

Valuation Report



NOOR LUMINOUS SDN. BHD.

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NOOR LUMINOUS SDN. BHD.

Company Registration Number: 202001019111 (1375431-M)

🏠 Northpoint, No 1, Medan Syed Putra Utara, Mid Valley City, 59200 Kuala Lumpur,
 Federal Territory of Kuala Lumpur.

✉️ <https://www.thenoor.co/my/>

🏢 Lifestyle, Islamic, Financial Industry

Who we are.

We are a young, vibrant and forward-looking corporation with a dynamic set of leaders and staff who are willing to do what ever it takes for us to reach our aim.

Our aim is to create the world’s largest, and most complete Muslim lifestyle app and ensuring Muslims around the world utilise our app, TheNoor app, for their daily habits to embrace the Islamic Lifestyle. TheNoor app is built with precision and consists of elements that suits the needs of every Muslim regardless of race and ethnic backgrounds.

The Brand

The Noor is derived from the Arabic word An-Nur meaning “the Light”. In Dutch and Flemish Noor can be a form of Eleonore akin to the English name Eleanor, the first bearer of which was Eleanor of Aquitaine and is probably Occitan in origin. According to Wikipedia, Noor is also used as a surname in the Estonian language and it bears the meaning “young”.

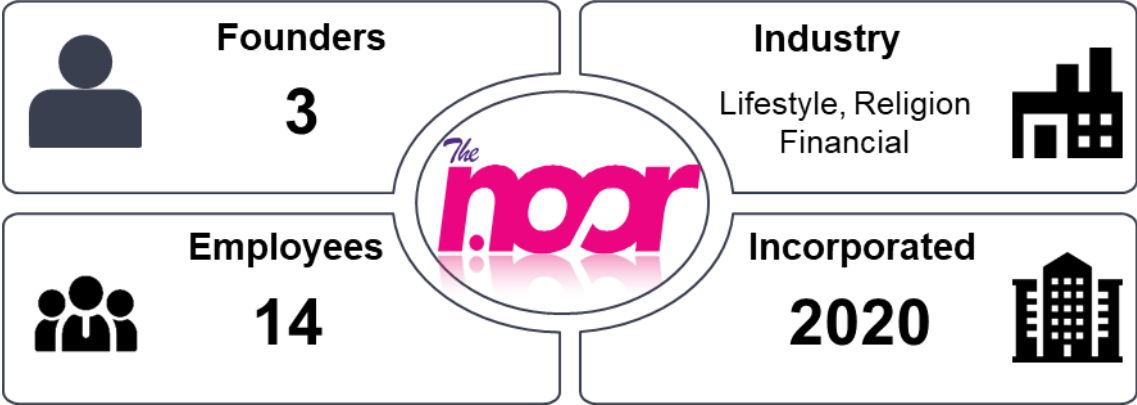
Our Mission and Vision

Vision

To be the world’s largest and fastest growing Muslim lifestyle app.

Mission

To ensure Muslims around the world utilise TheNoor app for their daily habits to embrace the Islamic Lifestyle.



Opportunity

- Business Model ●-----> B2C
- Scalable Product ●-----> Yes
- Exit Strategy ●-----> M&A, Tradesale,
IPO

Current Operation

- Stage of Development ●-----> Expansion

Latest Operating Performance: July 2021 – June 2022

Total Sales

RM 2,617,423

Total Cost of Sales

RM 1,751,101

Total Gross Profit

RM 866,322

Total Operating
Cost

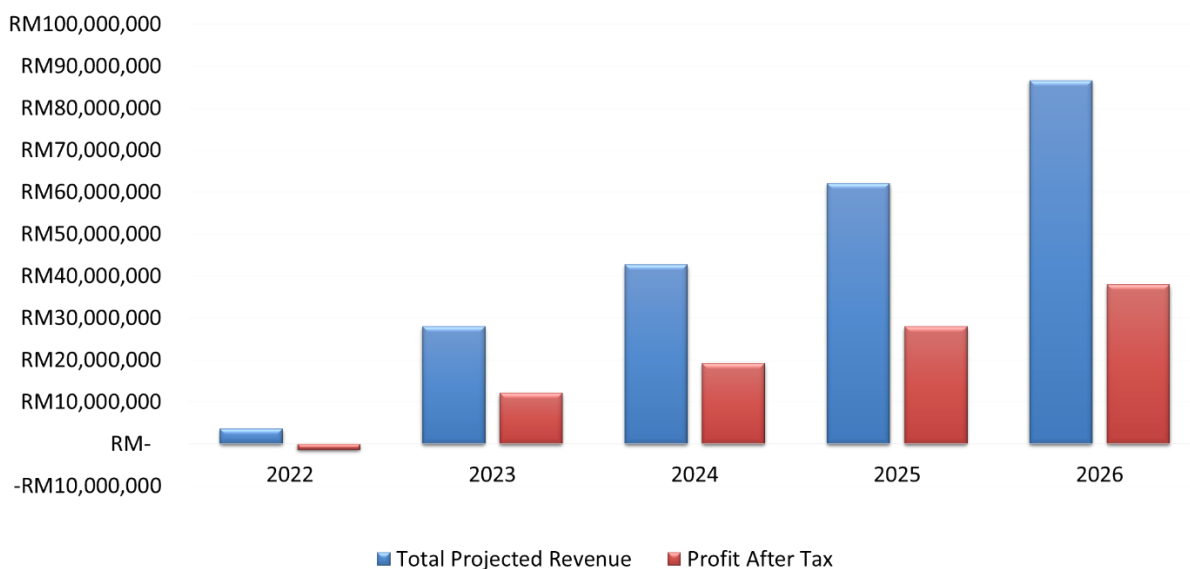
RM 480,112

EBITDA

RM 386,210

Future Profitability

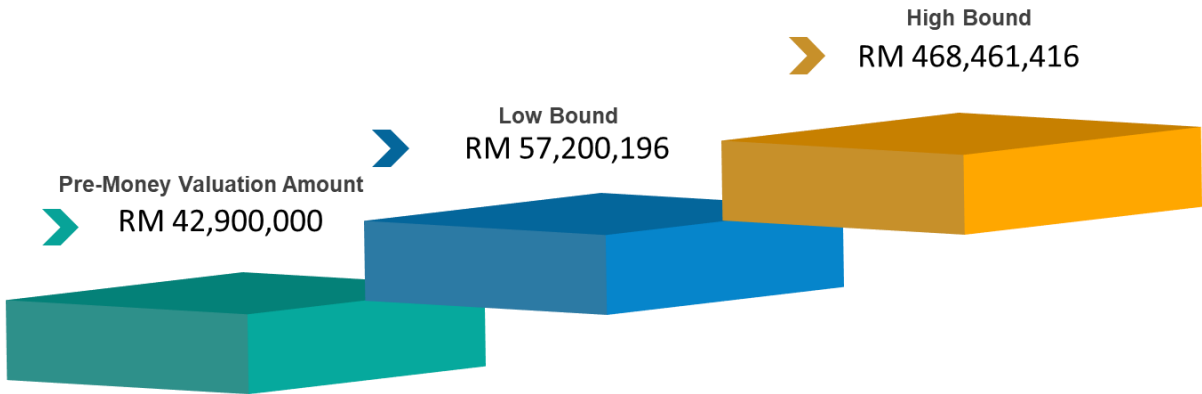
Projected Income Statement



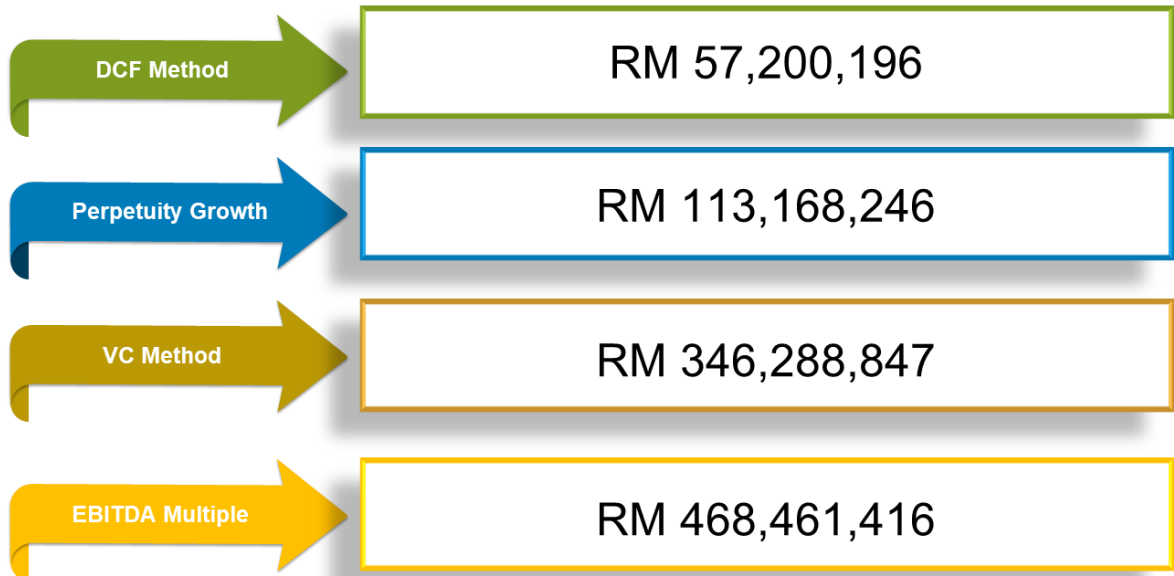
Year	2022	2023	2024	2025	2026
Income Statement					
Total Number of Downloads	5,928,793	7,449,065	9,004,867	10,590,150	12,209,271
Total Number of Registrations	2,869,312	3,977,519	5,258,502	6,713,755	8,350,680
Total Monthly Active Users	5,027,616	6,391,297	7,816,224	9,298,151	10,841,832
Total Monthly Active Registered Users	2,433,176	3,412,711	4,564,379	5,894,676	7,415,403
Total Monthly Active Purchasing Users	243,317	682,542	1,026,985	1,473,669	2,039,235
Total Number of Transactions	481,430	5,293,249	8,094,911	11,751,181	16,397,515
Total Projected Transaction Amount	RM 21,172,081	RM 192,904,183	RM 295,227,911	RM 428,832,639	RM 598,684,517
Total Projected Revenue	RM 3,552,270	RM 27,901,374	RM 42,694,874	RM 62,008,845	RM 86,560,721
Total Projected Cost of Sales	RM 340,878	RM 3,056,828	RM 4,678,406	RM 6,795,747	RM 9,487,563
Total Projected Gross Profit	RM 3,211,392	RM 24,844,546	RM 38,016,468	RM 55,213,098	RM 77,073,159
Advertising and Promotions	RM 696,991	RM 3,419,133	RM 5,283,348	RM 8,139,791	RM 12,485,189
Staff Related Cost	RM 1,143,684	RM 3,685,236	RM 5,390,784	RM 7,936,103	RM 11,739,570
General Expenses	RM 141,072	RM 233,824	RM 260,656	RM 290,690	RM 324,321
Rental	RM 111,400	RM 315,600	RM 319,740	RM 324,501	RM 329,976
Repair & Maintenance	RM 129,040	RM 427,800	RM 491,970	RM 565,766	RM 650,630
Other Administrative Expenses	RM 15,667	RM 51,200	RM 55,820	RM 60,902	RM 66,492
Buffer on Unforeseen Expenditures	RM 88,869	RM 406,640	RM 590,116	RM 865,888	RM 1,279,809
Total One Time Costs	RM 2,000,000	RM 150,000	RM 50,000	RM -	RM -
Total Cost	RM 4,326,723	RM 8,689,433	RM 12,442,434	RM 18,183,639	RM 26,875,988
EBIDTA	RM (1,115,331)	RM 16,155,113	RM 25,574,034	RM 37,029,458	RM 50,197,171
Depreciation and Armotisation	RM 278,749	RM 284,224	RM 284,224	RM 284,224	RM 284,224
Profit Before Tax	RM (1,394,079)	RM 15,870,889	RM 25,289,810	RM 36,745,235	RM 49,912,948
Tax	RM 13	RM 3,809,013	RM 6,069,554	RM 8,818,856	RM 11,979,107
Profit After Tax	RM (1,394,092)	RM 12,061,876	RM 19,220,256	RM 27,926,379	RM 37,933,840

Valuation

Pre-money valuation is the value of the company before the receipt of any external funding. In simple terms, pre-money valuation is how much the company is worth before any money is invested in it. The investor might use this value as a basis for the amount of investment they will provide and the percentage of the company they can expect in return. Multiple methods are used to arrive at this value and the final valuation is computed as a weighted average of these different valuation methods. Use of multiple methods is a best practice in company valuation because all methods ultimately rely on estimates and forecasts. The methods used are all IPEV (International Private Equity Valuation) Guidelines compliant and will be described in greater detail in the following pages. Please note that the computation of the valuation ultimately depends on the data and input provided by the company.



Valuation Methods



Current Funding Round

The pre-money valuation can then be used to estimate the amount of new funding that would be required as well as for negotiation purposes with the investor. Also note that the pre-money valuation has the most impact on the size of the stake that the investor gets in the business through its investment, in other words, the percentage of the company the investor gets. This is because the pre-money valuation is directly proportional to the price per share (PPS) that the investor will need to pay for its stock. The higher the pre-money valuation, the higher the PPS of the company and vice versa. The price per share (PPS) that an investor will need to pay is calculated using the following formula:

$$\text{PPS} = \frac{\text{Pre-Money Valuation}}{\text{Fully Diluted Capitalization}}$$

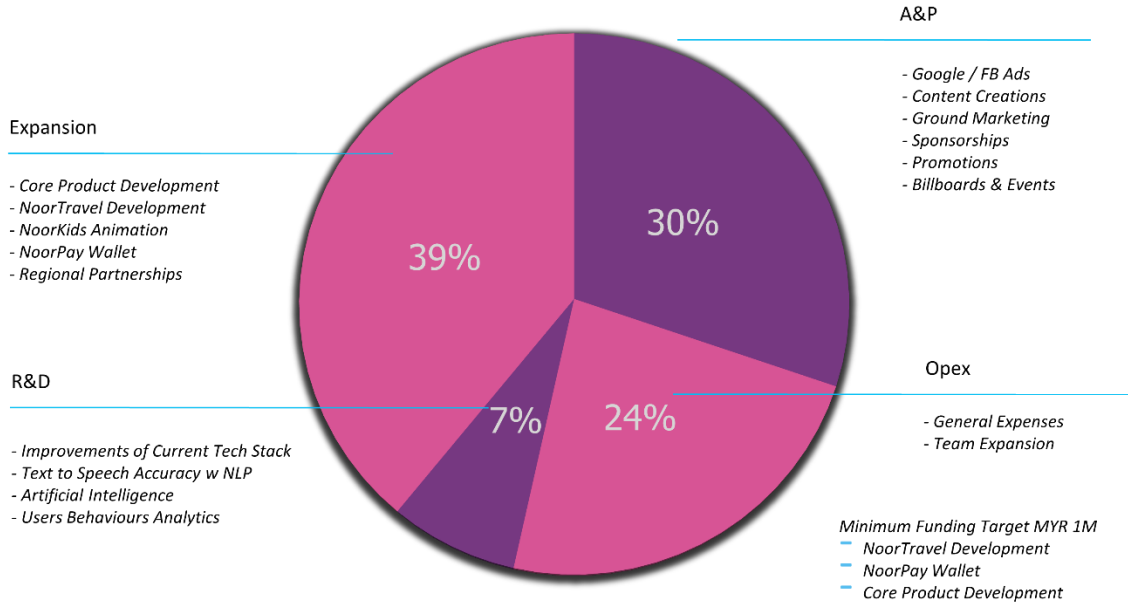
where fully diluted capitalization refers to the total shares in the company plus all outstanding warrants, options, esos, etc.

$$\text{The number of new shares to be issued to the investor} = \frac{\text{Investment Amount}}{\text{Purchase Price Per Share}}$$

And the percentage dilution is the percentage by which the share of the original shareholders is reduced from their initial shareholding.



Fund Utilisation



Use of ECF Proceeds for the First 18 Months	Percentage
Expansion	39%
A&P	30%
Operational Expenses	24%
R&D	7%

Valuation Snapshot

DCF Method

The DCF (Discounted Cash Flow) methods represent the most renowned approach to company valuation, recommended by academics and a daily tool for financial analysts. The valuation is the present value of all the free cash flows to equity the startup is going to generate in the future, discounted by its risk.

These methods weight the projected free cash flow to equity by the probability the startup will survive. Then, the flows are discounted to present by a rate that represents risks related to industry, size, development stage and profitability. Lastly, an illiquidity discount is applied to the sum of the discounted cash flows to compute the valuation.

The value of cash flows beyond the projected ones is represented by the TV (Terminal Value) and the way it is calculated is the difference between the following two methods. The NPV discount rate at 19.18% was chosen due to the 15% dividend payout added with the 4.18% risk-free rate.

Year	1	2	3	4	5
Investment Amount	RM20,000,000	RM 0	RM 0	RM 0	RM 0
Revenue	RM3,552,270	RM27,901,374	RM42,694,874	RM62,008,845	RM86,560,721
Gross Profit	RM3,211,392	RM24,844,546	RM38,016,468	RM55,213,098	RM77,073,159
EBIDTA	-RM1,115,331	RM16,155,113	RM25,574,034	RM37,029,458	RM50,197,171
Yearly NPV	-RM1,115,331	RM13,555,221	RM18,004,973	RM21,874,454	RM24,880,879
Total NPV	RM57,200,196				
NPV Discount Rate	19.18%				

Price Per Share	RM33.33
Further Discount of Price Per Share	25%
Price per Share	RM25.00

Risk free rate source: <http://www.market-risk-premia.com/my.html>

Growth in Perpetuity Method

The perpetuity growth model assumes that the growth rate of free cash flows in the final year of the initial forecast period will continue indefinitely into the future. Although this projection cannot be completely accurate, since no company grows at exactly the same rate for an infinite future period, it is a reasonably acceptable projection of terminal value because it is based on the company's historical performance.

Terminal Value	Growth In Perpetuity
Long Term Growth Rate	2.5%
Year 5 FCF x (1+g)	RM 74,689,405
Terminal Value Year 5	RM 447,778,207
PV of TV	RM 221,947,076
Illiquidity Discount	40%
PV of TV	RM 133,168,246
Enterprise Value	RM 133,168,246
Capital Needed	RM 20,000,000
Pre Money Valuation	RM 113,168,246
Price Per Share	RM 65.95

Venture Capital Method

The venture capital method reflects the process of investors, where they are looking for an exit within 3 to 7 years. First an expected exit price for the investment is estimated. From there, one calculates back to the post-money valuation today taking into account the time and the risk the investors takes.

The return on investment can be estimated by determining what return an investor could expect from that investment with the specific level of risk attached.

Uses: The Venture Capital method is an often used in valuations of pre revenue companies where it is easier to estimate a potential exit value once certain milestones are reached.

VC Method Valuation	
Last Year EBIDTA	RM 50,197,171
Software (System & Application)	32.72
Last Year Exit Value	RM 1,642,451,440
Annual Required Rate of Return	35%
Post Money Valuation	RM 366,288,847
Capital Needed	RM 20,000,000
Pre Money Valuation	RM 346,288,847

Software (System & Application EBIDTA Multiple) source:

https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/vebitda.html

EBITDA Multiple Method

The EBITDA multiple is a financial ratio that compares a company's Enterprise Value to its annual EBITDA (which can be either a historical figure or a forecast/estimate). This multiple is used to determine the value of a company and compare it to the value of other, similar businesses.

A company's EBITDA multiple provides a normalized ratio for differences in capital structure, taxation, and fixed assets and compares disparities of operations in various companies. The ratio takes a company's enterprise value (which represents market capitalization plus net debt) and compares it to the Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) for a given period.

Terminal Value	EBIDTA Multiple Approach
EBIDTA Multiple	32.72
Terminal Value in year 5	RM1,642,451,440
PV of TV	RM 814,102,360
Illiquidity Discount	40%
PV of TV	RM 488,461,416
Enterprise Value	RM 488,461,416
Capital Needed	RM 20,000,000
Pre Money Valuation	RM 468,461,416
Price Per Share	RM 273.00

Software (System & Application EBIDTA Multiple) source:

https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/vebitda.html

Other Financial Information

Cash Flow

	2022	2023	2024	2025	2026
Outflow	Cash Flow				
Total Projected Cost of Sales	RM 340,878	RM 3,056,828	RM 4,678,406	RM 6,795,747	RM 9,487,563
Total Fundraising Cost	RM 2,000,000	RM -	RM -	RM -	RM -
Advertising and Promotions	RM 696,991	RM 3,569,133	RM 5,333,348	RM 8,139,791	RM 12,485,189
Staff Related Cost	RM 1,143,684	RM 3,685,236	RM 5,390,784	RM 7,936,103	RM 11,739,570
General Expenses	RM 141,072	RM 233,824	RM 260,656	RM 290,690	RM 324,321
Rental	RM 111,400	RM 315,600	RM 319,740	RM 324,501	RM 329,976
Repair & Maintenance	RM 129,040	RM 427,800	RM 491,970	RM 565,766	RM 650,630
Other Administrative Expenses	RM 15,667	RM 51,200	RM 55,820	RM 60,902	RM 66,492
Buffer on Unforseen Expenditures	RM 88,869	RM 406,640	RM 590,116	RM 865,888	RM 1,279,809
Tax	RM 13	RM 3,809,013	RM 6,069,554	RM 8,818,856	RM 11,979,107
Capex Investment	RM 146,000	RM -	RM -	RM -	RM -
Sharebuyback	RM 3,000,000	RM -	RM -	RM -	RM -
Trade Payables	RM 51,714	RM -	RM -	RM -	RM -
Amount Due to Director	RM 3,526	RM -	RM -	RM -	RM -
Amount Due to Holding Company	RM 1,701,325	RM -	RM -	RM -	RM -
Total Outflow	RM 9,570,179	RM 15,555,275	RM 23,190,394	RM 33,798,243	RM 48,342,658
Inflow	2022	2023	2024	2025	2026
Total Projected Revenue	RM 3,552,270	RM 27,901,374	RM 42,694,874	RM 62,008,845	RM 86,560,721
Capital Injection	RM 20,000,000	RM -	RM -	RM -	RM -
Trade Receivables	RM 515,560	RM -	RM -	RM -	RM -
Inventory	RM 39,166	RM -	RM -	RM -	RM -
Depreciation and Armotisation	RM 278,749	RM 284,224	RM 284,224	RM 284,224	RM 284,224
Total Inflow	RM 24,385,745	RM 28,185,598	RM 42,979,097	RM 62,293,068	RM 86,844,945
Inflow against Outflow	RM 14,815,566	RM 12,630,323	RM 19,788,703	RM 28,494,826	RM 38,502,287

Balance Sheet

Balance Sheet					
Non Current Asset	2022	2023	2024	2025	2026
Property Plant & Equipment	RM 980,485	RM 696,262	RM 412,038	RM 127,815	RM (156,409)
Current Asset	2022	2023	2024	2025	2026
Inventories	RM -	RM -	RM -	RM -	RM -
Trade and Other Receivables	RM 30,338	RM 30,338	RM 30,338	RM 30,338	RM 30,338
Cash and Bank Balances	RM 14,405,646	RM 24,605,976	RM 41,451,291	RM 66,457,497	RM 101,107,145
Total	RM 14,435,984	RM 24,636,314	RM 41,481,629	RM 66,487,835	RM 101,137,483
Total Assets	RM 15,416,470	RM 25,332,576	RM 41,893,667	RM 66,615,650	RM 100,981,074
Capital and Reserves	2022	2023	2024	2025	2026
Share Capital	RM 20,003,000	RM 20,003,000	RM 20,003,000	RM 20,003,000	RM 20,003,000
Accumulated Income	RM (1,426,740)	RM 10,635,136	RM 29,855,391	RM 57,781,770	RM 95,715,610
Total Equity	RM 18,576,260	RM 30,638,136	RM 49,858,391	RM 77,784,770	RM 115,718,610
Current Liabilities	2022	2023	2024	2025	2026
Trade and Other Payables	RM -	RM -	RM -	RM -	RM -
Amount Due to Director	RM -	RM -	RM -	RM -	RM -
Amount Due to Holding Company	RM -	RM -	RM -	RM -	RM -
Current Tax Liabilities	RM -	RM -	RM -	RM -	RM -
Total Liabilities	RM -	RM -	RM -	RM -	RM -
Net Working Capital	RM 14,435,984	RM 24,636,314	RM 41,481,629	RM 66,487,835	RM 101,137,483
Changes In Working Capital	RM 15,578,866	RM 10,200,330	RM 16,845,315	RM 25,006,206	RM 34,649,648
Balance	RM 3,159,790	RM 5,305,560	RM 7,964,724	RM 11,169,120	RM 14,737,535

Unlevered Free Cash Flow

Year	1	2	3	4	5
EBIDTA	RM (1,115,331)	RM 16,155,113	RM 25,574,034	RM 37,029,458	RM 50,197,171
Profit Before Tax	RM (1,394,079)	RM 15,870,889	RM 25,289,810	RM 36,745,235	RM 49,912,948
Profit After Tax	RM (1,394,092)	RM 12,061,876	RM 19,220,256	RM 27,926,379	RM 37,933,840
Depreciation and Armotisation	RM 278,749	RM 284,224	RM 284,224	RM 284,224	RM 284,224
Net Working Capital	RM 15,578,866	RM 10,200,330	RM 16,845,315	RM 25,006,206	RM 34,649,648
Capital Expenditures	RM (3,146,000)	RM -	RM -	RM -	RM -
Unlevered Free Cash Flows	RM 11,317,523	RM 22,546,429	RM 36,349,794	RM 53,216,808	RM 72,867,712
Present Value of Unlevered Free Cash Flow	RM11,317,523	RM18,917,964	RM25,591,468	RM31,436,825	RM36,117,827

Sum of Present Value

RM123,381,606

Conclusion

Any valuation between the low bound value of RM 57,200,196 to the high bound value of RM 468,461,416 is deemed fair. The final Pre Money Valuation placed at RM 42,900,000 indicates a pre-money valuation is 25% below the lowest fair valuation of the company. Additionally, with crowdfunding offer up to 8.8% bonus shares till 31st August 2022 and 15% annual dividend. Individuals purchasing shares will now buy them at a discounted amount of RM 38,342,304.00 which is 33% lower than the low-bound fair valuation.

Authorised By

A. NIZAM SHAH & CO. (CHARTERED ACCOUNTANTS)



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NIZAM SHAH BIN ALLABASC