EXECUTIVE MEMORANDUM

Date: November 14, 2021
To: The Genuino Team
From: Team APEX - Holy Angel University
Subject: Analysis, Recommendations, and Roadmap for Genuino

GENUINO's intended expansion into the United States NFT market, which now has a net worth of over $10.7 billion as of 2021, can and will unlock its potential to achieve significant gains favorable to the overall growth of the company. Our team at Holy Angel University has researched and examined the opportunities and barriers GENUINO could face and now believes that it is possible that the company can obtain market superiority based on GENUINO's overall performance.

Presently, GENUINO's products boast secure and holistic qualities that other competitors may not entirely have. Qualities such as using embedded smart patches, the use of verified metadata and geodata, rigorous authentication and verification procedures, etc. will ensure customers that these products are of high quality and security. After ensuring that the company's products are of high quality, the team could now find and target four major sectors within the United States namely Sports, Music, Art, and Fashion with customer blocks consisting of Crypto Veterans, Sports Enthusiasts, Art and Memorabilia Collectors, and Fashion Enthusiasts with generations ranging from Millennials to Generation Alpha.

After researching the four major sectors, the team has found that the sports memorabilia industry is part of the collectibles market which currently has a global value of $370 billion. With that being said, 93 percent of all sales that occur within the memorabilia industry all happen within the United States alone. The top 5 states in the United States that are responsible for 40 percent of sports industry revenues is California leading the way at 11.2 percent followed by New York (8.9 percent), Texas (8.8 percent), Florida (5.8percent), and New Jersey (5.3 percent). The licensed market share of the sports memorabilia industry is valued at $12 billion, while the autographed market share of the industry is about $2 billion. For this industry, the top five popular sports within the United States are as follows: American Football, Baseball, Basketball, Soccer, and Ice Hockey. Upon analyzing these data, the researchers could see significant and potential opportunities in utilizing the vast amounts of physical memorabilia ready to be processed into NFTs.

Our research into the music industry indicates that the total revenue of the U.S. music market is about $43 billion as of 2019 with $1.9 billion coming from merchandise and ticket sales. Most of this revenue comes from these top five states namely Texas, Utah, Florida, Oklahoma, and Michigan. The top 5 music genres include K-pop, Pop, Hard Rock, Blues, and Metal.

Within the fashion industry, the team has observed that luxury fashion companies like Gucci have already announced they are launching their own NFTs. Until now, the idea of spending real money on virtual clothes was far-fetched. However, this mindset is changing rapidly as millennials, Gen-Z, and generation alpha enter the luxury market. Customers will soon be able to create images of them wearing 3D clothing and then share them on social media. Thus, the researchers discovered the existence of a new and growing sub-sector in fashion: Digital Fashion. Little is known as to the net worth of this sub-sector due to its novelty, however, companies such as Gucci, The Fabricant, and Rtfkt have all seen the opportunity in this new sub-sector.

These opportunities within the four main sectors may also be bolstered by GENUINO's running idea of revolutionizing collectibles by using NFTs as a bridge between the physical and digital. By bringing the stores to the fanbases of each sector and subsector with a tap of a button, the company could then leverage the market by tapping into the power of both physical collectors and crypto veterans.

Although the opportunities for expanding into the United States may seem abundant, GENUINO must address its current internal and external challenges and weaknesses. Given that the company is currently a pre-revenue startup, it is still adapting to current market trends and is still miles away from being a sustainable and profitable company that could rival United States competitors such as NBA Top Shots or Dibbs, companies who are already licensed by major sports companies to handle their NFT trading. Hence, the team has found that one of the company's internal challenges is that it has a noticeably weak presence on the internet. For this reason, the company may lose out on vital customer interests and behaviors. Furthermore, for being a company whose business model revolves around the internet, GENUINO surprisingly has a limited presence in social media. Although the company may possess social media accounts including a Twitter account and a Discord server, in comparison to most United States competitors, it maintains very limited connections with its community. The weaker a company's presence within social media, the less probable it is to form a direct relationship with its audience. This would subsequently lead to an adverse brand image and a low degree of engagement. The company's website is also barely readily accessible, and it lacks many features. Customers will have a difficult time navigating the site and learning about the products it offers. Hence, the team could see that GENUINO will be unable to gain interest and easily attract attention from its target market unless it addresses first its weak presence on the internet.

After its internal challenges, there are also external factors to contend with. First among GENUINO's external challenges is its low or limited presence in the NFT industry itself. In terms of potential target customers, prospective income, partnerships, and collaborations, the US market provides a lot of better prospects. To add, considering that the company has yet to introduce itself in the market, many people are unaware that it exists. Hence, GENUINO must understand where to position and how they can create a distinctive image that would appeal to their target market. Following among its external challenges is the fact that the United States is diluted with numerous NFT marketplaces, all classified as significant competitive threats. This competition reduces the company's market share and customer base, mainly because the company is not yet in great demand. Customers would prefer to stick with or choose other companies that already have strong reputations within the market. Due to this intense competition, GENUINO may be forced to lower their prices to stay competitive, thus lowering their return on each item they sell. Finally, as the company tries to penetrate the United States, the team knows for certain that the company would have to partner and collaborate with prominent personalities or athletes. However, finding such would be challenging since it would necessitate a considerable amount of funding and effort from the company, given that collectors and enthusiasts are among its target market.

To further explore our team's in-depth analysis on GENUINO and provide concrete information on how to address these weaknesses and opportunities, the team has prepared a Value Chain Analysis (See Appendix A) that will comprehensively identify the primary and supporting activities of the company in terms of its physical and digital collectibles. Starting with its inbound logistics. This is when GENUINO will acquire its physical collectibles from its partner brands or collaborations. This is also where raw materials are gathered in preparation for the installation of smart patches. At this phase, the company should also be

able to generate the NFC+RFID identifiers to be embedded in the smart patches, along with the necessary trading cards. These data and information should then be collected and stored in the blockchain. After inbound logistics comes operations, where GENUINO should have already started manufacturing its raw materials into smart patches. This includes the testing and quality control phase to ensure the items' long-term performance and durability. The company should also use physical oracles, most likely IoT, on the blockchain that will be linked to the smart patches. Under outbound logistics, the company should already begin the distribution of physical and digital collectibles to its customers, comprising order processing, scheduling, and transportation. At this phase, the NFTs should be introduced to the marketplace, where they may be seen and purchased by the general public. Most importantly, this is when the collectibles' certification and licensing takes place. All collectibles should be authenticated through GENUINO's certification to guarantee their legitimacy.

GENUINO must highlight the benefits and differentiation points of their products to persuade and convince individuals that they have a better offering than their competitors. Since the company has a little presence, they must first build brand awareness which will help the customers understand their branding and products, foster trust, and build brand equity. One of the ways to do that is through social media platforms. As of October 31, 2021, GENUINO only has 1,207 followers on Twitter, 221 members on Discord, and 18 subscribers on YouTube, which is currently the most popular social media platform in the US. With that being the case, they are missing a lot of audiences and engagement.

In addition, since the website of the company is still in the beta phase, some buttons are not working, and it is hard to navigate. There are also some overlapping and unreadable texts. This problem must be addressed since the company plans on creating its own marketplace through their website. The development of the website is of great value since it can be used to provide steps in creating Crypto accounts, teach those who are not knowledgeable of trading NFTs, and many other activities that could reach out to people who have no knowledge in using Crypto and NFTs. As such, customer support provided by GENUINO to its users is considered as a core activity. Before, during, and after each transaction, the company should be able to deliver the best possible customer service they can provide. Account and billing, technical support, setup and installation support, and purchase recommendations should all be available through a sophisticated online answer desk that customers can easily navigate. Furthermore, given that the NFT marketplace is still a foreign concept to most individuals, GENUINO should be able to accommodate each and every customer's queries and concerns. Its support services must include a phone number for customers in and out the United States, an online help group accessible for all, and a site-wide solution toolbar to assist users with technical concerns

With all that being said, the team could now properly recommend the activities and strategies GENUINO must do for the planned expansion into the United States to be successful. The team recommends that the company team up with Major League Soccer (MLS) since the league has no major seller of NFTs. To provide concrete evidence of its value, the team has researched the partnership of MLS and Secret Walls, a group of NFT artists, and has found that each NFT sold had prices ranging from $90 to $4,500. However, if such a plan may be too large and costly for early adopters such as GENUINO, the team provides an alternative: to focus on partnering with top individual soccer clubs such as LA Galaxy, Seattle Sounders, and Columbus Crew. The team also recommends that partnering with top sports sectors such as Basketball and American Football may be unwise since the cost to partner with associations in these subsectors could outweigh the capital needed to

pay for such a partnership and even then, GENUINO would face furious competition with Dapper Labs.

The team also recommends that GENUINO increase its effort in advertising and development of its website. Using the already established community on Discord as a cornerstone for the company's advertising efforts is also recommended. Incentivizing those within the Discord server to create social media content such as Youtube videos to advertise the company's products would greatly improve customer awareness. Therefore, a partnership/ creator program with social media influencers is a must. Such a program may include perks like free NFT packs per month for active members or even monthly allowances that depend on the amount of new people joining the Discord server through verified referrals. The company could even sponsor decently large Youtube/Twitter/Instagram content creators who are both well-versed in Cryptocurrency and a collector of memorabilia who could teach and bridge both memorabilia collectors who do not know Crypto and Crypto veterans who are looking for opportunities to earn profit. After amassing a good amount of followers on all social media platforms, the team recommends that the company spends on community events such as raffle promos, free pack distribution, and even school sponsorships that could easily boost the community's engagement and retention. To add, the team recommends that GENUINO create a personal bond between the community and developers. Although the running motto of the company is "Collect Digital, Own Physical", this must not be the sole focus of GENUINO's advertising efforts. Appealing to the emotions of the community by sharing the reason as to why the company started, what it envisions, and how the company will attain its mission is such a powerful advertising move that most companies tend to forget. Making the community the center of the company's operations will enable them to create a bond that would motivate them to buy more and stay longer.

Should GENUINO venture into the other sectors such as Music and Fashion, the team recommends partnering with individual Artists, Rappers, and their respective record labels. Such strategy includes either a partnership wherein the company would split its profits collected from traders or directly buying their assets such as shirts worn during concerts, instruments, tickets, etc. Notable celebrities who are well-versed in NFTs include Snoop Dogg, Eminem, Paris Hilton and Shawn Mendes. The team predicts that such a partnership with these celebrities would greatly utilize the immense amount of fans from these individual artists and would thus expand the company's notoriety among these communities and the amount of willing customers. The fashion sector, specifically the digital fashion subsector, also shares the same strategy however this sector, as the team has researched, is rather niched and those within this niche are more focused on digital fashion or what they could wear and integrate into digital platforms. Thus, the team suggests teaming up with digital fashion designers and artists that can be easily found on Twitter. If GENUINO wants to partner up with fashion houses such as GUCCI, Louis Vuitton, Prada, or even SUPREME, then the company must prepare a significant and huge amount of funding for such a venture.

Now that these recommendations have been laid out, the team would now provide a concrete strategy using $100,000 as a basis for funding and allocation. The team suggests using 25% to 30% on administrative and operating activities which includes the manufacturing of smart patches, costs of using authentication and verification assets, salaries of employees (if any) and developers, and other fees. 40% to 50% goes to funding partnerships or buying licenses to create NFTs for memorabilia. 10% goes to transportation expenses to and from the United States and lastly, 10% to 25% going to community events, partnership programs with content creators, and sponsorships.

With all recommendations considered, the team has made an implementation roadmap to visualize the priority and timelines starting this December up until the launch date around Summer 2022 (Late June to Early September).The team has considered three key areas to settle for its expansion namely: Instituting groundworks for GENUINO and its partners, Marketing Plan Implementation, and Exploration into Potential NFT Industries.

The team estimates the rollout of collaborations will span about six months at its earliest. These months would be used for negotiations with early adopters, product testing, certifications, and other legal processes to enter the United States markets. Around when the business developments have soundly concluded, the team suggests that the company start talks with potential partners the team has recommended which include the MLS and soccer clubs. This would also take part as the collection process for collectibles (GENUINO's Phase 1) once it has been finalized. This key area would serve as the company's foundation for all other expansions into the NFT markets.

To follow suit, gathering of talents, sourcing for agencies and finalizing advertising agreements after the company has settled into the United States. For this particular area, research and data analysis estimates that it might take two to four months for a sound rollout of strategies while sourcing may take almost a month to find compatible marketing specialists. The team projects that among the implementations within the roadmap, this key area simultaneously with the first key area as it does not rely on the progress of the United States Business Development for GENUINO.
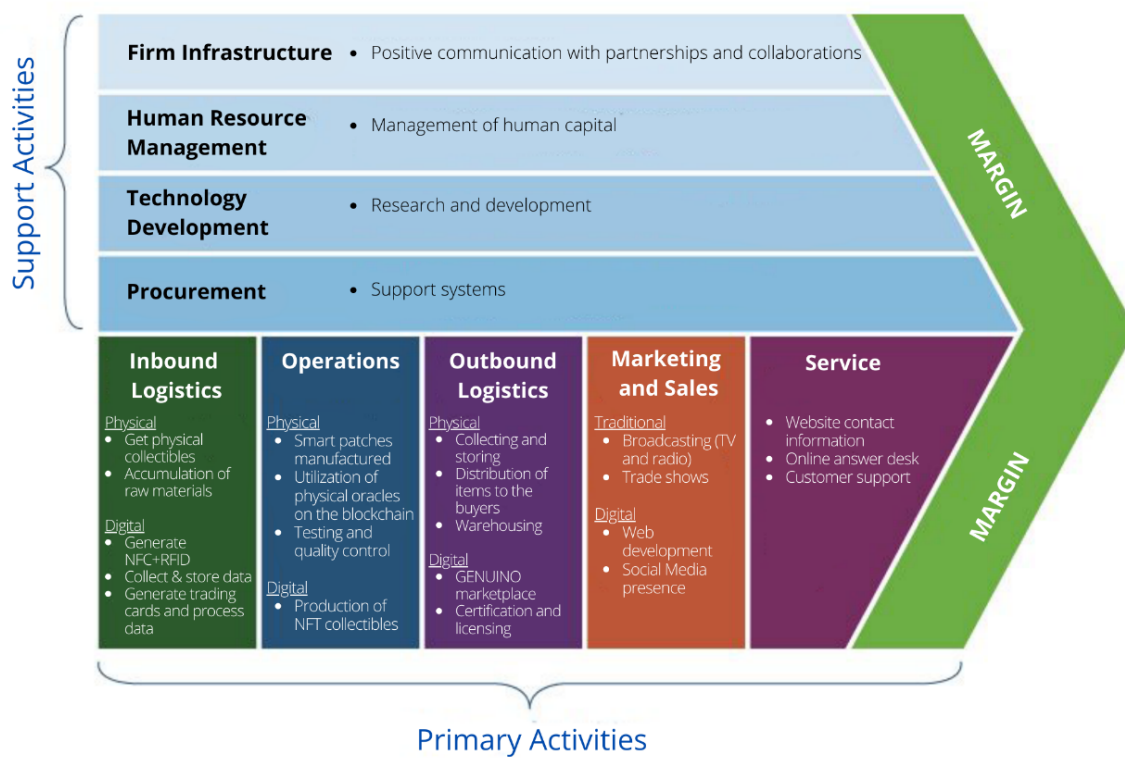
Lastly, for the other potential NFT Industries, the team suggests partnering with other sensational icons in the NFT Marketplace to develop the Art, Fashion and Music sectors. Negotiations, legal processes, funding, and its implementation would need about eight months. This would take a longer time as it tries to create the suitable certification, testing, and Research & Development for each of the other three sectors.

To have sustainable metrics to monitor expansion implementation and post-launch results, the team suggests using Key Project Metrics such as Productivity, Scope of Work, Quality and Satisfaction, Cost, and Gross Margin. Each metric can be further segmented into specific areas such as feedback and peer assessment, employee progress, and comparing labor time to actual progress produced. Other specifics may also keep track of the progress of the community development made by the marketing plan, etc. If tracked well and implemented with prudence, within a year, GENUINO may become a force to be reckoned with that boasts a stable base for collectors, investors, and many more individuals from the community to uphold desirable growth. It may also be possible in the coming years to tap the huge 40% market potential that it can offer in the NFT Industry.

GENUINO has the potential to become one of the leading NFT marketplaces within the United States that provides a bridge between the physical and digital. Stakeholders like soccer clubs, fans, art & memorabilia collectors, and the company's initial community on Twitter and Discord are guaranteed multiple value-adding opportunities. For soccer clubs, a partnership with GENUINO can open up a new source of income by allowing the club to license out its memorabilia without having to actually give away its items. For sports fans, they are given the opportunity to partially own a digital copy of a physical asset of their athlete that they could easily trade or auction off. Art and Memorabilia collectors are given the opportunity to collect memorabilia that they can store within the GENUINO vaults or auction off. Lastly, Discord and Twitter communities are given a first-mover advantage in all trades and transactions and, if the team's plan to create a partnership program is followed, would provide the community a chance to become social media influencers.
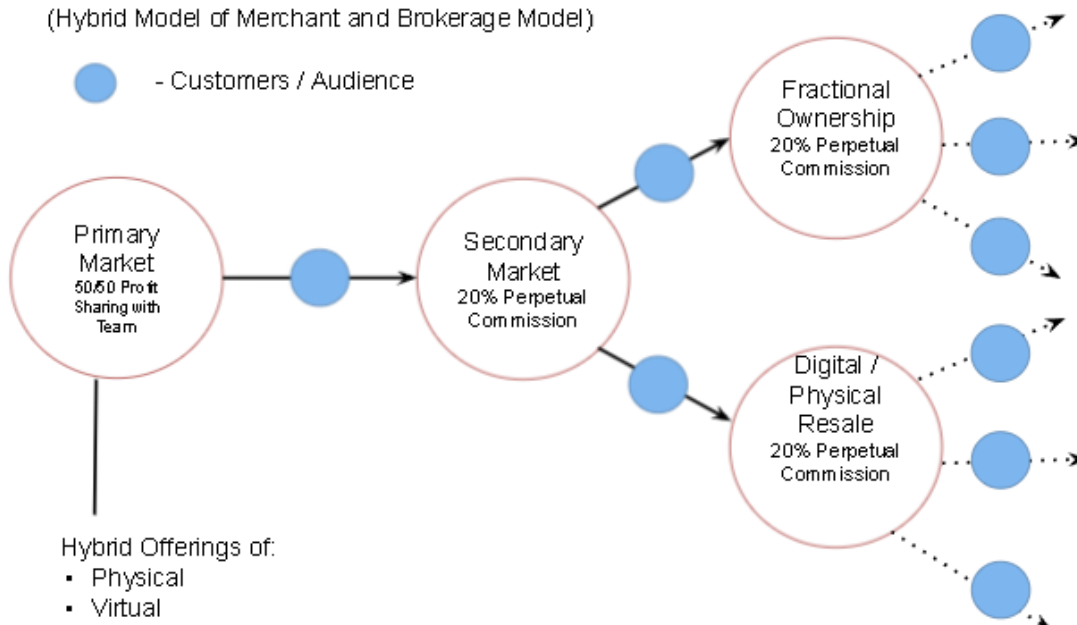
Appendices

Appendix A: Value Chain Analysis

Appendix B: Business Model

Appendix C: SWOT Analysis

STRENGTHS	WEAKNESSES
- Strong product idea - Product quality is very high - Strong founding teams - Highly innovative - Unique product features - Good fit to customer's needs	- Low brand awareness - Weak social media presence - Poor website
OPPORTUNITIES	THREATS
- Growing market of NFTs - Global access after US expansion - Potential for innovation and expansion - Partnerships and collaboration	- Competition from established firms - Customer fear of NFTs being bubbles - Issues of privacy - Black market and illegal activities - Patch sensors can be damaged or broken

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