Business Plan
& Valuation Presentation

Contents

OUR
VISION & MISSION

Our Mission

Step Scope is committed to revolutionizing the footwear industry by delivering stylish, high-quality shoes that prioritize comfort, durability, and sustainability. We incorporate advanced technology and the finest materials to create innovative designs that meet the highest standards of fashion and function. Our mission is to provide exceptional footwear solutions that enhance the everyday lives of our customers, while promoting eco-friendly practices throughout our production process.

Our Vision

Step Scope envisions becoming a global leader in the footwear industry, renowned for our innovative and sustainable designs. In twenty years, we aim to be the go-to brand for individuals seeking stylish, high-performance shoes that not only meet but exceed their expectations. We aspire to set new standards in comfort, durability, and eco-friendly practices, contributing to a more sustainable future while keeping people stepping confidently, whether in daily life or special occasions.

Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

$ 326k

Revenue

$ 148k

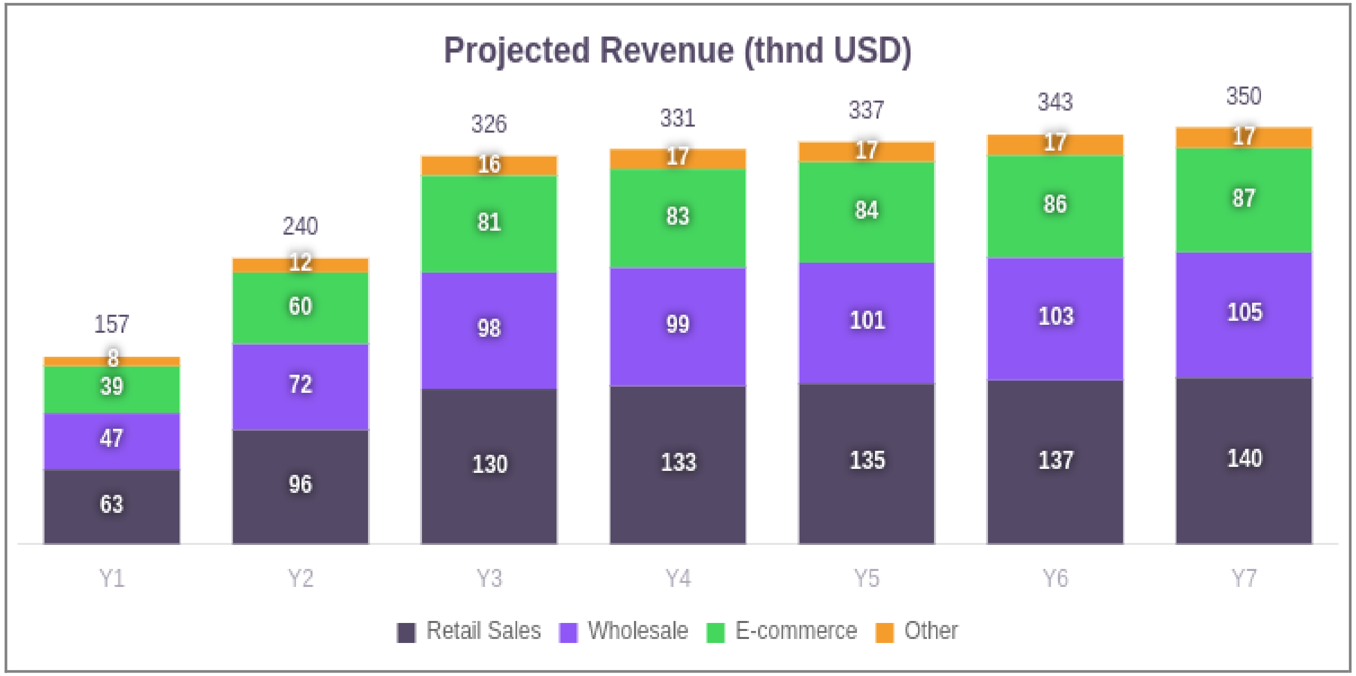
Gross Profit

$ 39k

EBITDA

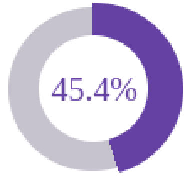
15.00%

Target Market Share

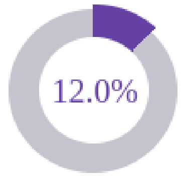


Margins
(Stabilized by Y3)

GP Margin

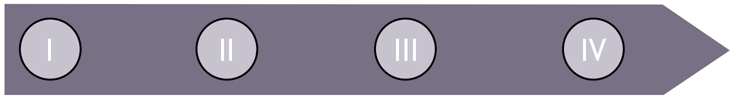


EBITDA Margin



PbT Margin

Project Phases



Foundational Offering

Core Product Enhancement

New Profit Streams

Exploration of High-Risk Opportunities

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 $ 600k

Y1 CAPEX $ 600k

WC $ 21k

About the Company: General Overview

Step Scope is a dynamic footwear brand dedicated to delivering stylish, high-quality shoes designed for comfort and durability. The company specializes in the manufacture of footwear and operates within the manufacturing sector. Its collection features a range of innovative designs, from casual wear to formal footwear, all crafted with the finest materials and advanced technology. At Step Scope, both fashion and function are prioritized, ensuring that every pair of shoes meets the highest standards of comfort and performance. Committed to sustainability, the company incorporates eco-friendly practices into its production process. Whether customers are looking for the perfect everyday shoe or a standout piece for a special occasion, Step Scope offers exceptional footwear solutions that keep them stepping in style.

The Main Phases: Projects & Impacts

01 Foundational Offering

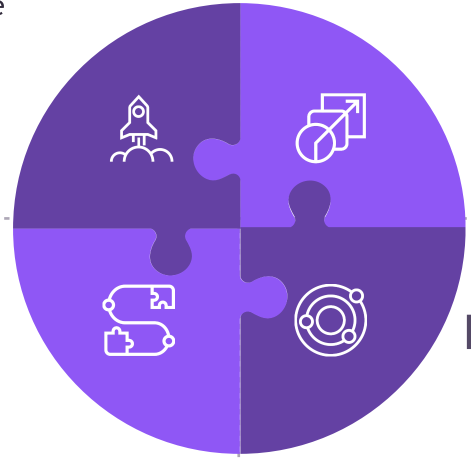
Phase I.

Launch initial range of stylish, high-quality, comfortable shoes to establish market presence and build brand recognition.

03 New Profit Streams

Phase III.

Develop auxiliary products or services, such as custom footwear options or premium, limited-edition lines to attract niche markets and diversify income.



02 Core Product Enhancement

Phase II.

Expand product line, improve designs, integrate advanced technology, and grow customer base to solidify market position and ensure sustained revenue.

04 Exploration of High-Risk Opportunities

Phase IV.

Pursue groundbreaking initiatives like circular economy models, biodegradable materials, or high-tech wearable devices, positioning Step Scope as an industry pioneer.

Sources: Company's Prop Vision

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	1. Access to stylish, high-quality shoes that harmonize fashion and comfort. 2. Assurance of sustainability through eco-friendly practices in production. 3. Opportunity to explore diverse options from everyday wear to premium, limited-edition lines.
Retail Partners	1. Increased store traffic and sales from carrying a reputable, high-demand brand. 2. Expansion of product offerings taps into growing footwear market trends. 3. Strengthened business relationships through collaborative marketing and promotional activities.
Suppliers	1. Steady demand for high-quality raw materials and eco-friendly components. 2. Long-term partnerships driven by consistent, bulk orders aligning with our growth phases. 3. Collaborative innovation opportunities to improve material quality and sustainability.
Employees	1. Job security and growth opportunities through company expansion and innovation phases. 2. Inclusive and dynamic work environment that values sustainability and creative input. 3. Enhanced skills and experience working with cutting-edge technology and design.
Investors	1. Attractive returns on investment from diversified and expanding product lines. 2. Confidence in a sustainable brand with a clear growth trajectory and innovation focus. 3. Strategic opportunities in a pioneering company exploring high-risk, high-reward initiatives.
Community	1. Job creation and economic stimulation within local production and retail areas. 2. Positive environmental impact from our commitment to eco-friendly manufacturing practices. 3. Enhanced community engagement through local events and sponsorships.
Industry Regulators	1. Compliance with industry standards through sustainable and ethically-produced footwear. 2. Contribution to industry advancements in technology and eco-friendly materials. 3. Partnership potential to set benchmarks for best practices in manufacturing and sustainability.

Key Performance Components

Competitive Advantage

Innovative Designs

Step Scope offers a diverse range of stylish and innovative footwear designs, meeting the needs of both casual and formal occasions, ensuring customers always step in style.

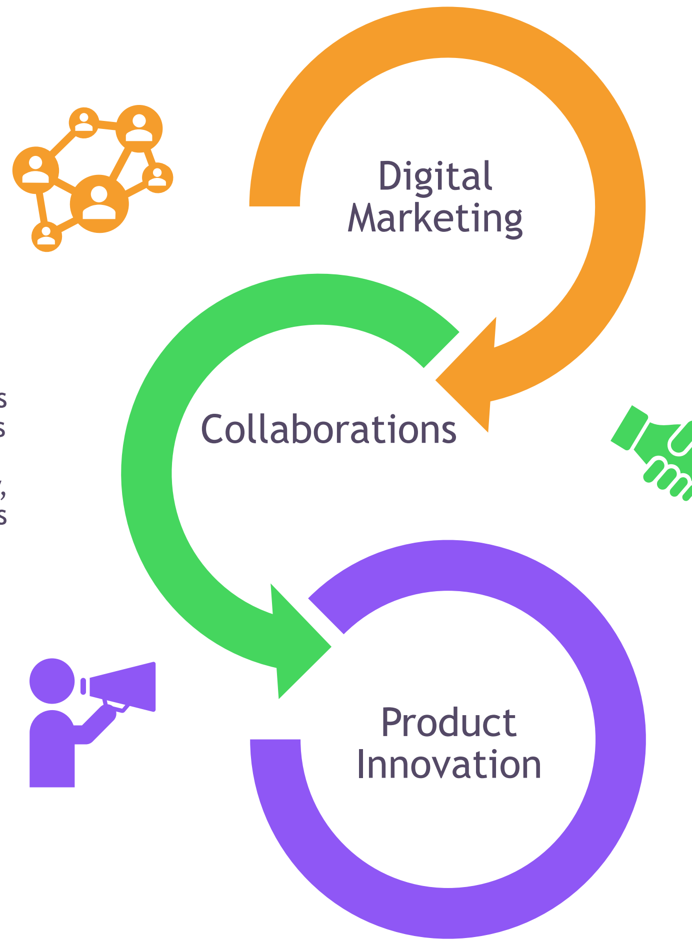
High-Quality Materials

The company uses the finest materials in its manufacturing process, ensuring durability and superior comfort, making their shoes a long-lasting investment for consumers.

Eco-Friendly Practices

Step Scope is committed to sustainability by incorporating eco-friendly practices into their production process, reducing their environmental footprint and appealing to environmentally conscious consumers.

Marketing and Growth Strategy



Leverage online channels, including social media, SEO, and content marketing, to reach a broader audience and highlight the unique value of Step Scope's stylish and high-quality footwear.

Establish partnerships with fashion influencers and eco-friendly brands to enhance brand visibility and credibility, showcasing Step Scope's commitment to style, quality, and sustainability.

Continuously invest in R&D to introduce new, cutting-edge footwear designs and technologies that meet market demands, ensuring customer satisfaction and brand loyalty.

Target Groups

	Industries	Description
I	Young Professionals	Individuals who seek stylish and comfortable footwear that complements both their professional and casual outfits.
II	Athletes and Fitness Enthusiasts	People engaged in sports and fitness activities who require high-performance, durable, and comfortable athletic shoes.
III	Eco-conscious Consumers	Consumers who prioritize sustainability and seek eco-friendly footwear options made from biodegradable materials.
IV	Fashion Savvy Individuals	Trendsetters and fashion enthusiasts who value unique, stylish, and premium footwear designs for everyday wear.
V	Health and Wellness Advocates	Customers who prioritize comfort and foot health and look for orthopedic and supportive shoe options.
VI	Corporate Clients	Companies looking for uniform, formal footwear solutions for their employees that combine style with comfort.
VII	Special Occasion Shoppers	Individuals seeking high-quality, standout footwear for important events, like weddings, galas, or formal gatherings.

Sources: Company's Prop Assessment

Painpoints & Solutions

Solution from Phase I to Phase IV

	1	2	3	4	5	6	7
Painpoints	**Lack of Stylish yet Comfortable Options** Consumers often find it challenging to find footwear that balances style with comfort, forcing compromises.	**Limited High-Quality Selections** The market is saturated with low-quality footwear options that fail to deliver long-term durability.	**Initial Brand Recognition Struggles** New entrants in the market often struggle to build brand recognition and gain consumer trust.	**Lack of Product Variety** Consumers want a diverse range of choices and often abandon brands that offer limited options.	**Outdated Designs** Footwear designs can quickly become outdated, making it difficult for brands to maintain customer interest.	**Limited Customer Base** A small customer base limits a brand's growth potential and ability to sustain revenue.	**Low Technological Integration** Consumers expect innovative features and advanced technology integrated into their footwear.
Solution	Step Scope offers an initial range of stylish, high-quality, comfortable shoes that meet both fashion and functional needs.	Step Scope's foundational offering focuses on high-quality materials and construction to ensure long-lasting durability and value for money.	Launching an initial range of footwear will help Step Scope establish market presence and start building brand recognition.	Step Scope will expand its product line to include more styles, colors, and designs, providing customers with a wide array of choices.	By continuously improving designs and integrating advanced technology, Step Scope will keep its offerings modern and appealing.	Growing the customer base through marketing and product variety will help solidify Step Scope's market position and ensure sustained revenue.	Step Scope will integrate advanced technology such as smart insoles or custom-fit solutions to attract tech-savvy consumers and enhance product value.

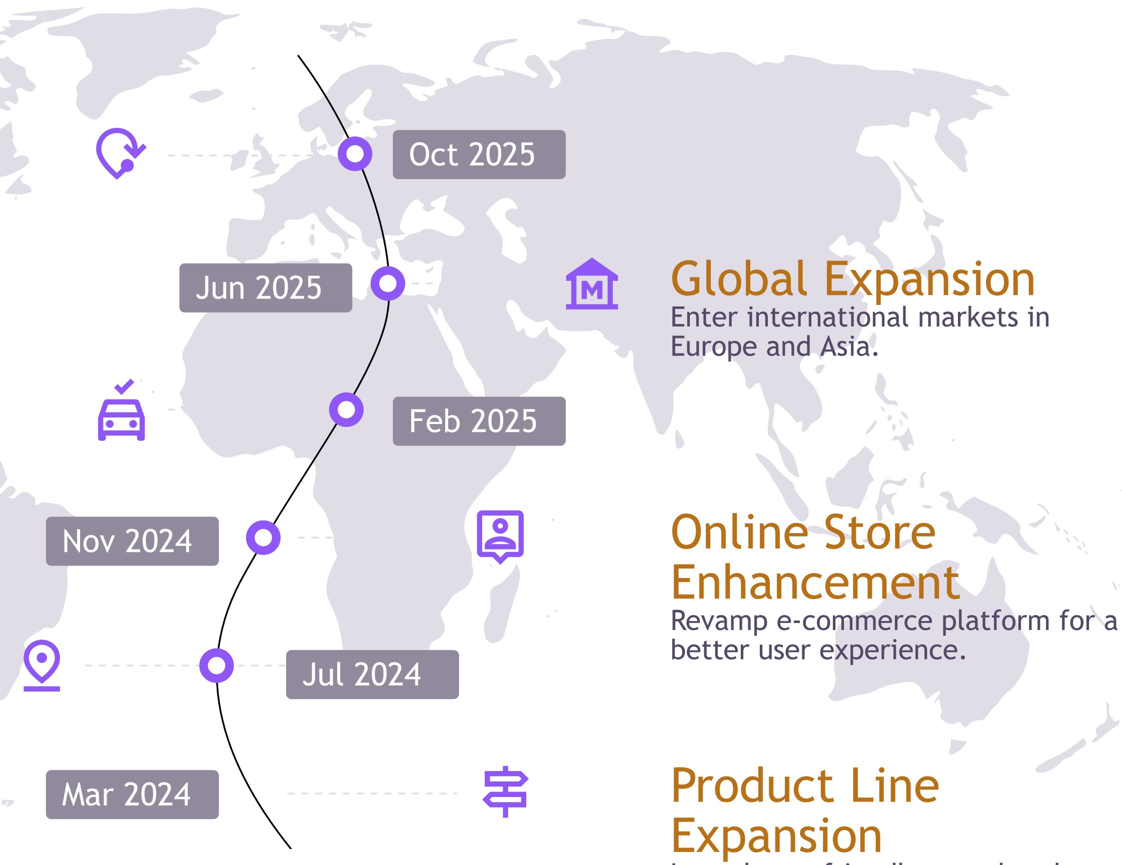
Sources: Company's Prop Assessment

Strategic Analysis: SWOT

Strength	Stylish and high-quality shoe designs. Advanced manufacturing technology. Diverse product range from casual to formal wear. Commitment to eco-friendly practices. Strong focus on comfort and durability.
Weaknesses	Potentially higher production costs due to quality and sustainability focus. Limited brand recognition in a competitive market. Dependence on raw material suppliers. Issues with scaling production. Challenges in maintaining consistent quality across all products.
Opportunities	Growing trend towards eco-friendly products. Expansion into new markets and regions. Partnerships with fashion influencers and retailers. Increasing consumer interest in comfort-focused footwear. Potential for technological advancements in production.
Threats	High competition from established brands. Economic downturns impacting consumer spending. Volatile raw material prices. Changing fashion trends. Supply chain disruptions due to geopolitical issues.

Sources: Company's Prop Assessment

History & Roadmap



Collaborations
Partner with high-end fashion brands for exclusive collections.

Global Expansion
Enter international markets in Europe and Asia.

R&D Investment
Increase investment in sustainable materials research.

Online Store Enhancement
Revamp e-commerce platform for a better user experience.

Market Penetration
Expand market presence in key urban locations.

Product Line Expansion
Launch eco-friendly casual and formal footwear options.

Current Status.

- Expand product line to include eco-friendly footwear by Mar 2024.
- Increase market share in urban areas by Jul 2024.
- Improve online shopping experience by revamping e-commerce platform by Nov 2024.
- Boost R&D for sustainable materials by Feb 2025.
- Initiate global market entry in Europe and Asia by Jun 2025.
- Collaborate with luxury fashion brands for exclusive footwear by Oct 2025.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Develop Initial Business Plan	Not Started	High	CEO	2 weeks
2	Secure Initial Funding	Not Started	High	CFO	1 month
3	Establish Legal Structure	Not Started	High	COO	3 weeks
4	Develop Product Line Strategy	Not Started	High	CPO	1 month
5	Set Up Manufacturing Facilities	Not Started	High	COO	2 months
6	Create Corporate Identity and Branding	Not Started	Medium	CMO	1 month
7	Develop IT Infrastructure	Not Started	Medium	CIO	1.5 months
8	Hire Key Team Members	Not Started	High	CEO	2 months
Marketing					
1	Develop Brand Identity and Messaging	Not Started	High	CMO	2 weeks
2	Create a Comprehensive Marketing Plan	Not Started	High	CMO	1 month
3	Establish Social Media Presence	Not Started	Medium	CMO	1 month
4	Launch Initial Advertising Campaign	Not Started	High	CMO	6 weeks
5	Develop Partnership and Influencer Strategy	Not Started	Medium	CRO	2 months
6	Create Content Marketing Plan	Not Started	Medium	COO	1 month
7	Design Sales Promotional Offers	Not Started	Medium	CFO	2 months
8	Conduct Market Research for Target Audience	Not Started	High	CPO	1 month

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Finalize initial product designs	Not Started	High	CPO	2 weeks
2	Secure supply chain and material sources	Not Started	High	COO	1 month
3	Set up production facilities	Not Started	High	CTO	6 weeks
4	Develop quality assurance protocols	Not Started	Medium	COO	3 weeks
5	Establish vendor and distributor agreements	Not Started	High	CBO	4 weeks
6	Implement initial production run	Not Started	High	COO	6 weeks
7	Setup e-commerce platform for sales	Not Started	High	CTO	1 month
8	Initiate soft launch and collect customer feedback	Not Started	Medium	CMO	1.5 months
Phase 2					
1	Expand Product Line	Not Started	High	CPO	3 months
2	Improve Existing Designs	Not Started	High	CPO	2 months
3	Integrate Advanced Technology	Not Started	High	CTO	4 months
4	Enhance Customer Experience	Not Started	Medium	CMO	3 months
5	Optimize Supply Chain	Not Started	High	COO	3 months
6	Increase Marketing Efforts	Not Started	High	CMO	2 months
7	Strengthen Customer Support	Not Started	Medium	CRO	3 months
8	Expand Distribution Channels	Not Started	High	COO	3 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop Custom Footwear Options	Not Started	High	CPO	6 months
2	Launch Premium, Limited-Edition Lines	Not Started	High	CPO	8 months
3	Create Market Strategy for Niche Markets	Not Started	High	CMO	4 months
4	Design Exclusive Packaging for Premium Lines	Not Started	Medium	COO	5 months
5	Integrate Advanced Customization Tools on Website	Not Started	High	CTO	6 months
6	Form Partnerships with Niche Market Influencers	Not Started	Medium	CRO	7 months
7	Implement Subscription-based Revenue Model	Not Started	Medium	CFO	9 months
8	Develop In-store Customization Experience	Not Started	Low	COO	10 months
Phase 4					
1	Research Circular Economy Models	Not Started	High	CSO	3 months
2	Develop Biodegradable Material Prototypes	Not Started	High	CTO	6 months
3	Test High-Tech Wearable Devices	Not Started	Medium	CIO	4 months
4	Build Partnerships with Green Tech Startups	Not Started	Medium	CBO	5 months
5	Initiate Product Lifecycle Analysis for Circular Economy Integration	Not Started	High	CPO	6 months
6	Develop Marketing Plan for New Eco-Friendly and High-Tech Products	Not Started	Medium	CMO	2 months
7	Secure Funding for High-Risk Projects	Not Started	High	CFO	3 months
8	Conduct Pilot Program for Biodegradable Shoes	Not Started	High	COO	6 months

Sources: Company's Prop Planning

Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Quality Control Issues	COO	Implement a comprehensive quality assurance program including regular inspections and employee training.
2	Supply Chain Disruptions	CPO	Diversify suppliers and establish contingency plans to ensure raw material availability.
3	Inventory Management Challenges	CFO	Utilize advanced inventory management software to optimize stock levels and reduce waste.
4	Manufacturing Equipment Failures	CTO	Schedule regular maintenance and have backup machinery available to minimize downtime.
5	Product Design Errors	CPO	Implement a rigorous design review and testing process to catch and correct issues early.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with international trade regulations	CFO	Establish a dedicated compliance team to monitor and ensure adherence to international trade laws and regularly update the team on any changes in regulations.
2	Product safety standards	COO	Implement rigorous quality control processes and regularly test products to meet or exceed safety standards set by regulatory bodies.
3	Intellectual property infringement	CIO	Secure patents and trademarks for key designs and technologies, and actively monitor the market for any potential infringements to take immediate legal action.
4	Environmental regulations	CSO	Adopt sustainable manufacturing practices, conduct environmental impact assessments, and ensure compliance with all local and international environmental laws.
5	Labor laws and workplace safety	COO	Develop and enforce strict adherence to labor laws and workplace safety standards, providing regular training and audits to ensure a safe working environment.

Core Risks & Migration Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Competition	CMO	Continuously monitor competitors and innovate product offerings to maintain market relevance and edge over competitors.
2	Changing Consumer Preferences	CPO	Conduct regular consumer research and incorporate feedback into product development to adapt to evolving customer tastes and preferences.
3	Market Saturation	CBO	Identify and target niche markets and international expansion opportunities to mitigate the impact of saturation in primary markets.
4	Economic Downturn	CFO	Maintain a robust financial strategy with diverse revenue streams and cost control measures to withstand economic fluctuations.
5	Brand Dilution	CSO	Implement stringent brand management practices and ensure consistent messaging and quality across all products and marketing campaigns.

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Market Demand Fluctuations	CFO	Diversify product offerings and markets to reduce dependency on a single revenue stream.
2	High Production Costs	COO	Negotiate better contracts with suppliers and invest in cost-efficient manufacturing technologies.
3	Cash Flow Management	CFO	Implement robust cash flow monitoring and forecasting practices to ensure liquidity.
4	Credit Risk	CRO	Establish stringent credit evaluation criteria and offer flexible payment terms to reduce default rates.
5	Funding Gaps	CEO	Develop strong relationships with investors and financial institutions to secure backup funding options.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Supply Chain Disruptions	COO	Develop relationships with multiple suppliers and create contingency plans to minimize impact of potential disruptions
2	Brand Reputation	CMO	Implement a proactive PR and customer service strategy to manage and maintain brand reputation, and swiftly address any negative feedback or issues
3	Technology Adoption	CTO	Invest in ongoing training and development of staff to ensure smooth adoption and integration of new technologies
4	Talent Retention	COO	Foster a positive work culture and offer competitive compensation packages and career advancement opportunities
5	Market Competition	CBO	Conduct continuous market research to stay ahead of trends, and differentiate Step Scope’s value proposition through innovation and customer experience

Market Overview (TAM, SAM and SOM)

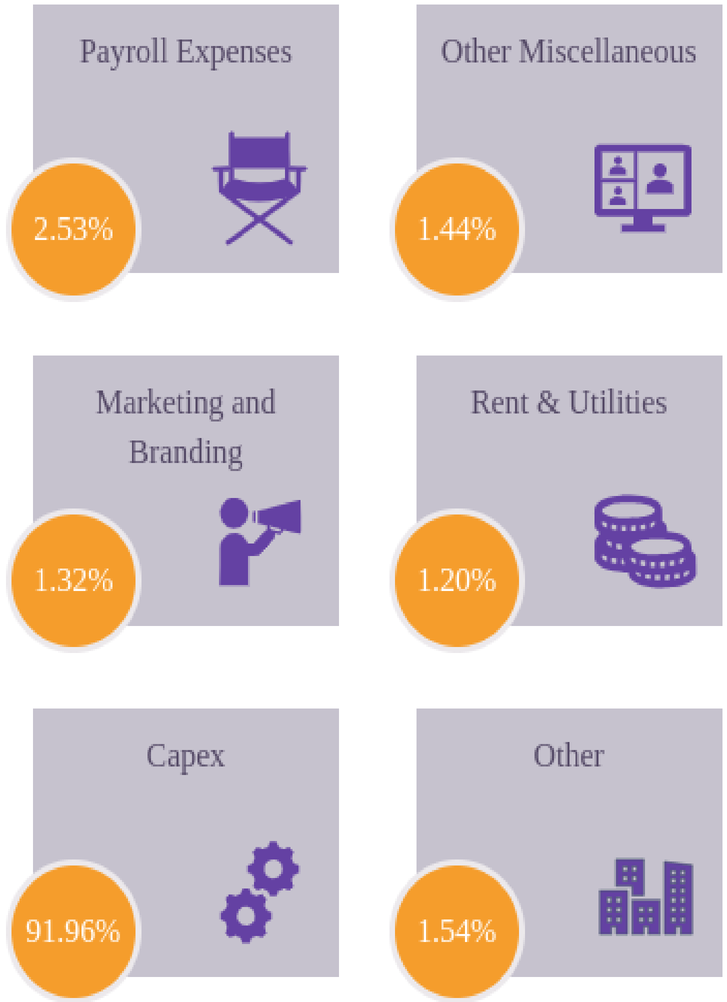
Target Available Market (TAM)	Manufacture of footwear (consolidated) Subindustry	$ 104.726k	Source: TAM is based on third party market estimation provided by IBIS World. CAGR is based on open source web research. Expected CAGR for industry is 1.80%
Service Available Market (SAM)	1.50%	Given Step Scope's commitment to quality, innovative designs, and sustainability in footwear manufacturing, along with its substantial capital of €600,000, it is well-positioned to capture a realistic and conservative market share within the competitive footwear industry in Greece. Factoring in their resources and market	
Service Obtainable Market Y1-Y3 (SOM)	Year 1 10.00000% Year 2 15.00000% Year 3 20.00000%	Step Scope, an SME in Greece's footwear manufacturing sector, benefits from a burgeoning demand for high-quality, sustainable shoes. With a TAM of approximately 0.104725615 and a SAM percentage of 1.5%, Step Scope can realistically capture 10% of the SAM in the first year by leveraging its capital of	

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 $ 600k

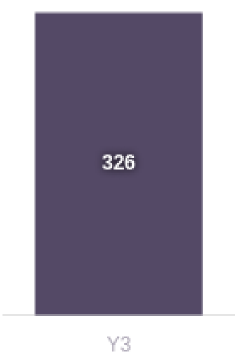
Y1 Cash Flow Streem(thnd USD)	Inflows	Outlows
Gross Profit	71	
Payroll Expenses		17
Other Miscellaneous		9
Marketing and Branding		9
Rent & Utilities		8
Capex		600
Legal and Professional Fees		3
Communication Expenses		2
Training and Development		2
Representation and Entert.		1
Office supplies		1
CAPEX & WC shortage Y1		581
Buffer		19
Total Required Investment(thnd USD)		600



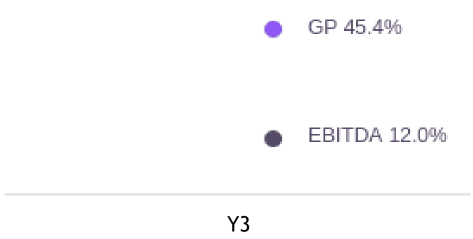
Financials Dashboard

Y3 PL formation and Margins

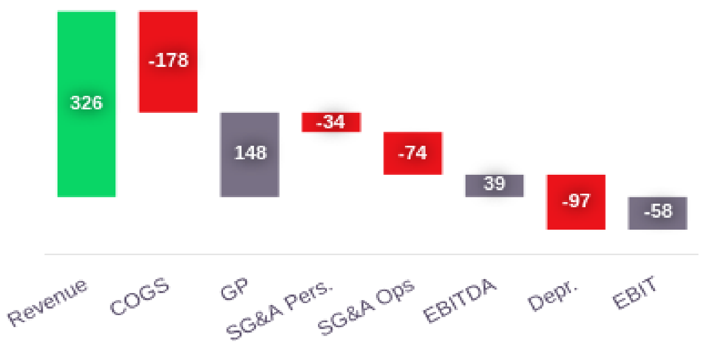
Revenue



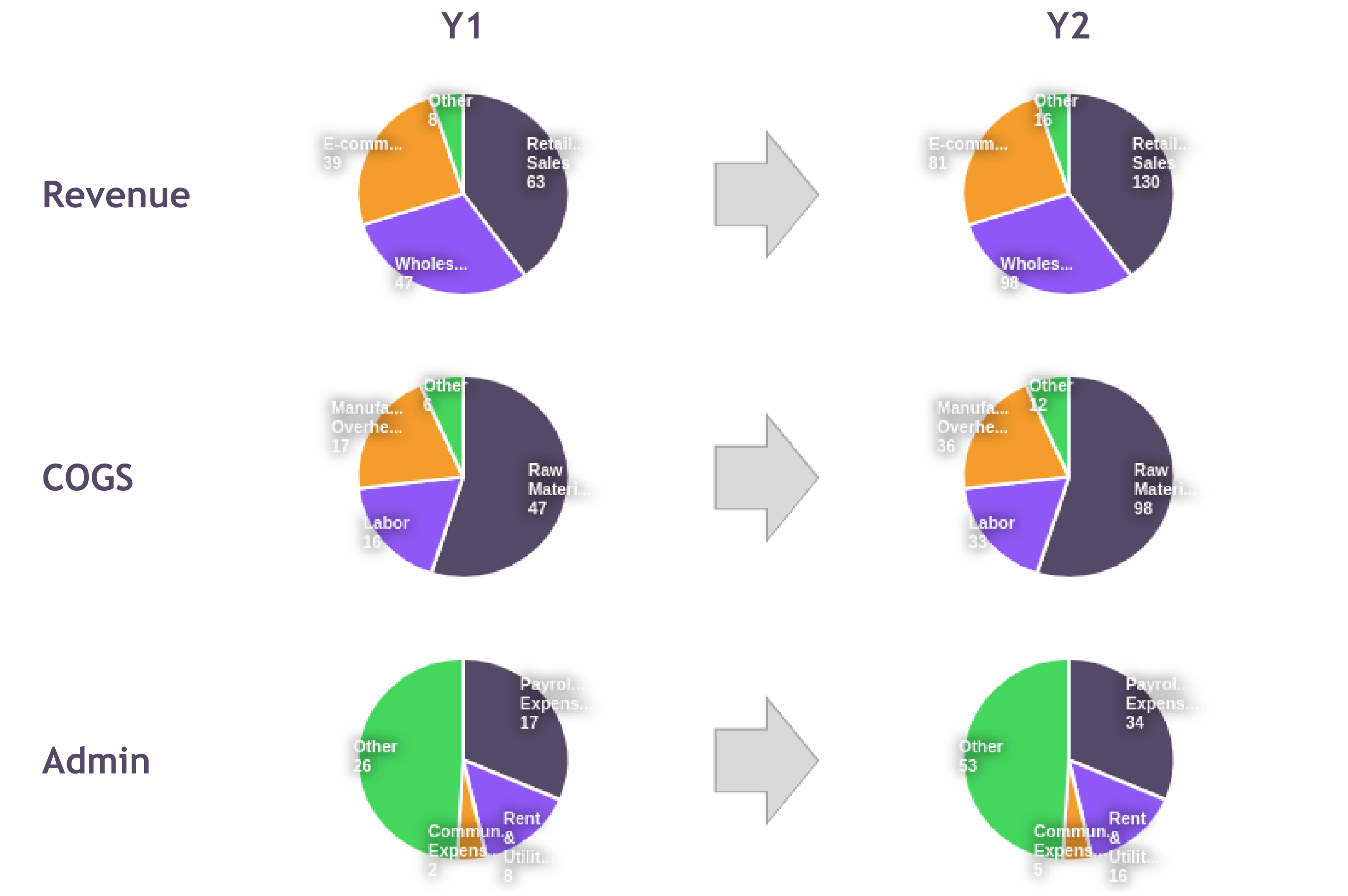
Projected Revenue



PnL Formation (Y3 thnd USD)



Business Line Breakdown (thnd USD)

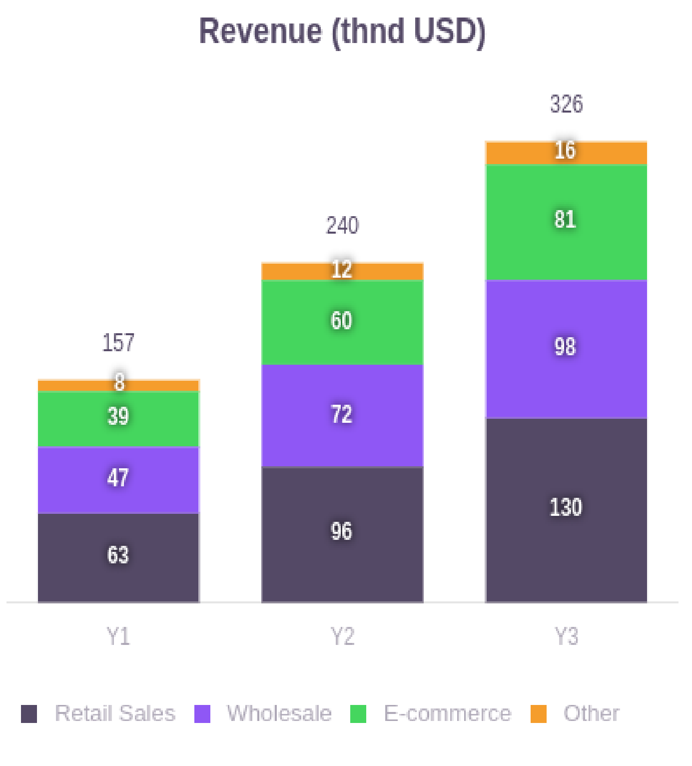


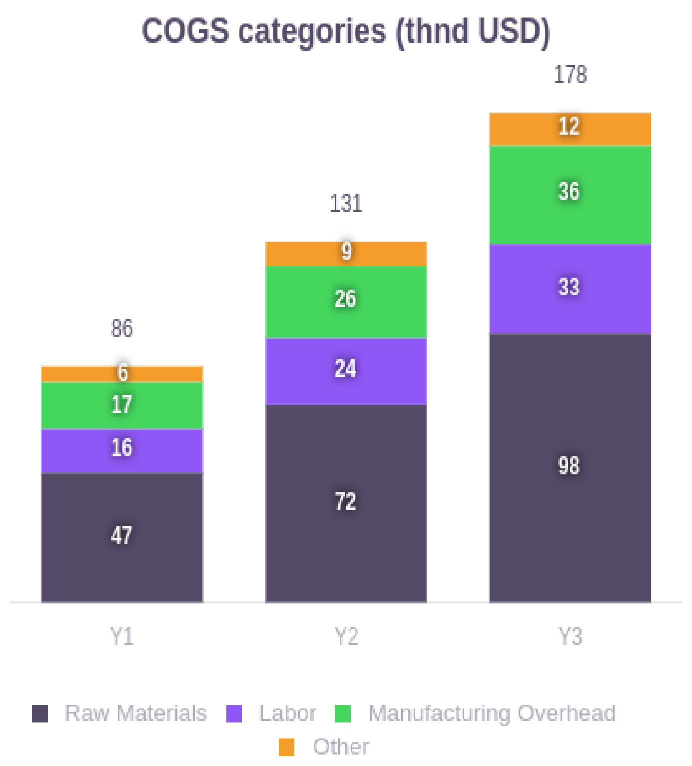
Revenue Formation Narrative

Step Scope, a dynamic footwear brand in the Manufacturing sector, operates within the Manufacture of Leather and Related Products sub-industry. The company's product line includes stylish and high-quality shoes designed to cater to both fashion and function, combined with an emphasis on sustainability. With a Total Addressable Market (TAM) of 104,725.615k USD , Step Scope's commitment to quality, innovative design, and eco-friendly practices positions them favorably within the competitive footwear industry in Greece. A realistic Serviceable Addressable Market (SAM) of 1.5% of the TAM has been estimated based on the company's capital and strategic market approach, translating into a logical SAM narrative. For the Serviceable Obtainable Market (SOM), Step Scope projects to capture 10% of its SAM in Year 1, capitalizing on its initial capital of 600k USD . This equates to a revenue of 157.088k USD . The company aims to incrementally increase its market capture, reaching 15% of SAM by Year 2, generating 239.874k USD , and 20% of SAM by Year 3, with revenues totaling 325.589k USD . Step Scope's revenue model draws from four main lines of business: Retail Sales (40% of total revenue), Wholesale (30%), E-commerce (25%), and Other (5%). This diversified revenue approach allows the company to mitigate risks while capitalizing on different market segments. The projected revenues reflect Step Scope's strategic growth plan and market exploitation strategies, ensuring a steady ascension within the competitive footwear industry.

$ 326k Y3 Projected Revenue

15.00% Market share





Revenue Calculation Details

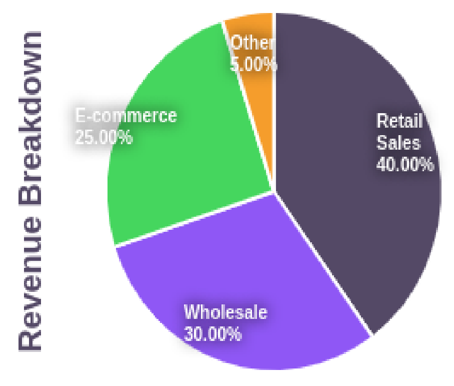
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Retail Sales	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Wholesale	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
E-commerce	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%
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %
Retail Sales	4	4	4	5	5	5	6	6	6	7	7	7	63	96	130
Wholesale	3	3	3	4	4	4	4	4	4	5	5	5	47	72	98
E-commerce	2	2	2	3	3	3	4	4	4	4	4	4	39	60	81
Other	0	0	0	1	1	1	1	1	1	1	1	1	8	12	16
Total Revenue (thnd USD)	10	10	10	12	12	12	14	14	14	16	16	16	157	240	326

Total revenue is expected to reach $ 326k by year 3.

Main revenue driver are:

- Retail Sales which generates $ 130k by Year 3
- Wholesale which generates $ 98k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 43.97 %



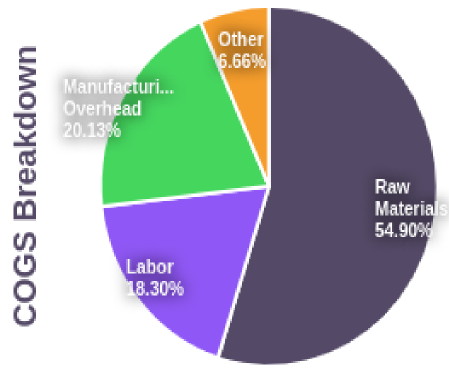
COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Raw Materials	*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	*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%*
Manufacturing Overhead	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*	*11.00%*
Other	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*	*3.64%*
Raw Materials	3	3	3	4	4	4	4	4	4	5	5	5	47	72	98
Labor	1	1	1	1	1	1	1	1	1	2	2	2	16	24	33
Manufacturing Overhead	1	1	1	1	1	1	2	2	2	2	2	2	17	26	36
Other	0	0	0	0	0	0	1	1	1	1	1	1	6	9	12
Total COGS (thnd USD)	**5**	**5**	**5**	**6**	**6**	**6**	**8**	**8**	**8**	**9**	**9**	**9**	**86**	**131**	**178**

Total COGS is expected to reach $ 178k by year 3.
Main revenue driver are:

- Raw Materials which generates $ 98k by Year 3
- Manufacturing Overhead which generates $ 36k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 43.97 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%	10.52%
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	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Office supplies	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%
Legal and Professional Fees	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%
Marketing and Branding	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Representation and Entertainment	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Training and Development	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Other Miscellaneous	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%

Payroll Expenses	1	1	1	1	1	1	2	2	2	2	2	2	17	25	34
Rent & Utilities	0	0	0	1	1	1	1	1	1	1	1	1	8	12	16
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	2	4	5
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Marketing and Branding	1	1	1	1	1	1	1	1	1	1	1	1	9	13	18
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	2	4	5
Other Miscellaneous	1	1	1	1	1	1	1	1	1	1	1	1	9	14	19
Total SG&A (thnd USD)	3	3	3	4	4	4	5	5	5	5	5	5	52	80	109

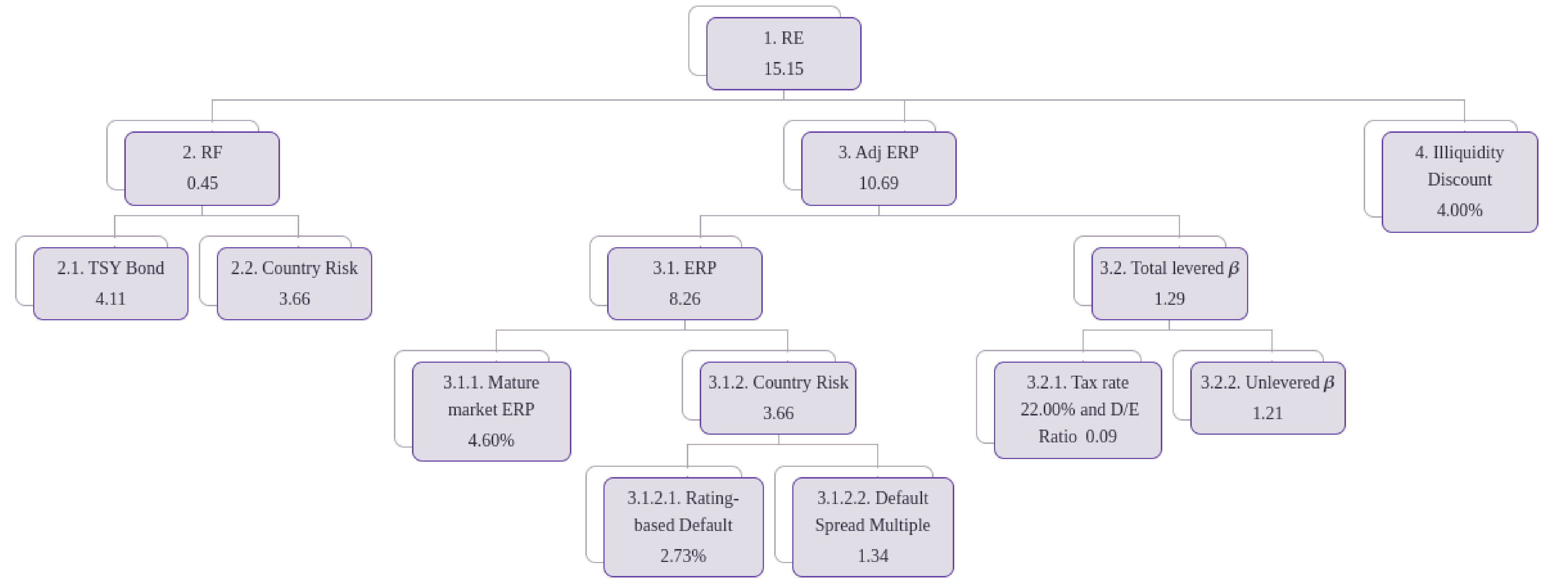
PaT Expectations

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	10	10	10	12	12	12	14	14	14	16	16	16	157	240	326
Retail Sales	4	4	4	5	5	5	6	6	6	7	7	7	63	96	130
Wholesale	3	3	3	4	4	4	4	4	4	5	5	5	47	72	98
E-commerce	2	2	2	3	3	3	4	4	4	4	4	4	39	60	81
Other	0	0	0	1	1	1	1	1	1	1	1	1	8	12	16
COGS	-5	-5	-5	-6	-6	-6	-8	-8	-8	-9	-9	-9	-86	-131	-178
Raw Materials	-3	-3	-3	-4	-4	-4	-4	-4	-4	-5	-5	-5	-47	-72	-98
Labor	-1	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	-16	-24	-33
Manufacturing Overhead	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-17	-26	-36
Other	-0	-0	-0	-0	-0	-0	-1	-1	-1	-1	-1	-1	-6	-9	-12
Gross Profit	4	4	4	5	5	5	7	7	7	7	7	7	71	109	148
SG&A Personal Expenses	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-17	-25	-34
SG&A Operating Expenses	-2	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4	-4	-36	-55	-74
EBITDA	1	1	1	1	1	1	2	2	2	2	2	2	19	29	39
Depreciation	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-97	-97	-97
EBIT	-7	-7	-7	-7	-7	-7	-6	-6	-6	-6	-6	-6	-78	-68	-58
Interest Expense	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-2	-2	-2
Profit before Tax	-7	-7	-7	-7	-7	-7	-7	-7	-7	-6	-6	-6	-80	-70	-60
Tax	2	2	2	2	2	2	1	1	1	1	1	1	18	15	13
Profit after Tax (thnd USD)	-6	-6	-6	-5	-5	-5	-5	-5	-5	-5	-5	-5	-62	-55	-47

Sources: Company's Prop Planning

Cost of Capital Estimation

Required Return on Equity Derivation



Sources: Aswath Damodaran, Investing.com

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)+β ∗ (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 correspondingindustries. 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 Premiumof 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/

Sources: Aswath Damodaran, Investing.com

Business Valuation

DCF	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
	Profit after Tax	-62	-55	-47	-48	-48	-49	-50
	Growth% Y4-Y7				1.80%	1.80%	1.80%	1.80%
	Growth% Y7 -->	3.50%						
	WACC	15.15%						
	PV Y1-Y7 at Y0	-54	-41	-31	-27	-24	-21	-19
	PV Y7 --> Y0	-166						
	NPV (thnd USD)	-384						

Average Survival Rate for 3 Years	50%

Final Valuation	-$ 192k

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 15.15 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 1.80 %, 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

b $ - Billions of $
B2B - Business to Business
B2C - Business to Customer
CAPEX - Capital Expenditure
CAPM - Capital Asset Pricing Model
COGS - Cost of oods sold
DCF - Discounted cash flow
Depr. - Depreciation
EBIT - Earnings before interest and taxes
EBITDA - Earnings before nterest, axes, depreciation, and amortization
EBT - Earnings Before Tax
ERP - Equity Risk Premium
ETA - Estimated Time of Arrival
EV - nterprise Value
FA (Tangible and Intangible) - Fixed assets (tangible and intangible)
FX - Foreign Exchange
FY - Fiscal year
GP - ross profit
k $ - Thousands of $
LLM - Large Language Model
LFY - Last fiscal year
m $ - Millions of $
MTD - Month-to-date
MVP - inimum Viable Product
NFT - Non-Fungible Token
NPV - Net present value
OPEX - Operating Expense
P&L - A profit and loss (P&L) tatement
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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