

INITIAL CAPITAL RAISE



- **Private Offering** Small highly efficient consecutive seed rounds open to collaborators, friends and family. Rapid Valuation Trajectory. \$1,000,000 two stage raise.
- **Use of Funds** Technology platforms, Design of homes and design for manufacturing and assembly (DFMA) processes. Organizational people costs and operational costs for platforms to generate presales and innovation.
- **Share Structure** Common shares, equal voting rights for all shareholders and founders
- **Revenue Growth** Low break-even threshold of five (5) homes per year. Expand rapid build assembly crews as required.
- **Liquidity** Seeking to achieve profitability and potential public listing
- **Investment** Participation in financing is achieved by reviewing a term sheet and executing a subscription agreement with payment followed by distribution of share certificates.

Offering/valuation

Seed rounds 1 & 2 / rapid valuation trajectory

The initial pre-seed round #1 is a private placement open to non-accredited investors. The pre seed round valuation is \$1,250,000. This valuation is based upon the proprietary nature, the background work completed, and specific experience that is directly related to the integration of the inbound marketing platform and new construction technologies with real estate.

The valuation is also supported by the completion of the development of the business plan, website and investor pitch deck. In addition, framework development for digital platforms has been completed for inbound marketing and customer relationship management tools, specification and sourcing of a crowdsourced innovation ecosystem, and preliminary frameworks for touch point technology software, and a homeowner portal that leverages the application of visualization software.

The management team has direct relevant experience with respect to new built forms (modular, podular, prefab, container), application of new home technologies related to materials (MgO), building envelopes (HRV), prototype development, and leading-edge application of visualization tools to real estate.

Enclave Living is raising \$1,000,000 in two successive seed rounds of \$500,000. The corporation has issued 25 million shares to the founders and management team in return for specific contributions and deliverables. An additional 10 million shares are available in Seed Round #1 at \$0.05 per common share. This yields a valuation of \$1.75 million. Seed Round #2 will raise an additional \$500,000 at a to be determined higher price.

Enclave Living has a rapid ramp in valuation due to the short time frame (6 months) required to complete the: architectural design of our first home, create and document the manufacturing and assembly processes plus benefit from fully operational lead generation and presales.

Future growth in valuation will be driven by profitable revenue growth though achievement of lot pricing (\$150,000/lot, home revenue targets of \$550,000 per 1500 square foot home made up of a lot price (\$100,000/lot), cost of construction (\$300,000 or \$200/square foot for a 1500 square foot home), gross margin targets (\$100,000 per home) and control over annual fixed organization costs (\$500,000/yr) in an asset lite business model. The technology component of Enclave Living is forecast to yield an earnings multiple of 10X EBITDA.

Use of funds

Architectural & DFMA design and digital platforms

Merging technology with home construction involves investing in digital platforms and the architectural design of homes. In addition, disruption of home construction will require the development of digital platforms to enable inbound marketing, deploying an innovation ecosystem, home portal, touch point pathway and visualization for clash detection and prevention and bringing the future forward to enhance the purchasers experience.

It is important to note that significant investment is being made in the design and documentation of the design for manufacturing and assembly (DFMA) of Enclave Living's innovative homes. The process of DFMA is in itself a product that leads to lower costs, faster build times and product differentiation.

The balance of costs is related to organizational sustainability and ongoing operating costs for digital platforms.

Share structure

Common shares

Founders and management will receive common shares in return for completing specific milestones. To date this has lowered short-term budget expenditure expectations by approximately \$130,000 providing for a larger contingency fund. All investors will also receive the same type of common shares and will have equal shareholder rights as founders and management team.

Post Seed Round 1, Enclave Living will have 35.0 million shares issued of which 25 million shares (71.4%) are held by founders and management and 10 million shares (28.6%) are held by external investors.

There are no preferred shares, options or warrants contemplated at this time.

Revenue growth

Low breakeven threshold

The business depends on presales generated by the inbound marketing platform applied against new market entrants and active seniors that are rightsizing. Purchasers are generally couples, singles both with and without pets.

The business case assumes single home sales not micro communities initially. Revenue growth relies on a home price point of \$550,000. Scaling of the business requires growth in competent rapid build assembly crews able to work in southern Alberta prior expanding to other jurisdictions.

Revenue projections (# of homes) driving the short range growth trajectory

2023	3
2024	12
2025	24
2026	36

Liquidity

Go public

The low breakeven threshold of five (5) homes per year enables an earnings per share to be generated after five home sales per year.

Enclave management will evaluate a go-public transaction post the development of a profitable business.

Investment

Subscription agreements, issuance of shares

Execution of a subscription agreement and payment for shares results in the distribution of shares on or before March 1, 2023. This investment is designed to be RRSP eligible within a TFSA for Canadians.