

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

CozyNest exists to provide a warm and inviting retreat for guests, delivering exceptional hospitality through elegantly appointed rooms and personalized service. By offering a home-like atmosphere with modern amenities and a delicious homemade breakfast sourced from local ingredients, CozyNest ensures every guest feels welcome and well-cared-for. Our core mission is to create a delightful and memorable experience for all visitors, ensuring their stay is comfortable, relaxing, and meets their individual needs.

Our Vision

CozyNest envisions becoming the preferred choice for travelers seeking short-term accommodations that offer both comfort and a personalized touch. In the next twenty years, we aim to expand our reach to multiple locations, each maintaining the charm and exceptional hospitality our guests have come to love. We aspire to set a new standard in the bed and breakfast industry, creating a network of cozy homes where travelers can find a retreat that feels like their own, ultimately making travel experiences more warm, inviting, and unforgettable.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 1.734k

Revenue

\$ 867k

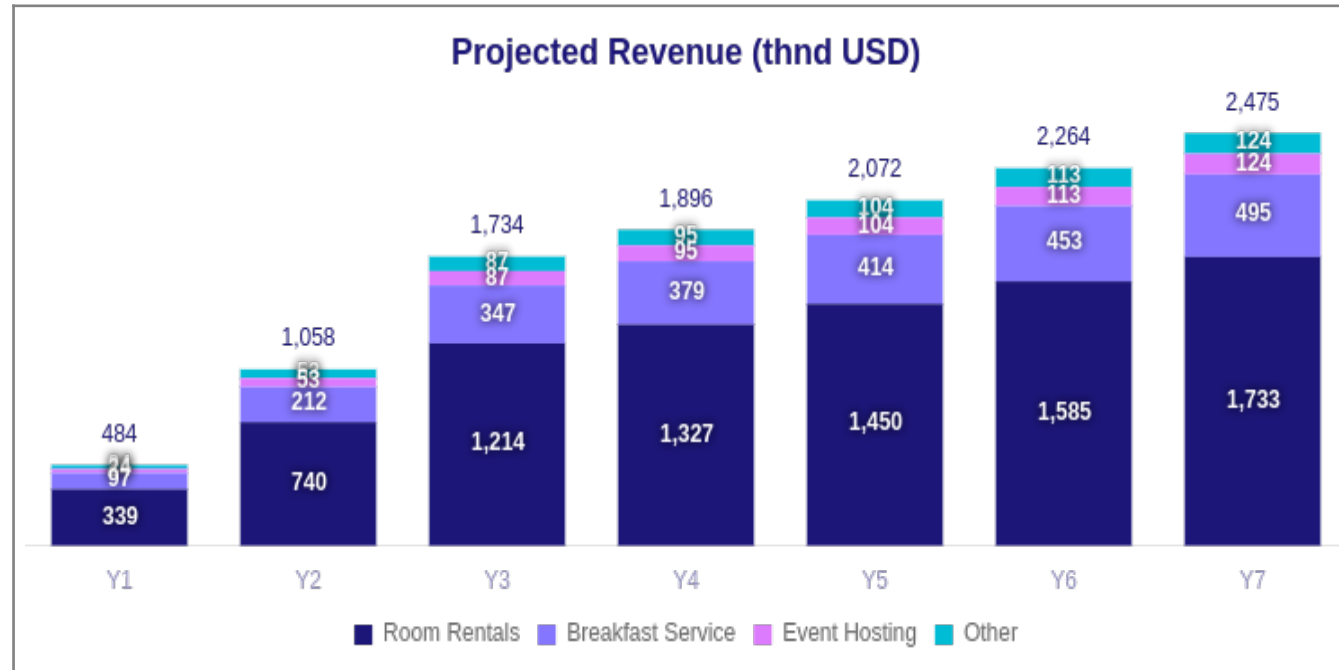
Gross Profit

\$ 390k

EBITDA

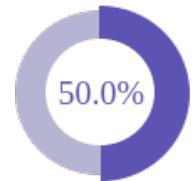
0.28%

Target Market Share

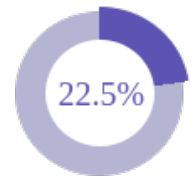


Margins
(Stabilized by Y3)

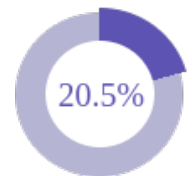
GP Margin



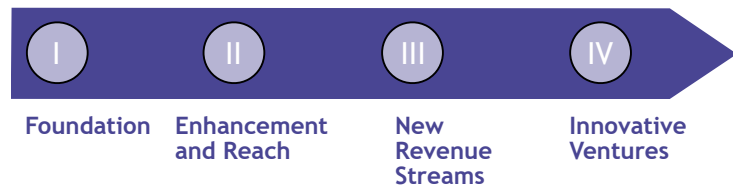
EBITDA Margin



PbT Margin



Project Phases



Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

Investment will be used to finance CAPEX, WC buffers, etc.



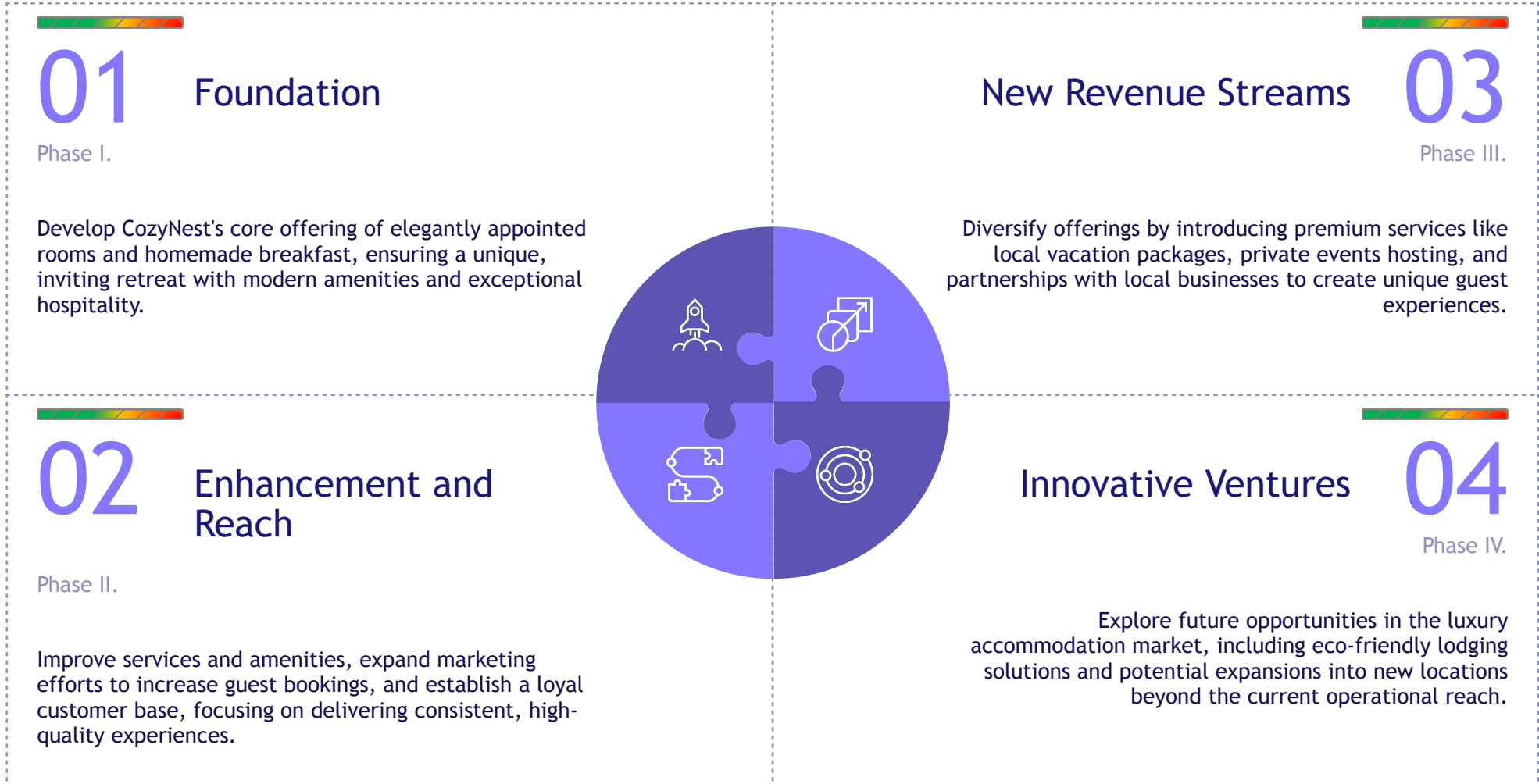
About the Company: General Overview



CozyNest is a charming bed and breakfast that offers a warm and inviting retreat for guests seeking a comfortable and personalized stay. Specializing in short-term accommodation activities, CozyNest operates within the accommodation and food service activities sector. The establishment features elegantly appointed rooms, each designed to provide a home-like atmosphere with modern amenities and thoughtful touches. At CozyNest, exceptional hospitality is a cornerstone, highlighted by a delicious homemade breakfast served daily with locally sourced ingredients. Their focus on creating a cozy, relaxed environment ensures that every guest feels welcome and well-cared-for. Whether guests are visiting for a weekend getaway or a longer stay, CozyNest provides a delightful and memorable experience.



The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Guests	<ol style="list-style-type: none"> 1. Enjoy uniquely appointed rooms with modern amenities for a cozy, home-like stay. 2. Relish a delicious homemade breakfast made from locally sourced ingredients daily. 3. Experience exceptional hospitality that ensures a warm, welcoming atmosphere.
Local Suppliers	<ol style="list-style-type: none"> 1. Increased business opportunities through partnerships for local produce and products. 2. Strengthened local economy by fostering community connections and supporting local agriculture. 3. Regular income from consistent orders for breakfast ingredients and other supplies.
Employees	<ol style="list-style-type: none"> 1. Opportunity for professional growth in the hospitality industry with training and development. 2. A supportive work environment that values exceptional service and teamwork. 3. Stable employment and potential for career advancement as the company grows.
Local Community	<ol style="list-style-type: none"> 1. Boosted local tourism, leading to increased economic activity and support for local businesses. 2. Enhanced community reputation as a welcoming and hospitable destination. 3. Opportunities for collaboration on community events and initiatives.
Investors	<ol style="list-style-type: none"> 1. Promising return on investment with the potential for steady growth and diversification. 2. Assurance of a well-managed company focused on quality and customer satisfaction. 3. Opportunities to invest in future eco-friendly lodging solutions and new market expansions.
Partners and Collaborators	<ol style="list-style-type: none"> 1. Mutually beneficial partnerships with local businesses to create unique guest experiences. 2. Co-hosting opportunities for private events and local vacation packages. 3. Increased visibility and marketing reach through collaborative efforts.
Regulatory Bodies	<ol style="list-style-type: none"> 1. Compliance with local regulations and standards, ensuring safe and high-quality accommodation services. 2. Contribution to the local economy and employment through a sustainable business model. 3. Promoting responsible and eco-friendly lodging practices as part of long-term strategy.



Key Performance Components

Competitive Advantage

Exceptional Hospitality

CozyNest prides itself on delivering unparalleled hospitality, ensuring each guest feels welcome and well-cared-for through personalized service and attention to detail.

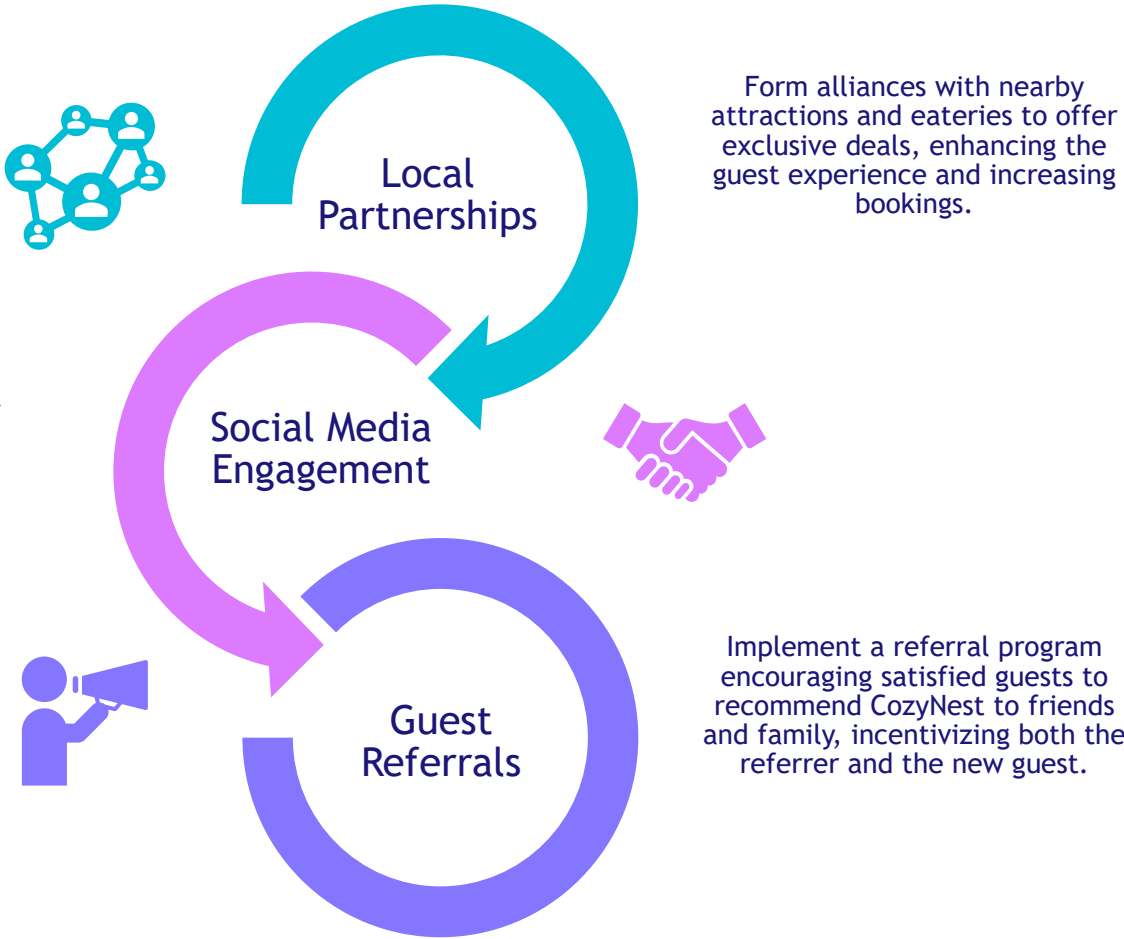
Homemade Breakfast

Guests enjoy a delicious homemade breakfast daily, featuring locally sourced ingredients that cater to a variety of tastes and dietary preferences, making mornings special.








Charming Atmosphere

CozyNest offers elegantly appointed rooms designed to provide a cozy, home-like atmosphere, creating a warm and inviting retreat for short-term stays.

Marketing and Growth Strategy

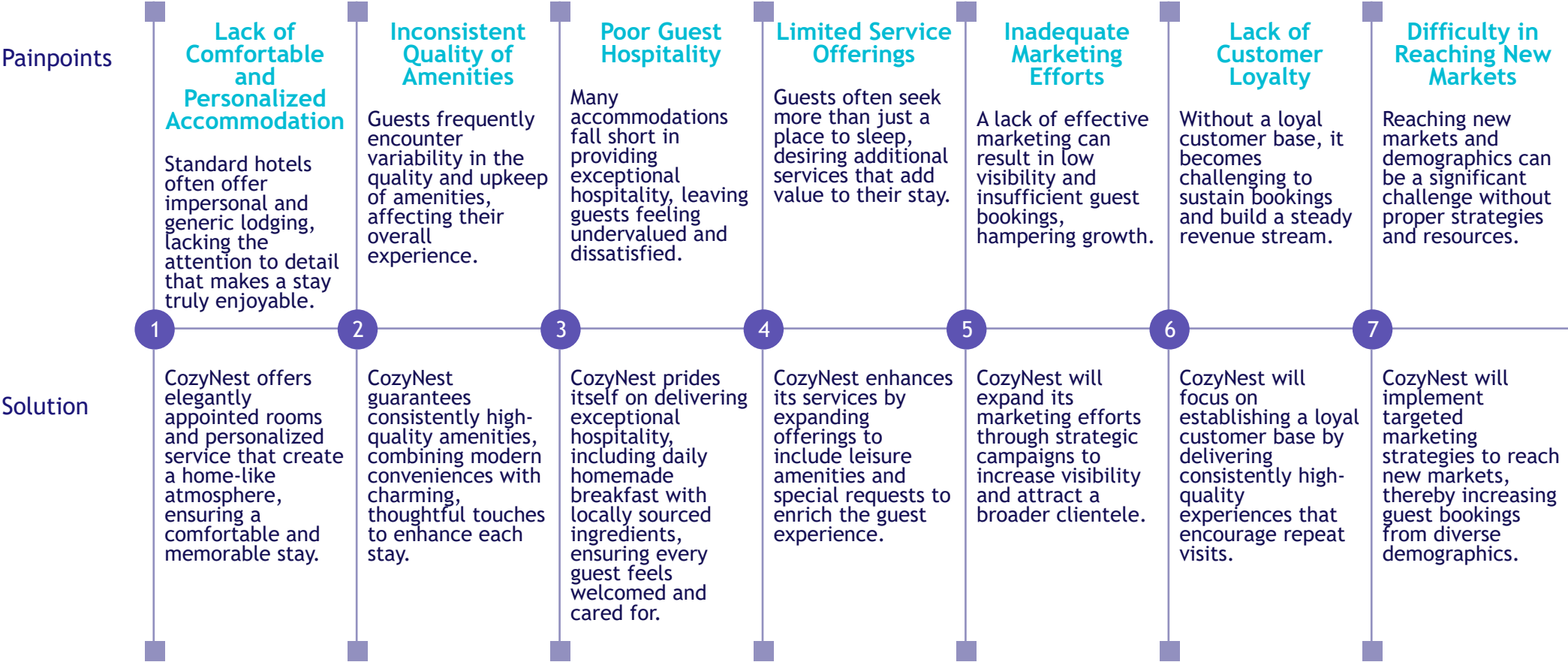


Target Groups

	Industries	Description
I	 Couples	Couples looking for a romantic getaway will appreciate CozyNest's intimate setting, personalized hospitality, and elegant rooms where they can unwind together.
II	 Business Travelers	Professionals on work trips can utilize CozyNest as a comfortable and tranquil place to relax after a busy day, benefiting from high-quality amenities and a serene environment.
III	 Families	Families seeking a homely atmosphere for vacations will enjoy the personalized touches and family-friendly services that make their stay stress-free and enjoyable.
IV	 Solo Travelers	Individuals traveling alone can find comfort in CozyNest's welcoming and safe environment, perfect for both relaxation and exploring the local area.
V	 Event Planners	Event planners can use CozyNest's inviting space to host private events, retreats, and small gatherings, making use of the unique and intimate setting for memorable occasions.
VI	 Local Tourists	Residents looking for a staycation will find CozyNest the perfect spot to experience a local retreat, enjoying the luxurious amenities and homey feel.
VII	 Eco-conscious Travelers	Guests who prioritize sustainability will be drawn to CozyNest's potential future eco-friendly lodging solutions, blending comfort with environmentally responsible practices.




Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




Personalized guest experience with warm, inviting atmosphere. Elegant, home-like rooms with modern amenities. Exceptional hospitality focusing on guest comfort. Homemade breakfast using locally sourced ingredients. Strong positive reputation and guest loyalty.

Weaknesses




Limited scalability due to personalized service model. High operational costs for quality maintenance. Dependence on local sourcing for breakfast. Limited marketing budget against larger chains. Seasonal business fluctuations impacting occupancy rates.

Opportunities



Increasing demand for personalized travel experiences. Expansion through additional locations or franchises. Collaborations with local attractions for package deals. Enhancement of online booking and digital marketing strategies. Tap into the growing market for eco-friendly accommodations.

Threats



Intense competition from larger hotel chains. Economic downturns affecting travel budgets. Local regulatory changes impacting operations. Rising costs of locally sourced ingredients. Potential negative reviews affecting reputation.



History & Roadmap



Current Status.

- Launching a comprehensive online presence by Mar 2024.
- Expanding room capacity with 5 new rooms by Sep 2024.
- Introducing in-house dining services by Feb 2025.
- Offering themed stay packages by Jun 2025.
- Building partnerships with local tour providers by Oct 2025.
- Implementing sustainability initiatives by Apr 2026.



Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Define Company Vision and Mission	●	Not Started	High	CEO 2 weeks
2	Develop Business Plan	●	Not Started	High	CEO 1 month
3	Secure Initial Funding	●	Not Started	High	CFO 1.5 months
4	Establish Legal Structure	●	Not Started	High	COO 3 weeks
5	Hire Key Staff	●	Not Started	High	COO 1 month
6	Identify and Secure Property	●	Not Started	High	COO 2 months
7	Develop Operational Procedures	●	Not Started	Medium	COO 1.5 months
8	Implement Financial Management System	●	Not Started	Medium	CFO 1 month
Marketing					
1	Develop Brand Identity and Guidelines	●	Not Started	High	CMO 1 month
2	Create a Comprehensive Marketing Plan	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Launch Initial Advertising Campaigns	●	Not Started	High	CMO 2 months
5	Develop Partnerships with Local Businesses	●	Not Started	Medium	CMO 3 months
6	Create and Distribute Promotional Materials	●	Not Started	Medium	CMO 2 months
7	SEO Optimization for Website	●	Not Started	High	CMO 1.5 months
8	Establish Email Marketing Campaigns	●	Not Started	Medium	CMO 2 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Identify and secure property	●	Not Started	High	CFO	2 months
2	Design layout and interior decor	●	Not Started	High	CPO	3 months
3	Establish vendor relationships for local ingredients	●	Not Started	Medium	CRO	2 months
4	Develop technology infrastructure for bookings and management	●	Not Started	High	CTO	3 months
5	Hire initial staff for key roles	●	Not Started	High	COO	2 months
6	Set safety and health protocols	●	Not Started	High	CSO	1.5 months
7	Prepare financial projections and budget	●	Not Started	High	CFO	1 month
8	Finalize room service offerings and amenities	●	Not Started	Medium	COO	2.5 months
Phase 2						
1	Improve Room Services	●	Not Started	High	COO	3 months
2	Enhance Breakfast Menu	●	Not Started	Medium	CFO	2 months
3	Develop Comprehensive Marketing Strategy	●	Not Started	High	CMO	1 month
4	Launch Social Media Campaigns	●	Not Started	High	CMO	1 month
5	Enhance Website and Booking System	●	Not Started	High	CTO	2 months
6	Gather and Analyze Guest Feedback	●	Not Started	Medium	CIO	2 months
7	Implement Loyalty Programs	●	Not Started	Medium	CRO	4 months
8	Collaborate with Local Businesses	●	Not Started	Medium	CSO	3 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 3						
1	Develop Local Vacation Packages	●	Not Started	High	COO	3 months
2	Establish Partnerships with Local Businesses	●	Not Started	High	CMO	2 months
3	Introduce Private Events Hosting	●	Not Started	Medium	CPO	4 months
4	Develop Premium Guest Services	●	Not Started	High	COO	3 months
5	Create Unique Experience Packages	●	Not Started	Medium	CSO	4 months
6	Enhance Online Booking System with Add-ons	●	Not Started	High	CTO	2 months
7	Market New Revenue Streams Via Social Media	●	Not Started	Medium	CRO	1 month
8	Train Staff on New Offerings	●	Not Started	High	COO	2 months
Phase 4						
1	Research eco-friendly lodging solutions	●	Not Started	High	CPO	3 months
2	Identify potential new locations	●	Not Started	High	CSO	6 months
3	Assess financial viability for expansion	●	Not Started	High	CFO	4 months
4	Build partnerships with eco-friendly suppliers	●	Not Started	Medium	CPO	5 months
5	Develop marketing strategy for new eco-friendly offerings	●	Not Started	Medium	CMO	4 months
6	Create project plan for new locations	●	Not Started	Medium	COO	6 months
7	Evaluate technology needs for innovative lodging solutions	●	Not Started	Medium	CTO	4 months
8	Conduct market research for potential new locations	●	Not Started	High	CSO	3 months



Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Staff turnover	COO	Implement staff retention programs, provide competitive wages, and create a positive work environment.
2	Equipment failures	CTO	Establish regular maintenance schedules and keep spare parts and backup equipment on hand.
3	Supply chain disruptions	COO	Build relationships with multiple suppliers and maintain a buffer stock of essential items.
4	Inconsistent service quality	COO	Implement rigorous employee training programs and regular performance evaluations.
5	Health and safety incidents	CSO	Conduct regular safety drills, maintain cleanliness, and ensure compliance with health regulations.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Health and Safety Compliance	COO	Regularly update health and safety protocols to meet local, state, and federal regulations, and conduct frequent training for staff to ensure compliance.
2	Food Safety Regulations	CPO	Implement strict food safety practices, maintain proper hygiene standards in kitchen areas, and conduct regular inspections to ensure compliance with food safety laws.
3	Zoning Laws and Permits	CFO	Work closely with local authorities to secure necessary permits and ensure that all zoning laws are adhered to, updating permits as operations expand.
4	Employment Law Compliance	CRO	Ensure all employment practices comply with labor laws, provide regular training on legal compliance, and conduct periodic audits to identify and address potential issues.
5	Environmental Regulations	CSO	Adopt eco-friendly practices and ensure waste disposal, energy use, and other environmental factors meet regulatory standards, regularly reviewing policies to stay compliant.



3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Saturation	CMO	Differentiate CozyNest through unique, high-quality offerings and exceptional service to stand out from competitors.
2	Changing Consumer Preferences	CPO	Regularly gather and analyze customer feedback to adapt offerings and enhance the guest experience in line with evolving preferences.
3	Economic Downturn	CFO	Develop financial strategies and reserves to maintain stability and manage costs during periods of reduced demand.
4	Intense Competition	CSO	Conduct market analysis to identify competitive threats and continually innovate CozyNest's services to stay ahead.
5	Dependency on Seasonal Tourism	COO	Diversify revenue streams and create off-season attractions and packages to stabilize income throughout the year.

4. Finance risk

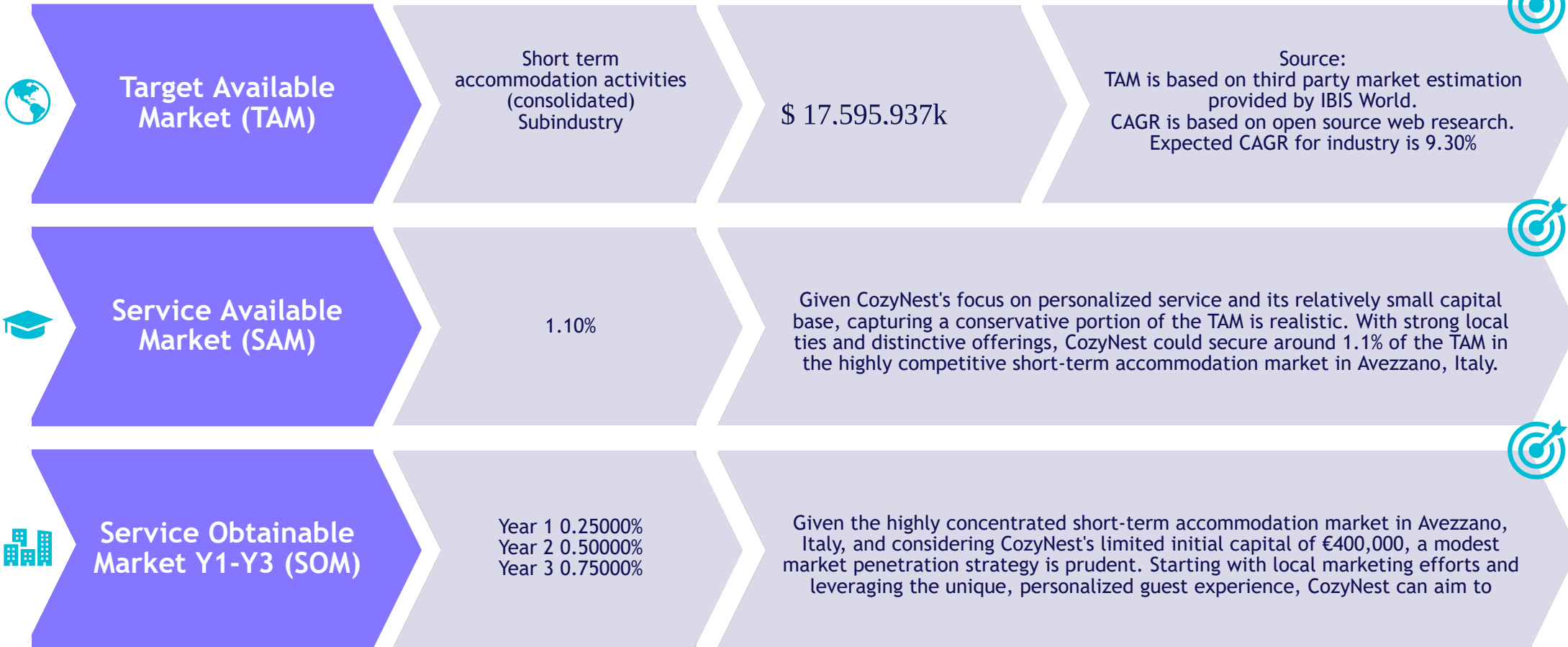
#	Risk Type	Area	Mitigation Strategy
1	Revenue Fluctuations	CFO	Maintain a diversified revenue stream and establish a strong cash reserve to buffer against seasonal variations in guest bookings.
2	Capital Availability	CFO	Develop relationships with multiple financial institutions and secure flexible lines of credit for periodic capital needs.
3	Cost Overruns	COO	Implement stringent cost-control measures and regularly review budget forecasts to identify and mitigate potential overruns.
4	Economic Downturn	CEO	Develop a crisis management plan that includes cost-cutting strategies and ways to pivot offerings to cater to budget-conscious travelers during economic downturns.
5	Cash Flow Management	CFO	Regularly monitor cash flow projections and implement effective receivables management to ensure timely collections and maintain liquidity.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Guest Satisfaction and Reputation Risk	CMO	Establish a comprehensive guest feedback system and proactively address issues to maintain high satisfaction levels.
2	Market Competition	CEO	Regularly review market trends and adjust strategy to offer unique and competitive services that differentiate CozyNest from competitors.
3	Staff Retention and Talent Acquisition	COO	Implement employee engagement programs and competitive benefits to retain and attract top talent in the hospitality sector.
4	Seasonal Demand Fluctuations	CFO	Develop a flexible pricing strategy and special offers to attract guests during off-peak seasons, ensuring steady revenue throughout the year.
5	Brand Consistency	CBO	Implement standardized operating procedures and regular training programs to ensure consistent delivery of CozyNest's brand promise across all locations.



Market Overview (TAM, SAM and SOM)

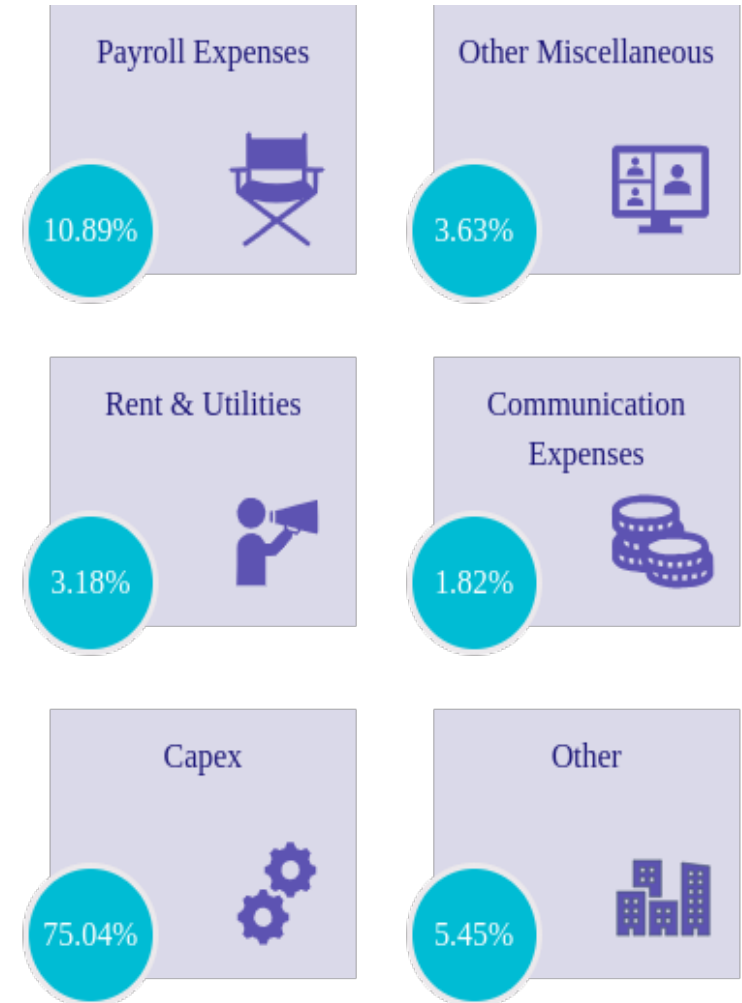


Funding Allocation

The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection. Table below presents the overview of expected inflows and outflows.

The total investment required is \$ 400k

Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	242	
Payroll Expenses		58
Other Miscellaneous		19
Rent & Utilities		17
Communication Expenses		10
Capex		400
Legal and Professional Fees		10
Office supplies		7
Representation and Entert.		5
Training and Development		5
Marketing and Branding		2
CAPEX & WC shortage Y1		291
Buffer		109
Total Required Investment(thnd USD)		400

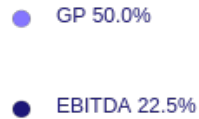


Y3 PL formation and Margins

Revenue



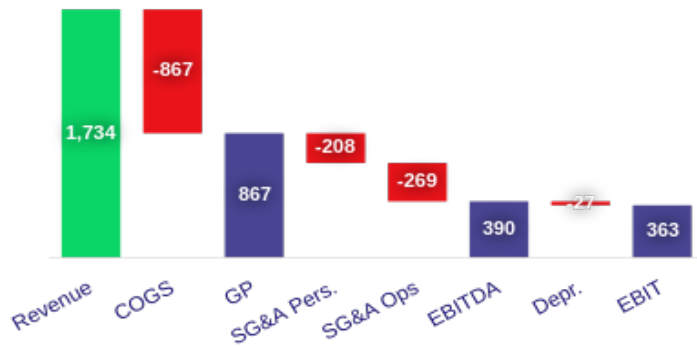
Projected Revenue



Y3

Y3

PnL Formation (Y3 thnd USD)

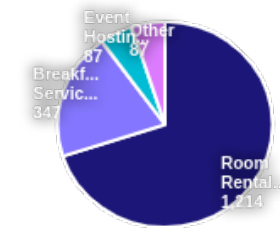
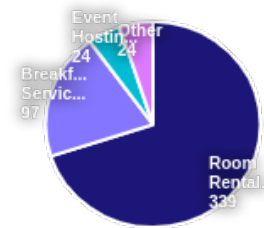


Business Line Breakdown (thnd USD)

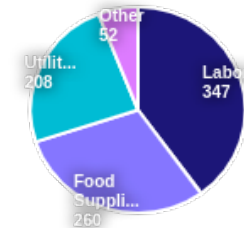
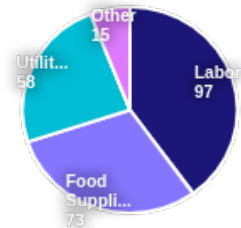
Y1

Y2

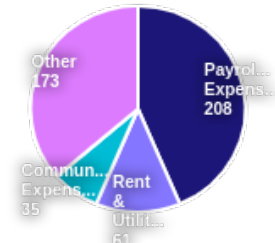
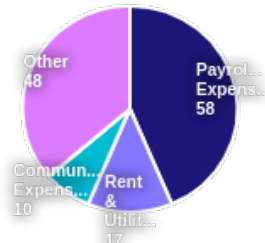
Revenue



COGS



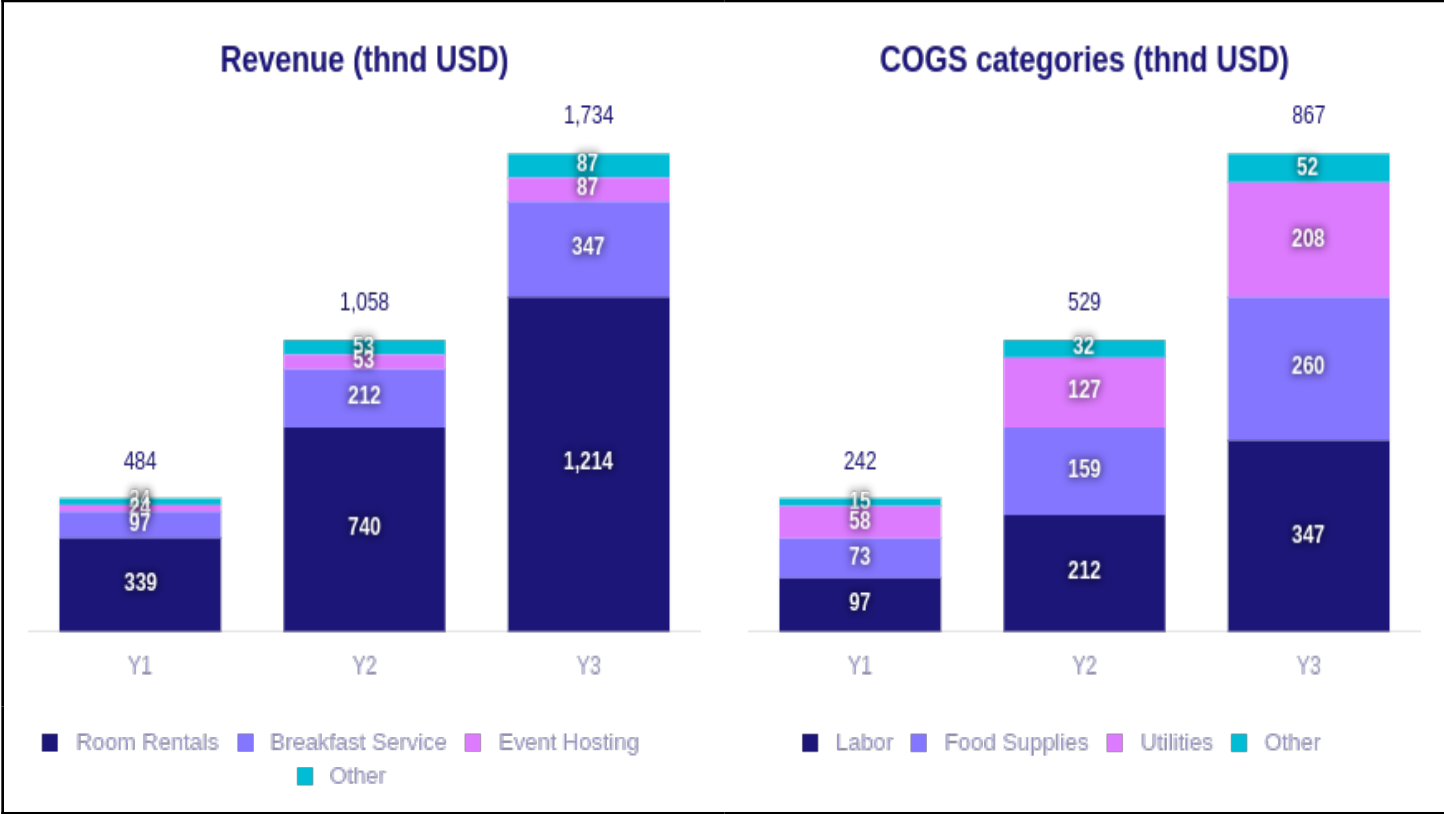
Admin



Revenue Formation Narrative

CozyNest has identified a substantial total addressable market (TAM) of 17,595,937.356k USD within the short-term accommodation activities industry. However, given CozyNest's focus on personalized service and its relatively small capital base, capturing 1.1% of this TAM is a realistic goal. This translates into an estimated serviceable addressable market (SAM) that aligns well with CozyNest's unique customer offerings and market positioning. Specifically, our projections estimate a modest Serviceable Obtainable Market (SOM) penetration. For the first year, we estimate capturing 0.25% of the market, leading to a revenue of 483.888k USD. By leveraging positive guest reviews and increased brand recognition, growth is projected to continue with market share expansion to 0.50% in the second year, generating 1,057.78k USD in revenue, and reaching 0.75% in the third year with a corresponding revenue of 1,734.23k USD. This conservative market penetration strategy reflects initial cautious steps in marketing and operational scaling, aligning with CozyNest's focus on quality and guest experience. The revenue model is diversified across four main lines of business: Room Rentals (70.00%), Breakfast Service (20.00%), Event Hosting (5.00%), and Other (5.00%). These estimates and strategic plans ensure a solid foundation for gradual growth and profitability in the highly competitive short-term accommodation market in Avezzano, Italy.

\$ 1.734k
Y3 Projected Revenue
0.28%
Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Room Rentals	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Breakfast Service	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Event Hosting	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

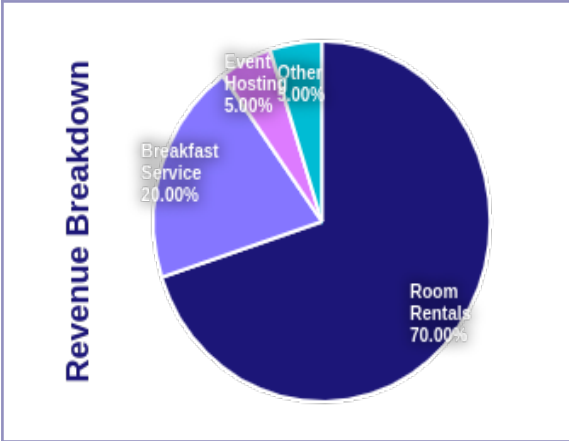
Room Rentals	21	21	21	25	25	25	31	31	31	35	35	35	339	740	1,214
Breakfast Service	6	6	6	7	7	7	9	9	9	10	10	10	97	212	347
Event Hosting	2	2	2	2	2	2	2	2	2	3	3	3	24	53	87
Other	2	2	2	2	2	2	2	2	2	3	3	3	24	53	87
Total Revenue (thnd USD)	30	30	30	36	36	36	44	44	44	50	50	50	484	1,058	1,734

Total revenue is expected to reach \$ 1,734k by year 3.

Main revenue driver are:

- Room Rentals which generates \$ 1,214k by Year 3
- Breakfast Service which generates \$ 347k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 89.31 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Labor	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Food Supplies	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Utilities	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

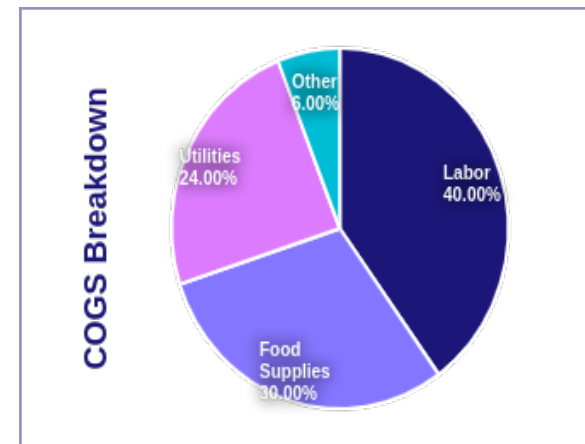
Labor	6	6	6	7	7	7	9	9	9	10	10	10	97	212	347
Food Supplies	5	5	5	5	5	5	7	7	7	8	8	8	73	159	260
Utilities	4	4	4	4	4	4	5	5	5	6	6	6	58	127	208
Other	1	1	1	1	1	1	1	1	1	2	2	2	15	32	52
Total COGS (thnd USD)	15	15	15	18	18	18	22	22	22	25	25	25	242	529	867

Total COGS is expected to reach \$ 867k by year 3.

Main revenue driver are:

- Labor which generates \$ 347k by Year 3
- Food Supplies which generates \$ 260k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 89.31 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>Payroll Expenses</i>	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
<i>Rent & Utilities</i>	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
<i>Communication Expenses</i>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<i>Office supplies</i>	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<i>Legal and Professional Fees</i>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<i>Marketing and Branding</i>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<i>Representation and Entertainment</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Training and Development</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Other Miscellaneous</i>	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

<i>Payroll Expenses</i>	4	4	4	4	4	4	5	5	5	6	6	6	58	127	208
<i>Rent & Utilities</i>	1	1	1	1	1	1	2	2	2	2	2	2	17	37	61
<i>Communication Expenses</i>	1	1	1	1	1	1	1	1	1	1	1	1	10	21	35
<i>Office supplies</i>	0	0	0	1	1	1	1	1	1	1	1	1	7	16	26
<i>Legal and Professional Fees</i>	1	1	1	1	1	1	1	1	1	1	1	1	10	21	35
<i>Marketing and Branding</i>	0	0	0	0	0	0	0	0	0	0	0	0	2	5	9
<i>Representation and Entertainment</i>	0	0	0	0	0	0	0	0	0	1	1	1	5	11	17
<i>Training and Development</i>	0	0	0	0	0	0	0	0	0	1	1	1	5	11	17
<i>Other Miscellaneous</i>	1	1	1	1	1	1	2	2	2	2	2	2	19	42	69

Total SG&A (thnd USD)	8	8	8	10	10	10	12	12	12	14	14	14	133	291	477
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PaT Expectations

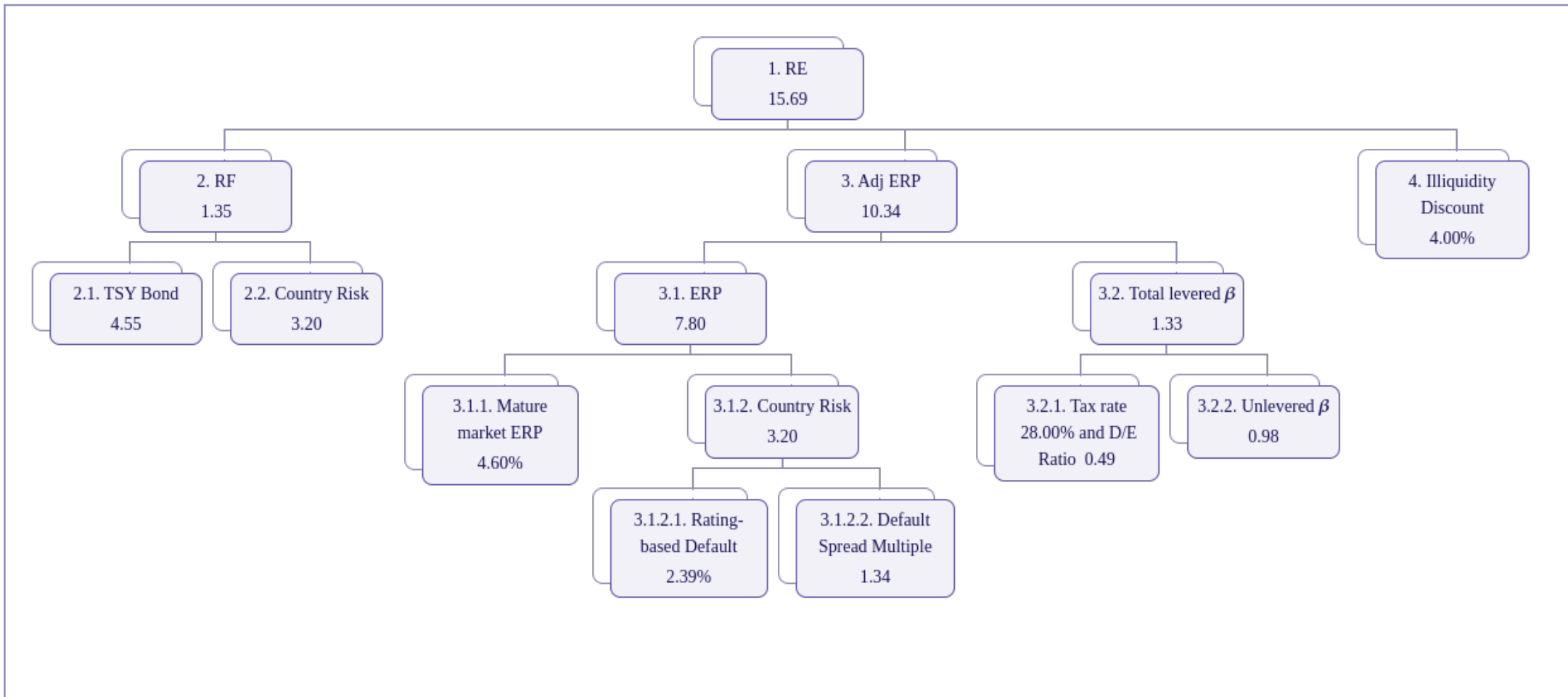
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	30	30	30	36	36	36	44	44	44	50	50	50	484	1,058	1,734
Room Rentals	21	21	21	25	25	25	31	31	31	35	35	35	339	740	1,214
Breakfast Service	6	6	6	7	7	7	9	9	9	10	10	10	97	212	347
Event Hosting	2	2	2	2	2	2	2	2	2	3	3	3	24	53	87
Other	2	2	2	2	2	2	2	2	2	3	3	3	24	53	87
COGS	-15	-15	-15	-18	-18	-18	-22	-22	-22	-25	-25	-25	-242	-529	-867
Labor	-6	-6	-6	-7	-7	-7	-9	-9	-9	-10	-10	-10	-97	-212	-347
Food Supplies	-5	-5	-5	-5	-5	-5	-7	-7	-7	-8	-8	-8	-73	-159	-260
Utilities	-4	-4	-4	-4	-4	-4	-5	-5	-5	-6	-6	-6	-58	-127	-208
Other	-1	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	-15	-32	-52
Gross Profit	15	15	15	18	18	18	22	22	22	25	25	25	242	529	867
SG&A Personal Expenses	-4	-4	-4	-4	-4	-4	-5	-5	-5	-6	-6	-6	-58	-127	-208
SG&A Operating Expenses	-5	-5	-5	-6	-6	-6	-7	-7	-7	-8	-8	-8	-75	-164	-269
EBITDA	7	7	7	8	8	8	10	10	10	11	11	11	109	238	390
Depreciation	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-27	-27	-27
EBIT	5	5	5	6	6	6	8	8	8	9	9	9	81	211	363
Interest Expense	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-7	-7	-7
Profit before Tax	4	4	4	5	5	5	7	7	7	8	8	8	74	203	356
Tax	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-21	-57	-100
Profit after Tax (thnd USD)	3	3	3	4	4	4	5	5	5	6	6	6	53	146	256



Required Return on Equity Derivation



Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is $R(E) = R(F) + \beta * (ERP)$, where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple (β) is average equity betas of corresponding industries. Despite the company has no debt, the unlevered beta was levered with industry average figures to reflect the long-term D/E ration in the capital structure. Additionally, Illiquidity Risk Premium of 4% is added to the estimated Return on Equity to reflect risk associated with firm being Privately Held vs Publicly Traded Companies.

Additional Assumptions

To calculate the companies Firm Value, its future Free Cash Flow to Equity (FCFE) is discounted using estimated Required Return on Equity.

The 3rd-year projected cash flow is used as a representation of the long-term Free Cash Flow to the Equity (FCFE). This approach may understate the valuation because cash flows are expected to grow more aggressively in the first 10 years, and the growth from years 4 to 10 is not reflected in this calculation. Long-term growth rate of 5% is applied.

After discounting the cashflows and measuring the Firm Value it is adjusted to historical estimate of Start-up firm's survival rate. The allows to incorporate risk of start-ups fails.

Survival of new establishments founded in 1998

	Proportion of firms that were started in 1998 that survived through						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	44.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html

<https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf>

<http://pages.stern.nyu.edu/~adamodar/>



Business Valuation

	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	53	146	256	280	306	334	365
	Growth% Y4-Y7				9.30%	9.30%	9.30%	9.30%
	Growth% Y7 -->				3.50%			
	WACC				15.69%			
	PV Y1-Y7 at Y0	46	109	165	156	148	139	132
	PV Y7 --> Y0				1,118			
	NPV (thnd USD)				2,014			

Average Survival Rate for 3 Years

50%

Final Valuation

\$ 1.007k

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 15.69 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 9.30 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.



Financial and Technical

b \$ - Billions of \$
 B2B - Business to Business
 B2C - Business to Customer
 CAPEX - Capital Expenditure
 CAPM - Capital Asset Pricing Model
 COGS - Cost of goods sold
 DCF - Discounted cash flow
 Depr. - Depreciation
 EBIT - Earnings before interest and taxes
 EBITDA - Earnings before interest, taxes, depreciation, and amortization
 EBT - Earnings Before Tax
 ERP - Equity Risk Premium
 ETA - Estimated Time of Arrival
 EV - Enterprise Value
 FA (Tangible and Intangible) - Fixed assets (tangible and intangible)
 FX - Foreign Exchange
 FY - Fiscal year
 GP - gross profit
 k \$ - Thousands of \$
 LLM - Large Language Model
 LFY - Last fiscal year
 m \$ - Millions of \$
 MTD - Month-to-date
 MVP - Minimum Viable Product
 NFT - Non-Fungible Token
 NPV - Net present value
 OPEX - Operating Expense
 P&L - A profit and loss (P&L) statement
 PaT - Profit after Tax
 POC - Proof of Concept
 PPE - Property, plant, and equipment
 SG&A - Sales, General and Administrative
 TSY bond rate - Treasury bond rate
 WACC - Weighted average cost of capital
 YTD - Year-to-date

Organisational Structure

CBDO - Chief Business Development Officer
 CEO - Chief Executive Officer
 CPO - Chief Product Officer
 CFO - Chief Financial Officer
 CTO - Chief Technology Officer
 C-level - Chief level
 Eng - Engineer
 Dev - Developer
 HR - Human Resources

Other

Av - Average
 EoP - End of Period
 LE - Legal Entity
 PE - Private Equity
 TOM - Target Operating Model



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