

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

Lush is dedicated to delivering an exceptional and memorable experience for cocktail enthusiasts and social gatherings. We specialize in offering innovative cocktails, premium spirits, and fine wines crafted with both classic techniques and contemporary flair. Committed to quality and sustainability, we prioritize the use of locally sourced ingredients and eco-friendly practices. Our mission is to create an inviting and sophisticated atmosphere, where guests can unwind and enjoy refined beverages in great company.

Our Vision

Lush envisions becoming the leading destination for cocktail enthusiasts and social gatherings, setting the standard for excellence in beverage service and sustainability. We aspire to create a globally recognized brand known for its innovative cocktails, premium spirits, and impeccable service. In twenty years, we aim to expand our presence to multiple locations, each offering a unique yet consistent experience. By fostering a community of loyal patrons and socially conscious practices, Lush seeks to redefine the bar industry and leave a lasting positive impact.



Summary Financials Dashboard

Key performance indicators

(Base Scenario Y3)

\$ 288,518

Revenue

\$ 151,270

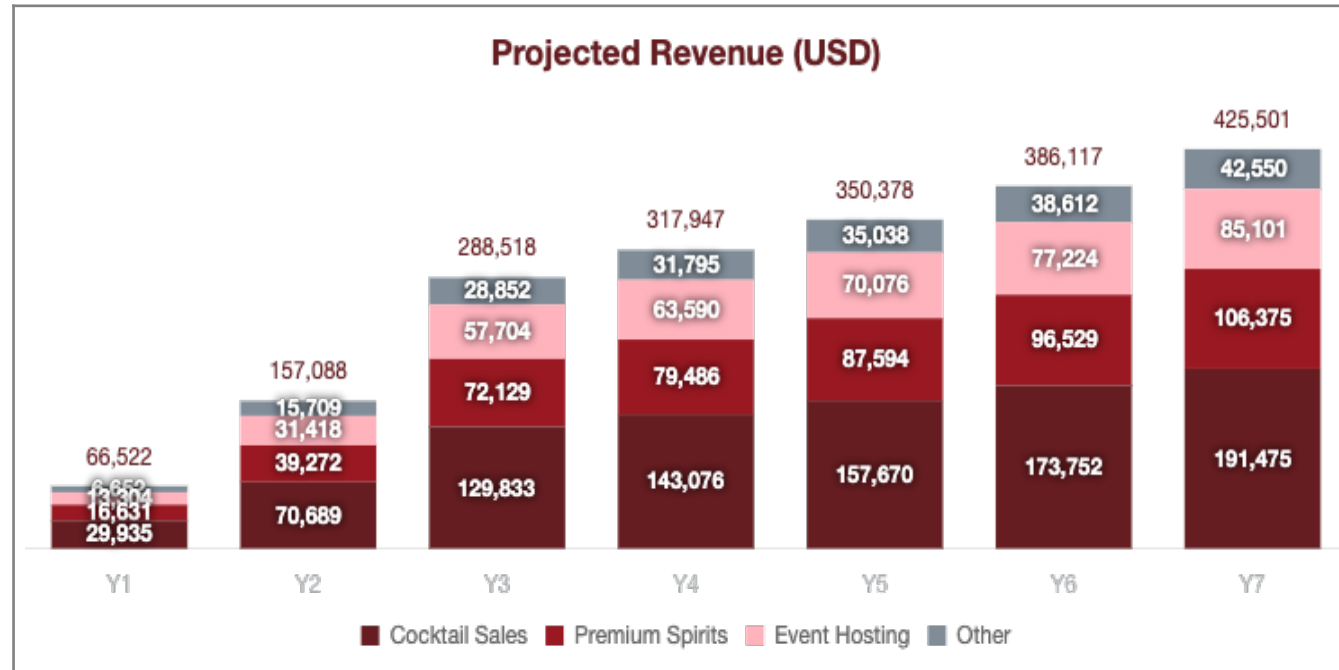
Gross Profit

\$ 119,533

EBITDA

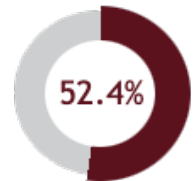
0.84%

Target Market Share

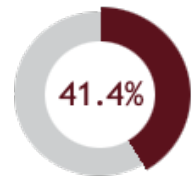


Margins (Stabilized by Y3)

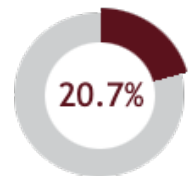
GP Margin



EBITDA Margin



PbT Margin

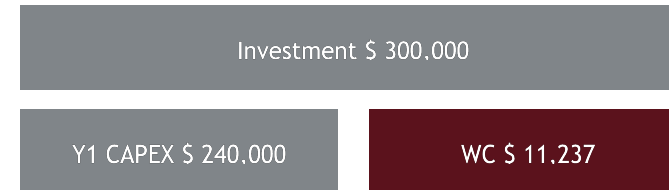


Project Phases



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.

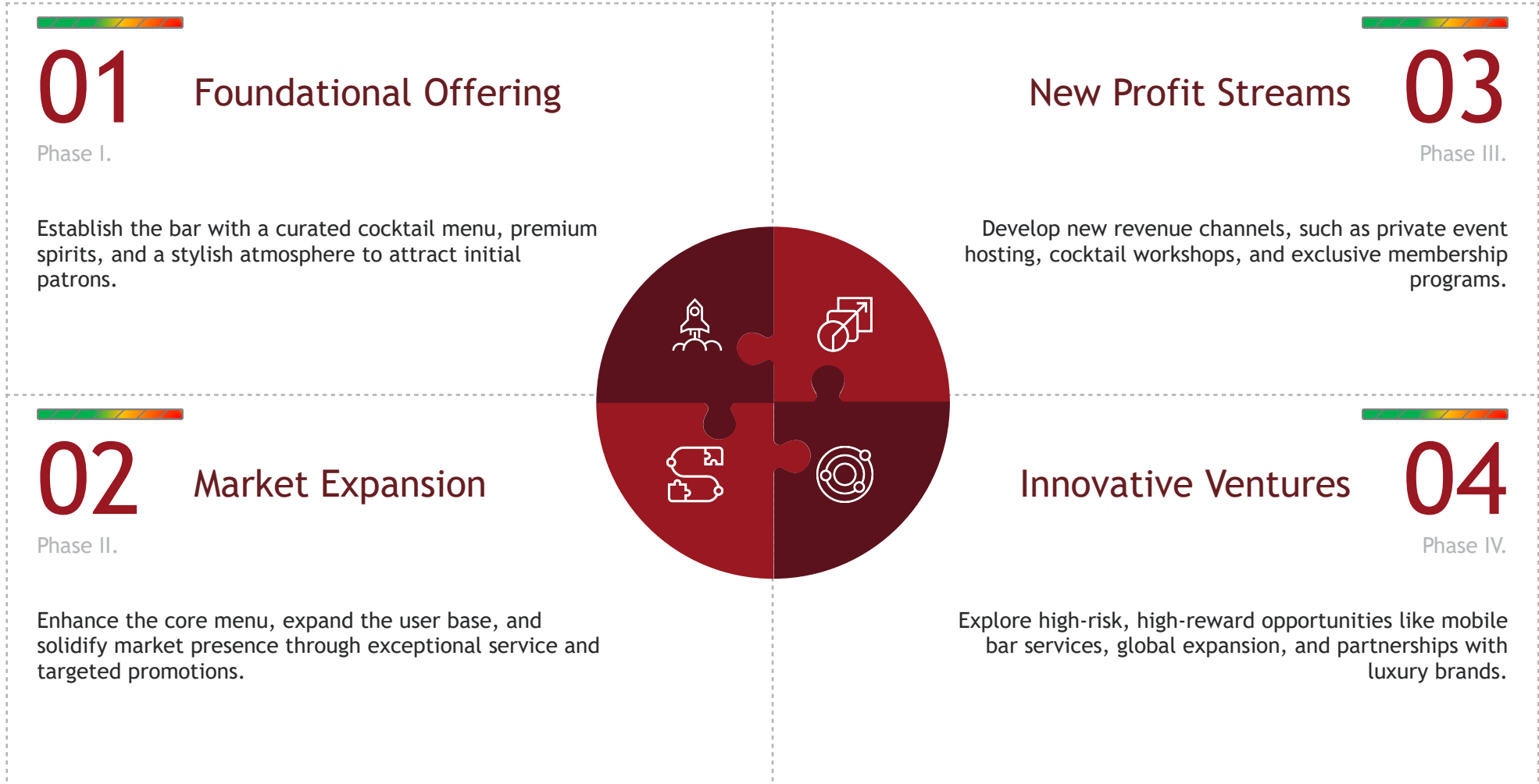


About the Company: General Overview



Lush is a vibrant and sophisticated bar offering an exceptional experience for cocktail enthusiasts and social gatherings. Specializing in beverage serving activities within the accommodation and food service sector, Lush provides a curated selection of innovative cocktails, premium spirits, and fine wines. Each drink is crafted with a blend of classic techniques and contemporary flair. The establishment boasts an inviting atmosphere adorned with stylish decor and complemented by attentive service, ensuring every guest has a memorable night out. Lush is committed to quality and sustainability, utilizing locally sourced ingredients and eco-friendly practices. Whether patrons are seeking a chic venue for special events or a relaxed spot to unwind, Lush serves as the perfect destination for refined beverages and great company.

The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	<ol style="list-style-type: none"> 1. Enhanced dining and social experiences through a curated selection of premium cocktails and a stylish atmosphere. 2. Access to exclusive events, workshops, and membership programs offering added value and novelty. 3. Assurance of quality and sustainability through the use of locally sourced ingredients and eco-friendly practices.
Employees	<ol style="list-style-type: none"> 1. Opportunities for professional growth and learning through specialized training in mixology and service excellence. 2. Stable employment and competitive compensation in a thriving and supportive work environment. 3. Involvement in innovative ventures, providing diverse and engaging work experiences.
Suppliers	<ol style="list-style-type: none"> 1. Consistent and growing business opportunities as Lush expands and attracts more patrons. 2. Strengthened partnerships through commitments to quality and sustainability in sourcing practices. 3. Potential for collaborative marketing and brand exposure in innovative and upscale settings.
Local Community	<ol style="list-style-type: none"> 1. Boosted local economy through employment and business opportunities created by Lush. 2. Greater social interaction and community bonding facilitated by Lush's inviting environment and events. 3. Promotion of local culture and produce, supporting regional businesses and artisans.
Investors	<ol style="list-style-type: none"> 1. Attractive return on investment driven by Lush's phased development and new profit streams. 2. Potential for capital growth through ambitious projects like global expansion and luxury brand partnerships. 3. Assurance of sound, sustainable business practices enhancing long-term profitability.
Regulatory Authorities	<ol style="list-style-type: none"> 1. Compliance with industry standards and regulations, ensuring a safe and lawful operation. 2. Contribution to local employment and economic development through a growing and responsible business. 3. Alignment with environmental and sustainability goals, supporting regulatory initiatives.
Industry Partners	<ol style="list-style-type: none"> 1. Collaboration opportunities in joint ventures, events, and marketing campaigns, enhancing mutual brand visibility. 2. Shared innovations and best practices in beverage and hospitality sectors, driving industry standards forward. 3. Mutual growth opportunities through aligned business goals and shared customer bases.

Key Performance Components

Competitive Advantage

Innovative Cocktails

Lush offers a curated selection of innovative cocktails, combining classic techniques with contemporary flair, appealing to cocktail enthusiasts and setting themselves apart in a competitive market.

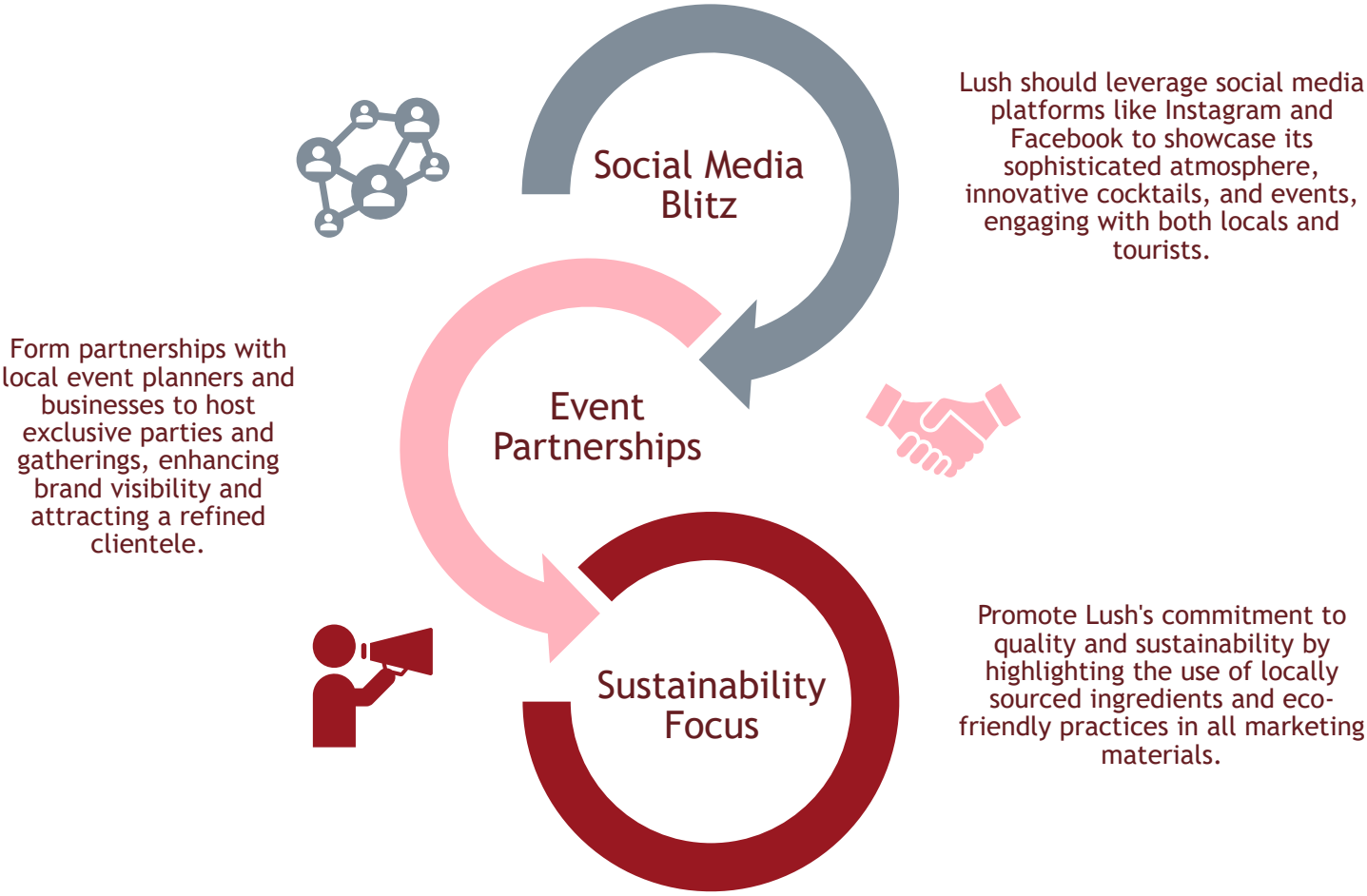
Sustainable Practices

Lush is committed to quality and sustainability, using locally sourced ingredients and eco-friendly practices, which resonates well with environmentally conscious customers.

Inviting Atmosphere

Lush creates a memorable experience with stylish decor and attentive service, ensuring every guest enjoys a sophisticated and relaxing night out.

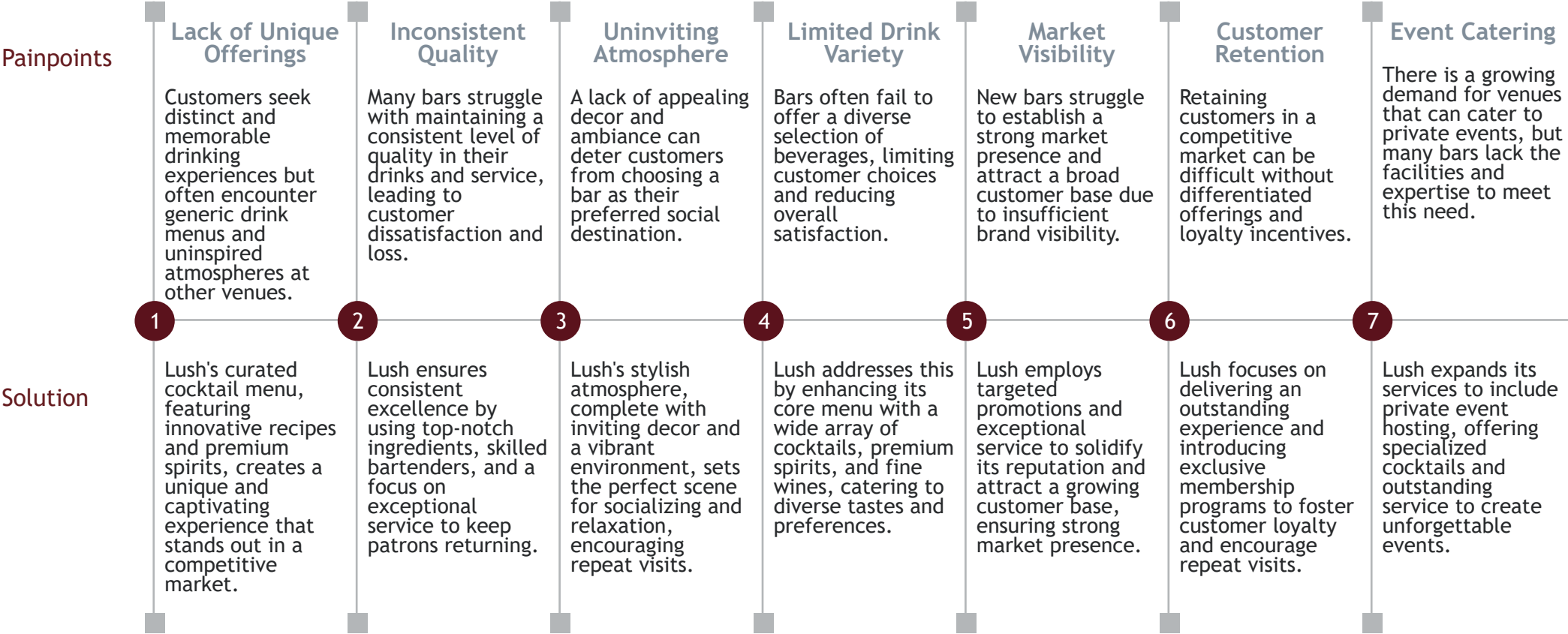
Marketing and Growth Strategy



Target Groups


	Industries	Description
I	 Young Professionals	Urban young professionals seeking a stylish and upscale environment for after-work drinks and networking opportunities.
II	 Social Media Influencers	Influencers and bloggers who are on the lookout for trendy venues to showcase on their social media platforms.
III	 Corporate Groups	Companies seeking a sophisticated setting for corporate events, team-building activities, and client entertainment.
IV	 Tourists	Out-of-town visitors looking to experience the local scene and enjoy premium beverages in a welcoming atmosphere.
V	 Locals	Residents who appreciate high-quality cocktails and a vibrant social scene, making Lush their go-to bar for regular visits.
VI	 Event Planners	Professionals planning private events, such as birthday parties, anniversaries, and other celebrations, who need a stylish venue.
VII	 Eco-conscious Consumers	Individuals who prefer venues that prioritize sustainability and use locally sourced, eco-friendly ingredients for their offerings.

Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




Innovative cocktail menu attracting diverse clientele. Premium spirits and wines enhancing brand prestige. Inviting atmosphere with stylish decor. Attentive service ensuring exceptional customer experience. Commitment to quality and sustainability with locally sourced ingredients and eco-friendly practices.

Weaknesses




High operational costs due to premium offerings. Competitive industry with numerous alternatives. Dependency on supplier consistency for premium ingredients. Potential turnover in skilled bartenders. Limited scalability due to personalized service approach.

Opportunities



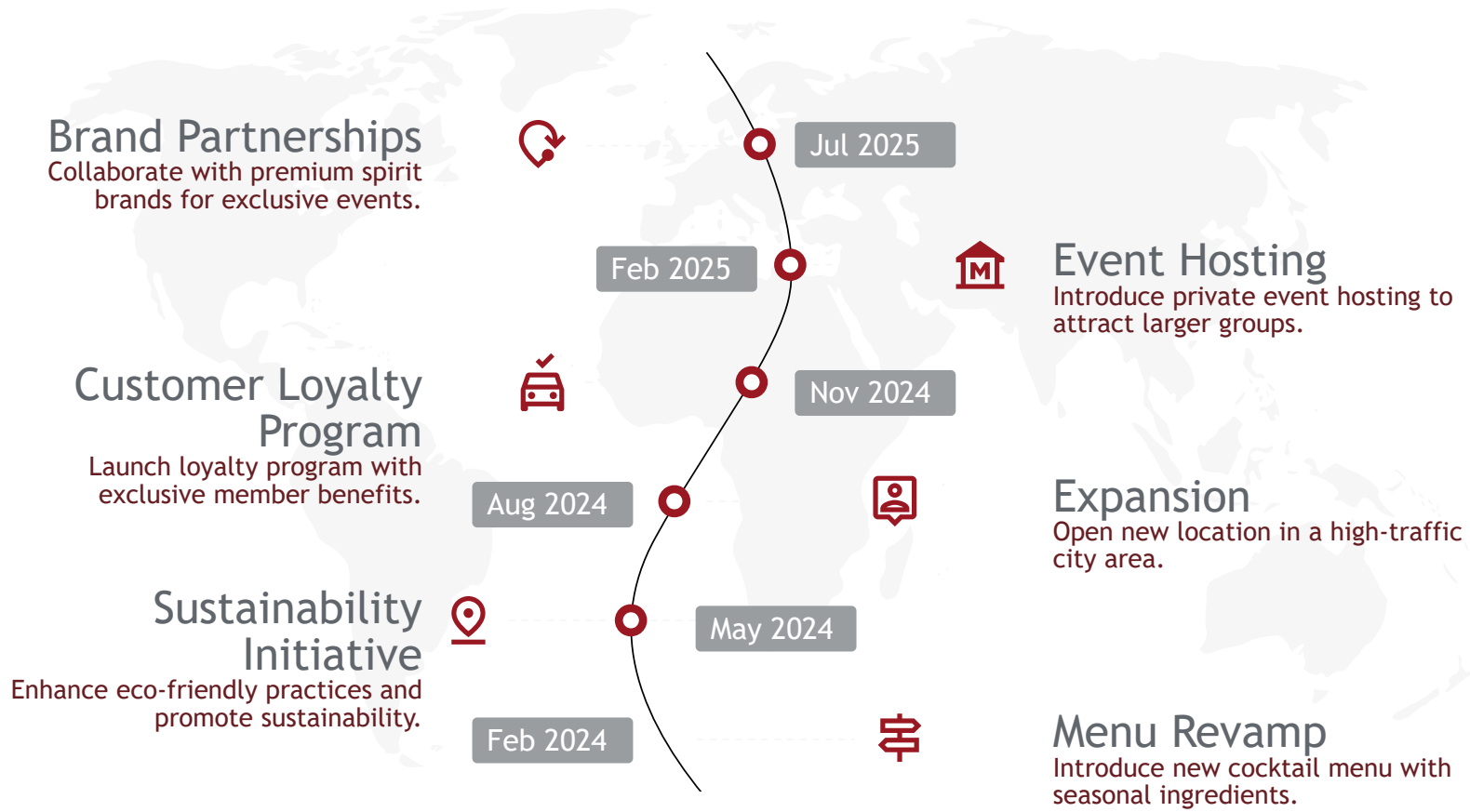
Expanding sustainability initiatives to attract eco-conscious customers. Collaborations with local farms and suppliers. Hosting specialty events to increase customer engagement. Extending marketing to reach broader audience. Developing a signature product line for retail.

Threats



Economic downturn impacting disposable income for luxury spending. Regulatory changes in alcohol service and licensing. Rising costs of quality ingredients. Consumer preferences shifting towards at-home experiences. Intense competition from new and existing bars.

History & Roadmap



Current Status.

- Feb 2024: Introduce new cocktail menu with seasonal ingredients.
- May 2024: Enhance eco-friendly practices and promote sustainability.
- Aug 2024: Open new location in a high-traffic city area.
- Nov 2024: Launch loyalty program with exclusive member benefits.
- Feb 2025: Introduce private event hosting to attract larger groups.
- Jul 2025: Collaborate with premium spirit brands for exclusive events.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA	
General Planning and Organization						
1	Secure Initial Funding	●	Not Started	High	CFO	2 months
2	Register Business and Obtain Licenses	●	Not Started	High	CEO	1 month
3	Hire Key Staff	●	Not Started	High	COO	3 months
4	Define Brand and Develop Visual Identity	●	Not Started	Medium	CMO	2 months
5	Select and Outfit Venue	●	Not Started	High	CPO	4 months
6	Set Up Financial Systems	●	Not Started	Medium	CFO	2 months
7	Implement Tech Infrastructure	●	Not Started	Medium	CTO	2 months
8	Develop Sustainability Practices	●	Not Started	Low	CSO	3 months
Marketing						
1	Develop Brand Identity	●	Not Started	High	CMO	1 month
2	Launch Website and Online Booking System	●	Not Started	High	CIO	2 months
3	Establish Social Media Presence	●	Not Started	Medium	CMO	1 month
4	Create Promotional Campaigns for Grand Opening	●	Not Started	High	CRO	2 weeks
5	Develop Partnerships with Influencers	●	Not Started	Medium	CMO	3 months
6	Design Loyalty Program for Repeat Customers	●	Not Started	High	CPO	2 months
7	Sponsor Local Events to Increase Visibility	●	Not Started	Medium	CSO	4 months
8	Create High-Quality Content for PR and Media Outreach	●	Not Started	Medium	CMO	2 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Curate Cocktail Menu	●	Not Started	High	CPO	2 weeks
2	Source Premium Spirits	●	Not Started	High	CPO	3 weeks
3	Design Interior and Exterior	●	Not Started	Medium	COO	4 weeks
4	Hire Skilled Mixologists	●	Not Started	High	COO	4 weeks
5	Establish Supplier Relationships	●	Not Started	Medium	CFO	3 weeks
6	Set Up Inventory Management System	●	Not Started	Medium	CTO	2 weeks
7	Implement Quality Control Procedures	●	Not Started	Medium	CSO	2 weeks
8	Final Health and Safety Checks	●	Not Started	High	COO	1 week
Phase 2						
1	Enhance Cocktail Menu	●	Not Started	High	CPO	2 months
2	Develop Targeted Marketing Campaigns	●	Not Started	High	CMO	1 month
3	Optimize Service Workflow	●	Not Started	Medium	COO	3 months
4	Implement Customer Loyalty Program	●	Not Started	High	CRO	2 months
5	Expand Social Media Presence	●	Not Started	Medium	CMO	1 month
6	Host Themed Nights and Events	●	Not Started	Medium	CEO	2 months
7	Strengthen Supplier Relationships	●	Not Started	Medium	CFO	3 months
8	Train Staff on New Offerings	●	Not Started	High	COO	1 month

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop Private Event Packages	●	Not Started	High	CMO 3 months
2	Launch Cocktail Workshops	●	Not Started	High	COO 2 months
3	Create Exclusive Membership Programs	●	Not Started	Medium	CBO 4 months
4	Set Up Online Booking for Private Events	●	Not Started	High	CIO 2 months
5	Partner with Influencers for Workshops	●	Not Started	Medium	CSO 3 months
6	Develop Corporate Event Hosting Packages	●	Not Started	High	CRO 3 months
7	Introduce Limited Edition Cocktails for Members	●	Not Started	Medium	CPO 4 months
8	Establish Marketing Campaign for New Profit Streams	●	Not Started	High	CMO 1 month
Phase 4					
1	Launch mobile bar services	●	Not Started	High	COO 6 months
2	Establish international locations	●	Not Started	High	CEO 1 year
3	Forge partnerships with luxury brands	●	Not Started	Medium	CBO 8 months
4	Develop a high-end line of merchandise	●	Not Started	Medium	CPO 10 months
5	Create a signature bottled cocktail collection	●	Not Started	High	CSO 6 months
6	Invest in augmented reality (AR) experiences	●	Not Started	Low	CTO 12 months
7	Initiate a pop-up bar series	●	Not Started	Medium	CMO 7 months
8	Collaborate with high-profile influencers	●	Not Started	Medium	CMO 5 months

Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Supply Chain Disruptions	COO	Diversify suppliers and maintain safety stock.
2	Equipment Failure	COO	Regular maintenance and service contracts.
3	Staff Turnover	CPO	Implement retention programs and training.
4	Quality Control	COO	Standardize recipes and regular audits.
5	Health and Safety Compliance	CSO	Regular training and compliance checks.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Licensing and Permits	COO	Ensure timely acquisition and renewal
2	Health and Safety Regulations	CSO	Adopt and enforce stringent safety measures
3	Alcohol Serving Laws	COO	Regular staff training and compliance audits
4	Labor Law Compliance	CFO	Adhere to all employment standards
5	Consumer Protection Laws	CRO	Maintain transparency and high service standards

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Competitive Market	CEO	Conduct regular market analysis and adapt offerings.
2	Changing Customer Preferences	CPO	Continuously update menu and gather customer feedback.
3	Economic Downturn	CFO	Maintain a flexible budgeting strategy.
4	Brand Dilution	CMO	Ensure consistent brand messaging and quality.
5	Seasonal Demand Fluctuations	COO	Plan seasonal promotions to drive traffic.

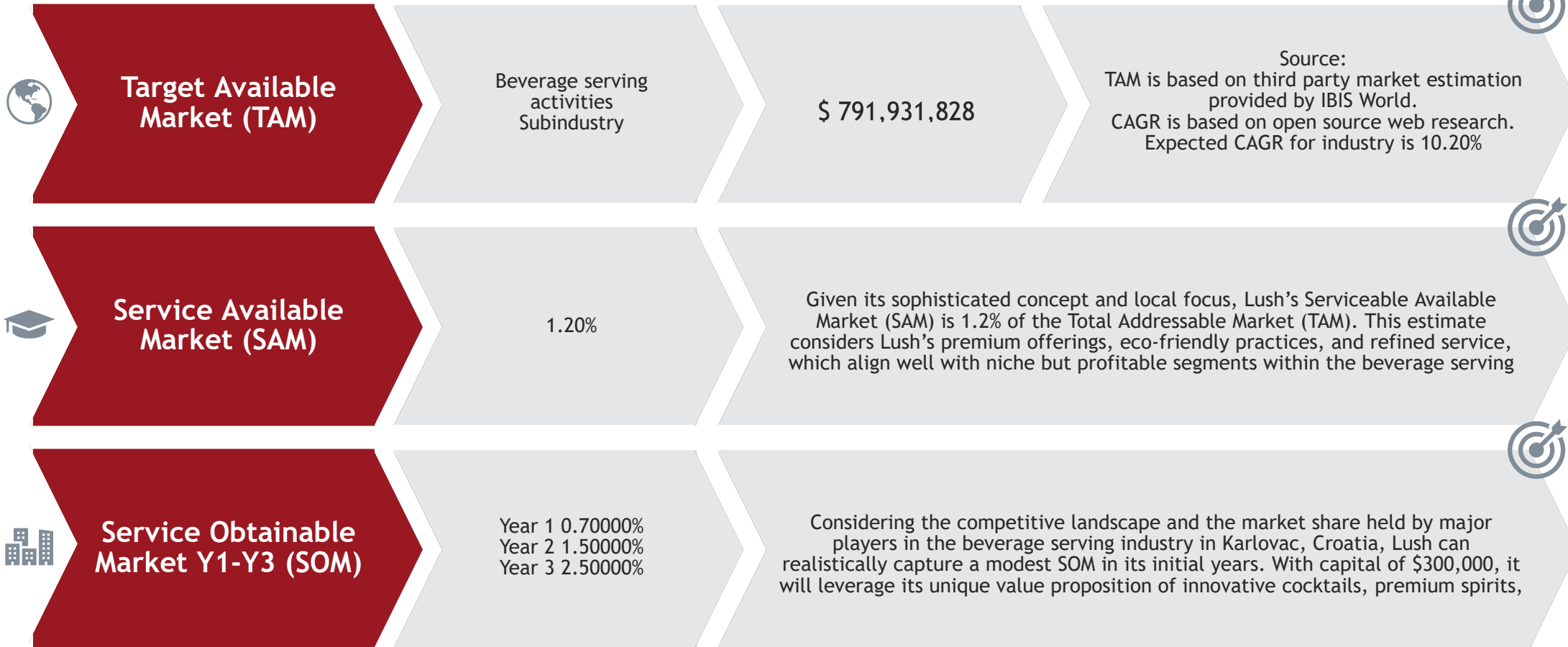
4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Issues	CFO	Maintain a healthy cash reserve and monitor cash flow closely.
2	High Operational Costs	COO	Regularly review expenses and optimize cost-efficiency.
3	Market Volatility	CRO	Diversify revenue streams and hedge against market changes.
4	Funding Shortfalls	CEO	Develop strong investor relations and secure contingency funding.
5	Credit Risk	CFO	Implement strict credit control and manage receivables effectively.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation	CMO	Proactively manage online reviews and social media presence
2	Supply Chain Disruptions	COO	Diversify suppliers and maintain stock reserves
3	Talent Retention	CPO	Foster a supportive work environment and reward performance
4	Consumer Preference Shifts	CRO	Adapt offerings based on market trends and feedback
5	Seasonal Demand Fluctuations	CFO	Plan promotions and events to level out demand

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 \$ 300,000

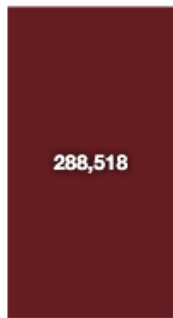
Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	34,878	
Payroll Expenses		2,994
Rent & Utilities		1,330
Marketing and Branding		998
Communication Expenses		599
Capex		240,000
Office Supplies		532
Legal and Professional Fees		333
Representation and Entert.		200
Other Miscellaneous		200
Training and Development		133
CAPEX & WC shortage Y1		212,441
Buffer		87,559
Total Required Investment(USD)		300,000



Financials Dashboard

Y3 PL formation and Margins

Revenue



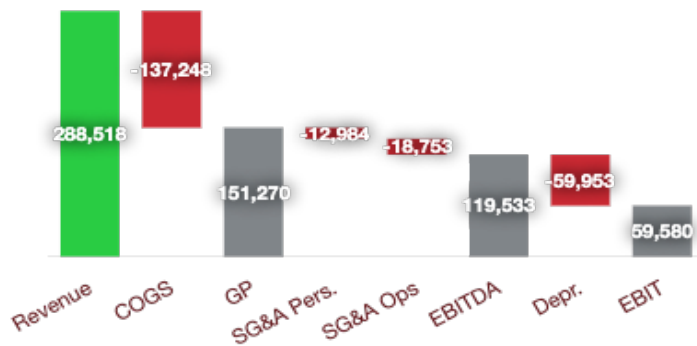
Projected Revenue

- GP 52.4%
- EBITDA 41.4%

Y3

Y3

PnL Formation (Y3 USD)

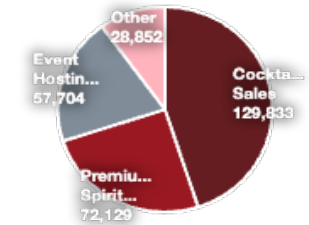
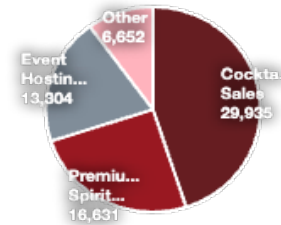


Business Line Breakdown (USD)

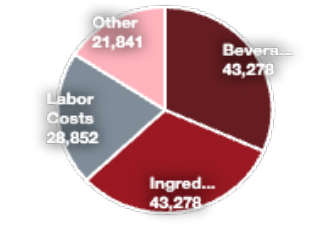
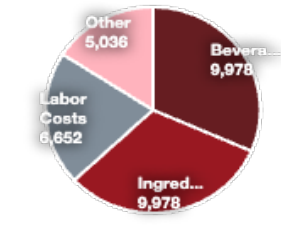
Y1

Y2

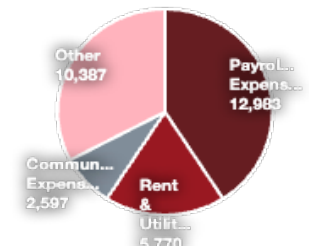
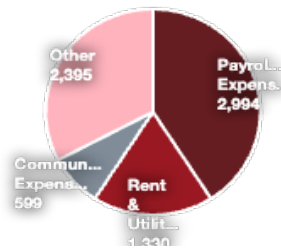
Revenue



COGS



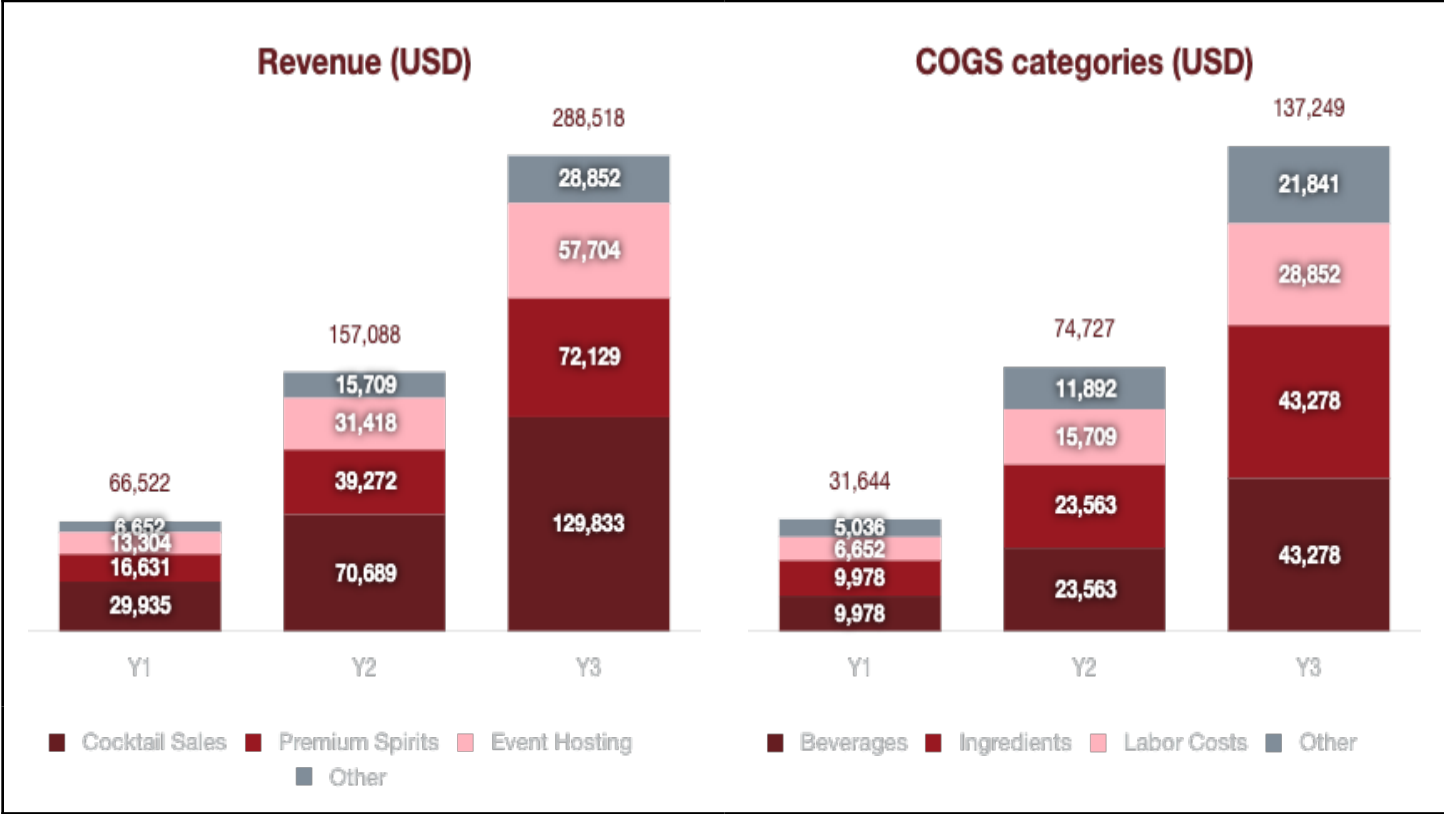
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Revenue Formation Narrative

Lush, a vibrant and sophisticated bar, carefully calculates its revenue projections based on a well-founded analysis of its market. Our Total Addressable Market (TAM) for the beverage serving activities industry in Karlovac, Croatia stands at 791,931,828 USD . Lush's Serviceable Available Market (SAM) is estimated to be 1.2% of this TAM, based on our unique value proposition that includes premium offerings, eco-friendly practices, and refined service—components that cater specifically to premium customer segments in our locality. Year-over-year, Lush's Serviceable Obtainable Market (SOM) percentage projections reflect our strategy to gradually penetrate the market. In Year 1, we expect to capture 0.7% of the market, leading to an estimated revenue of 66,522.27 USD . As we build brand recognition and customer loyalty, especially via our compelling lineup of innovative cocktails and premium spirits, we project increasing this to 1.5% by Year 2, yielding 157,087.6 USD . By Year 3, with further consolidation of our brand, loyalty programs, and expanded marketing initiatives, we aim to capture 2.5% of the market, resulting in an anticipated revenue of 288,517.55 USD . Our revenue streams are diverse, ensuring a balanced and robust income structure. Cocktail Sales, constituting 45% of our total revenue, are projected to be our largest revenue line, followed by Premium Spirits at 25%, Event Hosting at 20%, and Other services at 10%. This calculated distribution reflects our focus on providing high-quality, memorable experiences to our clientele, driving sustainable growth.

\$ 288,518 ^{Y3} Projected Revenue **0.84%** Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cocktail Sales	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
Premium Spirits	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	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	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %

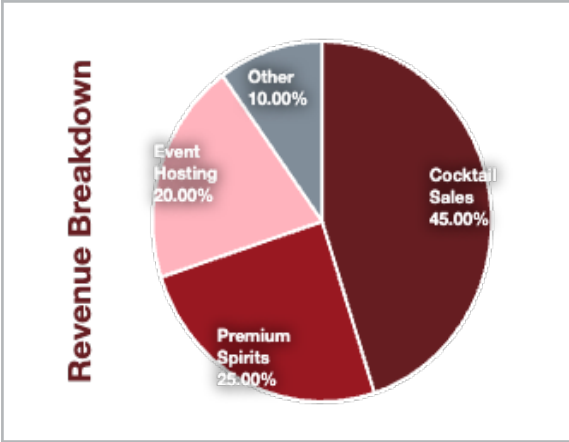
Cocktail Sales	1,871	1,871	1,871	2,245	2,245	2,245	2,744	2,744	2,744	3,118	3,118	3,118	29,935	70,689	129,833
storeRevenueLOB.value?.res2?.name	1,039	1,039	1,039	1,247	1,247	1,247	1,524	1,524	1,524	1,732	1,732	1,732	16,631	39,272	72,129
Event Hosting	832	832	832	998	998	998	1,220	1,220	1,220	1,386	1,386	1,386	13,304	31,418	57,704
Other	416	416	416	499	499	499	610	610	610	693	693	693	6,652	15,709	28,852
Total Revenue (USD)	4,158	4,158	4,158	4,989	4,989	4,989	6,098	6,098	6,098	6,929	6,929	6,929	66,522	157,088	288,518

Total revenue is expected to reach \$ 288,518 by year 3.

Main revenue driver are:

- Cocktail Sales which generates \$ 129,833 by Year 3
- Premium Spirits which generates \$ 72,129 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 108.26 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Beverages	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%
Ingredients	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%
Labor Costs	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	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%

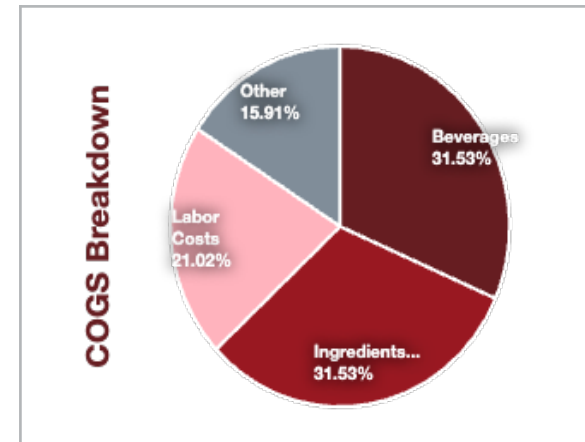
Beverages	624	624	624	748	748	748	915	915	915	1,039	1,039	1,039	9,978	23,563	43,278
Ingredients	624	624	624	748	748	748	915	915	915	1,039	1,039	1,039	9,978	23,563	43,278
Labor Costs	416	416	416	499	499	499	610	610	610	693	693	693	6,652	15,709	28,852
Other	315	315	315	378	378	378	462	462	462	525	525	525	5,036	11,892	21,841
Total COGS (USD)	1,978	1,978	1,978	2,373	2,373	2,373	2,901	2,901	2,901	3,296	3,296	3,296	31,645	74,727	137,248

Total COGS is expected to reach \$ 137,248 by year 3.

Main revenue driver are:

- Beverages which generates \$ 43,278 by Year 3
- Labor Costs which generates \$ 28,852 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 108.26 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
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	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Office Supplies	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%
Legal and Professional Fees	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%
Marketing and Branding	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%
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	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%
Other Miscellaneous	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%

Payroll Expenses	187	187	187	225	225	225	274	274	274	312	312	312	2,994	7,069	12,983
Rent & Utilities	83	83	83	100	100	100	122	122	122	139	139	139	1,330	3,142	5,770
Communication Expenses	37	37	37	45	45	45	55	55	55	62	62	62	599	1,414	2,597
Office Supplies	33	33	33	40	40	40	49	49	49	55	55	55	532	1,257	2,308
Legal and Professional Fees	21	21	21	25	25	25	30	30	30	35	35	35	333	785	1,443
Marketing and Branding	62	62	62	75	75	75	91	91	91	104	104	104	998	2,356	4,328
Representation and Entertainment	12	12	12	15	15	15	18	18	18	21	21	21	200	471	866
Training and Development	8	8	8	10	10	10	12	12	12	14	14	14	133	314	577
Other Miscellaneous	12	12	12	15	15	15	18	18	18	21	21	21	200	471	866
Total SG&A (USD)	457	457	457	549	549	549	671	671	671	762	762	762	7,317	17,280	31,737

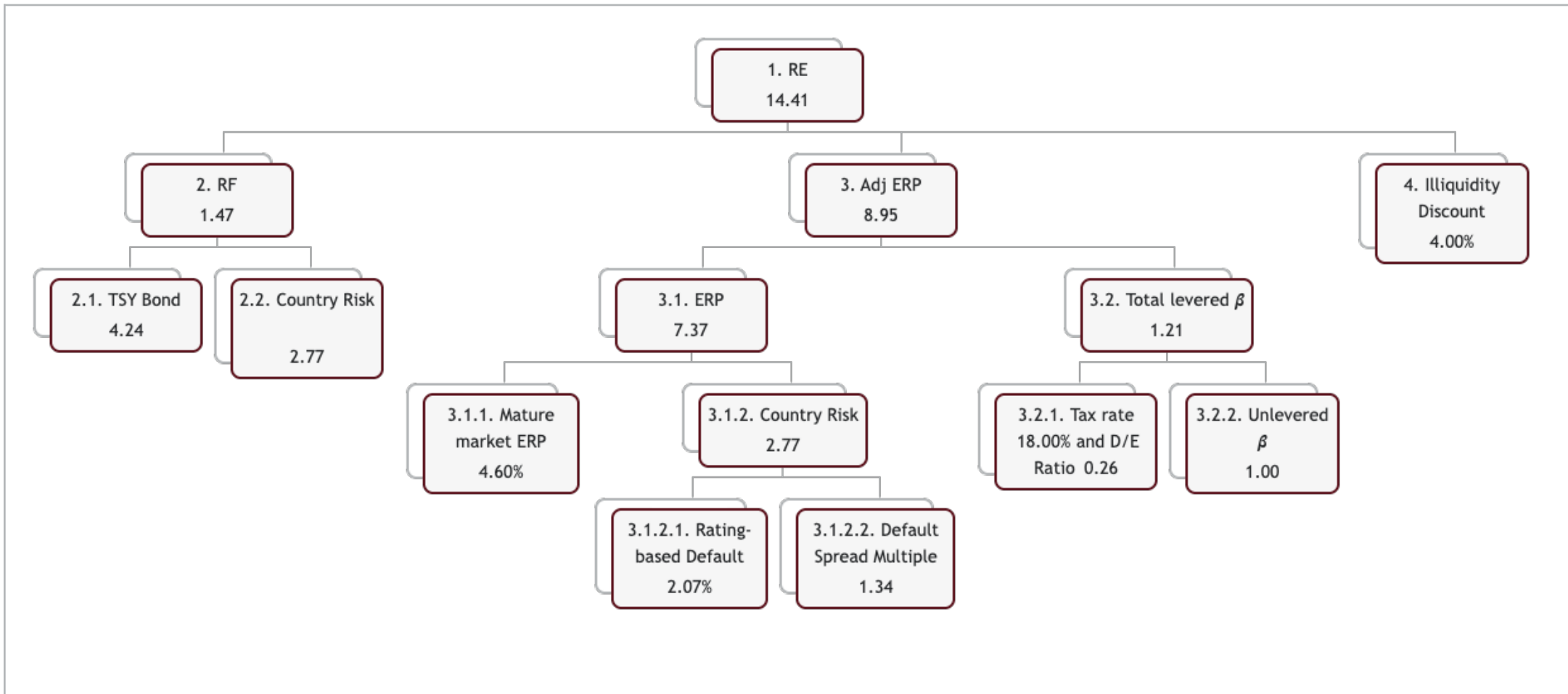
PaT Expectations

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	4,158	4,158	4,158	4,989	4,989	4,989	6,098	6,098	6,098	6,929	6,929	6,929	66,522	157,088	288,518
Cocktail Sales	1,871	1,871	1,871	2,245	2,245	2,245	2,744	2,744	2,744	3,118	3,118	3,118	29,935	70,689	129,833
Premium Spirits	1,039	1,039	1,039	1,247	1,247	1,247	1,524	1,524	1,524	1,732	1,732	1,732	16,631	39,272	72,129
Event Hosting	832	832	832	998	998	998	1,220	1,220	1,220	1,386	1,386	1,386	13,304	31,418	57,704
Other	416	416	416	499	499	499	610	610	610	693	693	693	6,652	15,709	28,852
COGS	-1,978	-1,978	-1,978	-2,373	-2,373	-2,373	-2,901	-2,901	-2,901	-3,296	-3,296	-3,296	-31,645	-74,727	-137,248
Beverages	-624	-624	-624	-748	-748	-748	-915	-915	-915	-1,039	-1,039	-1,039	-9,978	-23,563	-43,278
Ingredients	-624	-624	-624	-748	-748	-748	-915	-915	-915	-1,039	-1,039	-1,039	-9,978	-23,563	-43,278
Labor Costs	-416	-416	-416	-499	-499	-499	-610	-610	-610	-693	-693	-693	-6,652	-15,709	-28,852
Other	-315	-315	-315	-378	-378	-378	-462	-462	-462	-525	-525	-525	-5,036	-11,892	-21,841
Gross Profit	2,180	2,180	2,180	2,616	2,616	2,616	3,197	3,197	3,197	3,633	3,633	3,633	34,878	82,361	151,270
SG&A Personal Expenses	-187	-187	-187	-225	-225	-225	-274	-274	-274	-312	-312	-312	-2,994	-7,069	-12,983
SG&A Operating Expenses	-270	-270	-270	-324	-324	-324	-396	-396	-396	-450	-450	-450	-4,324	-10,211	-18,754
EBITDA	1,723	1,723	1,723	2,067	2,067	2,067	2,526	2,526	2,526	2,871	2,871	2,871	27,560	65,081	119,533
Depreciation	-4,996	-4,996	-4,996	-4,996	-4,996	-4,996	-4,996	-4,996	-4,996	-4,996	-4,996	-4,996	-59,952	-59,952	-59,952
EBIT	-3,274	-3,274	-3,274	-2,929	-2,929	-2,929	-2,470	-2,470	-2,470	-2,125	-2,125	-2,125	-32,392	5,129	59,580
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-3,274	-3,274	-3,274	-2,929	-2,929	-2,929	-2,470	-2,470	-2,470	-2,125	-2,125	-2,125	-32,392	5,129	59,580
Tax	589	589	589	527	527	527	445	445	445	383	383	383	5,831	-923	-10,724
Profit after Tax (USD)	-2,684	-2,684	-2,684	-2,402	-2,402	-2,402	-2,025	-2,025	-2,025	-1,743	-1,743	-1,743	-26,562	4,206	48,856

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	-26,562	4,206	48,856	53,839	59,331	65,383	72,052
	Growth% Y4-Y7				10.20%	10.20%	10.20%	10.20%
	Growth% Y7 -->				3.50%			
	WACC				14.41%			
	PV Y1-Y7 at Y0	-23,216	3,213	32,621	31,420	30,264	29,149	28,076
	PV Y7 --> Y0				266,301			
	NPV (USD)				397,829			

Average Survival Rate for 3 Years

50%

Final Valuation

\$ 198,915

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 14.41 % 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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