

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

StyleNest is dedicated to curating a collection of stylish and high-quality fashion pieces for discerning shoppers. Our mission is to offer a diverse range of clothing, accessories, and home décor that are selected for their unique design and exceptional craftsmanship. We aim to provide a personalized shopping experience in a welcoming and elegant environment, ensuring every customer feels valued and inspired. By sourcing our products from both renowned and emerging designers, we foster a community that appreciates trendsetting fashion and superior quality.

Our Vision

StyleNest aspires to become the premier destination for fashion enthusiasts seeking unique and high-quality designs. Our vision is to continually innovate the retail experience by expanding our curated collections and fostering a community centered around style and elegance. In twenty years, we envision StyleNest as a leading influence in the fashion industry, known for our commitment to exceptional craftsmanship and trendsetting designs. We aim to inspire and empower our customers, making sophisticated style accessible to all who seek it.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 347,868

Revenue

\$ 215,678

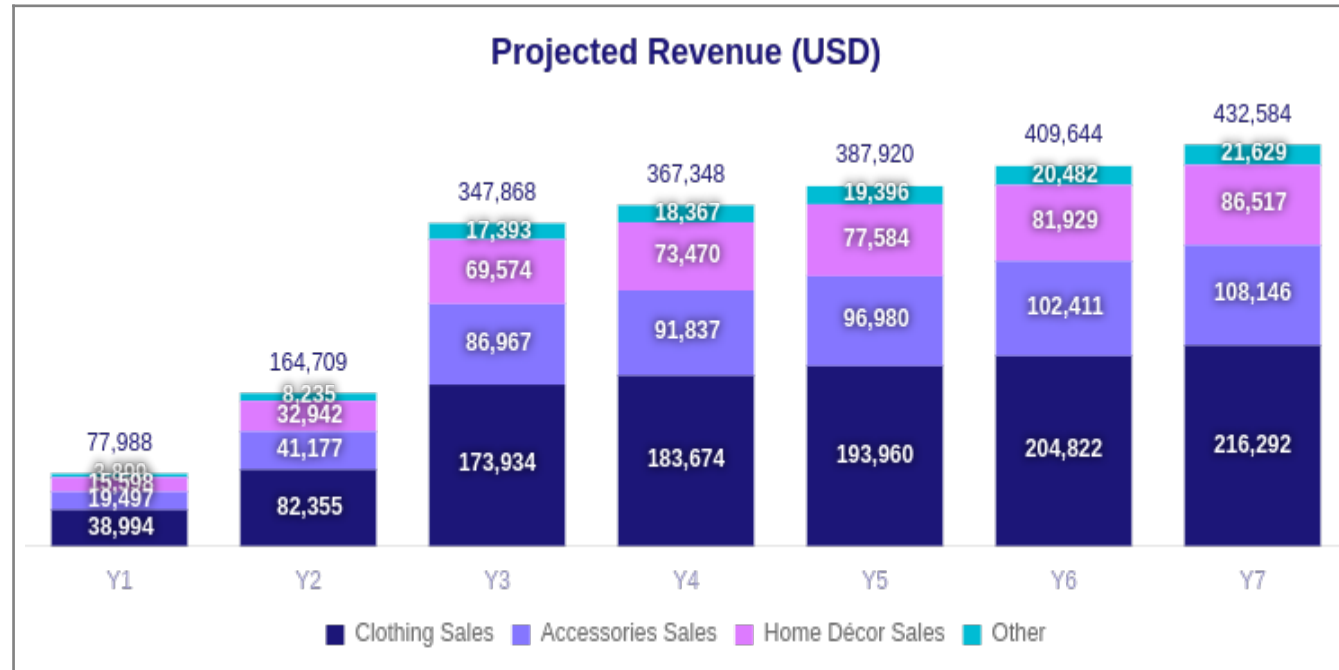
Gross Profit

\$ 129,581

EBITDA

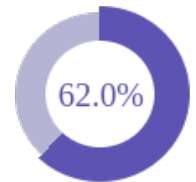
0.01%

Target Market Share

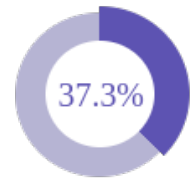


Margins
(Stabilized by Y3)

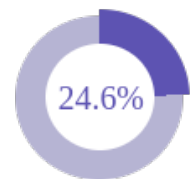
GP Margin



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.

Investment \$ 250,000

Y1 CAPEX \$ 125,000

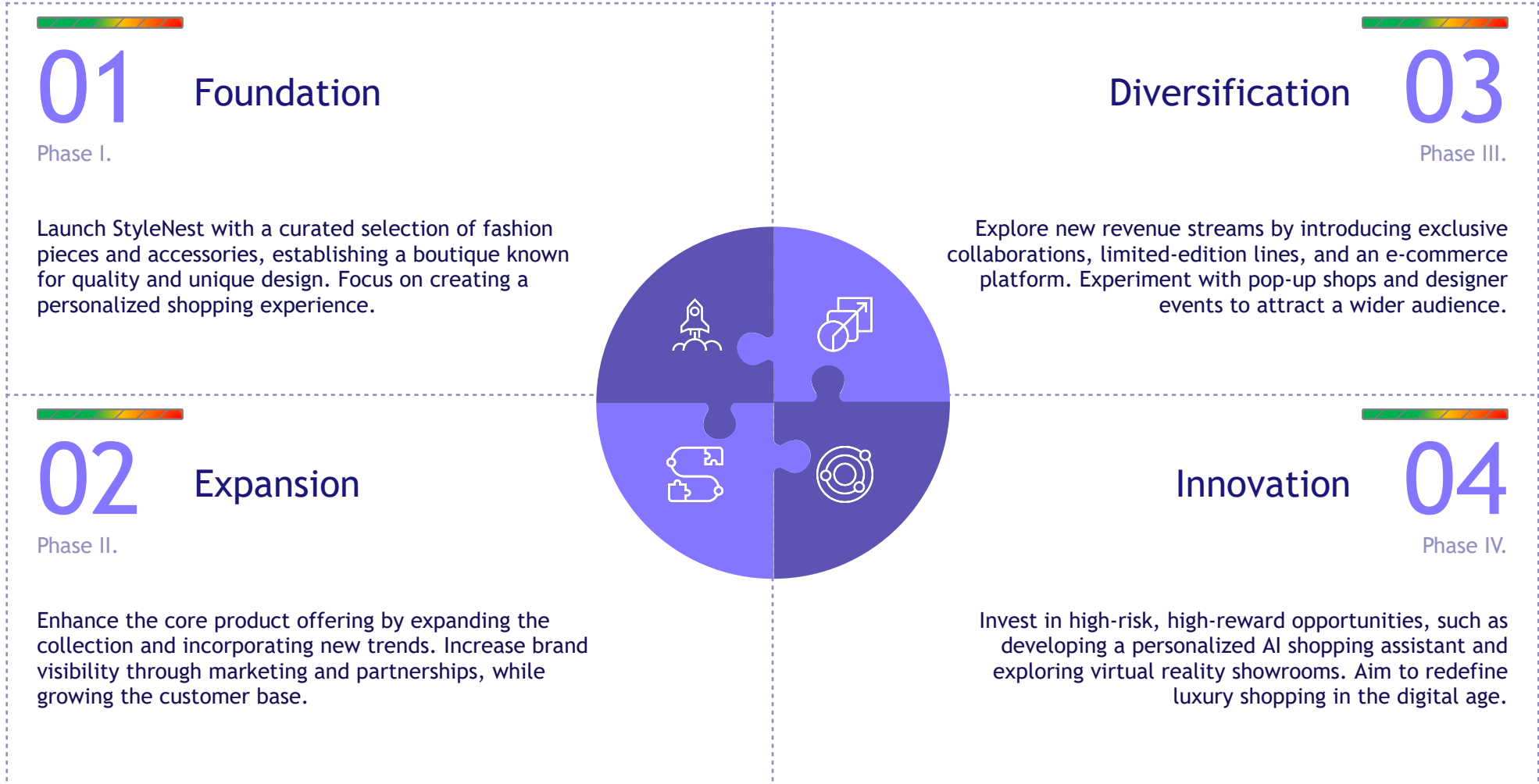
WC \$ 13,671

About the Company: General Overview



StyleNest is a chic boutique dedicated to curating a collection of stylish and high-quality fashion pieces for discerning shoppers. Specializing in the retail sale of other goods in specialized stores, StyleNest operates within the wholesale and retail trade sector, including the repair of motor vehicles and motorcycles. The store offers a diverse range of clothing, accessories, and home décor, selected for their unique design and exceptional craftsmanship. At StyleNest, the focus is on providing a personalized shopping experience in a welcoming and elegant environment. Committed to trendsetting and quality, the boutique sources its products from both renowned and emerging designers. Whether you're looking to update your wardrobe or find the perfect gift, StyleNest is your destination for sophisticated style and exceptional service.

The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	<ol style="list-style-type: none"> 1. Receive high-quality, unique fashion pieces and accessories that enhance their personal style. 2. Enjoy a personalized and exceptional shopping experience tailored to individual preferences. 3. Access exclusive collections and collaborations that keep them ahead of fashion trends.
Employees	<ol style="list-style-type: none"> 1. Work in a creative and vibrant environment that encourages professional growth and innovation. 2. Gain exposure to a curated selection of high-end fashion, aiding in their career development. 3. Benefit from a company culture that values and nurtures talent, fostering job satisfaction and retention.
Designers	<ol style="list-style-type: none"> 1. Partner with a boutique that values unique design and craftsmanship, giving their work a prominent platform. 2. Gain access to a discerning customer base interested in high-quality and stylish products. 3. Participate in exclusive collaborations and designer events that can elevate their brand visibility.
Suppliers	<ol style="list-style-type: none"> 1. Build long-term, reliable relationships with a boutique dedicated to quality and innovation. 2. Benefit from consistent demand for high-quality products, ensuring regular business. 3. Collaborate on creating unique and exclusive collections that appeal to a niche market.
Local Community	<ol style="list-style-type: none"> 1. Boost the local economy through job creation and local events hosted by the boutique. 2. Promote a culture of style and sophistication, enhancing the community's reputation. 3. Provide community members with access to high-quality fashion and luxury products.
Investors	<ol style="list-style-type: none"> 1. Attractive investment opportunities in a growing, trendsetting retail business. 2. Potential for high returns through innovative and exclusive product offerings. 3. Confidence in a business model that focuses on quality, uniqueness, and customer loyalty.
Industry Partners	<ol style="list-style-type: none"> 1. Opportunities for strategic partnerships in marketing, brand visibility, and product development. 2. Collaborations on trendsetting events, pop-up shops, and innovative shopping experiences. 3. Synergize on initiatives that push the boundaries of fashion retail, enhancing mutual growth.

Key Performance Components

Competitive Advantage

Curated Selection

StyleNest offers a diverse range of unique, high-quality fashion pieces, ensuring the best in design and craftsmanship for discerning shoppers.

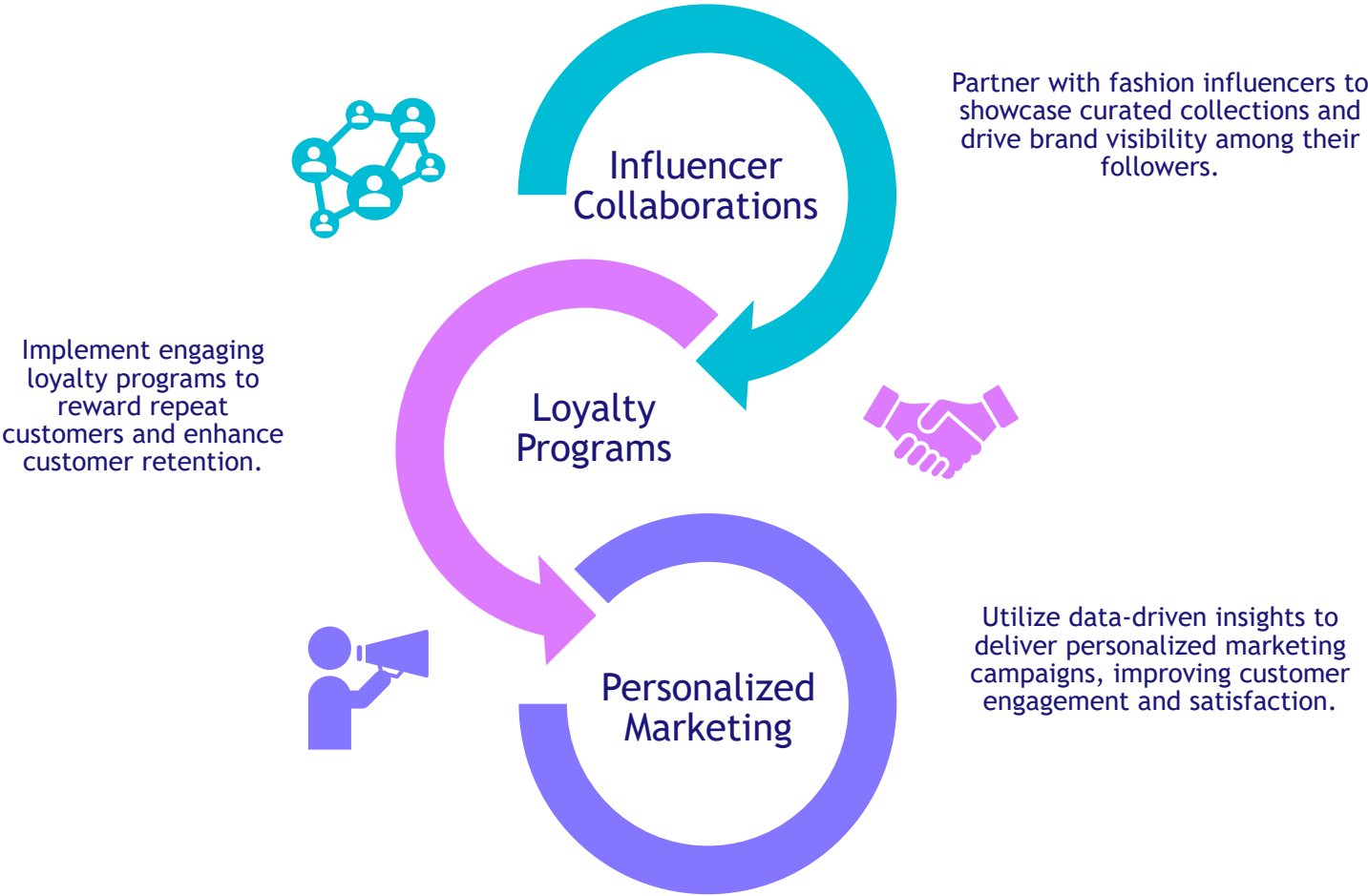
Personalized Service

StyleNest focuses on providing a tailored shopping experience, helping customers find the perfect items through exceptional customer service in an elegant environment.








Trendsetting Source

With products from renowned and emerging designers, StyleNest is committed to offering trendsetting fashion items that keep shoppers ahead of the style curve.

Marketing and Growth Strategy



Target Groups


Industries		Description
I	 Fashion Enthusiasts	Individuals passionate about the latest trends and high-quality fashion pieces, seeking unique and stylish items to add to their wardrobe.
II	 Gift Shoppers	Customers searching for distinctive and elegant gifts for special occasions, drawn to StyleNest's curated selection of accessories and home décor.
III	 Trendsetters	Influential customers who enjoy being ahead of the fashion curve, looking for exclusive pieces to showcase their personal style.
IV	 Professionals	Working individuals who seek sophisticated and versatile fashion options suitable for both office wear and social events.
V	 Home Décor Aficionados	Clients interested in enhancing their living spaces with stylish and unique décor items, appreciating the blend of fashion and home design at StyleNest.
VI	 Fashion Bloggers and Influencers	Content creators looking for unique pieces and collaborations to feature in their fashion and lifestyle channels, enhancing their online presence with StyleNest's offerings.
VII	 Event Planners and Stylists	Professionals in the event and styling industry seeking exclusive and high-quality fashion items and accessories for their projects or clients.

Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




Unique product assortment composed of high-quality fashion pieces. Personalized shopping experience caters to discerning customers seeking elegance. Strong commitment to trendsetting and quality. Exclusive partnerships with renowned and emerging designers. Welcoming and elegant retail environment enhances customer experience.

Weaknesses




Limited geographical presence restricts customer base. Dependency on niche market may limit customer diversity. Higher price points can deter budget-conscious buyers. Inventory management challenges with diverse product offerings. Potential over-reliance on particular designers or suppliers.

Opportunities



Expansion to online retail can broaden customer reach. Collaborations with influencers can enhance brand visibility. Introducing loyalty programs to retain customers. Exploring sustainable and eco-friendly fashion lines. Opening new stores in high-traffic urban areas.

Threats



Intense competition from established fashion retailers. Economic downturns affecting consumers' discretionary spending. Rapid changes in fashion trends may impact inventory turnover. Supplier disruptions can lead to stock shortages. Increased operational costs due to rising rents and labor costs.

Management Team

Overview

With a passion for sustainable fashion, Petra leads EcoThread with a commitment to offering eco-friendly and stylish clothing options.



Co-Founder & CEO

Ivan Horvat



Co-Founder & Operations Manager

Overview

Experienced in retail management, Ivan ensures smooth operations and effective sourcing of high-quality, sustainable materials.

Overview

Maja designs EcoThread's unique collections, blending fashion-forward styles with sustainable practices to create truly distinctive pieces.



Creative Director

Marko Jurić



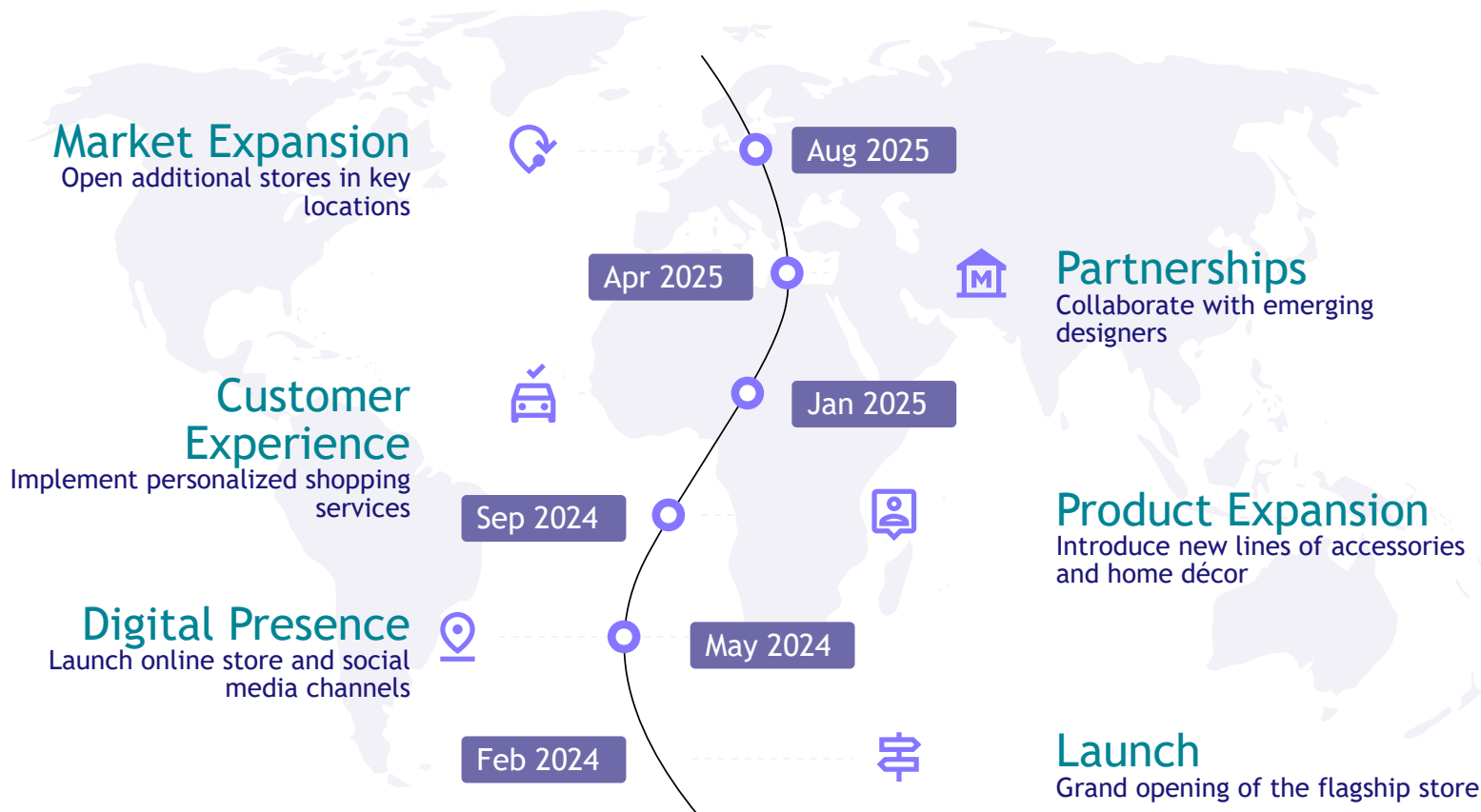
Customer Relations Manager

Overview

Focused on building strong relationships, Marko ensures an exceptional shopping experience and customer satisfaction at EcoThread.



History & Roadmap



Current Status.

- StyleNest to open flagship store by Feb 2024
- Digital presence, including online store, by May 2024
- Expand product lines by Sep 2024
- Enhanced shopping services by Jan 2025
- Collaborate with designers by Apr 2025
- Open additional stores by Aug 2025

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Register the Business	●	Not Started	High	CEO 1 month
2	Develop Business Plan	●	Not Started	High	CEO 2 months
3	Secure Initial Funding	●	Not Started	High	CFO 3 months
4	Set Up Legal Structure	●	Not Started	Medium	CLO 2 months
5	Establish Vendor Relationships	●	Not Started	High	COO 2 months
6	Hire Core Team	●	Not Started	High	CPO 3 months
7	Setup Physical Store Location	●	Not Started	Medium	COO 4 months
8	Purchase Inventory	●	Not Started	High	COO 3 months
Marketing					
1	Develop Brand Identity and Guidelines	●	Not Started	High	CMO 1 month
2	Establish Social Media Presence	●	Not Started	Medium	CMO 2 months
3	Design and Launch Website	●	Not Started	High	CIO 3 months
4	Execute an Email Marketing Campaign	●	Not Started	Medium	CRO 4 months
5	Initiate Influencer Partnerships	●	Not Started	High	CMO 2 months
6	Run In-store and Online Promotions	●	Not Started	Medium	CRO 6 months
7	Measure and Analyze Marketing Metrics	●	Not Started	Medium	CFO Ongoing
8	Attend and Showcase at Fashion Events	●	Not Started	Low	CSO 8 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Lease and set up physical store location	●	Not Started	High	COO	3 months
2	Curate initial product selection	●	Not Started	High	CPO	2 months
3	Develop and implement store layout and design	●	Not Started	High	COO	2 months
4	Hire and train initial staff	●	Not Started	High	CHRO	2 months
5	Set up inventory management system	●	Not Started	Medium	CIO	1 month
6	Design and implement personalized shopping experience	●	Not Started	High	CSO	2 months
7	Build supplier relationships and negotiate contracts	●	Not Started	High	CBO	2 months
8	Ensure regulatory compliance and obtain necessary permits	●	Not Started	Medium	CFO	2 months
Phase 2						
1	Expand Product Line with New Trends	●	Not Started	High	CPO	3 months
2	Increase Online Marketing Campaigns	●	Not Started	High	CMO	2 months
3	Establish Partnerships with Influencers	●	Not Started	Medium	CBO	4 months
4	Launch New Collection Promotions	●	Not Started	High	CMO	1 month
5	Optimize Supply Chain for Increased Demand	●	Not Started	High	COO	3 months
6	Develop Customer Loyalty Program	●	Not Started	Medium	CRO	6 months
7	Increase Social Media Engagement	●	Not Started	Medium	CMO	3 months
8	Conduct Market Research for Trend Analysis	●	Not Started	Low	CSO	5 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Initiate exclusive collaborations with renowned designers	●	Not Started	High	CEO 3 months
2	Launch limited-edition product lines	●	Not Started	High	CPO 4 months
3	Develop and launch e-commerce platform	●	Not Started	High	CTO 5 months
4	Set up pop-up shops in high-traffic areas	●	Not Started	Medium	COO 6 months
5	Organize designer events to promote exclusivity	●	Not Started	Medium	CMO 4 months
6	Create and implement a membership loyalty program	●	Not Started	Medium	CRO 3 months
7	Establish an influencer marketing strategy	●	Not Started	Medium	CMO 2 months
8	Identify and integrate new payment solutions for e-commerce	●	Not Started	Low	CFO 3 months
Phase 4					
1	Develop Personalized AI Shopping Assistant	●	Not Started	High	CTO 6 months
2	Explore Virtual Reality Showrooms	●	Not Started	High	CTO 8 months
3	Implement Data Analytics for Customer Insights	●	Not Started	High	CIO 4 months
4	Establish an Innovation Fund for Emerging Technologies	●	Not Started	Medium	CFO 2 months
5	Hire Specialists for AI and VR Development	●	Not Started	High	COO 3 months
6	Create a Virtual Try-On Experience	●	Not Started	Medium	CTO 5 months
7	Launch Interactive and Immersive Online Campaigns	●	Not Started	Medium	CMO 4 months
8	Integrate Blockchain for Supply Chain Transparency	●	Not Started	Low	CSO 6 months

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Supply Chain Disruptions	CPO	Establish strong relationships with multiple suppliers and create contingency plans to handle potential supply chain issues.
2	Loss Prevention	CSO	Install advanced security systems and train staff on best practices for loss prevention and response.
3	Quality Control	CPO	Implement strict quality assurance processes and perform regular product inspections to ensure high standards are maintained.
4	Technology Failures	CTO	Invest in reliable IT infrastructure and conduct regular maintenance and updates to mitigate the risk of system downtime.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Product Safety Compliance	COO	Implement rigorous testing and quality checks to ensure all products meet local and international safety standards.
2	Data Privacy Violations	CIO	Adopt comprehensive data protection measures and align with GDPR and other relevant data privacy regulations.
3	Intellectual Property Infringement	CRO	Conduct thorough due diligence and secure legal protections for all design and brand elements.
4	Labor Law Non-compliance	COO	Ensure all hiring practices, wages, and working conditions comply with local labor laws and regulations.
5	Advertising and Marketing Regulations	CMO	Implement a review process for all marketing materials to ensure they adhere to advertising standards and truth-in-advertising laws.

3. Strategic/Market Risk			
#	Risk Type	Area	Mitigation Strategy
1	Changing Fashion Trends	CPO	Regular trend analysis and flexible inventory updates
2	Market Competition	CMO	Differentiate brand with unique offerings and superior service
3	Consumer Demand Fluctuations	COO	Maintain agile supply chain to quickly adjust to demand
4	Economic Downturn	CFO	Diversify product range to include affordable options
5	Digital Disruption	CTO	Invest in e-commerce and digital innovation
4. Finance risk			
#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Problems	CFO	Maintain strict financial controls and regular cash flow monitoring.
2	Overleveraging Debt	CFO	Limit debt and focus on maintaining a healthy debt-to-equity ratio.
3	Inventory Management Issues	COO	Implement efficient inventory tracking systems.
4	Revenue Fluctuations	CEO	Diversify revenue streams to stabilize income.
5	Credit Risk	CRO	Perform thorough credit checks on potential partners.
5. Other general risk			
#	Risk Type	Area	Mitigation Strategy
1	Customer dissatisfaction	CMO	Monitor feedback and improve customer service
2	Supply chain disruptions	COO	Build relationships with multiple suppliers
3	Brand misalignment	CPO	Ensure consistent branding across all channels
4	Technological obsolescence	CTO	Stay current with tech trends and update systems
5	Market competition	CSO	Analyze competitors and adapt strategies

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.

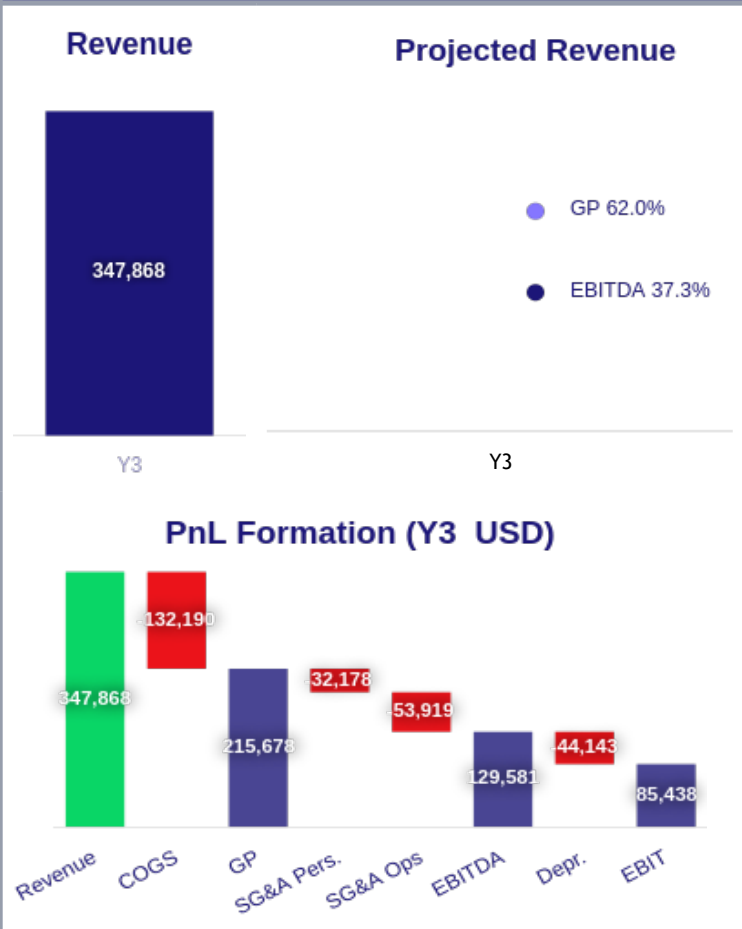
The total investment required is \$ 250,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	48,352	
Payroll Expenses		7,214
Rent & Utilities		5,069
Marketing and Branding		2,730
Legal and Professional Fees		1,170
Capex		125,000
Communication Expenses		780
Other Miscellaneous		780
Office supplies		585
Representation and Entert.		585
Training and Development		390
CAPEX & WC shortage Y1		95,950
Buffer		154,050
Total Required Investment(USD)		250,000

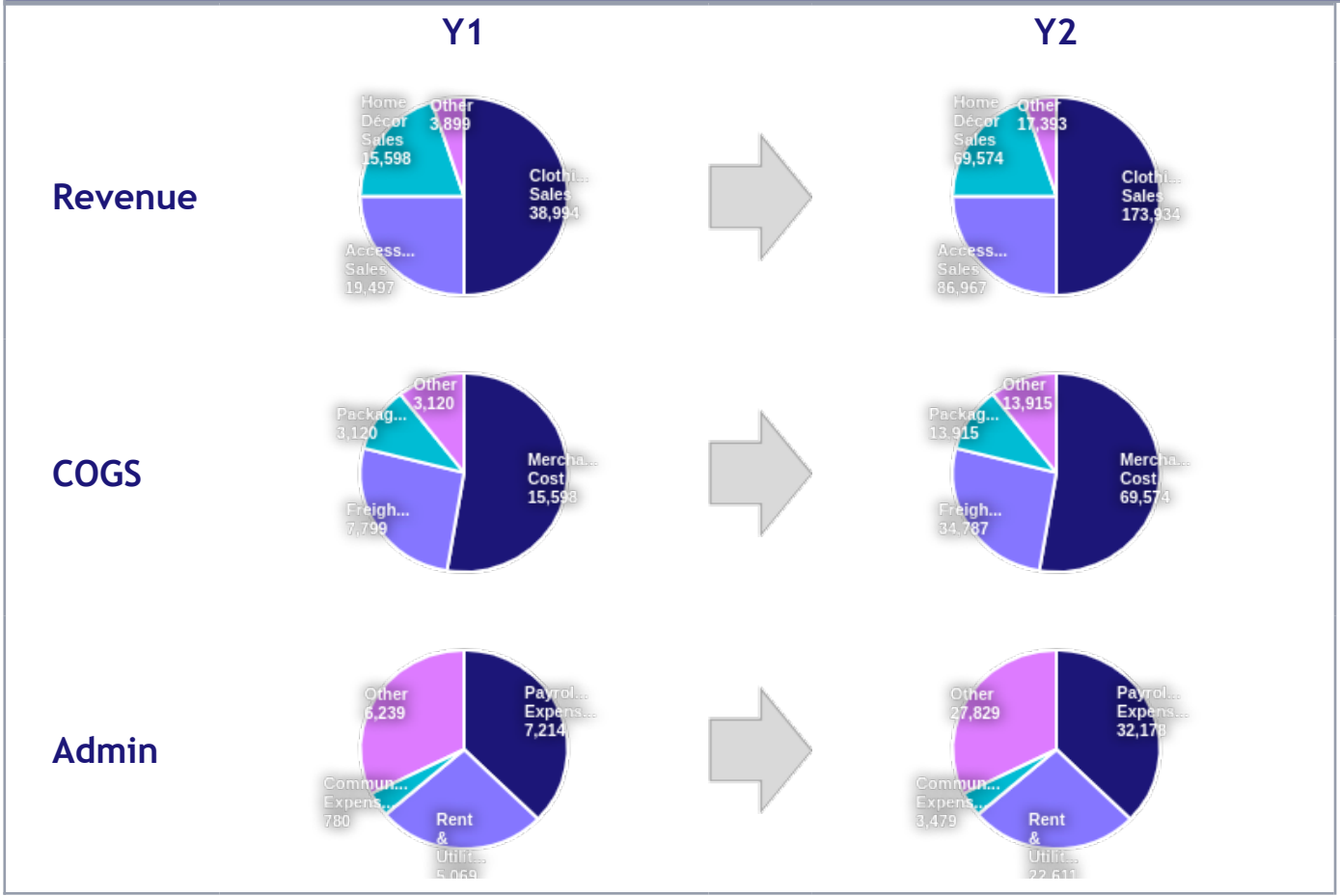


Financials Dashboard

Y3 PL formation and Margins



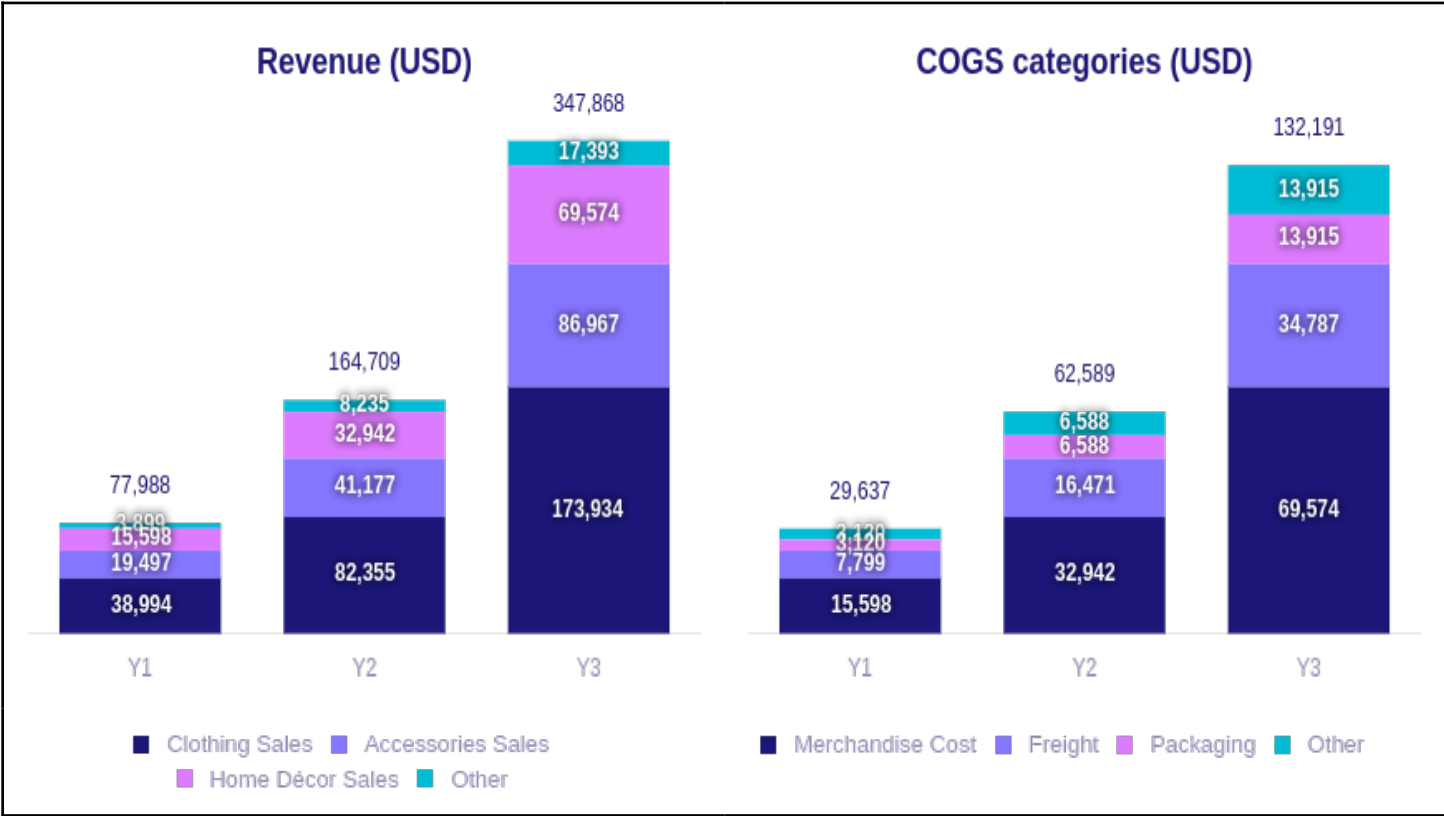
Business Line Breakdown (USD)



Revenue Formation Narrative

StyleNest, a chic boutique in Kajaani, Finland, is dedicated to providing stylish and high-quality fashion pieces. With an estimated Total Addressable Market (TAM) of 1,299,794,770 USD, StyleNest is strategically positioned within the industry of retail sale of other goods in specialized stores. Considering the unique local market and the boutique's niche focus, a conservative Serviceable Addressable Market (SAM) of 1.2% of the TAM is realistic. This estimation aligns with StyleNest's commitment to personalized shopping experiences and the discerning preferences of its customer base. This results in tailored service strategies that aptly fit the local demand. For the Serviceable Obtainable Market (SOM), we project initial revenues driven by high-quality offerings and strong customer service, starting at 0.5% in year one, 1% in year two, and increasing to 2% by year three. These estimates anticipate a gradual but steady increase, considering the competitive landscape of both established and emerging retailers. The projected revenue aligns with these growth trajectories, with total revenue expected to be 77,987.69 USD in year one, increasing to 164,709.99 USD in year two, and reaching 347,867.51 USD by year three. StyleNest has four main lines of business contributing to these revenues: Clothing Sales at 50%, Accessories Sales at 25%, Home Décor Sales at 20%, and Other segments at 5%. This structured revenue model supports a balanced and diversified income stream, enhancing the boutique's ability to meet and exceed its revenue targets.

\$ 347,868 ^{Y3} Projected Revenue **0.01%** Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>Clothing Sales</i>	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
<i>Accessories Sales</i>	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%
<i>Home Décor Sales</i>	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%
<i>Other</i>	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%

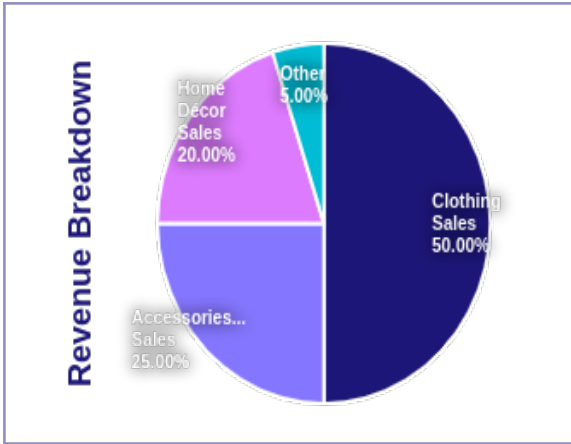
<i>Clothing Sales</i>	2,437	2,437	2,437	2,925	2,925	2,925	3,574	3,574	3,574	4,062	4,062	4,062	38,994	82,355	173,934
<i>Accessories Sales</i>	1,219	1,219	1,219	1,462	1,462	1,462	1,787	1,787	1,787	2,031	2,031	2,031	19,497	41,177	86,967
<i>Home Décor Sales</i>	975	975	975	1,170	1,170	1,170	1,430	1,430	1,430	1,625	1,625	1,625	15,598	32,942	69,574
<i>Other</i>	244	244	244	292	292	292	357	357	357	406	406	406	3,899	8,235	17,393
Total Revenue (USD)	4,874	4,874	4,874	5,849	5,849	5,849	7,149	7,149	7,149	8,124	8,124	8,124	77,988	164,710	347,868

Total revenue is expected to reach \$ 347,868 by year 3.

Main revenue driver are:

- Clothing Sales which generates \$ 173,934 by Year 3
- Accessories Sales which generates \$ 86,967 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 111.20 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Merchandise Cost	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%
Freight	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%
Packaging	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Other	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

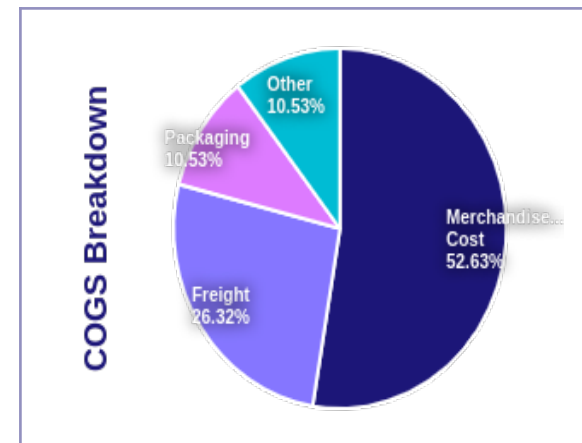
Merchandise Cost	975	975	975	1,170	1,170	1,170	1,430	1,430	1,430	1,625	1,625	1,625	15,598	32,942	69,574
Freight	487	487	487	585	585	585	715	715	715	812	812	812	7,799	16,471	34,787
Packaging	195	195	195	234	234	234	286	286	286	325	325	325	3,120	6,588	13,915
Other	195	195	195	234	234	234	286	286	286	325	325	325	3,120	6,588	13,915
Total COGS (USD)	1,852	1,852	1,852	2,223	2,223	2,223	2,717	2,717	2,717	3,087	3,087	3,087	29,635	62,590	132,190

Total COGS is expected to reach \$ 132,190 by year 3.

Main revenue driver are:

- Merchandise Cost which generates \$ 69,574 by Year 3
- Freight which generates \$ 34,787 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 111.20 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>Payroll Expenses</i>	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
<i>Rent & Utilities</i>	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
<i>Communication Expenses</i>	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%
<i>Office supplies</i>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
<i>Legal and Professional Fees</i>	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%
<i>Marketing and Branding</i>	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
<i>Representation and Entertainment</i>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
<i>Training and Development</i>	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%
<i>Other Miscellaneous</i>	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%

<i>Payroll Expenses</i>	451	451	451	541	541	541	661	661	661	751	751	751	7,214	15,236	32,178
<i>Rent & Utilities</i>	317	317	317	380	380	380	465	465	465	528	528	528	5,069	10,706	22,611
<i>Communication Expenses</i>	49	49	49	58	58	58	71	71	71	81	81	81	780	1,647	3,479
<i>Office supplies</i>	37	37	37	44	44	44	54	54	54	61	61	61	585	1,235	2,609
<i>Legal and Professional Fees</i>	73	73	73	88	88	88	107	107	107	122	122	122	1,170	2,471	5,218
<i>Marketing and Branding</i>	171	171	171	205	205	205	250	250	250	284	284	284	2,730	5,765	12,175
<i>Representation and Entertainment</i>	37	37	37	44	44	44	54	54	54	61	61	61	585	1,235	2,609
<i>Training and Development</i>	24	24	24	29	29	29	36	36	36	41	41	41	390	824	1,739
<i>Other Miscellaneous</i>	49	49	49	58	58	58	71	71	71	81	81	81	780	1,647	3,479

Total SG&A (USD)	1,206	1,206	1,206	1,448	1,448	1,448	1,769	1,769	1,769	2,011	2,011	2,011	19,302	40,766	86,097
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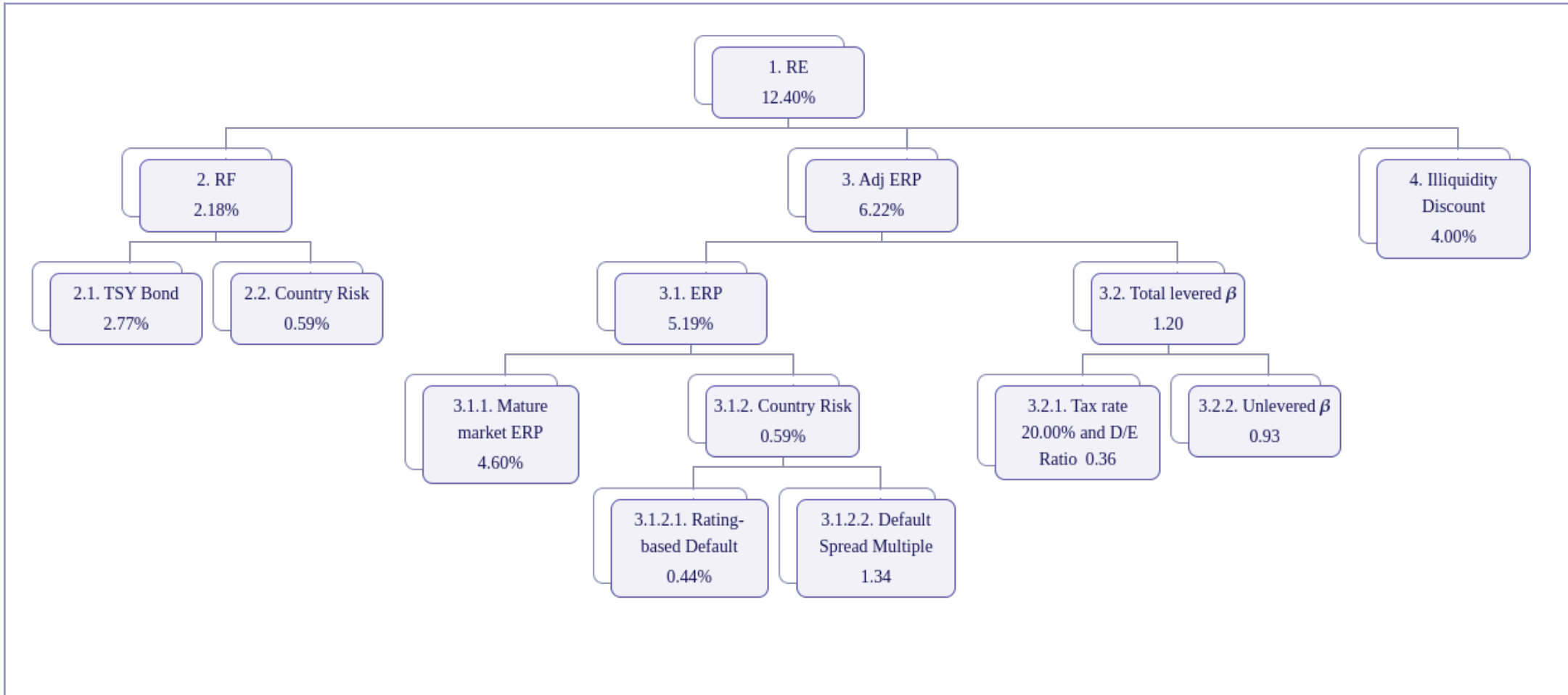
PaT Expectations

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	4,874	4,874	4,874	5,849	5,849	5,849	7,149	7,149	7,149	8,124	8,124	8,124	77,988	164,710	347,868
Clothing Sales	2,437	2,437	2,437	2,925	2,925	2,925	3,574	3,574	3,574	4,062	4,062	4,062	38,994	82,355	173,934
Accessories Sales	1,219	1,219	1,219	1,462	1,462	1,462	1,787	1,787	1,787	2,031	2,031	2,031	19,497	41,177	86,967
Home Décor Sales	975	975	975	1,170	1,170	1,170	1,430	1,430	1,430	1,625	1,625	1,625	15,598	32,942	69,574
Other	244	244	244	292	292	292	357	357	357	406	406	406	3,899	8,235	17,393
COGS	-1,852	-1,852	-1,852	-2,223	-2,223	-2,223	-2,717	-2,717	-2,717	-3,087	-3,087	-3,087	-29,635	-62,590	-132,190
Merchandise Cost	-975	-975	-975	-1,170	-1,170	-1,170	-1,430	-1,430	-1,430	-1,625	-1,625	-1,625	-15,598	-32,942	-69,574
Freight	-487	-487	-487	-585	-585	-585	-715	-715	-715	-812	-812	-812	-7,799	-16,471	-34,787
Packaging	-195	-195	-195	-234	-234	-234	-286	-286	-286	-325	-325	-325	-3,120	-6,588	-13,915
Other	-195	-195	-195	-234	-234	-234	-286	-286	-286	-325	-325	-325	-3,120	-6,588	-13,915
Gross Profit	3,022	3,022	3,022	3,626	3,626	3,626	4,432	4,432	4,432	5,037	5,037	5,037	48,352	102,120	215,678
SG&A Personal Expenses	-451	-451	-451	-541	-541	-541	-661	-661	-661	-751	-751	-751	-7,214	-15,236	-32,178
SG&A Operating Expenses	-756	-756	-756	-907	-907	-907	-1,108	-1,108	-1,108	-1,259	-1,259	-1,259	-12,088	-25,530	-53,919
EBITDA	1,816	1,816	1,816	2,179	2,179	2,179	2,663	2,663	2,663	3,026	3,026	3,026	29,050	61,354	129,581
Depreciation	3,679	3,679	3,679	3,679	3,679	3,679	3,679	3,679	3,679	3,679	3,679	3,679	44,143	44,143	44,143
EBIT	-1,863	-1,863	-1,863	-1,500	-1,500	-1,500	-1,016	-1,016	-1,016	-652	-652	-652	-15,092	17,212	85,438
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-1,863	-1,863	-1,863	-1,500	-1,500	-1,500	-1,016	-1,016	-1,016	-652	-652	-652	-15,092	17,212	85,438
Tax	-373	-373	-373	-300	-300	-300	-203	-203	-203	-130	-130	-130	-3,018	3,442	17,088
Profit after Tax (USD)	-1,490	-1,490	-1,490	-1,200	-1,200	-1,200	-812	-812	-812	-522	-522	-522	-12,074	13,769	68,350

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	-12,074	13,769	68,350	72,178	76,220	80,488	84,995
	Growth% Y4-Y7				5.60%	5.60%	5.60%	5.60%
	Growth% Y7 -->				3.50%			
	WACC				12.40%			
	PV Y1-Y7 at Y0	-10,742	10,899	48,137	45,226	42,491	39,922	37,508
	PV Y7 --> Y0				436,346			
	NPV (USD)				649,787			

Average Survival Rate for 3 Years 50%

Final Valuation \$ 324,894

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 12.40 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 5.60 %, 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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The valuation does not guarantee future financial performance or the accuracy of the projections. Actual results may differ materially from those presented in this analysis due to numerous factors, including but not limited to changes in economic conditions, market dynamics, competition, regulatory factors, and unforeseen events.

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