

**Question:** what is present value of VOsPS Inc. and percentage of company relinquished for CAD\$10 million total investments

There is no intention of a VOsPS IPO offering

\$CAD2 billion no competition five year sales projection of which 19 prospects totaling \$738 million have been identified. No sales to date; first sale expected in February 2026. Sales are based on positive cash flow milestone payments with 20% net profit.

The transformative UTOC is a sustainable planet solution having “pull market” appeal. Virtually no marketing other than technology dissemination by open internet access, posting “first adopter” project (expected completion in 2026) information, and attending / presenting at international conventions and expositions is required to realize five year sales forecast.

Business Development Agreements:

- signed MOU with GGL in Scotland making it the conditionally exclusive distributor of UTOC systems for Africa, Asia, Europe, and the Middle East.
- Project specific Technology Use Agreement MOUs are in the final draft stage for two projects in Africa.
- Commission based agreement with Ibrahima Dialo for prospects he promotes in Africa
- Pending New Zealand-Australia commission based agreement with UTOC project developer in New Zealand who is in final stages of planning a UTOC Energy From Waste project in his country
- Commission based agreement with UTOC representative in Hamilton Ontario Canada for UTOC projects he promotes in Canada
- Commission based agreement with UTOC representative in San Jose California for UTOC projects he promotes in the USA and South America.

UTOC Technology

Ultra low emissions UTOC plants simultaneously address global carbon footprint / plant waste / sustainable energy / clean water challenges, the collective of which is not simultaneously / cost effectively addressed by any other known option.

UTOC is not an incinerator. Advantages over incinerators include:

- UTOC Energy From Waste project and Operation and Maintenance costs / MW are less than 75% those of conventional incinerator projects
- self sustaining universal organics feedstocks and temperature control liquids processing capability for any combination / permutation of:
  - Municipal Solid Waste, medical waste, petrochemical industry wastes, and like
  - plastics including films / bags / drinking straws / wind farm end-of-life turbine blades / old boat hulls / and like
  - industrial wastes (tires, spent lubricants, PCBs, benzenes, chemicals, and like)
  - raw sewage screenings, sewage plant sludges, septic tank-holding tank-portable toilet contents, landfill leachate, and like
  - refuse derived wastes (demolition, construction, disaster, auto shredder residue, and like)
  - utility poles and rail ties
  - forestry and agricultural industry wastes (bark, sawdust, contaminated grains, and like)

- livestock / food processing industries waste (fishery / slaughterhouse offal, deadstock, meat & bone meal, manures, Specified Risk Materials, culls, off-spec product, and like)
- contraband and hazardous wastes (pesticides, herbicides, and like)
- automatically adjusts to random / rapidly varying combinations / permutations of solid, liquid, vapor, and/or gas phase feedstocks
- automatically adjusts to rapid / random variations in feedstock caloric content down to ~7 MJ/kg (~65% water content); no upper limit
- ~90% of combustion occurring in an oxygen deficient environment significantly reduces NOx production
- homogenous temperature flameless combustion allows <1% residual oxygen thus ultra low NOx emissions; ~10% incinerator values
- 1,350°C operating temperature, 22% higher than incinerators
- zero carbon monoxide emissions, zero methane emissions
- full modulating capability down to 15% of design
- redefines the 3T incinerator combustion paradigm (Time / Temperature / Turbulence) as UTOC quiescent combustion process requires only 2Ts (Time and Temperature).
- lowest parasitic electric power requirement of Energy From Waste technologies
- operates outdoors at planet climate extremes, minimal infrastructure
- capacity easily adjusted with small change in organics vaporizing chamber temperature due to 4th power radiant energy intensity from temperature
- auto modulates energy output (organics recycling rate) to match project load requirements
- quiet, quiescent, non turbulent process has no organic particulate emissions
- no organic waste (feedstock) receiving / mixing pits, all UTOC plant construction is above grade, no overhead feedstock handling cranes
- modular, custom designed for each application down to 5.5 tonnes / day, well below incinerator 150 tonne / day minimum

### UTOC Validations:

- The 1302 page Atkins Realis Miami Dade Report For New Incinerator June 04 2025 [Atkins Realis Miami Dade Report For New Incinerator June 04 2025.pdf](#) confirms international due diligence proven acceptance of UTOC technology by including our UTOC option on the 2<sup>nd</sup> last page short list for a 4,000 tonne / day Municipal Solid Waste thermal processing plant that will be the largest in the USA.
- No Ireland or Manitoba Canada environmental authority concerns about UTOC emissions as promoted. No regulatory approval risk indications at this time.
- Canadian Food Inspection Agency deadstock and offal ash sampling / laboratory analyses concluded that the UTOC process will provide the first complete solution to the destruction and disposal of diseased and potentially diseased livestock and all associated materials, including SRMs ( specific risk materials ) from abattoirs. It presents a major advancement in the efforts of animal pathogen control and total destruction, capable of destroying all known disease causing bacteria, viruses effectively and efficiently in a single process.

- Dillon Consulting Ltd. from Windsor Ontario performed 2 weeks of extensive emissions testing of an early UTOC version and concluded there was little potential for health or environmental impacts from emissions and the need for further risk assessment of emission impacts, establishing ambient air monitors or detailed dispersion modelling was not warranted at that time.
- custom UTOC system computer design spreadsheet has been validated on numerous occasions by correlations with UTOC demonstration system operating information

### Mature Business

- corporate structure established and configured for exponential growth; operating since 2017
- succession planned and candidates identified / available when business volumes required
- several proven UTOC technology features are patentable
- outdoor UTOC system is used for demonstrations when ambient temperatures are above freezing
- rapid growth corporate operation systems established
- ample experienced component fabrication supplier production capacity for rapid sales growth
- The full CAD \$2 B five-year revenues projection is \$1.5 M in 2025, \$20.5 M in 2026, \$238 M in 2027, \$340 M in 2028, \$1.4 B in 2029)
- There will be no discount rate sales.
- Technology Readiness Level 8
- Year 10 growth is estimated at 75% because of similar technology competition starting year 6.

### Risk Mitigation

The following investor risks have been identified and mitigated in our business plan:

#### rapid growth challenges

- business growth rate fluctuations
- UTOC order cancellations
- UTOC technology replication
- USA tariffs
- achieving aggressive sales projections
- UTOC systems performance assurance
- sustaining UTOC preeminence

Sixty times scalability proven by 6 progressive Research & Development versions of UTOC technology.

First project execution risk is minimal. Key VOsPS personnel have collectively more than 150 years of industrial systems / projects design / estimating / budget & schedule control, regulations compliance, automation system design-manufacture-programing, project &

construction management, value engineering, project start up / commissioning / troubleshooting, and plant operator training / support.

Cash flow risk is negligible. There has been no prospect resistance to non refundable, positive cash flow invoicing that prepays milestone work before associated tasks begin.

There is minimal market acceptance risk as near future start of first adopter project in New Zealand is virtually assured. Developer has 3D printed UTOC system model on his kitchen table. Once completed, others of the 19 current prospects should have no problem proceeding with their projects having paybacks ranging from 3.3 to 7.8 years; very attractive where desired payback interval range for similar conventional projects is 5-15 years.

Promoted UTOC performance demonstrated at each Research & Development version, UTOC solving problems, providing unprecedented benefits, and premium payback intervals for all 19 prospects are cause to expect the only reason, after first adopter project is operational, for not achieving 100% conversion is change in stakeholder business preferences. Thus 80% is conservative conversion estimate.

### Additional

#### ChatGPT said:

To accurately estimate the present value of VOsPS Inc. and the percentage of the company relinquished for a CAD \$10 million investment, could you please clarify the following:

1. What discount rate (or required rate of return) should be used to calculate the present value? If not known, should I assume a rate based on typical clean tech or private investment expectations (e.g., 20–30%)?
2. Should we model any ongoing operational costs or reinvestment of profits, or assume profits are distributed?
3. Are the provided net profit margins (20%) after all costs including commissions, or are commissions to be deducted separately?
4. Would you like this analysis to include a DCF (Discounted Cash Flow) valuation model and/or scenario analysis (e.g., different adoption rates or project success rates)?

With this information, I can deliver a grounded valuation and percentage ownership estimate.

#### You said:

1. use what the market will normally use. 2. you can try to model ongoing operational costs or reinvestments of profits, but the ongoing operation costs are very low. 3. commissions are added to price 4. pick which one is most accurate and most relevant to the situation

#### ChatGPT said:

Thanks for the clarification. I'll calculate the estimated present value of VOsPS Inc. using a discounted cash flow (DCF) model based on industry-typical discount rates for clean tech ventures, factoring in low operational costs, reinvestment assumptions, and the stated sales and net profit projections. I'll also assess how much equity a CAD \$10 million investment would likely buy under standard market conditions.

I'll let you know as soon as the analysis is ready.

Research completed in 15m · 8 sources · 31 searches

Valuation of VOsPS Inc. and Equity for CAD \$10M Investment

## VOsPS Inc. Valuation Analysis

### Projected Financials and Cash Flows

VOsPS Inc. projects **CAD \$2 billion** in cumulative revenue over the next 5 years (2025–2029) with **20% net profit** margins. This implies roughly **CAD \$400 million** total net profit over five years, ramping from **~\$1.5 million revenue in 2025** (first sales expected Feb 2026) up to **~\$1.4 billion in 2029** (yielding ~\$280 million profit in 2029). Notably, *ongoing operating costs are very low* and sales commissions are added to customer pricing (preserving the 20% net margin). The company also anticipates continued high growth beyond 2029 (no competition for 5 years, with competition only starting in year 6, and still ~75% growth in year 10), suggesting substantial cash flows well into the future. These projections position VOsPS as a potentially **high-growth, high-margin business**, which is critical in valuation.

### DCF-Based Present Value (Intrinsic Approach)

One way to estimate VOsPS's worth is using a **Discounted Cash Flow (DCF)** analysis, projecting those future profits and discounting them to today's value. This "income approach" is suitable here because we *can reasonably forecast cash flows from the detailed 5-year plan* [pwc.com](https://pwc.com). Key assumptions:

- **Cash Flows:** We use the projected net profits (assuming net profit  $\approx$  free cash flow due to low ongoing costs). For 2025–2029, cash flows start small (~\$0.3M in 2025) then surge to ~\$280M by 2029 as per plan. Given the tech's continued growth, a significant **terminal value** is added at 2029 to account for post-2029 cash flows. We can estimate this terminal/exit value by applying an earnings multiple on 2029's profit (e.g. an  $\sim 15\times$  earnings multiplier, in line with industry peer valuations) [pwc.com](https://pwc.com). Using 2029 net profit ~\$280M, a  $15\times$  multiple gives an exit value **~\$4.2 billion** in 2029.
- **Discount Rate:** Since VOsPS is an early-stage venture with higher risk, the **discount rate** should be higher than a typical corporate WACC. Mature companies might use ~10% WACC, but startups require a premium for uncertainty. In practice, early-growth stage startups often use discount rates on the order of **20–30% (or more)** [assets.kpmg.com](https://assets.kpmg.com) to reflect risk (higher rates for very nascent startups, tapering down as the company matures toward late stage [assets.kpmg.com](https://assets.kpmg.com)). We'll consider ~25% as a representative risk-adjusted rate (acknowledging this could vary).

**Results:** Discounting the projected cash flows plus the \$4.2B terminal value back to present (end of 2025) yields a **present value on the order of CAD \$1.5–2.0 billion**. For example, at a 25% discount rate, the 5-year plan (with terminal value) comes out near the upper end of that range (**~\$1.9 billion**). Even using a more conservative 30% rate still gives **~\$1.6 billion**. This suggests that *if all goes as planned*, VOsPS's **intrinsic value** (theoretical DCF value) is **well over a billion dollars** in today's terms. Lower discount rates (e.g. 15%) would push the valuation even higher (>\$2.5B), but those would arguably understate the risk at this pre-revenue stage. In short, **on paper the DCF supports a multi-billion dollar valuation** given the extraordinary growth projections.

**Note:** This DCF estimate assumes the forecast is achieved with minimal hiccups. It doesn't "haircut" the pipeline – management is assuming ~80% conversion of identified prospects, which is considered conservative once a first project is proven. There is no additional risk-adjustment beyond the high discount rate. The *intrinsic value* is therefore high, but real investors will typically value the company differently to account for execution risk (discussed next).

### Investor Valuation (Venture Capital Method)

In practice, investors often use the **Venture Capital (VC) method** to value a high-growth startup like VOsPS. Rather than trusting optimistic forecasts at face value, they “**price in**” the risk by targeting a required return (IRR or multiple on investment) commensurate with the uncertainty [equidam.com/thevccorner.com](http://equidam.com/thevccorner.com). Essentially, they **work backward from a future exit value** to determine what the company is worth today [thevccorner.com](http://thevccorner.com):

- First, estimate a plausible **exit value** in ~5 years. As above, if VOsPS meets its plan, a sale or IPO around 2029 could be worth on the order of **CAD \$4 billion+** (for instance, using a ~15× earnings multiple on 2029 profits, ~\$4.2B).
- Then, apply the investor’s required return (their target **IRR** or investment multiple) to that exit value to find the **present price** an investor would pay. Early-stage investors often seek high returns, e.g. **25–40% IRR (equating to ~5×–10× return over ~5 years)** [thevccorner.com](http://thevccorner.com). Higher required returns imply a lower price today (to compensate for risk).

For example, suppose an investor targets a **10× return** on an early investment. If the company might exit at ~\$4.2B, the investor would back-solve: they can pay at most about **1/10 of \$4.2B ≈ \$420 million** for the entire company today to achieve a 10× outcome. In reality, many VCs might indeed underwrite a pre-revenue deal aiming for ~10×, especially given the “*transformative nature of UTOC technology*”. Even a somewhat lower target, say **5× return**, would imply valuing the company around **1/5 of \$4.2B ≈ \$840 million** today. These investor-derived valuations (roughly a few hundred million dollars) are **far lower than the DCF intrinsic value**, reflecting the heavy discount for risk and execution uncertainty.

Another way to look at it: if the founders think the company is worth, say, \$2 billion now (based on DCF), but a savvy investor applies a much higher discount rate, the investor’s valuation might come out to **half or less** of the founders’ number. It’s common in startup funding that *investors demand more equity for the same dollar investment than the entrepreneur’s valuation would imply*. As an illustration, if the founders valued the business at \$200 (just a toy example), selling 10% would cost \$20. But a cautious investor might insist that **\$20 should buy 20%**, effectively valuing the firm at only \$100 – in other words, using a higher discount and cutting the valuation in half [equidam.com](http://equidam.com). This aligns with the idea that investors “price” the various risks (market adoption, execution, competition in year 6+, etc.) by requiring a larger ownership stake for their money [equidam.com](http://equidam.com).

**Bottom line:** The *market approach for a startup* like this will err on the side of a lower valuation relative to the rosy projections. Investors will typically use a high discount rate or target return to ensure they’re compensated for the risk [assets.kpmg.com](http://assets.kpmg.com). Thus, \*\*the valuation an investor is willing to pay will likely be in the **hundreds of millions (not billions) of CAD** – even though the payoff could be massive if all goes well.

### Estimated Company Worth & Equity for a \$10M Investment

Taking the above into account, we can now answer the specific questions:

- **Estimated Present Value of VOsPS Inc.:** Based on the DCF of the five-year plan, the company’s *intrinsic* present value is on the order of **CAD \$1.5–2.0 billion** (assuming ~25–30% discounting of the forecast cash flows). This figure represents what the business could be “worth” on paper if those future cash flows are realized, **but it does not account for the probability of shortfalls**. It’s essentially the high-end valuation scenario. In reality, **few investors would transact at this value today** given the early stage. The more *pragmatic* valuation (from an investor’s perspective) is much lower – likely a fraction of that amount.

- **Likely Equity Relinquished for a \$10 M Investment:** In practice, **CAD \$10 million** of new investment would correspond to a **significant equity stake**. If the investor valued the company around, say, **\$100–\$200 million post-money**, then a \$10M check would buy approximately **5–10% of the company**. For instance, \$10M for 10% implies a \$100M valuation; \$10M for 5% implies \$200M. This range (5–10% for \$10M) is a reasonable ballpark for a deal, given the risk profile. It suggests an investor might effectively be valuing VOsPS in the low **hundreds of millions** – a sizable valuation for a pre-revenue firm, but **far below the multibillion “theoretical” value** we calculated via DCF.

Put differently, we estimate an investor would be willing to pay on the order of **CAD \$100–200 million for the entire company today**, which means **~\$10 M would purchase roughly 5–10% ownership**. The **most likely scenario** (and most relevant method here) is the investor's risk-adjusted approach – using high required returns to drive the valuation. This method reflects what “the market will normally use” for a company at VOsPS's stage [thevccorner.com](http://thevccorner.com), and it leads to a more conservative valuation than the pure DCF. In summary, **our best estimate** is that VOsPS Inc. would be judged by investors to be worth on the order of a **few hundred million dollars** today, and an investment of **CAD \$10 million** would accordingly buy roughly **single-digit percent ownership** (around **5–10%** of the company). This balanced approach accounts for the extraordinary upside **and** the substantial execution risk, aligning with how real-world investors typically value early-stage opportunities [equidam.comthevccorner.com](http://equidam.comthevccorner.com).

**Sources:** Venture investors often value startups by projecting an exit value and applying high required returns (e.g. 25–40% *IRR* or  $\sim 10\times$  *multiples*) to determine today's price [thevccorner.com](http://thevccorner.com). Early-stage discount rates can range from  $\sim 70\%$  (idea-stage) down to  $\sim 20\%$  (late-stage), reflecting higher risk in young companies [assets.kpmg.com](http://assets.kpmg.com). Thus, founders' optimistic valuations are usually “haircut” – investors demand more equity for a given investment due to risk [equidam.com](http://equidam.com). In contrast, if a company has reliable cash flow forecasts, a DCF at a normal WACC can be used [pwc.com](http://pwc.com) – but for VOsPS's stage, the **VC method** (exit-multiple with a high discount) is more appropriate. VOsPS's exit value in 5 years can be estimated by applying a peer earnings multiple to its 2029 profit [pwc.com](http://pwc.com), then discounting back to present. Using these methods helps triangulate a fair valuation and expected equity stake for new investors.