

N O R T H H A V E N A N A L Y T I C S

CONFIDENTIAL INVESTMENT MEMORANDUM

Synthetic financial intelligence for the next generation of quantitative finance.

S T R I C T L Y P R I V A T E & C O N F I D E N T I A L

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EXECUTIVE SUMMARY

| Company Overview

Northhaven Analytics is a specialized financial infrastructure provider based in Warsaw, Poland, offering a Machine Learning-based synthetic dataset generator architected purely for financial institutions. By creating high-fidelity, statistically accurate synthetic data that mirrors real financial behavior without containing Personally Identifiable Information (PII), Northhaven enables banks, hedge funds, and private debt funds to bypass regulatory gridlock (GDPR) and accelerate model development.

| Business Overview

Northhaven operates in the Fintech Infrastructure sector. Provides an "Institution-Specific Generative Model (SDG)" residing within the client's secure environment. Revenue is generated through a hybrid model: tiered dataset licensing (Subscription) and bespoke ML model development (Services).

| Financial Snapshot

Status: Pre-revenue, moving to Pilot. **Projected Y1 Revenue:** €200k. **Capital Ask:** \$2.5M Seed for 12% Equity. **Runway:** Projected 34 months (burn: 62k PLN/mo).

| Investment Thesis

Intersection of AI demand and privacy regulations (GDPR, AI Act) created a bottleneck. Northhaven provides the "pick and shovel" solution to unblock this, positioned to become the standard for secure quantitative analysis (35% CAGR).

| Investment Highlights

- **Financial Domain Specialization:** Bespoke-engineered for finance, understanding complex dependencies like credit spreads, VaR, and liquidity ratios.
- **Regulatory Arbitrage:** Solves the "Data Crisis" by allowing synthetic data for training and stress testing, removing GDPR risks.
- **Proprietary Scenario Engine:** Unique capabilities to reshape datasets into realistic scenarios (Stress, Conservative, Aggressive).
- **High-Performance Architecture:** Generates 1 million records in ~8 minutes, scaling to billions of rows.
- **Early Traction:** Pilot conversations with 3 clients, including a large regional Private Debt Fund.

MARKET OPPORTUNITY & ANALYSIS

| Market Size & Dynamics

Global Synthetic Data market projected to expand at **35% CAGR** through 2028. AI adoption in finance is accelerating, demand for training data is outpacing supply.

TAM: \$30B (AI in Fintech). **SAM:** \$1.15B (Synthetic Data in Finance). **SOM:** \$150M (5 years).

| Market Trends

The Data Crisis: Banks are "data rich but insight poor" due to regulatory gridlock. Accessing data often takes months.

Rise of Generative AI: Financial institutions lack clean, privacy-compliant data for AI/ML credit scoring and fraud detection.

Regulatory Tailwinds: Strict GDPR enforcement and the AI Act favor "Privacy-by-Design". Regulators mandate auditable proof of model robustness.

| Competitive Landscape

Northhaven differentiates through Vertical Specialization vs horizontal breadth.

- **Northhaven:** Specialized Finance. Speed: High. Flexibility: Extreme (Scenario Engine).
- **Tonic.ai:** Generic tools. Database subsets rather than behavioral modeling.
- **Mostly AI:** General purpose. Lacks specific financial logic (e.g. credit spreads).
- **Gretel.ai:** Developer/API focused.

| Entry Strategy

Targeting underserved middle market (Tier-2 banks, Private Debt Funds in CEE).

Entry Point: Private Debt/SME Lending history augmentation. **Growth:** Direct engagement with Heads of Quant/Risk via consultative selling.

COMPANY DEEP DIVE

| History & Background

Founded in Warsaw by Oleg Fylypczuk and Gabriel Wiśniewski. Emerged from recognition of a critical gap in quantitative finance: inability to test hypotheses due to data privacy constraints. In 6 months, team developed a functional core engine and initiated commercial discussions.

| Products & Services

Core Engines: CTGAN (tabular/static data) and PAR Synthesizer (sequential engine for 60-month time-series logs).

Scenario Engine: Proprietary differentiator allowing institutions to reshape coherent datasets into multiple realistic "What-if" scenarios without rebuilding models.

Desktop Application: "Cloudy Driver" interface to bypass complex IT integrations, allowing analysts to generate data locally.

| Business Model

Hybrid B2B model designed for enterprise stickiness:

1. Market Entry: Complimentary small datasets to build trust.
2. Mid-Tier (\$2k - \$100k): One-off generation based on complexity.
3. Enterprise Grade (\$300k - \$1.5M+): Large-scale bespoke solutions.
4. Bespoke ML Models: Building custom predictive models trained on safe data.

| Traction & Validation

- Active conversations with 3 potential pilot clients.
- Validated 1 million records in ~8 minutes and scaleable.
- Internal testing confirms zero PII exposure and GDPR safety.

TECHNOLOGY: THE GENERATIVE ENGINE

| Architectural Core: The SDG Model

Northhaven's core offering is an **Institution-Specific Generative Model (SDG)**. Trained on client's statistical footprint (schema, correlations, aggregates) without storing raw PII.

| Hybrid Machine Learning Framework

C-CTGAN: Conditional GAN for static and tabular data. Employs a Generator (G) and Discriminator (D) to differentiate distributions.

Temporal Sequence Model (TSM): Addresses time-series complexity. Incorporates Temporal Convolutional Networks (T-CNNs) and Gated Recurrent Units (GRUs) for long-range dependencies (seasonality, payment cycles).

| The "Scenario Engine" Advantage

Allows controlled reshaping of data. Quants apply macro-economic shocks (e.g. "Increase inflation by 5%"). Result: Portfolio behaviors shift realistically in response to stressors.

| Auditability & Reproducibility

Cloudy Driver: Version Control automatically commits trained weights and schemas. Reproducibility guarantees any dataset can be precisely reproduced for audit (SR 11-7).

8 min

1 MILLION ROWS

16 hours

1 BILLION ROWS

0.95

CORRELATION RETENTION

FINANCIAL ANALYSIS & PROJECTIONS

METRIC	YEAR 1	YEAR 2	YEAR 3
Revenue	€200k	€1.5M	€5.0M
Strategy	Pilots & PoCs	Enterprise Expansion	Scale & SaaS
Gross Margin	-	-	85% (at scale)

| Unit Economics & Burn Rate

Model: Setup Fees (150k PLN) + Monthly Licensing (15k PLN/mo).

Burn: Approximately 62,000 PLN/mo (~\$15,500 USD).

Ask: \$2.5M Seed for 12% Equity. **Runway:** ~34 months.

| Use of Proceeds

- **40% Developers:** Backend & ML Engineers.
- **25% Quants:** Financial Modeling Analysts.
- **20% Infrastructure:** GPU capacity & Cloud scaling.
- **15% Sales:** Enterprise delivery & BD.

Milestones: M6: Launch with first client. M9: ISO 27001/27017 initiation. M12: ARR ~500k PLN & audit-readiness.

INVESTMENT HIGHLIGHTS

01 Proprietary "Financial Brain" Architecture

Incorporate domain-specific logic—understanding credit spreads, liquidity ratios, and VaR. Synthetic data is financially coherent for high-stakes modeling.

02 The Scenario Engine as a Moat

Stress-test portfolios against hypothetical future states without altering underlying models. Dynamic risk management tool not provided by generalists.

03 Solves "Cold Start" for SME Lending

Lack of historical data for SMEs is addressed by generating synthetic history, enabling risk modeling for "thin-file" borrowers.

04 Regulatory Compliance accelerator

"GDPR-by-Design." Innovate without compliance friction. Reduces model validation times from months to days, providing quantifiable ROI.

05 Enterprise-Ready Auditability

"Cloudy Driver" for full reproducibility and version control. Provides audit trails required by regulators (FSA, KNF) for rapid adoption.

06 Validated Performance at Scale

Generates 1 billion records in ~16 hours with sub-linear scaling. Supports massive requirements of global institutions.

RISKS & MITIGATION STRATEGIES

| Risk 1: Extended Sales Cycles

Selling to banks involves long lead times (6-18 months) due to complex procurement. **Mitigation:** Targeting Tier-2 banks and Private Debt Funds with shorter loops. Low-friction "Desktop App" deployment.

| Risk 2: Trust and Credibility

Established banks require trust for critical infra. **Mitigation:** Pilot Programs & PoCs to empirically prove value. Allocation of funds for ISO 27001/27017 certifications.

| Risk 3: Competition from Big Tech

Big Tech could pivot to offer synthetic data. **Mitigation:** Moat through deep verticalization (covenants, waterfalls) built into the generative model difficult for generalists to replicate.

| Risk 4: Talent Scarcity

Specialized AI/ML talent is scarce. **Mitigation:** Warsaw, Poland, hub offers high-quality pool at efficient cost basis. 40% of funds prioritized for R&D talent.

INVESTOR TYPES & TARGET PROFILE

INVESTOR TYPE	CHECK SIZE	STAGE	KEY MOTIVATION
Angel Investors	\$25k - \$250k	Pre-Seed	Former fintech/banking execs backing domain innovation.
Venture Capital	\$500k - \$5M	Seed / A	Seek 10x+ returns in "Infrastructure for AI" plays.
Family Offices	\$1M - \$10M	Varies	"Patient capital" hedging against digital disruption.
Strategic Investors	\$1M - \$10M	Strategic	Banks/Fintechs acquiring tech for internal risk modeling.

| Target Profile for Northhaven

Best suited for Seed-stage VCs or Strategic Investors with a thesis on Fintech Infrastructure or Applied Generative AI. Investors who understand regulatory friction in Europe (GDPR) will immediately grasp the value proposition. Seeking partners who can assist in navigating the EU AI Act and opening doors to Tier-1 financial institutions.

CAPITAL MARKETS OVERVIEW

| Market Conditions

AI Infrastructure and RegTech remain bright spots. Investors favor "Pick and Shovel" plays that enable GenAI adoption in regulated industries.

| Global VC Climate

Dry Powder: Record levels available for high-conviction Seed AI deals. **Flight to Quality:** Priority on strong unit economics and clear ROI.

| Sector Trends

Synthetic Data: Increased deal flow as privacy regulations tighten. Rounds in competitors validate demand.

Enterprise GenAI: Shift from "Chatbots" to "Core Process" applications in banking risk management.

| Favorable Environment

EU AI Act and GDPR create a moat. Poland's location offers cost-efficiency arbitrage vs US competitors.

Contact Information

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