

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

ClothesCraft exists to elevate personal style by providing a curated selection of high-quality, fashion-forward apparel for men, women, and children. The mission is to enhance customers' wardrobes with a blend of timeless classics and contemporary trends, all meticulously crafted for style and comfort. ClothesCraft prioritizes exceptional customer service and offers a personalized shopping experience to make each visit enjoyable and inspiring. Furthermore, the mission includes promoting sustainability by offering eco-friendly and ethical fashion choices, ensuring every purchase aligns with responsible consumerism.

Our Vision

ClothesCraft envisions a future where fashion and sustainability go hand-in-hand, setting a benchmark in the retail clothing industry for high-quality, ethically crafted apparel. In twenty years, we aim to have established a global presence, known for our exceptional customer service and personalized shopping experiences. We aspire to lead the movement towards environmental responsibility in fashion, offering a comprehensive range of eco-friendly options that meet the diverse needs of our customers. Ultimately, our vision is to become the preferred destination for refined and responsible fashion, inspiring a balanced lifestyle of style and sustainability.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 519k

Revenue

\$ 161k

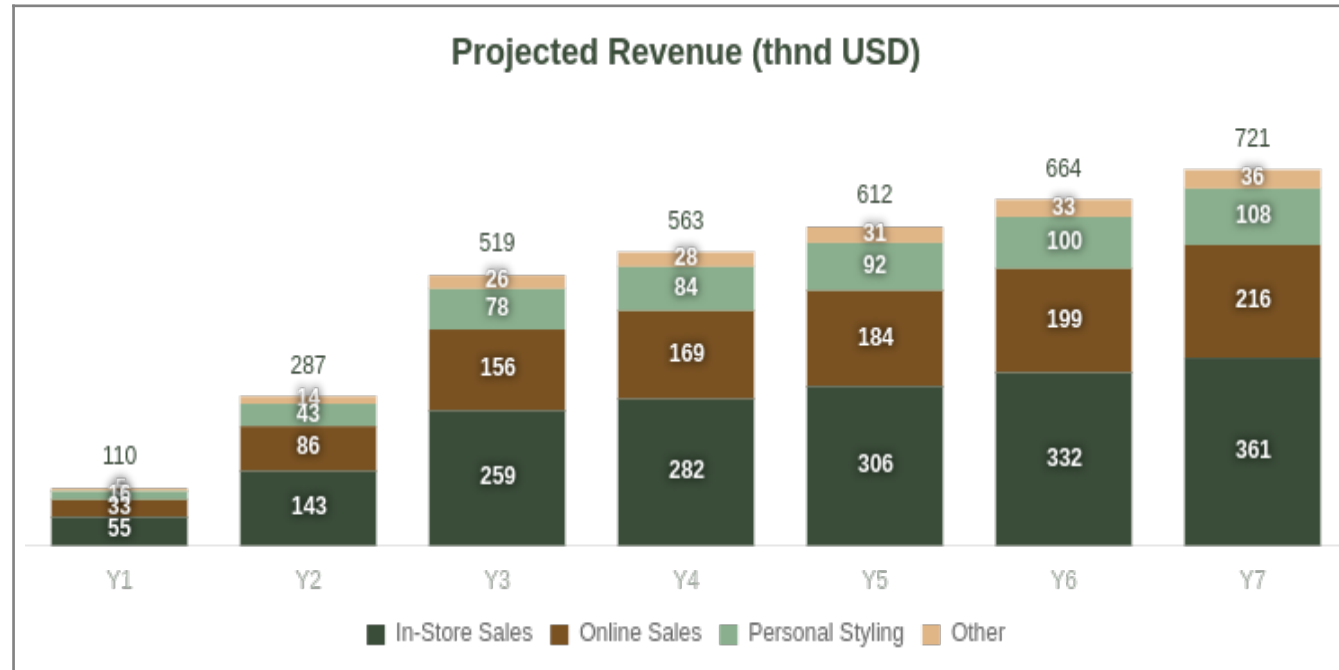
Gross Profit

-\$ 161k

EBITDA

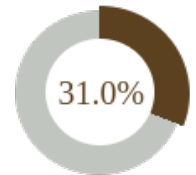
0.03%

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.



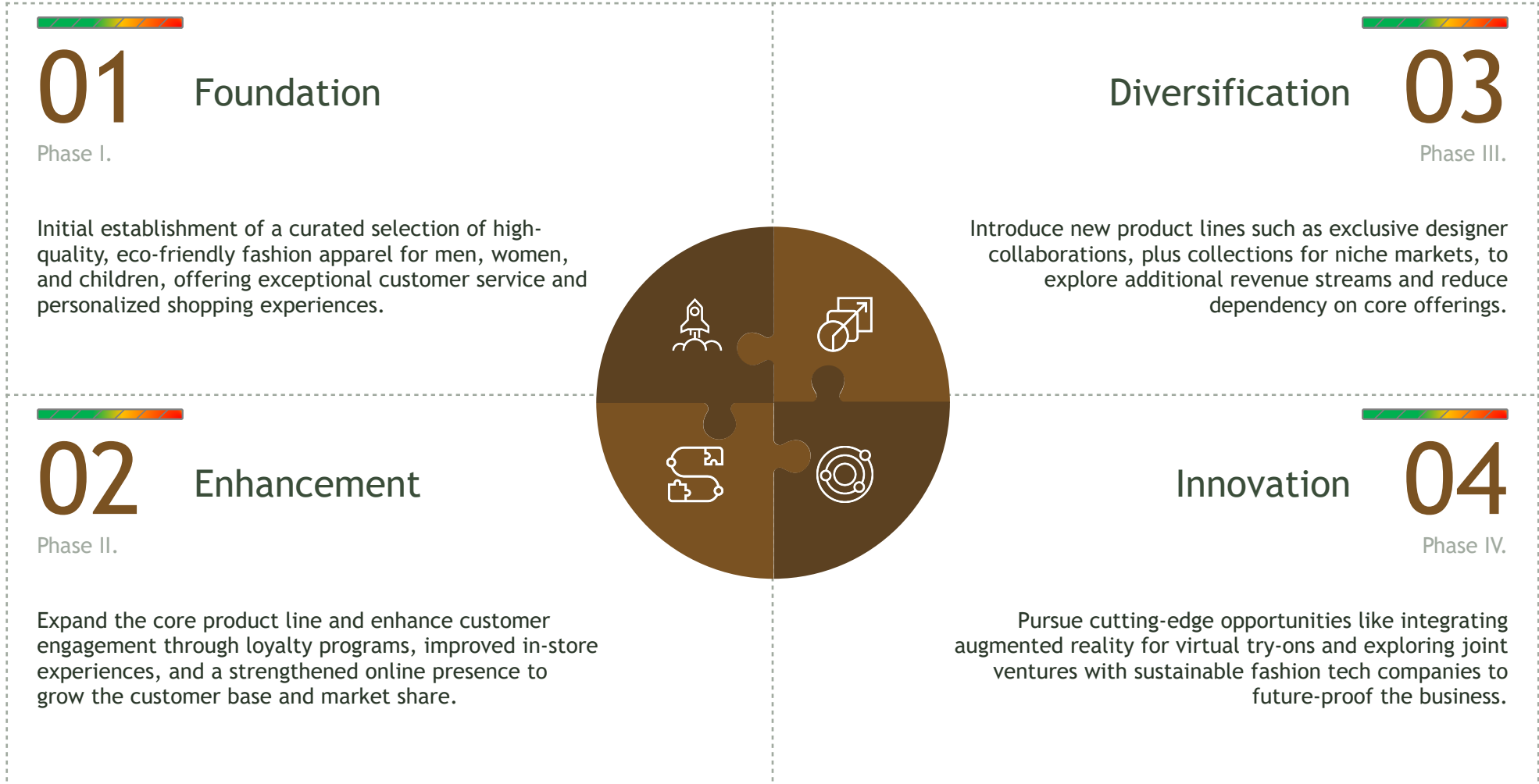
About the Company: General Overview



ClothesCraft is a premier clothing retail store dedicated to offering a curated selection of high-quality, fashion-forward apparel for men, women, and children. Their collection features a blend of timeless classics and contemporary trends, meticulously crafted to provide both style and comfort. At ClothesCraft, exceptional customer service and a personalized shopping experience are prioritized, ensuring each visit is enjoyable and inspiring. With a commitment to sustainability, they offer eco-friendly clothing options and ethical fashion choices. Whether customers are updating their wardrobe or seeking a standout piece, ClothesCraft is the destination for refined fashion and outstanding value. Operating within the industries of retail sale of other goods in specialized stores and within the sector of wholesale and retail trade; repair of motor vehicles and motorcycles, ClothesCraft stands out for its dedication to quality, service, and sustainability.



The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	<ol style="list-style-type: none"> 1. Access to a curated selection of high-quality, eco-friendly fashion apparel. 2. Enjoy personalized shopping experiences with exceptional customer service. 3. Benefit from loyalty programs and improved in-store and online experiences.
Suppliers	<ol style="list-style-type: none"> 1. Establish long-term partnerships with a growing retail brand. 2. Increase demand for high-quality, sustainable materials. 3. Opportunity to collaborate on exclusive designer collections and niche markets.
Employees	<ol style="list-style-type: none"> 1. Job security and opportunities for career growth in a well-established company. 2. Enhanced workplace environment with a focus on customer service and sustainability. 3. Training programs to improve skills and professional development.
Investors	<ol style="list-style-type: none"> 1. Potential for profitable returns through consistent market growth and expansion. 2. Diversification of revenue streams with new product lines and niche markets. 3. Future-proofing the business with innovative technologies and strategic partnerships.
Community	<ol style="list-style-type: none"> 1. Promotion of sustainable and ethical fashion practices within the local market. 2. Creation of job opportunities and support of the local economy. 3. Engagement in community events and initiatives for social good.
Environmental Groups	<ol style="list-style-type: none"> 1. Support for eco-friendly and sustainable fashion choices. 2. Reduction in carbon footprint through environmentally responsible practices. 3. Potential partnerships for promoting and advancing sustainable fashion technologies.
Industry Partners	<ol style="list-style-type: none"> 1. Collaborative opportunities for exclusive designer partnerships and tech integrations. 2. Shared knowledge and innovation in sustainable fashion retro a futuristic approach. 3. Strengthening of industry standards and practices through joint ventures.



Key Performance Components

Competitive Advantage

Curated Selection

ClothesCraft offers a carefully curated selection of high-quality, fashion-forward apparel, blending timeless classics with contemporary trends for men, women, and children.

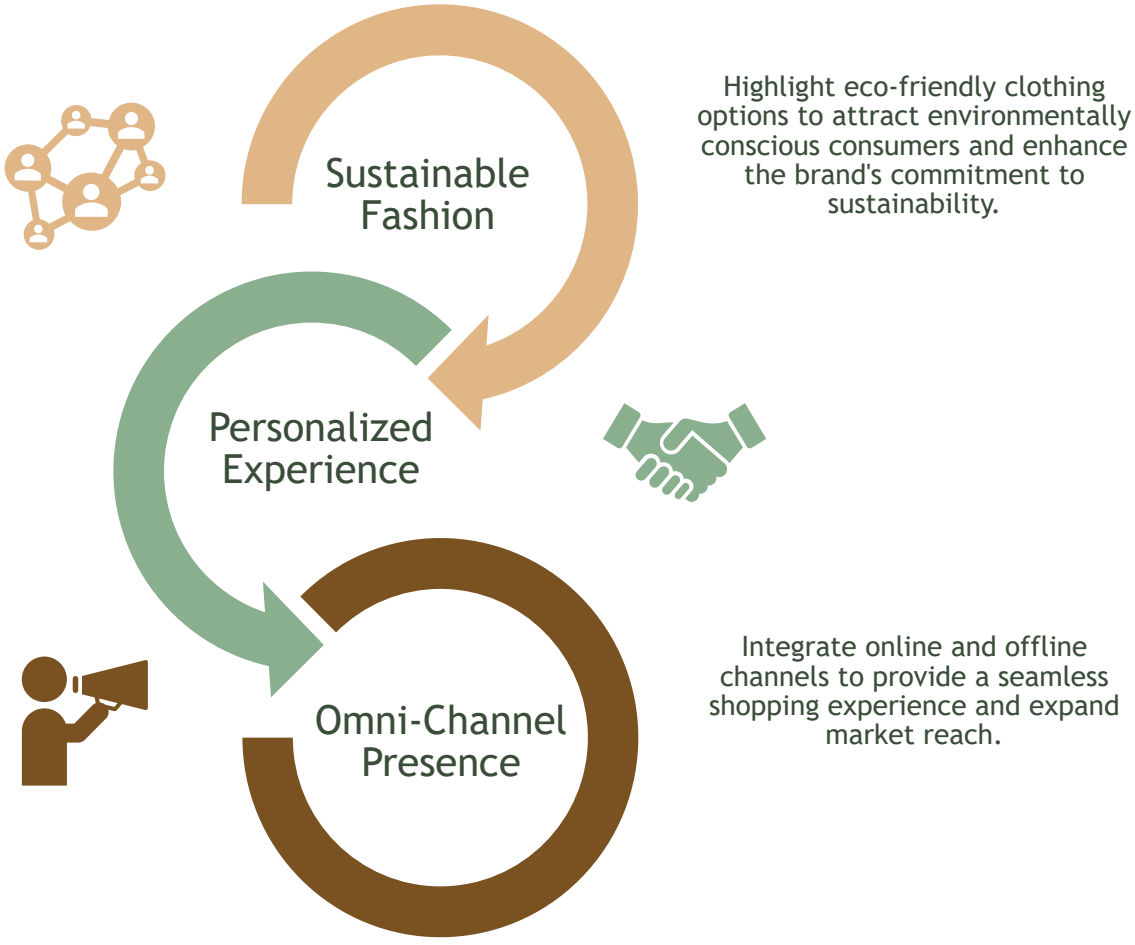
Exceptional Service

Prioritizing exceptional customer service, ClothesCraft ensures a personalized and enjoyable shopping experience, making each visit inspiring and unique for patrons.

Sustainable Fashion

Commitment to sustainability sets ClothesCraft apart, offering eco-friendly clothing options and ethical fashion choices that appeal to the environmentally conscious consumer.

Marketing and Growth Strategy

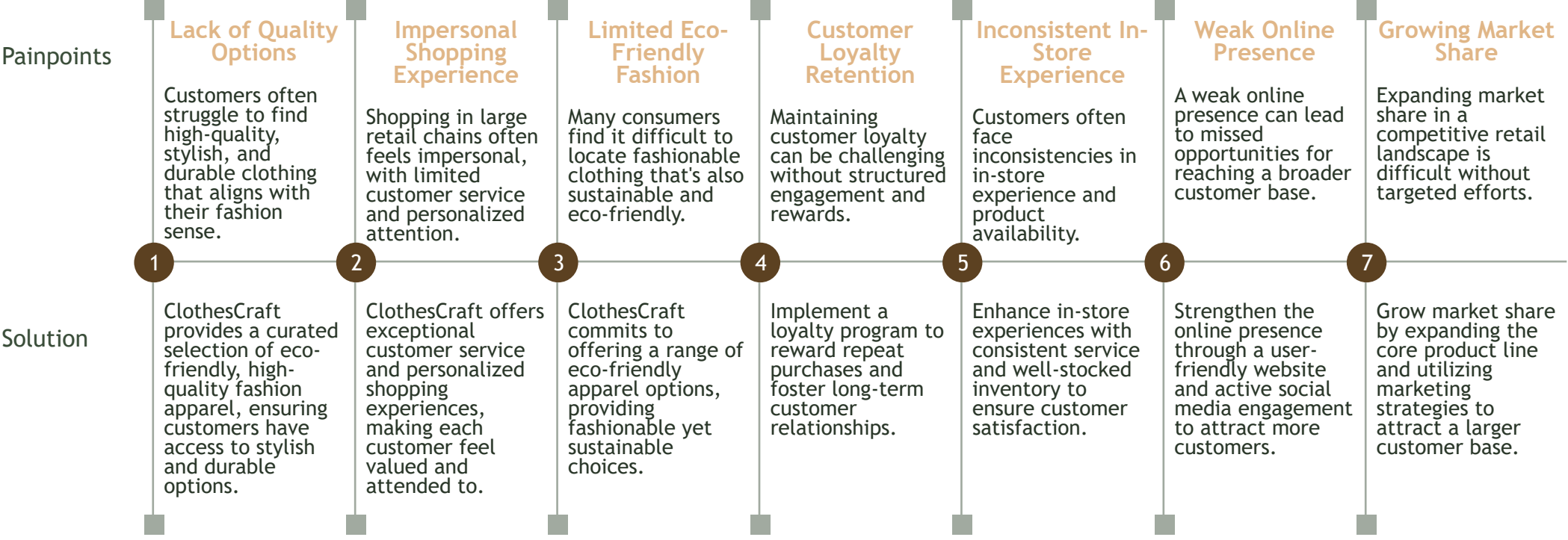


Target Groups

Industries		Description
I	 Eco-conscious Shoppers	These customers prioritize sustainability and are drawn to ClothesCraft's eco-friendly and ethically produced fashion offerings.
II	 Fashion Enthusiasts	Individuals passionate about staying on top of the latest fashion trends and looking for unique, stylish pieces that stand out.
III	 Families	Parents and guardians seeking high-quality, fashionable clothing for themselves and their children, valuing a one-stop shop experience.
IV	 Young Professionals	Early to mid-career individuals who need stylish and comfortable work attire that can transition seamlessly from office to social settings.
V	 Loyal Customers	Frequent shoppers who appreciate ClothesCraft's exceptional customer service and personalized shopping experiences, likely to benefit from loyalty programs.
VI	 Online Shoppers	Tech-savvy consumers who prefer the convenience of shopping online and are attracted by ClothesCraft's strong online presence and seamless e-commerce platform.
VII	 Niche Market Segments	Customers looking for specialized fashion collections, such as plus-size clothing, maternity wear, or exclusive designer collaborations, seeking unique and tailored apparel options.




Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




1. Diverse and high-quality product range catering to men, women, and children. 2. Focus on exceptional customer service and personalized shopping experience. 3. Commitment to sustainability with eco-friendly and ethical fashion options. 4. Strong brand reputation for offering fashion-forward and timeless pieces. 5. Expertise in curating both contemporary trends and classic styles.

Weaknesses




1. Limited physical presence compared to larger retail chains. 2. Higher price points due to premium and sustainable materials. 3. Dependence on skilled staff for personalized customer service. 4. Potential challenges in scaling operations while maintaining quality. 5. Seasonal trends may lead to inventory management issues.

Opportunities



1. Expansion into online retail to reach a broader audience. 2. Collaboration with influencers and fashion designers for exclusive collections. 3. Launch of loyalty programs to enhance customer retention. 4. Penetration into international markets with unique fashion offerings. 5. Increasing demand for sustainable fashion enhancing brand appeal.

Threats



1. Intense competition from large retail chains and online marketplaces. 2. Economic downturns affecting consumer spending on apparel. 3. Fluctuating raw material prices impacting product costs. 4. Rapidly changing fashion trends requiring continuous adaptation. 5. Potential supply chain disruptions affecting product availability.



History & Roadmap



Current Status.

- ClothesCraft to expand new store locations and online presence by Feb 2024.
- By May 2024, implement sustainability practices and ethical fashion lines.
- Enhance customer service with personalized shopping by Aug 2024.
- Integrate advanced retail technologies from Nov 2024.
- Nationwide marketing campaign to start in Feb 2025.
- Enter international markets starting Jun 2025.



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	CFO 1 month
3	Register the Company	●	Not Started	High	COO 2 weeks
4	Create Branding Strategy	●	Not Started	High	CMO 1 month
5	Set Up Financial Systems	●	Not Started	High	CFO 3 weeks
6	Develop IT Infrastructure	●	Not Started	Medium	CTO 2 months
7	Formulate Customer Service Policies	●	Not Started	High	CPO 1 month
8	Secure Initial Funding	●	Not Started	High	CFO 2 months
Marketing					
1	Define Target Market Segments	●	Not Started	High	CMO 2 weeks
2	Develop Brand Identity and Messaging	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Create an Integrated Marketing Campaign	●	Not Started	High	CMO 6 weeks
5	Launch a Loyalty Program	●	Not Started	Medium	CRO 2 months
6	Collaborate with Influencers and Fashion Bloggers	●	Not Started	Medium	CMO 2 months
7	Optimize SEO and Content Marketing	●	Not Started	High	CMO 3 weeks
8	Conduct Market Research and Customer Surveys	●	Not Started	Medium	CSO 1 month



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Secure initial funding	●	Not Started	High	CFO	2 months
2	Identify and lease retail space	●	Not Started	High	COO	3 months
3	Develop supplier partnerships	●	Not Started	High	CPO	2 months
4	Hire initial team	●	Not Started	Medium	COO	1 month
5	Build inventory system	●	Not Started	Medium	CIO	2 months
6	Set up POS and payment systems	●	Not Started	High	CTO	1 month
7	Create in-store experience design	●	Not Started	Medium	CSO	2 months
8	Launch website	●	Not Started	High	CTO	1 month
Phase 2						
1	Expand Core Product Line	●	Not Started	High	CPO	3 months
2	Develop Loyalty Programs	●	Not Started	High	CMO	2 months
3	Improve In-Store Experiences	●	Not Started	High	COO	4 months
4	Strengthen Online Presence	●	Not Started	High	CMO	3 months
5	Launch Marketing Campaigns	●	Not Started	Medium	CRO	1 month
6	Optimize Website Performance	●	Not Started	Medium	CTO	2 months
7	Implement Customer Feedback Mechanisms	●	Not Started	Medium	CSO	1 month
8	Increase Social Media Engagement	●	Not Started	Low	CMO	3 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 3						
1	Identify and partner with renowned designers for exclusive collaborations	●	Not Started	High	CPO	6 months
2	Develop and launch new product lines for niche markets (e.g., eco-friendly, plus-size, maternity)	●	Not Started	High	COO	8 months
3	Conduct market research to identify high-potential niche markets	●	Not Started	Medium	CMO	4 months
4	Establish a logistics plan for handling expanded inventory	●	Not Started	High	COO	5 months
5	Set up dedicated marketing campaigns for new product lines	●	Not Started	Medium	CMO	3 months
6	Train sales team on new product offerings and brand partnerships	●	Not Started	Medium	COO	2 months
7	Monitor and analyze sales performance of new product lines	●	Not Started	High	CFO	6 months
8	Adjust and optimize supply chain for new product demands	●	Not Started	High	CPO	7 months
Phase 4						
1	Integrate Augmented Reality for Virtual Try-ons	●	Not Started	High	CTO	6 months
2	Explore Joint Ventures with Sustainable Fashion Tech Companies	●	Not Started	High	CSO	9 months
3	Develop Mobile App with AR and VR Features	●	Not Started	High	CIO	8 months
4	Research and Implement 3D Printing for On-Demand Apparel	●	Not Started	Medium	CTO	12 months
5	Implement Blockchain for Supply Chain Transparency	●	Not Started	Medium	CIO	10 months
6	Pilot AI-Driven Personalized Shopping Assistant	●	Not Started	High	CPO	6 months
7	Establish Sustainable Packaging Solutions	●	Not Started	Medium	CFO	7 months
8	Upgrade E-commerce Platform with Advanced Analytics	●	Not Started	High	CMO	5 months



Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Supply Chain Disruptions	COO	Develop contingency plans and diversify the supplier base to reduce dependency on any single supplier.
2	Inventory Management	CIO	Implement an advanced inventory management system to track stock levels in real-time and optimize reorder processes.
3	Store Maintenance	COO	Schedule regular inspections and maintenance routines to ensure store facilities remain in top condition.
4	Technology Failures	CTO	Implement robust and redundant technology infrastructure, including regular backups and disaster recovery plans.
5	Staff Turnover	CHRO	Offer competitive salaries, benefits, and career development opportunities to retain skilled employees.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Environmental Regulations	CRO	Conduct regular audits and stay updated on local and international environmental laws to ensure compliance and implement sustainable practices across operations.
2	Product Safety Standards	COO	Ensure rigorous testing and certification processes for all products to meet applicable safety standards and avoid recalls or legal penalties.
3	Data Privacy Regulations	CIO	Adopt industry-leading data protection measures and ensure all customer data handling practices comply with GDPR and other relevant privacy laws.
4	Labor Law Violations	COO	Implement strict labor practices and regularly review staffing policies to ensure compliance with local labor laws and fair trade standards.
5	Intellectual Property Infringement	CSO	Regularly monitor the market for counterfeits and unauthorized use of company trademarks and take swift legal action to protect intellectual property.



3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Saturation	CMO	Implement differentiated marketing strategies and unique product offerings to stand out in the crowded market, and consistently monitor competitor activity to stay ahead.
2	Changing Consumer Preferences	CPO	Regularly conduct market research and customer feedback surveys to quickly adapt to evolving consumer tastes and introduce new product lines accordingly.
3	Economic Downturns	CFO	Diversify revenue streams by exploring new markets and offering products at various price points to buffer against economic fluctuations.
4	Supply Chain Disruptions	COO	Establish strong relationships with multiple suppliers and have backup plans in place to quickly source alternative materials in case of disruptions.
5	Technological Changes	CTO	Stay ahead of technological advances by investing in continuous R&D and forming strategic partnerships with tech companies to integrate the latest solutions.

4. Finance risk

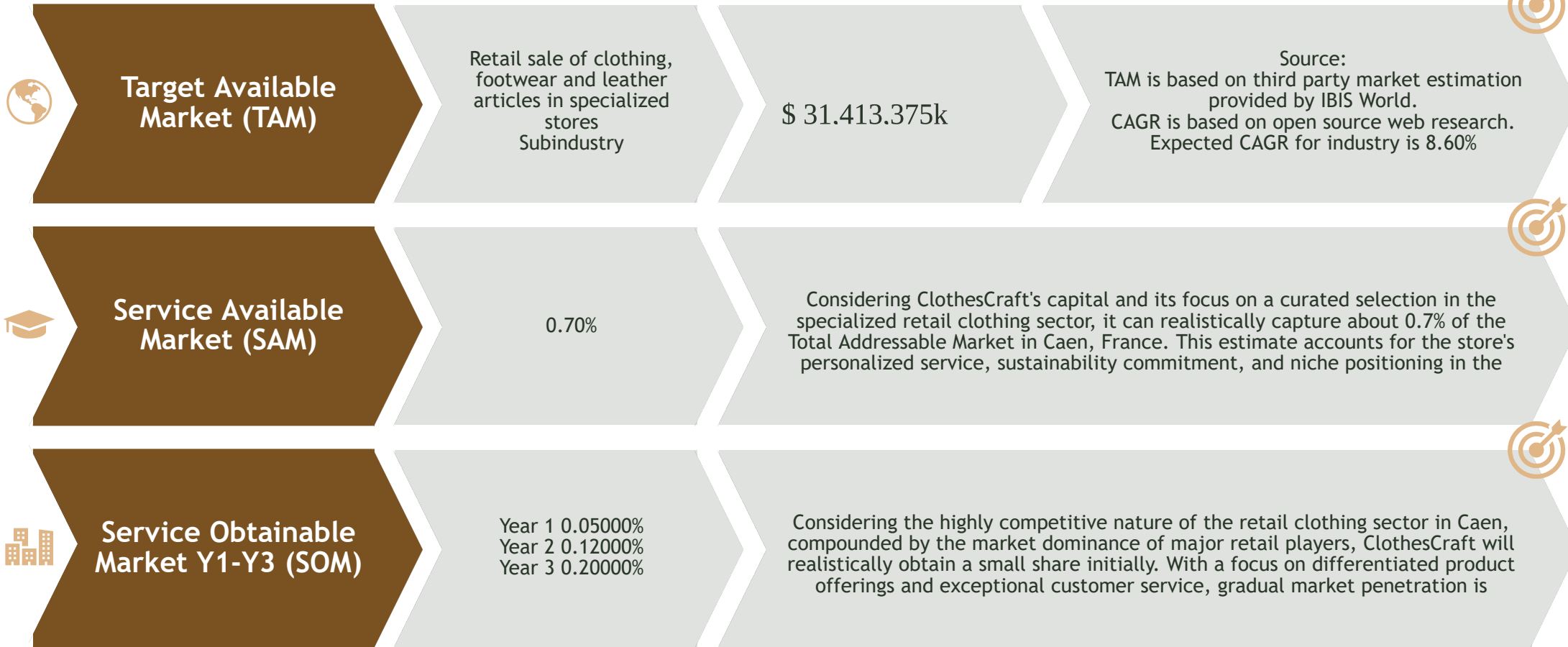
#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortages	CFO	Implement a robust cash flow management system and maintain a reserve fund for unforeseen expenses.
2	High Inventory Costs	COO	Adopt just-in-time inventory practices and negotiate favorable terms with suppliers to reduce carrying costs.
3	Credit Risk	CRO	Conduct thorough credit checks and set credit limits for customers to minimize bad debts.
4	Interest Rate Fluctuations	CFO	Utilize interest rate hedging strategies and closely monitor market conditions to manage exposure.
5	Capital Investment Risk	CEO	Perform rigorous financial analysis and project evaluations before committing to large capital expenditures.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation Management	CMO	Implement a proactive public relations strategy and continuously monitor customer feedback to address any reputational issues promptly.
2	Supply Chain Disruptions	COO	Develop strong relationships with multiple suppliers and maintain a diverse supply chain to minimize the impact of disruptions.
3	Talent Acquisition and Retention	CPO	Create an attractive work environment with competitive benefits to attract skilled employees and implement retention programs to reduce turnover.
4	Customer Experience Consistency	CSO	Standardize training programs for staff to ensure a consistent, high-quality customer experience across all touchpoints.
5	Evolving Fashion Trends	CBO	Invest in trend analysis and market research to stay ahead of fashion trends and adjust product offerings in real-time.



Market Overview (TAM, SAM and SOM)

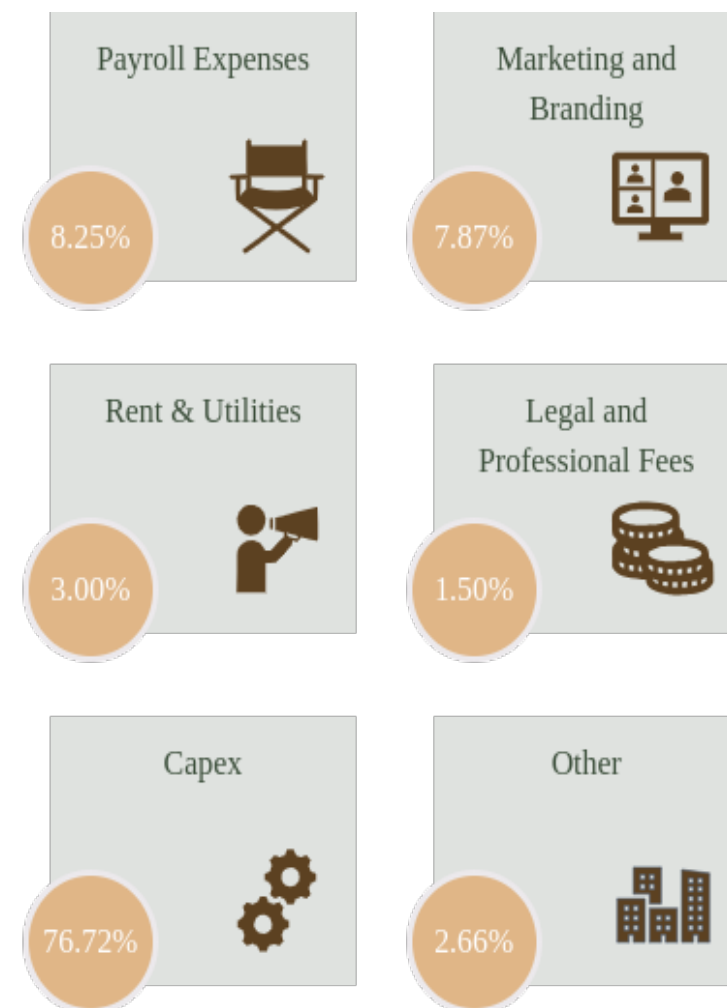


Funding Allocation

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 \$ 259k

Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	34	
Payroll Expenses		24
Marketing and Branding		23
Rent & Utilities		9
Legal and Professional Fees		4
Capex		225
Communication Expenses		3
Representation and Entert.		2
Office supplies		1
Training and Development		1
Other Miscellaneous		0
CAPEX & WC shortage Y1		259
Buffer		0
Total Required Investment(thnd USD)		259



Financials Dashboard

Y3 PL formation and Margins

Revenue



Y3

Projected Revenue

● GP 31.0%

● EBITDA -31.1%

Y3

PnL Formation (Y3 thnd USD)

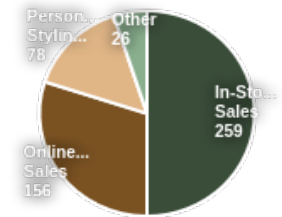
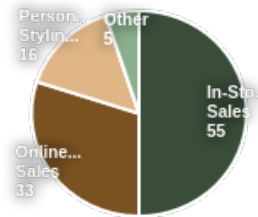


Business Line Breakdown (thnd USD)

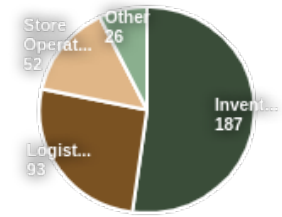
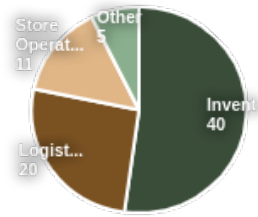
Y1

Y2

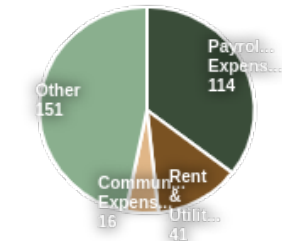
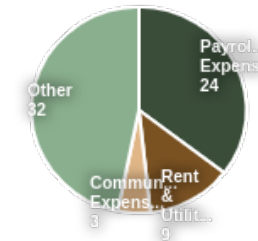
Revenue



COGS



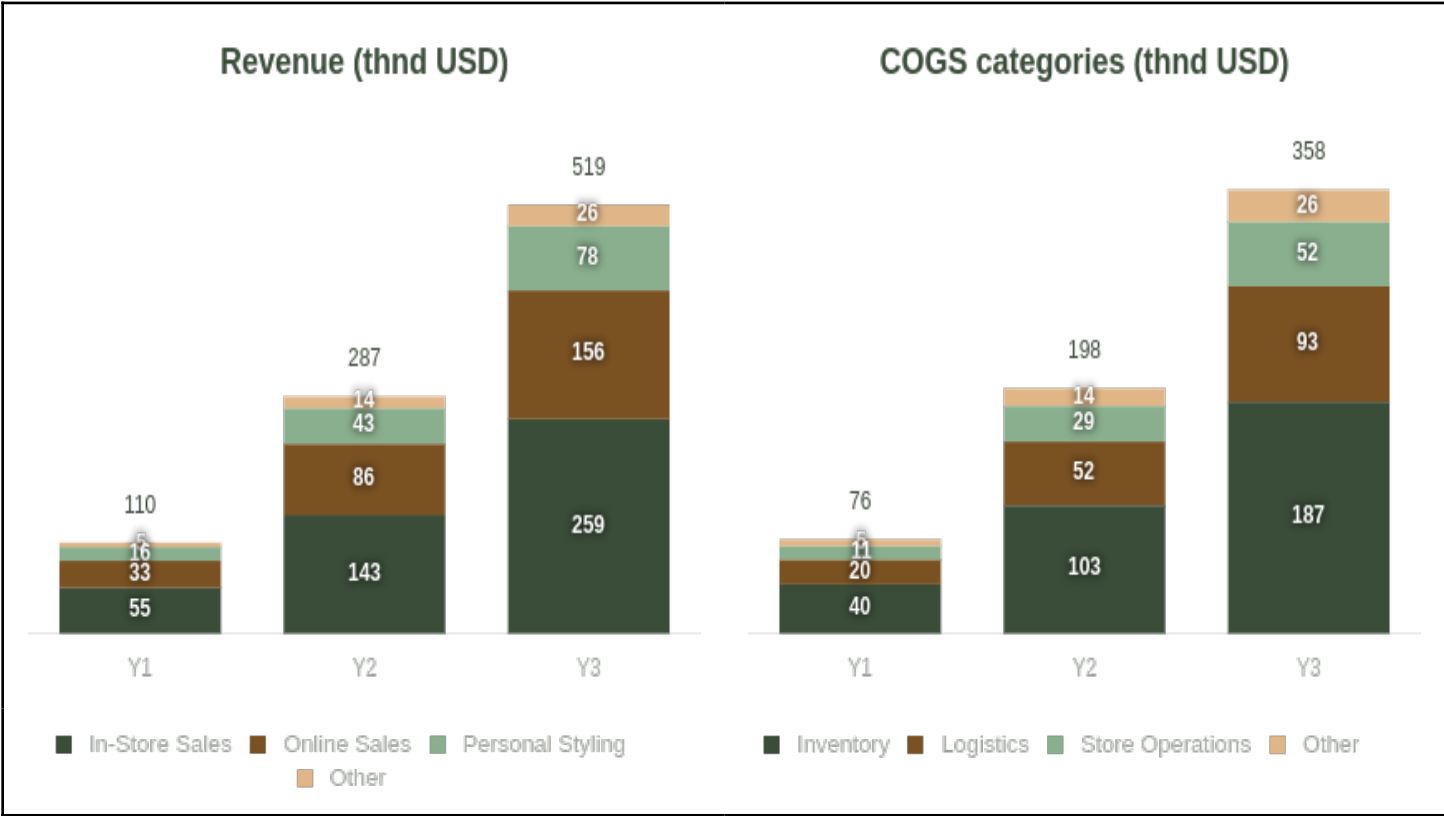
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Revenue Formation Narrative

ClothesCraft, a premier clothing retail store, is set to make a significant impact in the specialized clothing sector. Our Total Addressable Market (TAM) in Caen, France is estimated at 31,413,375.479k USD USD. Given our stringent focus on a carefully curated selection of high-quality fashion and our commitment to sustainability, we have projected our Serviceable Addressable Market (SAM) at 0.7% of the TAM. This translates to a notable market segment, given our personalized shopping experience and eco-friendly offerings. ClothedCraft’s SAM narrative reflects our realistic capture of 0.7% of the TAM, based on our capital, niche market focus, and the anticipated reception within Caen’s fashion-conscious demographic. Initially, our Serviceable Obtainable Market (SOM) will be modest due to the competitive landscape dominated by major players. However, by leveraging our unique, sustainable offerings and exceptional customer service, ClothesCraft aims to capture 0.05% of the TAM in year one, translating to revenue of 109.947k USD USD. We anticipate growth to 0.12% in year two, with revenue projected at 286.565k USD USD, and further expansion to 0.2% in year three, yielding revenue of 518.683k USD USD. Our revenue streams for year one will be diversified across our four main lines of business: In-Store Sales (50%), Online Sales (30%), Personal Styling (15%), and Other (5%). These projections illustrate ClothesCraft’s strategic approach to establishing a firm local presence and fostering brand loyalty over the coming years.

\$ 519k Y3 Projected Revenue **0.03%** Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>In-Store Sales</i>	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
<i>Online Sales</i>	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
<i>Personal Styling</i>	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%
<i>Other</i>	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

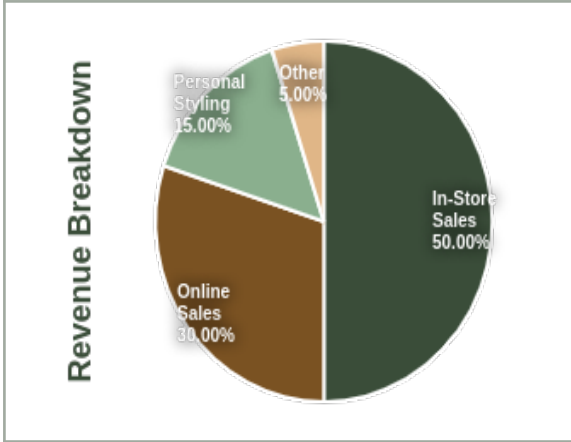
<i>In-Store Sales</i>	3	3	3	4	4	4	5	5	5	6	6	6	55	143	259
<i>Online Sales</i>	2	2	2	2	2	2	3	3	3	3	3	3	33	86	156
<i>Personal Styling</i>	1	1	1	1	1	1	2	2	2	2	2	2	16	43	78
<i>Other</i>	0	0	0	0	0	0	1	1	1	1	1	1	5	14	26
Total Revenue (thnd USD)	7	7	7	8	8	8	10	10	10	11	11	11	110	287	519

Total revenue is expected to reach \$ 519k by year 3.

Main revenue driver are:

- In-Store Sales which generates \$ 259k by Year 3
- Online Sales which generates \$ 156k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 117.20 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Inventory	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%
Logistics	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Store Operations	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other	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%

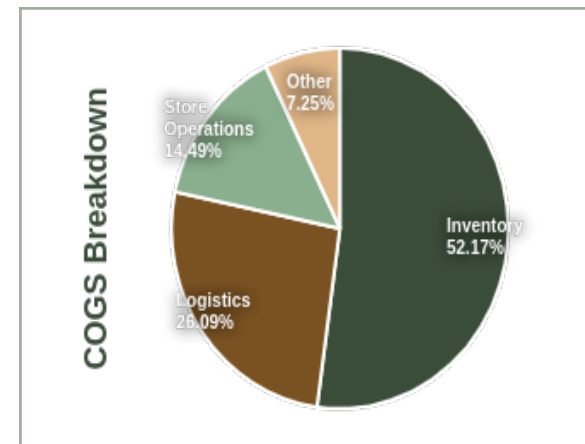
Inventory	2	2	2	3	3	3	4	4	4	4	4	4	40	103	187
Logistics	1	1	1	1	1	1	2	2	2	2	2	2	20	52	93
Store Operations	1	1	1	1	1	1	1	1	1	1	1	1	11	29	52
Other	0	0	0	0	0	0	1	1	1	1	1	1	5	14	26
Total COGS (thnd USD)	5	5	5	6	6	6	7	7	7	8	8	8	76	198	358

Total COGS is expected to reach \$ 358k by year 3.

Main revenue driver are:

- Inventory which generates \$ 187k by Year 3
- Logistics which generates \$ 93k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 117.20 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%
Rent & Utilities	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Communication Expenses	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%
Office supplies	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%
Legal and Professional Fees	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%
Marketing and Branding	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
Representation and Entertainment	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%
Training and Development	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%
Other Miscellaneous	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%

Payroll Expenses	2	2	2	2	2	2	2	2	2	3	3	3	24	63	114
Rent & Utilities	1	1	1	1	1	1	1	1	1	1	1	1	9	23	41
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	3	9	16
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	1	3	5
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	4	11	21
Marketing and Branding	1	1	1	2	2	2	2	2	2	2	2	2	23	60	109
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	2	6	10
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	1	3	5
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total SG&A (thnd USD)	4	4	4	5	5	5	6	6	6	7	7	7	68	178	322



PaT Expectations

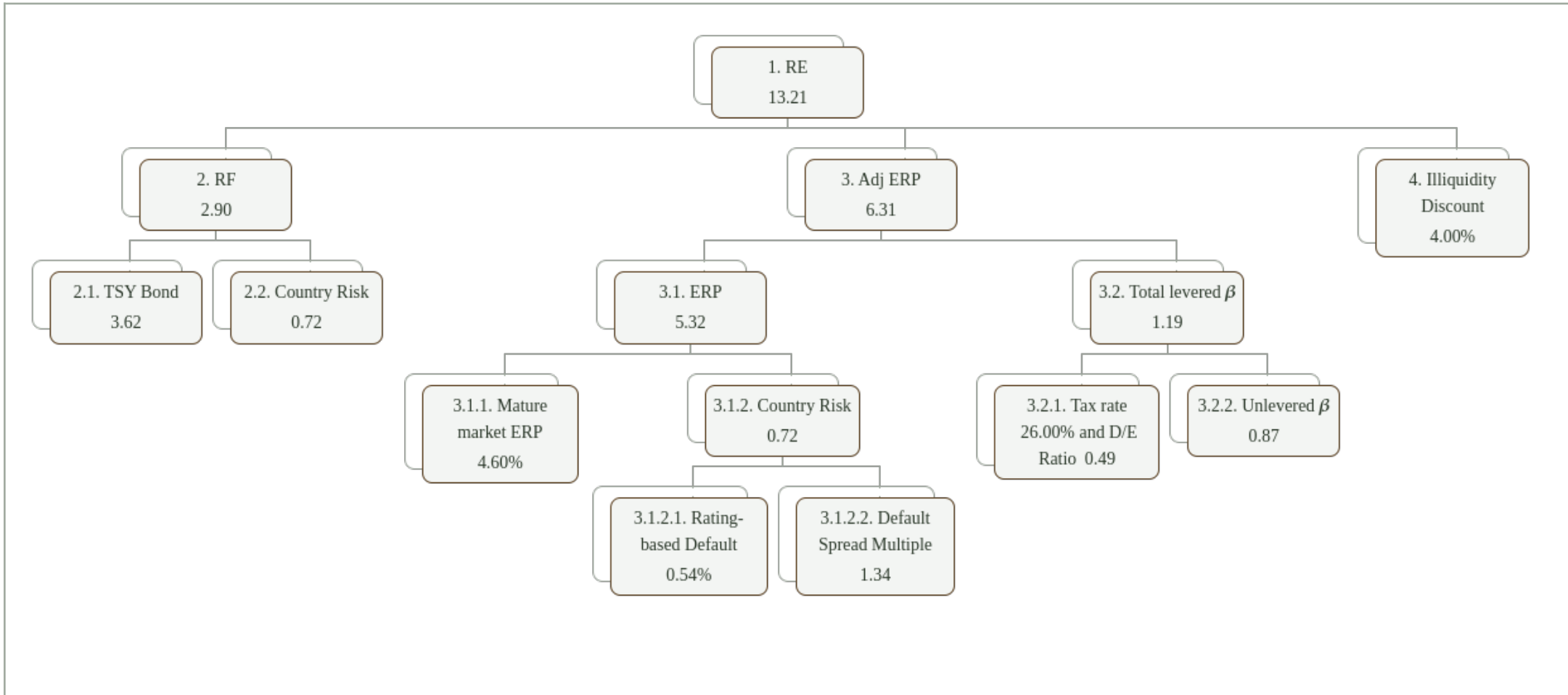
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	7	7	7	8	8	8	10	10	10	11	11	11	110	287	519
In-Store Sales	3	3	3	4	4	4	5	5	5	6	6	6	55	143	259
Online Sales	2	2	2	2	2	2	3	3	3	3	3	3	33	86	156
Personal Styling	1	1	1	1	1	1	2	2	2	2	2	2	16	43	78
Other	0	0	0	0	0	0	1	1	1	1	1	1	5	14	26
COGS	-5	-5	-5	-6	-6	-6	-7	-7	-7	-8	-8	-8	-76	-198	-358
Inventory	-2	-2	-2	-3	-3	-3	-4	-4	-4	-4	-4	-4	-40	-103	-187
Logistics	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-20	-52	-93
Store Operations	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-11	-29	-52
Other	-0	-0	-0	-0	-0	-0	-1	-1	-1	-1	-1	-1	-5	-14	-26
Gross Profit	2	2	2	3	3	3	3	3	3	4	4	4	34	89	161
SG&A Personal Expenses	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3	-3	-3	-24	-63	-114
SG&A Operating Expenses	-3	-3	-3	-3	-3	-3	-4	-4	-4	-5	-5	-5	-44	-115	-208
EBITDA	-2	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4	-4	-34	-89	-161
Depreciation	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-19	-19	-19
EBIT	-4	-4	-4	-4	-4	-4	-5	-5	-5	-5	-5	-5	-53	-108	-180
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-4	-4	-4	-4	-4	-4	-5	-5	-5	-5	-5	-5	-53	-108	-180
Tax	1	1	1	1	1	1	1	1	1	1	1	1	14	28	47
Profit after Tax (thnd USD)	-3	-3	-3	-3	-3	-3	-4	-4	-4	-4	-4	-4	-39	-80	-134



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	-39	-80	-134	-145	-157	-171	-186
	Growth% Y4-Y7				8.60%	8.60%	8.60%	8.60%
	Growth% Y7 -->	3.50%						
	WACC	13.21%						
	PV Y1-Y7 at Y0	-35	-63	-92	-88	-85	-81	-78
	PV Y7 --> Y0	-831						
	NPV (thnd USD)	-1,353						

Average Survival Rate for 3 Years

50%

Final Valuation

-\$ 676k

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 13.21 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 8.60 %, 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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