

# Vika Living | <https://www.vikaliving.com/>

## TERMS (via startengine.com\*)

### Overview

Price per share: \$2.30

Funding Goal: \$15k – 1.23M

Deadline: July 2, 2024 at 11:59pm PDT

Valuation (per company): \$14.05M

### Breakdown

Minimum Investment: \$499.10

Maximum Investment: \$1,234,998.80

Offering type: Equity

Asset type: Common Stock

Minimum # shares offered: 6,521

Maximum # shares offered: 536,956

## Company Description:

Vika Living is a company that seeks to provide affordable, quality, semi-permanent tiny homes, operating in the humanitarian and ADU rental space. The company currently offers one model, the Vika One, which is already contracted to be used in a variety of humanitarian efforts.

This model is factory assembled, delivered on a single semi-truck, and installed within a day, with a variety of customizable options for power, water, and waste management. These tiny homes start at around \$49k and include a kitchen with sink, stove, refrigerator, and storage, a bathroom with full-size shower and toilet, heating & cooling, and furniture.

## Company Highlights

### Raised \$615,000 in SAFE notes and is backed by Village Global.

Village Global is an early stage venture capital group with a network of experts, founders, and investors. It has raised over \$5 billion in follow-on funding.

### An Exclusive Partner with a National Program for Addressing the Needs of Unsheltered Veterans Throughout the US.

The company was recently awarded \$12.5 million to build a 90-100 acre campus for veterans experiencing homelessness. They have partnered with Frontline Response, the City of Chattanooga (TN), Heart of a Lion and other NGOs to launch the first site for Freedom Homestead, a campus for unsheltered vets that provides a comprehensive welfare system including housing, healthcare, vocational training, food services, and more. This partnership currently has five locations lined up.

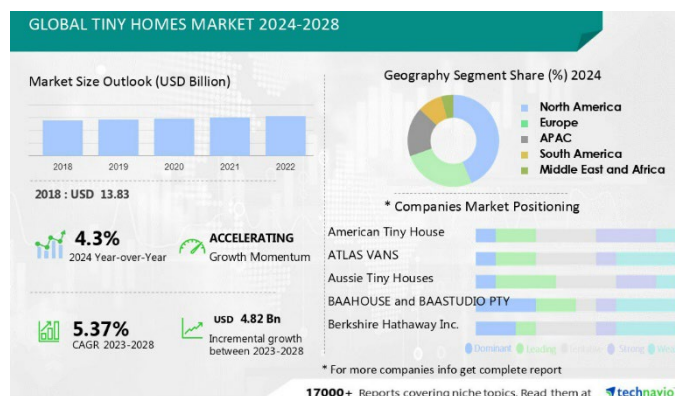


## Company/Industry Background

The rising popularity of ADUs and tiny homes has risen as the housing market demand continues to outweigh the affordable supply. With the prevalence of housing deficiencies, companies operating in the tiny home space in the real estate market have gained a fair amount of traction amongst both investors and regulators. The 2020 COVID pandemic and lock down propelled this movement towards tiny minimalistic homes, as more people sought to downsize and find cheaper living arrangements.

Vika Living seeks to have a broad market exposure, as it dips into both markets for homelessness relief and additional rental units for property owners seeking to earn a little extra income through installing these tiny homes. Its main competitor in the homelessness relief space is Pallet Shelter, a public benefit corporation that dominates the west coast. Vika Living has stated in its offering memorandum that they believe they are distinguished through superior engineering and more cost-effective solutions. With

\$40M in contracts/deposits/LOIs in the pipeline and ready for production, as well as plans and key relationships in place for international expansion, the company is preparing for an aggressive expansion of its operations.



(Technavio has announced its latest market research report titled Global Tiny Homes Market 2024-2028)

[https://mma.prnewswire.com/media/2376114/Technavio\\_Global\\_Tiny\\_Homes\\_Market\\_2024\\_2028.jpg?w=600](https://mma.prnewswire.com/media/2376114/Technavio_Global_Tiny_Homes_Market_2024_2028.jpg?w=600)

## Financial Analysis

Given the company's incorporation in September 2021, there is little to say about its financial status. The company holds a strong cash position, but due to the large starting costs of the business, and its infancy in scaling, the company reports negative income.

However, the gross profit margin of 39.6% in 2023 shows that the company's operations are promising. As the company continues to scale, we believe maintaining this margin could be incredibly favorable to the business and its shareholders.

LIQUIDITY RATIOS	2023
Current	58.67
Cash	40.56
Operating Cash Flow	-64.47
LEVERAGE	
Debt to Assets	3.45
Debt to Equity**	-1.41
EFFICIENCY	
Asset Turnover	0.86
Inventory Turnover	1.99
Receivables Turnover	8.09
PROFITABILITY RATIOS	
Gross Margin	39.57%
Operating Margin	-83%
Return on Assets	-110%
Return on Equity**	-45%

\*\*Negatives due to negative equity/Accumulated Deficit

## Recent Developments

- ◆ Exclusive partnership with a host of other organizations to launch Freedom Homestead, a flexible housing village for unhoused vets, with five different locations lined up.
- ◆ The second model, the Vika Pro is set to be released this year with more than \$20M in pre-orders. Alongside this, Vika Living is also completing its unit software component that will help monitor the condition and utilization of each unit. This software option could provide with \$25k MRR in its first phase.

## Management

### **Jeff Howard: Chief Executive Officer (CEO) and Chief Sales Officer (CSO)**

Jeff Howard has a deep background in real estate operations and largescale humanitarian missions. Leading sales teams and strategic operations in multiple industries for more than 15 years provides Jeff with invaluable experience and perspective. He has been a founder, early employee, and advisor with several start-ups and also held leadership positions with very large, seasoned companies. The culmination of these experiences and lessons learned inspire Jeff with great confidence for Vika's mission.

### **Advisors:**

**Anne Marie Vivienne** - Anne Marie has always been engaged in building and sustaining communities of meaningful impact and belonging. She has over a decade of experience working in various leadership roles in editing, publishing, marketing, and social impact. Anne Marie's passion for human connection has led her to work with both small innovative startups as well as large influential institutions to foster trust and facilitate collaboration. She deeply believes in Vika's mission to shelter humanity with dignity as one of the most creative, practical, and unifying ways forward to a bright future for all.

**Dave Jackson** - Dave is an experienced founder and leader with a passion for impactful missions. With more than a decade of experience in launching and scaling successful startups, he is an invaluable asset to Vika Living. Dave believes there are amazing opportunities for businesses to be wildly successful while simultaneously making the world a much better place. For him, Vika is such a company and a much needed presence in the housing industry.

**Scott Kevern** - Scott is a mechanical engineer with a background in leading design and manufacturing for micro-housing and ADU companies. He has been deeply involved with all aspects of Vika Living's design, production, and delivery of units.

## Some Potential Risks

Liquidity – Given the restrictions on how you can resell these securities, and the limited availability of markets for these particular securities, there may be difficulty in being able to sell out within the next few years. Though the company could be acquired by another existing company in the same space, it is also possible that it won't happen, or at a price that may be lower than what you purchased it for.

Limited Information – The company was incorporated in 2021. Given this limited timeframe, it is difficult to make projections on how much the company could earn or how well it will perform in this market.

Possible need for more capital – Vika Living states that they are anticipating a need for access to credit; however, in the case they are unable to obtain credit, they may have to turn to raising more equity capital, or take other actions. Securing additional investors could require pricing the equity below its current price.

**Reliance on Single Service/Product** – The company currently only has one model which poses a risk as changes in market conditions, technology, and consumer preferences among other external forces can adversely impact the demand for the Vika One; the lack of a product portfolio means the company relies on the demand for this single product for its revenue generation.

**Market Competition** – As with every start up, there are usually larger competitors who already dominate the field. Despite being such a new industry, the tiny house market is no exception, with large competitors such as Pallet Shelter, Berkshire Hathaway, and Tumbleweed. There also exists a large number of other smaller companies, all vying for a share of the market.

**Vika Living  
Balance Sheet  
(Unaudited)**

As of December 31,	2023	2022
<b>ASSETS</b>		
Current Assets		
Cash & Cash Equivalents	\$120,089.00	\$217,298.00
Accounts Receivable, net	\$50,161.00	\$7,000.00
Inventory	\$3,472.00	\$136,782.00
<b>Total Current Assets</b>	<b>\$173,722.00</b>	<b>\$361,080.00</b>
Property and Equipment, net	\$1,100.00	\$1,448.00
Intangible Assets	\$60.00	\$68.00
<b>Total Assets</b>	<b>\$174,882.00</b>	<b>\$362,596.00</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Other Current Liabilities	\$2,961.00	\$0.00
<b>Total Current Liabilities</b>	<b>\$2,961.00</b>	<b>\$0.00</b>
Simple Agreement fro Future Equity (SAFEs)	\$599,625.00	\$599,625.00
<b>Total Liabilities</b>	<b>\$602,586.00</b>	<b>\$599,625.00</b>
<b>STOCKHOLDERS EQUITY</b>		
Common Stock	\$51.00	\$81.00
Subscription Receivable	\$0.00	\$0.00
Additional Paid in Capital	\$14,942.00	\$13,917.00
Retained Earnings/(Accumulated Deficit)	-\$442,696.00	-\$251,029.00
<b>Total Stockholders' Equity</b>	<b>-\$427,703.00</b>	<b>-\$237,030.00</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$174,883.00</b>	<b>\$362,595.00</b>

**Vika Living**  
**Income Statement**  
**(Unaudited)**

<b>As of December 31,</b>	<b>2023</b>	<b>2022</b>
Net Revenue	\$231,262.00	\$32,005.00
Cost of Goods Sold	\$139,762.00	\$9,035.00
Gross Profit	\$91,500.00	\$22,970.00
Operating Expenses		
General and Administrative	\$282,404.00	\$278,984.00
Sales and Marketing	\$0.00	\$3,000.00
Total Operating Expenses	\$282,404.00	\$281,984.00
Operating Income/(Loss)	-\$190,904.00	-\$259,014.00
Interest Expense	\$0.00	\$0.00
Other Loss/(Income)	\$763.00	-\$7,985.00
Income/(Loss) before provision for income taxes	-\$191,668.00	-\$251,029.00
Provision/(Benefit) for income taxes	\$0.00	\$0.00
<b>Net Income/(Net Loss)</b>	<b>-\$191,668.00</b>	<b>-\$251,029.00</b>

**Vika Living**  
**Cash Flow Statement**  
**(Unaudited)**

As of December 31,	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income/(Loss)	-\$191,668.00	-\$251,029.00
<i>Adjustments to reconcile net income to net cash provided/used by operating activities</i>		
Depreciation of Property	\$347.00	\$289.00
Amortization of Intangibles	\$8.00	\$7.00
Share-based Compensation	\$937.00	\$1,562.00
SAFE-Fair Value adjustment	\$0.00	-\$15,375.00
Cancellation of shares	\$58.00	\$0.00
Changes in operating assets and liabilities		
Accounts Receivable, net	-\$41,161.00	-\$7,000.00
Inventory	\$133,309.00	-\$136,782.00
Other Current Liabilities	\$2,961.00	
<b>Net cash provided/(used) by operating activities</b>	<b>-\$97,208.00</b>	<b>-\$408,327.00</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	\$0.00	-\$1,737.00
Purchases of Intangible Assets	\$0.00	-\$75.00
<b>Net cash provided/(used) in investing activities</b>	<b>\$0.00</b>	<b>-\$1,812.00</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Stock	\$0.00	\$12,437.00
Borrowing on SAFEs	\$0.00	\$615,000.00
<b>Net cash provided/(used) by financing activities</b>	<b>\$0.00</b>	<b>\$627,437.00</b>
Change in Cash	-\$97,208.00	\$217,298.00
Cash - Beginning of Year	\$217,298.00	\$0.00
<b>Cash - End of Year</b>	<b>\$120,090.00</b>	<b>\$217,298.00</b>

**\* HOW TO INVEST**

**You may also invest in Vika Living directly and off of the StartEngine platform. Vika Living offers SAFE investments of Preferred Stock with a post money cap valuation range from \$10M to \$14M. Minimum investment amount for SAFE Preferred Stock is \$5,000 and the maximum amount is \$2,500,000. Please contact Vika CEO, Jeff Howard, directly for more information: [jeff@vikaliving.com](mailto:jeff@vikaliving.com)**

**Additional Resources:**

Offering Memorandum - <https://www.sec.gov/Archives/edgar/data/2017852/000166516024000303/offeringmemoformc.pdf>

StartEngine Page Link - <https://www.startengine.com/offering/vikaliving>

Vika Living Pitch Deck Spring 2024: <https://docsend.dropbox.com/view/uzjnmvajqnnh2ry>

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