopper (in €)                  | 248               | 248               | 248               | 248               | 248               |
| <b>E-commerce market (in € 000s)</b>             | <b>48,818,506</b> | <b>50,048,733</b> | <b>51,309,961</b> | <b>52,602,972</b> | <b>53,928,566</b> |
| Cross-border e-commerce market (50%) (in € 000s) | 24,409,253        | 25,024,366        | 25,654,980        | 26,301,486        | 26,964,283        |
| Market obtained                                  | 0.2500%           | 0.7500%           | 1.7500%           | 2.2500%           | 3.2500%           |
| <b>GMV (in € 000s)</b>                           | <b>61,023</b>     | <b>187,683</b>    | <b>448,962</b>    | <b>591,783</b>    | <b>876,339</b>    |
| Average spend per Koloxo transaction (in €)      | 72.17             | 72.17             | 72.17             | 72.17             | 72.17             |
| <b>Number of transactions (in 000s)</b>          | <b>846</b>        | <b>2,601</b>      | <b>6,221</b>      | <b>8,200</b>      | <b>12,143</b>     |

96 Worldometers –2018 population and population growth

97 Internet World

98 Based on Egypt

99 Based on Egypt

100 KPMG (based on Africa and Middle East)

### 6.1.16 Rest of Europe

|  | 2019               | 2020               | 2021               | 2022               | 2023               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population <sup>101</sup> (in 000s)                              | 630,348            | 630,852            | 631,357            | 631,862            | 632,368            |
| Not using internet (14% <sup>102</sup> ) (in 000s)               | 90,140             | 90,212             | 90,284             | 90,356             | 90,429             |
| <b>Internet users (in 000s)</b>                                  | <b>540,208</b>     | <b>540,640</b>     | <b>541,073</b>     | <b>541,506</b>     | <b>541,939</b>     |
| Not shopping online (35% <sup>103</sup> ) (in 000s)              | 189,073            | 189,224            | 189,376            | 189,527            | 189,679            |
| <b>Online shoppers (in 000s)</b>                                 | <b>351,135</b>     | <b>351,416</b>     | <b>351,697</b>     | <b>351,979</b>     | <b>352,260</b>     |
| Online spend per shopper <sup>104</sup> (in €)                   | 1,932              | 1,932              | 1,932              | 1,932              | 1,932              |
| <b>E-commerce market (in € 000s)</b>                             | <b>678,217,911</b> | <b>678,760,485</b> | <b>679,303,494</b> | <b>679,846,937</b> | <b>680,390,814</b> |
| Cross-border e-commerce market (28% <sup>105</sup> ) (in € 000s) | 189,901,015        | 190,052,936        | 190,204,978        | 190,357,142        | 190,509,428        |
| Market obtained  | 0.0000%            | 0.0000%            | 0.0005%            | 0.0025%            | 0.0100%            |
| <b>GMV (in € 000s)</b>   | <b>-</b>           | <b>-</b>           | <b>951</b>         | <b>4,759</b>       | <b>19,051</b>      |
| Average spend per Koloxo transaction (in €)                      | -                  | -                  | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>                          | <b>-</b>           | <b>-</b>           | <b>13</b>          | <b>66</b>          | <b>264</b>         |

|  | 2024               | 2025               | 2026               | 2027               | 2028               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Population (in 000s)                             | 632,873            | 633,380            | 633,886            | 634,394            | 634,901            |
| Not using internet (14%) (in 000s)               | 90,501             | 90,573             | 90,646             | 90,718             | 90,791             |
| <b>Internet users (in 000s)</b>                  | <b>542,373</b>     | <b>542,806</b>     | <b>543,241</b>     | <b>543,675</b>     | <b>544,110</b>     |
| Not shopping online (35%) (in 000s)              | 189,830            | 189,982            | 190,134            | 190,286            | 190,439            |
| <b>Online shoppers (in 000s)</b>                 | <b>352,542</b>     | <b>352,824</b>     | <b>353,106</b>     | <b>353,389</b>     | <b>353,672</b>     |
| Online spend per shopper (in €)                  | 1,932              | 1,932              | 1,932              | 1,932              | 1,932              |
| <b>E-commerce market (in € 000s)</b>             | <b>680,935,127</b> | <b>681,479,875</b> | <b>682,025,059</b> | <b>682,570,679</b> | <b>683,116,735</b> |
| Cross-border e-commerce market (28%) (in € 000s) | 190,661,835        | 190,814,365        | 190,967,016        | 191,119,790        | 191,272,686        |
| Market obtained                                  | 0.0500%            | 0.1250%            | 0.2500%            | 0.5000%            | 0.6250%            |
| <b>GMV (in € 000s)</b>                           | <b>95,331</b>      | <b>238,518</b>     | <b>477,418</b>     | <b>955,599</b>     | <b>1,195,454</b>   |
| Average spend per Koloxo transaction (in €)      | 72.17              | 72.17              | 72.17              | 72.17              | 72.17              |
| <b>Number of transactions (in 000s)</b>          | <b>1,321</b>       | <b>3,305</b>       | <b>6,615</b>       | <b>13,241</b>      | <b>16,564</b>      |

101 Worldometers –2018 population and population growth

102 Internet World

103 E-commerce News

104 Based on Spain and UK

105 KPMG (based on Western and Eastern Europe)



## 6.2 Number of listings and transactions

The number of listings and number of transactions for each region are arrived at using a top-down approach starting from the population of the region. The population for each year has been arrived at by applying the actual 2017 population growth rate to the actual 2017 population.

Since the Koloxo's reach would only be to the urban population, the rural population has been subtracted from the total population. The urban population is divided by the population per household to arrive at the total number of urban households. The number is further reduced by the number of owner occupied households to arrive at the number urban households available for rent. This would be the addressable market in terms of number of properties for Koloxo's property rental business.

The addressable market as calculated above is multiplied by the expected market share obtained by Koloxo in order to arrive at the number of listings. The expected market share increases each year after start of operations in a particular region.

Since the properties listed on Koloxo's portal may be listed on other portals as well, some properties may be rented through other portals. Some properties may also stay vacant. The number of transactions is arrived at by discounting the number listings for the above factors.

The calculation of number of listings and number of transactions has been further explained below.

|                                      | Calculation                               |
|--------------------------------------|---|
| Population                           | [A]                                       |
| Rural population (a%)                | $[B] = [A] \times a\%$                    |
| <b>Urban population</b>              | <b><math>[C] = [A] - [B]</math></b>       |
| Population per household             | [D]                                       |
| <b>Urban households</b>              | <b><math>[E] = [C] / [D]</math></b>       |
| Owner-occupied urban households (b%) | $[F] = [E] \times b\%$                    |
| <b>Rental households</b>             | <b><math>[G] = [E] - [F]</math></b>       |
| Market obtained                      | c%  |
| <b>Number of listings</b>            | <b><math>[H] = [G] \times c\%</math></b>  |
| Discount due to competitors (d%)     | $[I] = [H] \times d\%$                    |
| Vacancy (e%)                         | $[J] = [H] \times e\%$                    |
| <b>Number of transactions</b>        | <b><math>[K] = [H] - [I] - [J]</math></b> |

Given below is the number of listings and the number of transactions for each region. All numbers are in thousands except for the population per household and the market obtained.

## 6.2.1 Saudi Arabia

(in 000s except population per household and market obtained)

|   | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    |
|---|---------|---------|---------|---------|---------|---------|
| Population <sup>106</sup>                             | 32,938  | 33,597  | 34,269  | 34,954  | 35,653  | 36,366  |
| Rural population (16% <sup>107</sup> )                | 5,270   | 5,376   | 5,483   | 5,593   | 5,705   | 5,819   |
| <b>Urban population</b>                               | 27,668  | 28,221  | 28,786  | 29,362  | 29,949  | 30,548  |
| Population per household <sup>108</sup>               | 5.6     | 5.6     | 5.6     | 5.6     | 5.6     | 5.6     |
| <b>Urban households</b>                               | 4,941   | 5,040   | 5,140   | 5,243   | 5,348   | 5,455   |
| Owner-occupied urban households (50% <sup>109</sup> ) | 2,456   | 2,505   | 2,555   | 2,606   | 2,658   | 2,711   |
| <b>Rental households</b>                              | 2,485   | 2,535   | 2,586   | 2,637   | 2,690   | 2,744   |
| Market obtained                                       | 0.0000% | 0.0000% | 0.0250% | 0.1250% | 0.3750% | 0.7500% |
| <b>Number of listings</b>                             | -       | -       | 1       | 3       | 10      | 21      |
| Discount due to competitors (15%)                     | -       | -       | 0       | 0       | 2       | 3       |
| Vacancy (15% <sup>110</sup> )                         | -       | -       | 0       | 0       | 2       | 3       |
| <b>Number of transactions</b>                         | -       | -       | 0       | 2       | 7       | 14      |

(in 000s except population per household and market obtained)

|                                       | 2023    | 2024    | 2025    | 2026    | 2027    | 2028    |
|---------------------------------------|---------|---------|---------|---------|---------|---------|
| Population                            | 37,094  | 37,836  | 38,592  | 39,364  | 40,151  | 40,955  |
| Rural population (16%)                | 5,935   | 6,054   | 6,175   | 6,298   | 6,424   | 6,553   |
| <b>Urban population</b>               | 31,159  | 31,782  | 32,418  | 33,066  | 33,727  | 34,402  |
| Population per household              | 5.6     | 5.6     | 5.6     | 5.6     | 5.6     | 5.6     |
| <b>Urban households</b>               | 5,564   | 5,675   | 5,789   | 5,905   | 6,023   | 6,143   |
| Owner-occupied urban households (50%) | 2,765   | 2,821   | 2,877   | 2,935   | 2,993   | 3,053   |
| <b>Rental households</b>              | 2,799   | 2,855   | 2,912   | 2,970   | 3,029   | 3,090   |
| Market obtained                       | 1.2500% | 1.8750% | 2.5000% | 4.2500% | 6.2500% | 8.5000% |
| <b>Number of listings</b>             | 35      | 54      | 73      | 126     | 189     | 263     |
| Discount due to competitors (15%)     | 5       | 8       | 11      | 19      | 28      | 39      |
| Vacancy (15%)                         | 5       | 8       | 11      | 19      | 28      | 39      |
| <b>Number of transactions</b>         | 24      | 37      | 51      | 88      | 133     | 184     |

106 World Bank – 2017 population and population growth

107 World Bank

108 UN

109 Arab News

110 Falcom

## 6.2.2 Turkey

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>111</sup>                             | 80,745        | 81,956        | 83,186        | 84,433        | 85,700        | 86,985        |
| Rural population (25% <sup>112</sup> )                | 20,186        | 20,489        | 20,796        | 21,108        | 21,425        | 21,746        |
| <b>Urban population</b>                               | <b>60,559</b> | <b>61,467</b> | <b>62,389</b> | <b>63,325</b> | <b>64,275</b> | <b>65,239</b> |
| Population per household <sup>113</sup>               | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           |
| <b>Urban households</b>                               | <b>14,770</b> | <b>14,992</b> | <b>15,217</b> | <b>15,445</b> | <b>15,677</b> | <b>15,912</b> |
| Owner-occupied urban households (60% <sup>114</sup> ) | 8,862         | 8,995         | 9,130         | 9,267         | 9,406         | 9,547         |
| <b>Rental households</b>                              | <b>5,908</b>  | <b>5,997</b>  | <b>6,087</b>  | <b>6,178</b>  | <b>6,271</b>  | <b>6,365</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0000%       | 0.0125%       | 0.0625%       | 0.1875%       |
| <b>Number of listings</b>                             | -             | -             | -             | <b>1</b>      | <b>4</b>      | <b>12</b>     |
| Discount due to competitors (15%)                     | -             | -             | -             | 0             | 1             | 2             |
| Vacancy (23% <sup>115</sup> )                         | -             | -             | -             | 0             | 1             | 3             |
| <b>Number of transactions</b>                         | -             | -             | -             | <b>0</b>      | <b>2</b>      | <b>7</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 88,290        | 89,614        | 90,959        | 92,323        | 93,708        | 95,114        |
| Rural population (25%)                | 22,073        | 22,404        | 22,740        | 23,081        | 23,427        | 23,778        |
| <b>Urban population</b>               | <b>66,218</b> | <b>67,211</b> | <b>68,219</b> | <b>69,242</b> | <b>70,281</b> | <b>71,335</b> |
| Population per household              | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           |
| <b>Urban households</b>               | <b>16,151</b> | <b>16,393</b> | <b>16,639</b> | <b>16,888</b> | <b>17,142</b> | <b>17,399</b> |
| Owner-occupied urban households (60%) | 9,690         | 9,836         | 9,983         | 10,133        | 10,285        | 10,439        |
| <b>Rental households</b>              | <b>6,460</b>  | <b>6,557</b>  | <b>6,656</b>  | <b>6,755</b>  | <b>6,857</b>  | <b>6,960</b>  |
| Market obtained                       | 0.3750%       | 0.6250%       | 0.9375%       | 1.7500%       | 2.7500%       | 3.7500%       |
| <b>Number of listings</b>             | <b>24</b>     | <b>41</b>     | <b>62</b>     | <b>118</b>    | <b>189</b>    | <b>261</b>    |
| Discount due to competitors (15%)     | 4             | 6             | 9             | 18            | 28            | 39            |
| Vacancy (23%)                         | 6             | 9             | 14            | 27            | 43            | 60            |
| <b>Number of transactions</b>         | <b>15</b>     | <b>25</b>     | <b>39</b>     | <b>73</b>     | <b>117</b>    | <b>162</b>    |

111 World Bank – 2017 population and population growth

112 World Bank

113 UN

114 Daily Sabah

115 JLL

### 6.2.3 India

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>116</sup>                             | 1,339,180      | 1,353,911      | 1,368,804      | 1,383,861      | 1,399,083      | 1,414,473      |
| Rural population (66% <sup>117</sup> )                | 883,859        | 893,581        | 903,411        | 913,348        | 923,395        | 933,552        |
| <b>Urban population</b>                               | <b>455,321</b> | <b>460,330</b> | <b>465,393</b> | <b>470,513</b> | <b>475,688</b> | <b>480,921</b> |
| Population per household <sup>118</sup>               | 4.8            | 4.8            | 4.8            | 4.8            | 4.8            | 4.8            |
| <b>Urban households</b>                               | <b>94,859</b>  | <b>95,902</b>  | <b>96,957</b>  | <b>98,023</b>  | <b>99,102</b>  | <b>100,192</b> |
| Owner-occupied urban households (72% <sup>119</sup> ) | 68,298         | 69,049         | 69,809         | 70,577         | 71,353         | 72,138         |
| <b>Rental households</b>                              | <b>26,560</b>  | <b>26,853</b>  | <b>27,148</b>  | <b>27,447</b>  | <b>27,748</b>  | <b>28,054</b>  |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0050%        | 0.0250%        | 0.0750%        | 0.1250%        |
| <b>Number of listings</b>                             | <b>-</b>       | <b>-</b>       | <b>1</b>       | <b>7</b>       | <b>21</b>      | <b>35</b>      |
| Discount due to competitors (15%)                     | -              | -              | 0              | 1              | 3              | 5              |
| Vacancy (14% <sup>120</sup> )                         | -              | -              | 0              | 1              | 3              | 5              |
| <b>Number of transactions</b>                         | <b>-</b>       | <b>-</b>       | <b>1</b>       | <b>5</b>       | <b>15</b>      | <b>25</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 1,430,033      | 1,445,763      | 1,461,666      | 1,477,745      | 1,494,000      | 1,510,434      |
| Rural population (66%)                | 943,821        | 954,204        | 964,700        | 975,311        | 986,040        | 996,886        |
| <b>Urban population</b>               | <b>486,211</b> | <b>491,559</b> | <b>496,967</b> | <b>502,433</b> | <b>507,960</b> | <b>513,548</b> |
| Population per household              | 4.8            | 4.8            | 4.8            | 4.8            | 4.8            | 4.8            |
| <b>Urban households</b>               | <b>101,294</b> | <b>102,408</b> | <b>103,535</b> | <b>104,674</b> | <b>105,825</b> | <b>106,989</b> |
| Owner-occupied urban households (72%) | 72,932         | 73,734         | 74,545         | 75,365         | 76,194         | 77,032         |
| <b>Rental households</b>              | <b>28,362</b>  | <b>28,674</b>  | <b>28,990</b>  | <b>29,309</b>  | <b>29,631</b>  | <b>29,957</b>  |
| Market obtained                       | 0.2500%        | 0.3750%        | 0.5000%        | 0.7500%        | 1.2500%        | 1.7500%        |
| <b>Number of listings</b>             | <b>71</b>      | <b>108</b>     | <b>145</b>     | <b>220</b>     | <b>370</b>     | <b>524</b>     |
| Discount due to competitors (15%)     | 11             | 16             | 22             | 33             | 56             | 79             |
| Vacancy (14%)                         | 10             | 15             | 20             | 31             | 52             | 73             |
| <b>Number of transactions</b>         | <b>50</b>      | <b>76</b>      | <b>103</b>     | <b>156</b>     | <b>263</b>     | <b>372</b>     |

116 World Bank – 2017 population and population growth

117 World Bank

118 UN

119 Livemint

120 JLL

## 6.2.4 China

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>121</sup>                             | 1,386,395      | 1,409,964      | 1,433,933      | 1,458,310      | 1,483,101      | 1,508,314      |
| Rural population (49% <sup>122</sup> )                | 675,590        | 687,075        | 698,756        | 710,634        | 722,715        | 735,001        |
| <b>Urban population</b>                               | <b>710,805</b> | <b>722,888</b> | <b>735,177</b> | <b>747,676</b> | <b>760,386</b> | <b>773,313</b> |
| Population per household <sup>123</sup>               | 3.1            | 3.1            | 3.1            | 3.1            | 3.1            | 3.1            |
| <b>Urban households</b>                               | <b>229,292</b> | <b>233,190</b> | <b>237,154</b> | <b>241,186</b> | <b>245,286</b> | <b>249,456</b> |
| Owner-occupied urban households (51% <sup>124</sup> ) | 116,939        | 118,927        | 120,949        | 123,005        | 125,096        | 127,222        |
| <b>Rental households</b>                              | <b>112,353</b> | <b>114,263</b> | <b>116,205</b> | <b>118,181</b> | <b>120,190</b> | <b>122,233</b> |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0000%        | 0.0025%        | 0.0125%        | 0.0375%        |
| <b>Number of listings</b>                             | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>3</b>       | <b>15</b>      | <b>46</b>      |
| Discount due to competitors (15%)                     | -              | -              | -              | 0              | 2              | 7              |
| Vacancy (22% <sup>125</sup> )                         | -              | -              | -              | 1              | 3              | 10             |
| <b>Number of transactions</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>2</b>       | <b>9</b>       | <b>29</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 1,533,955      | 1,560,033      | 1,586,553      | 1,613,524      | 1,640,954      | 1,668,851      |
| Rural population (49%)                | 747,496        | 760,204        | 773,127        | 786,270        | 799,637        | 813,231        |
| <b>Urban population</b>               | <b>786,459</b> | <b>799,829</b> | <b>813,426</b> | <b>827,254</b> | <b>841,317</b> | <b>855,620</b> |
| Population per household              | 3.1            | 3.1            | 3.1            | 3.1            | 3.1            | 3.1            |
| <b>Urban households</b>               | <b>253,696</b> | <b>258,009</b> | <b>262,395</b> | <b>266,856</b> | <b>271,393</b> | <b>276,006</b> |
| Owner-occupied urban households (51%) | 129,385        | 131,585        | 133,822        | 136,097        | 138,410        | 140,763        |
| <b>Rental households</b>              | <b>124,311</b> | <b>126,425</b> | <b>128,574</b> | <b>130,760</b> | <b>132,982</b> | <b>135,243</b> |
| Market obtained                       | 0.0625%        | 0.1250%        | 0.1875%        | 0.3500%        | 0.5000%        | 0.7500%        |
| <b>Number of listings</b>             | <b>78</b>      | <b>158</b>     | <b>241</b>     | <b>458</b>     | <b>665</b>     | <b>1,014</b>   |
| Discount due to competitors (15%)     | 12             | 24             | 36             | 69             | 100            | 152            |
| Vacancy (22%)                         | 17             | 35             | 53             | 101            | 146            | 223            |
| <b>Number of transactions</b>         | <b>49</b>      | <b>100</b>     | <b>152</b>     | <b>288</b>     | <b>419</b>     | <b>639</b>     |

121 World Bank – 2017 population and population growth

122 Telegraph

123 UN

124 Rent.com.au (based on Hong Kong)

125 Economic Times

## 6.2.5 Israel

(in 000s except population per household and market obtained)

|   | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Population <sup>126</sup>                             | 8,712        | 8,878        | 9,047        | 9,219        | 9,394        | 9,572        |
| Rural population (8% <sup>127</sup> )                 | 697          | 710          | 724          | 737          | 751          | 766          |
| <b>Urban population</b>                               | <b>8,015</b> | <b>8,168</b> | <b>8,323</b> | <b>8,481</b> | <b>8,642</b> | <b>8,806</b> |
| Population per household <sup>128</sup>               | 3.1          | 3.1          | 3.1          | 3.1          | 3.1          | 3.1          |
| <b>Urban households</b>                               | <b>2,586</b> | <b>2,635</b> | <b>2,685</b> | <b>2,736</b> | <b>2,788</b> | <b>2,841</b> |
| Owner-occupied urban households (72% <sup>129</sup> ) | 1,854        | 1,889        | 1,925        | 1,962        | 1,999        | 2,037        |
| <b>Rental households</b>                              | <b>732</b>   | <b>746</b>   | <b>760</b>   | <b>774</b>   | <b>789</b>   | <b>804</b>   |
| Market obtained                                       | 0.0000%      | 0.0000%      | 0.0000%      | 0.0250%      | 0.1250%      | 0.3750%      |
| <b>Number of listings</b>                             | -            | -            | -            | <b>0</b>     | <b>1</b>     | <b>3</b>     |
| Discount due to competitors (15%)                     | -            | -            | -            | 0            | 0            | 0            |
| Vacancy (26%)   | -            | -            | -            | 0            | 0            | 0            |
| <b>Number of transactions</b>                         | -            | -            | -            | <b>0</b>     | <b>1</b>     | <b>2</b>     |

(in 000s except population per household and market obtained)

|                                       | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Population                            | 9,754        | 9,939        | 10,128       | 10,321       | 10,517       | 10,717       |
| Rural population (8%)                 | 780          | 795          | 810          | 826          | 841          | 857          |
| <b>Urban population</b>               | <b>8,974</b> | <b>9,144</b> | <b>9,318</b> | <b>9,495</b> | <b>9,675</b> | <b>9,859</b> |
| Population per household              | 3.1          | 3.1          | 3.1          | 3.1          | 3.1          | 3.1          |
| <b>Urban households</b>               | <b>2,895</b> | <b>2,950</b> | <b>3,006</b> | <b>3,063</b> | <b>3,121</b> | <b>3,180</b> |
| Owner-occupied urban households (72%) | 2,076        | 2,115        | 2,155        | 2,196        | 2,238        | 2,280        |
| <b>Rental households</b>              | <b>819</b>   | <b>835</b>   | <b>851</b>   | <b>867</b>   | <b>883</b>   | <b>900</b>   |
| Market obtained                       | 0.7500%      | 1.2500%      | 1.8750%      | 3.5000%      | 5.2500%      | 7.5000%      |
| <b>Number of listings</b>             | <b>6</b>     | <b>10</b>    | <b>16</b>    | <b>30</b>    | <b>46</b>    | <b>68</b>    |
| Discount due to competitors (15%)     | 1            | 2            | 2            | 5            | 7            | 10           |
| Vacancy (26%)                         | 0            | 0            | 1            | 1            | 2            | 3            |
| <b>Number of transactions</b>         | <b>5</b>     | <b>8</b>     | <b>13</b>    | <b>25</b>    | <b>38</b>    | <b>55</b>    |

126 World Bank – 2017 population and population growth

127 World Bank

128 UN

129 Rent.com.au

## 6.2.6 Russia

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>130</sup>                             | 144,495        | 144,640        | 144,784        | 144,929        | 145,074        | 145,219        |
| Rural population (26% <sup>131</sup> )                | 37,569         | 37,606         | 37,644         | 37,682         | 37,719         | 37,757         |
| <b>Urban population</b>                               | <b>106,926</b> | <b>107,033</b> | <b>107,140</b> | <b>107,247</b> | <b>107,355</b> | <b>107,462</b> |
| Population per household <sup>132</sup>               | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            |
| <b>Urban households</b>                               | <b>41,126</b>  | <b>41,167</b>  | <b>41,208</b>  | <b>41,249</b>  | <b>41,290</b>  | <b>41,332</b>  |
| Owner-occupied urban households (87% <sup>133</sup> ) | 35,820         | 35,856         | 35,892         | 35,928         | 35,964         | 36,000         |
| <b>Rental households</b>                              | <b>5,305</b>   | <b>5,310</b>   | <b>5,316</b>   | <b>5,321</b>   | <b>5,326</b>   | <b>5,332</b>   |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0000%        | 0.0125%        | 0.0625%        | 0.1875%        |
| <b>Number of listings</b>                             | -              | -              | -              | <b>1</b>       | <b>3</b>       | <b>10</b>      |
| Discount due to competitors (15%)                     | -              | -              | -              | 0              | 0              | 1              |
| Vacancy (11% <sup>134</sup> )                         | -              | -              | -              | 0              | 0              | 1              |
| <b>Number of transactions</b>                         | -              | -              | -              | <b>0</b>       | <b>2</b>       | <b>7</b>       |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 145,364        | 145,510        | 145,655        | 145,801        | 145,947        | 146,092        |
| Rural population (26%)                | 37,795         | 37,832         | 37,870         | 37,908         | 37,946         | 37,984         |
| <b>Urban population</b>               | <b>107,569</b> | <b>107,677</b> | <b>107,785</b> | <b>107,893</b> | <b>108,000</b> | <b>108,108</b> |
| Population per household              | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            |
| <b>Urban households</b>               | <b>41,373</b>  | <b>41,414</b>  | <b>41,456</b>  | <b>41,497</b>  | <b>41,539</b>  | <b>41,580</b>  |
| Owner-occupied urban households (87%) | 36,036         | 36,072         | 36,108         | 36,144         | 36,180         | 36,216         |
| <b>Rental households</b>              | <b>5,337</b>   | <b>5,342</b>   | <b>5,348</b>   | <b>5,353</b>   | <b>5,358</b>   | <b>5,364</b>   |
| Market obtained                       | 0.3750%        | 0.6250%        | 0.9375%        | 1.7500%        | 2.7500%        | 3.7500%        |
| <b>Number of listings</b>             | <b>20</b>      | <b>33</b>      | <b>50</b>      | <b>94</b>      | <b>147</b>     | <b>201</b>     |
| Discount due to competitors (15%)     | 3              | 5              | 8              | 14             | 22             | 30             |
| Vacancy (11%)                         | 2              | 4              | 5              | 10             | 15             | 21             |
| <b>Number of transactions</b>         | <b>15</b>      | <b>25</b>      | <b>37</b>      | <b>70</b>      | <b>110</b>     | <b>150</b>     |

130 World Bank – 2017 population and population growth

131 World Bank

132 UN

133 Rent.com.au

134 Colliers (based on Moscow)

## 6.2.7 Spain

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>135</sup>                             | 46,572        | 46,665        | 46,759        | 46,852        | 46,946        | 47,040        |
| Rural population (20% <sup>136</sup> )                | 9,314         | 9,333         | 9,352         | 9,370         | 9,389         | 9,408         |
| <b>Urban population</b>                               | <b>37,258</b> | <b>37,332</b> | <b>37,407</b> | <b>37,482</b> | <b>37,557</b> | <b>37,632</b> |
| Population per household <sup>137</sup>               | 2.6           | 2.6           | 2.6           | 2.6           | 2.6           | 2.6           |
| <b>Urban households</b>                               | <b>14,330</b> | <b>14,359</b> | <b>14,387</b> | <b>14,416</b> | <b>14,445</b> | <b>14,474</b> |
| Owner-occupied urban households (78% <sup>138</sup> ) | 11,206        | 11,228        | 11,251        | 11,273        | 11,296        | 11,318        |
| <b>Rental households</b>                              | <b>3,124</b>  | <b>3,130</b>  | <b>3,136</b>  | <b>3,143</b>  | <b>3,149</b>  | <b>3,155</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0000%       | 0.0250%       | 0.1250%       | 0.3750%       |
| <b>Number of listings</b>                             | -             | -             | -             | <b>1</b>      | <b>4</b>      | <b>12</b>     |
| Discount due to competitors (15%)                     | -             | -             | -             | 0             | 1             | 2             |
| Vacancy (33% <sup>139</sup> )                         | -             | -             | -             | 0             | 1             | 4             |
| <b>Number of transactions</b>                         | -             | -             | -             | <b>0</b>      | <b>2</b>      | <b>6</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 47,134        | 47,228        | 47,322        | 47,417        | 47,512        | 47,607        |
| Rural population (20%)                | 9,427         | 9,446         | 9,464         | 9,483         | 9,502         | 9,521         |
| <b>Urban population</b>               | <b>37,707</b> | <b>37,782</b> | <b>37,858</b> | <b>37,934</b> | <b>38,010</b> | <b>38,086</b> |
| Population per household              | 2.6           | 2.6           | 2.6           | 2.6           | 2.6           | 2.6           |
| <b>Urban households</b>               | <b>14,503</b> | <b>14,532</b> | <b>14,561</b> | <b>14,590</b> | <b>14,619</b> | <b>14,648</b> |
| Owner-occupied urban households (78%) | 11,341        | 11,364        | 11,387        | 11,409        | 11,432        | 11,455        |
| <b>Rental households</b>              | <b>3,162</b>  | <b>3,168</b>  | <b>3,174</b>  | <b>3,181</b>  | <b>3,187</b>  | <b>3,193</b>  |
| Market obtained                       | 0.7500%       | 1.2500%       | 1.8750%       | 3.5000%       | 5.2500%       | 7.5000%       |
| <b>Number of listings</b>             | <b>24</b>     | <b>40</b>     | <b>60</b>     | <b>111</b>    | <b>167</b>    | <b>239</b>    |
| Discount due to competitors (15%)     | 4             | 6             | 9             | 17            | 25            | 36            |
| Vacancy (33%)                         | 8             | 14            | 21            | 39            | 59            | 84            |
| <b>Number of transactions</b>         | <b>12</b>     | <b>20</b>     | <b>30</b>     | <b>56</b>     | <b>84</b>     | <b>120</b>    |

135 World Bank – 2017 population and population growth

136 World Bank

137 UN

138 Rent.com.au

139 The Spanish Brick



## 6.2.8 Poland

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>140</sup>                             | 37,976        | 37,976        | 37,976        | 37,976        | 37,976        | 37,976        |
| Rural population (40% <sup>141</sup> )                | 15,190        | 15,190        | 15,190        | 15,190        | 15,190        | 15,190        |
| <b>Urban population</b>                               | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> |
| Population per household <sup>142</sup>               | 2.8           | 2.8           | 2.8           | 2.8           | 2.8           | 2.8           |
| <b>Urban households</b>                               | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  |
| Owner-occupied urban households (84% <sup>143</sup> ) | 6,811         | 6,811         | 6,811         | 6,811         | 6,811         | 6,811         |
| <b>Rental households</b>                              | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0250%       | 0.1250%       | 0.3750%       | 0.7500%       |
| <b>Number of listings</b>                             | <b>-</b>      | <b>-</b>      | <b>0</b>      | <b>2</b>      | <b>5</b>      | <b>10</b>     |
| Discount due to competitors (15%)                     | -             | -             | 0             | 0             | 1             | 1             |
| Vacancy (4% <sup>144</sup> )                          | -             | -             | 0             | 0             | 0             | 0             |
| <b>Number of transactions</b>                         | <b>-</b>      | <b>-</b>      | <b>0</b>      | <b>1</b>      | <b>4</b>      | <b>8</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 37,976        | 37,976        | 37,976        | 37,976        | 37,976        | 37,976        |
| Rural population (16%)                | 15,190        | 15,190        | 15,190        | 15,190        | 15,190        | 15,190        |
| <b>Urban population</b>               | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> | <b>22,786</b> |
| Population per household              | 2.8           | 2.8           | 2.8           | 2.8           | 2.8           | 2.8           |
| <b>Urban households</b>               | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  | <b>8,138</b>  |
| Owner-occupied urban households (50%) | 6,811         | 6,811         | 6,811         | 6,811         | 6,811         | 6,811         |
| <b>Rental households</b>              | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  | <b>1,326</b>  |
| Market obtained                       | 1.2500%       | 1.8750%       | 2.5000%       | 4.0000%       | 5.7500%       | 8.0000%       |
| <b>Number of listings</b>             | <b>17</b>     | <b>25</b>     | <b>33</b>     | <b>53</b>     | <b>76</b>     | <b>106</b>    |
| Discount due to competitors (15%)     | 2             | 4             | 5             | 8             | 11            | 16            |
| Vacancy (15%)                         | 1             | 1             | 1             | 2             | 3             | 4             |
| <b>Number of transactions</b>         | <b>13</b>     | <b>20</b>     | <b>27</b>     | <b>43</b>     | <b>62</b>     | <b>86</b>     |

140 World Bank – 2017 population and population growth

141 World Bank

142 UN

143 Rent.com.au

144 Knight frank

## 6.2.9 Panama

(in 000s except population per household and market obtained)

|   | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Population <sup>145</sup>                             | 4,099        | 4,164        | 4,231        | 4,298        | 4,367        | 4,437        |
| Rural population (33% <sup>146</sup> )                | 1,353        | 1,374        | 1,396        | 1,419        | 1,441        | 1,464        |
| <b>Urban population</b>                               | <b>2,746</b> | <b>2,790</b> | <b>2,835</b> | <b>2,880</b> | <b>2,926</b> | <b>2,973</b> |
| Population per household <sup>147</sup>               | 3.7          | 3.7          | 3.7          | 3.7          | 3.7          | 3.7          |
| <b>Urban households</b>                               | <b>742</b>   | <b>754</b>   | <b>766</b>   | <b>778</b>   | <b>791</b>   | <b>803</b>   |
| Owner-occupied urban households (65% <sup>148</sup> ) | 484          | 491          | 499          | 507          | 515          | 523          |
| <b>Rental households</b>                              | <b>259</b>   | <b>263</b>   | <b>267</b>   | <b>271</b>   | <b>276</b>   | <b>280</b>   |
| Market obtained                                       | 0.0000%      | 0.0000%      | 0.0000%      | 0.0250%      | 0.1250%      | 0.3750%      |
| <b>Number of listings</b>                             | -            | -            | -            | <b>0</b>     | <b>0</b>     | <b>1</b>     |
| Discount due to competitors (15%)                     | -            | -            | -            | 0            | 0            | 0            |
| Vacancy (8% <sup>149</sup> )                          | -            | -            | -            | 0            | 0            | 0            |
| <b>Number of transactions</b>                         | -            | -            | -            | <b>0</b>     | <b>0</b>     | <b>1</b>     |

(in 000s except population per household and market obtained)

|                                       | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Population                            | 4,508        | 4,580        | 4,654        | 4,728        | 4,804        | 4,881        |
| Rural population (33%)                | 1,488        | 1,511        | 1,536        | 1,560        | 1,585        | 1,611        |
| <b>Urban population</b>               | <b>3,020</b> | <b>3,069</b> | <b>3,118</b> | <b>3,168</b> | <b>3,218</b> | <b>3,270</b> |
| Population per household              | 3.7          | 3.7          | 3.7          | 3.7          | 3.7          | 3.7          |
| <b>Urban households</b>               | <b>816</b>   | <b>829</b>   | <b>843</b>   | <b>856</b>   | <b>870</b>   | <b>884</b>   |
| Owner-occupied urban households (65%) | 532          | 540          | 549          | 558          | 567          | 576          |
| <b>Rental households</b>              | <b>284</b>   | <b>289</b>   | <b>294</b>   | <b>298</b>   | <b>303</b>   | <b>308</b>   |
| Market obtained                       | 0.7500%      | 1.2500%      | 1.8750%      | 3.5000%      | 5.2500%      | 7.5000%      |
| <b>Number of listings</b>             | <b>2</b>     | <b>4</b>     | <b>6</b>     | <b>10</b>    | <b>16</b>    | <b>23</b>    |
| Discount due to competitors (15%)     | 0            | 1            | 1            | 2            | 2            | 3            |
| Vacancy (8%)                          | 0            | 0            | 0            | 1            | 1            | 2            |
| <b>Number of transactions</b>         | <b>2</b>     | <b>3</b>     | <b>4</b>     | <b>8</b>     | <b>12</b>    | <b>18</b>    |

145 World Bank – 2017 population and population growth

146 World Bank

147 UN

148 Based on US and Canada

149 Oxford Business Group

## 6.2.10 Canada

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>150</sup>                             | 36,708        | 37,149        | 37,594        | 38,045        | 38,502        | 38,964        |
| Rural population (19% <sup>151</sup> )                | 6,975         | 7,058         | 7,143         | 7,229         | 7,315         | 7,403         |
| <b>Urban population</b>                               | <b>29,734</b> | <b>30,090</b> | <b>30,451</b> | <b>30,817</b> | <b>31,187</b> | <b>31,561</b> |
| Population per household <sup>152</sup>               | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           |
| <b>Urban households</b>                               | <b>12,928</b> | <b>13,083</b> | <b>13,240</b> | <b>13,399</b> | <b>13,559</b> | <b>13,722</b> |
| Owner-occupied urban households (66% <sup>153</sup> ) | 8,597         | 8,700         | 8,804         | 8,910         | 9,017         | 9,125         |
| <b>Rental households</b>                              | <b>4,331</b>  | <b>4,383</b>  | <b>4,435</b>  | <b>4,489</b>  | <b>4,542</b>  | <b>4,597</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0000%       | 0.0250%       | 0.1250%       | 0.3750%       |
| <b>Number of listings</b>                             | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>1</b>      | <b>6</b>      | <b>17</b>     |
| Discount due to competitors (15%)                     | -             | -             | -             | 0             | 1             | 3             |
| Vacancy (4% <sup>154</sup> )                          | -             | -             | -             | 0             | 0             | 1             |
| <b>Number of transactions</b>                         | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>1</b>      | <b>5</b>      | <b>14</b>     |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 39,432        | 39,905        | 40,384        | 40,868        | 41,359        | 41,855        |
| Rural population (19%)                | 7,492         | 7,582         | 7,673         | 7,765         | 7,858         | 7,952         |
| <b>Urban population</b>               | <b>31,940</b> | <b>32,323</b> | <b>32,711</b> | <b>33,103</b> | <b>33,501</b> | <b>33,903</b> |
| Population per household              | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           |
| <b>Urban households</b>               | <b>13,887</b> | <b>14,053</b> | <b>14,222</b> | <b>14,393</b> | <b>14,565</b> | <b>14,740</b> |
| Owner-occupied urban households (66%) | 9,235         | 9,346         | 9,458         | 9,571         | 9,686         | 9,802         |
| <b>Rental households</b>              | <b>4,652</b>  | <b>4,708</b>  | <b>4,764</b>  | <b>4,822</b>  | <b>4,879</b>  | <b>4,938</b>  |
| Market obtained                       | 0.7500%       | 1.2500%       | 1.8750%       | 3.5000%       | 5.2500%       | 7.5000%       |
| <b>Number of listings</b>             | <b>35</b>     | <b>59</b>     | <b>89</b>     | <b>169</b>    | <b>256</b>    | <b>370</b>    |
| Discount due to competitors (15%)     | 5             | 9             | 13            | 25            | 38            | 56            |
| Vacancy (4%)                          | 1             | 2             | 3             | 6             | 9             | 14            |
| <b>Number of transactions</b>         | <b>28</b>     | <b>48</b>     | <b>73</b>     | <b>137</b>    | <b>208</b>    | <b>301</b>    |

150 World Bank – 2017 population and population growth

151 World Bank

152 UN

153 Rent Cafe

154 Canada Mortgage and Housing Corporation

## 6.2.11 US

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>155</sup>                             | 325,719        | 327,999        | 330,295        | 332,607        | 334,936        | 337,280        |
| Rural population (18% <sup>156</sup> )                | 58,629         | 59,040         | 59,453         | 59,869         | 60,288         | 60,710         |
| <b>Urban population</b>                               | <b>267,090</b> | <b>268,959</b> | <b>270,842</b> | <b>272,738</b> | <b>274,647</b> | <b>276,570</b> |
| Population per household <sup>157</sup>               | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            |
| <b>Urban households</b>                               | <b>102,727</b> | <b>103,446</b> | <b>104,170</b> | <b>104,899</b> | <b>105,634</b> | <b>106,373</b> |
| Owner-occupied urban households (64% <sup>158</sup> ) | 65,540         | 65,998         | 66,460         | 66,926         | 67,394         | 67,866         |
| <b>Rental households</b>                              | <b>37,187</b>  | <b>37,447</b>  | <b>37,710</b>  | <b>37,974</b>  | <b>38,239</b>  | <b>38,507</b>  |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0000%        | 0.0125%        | 0.0625%        | 0.1875%        |
| <b>Number of listings</b>                             | -              | -              | -              | <b>5</b>       | <b>24</b>      | <b>72</b>      |
| Discount due to competitors (15%)                     | -              | -              | -              | 1              | 4              | 11             |
| Vacancy (8% <sup>159</sup> )                          | -              | -              | -              | 0              | 2              | 5              |
| <b>Number of transactions</b>                         | -              | -              | -              | <b>4</b>       | <b>19</b>      | <b>56</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 339,641        | 342,019        | 344,413        | 346,824        | 349,251        | 351,696        |
| Rural population (18%)                | 61,135         | 61,563         | 61,994         | 62,428         | 62,865         | 63,305         |
| <b>Urban population</b>               | <b>278,506</b> | <b>280,455</b> | <b>282,418</b> | <b>284,395</b> | <b>286,386</b> | <b>288,391</b> |
| Population per household              | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            | 2.6            |
| <b>Urban households</b>               | <b>107,118</b> | <b>107,867</b> | <b>108,622</b> | <b>109,383</b> | <b>110,148</b> | <b>110,920</b> |
| Owner-occupied urban households (64%) | 68,341         | 68,819         | 69,301         | 69,786         | 70,275         | 70,767         |
| <b>Rental households</b>              | <b>38,777</b>  | <b>39,048</b>  | <b>39,321</b>  | <b>39,597</b>  | <b>39,874</b>  | <b>40,153</b>  |
| Market obtained                       | 0.3750%        | 0.6250%        | 1.0000%        | 1.7500%        | 2.7500%        | 3.7500%        |
| <b>Number of listings</b>             | <b>145</b>     | <b>244</b>     | <b>393</b>     | <b>693</b>     | <b>1,097</b>   | <b>1,506</b>   |
| Discount due to competitors (15%)     | 22             | 37             | 59             | 104            | 164            | 226            |
| Vacancy (8%)                          | 11             | 18             | 29             | 52             | 82             | 113            |
| <b>Number of transactions</b>         | <b>113</b>     | <b>189</b>     | <b>305</b>     | <b>537</b>     | <b>850</b>     | <b>1,167</b>   |

155 World Bank – 2017 population and population growth

156 World Bank

157 UN

158 Rent Cafe

159 US Census Bureau

## 6.2.12 Mexico

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>160</sup>                             | 129,163        | 130,842        | 132,543        | 134,266        | 136,012        | 137,780        |
| Rural population (20% <sup>161</sup> )                | 25,833         | 26,168         | 26,509         | 26,853         | 27,202         | 27,556         |
| <b>Urban population</b>                               | <b>103,331</b> | <b>104,674</b> | <b>106,035</b> | <b>107,413</b> | <b>108,810</b> | <b>110,224</b> |
| Population per household <sup>162</sup>               | 3.7            | 3.7            | 3.7            | 3.7            | 3.7            | 3.7            |
| <b>Urban households</b>                               | <b>27,927</b>  | <b>28,290</b>  | <b>28,658</b>  | <b>29,031</b>  | <b>29,408</b>  | <b>29,790</b>  |
| Owner-occupied urban households (72% <sup>163</sup> ) | 20,108         | 20,369         | 20,634         | 20,902         | 21,174         | 21,449         |
| <b>Rental households</b>                              | <b>7,820</b>   | <b>7,921</b>   | <b>8,024</b>   | <b>8,129</b>   | <b>8,234</b>   | <b>8,341</b>   |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0000%        | 0.0125%        | 0.0625%        | 0.1875%        |
| <b>Number of listings</b>                             | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>1</b>       | <b>5</b>       | <b>16</b>      |
| Discount due to competitors (15%)                     | -              | -              | -              | 0              | 1              | 2              |
| Vacancy (15% <sup>164</sup> )                         | -              | -              | -              | 0              | 1              | 2              |
| <b>Number of transactions</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>1</b>       | <b>4</b>       | <b>11</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 139,571        | 141,386        | 143,224        | 145,086        | 146,972        | 148,882        |
| Rural population (20%)                | 27,914         | 28,277         | 28,645         | 29,017         | 29,394         | 29,776         |
| <b>Urban population</b>               | <b>111,657</b> | <b>113,108</b> | <b>114,579</b> | <b>116,068</b> | <b>117,577</b> | <b>119,106</b> |
| Population per household              | 3.7            | 3.7            | 3.7            | 3.7            | 3.7            | 3.7            |
| <b>Urban households</b>               | <b>30,178</b>  | <b>30,570</b>  | <b>30,967</b>  | <b>31,370</b>  | <b>31,778</b>  | <b>32,191</b>  |
| Owner-occupied urban households (72%) | 21,728         | 22,010         | 22,296         | 22,586         | 22,880         | 23,177         |
| <b>Rental households</b>              | <b>8,450</b>   | <b>8,560</b>   | <b>8,671</b>   | <b>8,784</b>   | <b>8,898</b>   | <b>9,013</b>   |
| Market obtained                       | 0.3750%        | 0.6250%        | 1.0000%        | 1.7500%        | 2.7500%        | 3.7500%        |
| <b>Number of listings</b>             | <b>32</b>      | <b>53</b>      | <b>87</b>      | <b>154</b>     | <b>245</b>     | <b>338</b>     |
| Discount due to competitors (15%)     | 5              | 8              | 13             | 23             | 37             | 51             |
| Vacancy (15%)                         | 5              | 8              | 13             | 24             | 38             | 52             |
| <b>Number of transactions</b>         | <b>22</b>      | <b>37</b>      | <b>60</b>      | <b>107</b>     | <b>170</b>     | <b>235</b>     |

160 World Bank – 2017 population and population growth

161 World Bank

162 UN

163 Quartz

164 CBRE

### 6.2.13 Brazil

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>165</sup>                             | 209,288        | 210,963        | 212,650        | 214,351        | 216,066        | 217,795        |
| Rural population (14% <sup>166</sup> )                | 29,300         | 29,535         | 29,771         | 30,009         | 30,249         | 30,491         |
| <b>Urban population</b>                               | <b>179,988</b> | <b>181,428</b> | <b>182,879</b> | <b>184,342</b> | <b>185,817</b> | <b>187,304</b> |
| Population per household <sup>167</sup>               | 3.3            | 3.3            | 3.3            | 3.3            | 3.3            | 3.3            |
| <b>Urban households</b>                               | <b>54,542</b>  | <b>54,978</b>  | <b>55,418</b>  | <b>55,861</b>  | <b>56,308</b>  | <b>56,759</b>  |
| Owner-occupied urban households (73% <sup>168</sup> ) | 40,083         | 40,403         | 40,727         | 41,052         | 41,381         | 41,712         |
| <b>Rental households</b>                              | <b>14,459</b>  | <b>14,575</b>  | <b>14,691</b>  | <b>14,809</b>  | <b>14,927</b>  | <b>15,047</b>  |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0075%        | 0.0325%        | 0.1000%        | 0.2500%        |
| <b>Number of listings</b>                             | <b>-</b>       | <b>-</b>       | <b>1</b>       | <b>5</b>       | <b>15</b>      | <b>38</b>      |
| Discount due to competitors (15%)                     | -              | -              | 0              | 1              | 2              | 6              |
| Vacancy (8% <sup>169</sup> )                          | -              | -              | 0              | 0              | 1              | 3              |
| <b>Number of transactions</b>                         | <b>-</b>       | <b>-</b>       | <b>1</b>       | <b>4</b>       | <b>11</b>      | <b>29</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 219,537        | 221,293        | 223,064        | 224,848        | 226,647        | 228,460        |
| Rural population (14%)                | 30,735         | 30,981         | 31,229         | 31,479         | 31,731         | 31,984         |
| <b>Urban population</b>               | <b>188,802</b> | <b>190,312</b> | <b>191,835</b> | <b>193,370</b> | <b>194,917</b> | <b>196,476</b> |
| Population per household              | 3.3            | 3.3            | 3.3            | 3.3            | 3.3            | 3.3            |
| <b>Urban households</b>               | <b>57,213</b>  | <b>57,670</b>  | <b>58,132</b>  | <b>58,597</b>  | <b>59,066</b>  | <b>59,538</b>  |
| Owner-occupied urban households (73%) | 42,046         | 42,382         | 42,721         | 43,063         | 43,407         | 43,755         |
| <b>Rental households</b>              | <b>15,167</b>  | <b>15,288</b>  | <b>15,411</b>  | <b>15,534</b>  | <b>15,658</b>  | <b>15,784</b>  |
| Market obtained                       | 0.3750%        | 0.5000%        | 0.8750%        | 1.2500%        | 1.7500%        | 2.5000%        |
| <b>Number of listings</b>             | <b>57</b>      | <b>76</b>      | <b>135</b>     | <b>194</b>     | <b>274</b>     | <b>395</b>     |
| Discount due to competitors (15%)     | 9              | 11             | 20             | 29             | 41             | 59             |
| Vacancy (8%)                          | 5              | 6              | 11             | 16             | 23             | 33             |
| <b>Number of transactions</b>         | <b>44</b>      | <b>59</b>      | <b>103</b>     | <b>149</b>     | <b>210</b>     | <b>303</b>     |

165 World Bank – 2017 population and population growth

166 World Bank

167 UN

168 Trading Economics

169 World Population Review

## 6.2.14 Nigeria

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019           | 2020           | 2021           | 2022           |
|---|---------------|---------------|----------------|----------------|----------------|----------------|
| Population <sup>170</sup>                             | 190,886       | 195,849       | 200,941        | 206,166        | 211,526        | 217,026        |
| Rural population (50% <sup>171</sup> )                | 95,443        | 97,925        | 100,471        | 103,083        | 105,763        | 108,513        |
| <b>Urban population</b>                               | <b>95,443</b> | <b>97,925</b> | <b>100,471</b> | <b>103,083</b> | <b>105,763</b> | <b>108,513</b> |
| Population per household <sup>172</sup>               | 4.6           | 4.6           | 4.6            | 4.6            | 4.6            | 4.6            |
| <b>Urban households</b>                               | <b>20,749</b> | <b>21,288</b> | <b>21,841</b>  | <b>22,409</b>  | <b>22,992</b>  | <b>23,590</b>  |
| Owner-occupied urban households (25% <sup>173</sup> ) | 5,187         | 5,322         | 5,460          | 5,602          | 5,748          | 5,897          |
| <b>Rental households</b>                              | <b>15,561</b> | <b>15,966</b> | <b>16,381</b>  | <b>16,807</b>  | <b>17,244</b>  | <b>17,692</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0001%        | 0.0005%        | 0.0025%        | 0.0050%        |
| <b>Number of listings</b>                             | -             | -             | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>1</b>       |
| Discount due to competitors (11%)                     | -             | -             | 0              | 0              | 0              | 0              |
| Vacancy (15% <sup>174</sup> )                         | -             | -             | 0              | 0              | 0              | 0              |
| <b>Number of transactions</b>                         | -             | -             | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>1</b>       |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 222,669        | 228,458        | 234,398        | 240,492        | 246,745        | 253,160        |
| Rural population (50%)                | 111,334        | 114,229        | 117,199        | 120,246        | 123,373        | 126,580        |
| <b>Urban population</b>               | <b>111,334</b> | <b>114,229</b> | <b>117,199</b> | <b>120,246</b> | <b>123,373</b> | <b>126,580</b> |
| Population per household              | 4.6            | 4.6            | 4.6            | 4.6            | 4.6            | 4.6            |
| <b>Urban households</b>               | <b>24,203</b>  | <b>24,832</b>  | <b>25,478</b>  | <b>26,140</b>  | <b>26,820</b>  | <b>27,517</b>  |
| Owner-occupied urban households (25%) | 6,051          | 6,208          | 6,370          | 6,535          | 6,705          | 6,879          |
| <b>Rental households</b>              | <b>18,152</b>  | <b>18,624</b>  | <b>19,109</b>  | <b>19,605</b>  | <b>20,115</b>  | <b>20,638</b>  |
| Market obtained                       | 0.0150%        | 0.0500%        | 0.1500%        | 0.3750%        | 0.6250%        | 1.0000%        |
| <b>Number of listings</b>             | <b>3</b>       | <b>9</b>       | <b>29</b>      | <b>74</b>      | <b>126</b>     | <b>206</b>     |
| Discount due to competitors (11%)     | 0              | 1              | 4              | 11             | 19             | 31             |
| Vacancy (15%)                         | 0              | 1              | 3              | 8              | 14             | 23             |
| <b>Number of transactions</b>         | <b>2</b>       | <b>7</b>       | <b>21</b>      | <b>54</b>      | <b>93</b>      | <b>153</b>     |

170 World Bank – 2017 population and population growth

171 World Bank

172 UN

173 The Guardian

174 Vanguard (based on Lagos)

## 6.2.15 South Africa

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>175</sup>                             | 56,717        | 57,398        | 58,087        | 58,784        | 59,489        | 60,203        |
| Rural population (34% <sup>176</sup> )                | 19,284        | 19,515        | 19,749        | 19,986        | 20,226        | 20,469        |
| <b>Urban population</b>                               | <b>37,433</b> | <b>37,883</b> | <b>38,337</b> | <b>38,797</b> | <b>39,263</b> | <b>39,734</b> |
| Population per household <sup>177</sup>               | 3.2           | 3.2           | 3.2           | 3.2           | 3.2           | 3.2           |
| <b>Urban households</b>                               | <b>11,698</b> | <b>11,838</b> | <b>11,980</b> | <b>12,124</b> | <b>12,270</b> | <b>12,417</b> |
| Owner-occupied urban households (75% <sup>178</sup> ) | 8,823         | 8,928         | 9,036         | 9,144         | 9,254         | 9,365         |
| <b>Rental households</b>                              | <b>2,875</b>  | <b>2,910</b>  | <b>2,945</b>  | <b>2,980</b>  | <b>3,016</b>  | <b>3,052</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0000%       | 0.0125%       | 0.0625%       | 0.1875%       |
| <b>Number of listings</b>                             | -             | -             | -             | <b>0</b>      | <b>2</b>      | <b>6</b>      |
| Discount due to competitors (15%)                     | -             | -             | -             | 0             | 0             | 1             |
| Vacancy (11% <sup>179</sup> )                         | -             | -             | -             | 0             | 0             | 1             |
| <b>Number of transactions</b>                         | -             | -             | -             | <b>0</b>      | <b>1</b>      | <b>4</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 60,925        | 61,656        | 62,396        | 63,145        | 63,903        | 64,670        |
| Rural population (34%)                | 20,715        | 20,963        | 21,215        | 21,469        | 21,727        | 21,988        |
| <b>Urban population</b>               | <b>40,211</b> | <b>40,693</b> | <b>41,182</b> | <b>41,676</b> | <b>42,176</b> | <b>42,682</b> |
| Population per household              | 3.2           | 3.2           | 3.2           | 3.2           | 3.2           | 3.2           |
| <b>Urban households</b>               | <b>12,566</b> | <b>12,717</b> | <b>12,869</b> | <b>13,024</b> | <b>13,180</b> | <b>13,338</b> |
| Owner-occupied urban households (75%) | 9,477         | 9,591         | 9,706         | 9,822         | 9,940         | 10,060        |
| <b>Rental households</b>              | <b>3,089</b>  | <b>3,126</b>  | <b>3,163</b>  | <b>3,201</b>  | <b>3,240</b>  | <b>3,279</b>  |
| Market obtained                       | 0.3750%       | 0.6250%       | 1.0000%       | 1.7500%       | 2.5000%       | 3.7500%       |
| <b>Number of listings</b>             | <b>12</b>     | <b>20</b>     | <b>32</b>     | <b>56</b>     | <b>81</b>     | <b>123</b>    |
| Discount due to competitors (15%)     | 2             | 3             | 5             | 8             | 12            | 18            |
| Vacancy (11%)                         | 1             | 2             | 4             | 6             | 9             | 14            |
| <b>Number of transactions</b>         | <b>9</b>      | <b>14</b>     | <b>23</b>     | <b>41</b>     | <b>60</b>     | <b>91</b>     |

175 World Bank – 2017 population and population growth

176 World Bank

177 UN

178 Fin24

179 Horizon Capital



## 6.2.16 Egypt

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>180</sup>                             | 97,553        | 99,407        | 101,295       | 103,220       | 105,181       | 107,180       |
| Rural population (57% <sup>181</sup> )                | 55,605        | 56,662        | 57,738        | 58,835        | 59,953        | 61,092        |
| <b>Urban population</b>                               | <b>41,948</b> | <b>42,745</b> | <b>43,557</b> | <b>44,385</b> | <b>45,228</b> | <b>46,087</b> |
| Population per household <sup>182</sup>               | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           |
| <b>Urban households</b>                               | <b>10,231</b> | <b>10,426</b> | <b>10,624</b> | <b>10,826</b> | <b>11,031</b> | <b>11,241</b> |
| Owner-occupied urban households (45% <sup>183</sup> ) | 4,604         | 4,692         | 4,781         | 4,871         | 4,964         | 5,058         |
| <b>Rental households</b>                              | <b>5,627</b>  | <b>5,734</b>  | <b>5,843</b>  | <b>5,954</b>  | <b>6,067</b>  | <b>6,182</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0000%       | 0.0010%       | 0.0050%       | 0.0250%       |
| <b>Number of listings</b>                             | -             | -             | -             | <b>0</b>      | <b>0</b>      | <b>2</b>      |
| Discount due to competitors (15%)                     | -             | -             | -             | 0             | 0             | 0             |
| Vacancy (30% <sup>184</sup> )                         | -             | -             | -             | 0             | 0             | 0             |
| <b>Number of transactions</b>                         | -             | -             | -             | <b>0</b>      | <b>0</b>      | <b>1</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 109,216       | 111,291       | 113,406       | 115,560       | 117,756       | 119,993       |
| Rural population (57%)                | 62,253        | 63,436        | 64,641        | 65,869        | 67,121        | 68,396        |
| <b>Urban population</b>               | <b>46,963</b> | <b>47,855</b> | <b>48,764</b> | <b>49,691</b> | <b>50,635</b> | <b>51,597</b> |
| Population per household              | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           | 4.1           |
| <b>Urban households</b>               | <b>11,454</b> | <b>11,672</b> | <b>11,894</b> | <b>12,120</b> | <b>12,350</b> | <b>12,585</b> |
| Owner-occupied urban households (45%) | 5,154         | 5,252         | 5,352         | 5,454         | 5,558         | 5,663         |
| <b>Rental households</b>              | <b>6,300</b>  | <b>6,420</b>  | <b>6,542</b>  | <b>6,666</b>  | <b>6,793</b>  | <b>6,922</b>  |
| Market obtained                       | 0.1000%       | 0.2500%       | 0.5000%       | 1.0000%       | 1.5000%       | 2.2500%       |
| <b>Number of listings</b>             | <b>6</b>      | <b>16</b>     | <b>33</b>     | <b>67</b>     | <b>102</b>    | <b>156</b>    |
| Discount due to competitors (15%)     | 1             | 2             | 5             | 10            | 15            | 23            |
| Vacancy (30%)                         | 2             | 5             | 10            | 20            | 31            | 47            |
| <b>Number of transactions</b>         | <b>3</b>      | <b>9</b>      | <b>18</b>     | <b>37</b>     | <b>56</b>     | <b>86</b>     |

180 World Bank – 2017 population and population growth

181 World Bank

182 UN

183 Index Mundi (based on Cairo)

184 Oxford Business Group

## 6.2.17 Ethiopia

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>185</sup>                             | 104,957       | 107,581       | 110,271       | 113,028       | 115,853       | 118,750       |
| Rural population (80% <sup>186</sup> )                | 83,966        | 86,065        | 88,217        | 90,422        | 92,683        | 95,000        |
| <b>Urban population</b>                               | <b>20,991</b> | <b>21,516</b> | <b>22,054</b> | <b>22,606</b> | <b>23,171</b> | <b>23,750</b> |
| Population per household <sup>187</sup>               | 4.6           | 4.6           | 4.6           | 4.6           | 4.6           | 4.6           |
| <b>Urban households</b>                               | <b>4,563</b>  | <b>4,677</b>  | <b>4,794</b>  | <b>4,914</b>  | <b>5,037</b>  | <b>5,163</b>  |
| Owner-occupied urban households (40% <sup>188</sup> ) | 1,825         | 1,871         | 1,918         | 1,966         | 2,015         | 2,065         |
| <b>Rental households</b>                              | <b>2,738</b>  | <b>2,806</b>  | <b>2,877</b>  | <b>2,949</b>  | <b>3,022</b>  | <b>3,098</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0000%       | 0.0125%       | 0.0625%       | 0.1875%       |
| <b>Number of listings</b>                             | -             | -             | -             | <b>0</b>      | <b>2</b>      | <b>6</b>      |
| Discount due to competitors (15%)                     | -             | -             | -             | 0             | 0             | 1             |
| Vacancy (8% <sup>189</sup> )                          | -             | -             | -             | 0             | 0             | 0             |
| <b>Number of transactions</b>                         | -             | -             | -             | <b>0</b>      | <b>1</b>      | <b>4</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 121,718       | 124,761       | 127,880       | 131,077       | 134,354       | 137,713       |
| Rural population (80%)                | 97,375        | 99,809        | 102,304       | 104,862       | 107,484       | 110,171       |
| <b>Urban population</b>               | <b>24,344</b> | <b>24,952</b> | <b>25,576</b> | <b>26,215</b> | <b>26,871</b> | <b>27,543</b> |
| Population per household              | 4.6           | 4.6           | 4.6           | 4.6           | 4.6           | 4.6           |
| <b>Urban households</b>               | <b>5,292</b>  | <b>5,424</b>  | <b>5,560</b>  | <b>5,699</b>  | <b>5,841</b>  | <b>5,988</b>  |
| Owner-occupied urban households (40%) | 2,117         | 2,170         | 2,224         | 2,280         | 2,337         | 2,395         |
| <b>Rental households</b>              | <b>3,175</b>  | <b>3,255</b>  | <b>3,336</b>  | <b>3,419</b>  | <b>3,505</b>  | <b>3,593</b>  |
| Market obtained                       | 0.3750%       | 0.6250%       | 1.0000%       | 1.7500%       | 2.5000%       | 3.7500%       |
| <b>Number of listings</b>             | <b>12</b>     | <b>20</b>     | <b>33</b>     | <b>60</b>     | <b>88</b>     | <b>135</b>    |
| Discount due to competitors (15%)     | 2             | 3             | 5             | 9             | 13            | 20            |
| Vacancy (8%)                          | 1             | 2             | 3             | 5             | 7             | 11            |
| <b>Number of transactions</b>         | <b>9</b>      | <b>16</b>     | <b>26</b>     | <b>46</b>     | <b>67</b>     | <b>104</b>    |

185 World Bank – 2017 population and population growth

186 World Bank

187 UN

188 Reuters

189 Medhanit Berhanu (based on Addis Ababa)

## 6.2.18 Australia

(in 000s except population per household and market obtained)

|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Population <sup>190</sup>                             | 24,599        | 24,993        | 25,392        | 25,799        | 26,211        | 26,631        |
| Rural population (14% <sup>191</sup> )                | 3,444         | 3,499         | 3,555         | 3,612         | 3,670         | 3,728         |
| <b>Urban population</b>                               | <b>21,155</b> | <b>21,494</b> | <b>21,837</b> | <b>22,187</b> | <b>22,542</b> | <b>22,903</b> |
| Population per household <sup>192</sup>               | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           |
| <b>Urban households</b>                               | <b>9,198</b>  | <b>9,345</b>  | <b>9,495</b>  | <b>9,646</b>  | <b>9,801</b>  | <b>9,958</b>  |
| Owner-occupied urban households (69% <sup>193</sup> ) | 6,356         | 6,457         | 6,561         | 6,666         | 6,772         | 6,881         |
| <b>Rental households</b>                              | <b>2,842</b>  | <b>2,888</b>  | <b>2,934</b>  | <b>2,981</b>  | <b>3,028</b>  | <b>3,077</b>  |
| Market obtained                                       | 0.0000%       | 0.0000%       | 0.0000%       | 0.0125%       | 0.0625%       | 0.1875%       |
| <b>Number of listings</b>                             | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>0</b>      | <b>2</b>      | <b>6</b>      |
| Discount due to competitors (15%)                     | -             | -             | -             | 0             | 0             | 1             |
| Vacancy (2% <sup>194</sup> )                          | -             | -             | -             | 0             | 0             | 0             |
| <b>Number of transactions</b>                         | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>0</b>      | <b>2</b>      | <b>5</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Population                            | 27,057        | 27,490        | 27,930        | 28,377        | 28,831        | 29,292        |
| Rural population (14%)                | 3,788         | 3,849         | 3,910         | 3,973         | 4,036         | 4,101         |
| <b>Urban population</b>               | <b>23,269</b> | <b>23,641</b> | <b>24,020</b> | <b>24,404</b> | <b>24,794</b> | <b>25,191</b> |
| Population per household              | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           | 2.3           |
| <b>Urban households</b>               | <b>10,117</b> | <b>10,279</b> | <b>10,443</b> | <b>10,610</b> | <b>10,780</b> | <b>10,953</b> |
| Owner-occupied urban households (69%) | 6,991         | 7,103         | 7,216         | 7,332         | 7,449         | 7,568         |
| <b>Rental households</b>              | <b>3,126</b>  | <b>3,176</b>  | <b>3,227</b>  | <b>3,279</b>  | <b>3,331</b>  | <b>3,384</b>  |
| Market obtained                       | 0.3750%       | 0.6250%       | 1.0000%       | 1.7500%       | 2.5000%       | 3.7500%       |
| <b>Number of listings</b>             | <b>12</b>     | <b>20</b>     | <b>32</b>     | <b>57</b>     | <b>83</b>     | <b>127</b>    |
| Discount due to competitors (15%)     | 2             | 3             | 5             | 9             | 12            | 19            |
| Vacancy (2%)                          | 0             | 0             | 1             | 1             | 2             | 3             |
| <b>Number of transactions</b>         | <b>10</b>     | <b>16</b>     | <b>27</b>     | <b>48</b>     | <b>69</b>     | <b>105</b>    |

190 World Bank – 2017 population and population growth

191 World Bank

192 UN

193 Rent Cafe

194 New.com.au

### 6.2.19 Rest of Asia

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>195</sup>                             | 1,742,537      | 1,758,363      | 1,774,188      | 1,790,156      | 1,806,267      | 1,822,523      |
| Rural population (50% <sup>196</sup> )                | 878,239        | 886,215        | 894,191        | 902,238        | 910,359        | 918,552        |
| <b>Urban population</b>                               | <b>864,299</b> | <b>872,148</b> | <b>879,997</b> | <b>887,917</b> | <b>895,908</b> | <b>903,972</b> |
| Population per household <sup>197</sup>               | 3.95           | 3.95           | 3.95           | 3.95           | 3.95           | 3.95           |
| <b>Urban households</b>                               | <b>218,810</b> | <b>220,797</b> | <b>222,784</b> | <b>224,789</b> | <b>226,812</b> | <b>228,854</b> |
| Owner-occupied urban households (61% <sup>198</sup> ) | 134,568        | 135,790        | 137,012        | 138,245        | 139,490        | 140,745        |
| <b>Rental households</b>                              | <b>84,242</b>  | <b>85,007</b>  | <b>85,772</b>  | <b>86,544</b>  | <b>87,323</b>  | <b>88,109</b>  |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0000%        | 0.0000%        | 0.0050%        | 0.0250%        |
| <b>Number of listings</b>                             | -              | -              | -              | -              | <b>4</b>       | <b>22</b>      |
| Discount due to competitors (15%)                     | -              | -              | -              | -              | 1              | 3              |
| Vacancy (18% <sup>199</sup> )                         | -              | -              | -              | -              | 0              | 0              |
| <b>Number of transactions</b>                         | -              | -              | -              | -              | <b>4</b>       | <b>18</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 1,838,926      | 1,855,476      | 1,872,176      | 1,889,025      | 1,906,027      | 1,923,181      |
| Rural population (50%)                | 926,819        | 935,160        | 943,577        | 952,069        | 960,637        | 969,283        |
| <b>Urban population</b>               | <b>912,107</b> | <b>920,316</b> | <b>928,599</b> | <b>936,957</b> | <b>945,389</b> | <b>953,898</b> |
| Population per household              | 3.95           | 3.95           | 3.95           | 3.95           | 3.95           | 3.95           |
| <b>Urban households</b>               | <b>230,913</b> | <b>232,991</b> | <b>235,088</b> | <b>237,204</b> | <b>239,339</b> | <b>241,493</b> |
| Owner-occupied urban households (61%) | 142,012        | 143,290        | 144,579        | 145,881        | 147,194        | 148,518        |
| <b>Rental households</b>              | <b>88,902</b>  | <b>89,702</b>  | <b>90,509</b>  | <b>91,324</b>  | <b>92,146</b>  | <b>92,975</b>  |
| Market obtained                       | 0.0750%        | 0.1500%        | 0.2500%        | 0.5000%        | 0.7000%        | 1.0000%        |
| <b>Number of listings</b>             | <b>67</b>      | <b>135</b>     | <b>226</b>     | <b>457</b>     | <b>645</b>     | <b>930</b>     |
| Discount due to competitors (15%)     | 10             | 20             | 34             | 68             | 97             | 139            |
| Vacancy (18%)                         | 1              | 3              | 5              | 9              | 13             | 19             |
| <b>Number of transactions</b>         | <b>55</b>      | <b>112</b>     | <b>188</b>     | <b>379</b>     | <b>535</b>     | <b>772</b>     |

195 Worldometers – population and population growth

196 Worldometers

197 Based on India and China

198 Based on India and China

199 Based on India and China

## 6.2.20 Rest of Africa

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>200</sup>                             | 821,308        | 842,540        | 863,772        | 885,539        | 907,854        | 930,732        |
| Rural population (16% <sup>201</sup> )                | 405,726        | 416,215        | 426,703        | 437,456        | 448,480        | 459,782        |
| <b>Urban population</b>                               | <b>415,582</b> | <b>426,325</b> | <b>437,068</b> | <b>448,083</b> | <b>459,374</b> | <b>470,950</b> |
| Population per household <sup>202</sup>               | 3.97           | 3.97           | 3.97           | 3.97           | 3.97           | 3.97           |
| <b>Urban households</b>                               | <b>104,768</b> | <b>107,477</b> | <b>110,185</b> | <b>112,962</b> | <b>115,809</b> | <b>118,727</b> |
| Owner-occupied urban households (50% <sup>203</sup> ) | 50,785         | 52,098         | 53,410         | 54,756         | 56,136         | 57,551         |
| <b>Rental households</b>                              | <b>53,984</b>  | <b>55,379</b>  | <b>56,775</b>  | <b>58,206</b>  | <b>59,672</b>  | <b>61,176</b>  |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0000%        | 0.0000%        | 0.0050%        | 0.0250%        |
| <b>Number of listings</b>                             | -              | -              | -              | -              | <b>3</b>       | <b>15</b>      |
| Discount due to competitors (15%)                     | -              | -              | -              | -              | 0              | 2              |
| Vacancy (15% <sup>204</sup> )                         | -              | -              | -              | -              | 0              | 0              |
| <b>Number of transactions</b>                         | -              | -              | -              | -              | <b>2</b>       | <b>13</b>      |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 954,187        | 978,232        | 1,002,883      | 1,028,156      | 1,054,066      | 1,080,628      |
| Rural population (16%)                | 471,368        | 483,247        | 495,424        | 507,909        | 520,708        | 533,830        |
| <b>Urban population</b>               | <b>482,818</b> | <b>494,985</b> | <b>507,459</b> | <b>520,247</b> | <b>533,357</b> | <b>546,798</b> |
| Population per household              | 3.97           | 3.97           | 3.97           | 3.97           | 3.97           | 3.97           |
| <b>Urban households</b>               | <b>121,719</b> | <b>124,786</b> | <b>127,931</b> | <b>131,155</b> | <b>134,460</b> | <b>137,848</b> |
| Owner-occupied urban households (50%) | 59,001         | 60,488         | 62,012         | 63,575         | 65,177         | 66,820         |
| <b>Rental households</b>              | <b>62,718</b>  | <b>64,298</b>  | <b>65,919</b>  | <b>67,580</b>  | <b>69,283</b>  | <b>71,029</b>  |
| Market obtained                       | 0.0750%        | 0.1500%        | 0.2500%        | 0.5000%        | 0.7500%        | 1.0000%        |
| <b>Number of listings</b>             | <b>47</b>      | <b>96</b>      | <b>165</b>     | <b>338</b>     | <b>520</b>     | <b>710</b>     |
| Discount due to competitors (15%)     | 7              | 14             | 25             | 51             | 78             | 107            |
| Vacancy (15%)                         | 1              | 2              | 3              | 7              | 10             | 14             |
| <b>Number of transactions</b>         | <b>39</b>      | <b>80</b>      | <b>137</b>     | <b>280</b>     | <b>431</b>     | <b>590</b>     |

200 Worldometers – population and population growth

201 Worldometers

202 Based on Egypt, Nigeria and South Africa

203 Based on Egypt, Nigeria and South Africa

204 Based on Egypt, Nigeria and South Africa

## 6.2.21 Rest of Europe

(in 000s except population per household and market obtained)

|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Population <sup>205</sup>                             | 431,346        | 431,691        | 432,036        | 432,382        | 432,728        | 433,074        |
| Rural population (26% <sup>206</sup> )                | 110,856        | 110,945        | 111,033        | 111,122        | 111,211        | 111,300        |
| <b>Urban population</b>                               | <b>320,490</b> | <b>320,746</b> | <b>321,003</b> | <b>321,260</b> | <b>321,517</b> | <b>321,774</b> |
| Population per household <sup>207</sup>               | 3.03           | 3.03           | 3.03           | 3.03           | 3.03           | 3.03           |
| <b>Urban households</b>                               | <b>105,947</b> | <b>106,032</b> | <b>106,117</b> | <b>106,202</b> | <b>106,287</b> | <b>106,372</b> |
| Owner-occupied urban households (77% <sup>208</sup> ) | 81,844         | 81,910         | 81,975         | 82,041         | 82,106         | 82,172         |
| <b>Rental households</b>                              | <b>24,103</b>  | <b>24,122</b>  | <b>24,142</b>  | <b>24,161</b>  | <b>24,180</b>  | <b>24,200</b>  |
| Market obtained                                       | 0.0000%        | 0.0000%        | 0.0000%        | 0.0000%        | 0.0005%        | 0.0010%        |
| <b>Number of listings</b>                             | -              | -              | -              | -              | <b>0</b>       | <b>0</b>       |
| Discount due to competitors (15%)                     | -              | -              | -              | -              | 0              | 0              |
| Vacancy (18% <sup>209</sup> )                         | -              | -              | -              | -              | 0              | 0              |
| <b>Number of transactions</b>                         | -              | -              | -              | -              | <b>0</b>       | <b>0</b>       |

(in 000s except population per household and market obtained)

|                                       | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population                            | 433,420        | 433,767        | 434,114        | 434,462        | 434,809        | 435,157        |
| Rural population (26%)                | 111,389        | 111,478        | 111,567        | 111,657        | 111,746        | 111,835        |
| <b>Urban population</b>               | <b>322,031</b> | <b>322,289</b> | <b>322,547</b> | <b>322,805</b> | <b>323,063</b> | <b>323,322</b> |
| Population per household              | 3.03           | 3.03           | 3.03           | 3.03           | 3.03           | 3.03           |
| <b>Urban households</b>               | <b>106,457</b> | <b>106,542</b> | <b>106,627</b> | <b>106,712</b> | <b>106,798</b> | <b>106,883</b> |
| Owner-occupied urban households (77%) | 82,238         | 82,304         | 82,369         | 82,435         | 82,501         | 82,567         |
| <b>Rental households</b>              | <b>24,219</b>  | <b>24,238</b>  | <b>24,258</b>  | <b>24,277</b>  | <b>24,296</b>  | <b>24,316</b>  |
| Market obtained                       | 0.0500%        | 0.2500%        | 0.5000%        | 1.2500%        | 2.7500%        | 4.2500%        |
| <b>Number of listings</b>             | <b>12</b>      | <b>61</b>      | <b>121</b>     | <b>303</b>     | <b>668</b>     | <b>1,033</b>   |
| Discount due to competitors (15%)     | 2              | 9              | 18             | 46             | 100            | 155            |
| Vacancy (18%)                         | 0              | 1              | 2              | 6              | 13             | 21             |
| <b>Number of transactions</b>         | <b>10</b>      | <b>50</b>      | <b>101</b>     | <b>252</b>     | <b>555</b>     | <b>858</b>     |

205 Worldometers – population and population growth

206 Worldometers

207 Based on Russia, Spain Turkey and Poland

208 Based on Russia, Spain Turkey and Poland

209 Based on Russia, Spain Turkey and Poland

### 6.3 Listing cost

The listing cost refers to the amount paid to agents to list properties online. Each country would have a different listing cost per property which has been given below:

| Country      | Cost | Country     | Cost | Country        | Cost |
|--------------|------|-------------|------|----------------|------|
| Saudi Arabia | € 6  | Panama      | € 5  | Austria        | € 7  |
| Qatar        | € 6  | Paraguay    | € 4  | Belgium        | € 7  |
| UAE          | € 6  | Peru        | € 4  | Bulgaria       | € 6  |
| Iraq         | € 3  | Uruguay     | € 4  | Denmark        | € 7  |
| Jorden       | € 5  | Venezuela   | € 4  | Finland        | € 6  |
| Kuwait       | € 6  | Argentina   | € 5  | Hungary        | € 5  |
| Lebanon      | € 4  | Bolivia     | € 4  | Ireland        | € 7  |
| Yemen        | € 4  | Chile       | € 6  | Lithuania      | € 5  |
| Oman         | € 6  | Colombia    | € 6  | Norway         | € 7  |
| Syria        | € 4  | Costa Rica  | € 5  | Holland        | € 8  |
| Pakistan     | € 4  | Cuba        | € 5  | Poland         | € 5  |
| Palestine    | € 4  | Ecuador     | € 4  | UK             | € 8  |
| Azerbaijan   | € 4  | Guatemala   | € 4  | Czech Republic | € 5  |
| Georgia      | € 4  | Bahamas     | € 5  | Italy          | € 6  |
| Tajikistan   | € 4  | Barbados    | € 4  | Portugal       | € 6  |
| Kazakhstan   | € 4  | Canada      | € 7  | Malta          | € 5  |
| Turkey       | € 4  | USA         | € 7  | Monaco         | € 5  |
| Uzbekistan   | € 4  | Mexico      | € 6  | Andorra        | € 6  |
| Iran         | € 5  | Brazil      | € 6  | Cyprus         | € 5  |
| Turkmenistan | € 4  | New Zealand | € 7  | Spain          | € 6  |
| India        | € 5  | Australia   | € 7  | France         | € 7  |
| Bangladesh   | € 4  | Fiji        | € 6  | Greece         | € 7  |
| Indonesia    | € 4  | Romania     | € 5  | Luxembourg     | € 7  |
| Vietnam      | € 4  | Russia      | € 6  | Nigeria        | € 3  |
| Tillandsia   | € 4  | Serbia      | € 4  | R.D. of Congo  | € 3  |
| Philippines  | € 4  | Ukraine     | € 5  | Rwanda         | € 3  |
| Cambodia     | € 4  | Albania     | € 4  | Senegal        | € 3  |
| Malaysia     | € 4  | Belorussia  | € 4  | Sierra Leona   | € 3  |
| Nepal        | € 4  | Croatia     | € 5  | Tanzania       | € 3  |
| Singapore    | € 6  | Slovakia    | € 5  | Togo           | € 3  |
| Laos         | € 4  | Slovenia    | € 5  | Benin          | € 3  |
| China        | € 6  | Moldavia    | € 5  | Cameron        | € 3  |

| Country     | Cost |
|-------------|------|
| Mongolia    | € 4  |
| South Korea | € 6  |
| Japan       | € 6  |
| Israel      | € 6  |
| Angola      | € 3  |
| Ghana       | € 3  |
| Gambia      | € 3  |
| Gabon       | € 3  |
| Lesotho     | € 3  |

| Country     | Cost |
|-------------|------|
| Montenegro  | € 5  |
| Sweden      | € 7  |
| Switzerland | € 9  |
| Germany     | € 7  |
| Madagascar  | € 3  |
| Mauritius   | € 3  |
| South Sudan | € 3  |
| North Sudan | € 3  |
| Morocco     | € 5  |

| Country      | Cost |
|--------------|------|
| Congo        | € 3  |
| Ivory Coast  | € 3  |
| South Africa | € 5  |
| Uganda       | € 3  |
| Tunisia      | € 5  |
| Egypt        | € 5  |
| Algeria      | € 5  |
| Ethiopia     | € 5  |



## 6.4 Guideline Public Companies (GPCs)

### 6.4.1 E-commerce

| Company                          | Description   |
|----------------------------------|---|
| <b>Alibaba Group Holding Ltd</b> | <p>Alibaba Group Holding Limited is a holding company. Through its subsidiaries, the Company is engaged in online and mobile commerce through offering of products, services and technology that enable merchants, brands and other businesses to transform the way they market, sell and operate in the People's Republic of China (China) and internationally. Its businesses consist of core commerce, cloud computing, mobile media and entertainment, and other innovation initiatives. Through investee affiliates, it also participates in the logistics and local services sectors. Retail commerce in China operated by the Company includes the China online commerce destination (Taobao Marketplace); the China third-party platform for brands and retailers (Tmall), and the sales and marketing platform for flash sales (Juhuasuan). Wholesale commerce in China operated by the Company includes the China domestic wholesale marketplace (1688.com) and the wholesale marketplace for global trade (Alibaba.com).</p> |
| <b>Amazon.com Inc.</b>           | <p>Amazon.com, Inc. offers a range of products and services through its Websites. The Company operates through three segments: North America, International and Amazon Web Services (AWS). The Company's products include merchandise and content that it purchases for resale from vendors and those offered by third-party sellers. It also manufactures and sells electronic devices. The Company, through its subsidiary, Whole Foods Market, Inc., offers healthy and organic food and staples across its stores. The Company also offers a range of products like whole trade bananas, organic avocados, organic large brown eggs, organic responsibly-farmed salmon and tilapia, organic baby kale and baby lettuce, animal-welfare-rated 85% lean ground beef, creamy and crunchy almond butter, organic gala and fuji apples, organic rotisserie chicken.</p>  |
| <b>Beenos Inc.</b>               | <p>BEENOS Inc, formerly netprice.com, Ltd., mainly operates mail-order sales business. It has two segments. The E-commerce segment operates business through three business divisions. The Gathering division is engaged in the mail-order sales through personal computers (PCs), cell phones and smart phones. The Value Cycle division is involved in the purchase, maintenance and sale of secondhand brand-name products, watches, accessories and others. The Cross Border division is engaged provision of services making overseas products available for purchase for Japanese clients. The Incubation segment is involved in the provision of Japan products overseas forwarding services, the production of talent licensed products, and the marketing and promotion business focusing on smart phones.</p>   |
| <b>eBay Inc</b>                  | <p>eBay Inc. (eBay) is a commerce company, which operates through its Marketplace, StubHub and Classifieds platforms. The Company connects buyers and sellers around the world. Its platforms enable sellers around the world to organize and offer their inventory for sale, and buyers to find and purchase it. Its platforms are accessible through an online experience (desktop and laptop computers), from mobile devices (smartphones and tablets) and by application programming interface (API) (platform access for third-party software developers). The Company's Marketplace platforms include its online marketplace located at www.ebay.com, localized counterparts and the eBay mobile applications. The Company's StubHub platforms include its online ticket platform located at www.stubhub.com, the StubHub mobile applications and Ticketbis. The Company's Classifieds platforms include a collection of brands, such as Mobile.de, Kijiji, Gumtree, Marktplaats, eBay Kleinanzeigen and others.</p>              |

| Company                             | Description   |
|-------------------------------------|---|
| <b>Etsy Inc</b>                     | Etsy, Inc. (Etsy) operates a marketplace where people around the world connect, both online and offline, to make, sell and buy goods. The Company offers a range of seller services and tools that help entrepreneurs start, grow and manage their businesses. The Company's community includes Etsy sellers, Etsy buyers, Etsy employees, its partners and investors. As of December 31, 2016, its platform connected 1.7 million active Etsy sellers and 28.6 million active Etsy buyers. Etsy sellers join its community to participate in its markets to express their creativity. Etsy sellers range from hobbyists to professional merchants, and have a range of personal and professional goals. Its supports a group of artists, makers, designers and collectors from around the world. Its services platform includes seller services, seller tools and education. The Company's seller services include Direct Checkout, Promoted Listings, Shipping Labels and Pattern by Etsy.  |
| <b>Global Top E-Commerce Co Ltd</b> | Global Top E-Commerce Co.,Ltd., formerly Shanxi Baiyuan Trousers Chain Management Co., Ltd., is a China-based company principally engaged in cross-border e-commerce business. The Company is mainly engaged in cross-border e-commerce exporting business and cross-border e-commerce importing business. The Company distributes apparel and household products, electronic products and other products through its e-commerce distribution platforms. The Company operates its business in domestic and overseas markets, with overseas market as its main market.   |
| <b>Groupon Inc</b>                  | Groupon, Inc. operates online local commerce marketplaces around the world that connect merchants to consumers by offering goods and services at a discount. The Company operates through three segments: North America, which represents the United States and Canada; EMEA, which consists of Europe, and the Middle East and Africa, and the remainder of its international operations (Rest of World). It offers goods and services in three primary categories: Local Deals (Local), Groupon Goods (Goods) and Groupon Getaways (Travel). Its Local category includes offerings from local and national merchants, as well as local events. Its Goods category offers customers the ability to find deals on merchandise across various product lines, including electronics, sporting goods, jewellery, toys, household items and apparel. Through its Travel category, it features travel offers at both discounted and market rates, including hotels, airfare and package deals covering both domestic and international travel. |
| <b>GrubHub Inc</b>                  | Grubhub Inc. provides an online and mobile platform for restaurant pick-up and delivery orders. Its products include Grubhub and Seamless Mobile Applications and Mobile Website, Grubhub and Seamless Websites, Corporate Program, Delivery, Allmenus and MenuPages, Grubhub for Restaurants, and Restaurant Websites. As of December 31, 2016, the Company connected more than 50,000 local restaurants with diners in more than 1,100 cities across the United States. In certain markets, the Company also provides delivery services to restaurants on its platform that do not have their own delivery operations. The Company provides diners on the platform with a personalized platform that helps them search for local restaurants and then place an order from an Internet-connected device. It also provides diners with information about their orders and status. The Company also provides delivery services to restaurants on its platform that do not have their own delivery operations.                              |
| <b>Leaf Group Ltd</b>               | Leaf Group Ltd., formerly Demand Media, Inc., is diversified Internet marketplaces and media company. The Company has online media properties and marketplace platforms that enable communities of creators to reach audiences in lifestyle categories. The Company operates an online studio platform for the professional creation and distribution of content, as well as two online artist marketplaces. Its business comprises two service offerings: Content & Media and Marketplaces. The Company creates media content, including text articles, videos, photographs and designed visual formats, and publishes such content to its owned and operated online properties and to its customers' online properties. The Company also offers its content creation and distribution platform to provide custom content and other content marketing solutions to brands, publishers and advertisers.   |

| Company                       | Description   |
|-------------------------------|---|
| <b>Liquidity Services Inc</b> | Liquidity Services, Inc. operates a network of e-commerce marketplaces that enable buyers and sellers to transact in an automated environment. The Company employs e-commerce marketplace solutions to manage, value and sell inventory and equipment for business and government clients. The Company's marketplaces provide professional buyers access to a global supply of new, surplus and scrap assets presented with digital images and other relevant product information. Additionally, the Company enables its corporate and government sellers to enhance their financial return on assets offered for sale by providing a liquid marketplace and value-added services. The Company's range of services include program management, valuation, asset management, reconciliation, Return to Vendor and Returns Management Authorization (RTV and RMA), refurbishment and recycling, fulfillment, marketing and sales, warehousing and transportation, buyer customer support, and compliance and risk mitigation. |
| <b>Overstock.com Inc</b>      | Overstock.com, Inc. is an online retailer and incubator of blockchain technology. Through its online retail business, the Company offers a range of price-competitive brand name, non-brand name and closeout products, including furniture, home decor, bedding and bath, housewares, jewellery and watches, apparel and designer accessories, health and beauty products, electronics and computers, and sporting goods. It operates Retail and Medici businesses. Its Retail business consists of its Direct and Partner segments. Its Other segment consists of Medici. The Company also sells various books, magazines, compact discs (CDs), digital versatile discs (DVDs) and video games. The Company sells these products and services through its Internet Websites located at www.overstock.com, www.o.co and www.o.biz. The Company's other offerings include Worldstock Fair Trade, Main Street Revolution, Farmers Market, Pet Adoptions, Insurance and Supplier Oasis.                                       |
| <b>Secoo Holding Ltd</b>      | Secoo Holding Limited is an online integrated platform company. The Company offers an integrated online and offline shopping platform, which consists of its Secoo.com Website, mobile applications and offline experience centres. The Company offers a range of products including watches, bags, clothing, footwear, jewellery, accessories, menswear, children's wear, sportswear, cosmetics and skin care, automobile, home goods, lifestyle services, lifestyle services and high-end Chinese original products. The Company's online platform facilitates easy product selection, order processing and convenient payment methods, such as Secoo Check, which allows customers to make payments for its merchandise products in installments on its online platform directly.  |
| <b>SRP Groupe SA</b>          | SRP Groupe SA is a France-based company, which is a parent of fashion-engaged subsidiary Showroomprive.com SARL. Showroomprive.com SARL operates an Internet discount store. The Company runs exclusive members only private sales featuring ready-to-wear for men, women and children, fashion accessories, lingerie, beauty products, homeware as well as other products, such as toys and home decoration. It offers various brands of fashion clothing and accessory items. The Company operates an English, Spanish, Italian, Portuguese, Dutch and German version of its French retail site and offers the same products in these countries.  |
| <b>Stamps.Com Inc</b>         | Stamps.com Inc. is a provider of Internet-based mailing and shipping solutions in the United States. The Company offers mailing and shipping products and services to its customers under the Stamps.com, Endicia, ShipStation, ShipWorks and ShippingEasy brands. It operates through the Internet Mailing and Shipping Services segment. Under the Stamps.com and Endicia brands, customers use its United States Postal Service (USPS) only solutions to mail and ship a range of mail pieces and packages through the USPS. USPS mailing and shipping solutions enable users to print electronic postage directly onto envelopes, plain paper, or labels using only a standard personal computer, printer and Internet connection. The Company offers USPS mailing and shipping services, multi-carrier shipping services, mailing and shipping services, branded insurance and international postage solutions. The Company offers customized postage under the PhotoStamps and PictureItPostage brand names.          |

| Company                        | Description   |
|--------------------------------|---|
| <b>Wayfair Inc</b>             | Wayfair Inc. (Wayfair) offers browsing, merchandising and product discovery for a range of products from various suppliers. The Company operates through two segments: U.S. and International. The U.S. segment consists of amounts earned through product sales through the Company's five sites in the United States and through sites operated by third parties in the United States. The International segment consists of amounts earned through product sales through its international sites. It has an online selection of furniture, decor, decorative accents, housewares, seasonal decor and other home goods. As of December 31, 2016, it had offered five sites, including Websites, mobile-optimized Websites and mobile applications: Wayfair, Joss & Main, AllModern, DwellStudio and Birch Lane. Wayfair is an online destination for all things home. Birch Lane offers a collection of furnishings and home decor. Its sites feature certain products under its house brands, such as Three Posts and Mercury Row. |
| <b>Mercadolibre Inc</b>        | MercadoLibre, Inc. is an e-commerce company. The Company enables commerce through its marketplace platform in Latin America, which is designed to provide users with a portfolio of services to facilitate commercial transactions. Its geographic segments are Brazil, Argentina, Mexico Venezuela and Other Countries (which includes Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Panama, Peru, Portugal, Guatemala, Bolivia, Paraguay, Uruguay and the United States of America). It also operates online commerce platforms in the Dominican Republic, Honduras, Nicaragua, Salvador, Panama, Bolivia, Guatemala, Paraguay and Portugal. It offers an ecosystem of six integrated e-commerce services: the MercadoLibre Marketplace, the MercadoLibre Classifieds Service, the MercadoPago payments solution, the MercadoLibre advertising program, the MercadoShops online Webstores solution and the MercadoEnvios shipping service.  |
| <b>Qurate Retail Inc</b>       | Qurate Retail, Inc., formerly Liberty Interactive Corporation, owns interests in subsidiaries and other companies, which are primarily engaged in the video and online commerce industries. Through its subsidiaries and affiliates, the Company operates in North America, Europe and Asia. The Company's principal businesses and assets include its subsidiaries QVC, Inc. (QVC), zulily, llc (zulily) and Home Shopping Network (HSN). The Company's segments include QVC, zulily, and Corporate and other.   |
| <b>Blue Apron Holdings Inc</b> | Blue Apron Holdings, Inc. is a holding company. The Company is focused on providing recipes and fresh ingredients for making home cooking accessible. The Company offers under a novel business model in which it source, process, store and package meal ingredients and ship them directly to consumers. The Company's core products include Meals and Wine. Meals product, which offers two meal plans, such as two person plan and family plan. Two person plan, which includes three recipes per week (chosen from six options), each of which serves two people and shipping is free. The Company provides original recipes with the pre-portioned ingredients to complement tastes and lifestyles of college graduates, young couples, families, singles, and empty nesters.   |
| <b>EVINE Live Inc</b>          | EVINE Live Inc. is a digital commerce company. The Company operates through the digital commerce retailing segment. The Company offers a mix of brands directly to consumers in an engaging and informative shopping experience through television (TV), online and mobile devices. It operates an around the clock television shopping network, EVINE Live, which is distributed primarily on cable and satellite systems, through which the Company offers brand products in the categories of jewellery and watches, home and consumer electronics, beauty, and fashion and accessories. In addition, it offers a collection of men's and women's watches from classic to modern designs. It features home decor, bed and bath textiles, cookware, kitchen electrics, mattresses, tabletop accessories and home furnishings. Its beauty assortment features a range of skincare, cosmetics, hair care, and bath and body products. It also offers a range of apparel, outerwear, intimates, handbags, accessories and footwear.    |

| Company           | Description  |
|-------------------|--|
| <b>JD.com Inc</b> | JD.com, Inc. is an online direct sales company. The Company engages in the sale of electronics and home appliance products and general merchandise products (including audio, video products and books) sourced from manufacturers, distributors and publishers in China on the Internet through its Website, www.jd.com. It also offers an online marketplace that enables third-party sellers to sell their products to customers on the Company's Website. The Company operates through the provision of a single class of services for accelerating and improving the delivery of its products over the Internet. The Company also offers online and in-person payment options and customer services. The Company operates approximately 210 warehouses with an aggregate gross floor area of approximately four million square meters in over 50 cities. It operates over 5,370 delivery stations and pickup stations in approximately 2,350 counties and districts across China. |
| <b>Zalando SE</b> | Zalando SE is a Germany-based online shoes and fashion retailer. The Company offers a portfolio of women, men and children clothing. Its assortment comprises a range of shoes, clothes, accessories, beauty products and sports goods from more than 1,500 brands, including fashion companies, designer work and products of zLabels, a private labels arm of the Company. Zalando SE also offers free shipping and 100 days long free return policy. Its offering can be purchased through desktops, tablets and smartphones in approximately 15 European countries. The Company is active in two geographical segments: DACH, comprising the sales in Germany, Austria and Switzerland; and Rest of Europe.  |

Source: D&B database

### 6.4.2 Online property listing

| Company                 | Description  |
|-------------------------|--|
| <b>CoStar Group Inc</b> | <p>CoStar Group, Inc. (CoStar) is a provider of information, analytics and online marketplaces to the commercial real estate and related business community through its database of commercial real estate information covering the United States, the United Kingdom, and parts of Canada, Spain, Germany and France. The Company provides online marketplaces for commercial real estate, apartment rentals, lands for sale and businesses for sale. It manages its business geographically in two segments: North America, which includes the United States and Canada, and International, which includes the United Kingdom, Spain, Germany and France. Its suite of information, analytics and online marketplaces is branded and marketed to its customers. Its services are primarily derived from a database of building-specific information and offer customers specialized tools for accessing, analysing and using its information. It has five brands: CoStar, LoopNet, Apartments.com, BizBuySell and LandsofAmerica.</p>        |
| <b>RealPage Inc</b>     | <p>RealPage, Inc. is a provider of technology to the real estate industry, helping owners, managers and investors. The Company's property management solutions are referred to as Enterprise Resource Planning systems. Its on demand platform provides a single point of access and a repository of real-time lease transaction data, including prospect, renter and property data. Its platform consists of four primary categories of solutions: Property Management, Lease Management, Resident Services and Asset Optimization. These solutions provide complementary asset performance and investment decision support; risk mitigation, billing and utility management; resident engagement, spend management, operations and facilities management, and lead generation and lease management capabilities that collectively enable its clients to manage all the stages of the renter life cycle. In addition, its open architecture allows third-party applications to access its solutions using its RealPage Exchange platform.</p> |
| <b>Zillow Group Inc</b> | <p>Zillow Group, Inc. owns and operates a portfolio of real estate and home related brands on mobile and Web. The Company's brands focus on all stages of the home lifecycle: renting, buying, selling and financing. The Company also provides consumers with data to find around homes, and connects them with the local professionals to help. The Company's portfolio of consumer brands includes real estate and rental marketplaces Zillow, Trulia, StreetEasy, HotPads, Naked Apartments and RealEstate.com. In addition, Zillow Group provides a comprehensive suite of marketing software and technology solutions to help real estate, rental and mortgage professionals. The Company operates a number of business brands for real estate, rental and mortgage professionals, including Mortech, dotloop and Bridge Interactive.</p>  |
| <b>58.com Inc</b>       | <p>58.com Inc. is a holding company. The Company's business consists of its online classifieds and listing platforms. Its online classifieds and listings platforms enable local merchants and consumers to connect, share information and conduct business in China. These platforms include 58, Ganji and Anjuke. 58 and Ganji are online multi-content category-classified advertising platforms, while Anjuke is an online real estate listing platform. In addition, 58 Daojia Inc., its subsidiary, operates a mobile-based closed-loop transactional platform for home services, which directly connects consumers and individual service providers for local services, such as home cleaning, moving services and manicure services provided at home. Its classifieds and listing platforms contain local information for over 480 cities across various content categories, including jobs, real estate, used goods, automotive and yellow pages. It also offers membership, online marketing services and e-commerce services.</p>   |

| Company                      | Description  |
|------------------------------|--|
| <b>Buymyplace.Com.au Ltd</b> | <p>buyMyplace.com.au Limited, formerly Killara Resources Limited, is an Australia-based company, which is engaged in online real estate business. The Company enables Australians to sell their homes without paying commissions to real estate agents. The Company holds real estate licenses in every state of Australia and customers can choose from approximately four packages providing an automatic listing on various property portals. The allows its customers to choose from a range of service bundles, including a market analysis report on the customer's home, a for sale board delivered to customer's home, printable brochures, a listing of their home on Jumai.com, access to online resources and approximately four hours of online and over the phone professional consultancy time. The Company also provides a range of additional services, which include professional photography, negotiation support, auctioneers, featured listings on property portals, vendor advocacy and sworn valuations.</p> |
| <b>AppFolio Inc</b>          | <p>AppFolio, Inc. is a provider of industry-specific, cloud-based software solutions for small and medium-sized businesses (SMBs) in the property management and legal industries. The Company's mobile-optimized software solutions enable its customers to work at any time and from anywhere across multiple devices. Its property management software provides small and medium-sized property managers with an end-to-end solution to their business needs. The Company's legal software provides solo practitioners and small law firms with a streamlined practice and case management solution, allowing them to manage their practices and case load. It also offers Value+ services, such as its professionally designed Websites and electronic payment services. The Company's property manager customers include third-party managers and owner-operators, managing single- and multi-family residences, commercial property and student housing, as well as mixed real estate portfolios.</p>                        |
| <b>Redfin Corp</b>           | <p>Redfin Corporation is engaged in providing residential real estate brokerage services. The customer can search for homes by neighbourhood, city or MLS number, or can refine results using detailed parameters, such as price and number of beds or baths. The Company serves home buyers and sellers. The Company offers online tools to consumers, including Redfin Estimate, which is an automated home-valuation tool. The customer can search homes for sale in Austin, Atlanta, Baltimore, Boston, Charlotte, Chicago, Dallas, Denver, Fort Lauderdale, Houston, Lake Tahoe, Las Vegas, Los Angeles, Miami, Philadelphia, Phoenix, Portland, OR, Raleigh, San Antonio, San Diego, San Francisco, Sacramento, San Jose, Seattle and Washington. The Company serves over 80 metro areas across the United States.</p>   |
| <b>Leju Holdings Ltd</b>     | <p>Leju Holdings Limited is an online to offline (O2O), real estate services provider in China. The Company offers real estate e-commerce, online advertising and online listing services through its online platform, which consists of local Websites covering over 260 cities and various mobile applications. The Company integrates its online platform with offline services to facilitate residential property transactions. In addition to its own Websites, the Company operates various real estate and home furnishing Websites of SINA Corporation (SINA). Its O2O services for new residential properties include selling discount coupons and facilitating online property viewing, physical property visits, marketing events and pre-sale customer support. It sells advertising primarily on the SINA new residential properties and home furnishing Websites, which are operated by the Company.</p>   |

| Company                  | Description   |
|--------------------------|---|
| <b>Housecom Corp</b>     | HOUSECOM CORPORATION is a Japan-based company mainly engaged in the provision of real estate brokerage services. The real estate leasing brokerage business provides brokerage services of lease properties, including housing, parking lots and commercial facilities. The brokerage-related service business offers leasing brokerage-related services, including the advertising agency services for special advertising requests, the introduction of sanitary products and moving services related to its brokerage business, as well as the provision of guarantor agency products, among others. The others business is engaged in the leasing of meeting rooms, as well as the production and delivery of text data, floor plan data and exterior photograph data for its partner advertising company.  |
| <b>iBuyNew Group Ltd</b> | iBuyNew Group Ltd, formerly Disruptive Investment Group Limited, is a technology investment company. The Company operates as an owner, developer and operator of retail, franchise and e-commerce brands. Its segments include Corporate Entity, Online Real Estate Services and Online Travel/Online Booking. The Online Real Estate Services segment includes Find Solutions Australia (FSA), which is an owner and operator of iBuyNew.com.au (iBuyNew). iBuyNew is an online, off-the-plan property platform operating in Australia's eastern states. The Travel/Online Booking Services segment includes Professional Performance Systems (PPS), which is an owner and operator of BYOjet, which is an Australian owned and operated online travel agency and technology platform encompassing various travel Websites offering travel and accommodation booking and services. BYOjet operates in the business-to-customer markets through its Australia, New Zealand and Singapore Websites.                                    |
| <b>TATERU Inc</b>        | TATERU Inc, formerly investors cloud co.,ltd. is a Japan-based company which mainly operates apartment management platform. The Company operates through Apartment Management Platform TATERU segment and the Others segment. The Others segment consists of cloud funding business, smarino business, IoT business and private housing business.   |
| <b>Rent.com.au Ltd</b>   | Rent.com.au Limited, formerly Select Exploration Limited, operates real estate Websites focusing on the rental property market. The Website operated by the Company is www.rent.com.au. Its Website accepts enquiries from all listers of rental properties, including real-estate agents, property managers, private landlords, developers, builders, retirement services and universities. It offers products for renters, non-agent landlords and property agents, including RentBond, RentConnect, RentCheck, RentQuotes and RentReports. RentBond allows user to spread the cost of their rental bond across instalments over a term of up to six months. RentConnect is powered by its connections provider connectnow. RentCheck is a tenant report, which landlords and property managers use to verify user's identity, and view any reported breaches in rental history. Its RentReports gives real-time suburb and rental market data for user's property. RentQuotes allows landlords to get proposals from local agents. |

Source: D&B database



## 6.5 Selection of exit multiple

### 6.5.1 EV/gross profit of e-commerce GPCs

| Company                      | EV/gross profit multiple |        |        |        |        |        |
|------------------------------|--------------------------|--------|--------|--------|--------|--------|
|                              | LTM                      | 2017   | 2016   | 2015   | 2014   | 2013   |
| Alibaba Group Holding Ltd    | 13.99x                   | 20.29x | 14.81x | 18.65x | 31.36x | n.a    |
| Amazon.com Inc               | 8.24x                    | 8.74x  | 7.48x  | 8.71x  | 5.29x  | 8.50x  |
| Beenos Inc                   | 0.79x                    | 1.33x  | 1.13x  | 1.71x  | 2.36x  | n.a    |
| eBay Inc                     | 3.28x                    | 4.83x  | 4.41x  | 4.56x  | 2.49x  | 1.72x  |
| Etsy Inc                     | 14.90x                   | 7.16x  | 4.74x  | 4.16x  | n.a    | 0.27x  |
| Global Top E-Commerce Co Ltd | 1.94x                    | 4.11x  | 6.51x  | 4.54x  | 2.52x  | 1.70x  |
| Groupon Inc                  | 0.94x                    | 1.70x  | 1.00x  | 0.67x  | 2.78x  | 3.85x  |
| GrubHub Inc                  | 7.00x                    | 8.84x  | 5.84x  | 4.89x  | 9.89x  | n.a    |
| Leaf Group Ltd               | 2.38x                    | 2.96x  | 1.79x  | 1.35x  | 0.64x  | 5.39x  |
| Liquidity Services Inc       | 1.17x                    | 0.47x  | 1.07x  | 0.59x  | 0.65x  | 1.98x  |
| Overstock.com Inc            | 0.80x                    | 3.79x  | 0.96x  | 0.52x  | 1.52x  | 2.08x  |
| Secoo Holding Ltd            | 3.70x                    | 4.79x  | 4.75x  | 4.47x  | 5.17x  | 1.63x  |
| SRP Groupe SA                | 0.53x                    | 1.05x  | 2.55x  | 2.77x  | n.a    | n.a    |
| Stamps.Com Inc               | 6.06x                    | 7.72x  | 6.50x  | 10.88x | 6.15x  | 6.01x  |
| Wayfair Inc                  | 6.55x                    | 6.87x  | 4.15x  | 7.43x  | 4.47x  | 0.56x  |
| Mercadolibre Inc             | 18.44x                   | 18.12x | 12.27x | 11.20x | 14.04x | 12.87x |
| Qurate Retail Inc            | 3.28x                    | 5.78x  | 4.79x  | 6.97x  | 6.27x  | 4.68x  |
| Blue Apron Holdings Inc      | 0.46x                    | 2.56x  | n.a    | n.a    | n.a    | n.a    |
| EVINE Live Inc               | 0.36x                    | 0.62x  | 0.64x  | 0.67x  | 1.56x  | 1.43x  |
| JD.com Inc                   | 5.48x                    | 14.22x | 13.44x | 24.27x | 28.21x | n.a    |
| Zalando SE                   | 2.26x                    | 5.04x  | 4.70x  | 5.70x  | 5.46x  | n.a    |
| Average                      | 4.88x                    | 6.24x  | 5.18x  | 6.24x  | 7.27x  | 3.76x  |
| Median                       | 3.28x                    | 4.83x  | 4.72x  | 4.55x  | 4.82x  | 2.03x  |
| Quartile 1                   | 0.94x                    | 2.56x  | 1.62x  | 1.62x  | 2.39x  | 1.65x  |
| Quartile 3                   | 6.55x                    | 7.72x  | 6.50x  | 7.75x  | 6.24x  | 5.21x  |
| <b>Selected – 2.5x</b>       |                          |        |        |        |        |        |

Source: D&B database

### 6.5.2 EV/revenue of property listing GPCs

| Company               | EV/revenue multiple |       |       |        |        |         |
|-----------------------|---------------------|-------|-------|--------|--------|---------|
|                       | LTM                 | 2017  | 2016  | 2015   | 2014   | 2013    |
| CoStar Group Inc      | 9.67x               | 9.79x | 7.10x | 9.30x  | 9.54x  | 11.56x  |
| RealPage Inc          | 5.62x               | 6.36x | 4.24x | 3.86x  | 4.22x  | 4.52x   |
| Zillow Group Inc      | 4.05x               | 6.90x | 7.72x | 6.22x  | n.a    | n.a     |
| 58.com Inc            | 3.75x               | 6.39x | 3.77x | 12.00x | 12.02x | 14.92x  |
| Buymyplace.Com.au Ltd | 1.94x               | 3.53x | 6.48x | 3.77x  | 43.71x | 748.66x |
| AppFolio Inc          | 10.62x              | 9.32x | 6.71x | 6.24x  | n.a    | n.a     |
| Redfin Corp           | 2.10x               | 5.15x | n.a   | n.a    | n.a    | n.a     |
| Leju Holdings Ltd     | 0.01x               | 0.14x | 0.43x | 0.94x  | 2.35x  | n.a     |
| Housecom Corp         | 0.60x               | 0.11x | n.a   | n.a    | n.a    | n.a     |
| iBuyNew Group Ltd     | 0.62x               | 1.52x | 3.38x | 6.21x  | 7.77x  | 55.99x  |
| TATERU Inc            | 0.31x               | 1.66x | 0.14x | n.a    | n.a    | n.a     |
| Rent.com.au Ltd       | 3.58x               | 4.32x | 9.60x | 60.92x | 1.64x  | 1.09x   |
| Average               | 3.57x               | 4.60x | 4.96x | 12.16x | 11.61x | 139.46x |
| Median                | 2.84x               | 4.74x | 5.36x | 6.22x  | 7.77x  | 13.24x  |
| Quartile 1            | 0.62x               | 1.62x | 3.48x | 3.86x  | 3.28x  | 6.28x   |
| Quartile 3            | 4.44x               | 6.52x | 7.00x | 9.30x  | 10.78x | 45.73x  |
| Selected – 3.0x       |                     |       |       |        |        |         |

Source: D&B database

## Confidentiality



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dun & bradstreet  
WORLDWIDE NETWORK

15th floor, '48 Burj Gate'  
Downtown Burj Khalifa  
PO Box 72478, Dubai, UAE

Ph : +971 4 406 99 00

Email : [info.me@crif.com](mailto:info.me@crif.com)

Website : [www.dnbuae.com](http://www.dnbuae.com) / [www.crif.ae](http://www.crif.ae)