

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

JavaTech Brews's mission is to revolutionize the café-culture by blending the essence of a perfect coffee with the sophistication of contemporary technology. We strive to give our customers more than a café, we strive to deliver an exceptional, personalized coffee experience combined with a conducive technological environment that caters to the needs of tech-enthusiasts, digital nomads, and everyday coffee lovers. We aim to make every visit not just a coffee break, but a unique tech-infused journey, enriching our patrons' lives with the blend of comfort, technology, and a bespoke cup of coffee.

Our Vision

Our vision for JavaTech Brews is to redefine the boundaries of the coffee industry and position our brand as the epitome of tech-integrated coffee experiences. We hold the aspiration that in the next 20 years, JavaTech Brews will be a globally recognized brand, synonymous with innovative, AI-driven coffee crafting. We aim to revolutionize the coffee-culture worldwide, enabling every customer to enjoy a custom-made coffee experience, turning our cafes into hubs for connectivity, ideas, and digital nomadism.



Summary Financials Dashboard

Key performance indicators (Base Scenario Y3)

\$4273.9k

Revenue

\$2564.3k

Gross Profit

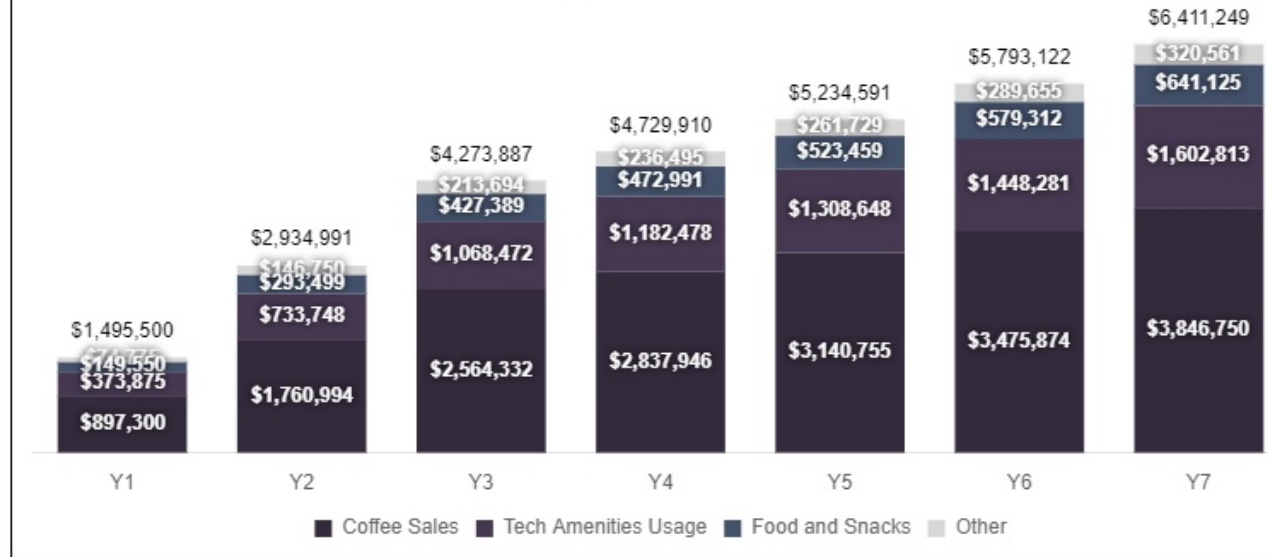
\$940.3k

EBITDA

0.00123%

Target Market Share

Projected Revenue

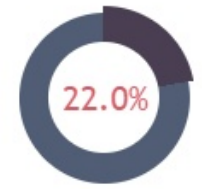


Margins (Stabilized by Y3)

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.

Investment \$2000.00k

Y1 CAPEX \$195.00k

WC \$355.18k



About the Company: General Overview



JavaTech Brews is a distinctive player in the Restaurant industry, specifically within the Consumer Discretionary sector. This innovative cafe operates out of Austin, Texas, combining the power of modern technology and the beloved tradition of coffee brewing. JavaTech Brews sets itself apart by using AI-based technology to create personalized coffee blends for its customers by drawing on their past orders and taste preferences. This unique approach turns every cup of coffee served into a custom-tailored masterpiece. But the company's innovation does not stop at its beverages - JavaTech Brews also capitalizes on the latest tech trends to create a welcoming environment for tech-savvy individuals and digital nomads. Customers can benefit from a range of contemporary conveniences at JavaTech Brews, including high-speed internet, wireless charging stations, and digital art displays, all designed to foster productivity in a relaxing atmosphere. A visit to JavaTech Brews is more than just a coffee run; it's an opportunity for customers to experience the future of coffee house culture.



The Main Phases: Projects & Impacts

01 Establishment

Phase I.

JavaTech Brews will introduce a basic offering that merges coffee with technology, inviting a tech-savvy clientele to experience AI-driven brew masters.

02 Prototyping and Growth

Phase II.

JavaTech Brews will expand its user base and fine-tune its service offerings, focusing on delivering customized beverages using AI technology and building a comfortable, productive environment.

Profit Diversification 03

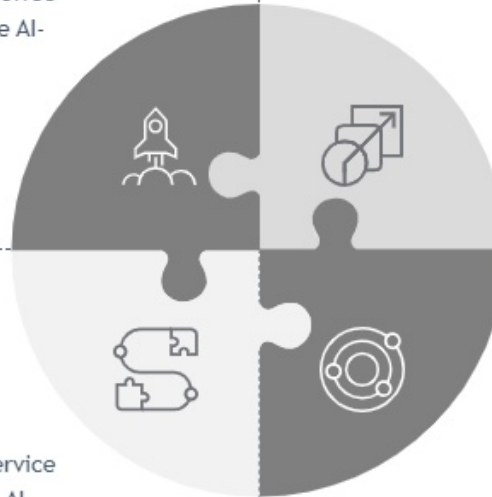
Phase III.

JavaTech Brews will identify new revenue streams such as creating a subscription plan for personalized coffee blends and selling its AI technology to other restaurants.

Risk-Reward Exploration 04

Phase IV.

JavaTech Brews will venture into exploring higher-risk innovations such as virtual reality coffee tasting and coffee-related tech products, broadening its business boundaries.



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	<ol style="list-style-type: none"> 1. Customers will enjoy a personalized coffee experience with blends tailored to their preference. 2. They will benefit from a tech-friendly environment ideal for work or relaxation. 3. Access to latest and innovative tech products and services.
Employees	<ol style="list-style-type: none"> 1. Employees will acquire skills in using AI technology in the coffee-making process. 2. Exposure to a tech-based work environment, boosting their tech-savviness and career progress. 3. Potential for career advancement through company's growth.
Shareholders	<ol style="list-style-type: none"> 1. Shareholders will gain from company's profit diversification and growth. 2. Shares will increase in value as the business expands and innovates. 3. Long-term financial stability from diversified revenue streams.
Local community	<ol style="list-style-type: none"> 1. Increased business activity in the area, spurring local economic growth. 2. Potential for job creation in the community. 3. Instill a culture of technology and innovation.
Suppliers	<ol style="list-style-type: none"> 1. Stable business relationship due to continuous demand for coffee beans and other supplies. 2. Potential franchise expansion may increase order volume and business growth. 3. JavaTech Brews' success in technology innovation could lead to collaborations on tech-enhanced products.
Technology providers	<ol style="list-style-type: none"> 1. The company's use of AI and other advanced technology will demonstrate their products' efficiency and reliability. 2. Continued partnership for tech support and upgrades. 3. Possible case studies for their marketing materials showcasing successful application of their technology.
Government	<ol style="list-style-type: none"> 1. Generate tax revenue from company's profitability. 2. Encourage the growth of technology-driven businesses in the region. 3. Support job creation and economic development.



Key Performance Components

Competitive Advantage

AI-Driven Brew-Masters

JavaTech Brews incorporates AI technology to craft personalized coffee blends based on customer preferences and past orders. This ensures that every cup of coffee served is unique and perfectly suited to the patron.

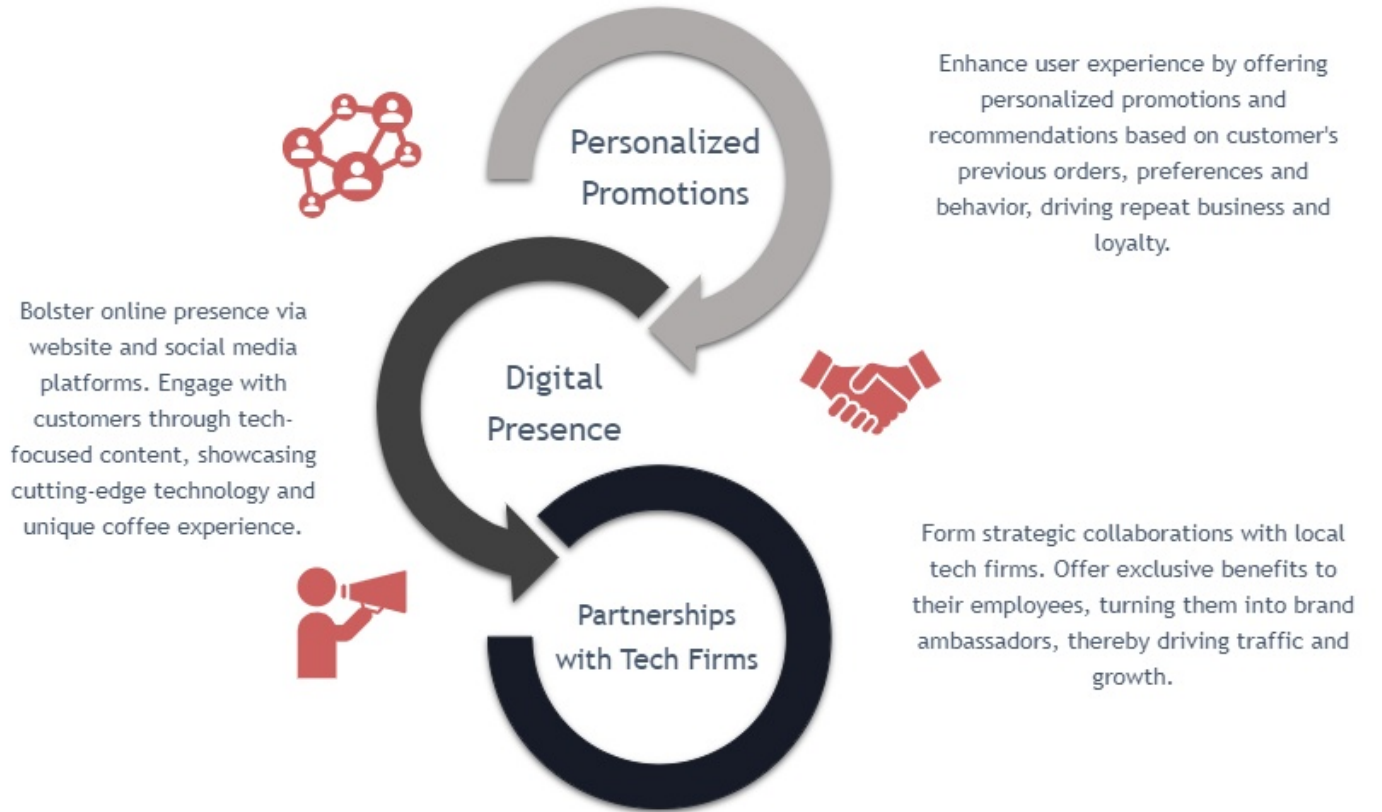
Tech-Savvy Environment

The café is outfitted with high-speed internet, wireless charging stations, and digital art displays, making it an ideal spot for tech enthusiasts and digital nomads seeking a productive ambiance.








Innovative Customer Experience

Merging of the café culture with the latest technology offers a distinctive experience to customers. It provides a unique balance of productivity and relaxation, making JavaTech Brews a preferred choice for many.

Marketing and Growth Strategy

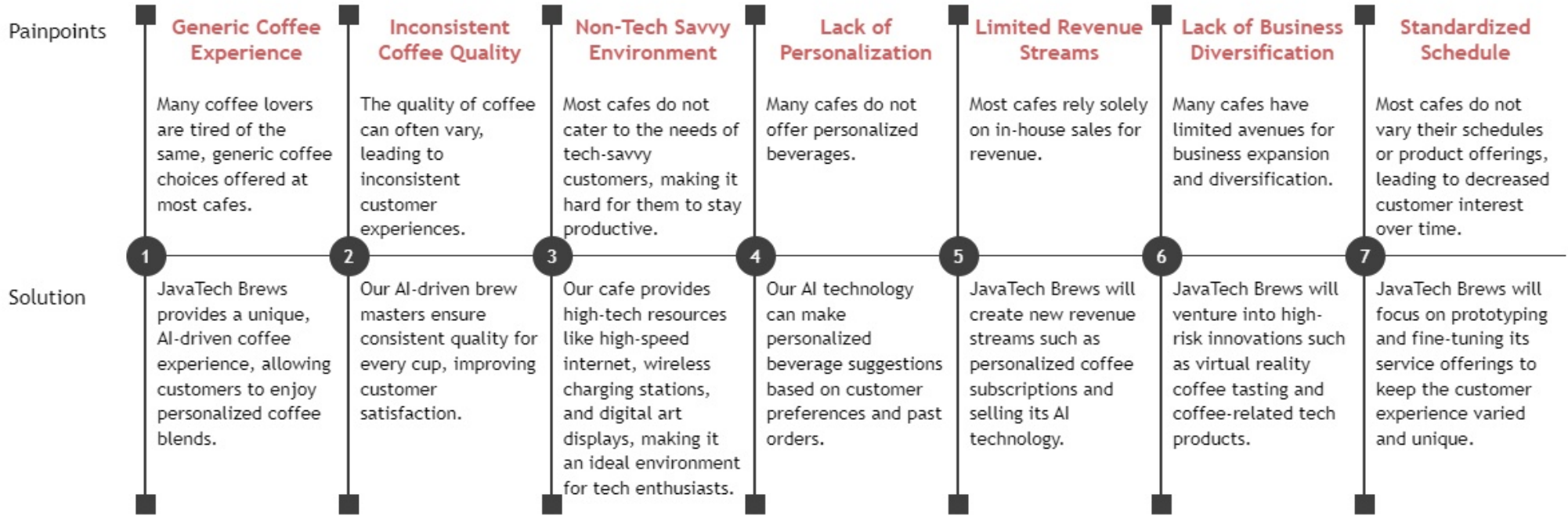


Target Groups

	Industries	Description
I	 Tech Enthusiasts	Individuals interested in the latest technology trends, seeking to experience AI-driven convenience in day-to-day activities.
II	 Digital Nomads	This group includes people who prefer to work in stimulating environments outside of traditional offices, especially those who appreciate a tech-driven, comfortable space with good coffee.
III	 Coffee Lovers	People who appreciate a good cup of coffee and are willing to explore unique, personalized blends created by AI.
IV	 Early Adopters	Those who are typically among the first to try out new things, especially innovative products, services, or experiences involving new technology.
V	 Freelancers and Remote Workers	People who work remotely or freelance, requiring flexible, technology-filled workspaces that are comfortable and inspiring; they would find our environment conducive to productivity.
VI	 Artificial Intelligence Enthusiasts	Individuals who are interested in AI and its real-world applications, as our café showcases the marriage of AI with traditional industries like coffee-making, which would intrigue them.
VII	 Restaurants and Cafes	Other restaurants and cafes that might be interested in adopting our AI brewing technology to enhance their own offerings.



Solution from Phase I to Phase IV



Strategic Analysis: SWOT

Strength



1. Unique blend of coffee and technology distinguishing it in the restaurant industry. 2. AI-driven brew-masters that provide personalized coffee experiences. 3. Strong presence in a flourishing tech-oriented city, Austin. 4. High-speed internet and modern facilities attracting digital nomads. 5. Standing at the junction of tradition (coffee) and innovation (technology).

Weaknesses



1. Dependence on digital proficiency may alienate less tech-savvy customers. 2. High operations costs due to advanced technology interventions. 3. Potential privacy issues associated with personalized customer preferences tracking. 4. Risk of technical glitches disrupting core service. 5. Limited market scope being highly specialized.

Opportunities



1. Expanding to other tech-savvy cities nationally/internationally. 2. Introducing tech-based loyalty programs for personalized customer engagement. 3. Partnering with tech companies for sponsorship/brand visibility. 4. Hosting tech-based events, harnessing local tech-community. 5. Getting ahead of potential coffee-shop automation trend.

Threats



1. Competition from traditional coffee shops and major coffee chains. 2. Risk of technological obsolescence due to fast paced tech advancements. 3. Vulnerability to cyber security breaches given reliance on digital systems. 4. Economic downturns impacting discretionary consumer spending. 5. Possibility of supply chain disturbances affecting critical ingredients.



History & Roadmap



Current Status.

JavaTech Brews plans to expand its product line in Feb 2024, adding more AI-generated coffee options and other tech amenities to its stores. In Apr 2024, it will focus on enhancing customer experience by upgrading its AI technology and streamlining its web and app interface. By Jun 2024, JavaTech Brews aims to partner with local tech businesses, creating synergies that benefit all parties. In Sep 2024, the company plans to establish more outlets in tech-centric locations across Texas, followed by a robust digital and local marketing campaign starting Jan 2025. Lastly, it envisions interstate expansion, opening stores in prominent tech hubs nationwide by Apr 2025.



Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA	
General Planning and Organization						
1	Finalize Business Plan	●	Not Started	High	CEO	1 month
2	Legal Structure Set-up	●	Not Started	High	CFO	1 month
3	Setting Up Business Bank Account	●	Not Started	Medium	CFO	1 month
4	Location Procurement and Setup	●	Not Started	High	COO	3 months
5	Finalize Suppliers and Inventory Management	●	Not Started	High	COO	2 months
6	Acquire necessary licenses and permits	●	Not Started	High	CFO	2 months
7	Setup Point of Sales system	●	Not Started	High	CTO	2 months
8	Staff hiring and Training	●	Not Started	Medium	COO	1 month
Marketing						
1	Develop Brand Identity and Voice	●	Not Started	High	CMO	2 weeks
2	Create Website and Mobile Application	●	Not Started	High	CTO	1 month
3	Establish Social Media Presence	●	Not Started	High	CMO	1 month
4	Launch Initial Marketing and Promotion Strategies	●	Not Started	High	CMO	1 month after completion of website and application
5	Prepare Media and Influencer Outreach Plan	●	Not Started	Medium	CMO	2 months
6	Launch Customer Loyalty Programs	●	Not Started	Medium	CMO	3 months
7	Initiate Partnership and Collaboration Efforts	●	Not Started	Low	CEO	4 months
8	Track and Adjust Marketing Efforts Based on Performance Metrics	●	Not Started	Medium	CMO	Ongoing from launch



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Secure a location for the cafe	● Not Started	High	CEO	2 months
2	Purchase necessary equipment and technology	● Not Started	High	CIO	2 months
3	Hire and train baristas	● Not Started	High	COO	1 month
4	Develop basic AI-driven beverage offerings	● Not Started	High	CTO	3 months
5	Install wireless charging stations and digital art displays	● Not Started	Medium	CIO	1 month
6	Set up a high-speed internet connection	● Not Started	High	CTO	1 month
7	Establish safety and cleaning procedures	● Not Started	High	COO	1 month
8	Plan a soft opening to test operations	● Not Started	Medium	CEO	4 months
Phase 2					
1	Expand user base	● Not Started	High	CMO	6 months
2	Fine-tune service offerings	● Not Started	Medium	COO	4 months
3	Optimization of AI technology	● Not Started	Medium	CTO	3 months
4	Improve café ambiance	● Not Started	Low	CPO	2 months
5	Monitor customer satisfaction	● Not Started	High	CEO	Continuous
6	Review and adjust pricing strategy	● Not Started	Medium	CFO	6 months
7	Increase customer retention	● Not Started	High	CMO	8 months
8	Data analysis and performance tracking	● Not Started	Medium	CIO	Continuous



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Identify potential subscription model structures	● Not Started	High	CEO	1 month
2	Market research for personalized coffee subscription desirability	● Not Started	Medium	CMO	2 months
3	Build prototype for subscription platform	● Not Started	High	CTO	2 months
4	Develop legal framework for AI technology licensing	● Not Started	High	CLO	3 months
5	Identify potential B2B clients for AI technology licensing	● Not Started	Medium	CBO	3 months
6	Design pricing strategy for subscription and technology licensing	● Not Started	High	CFO	4 months
7	Beta testing and feedback loop for subscription platform	● Not Started	High	COO	5 months
8	Launch marketing campaign for new offerings	● Not Started	High	CMO	6 months
Phase 4					
1	Finalize concept of Virtual Reality coffee tasting	● Not Started	High	CTO	1 month
2	Identify potential market for coffee-related tech products	● Not Started	High	CMO	1 month
3	Develop a prototype for coffee-related tech products	● Not Started	High	CTO	2 months
4	Design marketing strategy for new innovations	● Not Started	High	CMO	1 month
5	Secure funding for risk-reward exploration phase	● Not Started	High	CFO	2 months
6	Promote company at tech and food industry events	● Not Started	Medium	CMO	3 months
7	Start production of high-risk innovations	● Not Started	Medium	COO	4 months
8	Evaluate success of launched high-risk innovations	● Not Started	Low	CEO	6 months



Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment Malfunction	COO	Ensure regular preventative maintenance and conduct equipment performance checks to decrease the risks of malfunctions.
2	Quality Control Issues	CPO	Create strict quality control procedures and implement staff training to ensure consistent product quality.
3	AI System Failures	CTO	Implement robust and redundant AI systems and hire experts for real-time troubleshooting.
4	Supply Disruptions	CPO	Develop multiple supplier relationship to reduce dependency on any one supplier.
5	Staffing Shortfalls	COO	Develop a robust HR strategy to recruit, train, and retain high-performing staff.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Data Privacy Violation	CIO	Implement stringent data management policies, ensuring customer data is collected, stored, and used in compliance with GDPR and other relevant regulations.
2	AI Ethics Controversy	CTO	Ensure AI algorithms are transparent, fair, and do not favor or discriminate against any individual or group.
3	Food Hygiene Infringement	COO	Monitor and maintain food safety standards in accordance with local health code regulations.
4	Patent Infringement	CEO	Conduct regular patent searches to ensure our technology does not infringe on existing patents.
5	Employee Labor Law Violations	CPO	Follow local and federal labor laws concerning employee rights, working conditions, and compensation.



Core Risks & Mitigation Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Competition and Market Saturation	CEO	Continual market research and innovation in our product and service offerings to differentiate from competitors.
2	Dependence on AI Technology	CTO	Diversify the technology used in our operations. Also, maintain a robust, alternative manual system.
3	Failure to Attract Tech-Savvy Clientele	CMO	Develop targeted marketing strategies and forge partnerships with tech companies to increase our reach within this niche.
4	Unsuccessful New Revenue Streams	CFO	Conduct in-depth feasibility studies and customer surveys before implementing a new revenue model.
5	Slow Adoption of High-Risk Innovations	CEO	Initiate small-scale trials of new concepts and use customer feedback to guide the implementation and adjustment process.

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Capital Insufficiency	CFO	Secure further funding through investors or loans. Implement effective cash flow management strategies.
2	Inaccurate Financial Forecasting	CFO	Employ rigorous financial planning practices, continuously monitor progress, update financial projections regularly.
3	High Operating Costs	COO	Conduct regular audits to monitor costs. Optimize operations and resource utilization for improved efficiency.
4	Price Fluctuations for Essential Inputs	CPO	Establish long-term contracts with suppliers to secure prices. Adopt diversified sourcing strategy.
5	Suboptimal Monetization of Services	CMO	Regularly reassess pricing strategy based on customer feedback and market trends. Explore diverse revenue streams.

5. Other general risks

#	Risk Type	Area	Mitigation Strategy
1	Data Breach	CIO	Implement strong and updated security protocols to protect customer's personal and payment data.
2	Dependence on Third-party Suppliers	COO	Develop a diverse supplier network and contingency plans in case of supplier failure.
3	Reputation Damage	CMO	Create a strong brand and customer service strategy, including a crisis management plan.
4	Slow Adoption of New Technologies	CTO	Construct a strategic marketing plan to promote the use of new technologies in the café.
5	Lack of Skilled Workers	CEO	Invest in employee training and development to enhance skills needed for operation of tech-driven café.



Market Overview (TAM, SAM and SOM)

 **Target Available Market (TAM)**

Restaurants Subindustry

\$997.00bln

Source: Web search
Expected CAGR for industry is 10.67%



 **Service Available Market (SAM)**

1.00%

With its unique AI-driven concept, JavaTech Brews has the potential to capture a good market share. Given the café is located in a tech-driven city like Austin, and considering their 2 million capital, the SAM is estimated to be 1% of the TAM. This translates to capturing a notable amount of the coffee...



 **Service Obtainable Market Y1-Y3 (SOM)**

Year 1 0.01500%
Year 2 0.02660%
Year 3 0.03500%

JavaTech Brews operates within the highly competitive and concentrated restaurant industry. While its unique tech-based approach is fascinating, the company's modest capital, alongside its market size and penetration limits in Austin, could affect its obtainable market share. Considering these factors...



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.

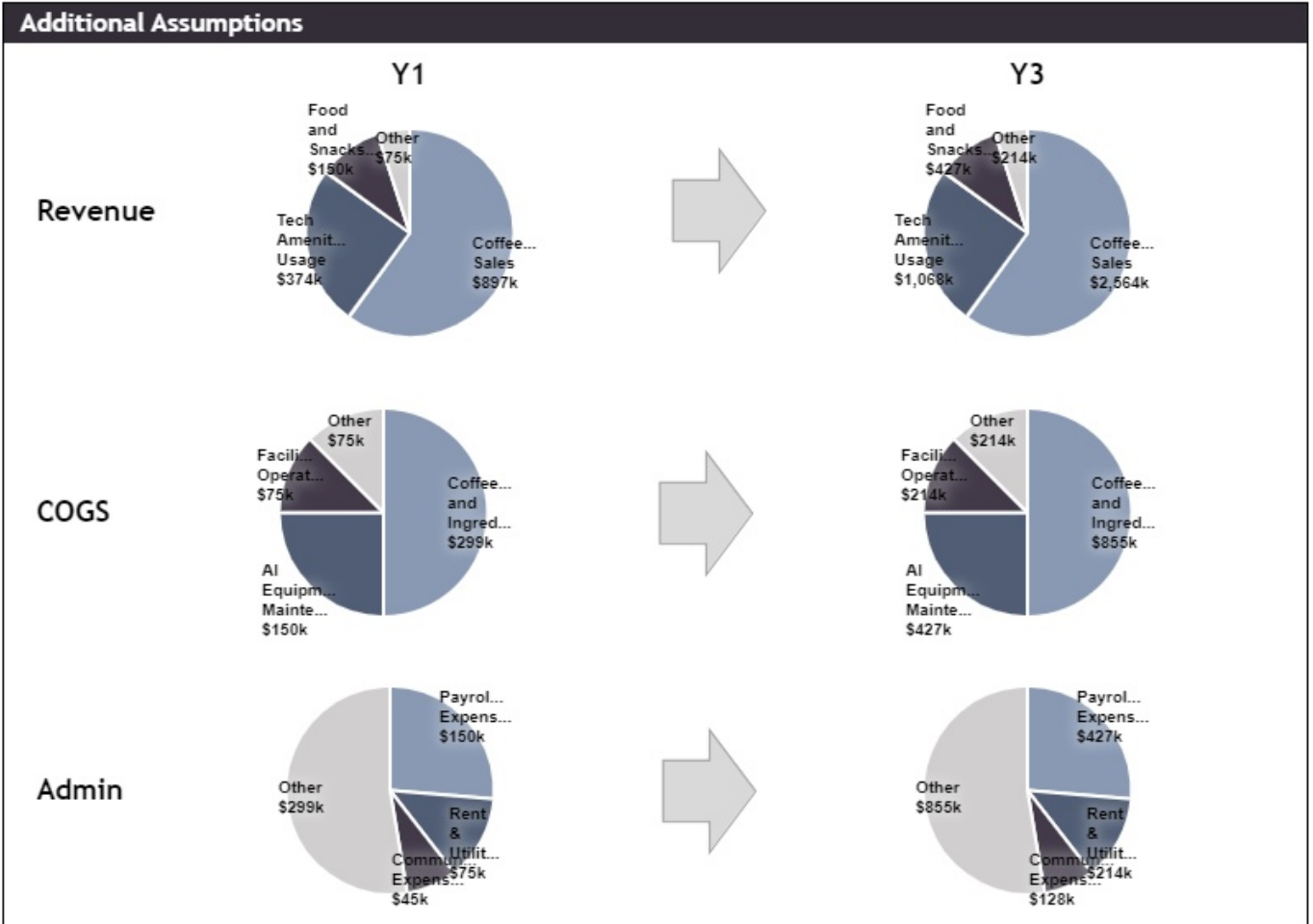
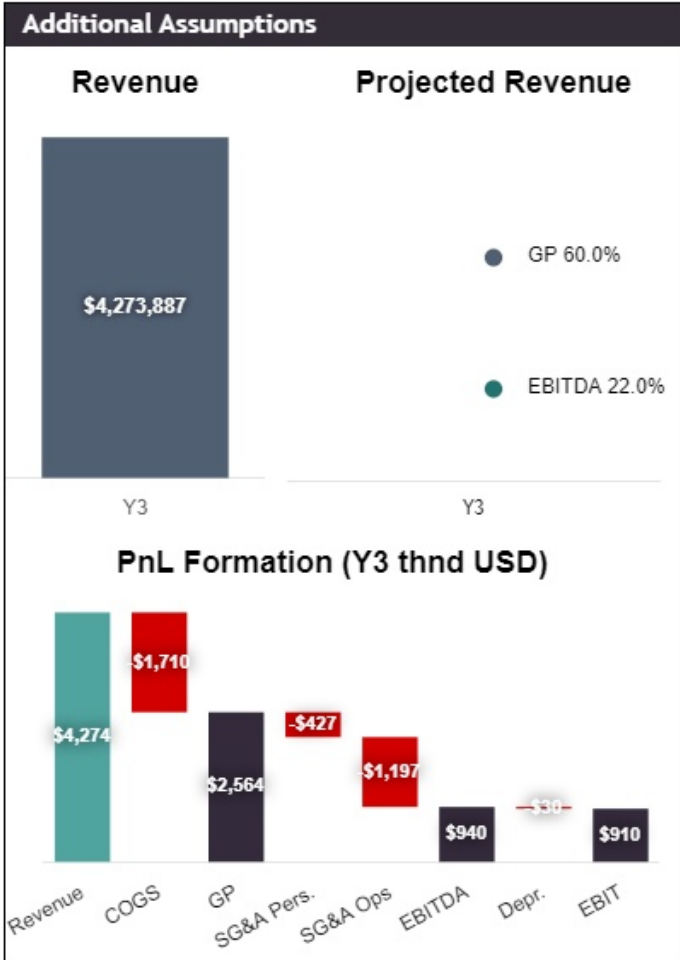
Table below presents the overview of expected inflows and outflows.

The total investment required is \$2,000k

Y1 Cash Flow Stream	Inflows	Outflows
Gross Profit	\$897,300	
Payroll Expenses		\$149,550
Rent & Utilities		\$74,775
Marketing and Branding		\$74,775
Representation and Entert.		\$74,775
Capex		\$195,000
Communication Expenses		\$44,865
Legal and Professional Fees		\$44,865
Training and Development		\$44,865
Office supplies		\$29,910
Other Miscellaneous		\$29,910
CAPEX & WC shortage Y1		-\$134,010
Buffer		\$2,134,010
Total Required Investment		\$2,000,000



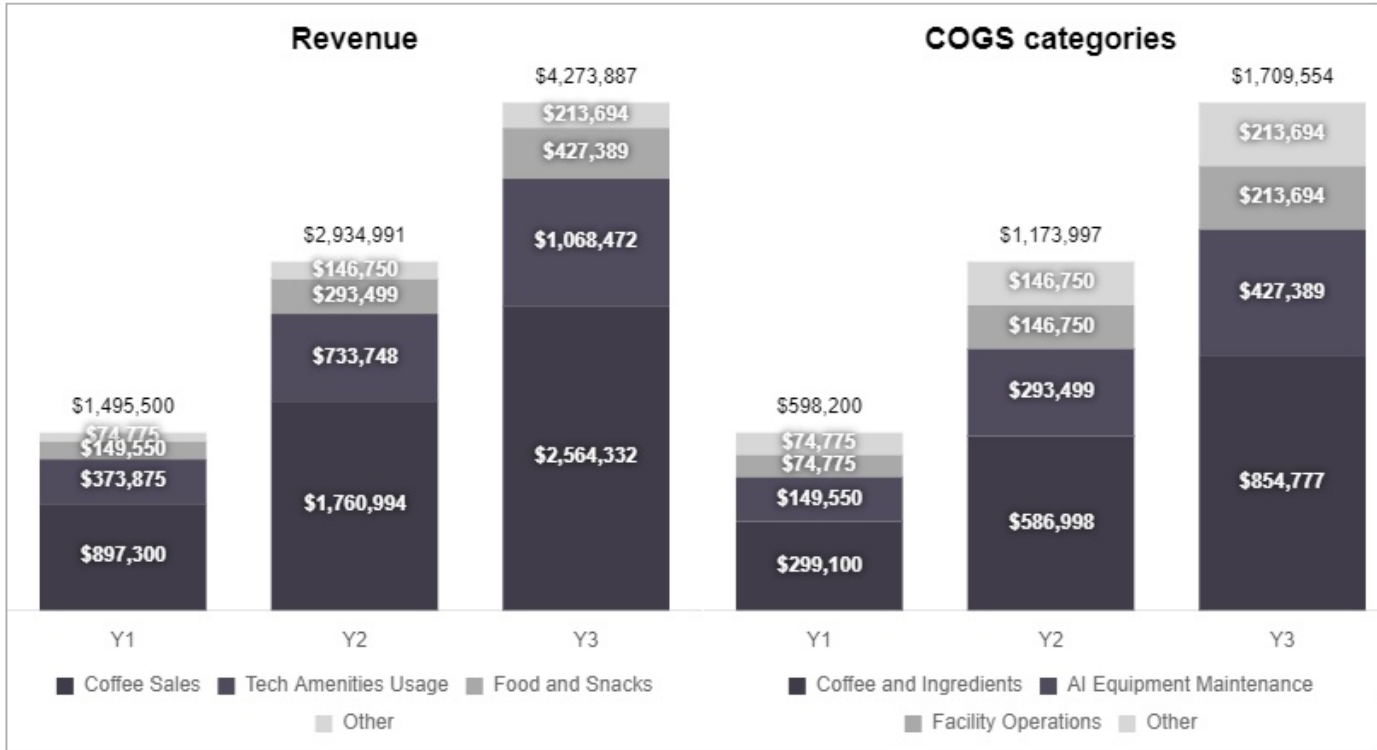
Financials Dashboard



Revenue Formation Narrative

JavaTech Brews operates in the Consumer Discretionary sector, specifically in the Consumer Services industry group, and more particularly in the Hotels, Restaurants & Leisure industry. This unique café, strategically located in the tech-driven city of Austin, offers AI-powered personalized brews and tech-savvy atmosphere, catering specifically to tech enthusiasts and digital nomads. Our Total Addressable Market is a whopping \$997 billion, out of which we aim to capture a Serviceable Addressable Market of 1%, based on our location and unique selling proposition. Given our niche attraction and market conditions, we reasonably estimate that in the first year we will secure 0.015% of the market, resulting in a revenue of \$1,495,500. Our market share is projected to grow to 0.0266% and 0.035% in the following two years, generating respective revenues of \$2,934,990.534 and \$4,273,886.874. Our four major revenue streams include Coffee Sales (60% of revenue), Tech Amenities Usage (25%), Food and Snacks (10%), and other revenues (5%). With our unique blends and modern approach to the cafe culture, we expect to brew success in this thriving market.

\$ 4.3 m Y3 Projected Revenue **0.01%** Market Share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Coffee Sales	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %	60 %
Tech Amenities Usage	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %
Food and Snacks	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

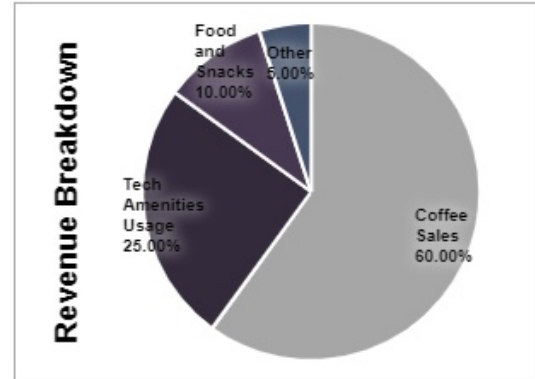


Coffee Sales	\$56	\$56	\$56	\$67	\$67	\$67	\$82	\$82	\$82	\$93	\$93	\$93	\$897	\$1,761	\$2,564
Tech Amenities Usage	\$23	\$23	\$23	\$28	\$28	\$28	\$34	\$34	\$34	\$39	\$39	\$39	\$374	\$734	\$1,068
Food and Snacks	\$9	\$9	\$9	\$11	\$11	\$11	\$14	\$14	\$14	\$16	\$16	\$16	\$150	\$293	\$427
Other	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$75	\$147	\$214
Total Revenue (thnd USD)	\$93	\$93	\$93	\$112	\$112	\$112	\$137	\$137	\$137	\$156	\$156	\$156	\$1,496	\$2,935	\$4,274

Total revenue is expected to reach \$4,274 (thnd) by year 3.
 Main revenue driver are:

- Coffee Sales which generates \$2,564 (thnd) by Year 3
- Tech Amenities Usage which generates \$1,068 (thnd) by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 69.05 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Coffee and Ingredients	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%
AI Equipment Maintenance	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%
Facility Operations	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%
Facility Operations	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%



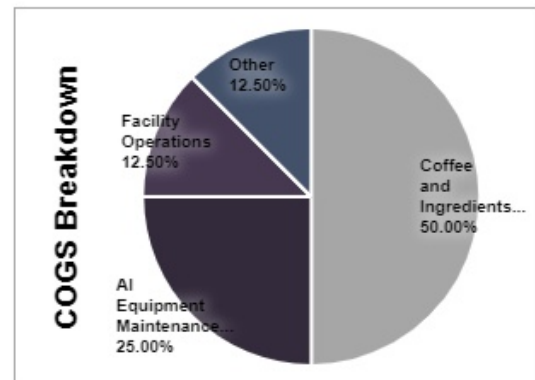
Coffee and Ingredients	\$19	\$19	\$19	\$22	\$22	\$22	\$27	\$27	\$27	\$31	\$31	\$31	\$299	\$587	\$855
AI Equipment Maintenance	\$9	\$9	\$9	\$11	\$11	\$11	\$14	\$14	\$14	\$16	\$16	\$16	\$150	\$293	\$427
Facility Operations	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$75	\$147	\$214
Other	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$75	\$147	\$214
Total COGS (thnd USD)	\$37	\$37	\$37	\$45	\$45	\$45	\$55	\$55	\$55	\$62	\$62	\$62	\$598	\$1,174	\$1,710

Total COGS is expected to reach \$1,710 (thnd) by year 3.

Main revenue driver are:

- Coffee and Ingredients which generates \$855 (thnd) by Year 3
- AI Equipment Maintenance which generates \$427 (thnd) by Year 3

Expected CAGR for total COGS in Y1-Y3 is 69.05 %



SG&A Calculation Details

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



Payroll Expenses	\$9	\$9	\$9	\$11	\$11	\$11	\$14	\$14	\$14	\$16	\$16	\$16	\$150	\$293	\$427
Rent & Utilities	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$75	\$147	\$214
Communication Expenses	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$5	\$5	\$5	\$45	\$88	\$128
Office supplies	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$30	\$59	\$85
Legal and Professional Fees	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$5	\$5	\$5	\$45	\$88	\$128
Marketing and Branding	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$75	\$147	\$214
Representation and Entertainment	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$75	\$147	\$214
Training and Development	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$5	\$5	\$5	\$45	\$88	\$128
Other Miscellaneous	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$30	\$59	\$85

Total SG&A (thnd USD)	\$36	\$36	\$36	\$43	\$43	\$43	\$52	\$52	\$52	\$59	\$59	\$59	\$568	\$1,115	\$1,624
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PaT Expectations

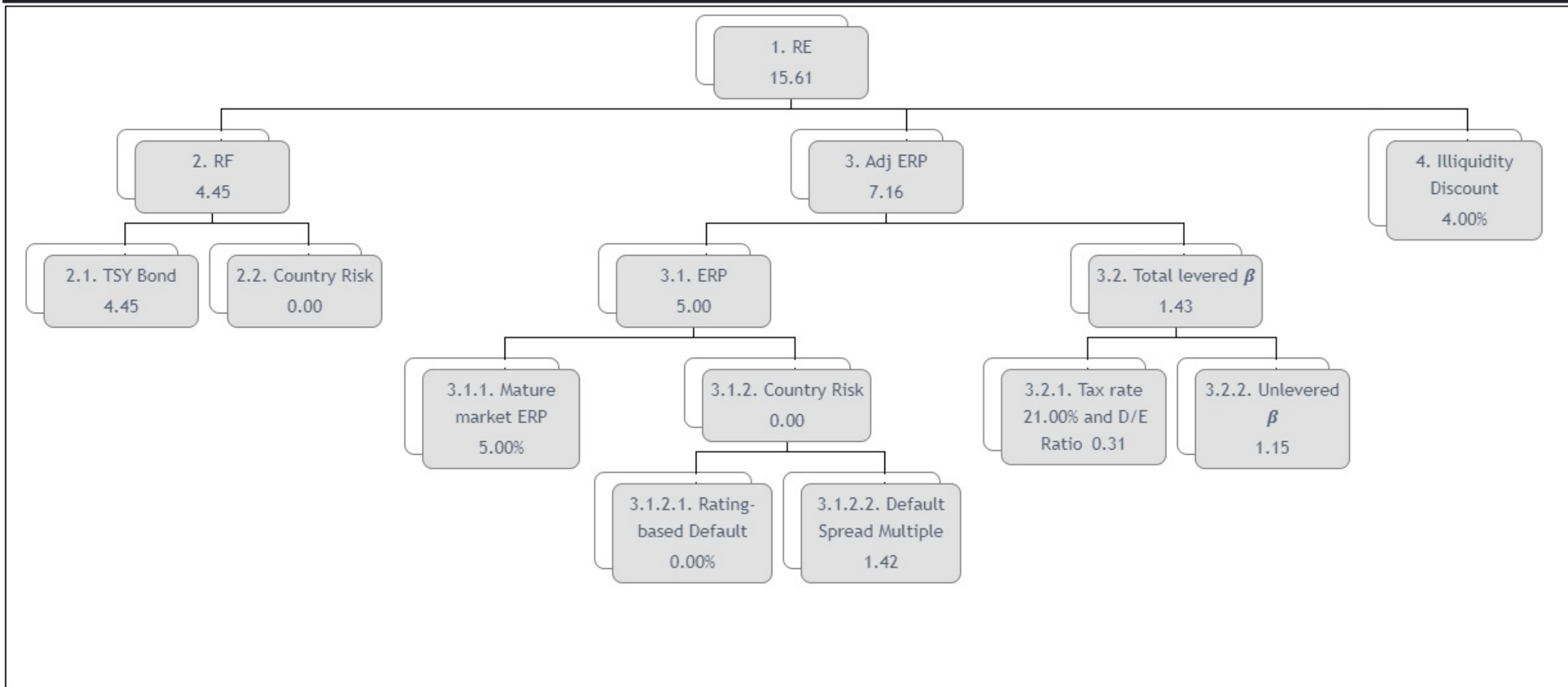
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	\$93	\$93	\$93	\$112	\$112	\$112	\$137	\$137	\$137	\$156	\$156	\$156	\$1,496	\$2,935	\$4,274
Coffee Sales	\$56	\$56	\$56	\$67	\$67	\$67	\$82	\$82	\$82	\$93	\$93	\$93	\$897	\$1,761	\$2,564
Tech Amenities Usage	\$23	\$23	\$23	\$28	\$28	\$28	\$34	\$34	\$34	\$39	\$39	\$39	\$374	\$734	\$1,068
Food and Snacks	\$9	\$9	\$9	\$11	\$11	\$11	\$14	\$14	\$14	\$16	\$16	\$16	\$150	\$293	\$427
Other	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$75	\$147	\$214
COGS	-\$37	-\$37	-\$37	-\$45	-\$45	-\$45	-\$55	-\$55	-\$55	-\$62	-\$62	-\$62	-\$598	-\$1,174	-\$1,710
Coffee and Ingredients	-\$19	-\$19	-\$19	-\$22	-\$22	-\$22	-\$27	-\$27	-\$27	-\$31	-\$31	-\$31	-\$299	-\$587	-\$855
AI Equipment Maintenance	-\$9	-\$9	-\$9	-\$11	-\$11	-\$11	-\$14	-\$14	-\$14	-\$16	-\$16	-\$16	-\$150	-\$293	-\$427
Facility Operations	-\$5	-\$5	-\$5	-\$6	-\$6	-\$6	-\$7	-\$7	-\$7	-\$8	-\$8	-\$8	-\$75	-\$147	-\$214
Other	-\$5	-\$5	-\$5	-\$6	-\$6	-\$6	-\$7	-\$7	-\$7	-\$8	-\$8	-\$8	-\$75	-\$147	-\$214
Gross Profit	\$56	\$56	\$56	\$67	\$67	\$67	\$82	\$82	\$82	\$93	\$93	\$93	\$897	\$1,761	\$2,564
SG&A Personal Expenses	-\$9	-\$9	-\$9	-\$11	-\$11	-\$11	-\$14	-\$14	-\$14	-\$16	-\$16	-\$16	-\$150	-\$293	-\$427
SG&A Operating Expenses	-\$26	-\$26	-\$26	-\$31	-\$31	-\$31	-\$38	-\$38	-\$38	-\$44	-\$44	-\$44	-\$419	-\$822	-\$1,197
EBITDA	\$21	\$21	\$21	\$25	\$25	\$25	\$30	\$30	\$30	\$34	\$34	\$34	\$329	\$646	\$940
Depreciation	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$30	-\$30	-\$30
EBIT	\$18	\$18	\$18	\$22	\$22	\$22	\$28	\$28	\$28	\$32	\$32	\$32	\$299	\$615	\$910
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Profit before Tax	\$18	\$18	\$18	\$22	\$22	\$22	\$28	\$28	\$28	\$32	\$32	\$32	\$299	\$615	\$910
Tax	-\$4	-\$4	-\$4	-\$5	-\$5	-\$5	-\$6	-\$6	-\$6	-\$7	-\$7	-\$7	-\$63	-\$129	-\$191
Profit after Tax (thnd USD)	\$14	\$14	\$14	\$17	\$17	\$17	\$22	\$22	\$22	\$25	\$25	\$25	\$236	\$486	\$719



Required Return on Equity Derivation



Cost of Capital: CAPM Inputs

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 $R(E) = R(F) + B * (ERP)$, 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 (B) 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

	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	\$235,879	\$486,063	\$718,763	\$795,455	\$880,330	\$974,261	\$1,078,215
	Growth% Y4-Y7				10.67%	10.67%	10.67%	10.67%
	Growth% Y7 -->				3.50%			
	WACC				15.61%			
	PV Y1-Y7 at Y0	\$204,033	\$363,677	\$465,179	\$445,309	\$426,288	\$408,079	\$390,648
	PV Y7 --> Y0				\$3,339,236			
NPV (thnd USD)		\$6,042,449						



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 15.61 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 10.67 %, 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.



Glossary

Financial and Technical

- 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

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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