

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

AleWorks is dedicated to producing distinctive and high-quality beers that celebrate the art of brewing. We specialize in a diverse range of handcrafted ales, from bold IPAs to smooth stouts, all made with the finest ingredients and traditional brewing techniques. By emphasizing creativity, innovation, and sustainability, we craft unique flavors that cater to both seasoned beer enthusiasts and newcomers alike. AleWorks is not just a brewery; it is a destination where craft beer lovers can enjoy exceptional brews and a vibrant, welcoming atmosphere.

Our Vision

AleWorks envisions a future where it stands as a leading name in the craft beer industry, celebrated for its innovation, quality, and sustainability. In twenty years, AleWorks aims to have expanded its reach globally while maintaining its commitment to exceptional craftsmanship and eco-friendly practices. We aspire to create a community of craft beer lovers who see AleWorks not just as a brand, but as a destination where they can enjoy unique, high-quality brews in a convivial and inspiring environment. Our vision is to set new standards for brewing excellence and customer experience, making AleWorks synonymous with the art of craft beer.



Summary Financials Dashboard

Key performance indicators

(Base Scenario Y3)

\$ 410,363

Revenue

\$ 247,244

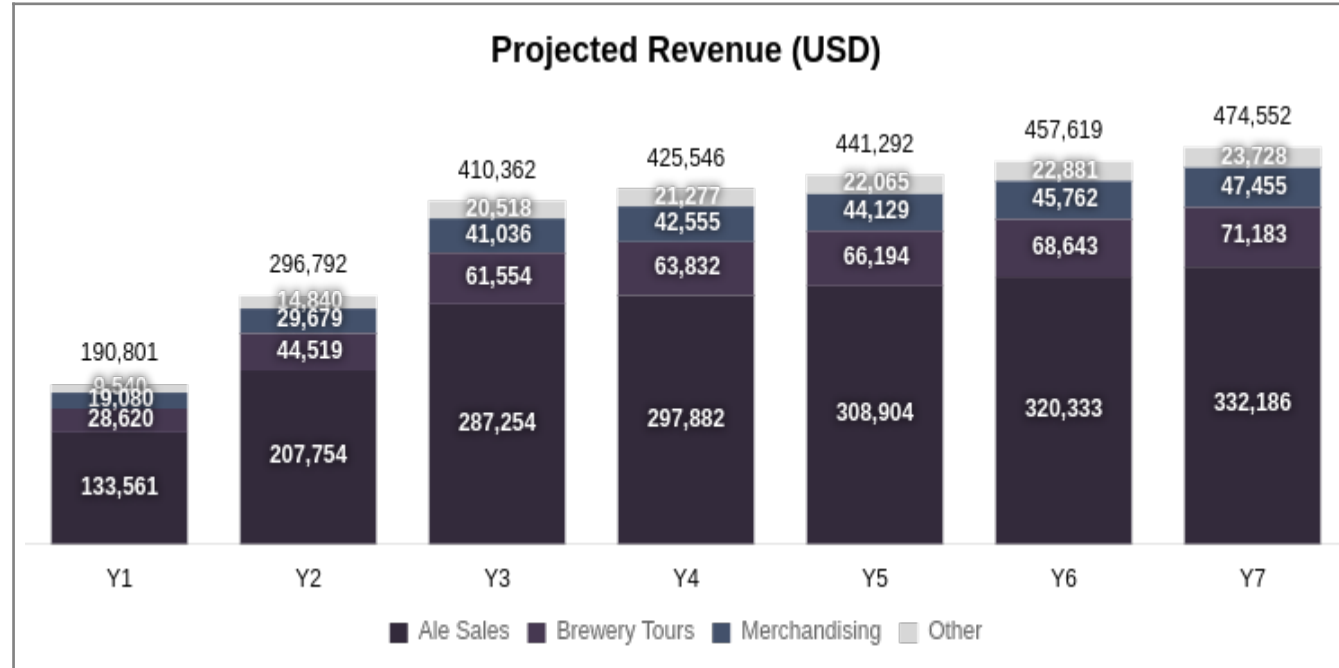
Gross Profit

\$ 149,167

EBITDA

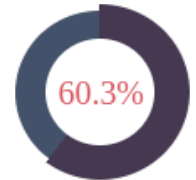
0.07%

Target Market Share

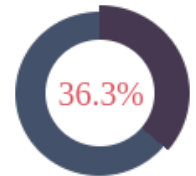


Margins (Stabilized by Y3)

GP Margin



EBITDA Margin



PbT Margin

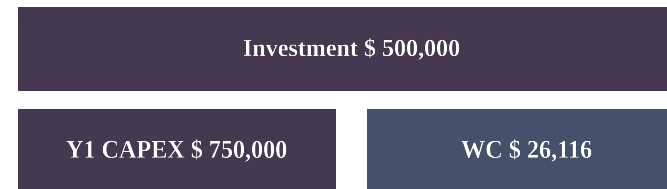


Project Phases



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.

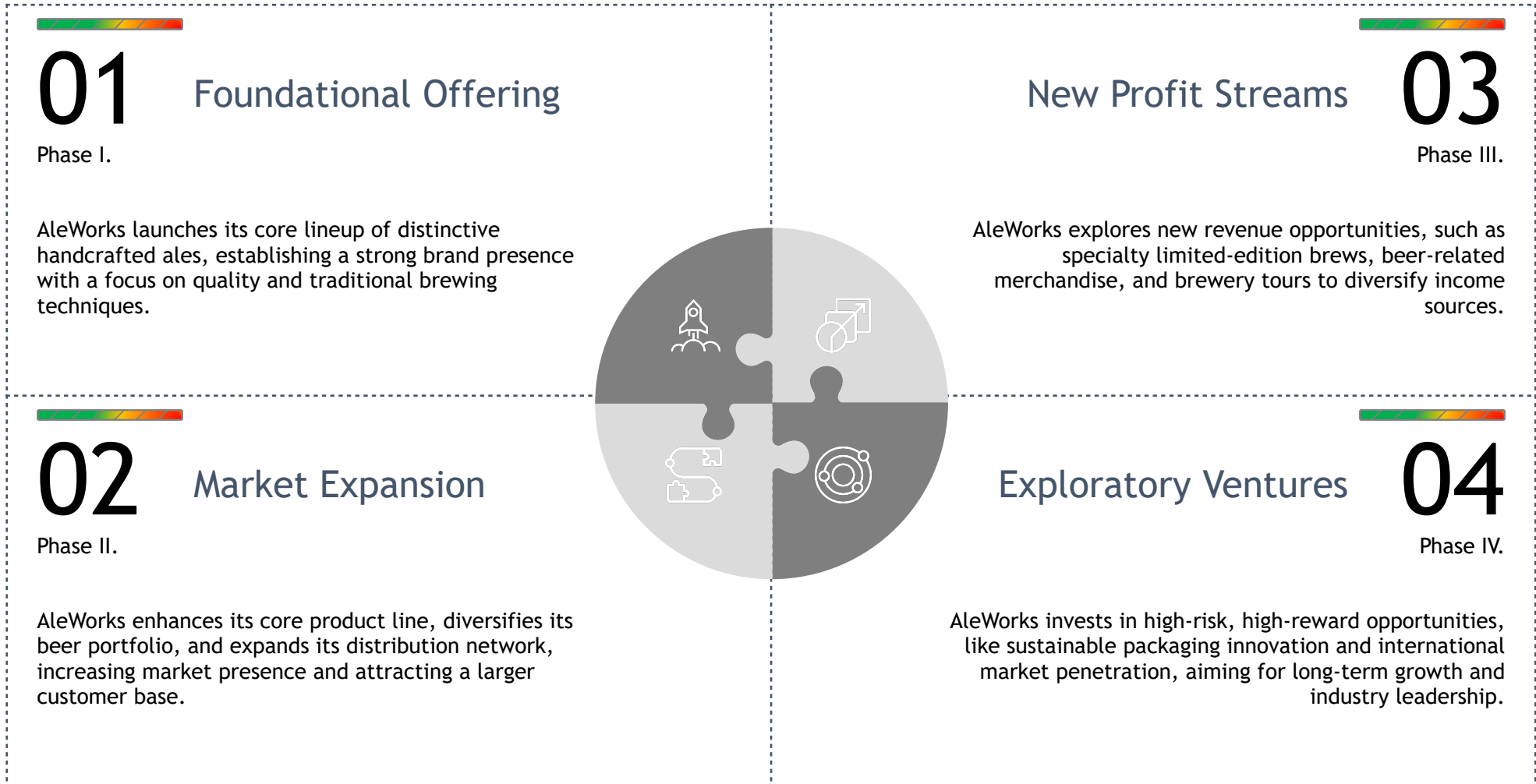


About the Company: General Overview



AleWorks is a craft brewery dedicated to producing distinctive and high-quality beers that celebrate the art of brewing. The brewery specializes in a diverse range of handcrafted ales, from bold IPAs to smooth stouts, all made with the finest ingredients and traditional brewing techniques. At AleWorks, there is an emphasis on creativity and innovation, crafting unique flavors that cater to both seasoned beer enthusiasts and newcomers alike. The company's commitment to sustainability is reflected in its eco-friendly practices and local sourcing. AleWorks is not just a brewery; it's a destination where craft beer lovers can enjoy exceptional brews and a vibrant, welcoming atmosphere. Operating within the Manufacturing sector, AleWorks stands out in the Manufacture of beverages industries through its dedication to quality, creativity, and sustainability.

The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	<ol style="list-style-type: none"> 1. Access to a diverse range of high-quality, handcrafted ales that cater to varied tastes. 2. Enhanced customer experience through brewery tours and beer-related merchandise. 3. Assurance of eco-friendly practices and local sourcing, promoting responsible consumption.
Employees	<ol style="list-style-type: none"> 1. Opportunities for career growth and skill development within a creative, innovative environment. 2. Job stability through the company’s expansion phases and new profit streams. 3. Inclusive workplace culture emphasizing sustainability and craftsmanship.
Investors	<ol style="list-style-type: none"> 1. Strong potential for profitable returns through diversified revenue streams. 2. Long-term growth prospects via high-reward ventures like sustainable packaging and international market entry. 3. Confidence in a business model focused on quality, innovation, and market expansion.
Local Community	<ol style="list-style-type: none"> 1. Economic boost through job creation and local sourcing of ingredients. 2. Community engagement via events, brewery tours, and supporting local causes. 3. Promotion of sustainable practices, contributing to environmental health.
Suppliers	<ol style="list-style-type: none"> 1. Steady demand for high-quality, locally-sourced ingredients aligning with AleWorks' standards. 2. Opportunities for long-term partnerships through AleWorks’ growth and market expansion phases. 3. Collaborative efforts in sustainability initiatives, fostering mutual growth.
Distributors	<ol style="list-style-type: none"> 1. Expansion of product offerings with a variety of distinctive ales appealing to diverse markets. 2. Increased business volume through AleWorks’ market expansion and diversified beer portfolio. 3. Strengthened relationships by aligning on distribution goals and market strategy.
Regulatory Bodies	<ol style="list-style-type: none"> 1. Assurance of compliance and adherence to industry standards and regulations. 2. Promotion of responsible drinking and sustainability through AleWorks’ eco-friendly practices. 3. Role as a model brewery demonstrating excellence in quality and ethical operations.

Key Performance Components

Competitive Advantage

High-Quality Beers

AleWorks prioritizes producing distinctive, high-quality beers crafted from the finest ingredients using traditional techniques, ensuring exceptional taste and consistency.

Unique Flavors

AleWorks emphasizes creativity and innovation, offering a diverse range of handcrafted ales with unique flavors that appeal to both seasoned beer enthusiasts and newcomers.








Eco-Friendly Practices

AleWorks is committed to sustainability, employing environmentally friendly practices and local sourcing to minimize their ecological footprint while supporting the local community.

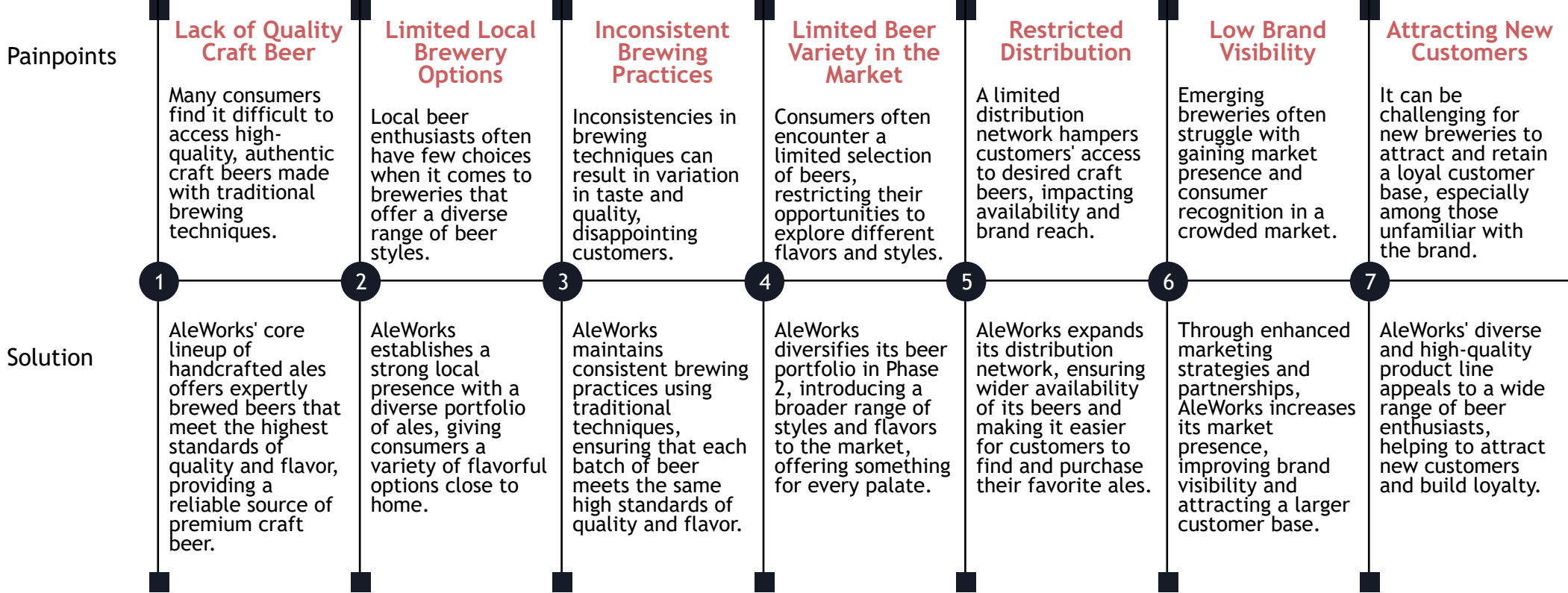
Marketing and Growth Strategy



Target Groups

Industries		Description
I	 Craft Beer Enthusiasts	Passionate about unique and high-quality craft beers, this group values traditional brewing techniques and innovative flavors that AleWorks offers.
II	 Local Community	AleWorks aims to be a community hub where local residents can gather, enjoy locally-sourced brews, and participate in various brewery events and tours.
III	 Gourmet Restaurants and Pubs	Restaurants and pubs seeking to offer a broad selection of unique, handcrafted ales to enhance their beverage menu for discerning customers.
IV	 Tourists and Visitors	Visitors looking for memorable experiences in craft brewing, including brewery tours and tastings that highlight AleWorks' craftsmanship and innovation.
V	 Retail Outlets and Liquor Stores	Retailers searching for high-quality and distinctive craft beers to diversify their product offerings and appeal to premium beer consumers.
VI	 Online Craft Beer Shoppers	E-commerce consumers who enjoy discovering and ordering unique craft beers online, seeking convenience and a wide selection of flavors.
VII	 Environmentally Conscious Consumers	Individuals who prioritize sustainability and eco-friendly practices in their purchasing decisions, appreciating AleWorks' commitment to local sourcing and environmental responsibility.

Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength



- High-quality and distinctive beers leveraging traditional brewing techniques.
- Diverse range of handcrafted ales catering to various tastes.
- Emphasis on creativity and innovative flavor profiles.
- Commitment to sustainability through eco-friendly practices.
- Strong brand identity and dedicated local following.

Weaknesses




- Limited scalability due to handcrafted production methods.
- Higher production costs associated with premium ingredients.
- Niche market, potentially excluding mass-market consumers.
- Dependence on local sourcing may limit ingredient availability.
- Potential challenges in maintaining consistent quality at scale.

Opportunities



- Expanding into new markets and regions.
- Developing seasonal and limited-edition brews.
- Collaborations with local businesses and events.
- Tapping into the growing craft beer tourism industry.
- Leveraging digital marketing to reach broader audiences.

Threats



- Intense competition within the craft beer industry.
- Market saturation in certain regions.
- Fluctuations in raw material costs impacting profitability.
- Changing consumer preferences and trends.
- Regulatory changes affecting the beverage manufacturing sector.

Management Team

Overview

With over 10 years of brewing experience, Nikolay leads AleWorks, focusing on producing craft beers with unique flavors and high-quality ingredients.



Co-Founder & CEO

Maria Petrova



Co-Founder & CEO

Overview

With over 10 years of brewing experience, Nikolay leads AleWorks, focusing on producing craft beers with unique flavors and high-quality ingredients.

Overview

Vladimir oversees the brewery's daily operations, ensuring efficient production processes and seamless distribution to meet growing demand.



Operations Manager

Elena Georgieva



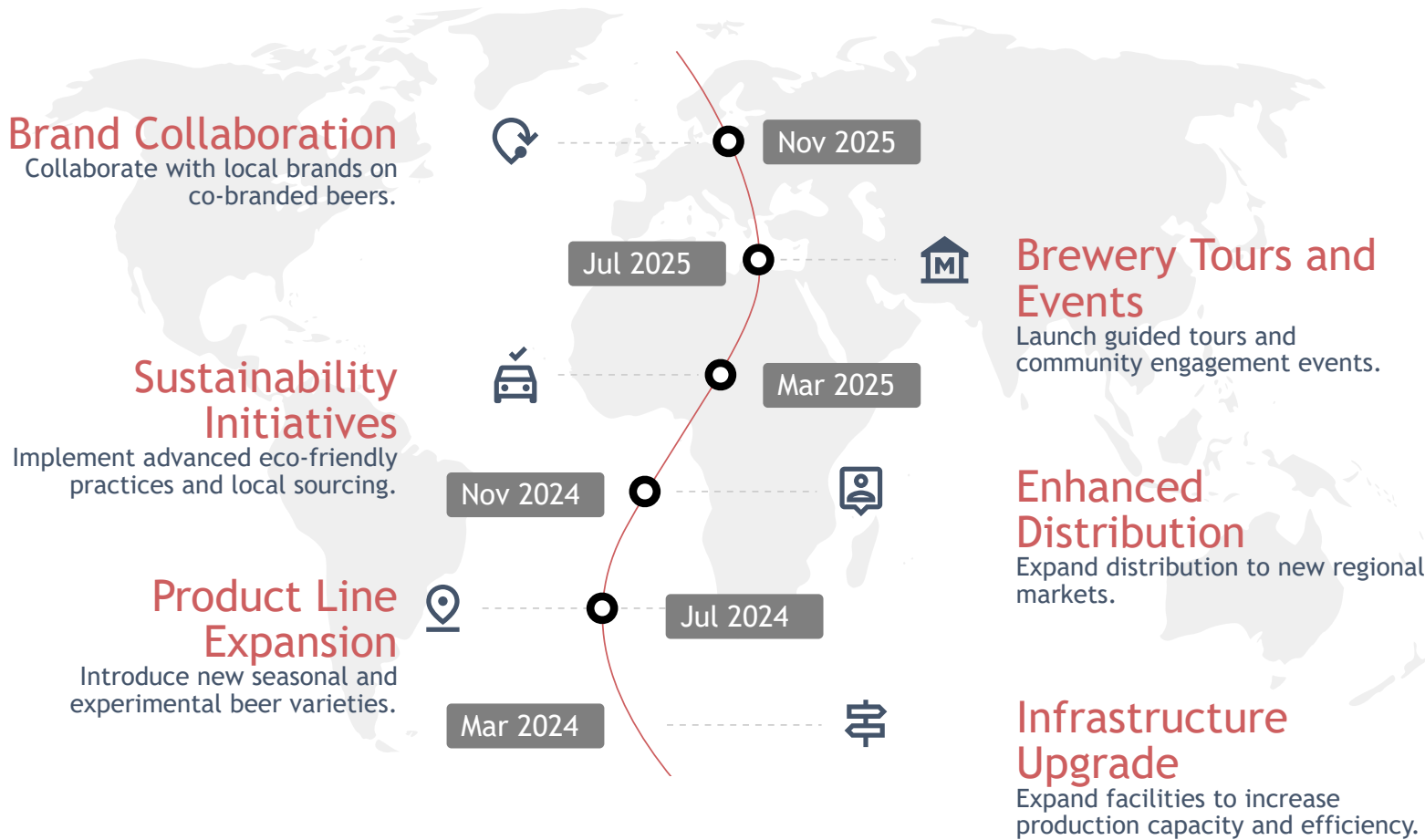
Marketing Manager

Overview

Elena develops innovative marketing strategies to promote AleWorks, building the brand and growing a loyal community of craft beer enthusiasts.



History & Roadmap



Current Status.

AleWorks aims to rapidly advance its brewery with a six-stage roadmap:

- Mar 2024: Upgrade infrastructure for increased production capacity.
- Jul 2024: Expand product line with new seasonal and experimental beers.
- Nov 2024: Enhance distribution to new regional markets.
- Mar 2025: Implement advanced sustainability practices and local sourcing.
- Jul 2025: Introduce guided tours and community engagement events.
- Nov 2025: Collaborate with local brands on co-branded beers.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Define Company Vision and Mission	●	Not Started	High	CEO 2 weeks
2	Develop Business Plan	●	Not Started	High	CFO 1 month
3	Set Up Business Structure and Legal Entity	●	Not Started	High	COO 1 month
4	Establish Financial Projections and Budget	●	Not Started	High	CFO 1 month
5	Secure Initial Funding	●	Not Started	High	CFO 2 months
6	Identify and Source Brewing Equipment	●	Not Started	High	COO 2 months
7	Set Up Production Facility	●	Not Started	High	COO 3 months
8	Recruit Key Team Members	●	Not Started	Medium	CPO 2 months
Marketing					
1	Develop Brand Identity	●	Not Started	High	CMO 2 weeks
2	Craft Marketing Strategy	●	Not Started	High	CMO 3 weeks
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Create Engaging Content	●	Not Started	Medium	CMO 2 months
5	Launch Initial Advertising Campaign	●	Not Started	High	CMO 6 weeks
6	Develop Community Outreach Programs	●	Not Started	Medium	CMO 2 months
7	Establish Partnerships with Local Businesses	●	Not Started	Medium	COO 3 months
8	Monitor and Analyze Campaign Performance	●	Not Started	High	CIO Ongoing

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Source and Secure High-Quality Ingredients	●	Not Started	High	CPO	2 weeks
2	Select and Purchase Brewing Equipment	●	Not Started	High	COO	1 month
3	Set Up Brewery Facility	●	Not Started	High	COO	2 months
4	Obtain Necessary Licenses and Permits	●	Not Started	High	CLO	1 month
5	Develop Core Beer Recipes	●	Not Started	High	CPO	3 weeks
6	Test and Refine Brewing Processes	●	Not Started	Medium	CTO	1 month
7	Create Initial Branding and Labels	●	Not Started	Medium	CMO	3 weeks
8	Plan Grand Opening Event	●	Not Started	Medium	CRO	1 month
Phase 2						
1	Expand distribution network	●	Not Started	High	COO	3 months
2	Enhance core product line	●	Not Started	High	CPO	4 months
3	Develop new marketing strategy	●	Not Started	High	CMO	2 months
4	Diversify beer portfolio	●	Not Started	Medium	CPO	5 months
5	Increase production capacity	●	Not Started	High	COO	6 months
6	Establish new distribution partnerships	●	Not Started	Medium	CRO	4 months
7	Strengthen online presence	●	Not Started	Medium	CIO	3 months
8	Attend major industry events	●	Not Started	Low	CMO	6 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop Specialty Limited-Edition Brews	● Not Started	High	CBO	3 months
2	Design Beer-Related Merchandise	● Not Started	Medium	CPO	2 months
3	Set Up Online Merchandise Store	● Not Started	High	CIO	1 month
4	Plan Brewery Tour Schedules	● Not Started	Medium	COO	1 month
5	Collaborate with Local Artisans for Merchandise	● Not Started	Low	CMO	3 months
6	Develop Marketing Campaign for Brewery Tours	● Not Started	High	CMO	1.5 months
7	Create Limited-Edition Brew Schedule	● Not Started	High	CBO	1 month
8	Establish Partnerships for Event Collaborations	● Not Started	Medium	CRO	2 months
Phase 4					
1	Research sustainable packaging solutions	● Not Started	High	CTO	3 months
2	Develop sustainable packaging prototype	● Not Started	High	CTO	6 months
3	Conduct international market feasibility study	● Not Started	High	CSO	4 months
4	Identify potential international distribution partners	● Not Started	Medium	CRO	5 months
5	Establish international market entry strategy	● Not Started	High	CEO	6 months
6	Pilot sustainable packaging in local markets	● Not Started	Medium	COO	7 months
7	Explore grants and subsidies for sustainable initiatives	● Not Started	Low	CFO	8 months
8	Monitor and evaluate international market performance	● Not Started	Medium	CIO	9 months

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment Failure	COO	Regular maintenance and timely equipment upgrades
2	Supply Chain Disruptions	CPO	Build strong supplier relationships and diversify sources
3	Quality Control Failures	CTO	Implement rigorous QA processes
4	Production Downtime	COO	Schedule regular preventive maintenance
5	Workforce Safety Incidents	CSO	Enforce strict safety protocols and training

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Non-compliance with environmental regulations	COO	Ensure compliance with environmental standards.
2	Alcohol licensing issues	CEO	Regularly review and update licensing requirements.
3	Labeling and advertising compliance	CMO	Adhere to legal guidelines for labeling and advertising.
4	Employee safety regulations	COO	Implement robust safety protocols.
5	Taxation issues	CFO	Stay updated on tax laws and ensure compliance.

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Saturation	CMO	Focus on unique product differentiators.
2	Changing Consumer Preferences	CPO	Regular market research.
3	Competitive Pricing	CFO	Optimize production costs.
4	Distribution Challenges	COO	Build strong logistics partnerships.
5	Brand Reputation	CEO	Commit to quality and customer engagement.

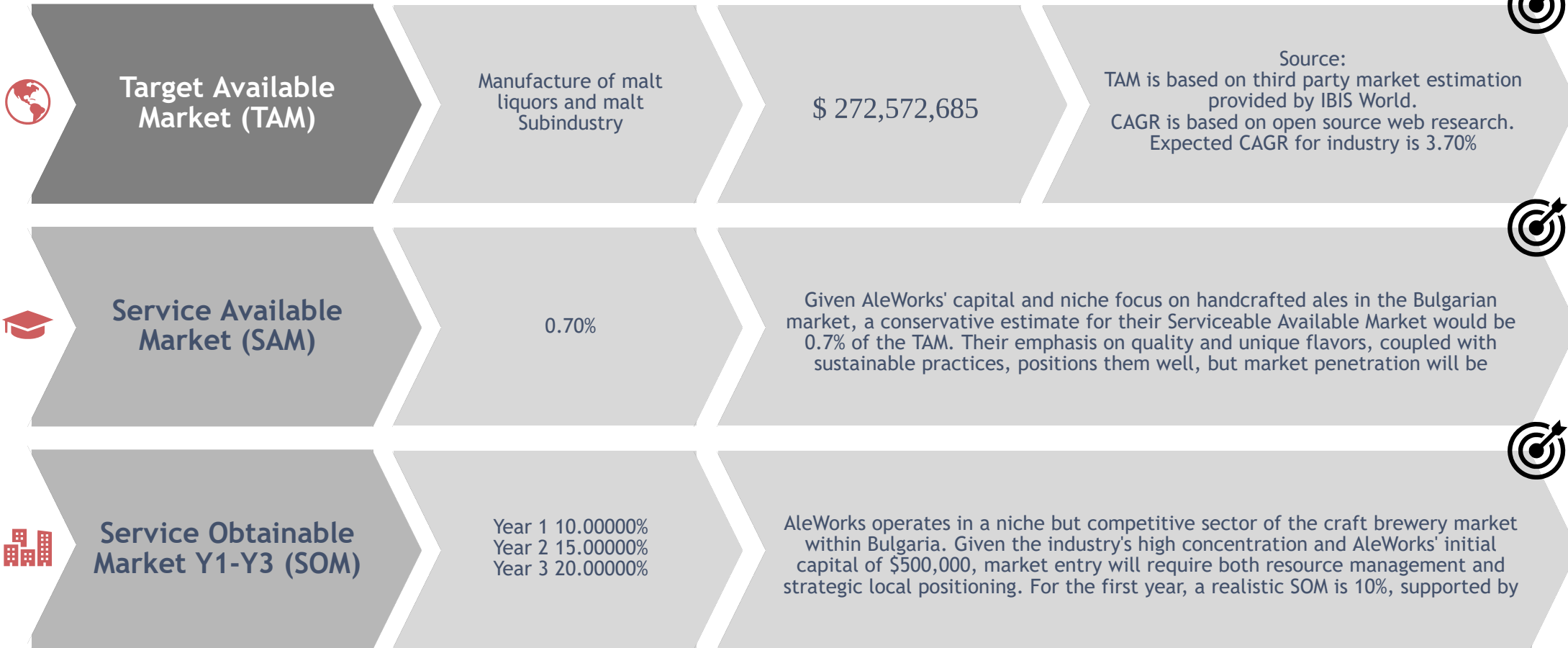
4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortages	CFO	Maintain emergency funds and optimize receivables.
2	Cost Overruns	COO	Strict budget controls and regular audits.
3	Funding Challenges	CEO	Diversify funding sources.
4	Interest Rate Fluctuations	CFO	Lock long-term rates early.
5	Foreign Exchange Risk	CRO	Use hedging strategies.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand reputation	CMO	Maintain high quality and customer engagement
2	Talent retention	COO	Promote a positive and collaborative work culture
3	Supply chain disruptions	CPO	Diversify suppliers and local sourcing
4	Economic downturn	CFO	Maintain financial resilience and cost controls
5	Competition	CSO	Innovate and differentiate product offerings

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 \$ 680,644

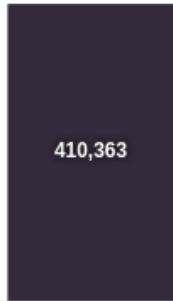
Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	114,958	
Payroll Expenses		17,172
Rent & Utilities		7,632
Marketing and Branding		5,724
Legal and Professional Fees		3,816
Capex		750,000
Other Miscellaneous		3,625
Communication Expenses		1,908
Office Supplies		1,908
Representation and Entert.		1,908
Training and Development		1,908
CAPEX & WC shortage Y1		680,644
Buffer		0
Total Required Investment(USD)		680,644



Financials Dashboard

Y3 PL formation and Margins

Revenue



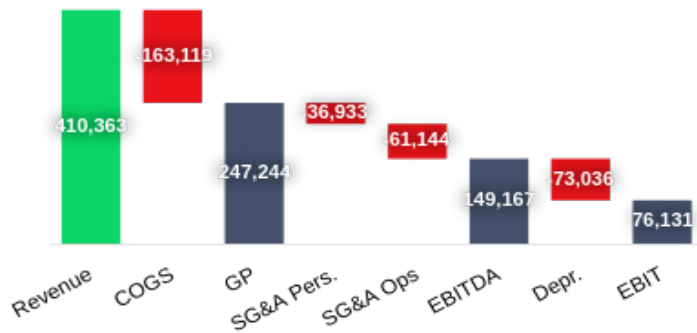
Projected Revenue

- GP 60.3%
- EBITDA 36.3%

Y3

Y3

PnL Formation (Y3 USD)

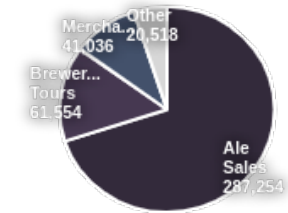
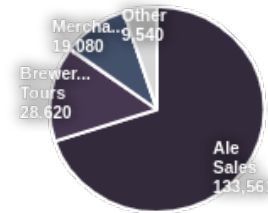


Business Line Breakdown (USD)

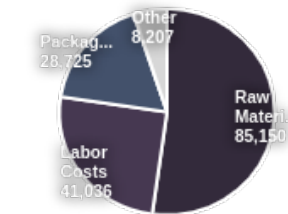
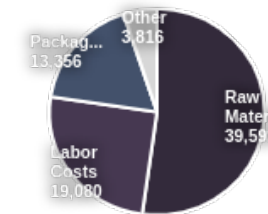
Y1

Y2

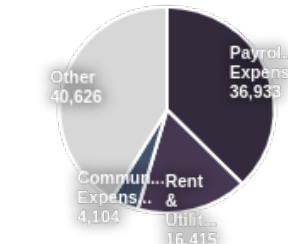
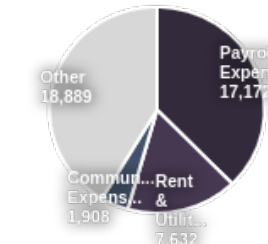
Revenue



COGS



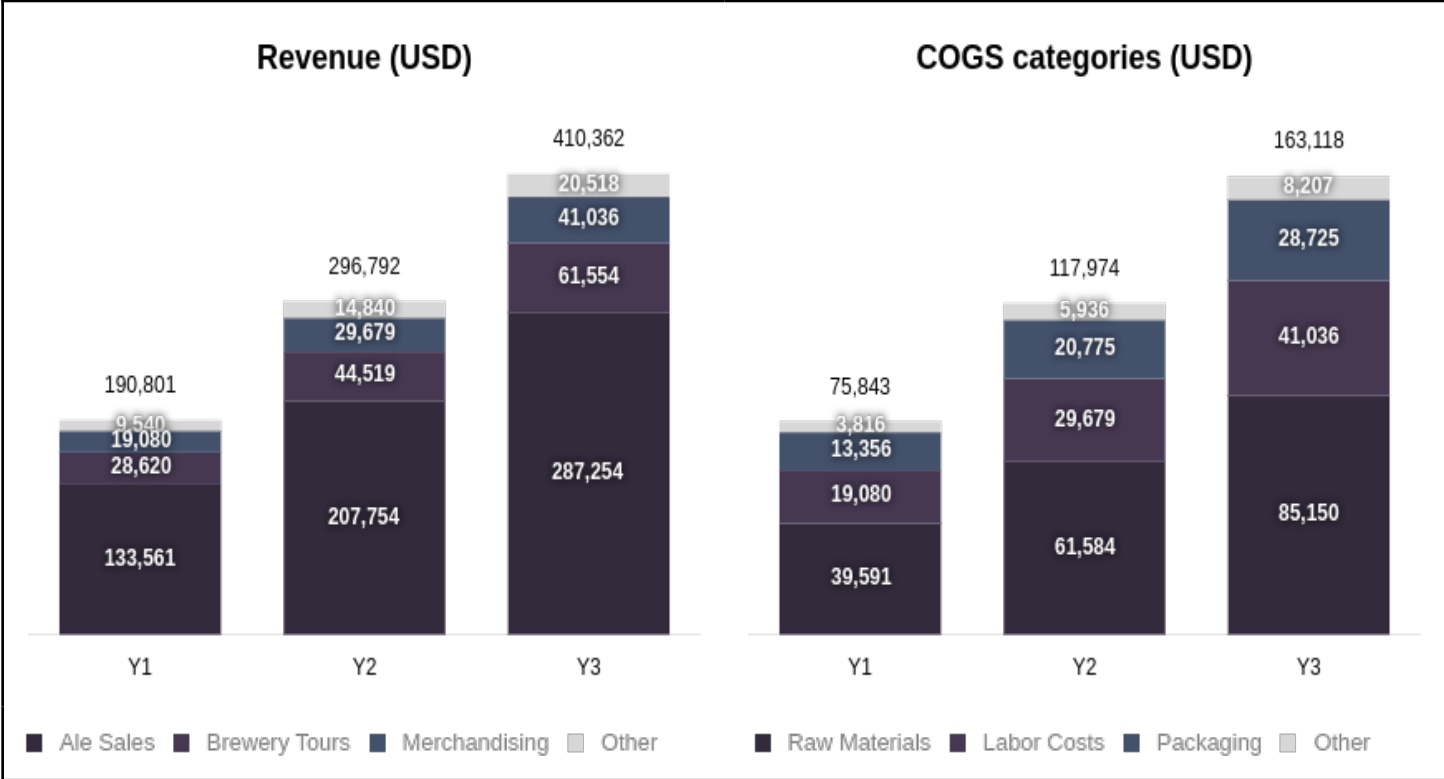
Admin



Revenue Formation Narrative

AleWorks operates within the Manufacture of beverages industry, specializing in high-quality crafted ales. Given the projected Total Addressable Market (TAM) of 272,572,685 USD, AleWorks aims to capture a Serviceable Available Market (SAM) of approximately 0.7%. This conservative estimate accounts for AleWorks' focus on handcrafted brews and sustainable practices that align well with consumer preferences, although market penetration will be gradual due to competitive pressures and limited resources. For the Serviceable Obtainable Market (SOM), AleWorks anticipates capturing 10% in Year 1, translating to 190,801 USD in revenue. This estimate is based on strategic local positioning and a focus on quality and sustainability, which are expected to resonate well with local consumers. As AleWorks establishes a stronger market presence and builds brand loyalty, the SOM is projected to increase to 15% in Year 2, resulting in 296,791 USD in revenue, and further grow to 20% in Year 3, yielding 410,363 USD in revenue. AleWorks' revenue streams are diversified across four primary lines of business: Ale Sales contributing 70% of total revenue, equating to 133,561 USD in Year 1; Brewery Tours accounting for 15%, or 28,620 USD; Merchandising at 10%, or 19,080 USD; and other revenue streams making up the remaining 5%, or 9,540 USD. This diversified revenue model ensures stability and growth potential as AleWorks continues to expand its footprint within the competitive craft brewery market in Bulgaria.

\$ 410,363 ^{Y3} Projected Revenue **0.07%** Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Ale Sales	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Brewery Tours	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%
Merchandising	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other	5.00%	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%

Ale Sales	8,348	8,348	8,348	10,017	10,017	10,017	12,243	12,243	12,243	13,913	13,913	13,913	133,561	207,754	287,254
Brewery Tours	1,789	1,789	1,789	2,147	2,147	2,147	2,624	2,624	2,624	2,981	2,981	2,981	28,620	44,519	61,554
Merchandising	1,193	1,193	1,193	1,431	1,431	1,431	1,749	1,749	1,749	1,988	1,988	1,988	19,080	29,679	41,036
Other	596	596	596	716	716	716	875	875	875	994	994	994	9,540	14,840	20,518

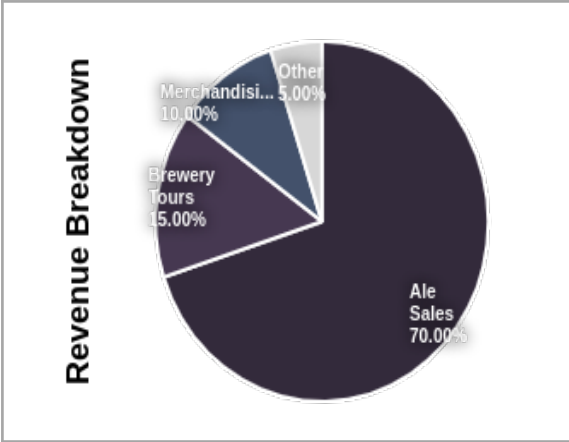
Total Revenue (USD)	11,925	11,925	11,925	14,310	14,310	14,310	17,490	17,490	17,490	19,875	19,875	19,875	190,801	296,791	410,363
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Total revenue is expected to reach \$ 410,363 by year 3.

Main revenue driver are:

- Ale Sales which generates \$ 287,254 by Year 3
- Brewery Tours which generates \$ 61,554 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 46.65 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Raw Materials	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%	20.75%
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%
Packaging	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
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%

Raw Materials	2,474	2,474	2,474	2,969	2,969	2,969	3,629	3,629	3,629	4,124	4,124	4,124	39,591	61,584	85,150
Labor Costs	1,193	1,193	1,193	1,431	1,431	1,431	1,749	1,749	1,749	1,988	1,988	1,988	19,080	29,679	41,036
Packaging	835	835	835	1,002	1,002	1,002	1,224	1,224	1,224	1,391	1,391	1,391	13,356	20,775	28,725
Other	239	239	239	286	286	286	350	350	350	398	398	398	3,816	5,936	8,207

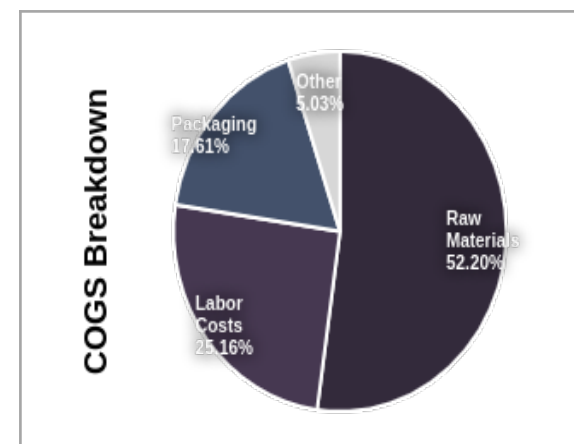
Total COGS (USD)	4,740	4,740	4,740	5,688	5,688	5,688	6,952	6,952	6,952	7,900	7,900	7,900	75,843	117,974	163,119
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Total COGS is expected to reach \$ 163,119 by year 3.

Main revenue driver are:

- Raw Materials which generates \$ 85,150 by Year 3
- Labor Costs which generates \$ 41,036 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 46.65 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Rent & Utilities	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%
Communication Expenses	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%
Office Supplies	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%
Legal and Professional Fees	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Marketing and Branding	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Representation and Entertainment	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Training and Development	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	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%

Payroll Expenses	1,073	1,073	1,073	1,288	1,288	1,288	1,574	1,574	1,574	1,789	1,789	1,789	17,172	26,711	36,933
Rent & Utilities	477	477	477	572	572	572	700	700	700	795	795	795	7,632	11,872	16,415
Communication Expenses	119	119	119	143	143	143	175	175	175	199	199	199	1,908	2,968	4,104
Office Supplies	119	119	119	143	143	143	175	175	175	199	199	199	1,908	2,968	4,104
Legal and Professional Fees	239	239	239	286	286	286	350	350	350	398	398	398	3,816	5,936	8,207
Marketing and Branding	358	358	358	429	429	429	525	525	525	596	596	596	5,724	8,904	12,311
Representation and Entertainment	119	119	119	143	143	143	175	175	175	199	199	199	1,908	2,968	4,104
Training and Development	119	119	119	143	143	143	175	175	175	199	199	199	1,908	2,968	4,104
Other Miscellaneous	227	227	227	272	272	272	332	332	332	378	378	378	3,625	5,639	7,797

Total SG&A (USD)	2,850	2,850	2,850	3,420	3,420	3,420	4,180	4,180	4,180	4,750	4,750	4,750	45,601	70,933	98,077
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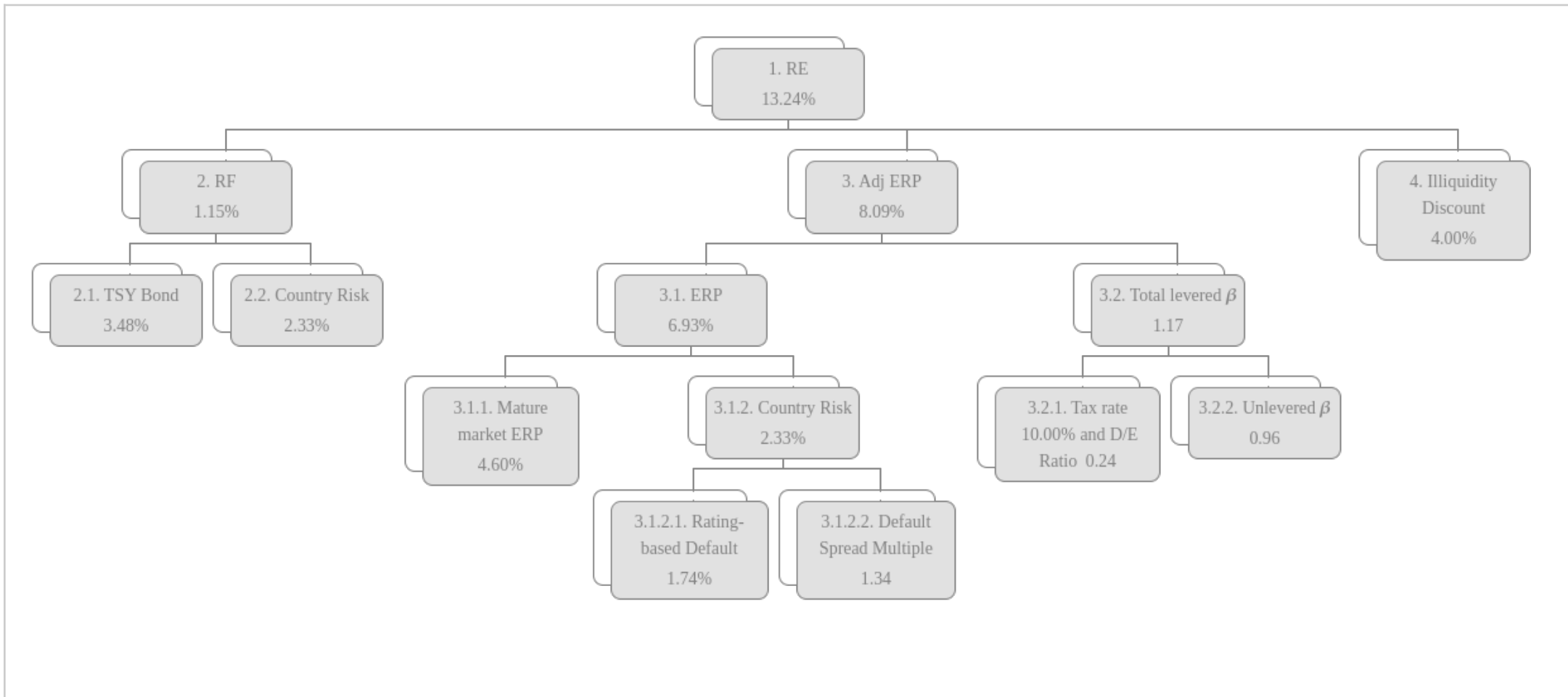
PaT Expectations

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	11,925	11,925	11,925	14,310	14,310	14,310	17,490	17,490	17,490	19,875	19,875	19,875	190,801	296,791	410,363
Ale Sales	8,348	8,348	8,348	10,017	10,017	10,017	12,243	12,243	12,243	13,913	13,913	13,913	133,561	207,754	287,254
Brewery Tours	1,789	1,789	1,789	2,147	2,147	2,147	2,624	2,624	2,624	2,981	2,981	2,981	28,620	44,519	61,554
Merchandising	1,193	1,193	1,193	1,431	1,431	1,431	1,749	1,749	1,749	1,988	1,988	1,988	19,080	29,679	41,036
Other	596	596	596	716	716	716	875	875	875	994	994	994	9,540	14,840	20,518
COGS	-4,740	-4,740	-4,740	-5,688	-5,688	-5,688	-6,952	-6,952	-6,952	-7,900	-7,900	-7,900	-75,843	-117,974	-163,119
Raw Materials	-2,474	-2,474	-2,474	-2,969	-2,969	-2,969	-3,629	-3,629	-3,629	-4,124	-4,124	-4,124	-39,591	-61,584	-85,150
Labor Costs	-1,193	-1,193	-1,193	-1,431	-1,431	-1,431	-1,749	-1,749	-1,749	-1,988	-1,988	-1,988	-19,080	-29,679	-41,036
Packaging	-835	-835	-835	-1,002	-1,002	-1,002	-1,224	-1,224	-1,224	-1,391	-1,391	-1,391	-13,356	-20,775	-28,725
Other	-239	-239	-239	-286	-286	-286	-350	-350	-350	-398	-398	-398	-3,816	-5,936	-8,207
Gross Profit	7,185	7,185	7,185	8,622	8,622	8,622	10,538	10,538	10,538	11,975	11,975	11,975	114,958	178,816	247,244
SG&A Personal Expenses	-1,073	-1,073	-1,073	-1,288	-1,288	-1,288	-1,574	-1,574	-1,574	-1,789	-1,789	-1,789	-17,172	-26,711	-36,933
SG&A Operating Expenses	-1,777	-1,777	-1,777	-2,132	-2,132	-2,132	-2,606	-2,606	-2,606	-2,961	-2,961	-2,961	-28,429	-44,222	-61,144
EBITDA	4,335	4,335	4,335	5,202	5,202	5,202	6,358	6,358	6,358	7,225	7,225	7,225	69,356	107,883	149,167
Depreciation	6,086	6,086	6,086	6,086	6,086	6,086	6,086	6,086	6,086	6,086	6,086	6,086	73,036	73,036	73,036
EBIT	-1,752	-1,752	-1,752	-885	-885	-885	271	271	271	1,138	1,138	1,138	-3,680	34,848	76,131
Interest Expense	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	24,850	24,850	24,850
Profit before Tax	-3,822	-3,822	-3,822	-2,955	-2,955	-2,955	-1,800	-1,800	-1,800	-933	-933	-933	-28,530	9,997	51,281
Tax	-382	-382	-382	-296	-296	-296	-180	-180	-180	-93	-93	-93	-2,853	1,000	5,128
Profit after Tax (USD)	-3,440	-3,440	-3,440	-2,660	-2,660	-2,660	-1,620	-1,620	-1,620	-839	-839	-839	-25,677	8,998	46,153

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	-25,677	8,998	46,153	47,860	49,631	51,467	53,372
	Growth% Y4-Y7				3.70%	3.70%	3.70%	3.70%
	Growth% Y7 -->				3.50%			
	WACC				13.24%			
	PV Y1-Y7 at Y0	-22,675	7,017	31,783	29,105	26,653	24,408	22,352
	PV Y7 --> Y0				237,514			
	NPV (USD)				356,157			

Average Survival Rate for 3 Years

50%

Final Valuation

\$ 178,079

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 13.24 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 3.70 %, 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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