

# Business Plan & Valuation Presentation



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# OUR VISION & MISSION

## Our Mission

Echo's mission is to create exceptional dining experiences that blend innovation and tradition in a chic, modern setting. We are committed to using the finest local ingredients to craft our dishes and to delivering outstanding service that makes every meal memorable. By supporting local farmers and incorporating eco-friendly practices, Echo aims to contribute positively to our community and the environment while providing a welcoming atmosphere for all our guests.

## Our Vision

Echo aspires to be a leading name in the culinary industry, renowned for its commitment to sustainability, innovation, and exceptional service. In twenty years, Echo envisions itself as a trailblazer in eco-friendly practices, influencing the dining landscape while supporting local communities. Echo aims to create a global network of restaurants that consistently offer unforgettable experiences, setting a new standard for modern dining that celebrates quality ingredients and creative culinary craftsmanship.



# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 1.265k**

Revenue

**\$ 405k**

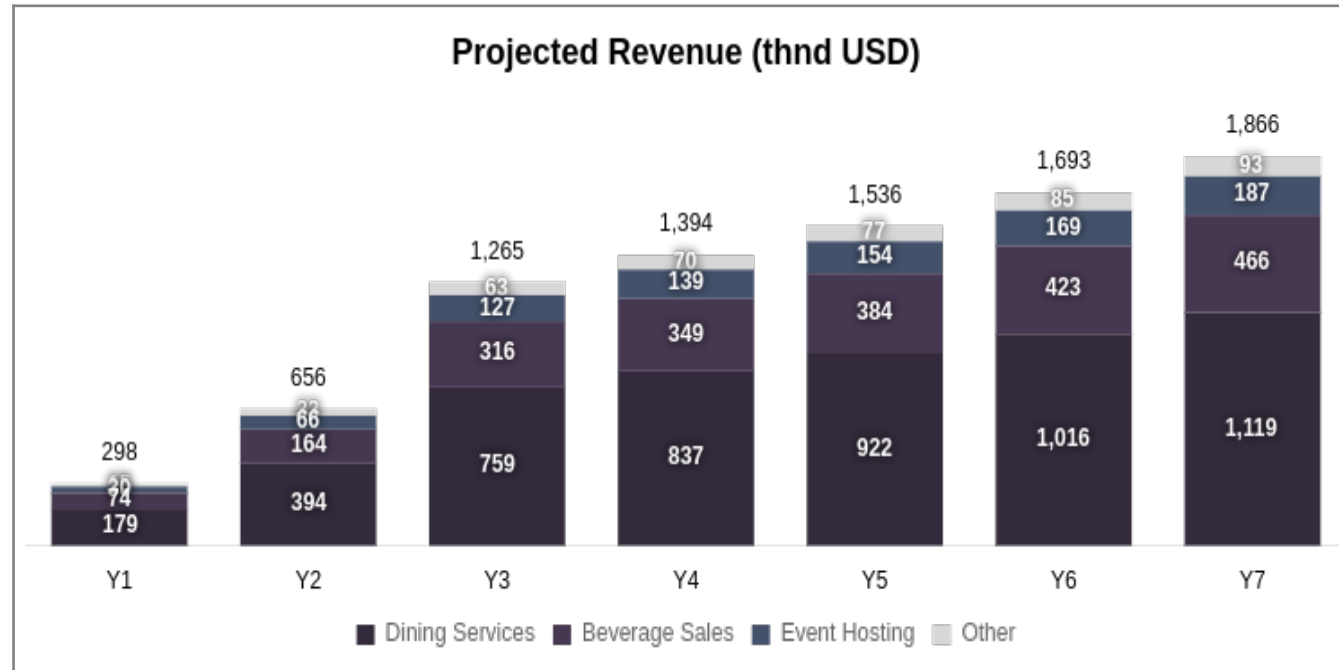
Gross Profit

**\$ 265k**

EBITDA

**0.30%**

Target Market Share



Margins  
(Stabilized by Y3)

GP Margin



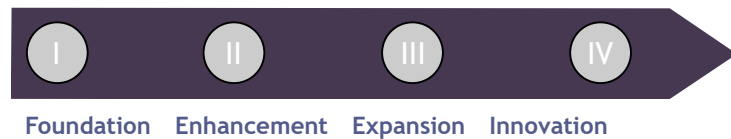
EBITDA Margin



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.

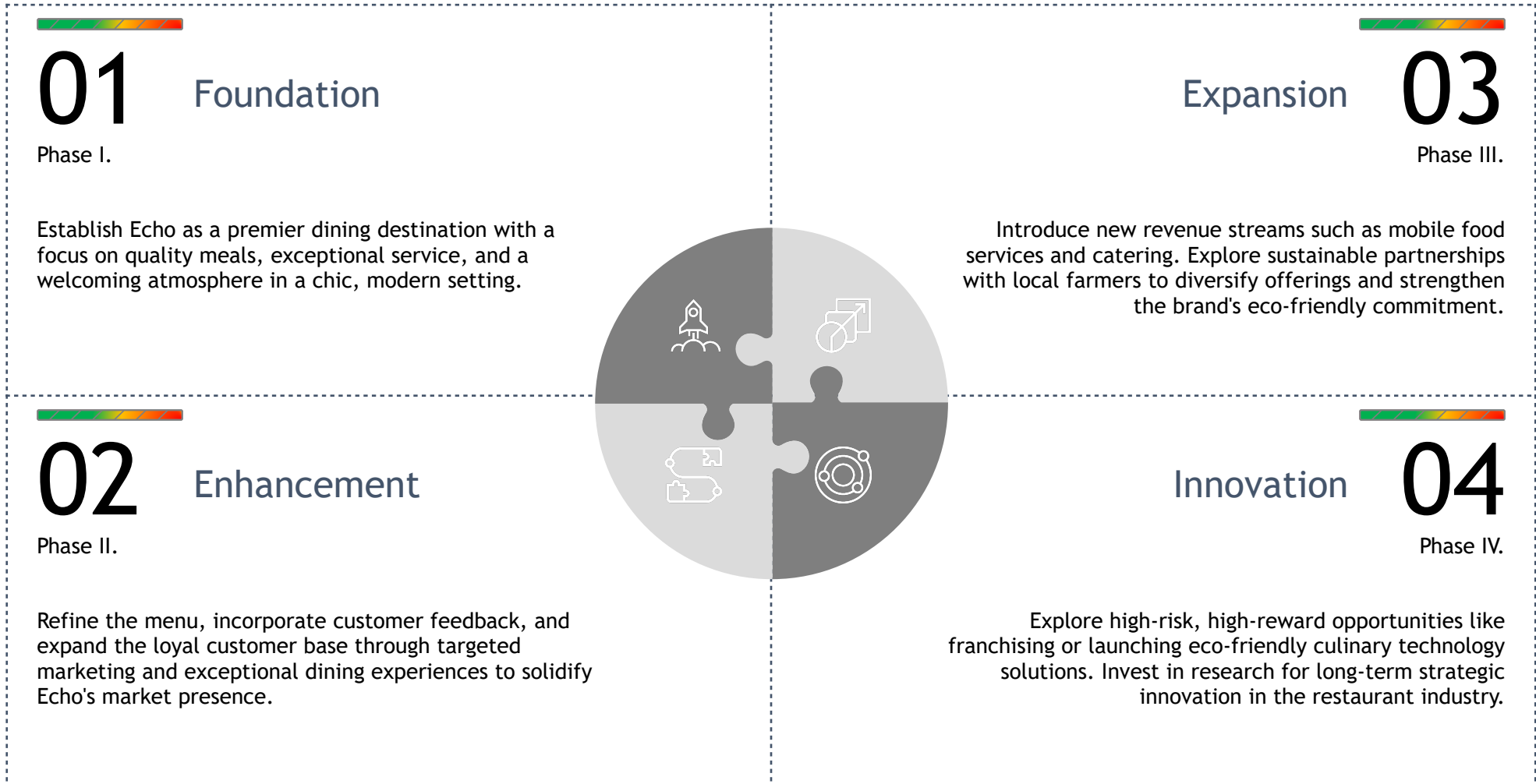


# About the Company: General Overview



Echo is a contemporary restaurant dedicated to delivering exceptional dining experiences in a chic, modern setting. Specializing in the Restaurants and mobile food service activities industries, Echo operates within the Accommodation and food service activities sector. The restaurant's menu features a blend of innovative and classic dishes crafted from the finest local ingredients. With a strong focus on providing a welcoming atmosphere and outstanding service, Echo ensures that every guest enjoys a memorable meal. Echo is also committed to sustainability, incorporating eco-friendly practices and supporting local farmers. Whether for a special occasion or a casual outing, Echo offers a unique dining experience that celebrates quality and creativity.

# The Main Phases: Projects & Impacts



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Enjoy high-quality, innovative, and delicious meals crafted from fresh, local ingredients.</li> <li>2. Experience exceptional service and a welcoming atmosphere that enhances their dining pleasure.</li> <li>3. Benefit from eco-friendly practices that contribute to a more sustainable dining experience.</li> </ol>
<b>Local Farmers</b>	<ol style="list-style-type: none"> <li>1. Gain steady business from Echo's commitment to sourcing locally, ensuring stable income.</li> <li>2. Strengthen their market presence through collaborative partnerships with a reputable restaurant.</li> <li>3. Contribute to the local economy by supporting a sustainable and ethical food supply chain.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Enjoy a supportive work environment with ongoing training and opportunities for career development.</li> <li>2. Participate in a company culture that values sustainability and community engagement.</li> <li>3. Benefit from competitive wages and job security in a growing, successful company.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Realize strong returns through Echo's strategic growth phases and market position.</li> <li>2. Benefit from the company's commitment to sustainability, tapping into the growing demand for eco-conscious brands.</li> <li>3. Gain confidence in a well-managed business that values innovation and long-term success.</li> </ol>
<b>Community</b>	<ol style="list-style-type: none"> <li>1. Experience an enhanced local dining scene and community gathering place.</li> <li>2. Benefit from Echo's support of local farmers, strengthening the local economy.</li> <li>3. Enjoy the positive environmental impact through Echo's sustainable practices.</li> </ol>
<b>Local Suppliers</b>	<ol style="list-style-type: none"> <li>1. Establish long-term supply agreements, ensuring consistent revenue streams.</li> <li>2. Collaborate with a reputable establishment to enhance their brand credibility.</li> <li>3. Foster innovation by contributing new products and services tailored to Echo's needs.</li> </ol>
<b>Regulatory Bodies</b>	<ol style="list-style-type: none"> <li>1. Work with a business that actively complies with food safety and sustainability regulations.</li> <li>2. Benefit from Echo's proactive community engagement, reducing the need for regulatory interventions.</li> <li>3. Monitor a transparent and ethical business model that sets high industry standards.</li> </ol>



# Key Performance Components

## Competitive Advantage

**Exceptional Dining Experience**

Echo delivers a unique dining experience combining innovative and classic dishes in a chic, modern setting, ensuring every guest enjoys a memorable meal.

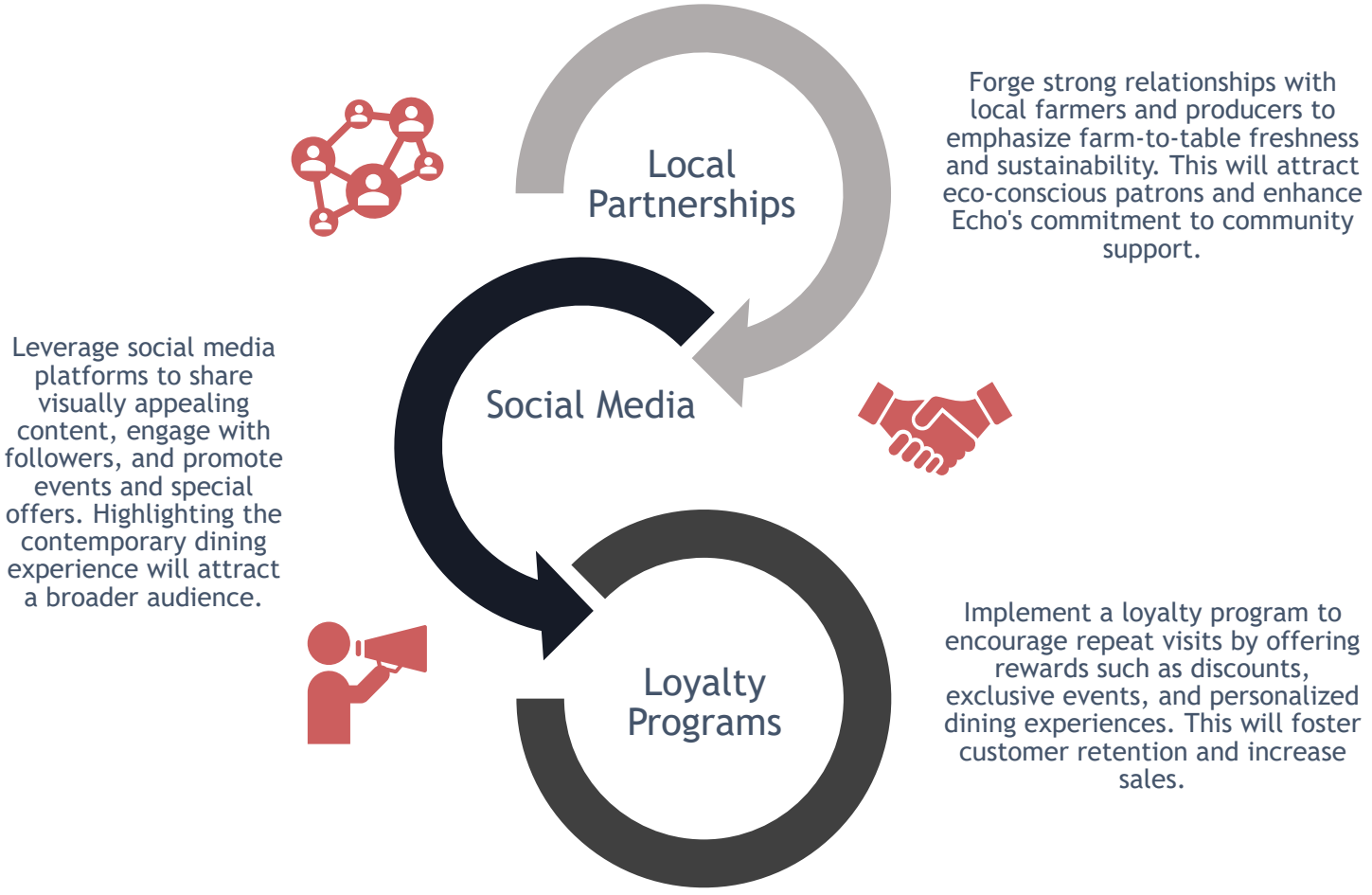
**Local Ingredients Focus**

Echo focuses on sourcing the finest local ingredients, supporting local farmers and providing fresh, high-quality meals that celebrate regional flavors.

**Sustainability Commitment**








Echo incorporates eco-friendly practices throughout its operations, demonstrating a commitment to sustainability and minimizing its environmental footprint.

## Marketing and Growth Strategy

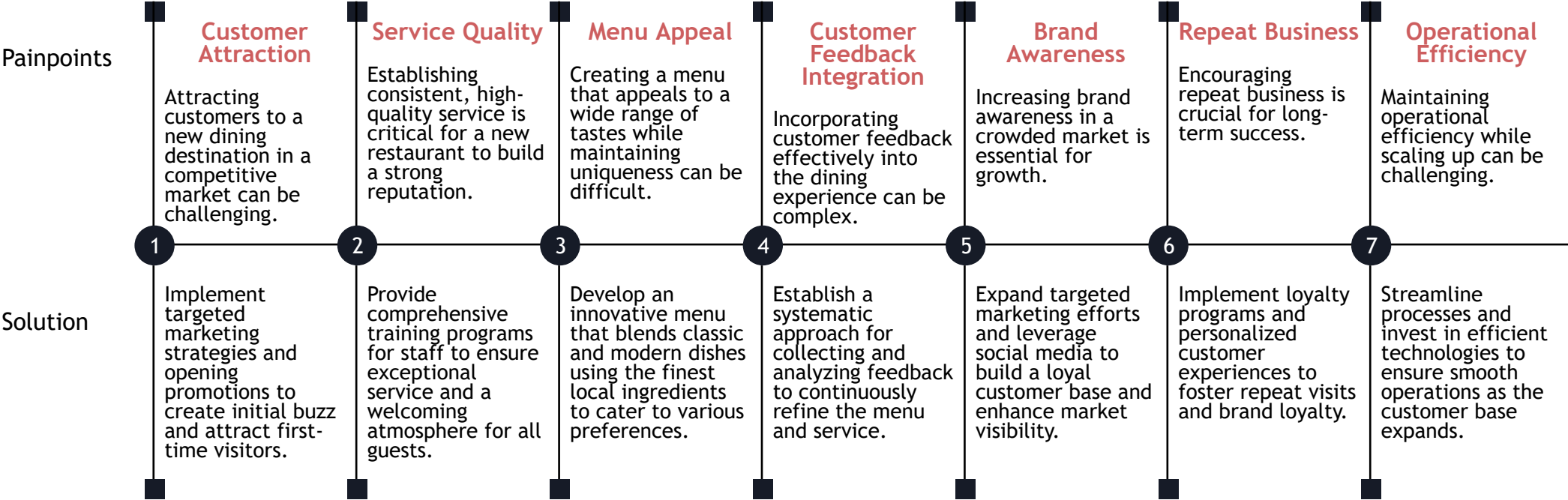




# Target Groups

	Industries	Description
I	 Local Food Enthusiasts	Individuals who enjoy experiencing high-quality meals in a chic, modern setting and are keen on exploring innovative and classic dishes crafted from local ingredients.
II	 Eco-conscious Diners	Customers who prioritize sustainability and prefer to dine in restaurants that support eco-friendly practices and local farmers.
III	 Busy Professionals	Professionals looking for a relaxing and welcoming atmosphere to unwind after work or during lunch breaks while enjoying exceptional service and quality meals.
IV	 Event Planners	Individuals or companies seeking a chic and modern venue for hosting special events, corporate functions, or private gatherings with exceptional dining experiences.
V	 Tourists and Visitors	Out-of-town visitors seeking memorable dining experiences that reflect the local culinary scene and eco-friendly ethos of the area.
VI	 Health-conscious Eaters	Patrons who are focused on healthy eating and are looking for menu options that emphasize fresh, high-quality ingredients and balanced meals.
VII	 Food Critics and Influencers	Individuals with a significant following who review and promote dining establishments, helping to boost Echo's reputation and attract a wider audience through positive reviews and social media engagement.

## Solution from Phase I to Phase IV




# Strategic Analysis: SWOT

**Strength**



Innovative menu with blend of classic and contemporary dishes. High-quality, locally-sourced ingredients supporting local farmers. Chic, modern setting enhances dining experience. Commitment to sustainability and eco-friendly practices. Exceptional customer service and memorable guest experiences.

**Weaknesses**




Higher price point may limit broader customer appeal. Limited brand recognition as a relatively new establishment. High overhead costs due to premium location and quality ingredients. Potential operational challenges in maintaining consistent sustainability practices. Dependence on local supply chain, which might be affected by regional disruptions.

**Opportunities**



Growing consumer interest in sustainable dining options. Expanding market for unique, high-quality dining experiences. Potential for partnerships with local producers and eco-friendly suppliers. Opportunities to host special events and private dining experiences. Expanding brand presence through social media and online marketing.

**Threats**



Intense competition in the upscale dining sector. Economic downturns impacting discretionary spending on dining out. Unpredictable supply chain disruptions affecting ingredient availability. Changing consumer trends and preferences. Regulatory changes affecting the hospitality and foodservice industry.

# History & Roadmap



## Current Status.

- Launching new seasonal menu in Mar 2024.
- Initiating eco-friendly practices by Jun 2024.
- Hosting community events and supporting farmers by Sep 2024.
- Expanding the customer loyalty program by Dec 2024.
- Enhancing online presence with upgraded website and mobile app by Mar 2025.
- Opening a second location by Jun 2025.

# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Develop Business Plan	●	Not Started	High	CEO 2 months
2	Secure Funding	●	Not Started	High	CFO 3 months
3	Obtain Licenses and Permits	●	Not Started	High	COO 1 month
4	Create Organizational Structure	●	Not Started	Medium	CPO 1 month
5	Set Up Accounting Systems	●	Not Started	Medium	CFO 1 month
6	Define Brand Identity	●	Not Started	High	CMO 2 months
7	Establish Vendor Relationships	●	Not Started	Medium	COO 2 months
8	Setup IT Infrastructure	●	Not Started	Medium	CTO 3 months
<b>Marketing</b>					
1	Develop Initial Brand Strategy	●	Not Started	High	CMO 2 weeks
2	Create Digital Marketing Campaign	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Design and Launch Website	●	Not Started	High	CTO 2 weeks
5	Develop Loyalty Program	●	Not Started	Medium	CMO 1 month
6	Identify and Partner with Influencers	●	Not Started	Medium	CMO 2 months
7	Host Grand Opening Event	●	Not Started	High	COO 3 weeks
8	Create and Distribute Press Kits	●	Not Started	Medium	CRO 2 weeks

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 1 &amp; Technical Set Up for next Phases</b>						
1	Secure funding and finalize budget	●	Not Started	High	CFO	2 months
2	Lease and renovate restaurant space	●	Not Started	High	COO	4 months
3	Procure necessary licenses and permits	●	Not Started	High	CSO	3 months
4	Hire and train staff	●	Not Started	High	COO	3 months
5	Develop initial menu and source suppliers	●	Not Started	Medium	CPO	2 months
6	Design restaurant interior and layout	●	Not Started	Medium	CBO	3 months
7	Implement quality control processes	●	Not Started	Medium	COO	1 month
8	Create initial marketing and promotional plan	●	Not Started	Low	CMO	1 month
<b>Phase 2</b>						
1	Refine and Update Menu	●	Not Started	High	CPO	2 months
2	Gather Customer Feedback	●	Not Started	High	CMO	1 month
3	Improve Staff Training Programs	●	Not Started	High	COO	3 months
4	Launch Targeted Marketing Campaigns	●	Not Started	High	CRO	1.5 months
5	Enhance Dining Experience	●	Not Started	Medium	COO	2 months
6	Expand Loyalty Program	●	Not Started	Medium	CRO	3.5 months
7	Implement Customer Relationship Management (CRM) System	●	Not Started	Medium	CIO	4 months
8	Optimize Online Reservation System	●	Not Started	Medium	CTO	2 months



# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 3</b>						
1	Launch Mobile Food Services	●	Not Started	High	COO	3 months
2	Develop Catering Services	●	Not Started	High	CPO	4 months
3	Source Partnerships with Local Farmers	●	Not Started	Medium	CSO	5 months
4	Create Eco-friendly Packaging Solutions	●	Not Started	Medium	CPO	6 months
5	Train Staff for Mobile Services	●	Not Started	High	COO	2 months
6	Design Mobile Service Menu	●	Not Started	High	CPO	1 month
7	Market New Services to Existing Customers	●	Not Started	Medium	CMO	3 months
8	Evaluate and Optimize Logistics for Mobile Operations	●	Not Started	High	COO	3 months
<b>Phase 4</b>						
1	Evaluate Franchising Opportunities	●	Not Started	High	CEO	6 months
2	Research Culinary Technology Solutions	●	Not Started	High	CTO	4 months
3	Develop Franchise Model	●	Not Started	Medium	COO	5 months
4	Conduct Market Analysis for Technology Solutions	●	Not Started	Medium	CMO	3 months
5	Identify Sustainable Partnerships for Innovation	●	Not Started	High	CSO	2 months
6	Develop Pilot Program for Eco-Friendly Solutions	●	Not Started	Medium	CIO	4 months
7	Secure Funding for High-Risk Projects	●	Not Started	High	CFO	3 months
8	Launch Beta Testing for New Technology	●	Not Started	Low	CTO	6 months



# Core Risks & Migration Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment Malfunction	COO	Regularly schedule maintenance checks and establish service contracts with reliable equipment suppliers to ensure quick repairs or replacements.
2	Inventory Management	CPO	Implement an advanced inventory management system to track stock levels in real-time and minimize waste through precise ordering and storage practices.
3	Supply Chain Disruptions	COO	Develop relationships with multiple suppliers and create contingency plans to manage potential disruptions, ensuring a steady flow of ingredients.
4	Food Safety Incidents	CSO	Enforce strict hygiene protocols and regular staff training to maintain high food safety standards, including frequent checks and audits.
5	Staff Turnover	CPO	Foster a positive work environment and provide competitive wages and benefits to retain skilled employees and reduce turnover rates.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Health and safety compliance	COO	Implement stringent health and safety protocols and conduct regular training and audits to ensure compliance with local and national regulations.
2	Food labeling laws	CSO	Ensure accurate labeling of all food items, especially allergens and nutritional information, through detailed staff training and regular audits.
3	Alcohol licensing	CRO	Secure appropriate alcohol licenses and regularly review them to ensure compliance with legal requirements, involving local legal experts when necessary.
4	Employment law compliance	CPO	Update HR policies regularly to align with current employment laws and ensure comprehensive training for management and staff on labor regulations.
5	Environmental regulations	CSO	Adopt and maintain eco-friendly practices in line with regulations, and stay informed about new environmental laws to ensure continued compliance.



### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Competition	CEO	Conduct regular market analysis and continuously innovate the menu and dining experience to stay ahead of competitors.
2	Customer Retention	CMO	Develop loyalty programs and personalized marketing campaigns to enhance customer engagement and repeat business.
3	Economic Downturn	CFO	Implement a flexible cost management plan and diversify revenue streams to reduce financial dependence on in-restaurant dining.
4	Changing Consumer Preferences	CPO	Conduct regular surveys and leverage data analytics to understand and quickly adapt to evolving customer tastes and preferences.
5	Brand Reputation	CSO	Monitor online reviews, actively engage with customers on social media, and address any service issues promptly to maintain a positive brand image.

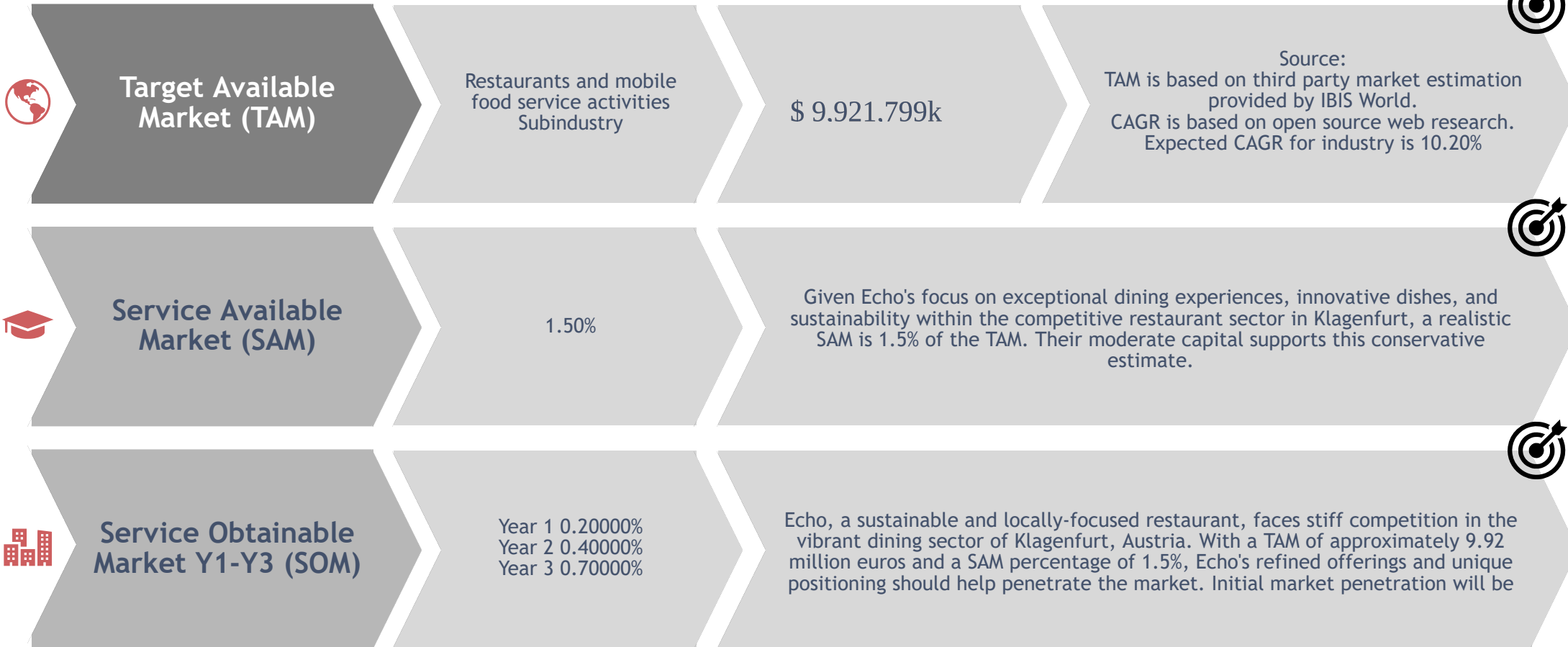
### 4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Issues	CFO	Implement rigorous cash flow monitoring and maintain a cash reserve to manage periods of low revenue.
2	Capital Shortfalls	CFO	Develop a strong relationship with financial institutions and investors to secure emergency funding options.
3	High Operating Costs	COO	Regularly review and optimize operational costs, and negotiate better terms with suppliers.
4	Market Fluctuations	CRO	Diversify revenue streams and maintain a flexible pricing strategy to adapt to market changes.
5	Unexpected Expenses	CEO	Build a contingency fund and develop a risk management plan to mitigate the impact of unforeseen expenditures.

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation	CMO	Continuously monitor and manage online reviews and social media presence, ensuring positive interactions and quick resolution of complaints.
2	Staff Retention	COO	Implement competitive compensation packages and ongoing professional development programs to retain top-tier talent.
3	Customer Preferences	CPO	Regularly conduct market research and gather customer feedback to stay ahead of changing dining trends and preferences.
4	Supply Chain Disruptions	CPO	Establish strong relationships with multiple local suppliers and maintain an inventory buffer to handle unforeseen supply chain issues.
5	Economic Downturns	CFO	Maintain strong financial reserves and adopt flexible pricing strategies to attract customers even during economic slowdowns.

# Market Overview (TAM, SAM and SOM)

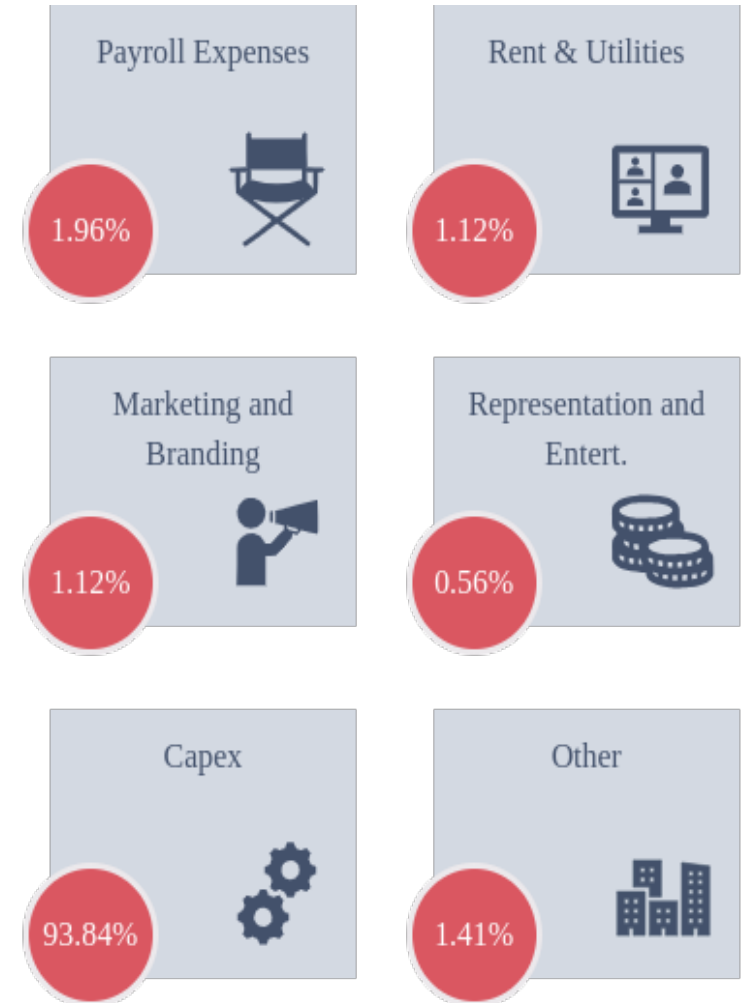


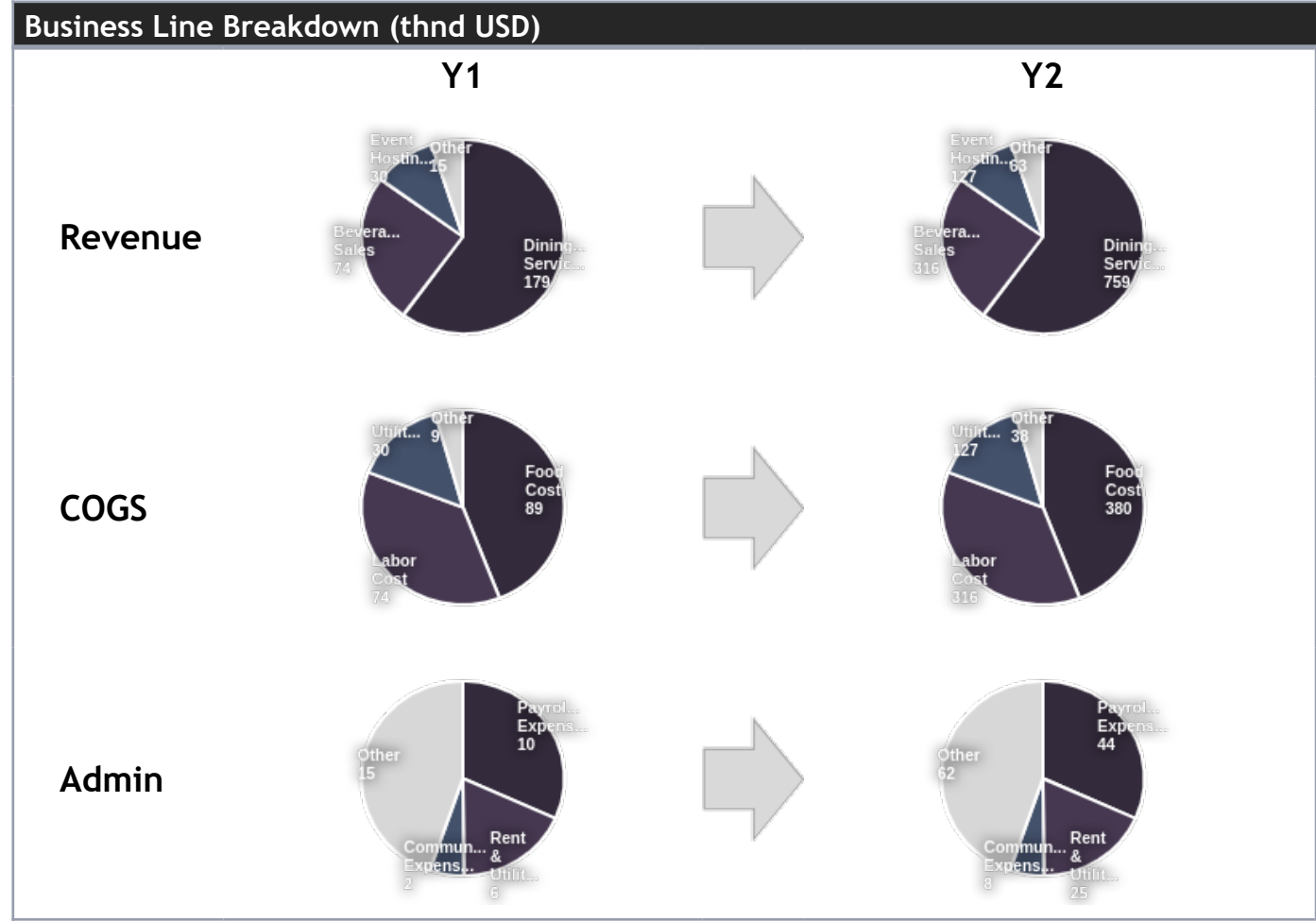
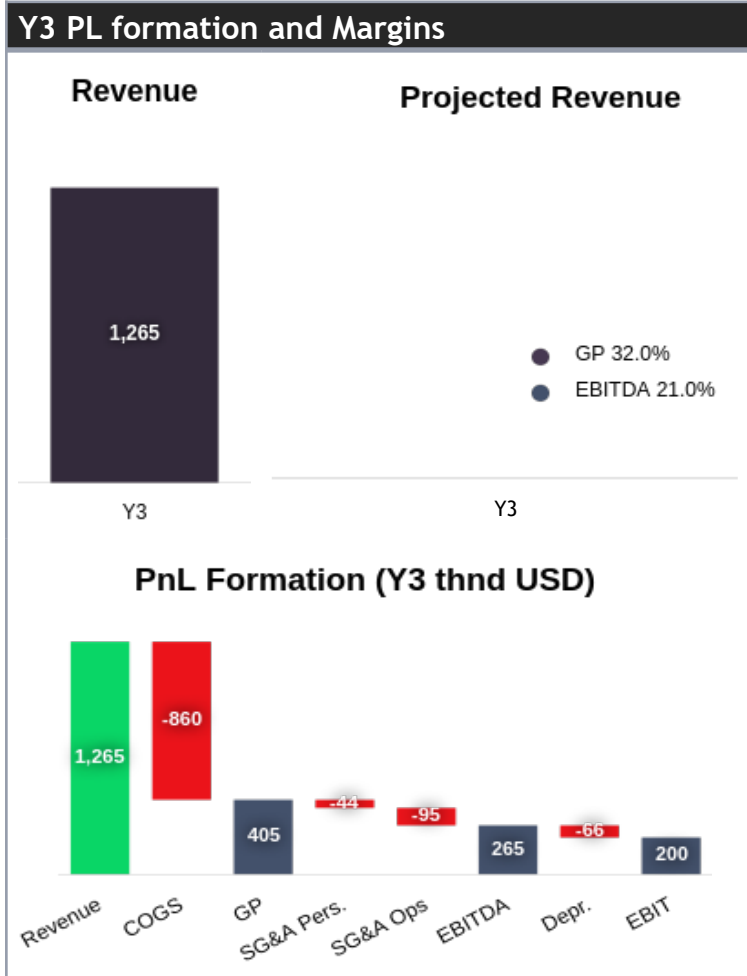
# Funding Allocation

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 \$ 500k

Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	95	
Payroll Expenses		10
Rent & Utilities		6
Marketing and Branding		6
Representation and Entert.		3
Capex		500
Other Miscellaneous		2
Communication Expenses		2
Training and Development		1
Legal and Professional Fees		1
Office supplies		1
<b>CAPEX &amp; WC shortage Y1</b>		<b>438</b>
<b>Buffer</b>		<b>62</b>
<b>Total Required Investment(thnd USD)</b>		<b>500</b>

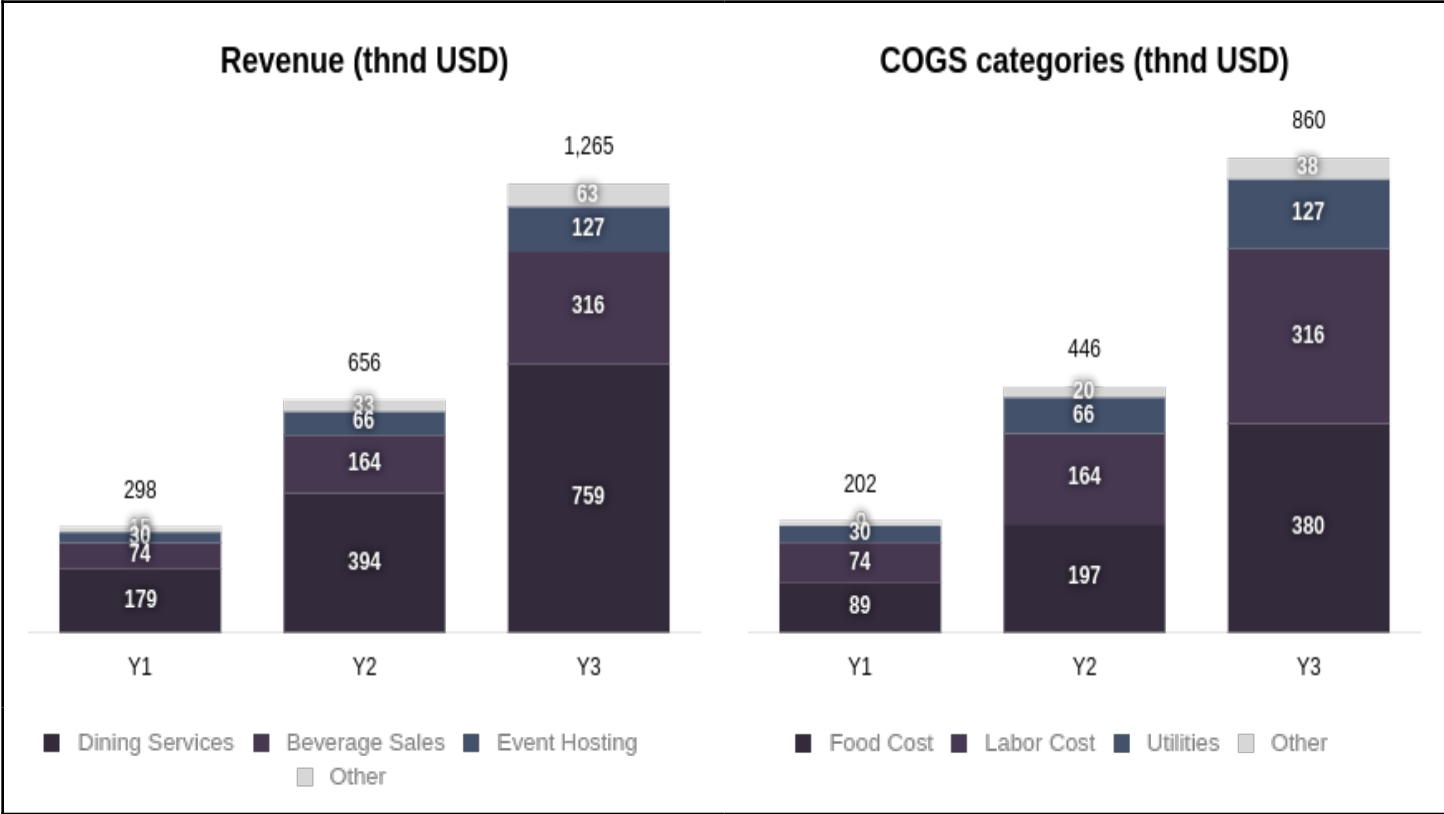




# Revenue Formation Narrative

Echo is a contemporary restaurant committed to providing exceptional dining experiences through a blend of innovative and classic dishes, emphasizing sustainability and local ingredients. Operating in the competitive restaurant sector of Klagenfurt, Austria, Echo projects its market penetration strategically. Given the TAM of 9,921,799.371k USD and Echo's focus, a Serviceable Addressable Market (SAM) of 1.5% has been identified, as outlined by the company's moderate capital and refined offerings. This positions the SAM narrative at 148,896.991k USD. For the Serviceable Obtainable Market (SOM), year one is conservatively estimated at 0.2% of the TAM, generating a projected year-one revenue of 297.654k USD. By year two, the SOM is anticipated to grow to 0.4%, resulting in 656.029k USD in revenue. Finally, in year three, the SOM is projected to reach 0.7%, equating to 1,265.153k USD in revenue. This incremental growth accounts for increasing brand recognition and customer loyalty aided by initial capital deployment of 500,000 euros. Echo's four main lines of business—Dining Services, Beverage Sales, Event Hosting, and Other—will contribute as follows: Dining Services at 60%, Beverage Sales at 25%, Event Hosting at 10%, and Other lines at 5%. By year's end, Dining Services are expected to generate the highest revenue, reflecting Echo's primary market focus, followed by substantial contributions from Beverage Sales, Event Hosting, and ancillary services. Echo's comprehensive approach and dedicated service model are well-positioned to achieve these revenue milestones within the planned timeframe.

**\$ 1.265k** Y3 Projected Revenue **0.30%** Market share



# Revenue Calculation Details

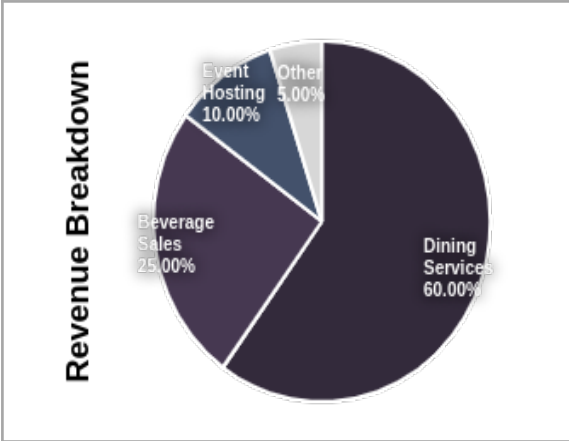
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Dining Services	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Beverage Sales	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Event Hosting	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 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

Dining Services	11	11	11	13	13	13	16	16	16	19	19	19	179	394	759
Beverage Sales	5	5	5	6	6	6	7	7	7	8	8	8	74	164	316
Event Hosting	2	2	2	2	2	2	3	3	3	3	3	3	30	66	127
Other	1	1	1	1	1	1	1	1	1	2	2	2	15	33	63
<b>Total Revenue (thnd USD)</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>298</b>	<b>656</b>	<b>1,265</b>

Total revenue is expected to reach \$ 1,265k by year 3.  
 Main revenue driver are:

- Dining Services which generates \$ 759k by Year 3
- Beverage Sales which generates \$ 316k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 106.17 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Food Cost	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%
Labor Cost	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Utilities	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	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%

Food Cost	6	6	6	7	7	7	8	8	8	9	9	9	89	197	380
Labor Cost	5	5	5	6	6	6	7	7	7	8	8	8	74	164	316
Utilities	2	2	2	2	2	2	3	3	3	3	3	3	30	66	127
Other	1	1	1	1	1	1	1	1	1	1	1	1	9	20	38

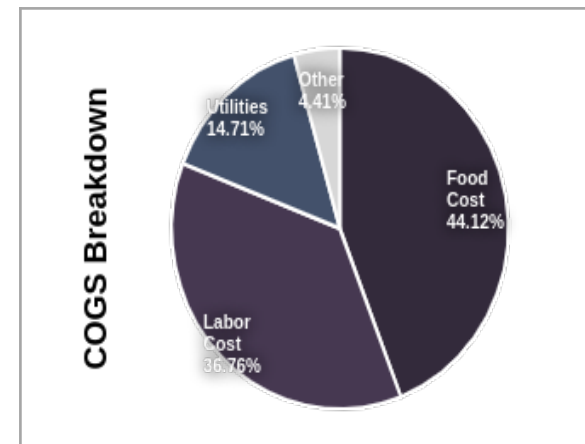
<b>Total COGS (thnd USD)</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>202</b>	<b>446</b>	<b>860</b>
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Total COGS is expected to reach \$ 860k by year 3.

Main revenue driver are:

- Food Cost which generates \$ 380k by Year 3
- Labor Cost which generates \$ 316k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 106.17 %



# SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	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%
Rent & Utilities	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%
Communication Expenses	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Office supplies	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Legal and Professional Fees	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Marketing and Branding	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%
Representation and Entertainment	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%
Training and Development	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%
Other Miscellaneous	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%

Payroll Expenses	1	1	1	1	1	1	1	1	1	1	1	1	10	23	44
Rent & Utilities	0	0	0	0	0	0	1	1	1	1	1	1	6	13	25
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	2	4	8
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	1	3	5
Marketing and Branding	0	0	0	0	0	0	1	1	1	1	1	1	6	13	25
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	3	7	13
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	1	3	6
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	2	5	9

<b>Total SG&amp;A (thnd USD)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>33</b>	<b>72</b>	<b>140</b>
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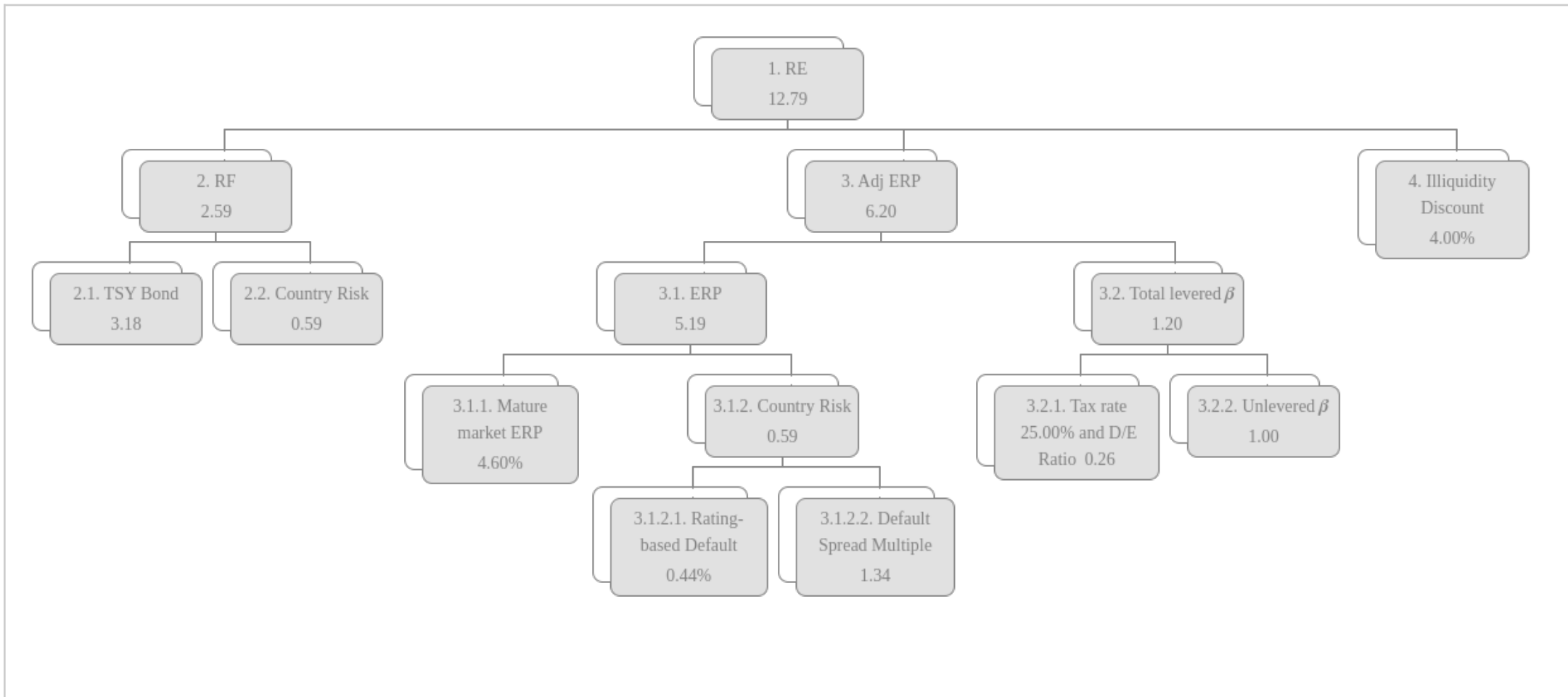
# PaT Expectations

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	19	19	19	22	22	22	27	27	27	31	31	31	298	656	1,265
Dining Services	11	11	11	13	13	13	16	16	16	19	19	19	179	394	759
Beverage Sales	5	5	5	6	6	6	7	7	7	8	8	8	74	164	316
Event Hosting	2	2	2	2	2	2	3	3	3	3	3	3	30	66	127
Other	1	1	1	1	1	1	1	1	1	2	2	2	15	33	63
COGS	-13	-13	-13	-15	-15	-15	-19	-19	-19	-21	-21	-21	-202	-446	-860
Food Cost	-6	-6	-6	-7	-7	-7	-8	-8	-8	-9	-9	-9	-89	-197	-380
Labor Cost	-5	-5	-5	-6	-6	-6	-7	-7	-7	-8	-8	-8	-74	-164	-316
Utilities	-2	-2	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	-30	-66	-127
Other	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-9	-20	-38
Gross Profit	6	6	6	7	7	7	9	9	9	10	10	10	95	210	405
SG&A Personal Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-10	-23	-44
SG&A Operating Expenses	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-22	-49	-95
EBITDA	4	4	4	5	5	5	6	6	6	7	7	7	62	138	265
Depreciation	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-66	-66	-66
EBIT	-2	-2	-2	-1	-1	-1	0	0	0	1	1	1	-3	72	200
Interest Expense	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-4	-4	-4
Profit before Tax	-2	-2	-2	-1	-1	-1	-0	-0	-0	1	1	1	-7	68	196
Tax	0	0	0	0	0	0	0	0	0	-0	-0	-0	2	-17	-49
Profit after Tax (thnd USD)	-1	-1	-1	-1	-1	-1	-0	-0	-0	1	1	1	-6	51	147

## 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  $R(E) = R(F) + \beta * (ERP)$ , 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 ( $\beta$ ) 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](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	-6	51	147	162	178	196	216
	Growth% Y4-Y7				10.20%	10.20%	10.20%	10.20%
	Growth% Y7 -->	3.50%						
	WACC	12.79%						
	PV Y1-Y7 at Y0	-5	40	102	100	98	95	93
	PV Y7 --> Y0	1,037						
	<b>NPV (thnd USD)</b>	<b>1,560</b>						

Average Survival Rate for 3 Years 50%

**Final Valuation \$ 780k**

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 12.79 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 10.20 %, 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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Please note that the valuation results presented here are based on the Discounted Cash Flow (DCF) method and various assumptions, including projected cash flows, growth rates, discount rates, and survival rates. These assumptions are subject to change and may not accurately reflect future market conditions or the performance of the business.

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