

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

PastryJoy is dedicated to crafting delightful pastries and baked goods that bring joy to every occasion. We focus on quality, creativity, and exceptional customer service, using premium, locally sourced ingredients and sustainable practices. Our mission is to create memorable experiences for our customers and support our local community through artisanal baking, ensuring that every product is both visually stunning and delicious.

Our Vision

PastryJoy envisions a future where our bakery becomes synonymous with exceptional taste, quality, and creativity on a global scale. We aspire to expand our reach, bringing our exquisite pastries and baked goods to a wider audience while maintaining our commitment to sustainability and community. Through continuous innovation and dedication to excellence, we aim to set new standards in the industry and become a cherished part of celebrations and everyday moments, worldwide. Our ultimate goal is to be recognized not only for our delectable treats but also for our positive impact on the environment and the local communities we serve.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

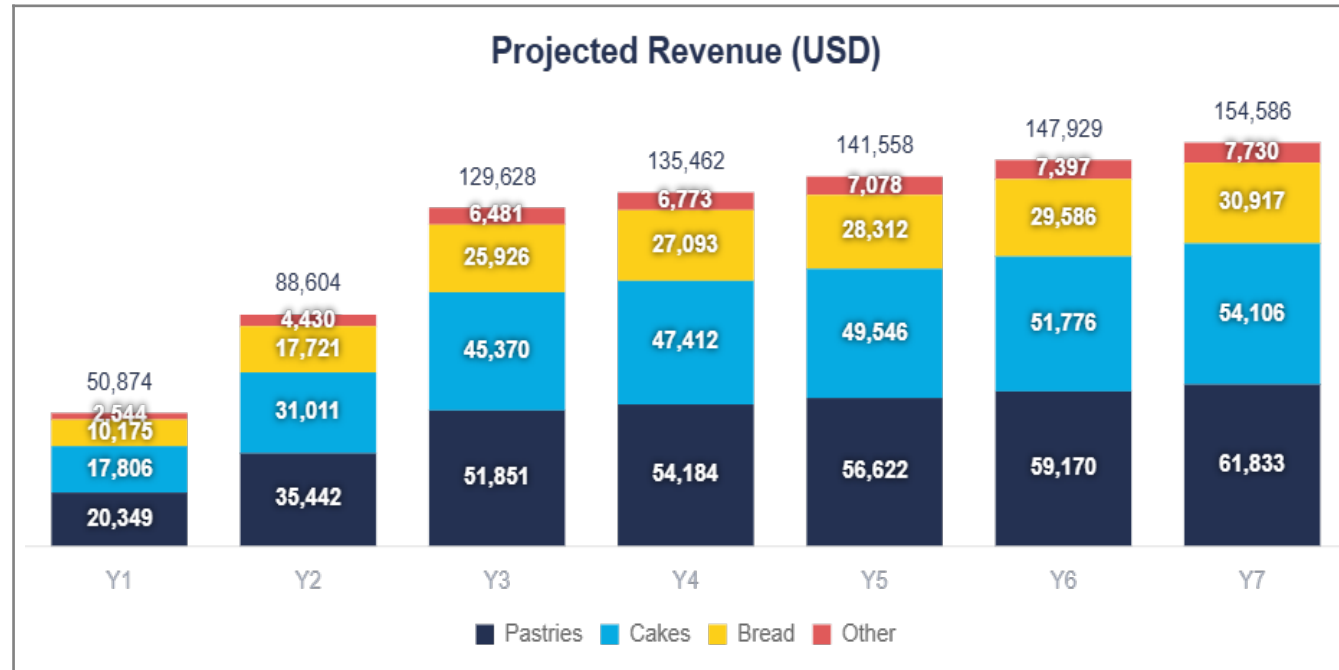
\$ 129,628

Revenue
\$ 58,333

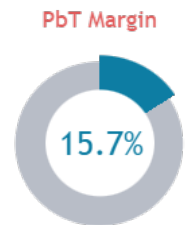
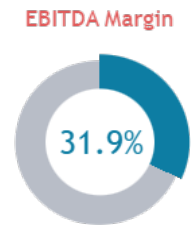
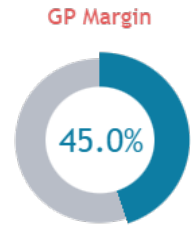
Gross Profit
\$ 41,338

EBITDA
0.15%

Target Market Share



Margins
(Stabilized by Y3)



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



PastryJoy is a boutique bakery dedicated to crafting delightful pastries and baked goods that bring joy to every occasion. Our offerings include a diverse array of freshly baked treats, from artisanal breads to exquisite cakes and pastries, all made with premium, locally sourced ingredients. At PastryJoy, we focus on quality, creativity, and exceptional customer service, ensuring that every product is both visually stunning and delicious. With a commitment to using sustainable practices, we aim to provide a memorable experience while supporting our local community. Whether you're celebrating a special event or simply indulging in a sweet moment, PastryJoy is your destination for baked perfection.

The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	<ol style="list-style-type: none"> 1. Enjoy a diverse range of high-quality, delicious pastries and baked goods made from premium ingredients. 2. Experience exceptional customer service and personal satisfaction through memorable culinary experiences. 3. Benefit from the convenient access to our products through multiple retail locations and online platforms.
Employees	<ol style="list-style-type: none"> 1. Gain opportunities for skill development and career growth in a supportive and creative work environment. 2. Experience job security and satisfaction from being part of a growing and community-focused company. 3. Enjoy a positive workplace culture that values teamwork, innovation, and exceptional craftsmanship.
Local Farmers and Suppliers	<ol style="list-style-type: none"> 1. Increase sales and business opportunities through a stable partnership with PastryJoy. 2. Receive fair compensation and consistent demand for high-quality, locally sourced ingredients. 3. Contribute to sustainable farming practices and support the local economy by working with a community-oriented business.
Investors	<ol style="list-style-type: none"> 1. Achieve solid returns on investment through steady growth and market expansion of PastryJoy. 2. Benefit from a diversified income stream as the company introduces new revenue channels like catering and wholesale. 3. Enjoy long-term growth potential from innovative ventures such as franchising and international market development.
Local Community	<ol style="list-style-type: none"> 1. Experience enhanced community well-being through locally sourced, sustainable, and high-quality baked goods. 2. Benefit from PastryJoy's involvement in local events and initiatives, fostering community engagement and pride. 3. Enjoy increased local employment opportunities and economic growth from the bakery's success and expansion.
Business Partners and Retailers	<ol style="list-style-type: none"> 1. Gain access to premium, unique baked goods that attract and satisfy a broad range of customers. 2. Increase sales and profitability by offering PastryJoy's distinctive products in their stores and cafes. 3. Foster strong, mutually beneficial relationships with a reputable, quality-focused bakery brand.
Environmental Advocates	<ol style="list-style-type: none"> 1. Support sustainable practices through PastryJoy's commitment to using locally sourced ingredients and reducing waste. 2. Promote environmental conservation by partnering with a company that prioritizes eco-friendly operational methods. 3. Encourage other businesses to adopt similar sustainable initiatives by showcasing the success of PastryJoy's practices.

Key Performance Components

Competitive Advantage

Premium Ingredients

PastryJoy uses only the highest quality, locally sourced ingredients to ensure the finest taste and freshness in every product.

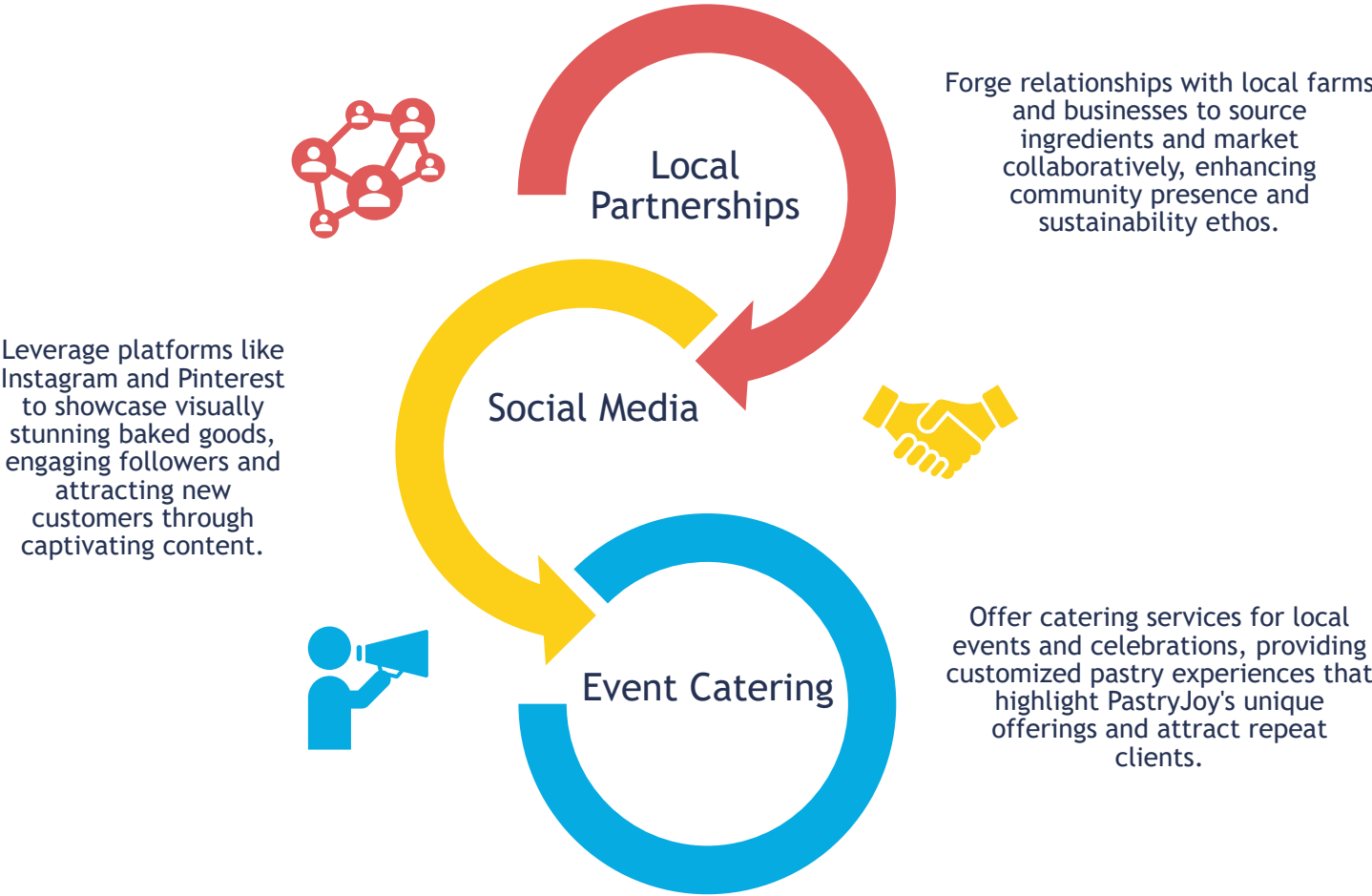
Creative Offerings

The bakery stands out with its diverse and creative selection of pastries, cakes, and breads, each crafted to be visually stunning and uniquely delicious.







Sustainable Practices

PastryJoy is committed to using sustainable practices in its baking process, supporting the local community and minimizing environmental impact.

Marketing and Growth Strategy



Target Groups


Industries		Description
I	 Local Families	Families looking for premium, locally sourced baked goods for everyday enjoyment and special occasions will find delight in PastryJoy's offerings.
II	 Food Enthusiasts	Individuals passionate about unique and high-quality culinary experiences who seek artisanal bread, pastries, and cakes to satisfy their refined palates.
III	 Cafes and Restaurants	Local cafes and restaurants in need of high-quality baked goods to enhance their menu offerings can benefit from PastryJoy's wholesale opportunities.
IV	 Corporate Clients	Businesses looking for reliable catering services for events and meetings can rely on PastryJoy to provide delicious and visually appealing pastry options.
V	 Event Planners	Event organizers who require exquisite baked goods for weddings, parties, and other special events will appreciate PastryJoy's commitment to quality and creativity.
VI	 Health-Conscious Consumers	Individuals focused on eating high-quality, sustainably sourced ingredients can enjoy PastryJoy's offerings without compromising their dietary principles.
VII	 Online Shoppers	Consumers who prefer the convenience of online shopping can easily access and enjoy PastryJoy's diverse range of baked goods through our online platform.

Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




Premium, locally sourced ingredients ensure high-quality products. Strong brand identity in the artisanal and boutique bakery market. Commitment to sustainable practices enhances brand image. Exceptional customer service fosters customer loyalty. Diverse product range caters to various customer needs and preferences.

Weaknesses




High operational costs due to premium sourcing. Limited scale restricts market expansion. Dependence on local supply chains may cause disruptions. Higher price points might limit customer base. Seasonal demand fluctuations impact revenue stability.

Opportunities



Expansion into online sales and delivery services. Growth in health-conscious and niche markets. Potential for franchising to increase brand presence. Collaborations with local events and businesses. Introduction of new, innovative products can attract more customers.

Threats



Competition from larger bakeries and franchises. Economic downturns can affect discretionary spending. Rising costs of raw materials impact profitability. Health trends toward low-carb and sugar-free diets. Regulatory changes in food industry standards.

History & Roadmap



Current Status.

- PastryJoy will introduce new pastries and bread varieties in Mar 2024.
- By Jul 2024, eco-friendly packaging and sourcing will be instituted.
- Nov 2024 marks the launch of a new website with e-commerce capabilities.
- In Feb 2025, a customer loyalty program will be rolled out.
- By Jun 2025, PastryJoy will open a second location.
- Collaborative partnerships with local businesses for events and promotions will occur by Oct 2025.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Finalize Business Plan	●	Not Started	High	CEO 2 weeks
2	Secure Initial Funding	●	Not Started	High	CFO 1 month
3	Register Business and Obtain Licenses	●	Not Started	High	COO 3 weeks
4	Set Up Company Structure and Governance	●	Not Started	Medium	CEO 1 month
5	Find Suitable Business Location	●	Not Started	High	COO 2 months
6	Develop Employee Handbook and Policies	●	Not Started	Medium	COO 1.5 months
7	Source and Secure Suppliers for Ingredients	●	Not Started	High	CPO 1 month
8	Establish Initial Inventory and Equipment	●	Not Started	High	CPO 1.5 months
Marketing					
1	Develop Comprehensive Branding Strategy	●	Not Started	High	CMO 2 weeks
2	Create a Company Website	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Launch Initial Press Release	●	Not Started	High	CRO 3 weeks
5	Design Initial Marketing Campaign	●	Not Started	High	CMO 1.5 months
6	Develop Partnerships with Local Influencers	●	Not Started	Medium	CMO 2 months
7	Create Promotional Materials (Flyers, Brochures, etc.)	●	Not Started	Medium	CMO 3 weeks
8	Set Up Google and Social Media Ads Campaigns	●	Not Started	High	CRO 1 month

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Identify initial product lineup	●	Not Started	High	CEO 2 weeks
2	Source premium, locally sourced ingredients	●	Not Started	High	CPO 3 weeks
3	Setup production facility	●	Not Started	High	COO 6 weeks
4	Develop initial product recipes	●	Not Started	High	CPO 4 weeks
5	Design initial packaging	●	Not Started	Medium	CBO 4 weeks
6	Establish supply chain logistics	●	Not Started	High	COO 5 weeks
7	Conduct trial production runs	●	Not Started	High	CPO 2 weeks
8	Implement Quality Control procedures	●	Not Started	High	CSO 3 weeks
Phase 2					
1	Enhance core product variety and quality	●	Not Started	High	CPO 3 months
2	Establish additional retail locations	●	Not Started	High	COO 6 months
3	Form strategic partnerships with local businesses	●	Not Started	Medium	CRO 4 months
4	Launch an e-commerce platform	●	Not Started	High	CTO 5 months
5	Implement a targeted marketing campaign	●	Not Started	Medium	CMO 4 months
6	Develop a customer loyalty program	●	Not Started	Medium	CMO 3 months
7	Conduct market research for further expansion	●	Not Started	Medium	CSO 3 months
8	Optimize supply chain operations	●	Not Started	High	COO 4 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 3						
1	Introduce Catering Services	●	Not Started	High	COO	2 months
2	Develop Seasonal Product Lines	●	Not Started	High	CPO	3 months
3	Explore Wholesale Opportunities	●	Not Started	Medium	CRO	4 months
4	Partnerships with Local Cafes	●	Not Started	High	CMO	3 months
5	Expand Delivery Services	●	Not Started	Medium	COO	2 months
6	Target Corporate Clients	●	Not Started	Medium	CRO	4 months
7	Enhance Online Ordering System	●	Not Started	Medium	CTO	3 months
8	Optimize Packaging for Wholesale	●	Not Started	Low	CPO	5 months
Phase 4						
1	Explore Franchising Opportunities	●	Not Started	High	CEO	6 months
2	Research Advanced Baking Technologies	●	Not Started	Medium	CTO	4 months
3	Develop International Market Strategy	●	Not Started	High	CRO	8 months
4	Pilot Franchising Model	●	Not Started	High	COO	7 months
5	Evaluate ROI of Baking Technologies	●	Not Started	Medium	CFO	5 months
6	Establish International Distribution Channels	●	Not Started	High	CIO	9 months
7	Develop Franchise Training Programs	●	Not Started	Medium	CSO	6 months
8	Integrate Advanced Baking Technologies	●	Not Started	Medium	CTO	6 months

Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Supply Chain Disruptions	COO	Develop multiple supplier agreements.
2	Equipment Failure	COO	Implement regular maintenance schedules.
3	Quality Control Issues	CPO	Establish rigorous QC protocols.
4	Staffing Shortages	CEO	Create robust hiring and training programs.
5	Ingredient Spoilage	COO	Implement strict inventory management.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Health and Safety Violations	COO	Regular training and compliance audits
2	Food Labeling Non-compliance	CPO	Accurate labeling and regular review
3	Environmental Regulations	CSO	Adopt sustainable practices
4	Employment Law Violations	CFO	Periodic legal consultations
5	Licensing Issues	CEO	Ensure timely renewals

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Intense competition	CEO	Differentiate with quality and unique offerings.
2	Changing consumer preferences	CPO	Continuously innovate product line.
3	Market saturation	CMO	Explore niche markets and online sales.
4	Economic downturns	CFO	Maintain liquidity and flexible pricing.
5	Failure in market expansion	COO	Conduct thorough market research.

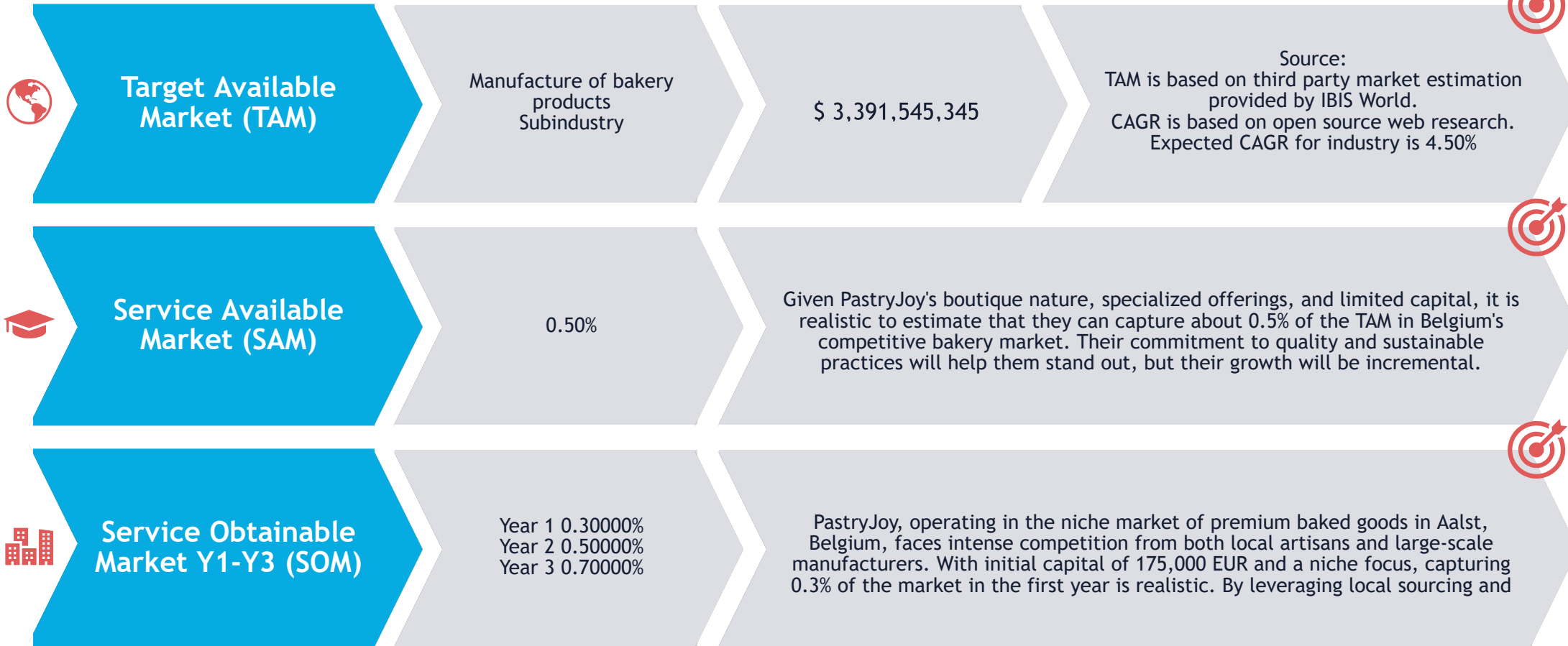
4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortage	CFO	Maintain a strong cash reserve and optimize working capital
2	High Operational Costs	COO	Implement cost-saving measures and streamline operations
3	Revenue Volatility	CEO	Diversify revenue streams and market presence
4	Debt Management	CFO	Structure favorable loan terms and monitor debt levels
5	Investment Risk	CIO	Conduct thorough risk assessments and diversify investments

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation	CMO	Regularly monitor customer feedback and address issues promptly.
2	Supply Chain Disruptions	COO	Secure multiple suppliers and maintain safety stock levels.
3	Talent Retention	CPO	Offer competitive salaries and growth opportunities.
4	Consumer Trends Shift	CSO	Continuously research and adapt to market preferences.
5	Economic Downturn	CFO	Maintain financial resilience through strict budgeting and a diverse product range.

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 \$ 175,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	22,893	
Payroll Expenses		2,544
Rent & Utilities		1,272
Marketing and Branding		1,221
Training and Development		509
Capex		165,000
Other Miscellaneous		509
Communication Expenses		203
Legal and Professional Fees		158
Representation and Entert.		153
Office supplies		102
CAPEX & WC shortage Y1		148,778
Buffer		26,222
Total Required Investment(USD)		175,000



Financials Dashboard

Y3 PL formation and Margins

Revenue



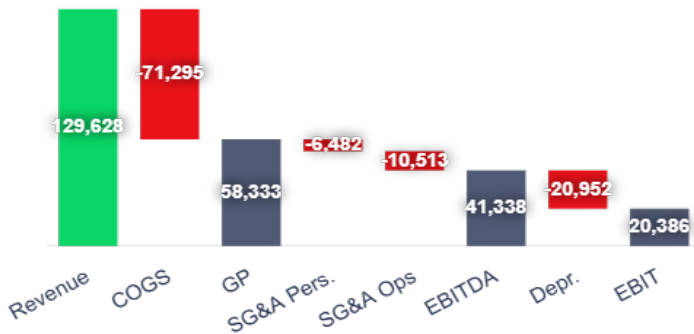
Projected Revenue

- GP 45.0%
- EBITDA 31.9%

Y3

Y3

PnL Formation (Y3 USD)

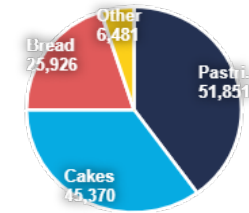
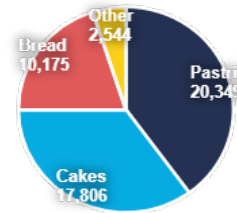


Business Line Breakdown (USD)

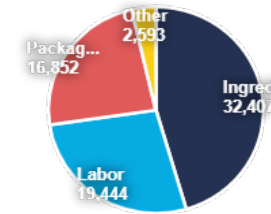
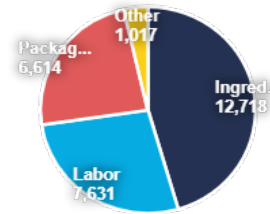
Y1

Y2

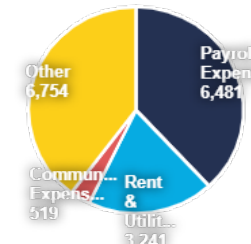
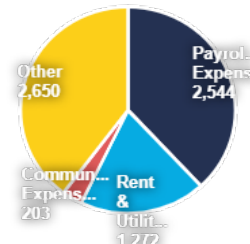
Revenue



COGS



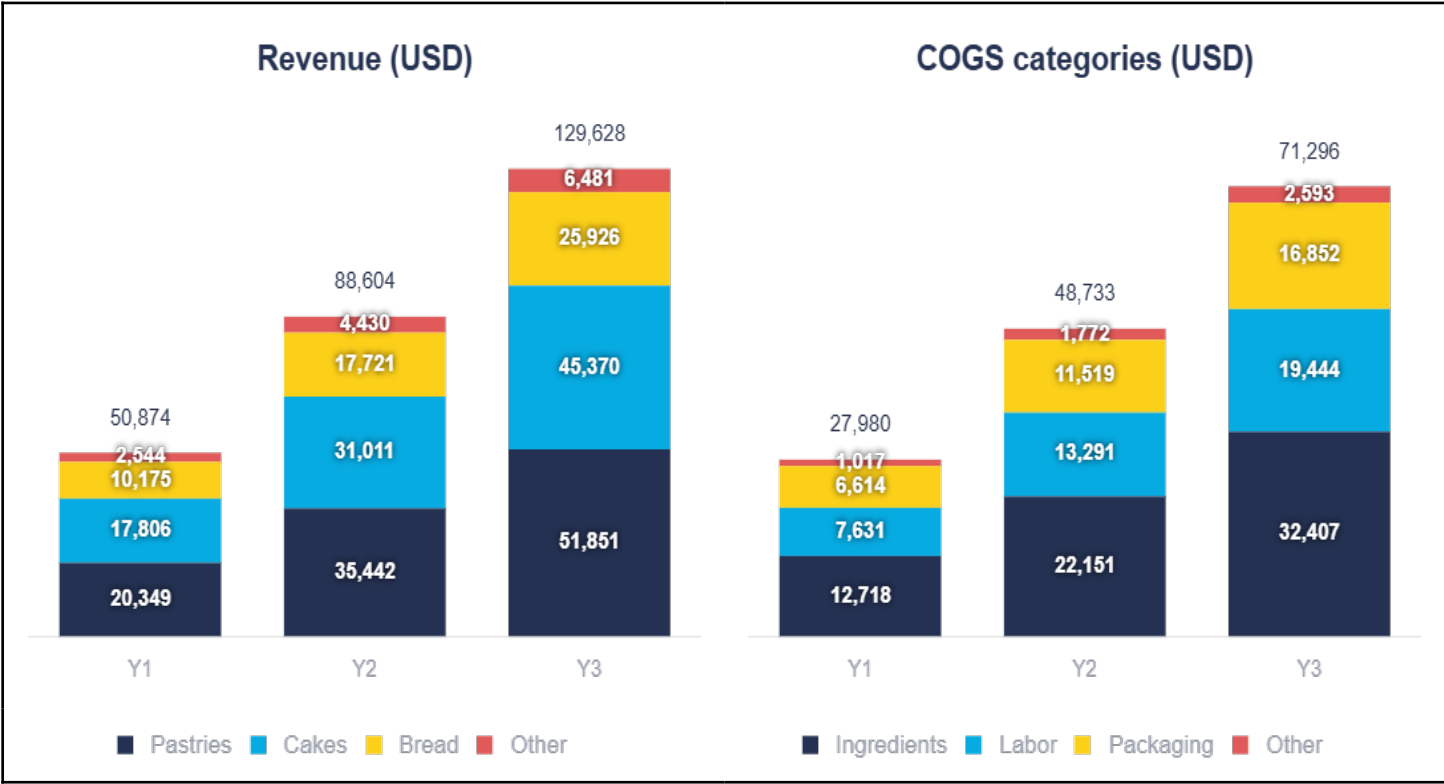
Admin



Revenue Formation Narrative

PastryJoy, a boutique bakery known for its delightful and premium pastries, operates within the manufacturing sector, specifically the manufacture of other food products. With an estimated Total Addressable Market (TAM) of 3,391,545,345 USD in Belgium's competitive bakery market, PastryJoy's Serviceable Addressable Market (SAM) is approximately 0.50%. Given our boutique nature, specialized offerings, and focus on quality and sustainable practices, we project a gradual increase in our market share over the next three years. Initially, we estimate capturing 0.3% of the TAM, as indicated by our Year 1 revenue of 50,873.18 USD. By focusing on local sourcing and sustainability, we expect our market share to grow to 0.5% in the second year, translating to a revenue of 88,604.12 USD. Further brand recognition and an expanded customer base will drive our market share to 0.7% in the third year, resulting in a revenue of 129,627.83 USD. Our revenues are derived from four main lines of business: Pastries (40.00%), Cakes (35.00%), Bread (20.00%), and Other (5.00%). This diversified revenue stream ensures a balanced growth model while catering to a broad array of customer preferences. Through strategic positioning and unwavering commitment to quality and community, PastryJoy is poised to become a beloved name for baked perfection.

\$ 129,628 ^{Y3} Projected Revenue **0.15%** Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Pastries	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%
Cakes	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Bread	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%
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

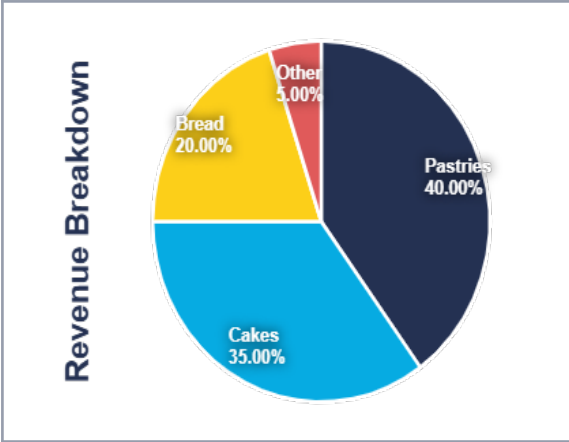
Pastries	1,272	1,272	1,272	1,526	1,526	1,526	1,865	1,865	1,865	2,120	2,120	2,120	20,349	35,442	51,851
storeRevenueLOB.value?.res2?.name	1,113	1,113	1,113	1,335	1,335	1,335	1,632	1,632	1,632	1,855	1,855	1,855	17,806	31,011	45,370
Bread	636	636	636	763	763	763	933	933	933	1,060	1,060	1,060	10,175	17,721	25,926
Other	159	159	159	191	191	191	233	233	233	265	265	265	2,544	4,430	6,481
Total Revenue (USD)	3,180	3,180	3,180	3,815	3,815	3,815	4,663	4,663	4,663	5,299	5,299	5,299	50,873	88,604	129,628

Total revenue is expected to reach \$ 129,628 by year 3.

Main revenue driver are:

- Pastries which generates \$ 51,851 by Year 3
- Cakes which generates \$ 45,370 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 59.63 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Ingredients	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%
Labor	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Packaging	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
Other	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%

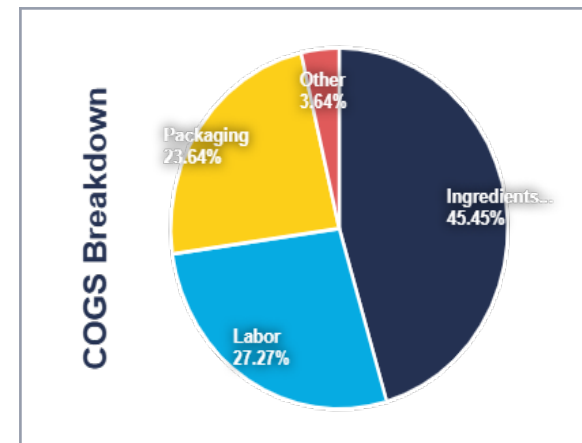
Ingredients	795	795	795	954	954	954	1,166	1,166	1,166	1,325	1,325	1,325	12,718	22,151	32,407
Labor	477	477	477	572	572	572	700	700	700	795	795	795	7,631	13,291	19,444
Packaging	413	413	413	496	496	496	606	606	606	689	689	689	6,614	11,519	16,852
Other	64	64	64	76	76	76	93	93	93	106	106	106	1,017	1,772	2,593
Total COGS (USD)	1,749	1,749	1,749	2,099	2,099	2,099	2,565	2,565	2,565	2,915	2,915	2,915	27,980	48,732	71,295

Total COGS is expected to reach \$ 71,295 by year 3.

Main revenue driver are:

- Ingredients which generates \$ 32,407 by Year 3
- Labor which generates \$ 19,444 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 59.63 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	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%
Rent & Utilities	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Communication Expenses	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%
Office supplies	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Legal and Professional Fees	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
Marketing and Branding	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Representation and Entertainment	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%
Training and Development	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other Miscellaneous	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%

Payroll Expenses	159	159	159	191	191	191	233	233	233	265	265	265	2,544	4,430	6,481
Rent & Utilities	79	79	79	95	95	95	117	117	117	132	132	132	1,272	2,215	3,241
Communication Expenses	13	13	13	15	15	15	19	19	19	21	21	21	203	354	519
Office supplies	6	6	6	8	8	8	9	9	9	11	11	11	102	177	259
Legal and Professional Fees	10	10	10	12	12	12	14	14	14	16	16	16	158	275	402
Marketing and Branding	76	76	76	92	92	92	112	112	112	127	127	127	1,221	2,126	3,111
Representation and Entertainment	10	10	10	11	11	11	14	14	14	16	16	16	153	266	389
Training and Development	32	32	32	38	38	38	47	47	47	53	53	53	509	886	1,296
Other Miscellaneous	32	32	32	38	38	38	47	47	47	53	53	53	509	886	1,296

Total SG&A (USD)	417	417	417	500	500	500	611	611	611	695	695	695	6,669	11,616	16,994
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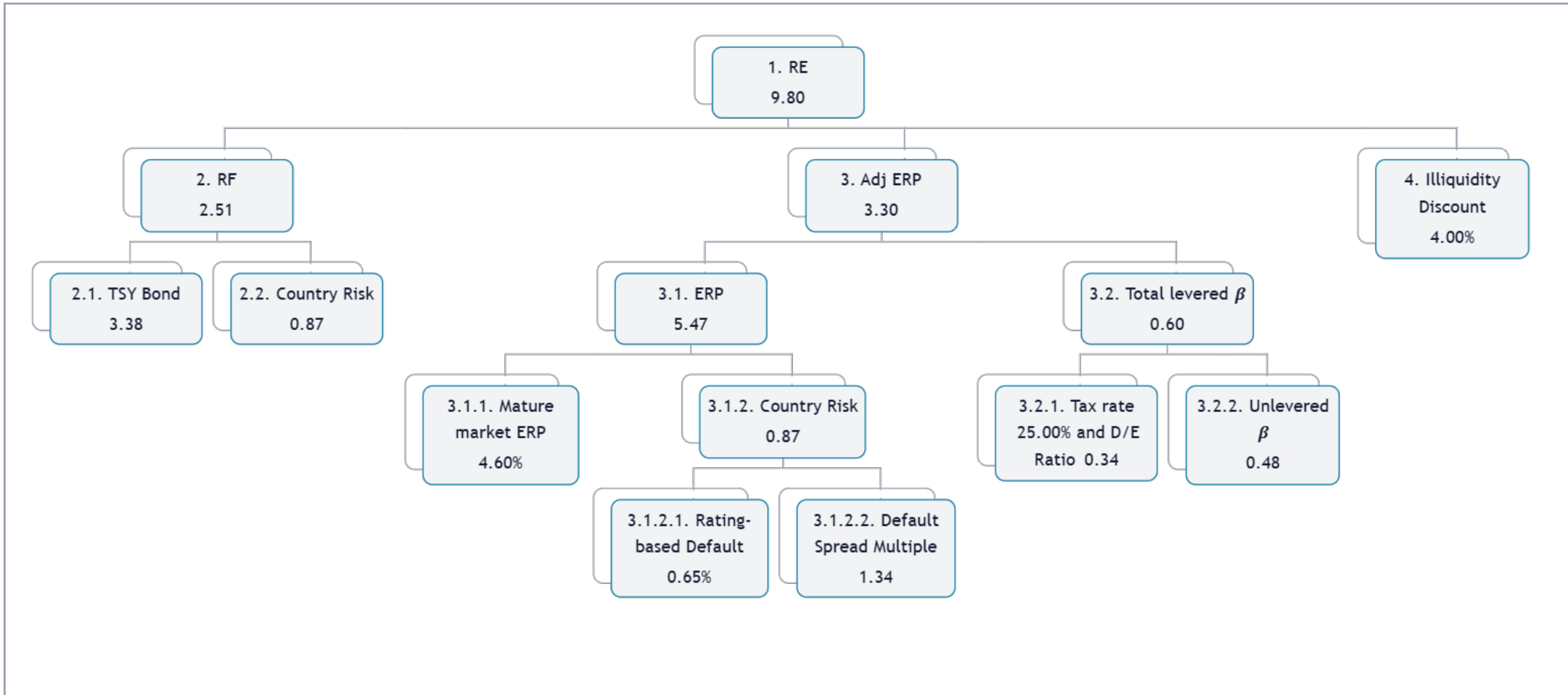
PaT Expectations

1 2 3 4 5 6 7

Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	3,180	3,180	3,180	3,815	3,815	3,815	4,663	4,663	4,663	5,299	5,299	5,299	50,873	88,604	129,628
Pastries	1,272	1,272	1,272	1,526	1,526	1,526	1,865	1,865	1,865	2,120	2,120	2,120	20,349	35,442	51,851
Cakes	1,113	1,113	1,113	1,335	1,335	1,335	1,632	1,632	1,632	1,855	1,855	1,855	17,806	31,011	45,370
Bread	636	636	636	763	763	763	933	933	933	1,060	1,060	1,060	10,175	17,721	25,926
Other	159	159	159	191	191	191	233	233	233	265	265	265	2,544	4,430	6,481
COGS	-1,749	-1,749	-1,749	-2,099	-2,099	-2,099	-2,565	-2,565	-2,565	-2,915	-2,915	-2,915	-27,980	-48,732	-71,295
Ingredients	-795	-795	-795	-954	-954	-954	-1,166	-1,166	-1,166	-1,325	-1,325	-1,325	-12,718	-22,151	-32,407
Labor	-477	-477	-477	-572	-572	-572	-700	-700	-700	-795	-795	-795	-7,631	-13,291	-19,444
Packaging	-413	-413	-413	-496	-496	-496	-606	-606	-606	-689	-689	-689	-6,614	-11,519	-16,852
Other	-64	-64	-64	-76	-76	-76	-93	-93	-93	-106	-106	-106	-1,017	-1,772	-2,593
Gross Profit	1,431	1,431	1,431	1,717	1,717	1,717	2,099	2,099	2,099	2,385	2,385	2,385	22,893	39,872	58,333
SG&A Personal Expenses	-159	-159	-159	-191	-191	-191	-233	-233	-233	-265	-265	-265	-2,544	-4,430	-6,481
SG&A Operating Expenses	-258	-258	-258	-309	-309	-309	-378	-378	-378	-430	-430	-430	-4,126	-7,186	-10,513
EBITDA	1,014	1,014	1,014	1,217	1,217	1,217	1,487	1,487	1,487	1,690	1,690	1,690	16,223	28,256	41,338
Depreciation	-1,746	-1,746	-1,746	-1,746	-1,746	-1,746	-1,746	-1,746	-1,746	-1,746	-1,746	-1,746	-20,952	-20,952	-20,952
EBIT	-732	-732	-732	-529	-529	-529	-259	-259	-259	-56	-56	-56	-4,729	7,303	20,386
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-732	-732	-732	-529	-529	-529	-259	-259	-259	-56	-56	-56	-4,729	7,303	20,386
Tax	183	183	183	132	132	132	65	65	65	14	14	14	1,182	-1,826	-5,096
Profit after Tax (USD)	-549	-549	-549	-397	-397	-397	-194	-194	-194	-42	-42	-42	-3,547	5,478	15,289

Required Return on Equity Derivation



Methodology

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

Additional Assumptions

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

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

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

Survival of new establishments founded in 1998

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

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

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

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

Business Valuation

	(USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	-3,547	5,478	15,289	15,977	16,696	17,448	18,233
	Growth% Y4-Y7				4.50%	4.50%	4.50%	4.50%
	Growth% Y7 -->				3.50%			
	WACC				9.80%			
	PV Y1-Y7 at Y0	-3,230	4,543	11,549	10,991	10,460	9,954	9,473
	PV Y7 --> Y0				155,519			
	NPV (USD)				209,259			

Average Survival Rate for 3 Years 50%

Final Valuation \$ 104,629

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 9.80 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 4.50 %, 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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