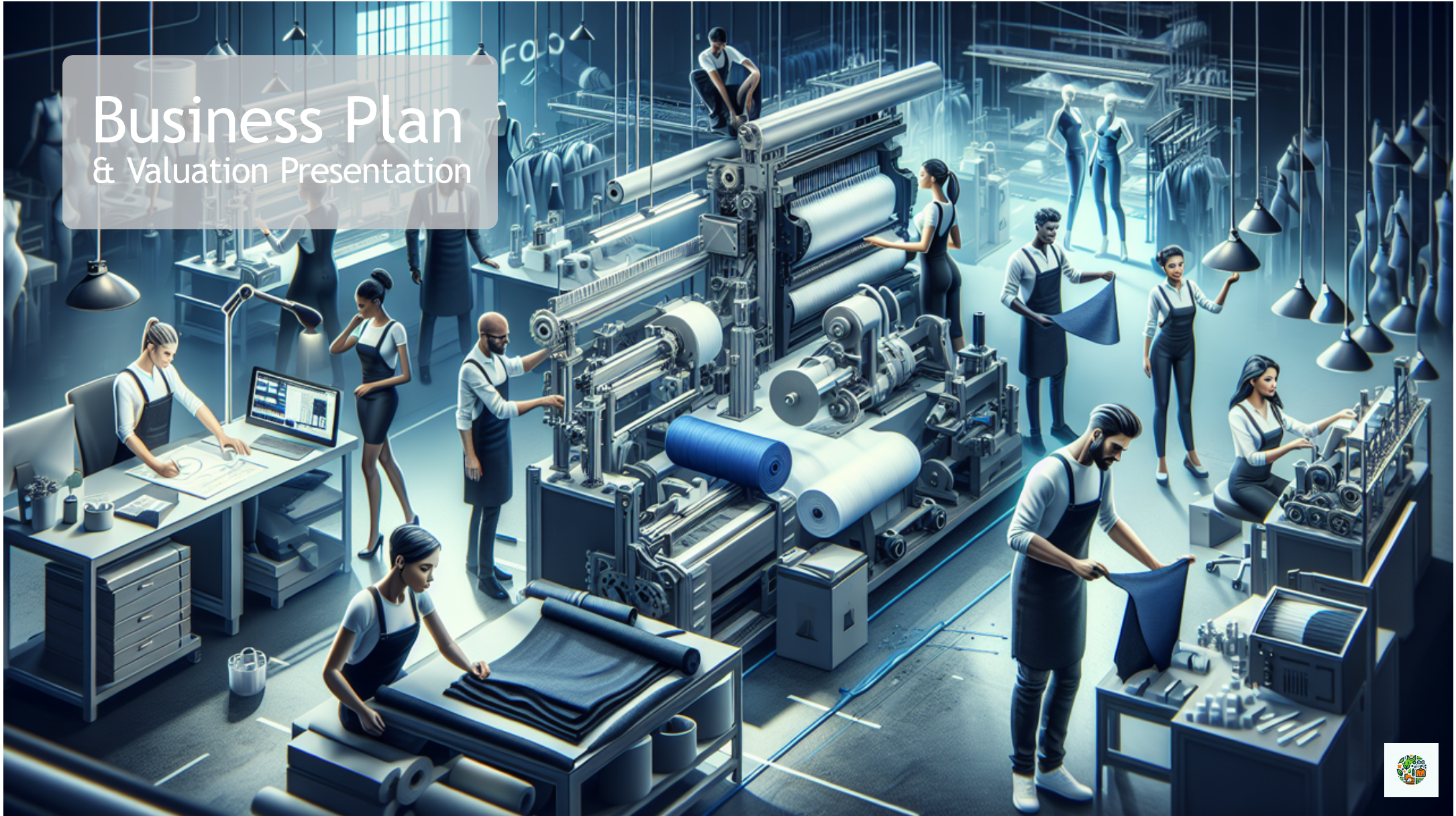


Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

Advance Gear is dedicated to revolutionizing the apparel manufacturing industry by blending cutting-edge design with advanced manufacturing techniques. By focusing on high-quality, innovative clothing solutions, we aim to exceed the highest standards in every product. Our mission extends from sourcing premium materials to implementing rigorous quality control processes. We emphasize sustainability and efficiency, integrating eco-friendly practices and reducing waste in our operations, to deliver durable, stylish apparel that serves various markets. In doing so, we strive to set a new standard in the industry, where innovation, quality, and responsibility are at the core of our business.

Our Vision

Advance Gear envisions a future where high-quality, innovative apparel is accessible and sustainable, shaping the landscape of the global clothing industry. In twenty years, we aim to be recognized as the leading brand in apparel manufacturing known for our unwavering commitment to excellence, innovation, and environmental responsibility. We aspire to build lasting partnerships and empower communities by consistently delivering durable and stylish clothing solutions that elevate the standards of fashion and manufacturing worldwide.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

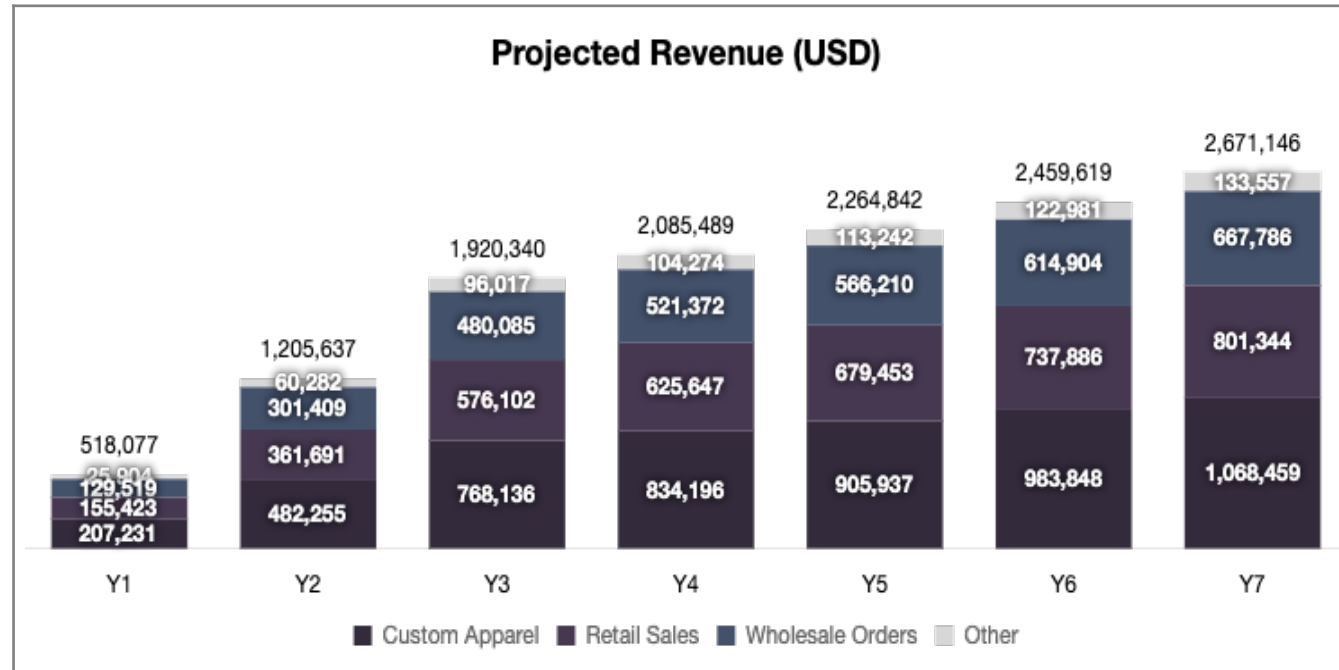
\$ 1,920,339

Revenue
\$ 979,373

Gross Profit
\$ 155,355

EBITDA
0.84%

Target Market Share

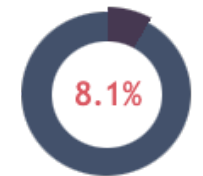


Margins
(Stabilized by Y3)

GP Margin



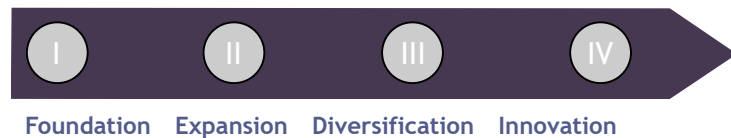
EBITDA Margin



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.

Investment \$ 1.200.000

Y1 CAPEX \$ 480.000

WC \$ 63.464



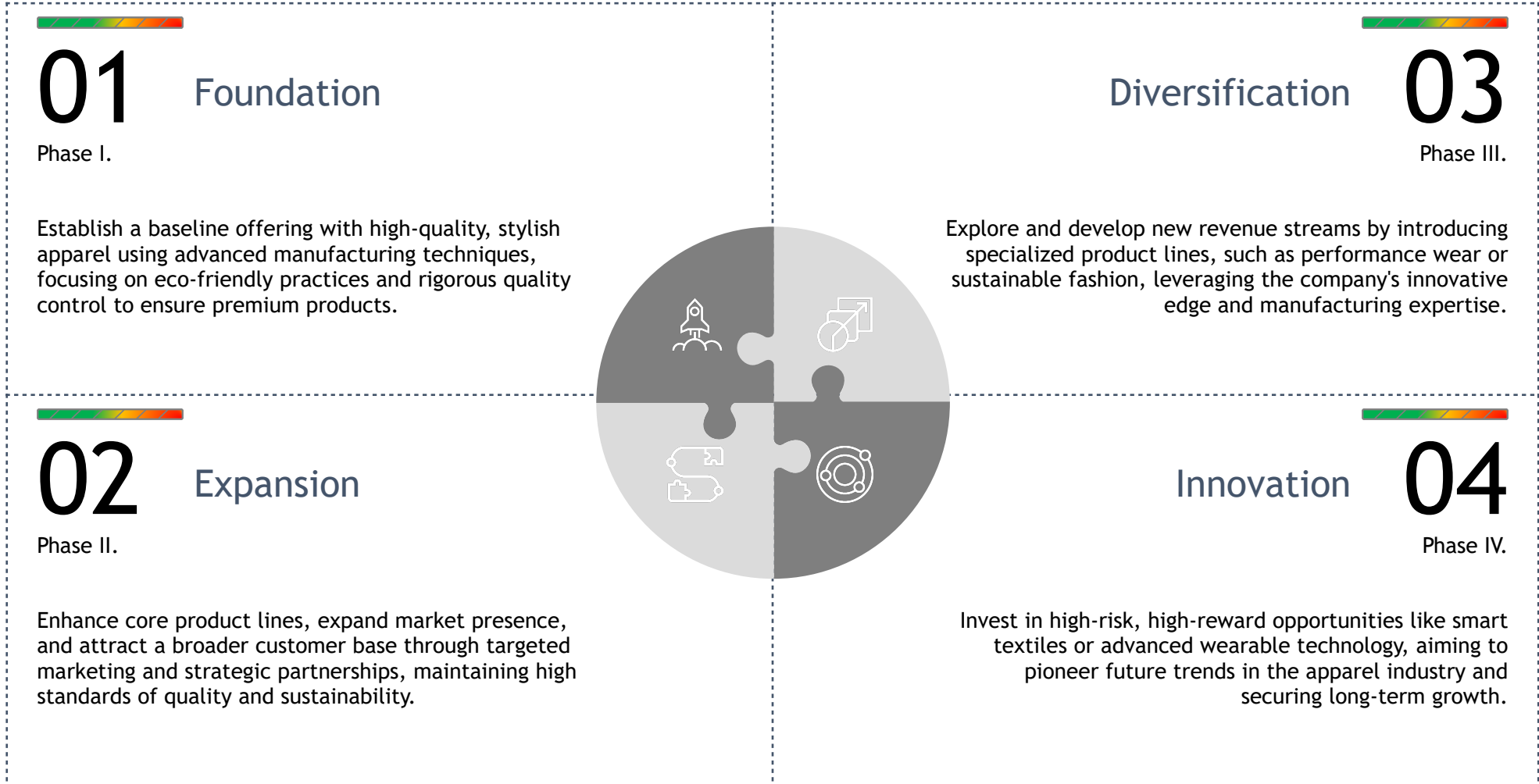
About the Company: **General Overview**



Advance Gear is a forward-thinking clothing manufacturer specializing in producing high-quality, innovative apparel for various markets. The company focuses on blending cutting-edge design with advanced manufacturing techniques to deliver durable and stylish clothing solutions. Their commitment to excellence extends from sourcing premium materials to implementing rigorous quality control processes, ensuring every product meets the highest standards. At Advance Gear, there is an emphasis on sustainability and efficiency, integrating eco-friendly practices and reducing waste in their operations. Partnering with Advance Gear means experiencing a new standard in apparel manufacturing, where innovation and quality drive every piece produced.



The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Employees	<ol style="list-style-type: none"> 1. Enhanced job security and satisfaction through stable growth and commitment to quality. 2. Opportunities for career advancement and skill development as the company expands and diversifies. 3. Safe and eco-friendly working conditions due to the company's focus on sustainable practices.
Customers	<ol style="list-style-type: none"> 1. Access to high-quality, stylish, and durable apparel that meets their needs and expectations. 2. Assurance of purchasing from a company committed to sustainability and eco-friendly practices. 3. Diverse product offerings over time, including specialized and innovative items.
Suppliers	<ol style="list-style-type: none"> 1. Stable and long-term business relationships due to consistent demand for high-quality materials. 2. Opportunities to collaborate on sustainable sourcing and manufacturing processes. 3. Potential for growth alongside the company's expansion and diversification.
Investors	<ol style="list-style-type: none"> 1. Attractive return on investment driven by the company's dedication to high quality and innovation. 2. Mitigated risk through diversified product lines and sustainable business practices. 3. Opportunities to support breakthrough initiatives in smart textiles and wearable technology.
Community	<ol style="list-style-type: none"> 1. Positive environmental impact through the company's commitment to sustainability and reduced waste. 2. Economic benefits due to job creation and stable local employment opportunities. 3. Enhanced community reputation and pride from hosting a forward-thinking and responsible business.
Retail Partners	<ol style="list-style-type: none"> 1. Access to consistently high-quality and innovative products that attract and retain customers. 2. Strengthened partnerships through mutual commitment to sustainability and quality. 3. Increased sales potential due to the company's expanding and diverse product offerings.
Regulatory Authorities	<ol style="list-style-type: none"> 1. Assurance that the company complies with environmental and labor regulations. 2. Contribution to industry standards through the company's adoption of advanced and sustainable practices. 3. Collaborative opportunities to develop new regulations for emerging technologies in apparel manufacturing.



Key Performance Components

Competitive Advantage

Innovative Design

Advance Gear excels in blending cutting-edge design with advanced manufacturing techniques, ensuring their apparel stands out in both style and functionality.

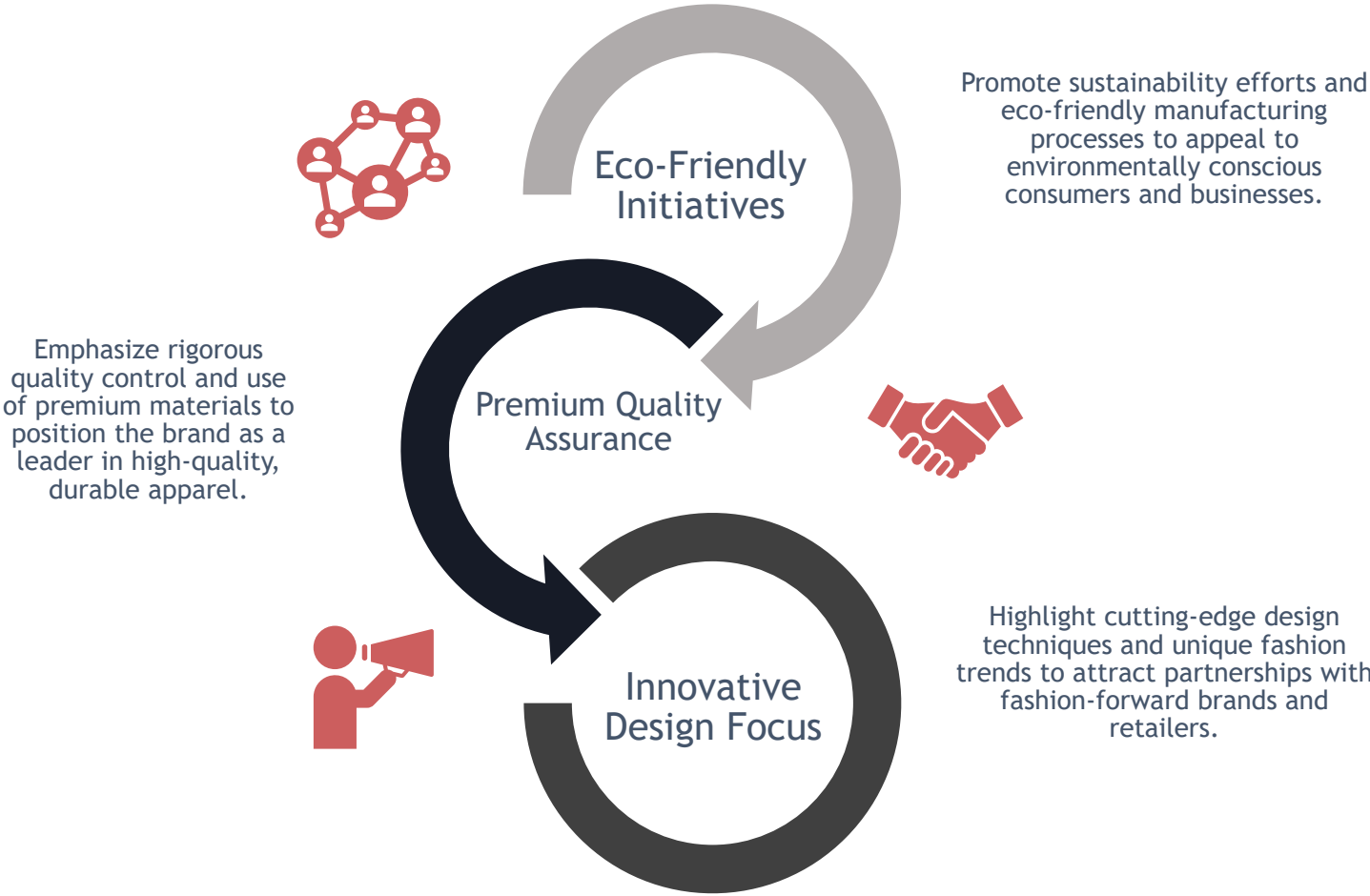
Quality Control

The company emphasizes rigorous quality control processes from sourcing premium materials to final production, guaranteeing high standards in every product.








Sustainable Practices

Advance Gear integrates eco-friendly practices and waste reduction in its operations, promoting sustainability and efficiency in apparel manufacturing.

Marketing and Growth Strategy

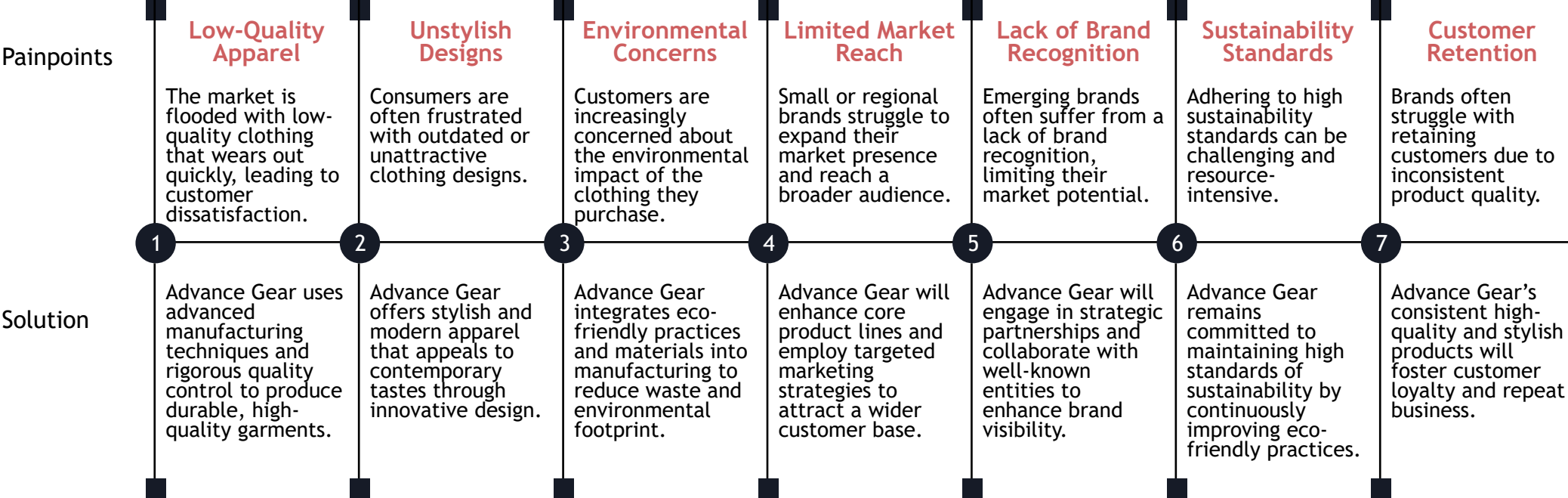


Target Groups

	Industries	Description
I	 Eco-Conscious Consumers	Individuals who prioritize sustainability and are seeking high-quality, eco-friendly apparel options.
II	 Fashion Enthusiasts	Consumers who are passionate about staying on-trend and wearing stylish, premium-quality clothing.
III	 Athletes and Fitness Buffs	Individuals looking for durable, high-performance athletic wear that supports their active lifestyles.
IV	 Retail Stores and Boutiques	Small to medium-sized retail businesses seeking to offer unique, high-quality apparel to their customers.
V	 Corporate Clients	Companies interested in custom-designed, branded apparel for their employees or promotional events.
VI	 Online Marketplaces	E-commerce platforms looking to expand their apparel offerings with innovative and sustainable clothing lines.
VII	 Tech-Savvy Consumers	Early adopters and tech enthusiasts interested in advanced wearable technology and smart textiles.




Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




1. Expertise in advanced manufacturing techniques enhances production efficiency and quality. 2. Commitment to sustainability and eco-friendly practices appeals to environmentally conscious consumers. 3. High-quality, innovative designs set the brand apart in a competitive market. 4. Rigorous quality control processes ensure consistent product excellence. 5. Strong focus on premium materials enhances the perceived value of the products.

Weaknesses




1. High production cost due to premium materials and advanced techniques. 2. Dependence on specialized suppliers for high-quality raw materials. 3. Limited brand recognition compared to established competitors. 4. High operational costs associated with sustainability practices. 5. Potential challenges in scaling operations without compromising quality.

Opportunities



1. Growing consumer demand for sustainable and ethically produced apparel. 2. Expansion into new markets seeking high-quality, innovative clothing. 3. Leveraging technological advancements to further enhance production efficiency. 4. Partnerships with eco-conscious brands and retailers. 5. Increasing interest in customizable and limited-edition apparel.

Threats



1. Intense competition from established and emerging brands. 2. Fluctuations in raw material prices impacting production costs. 3. Economic downturns affecting consumer spending on apparel. 4. Rapid changes in fashion trends challenging inventory management. 5. Regulatory changes affecting production processes and materials sourcing.



History & Roadmap



Current Status.

Advance Gear outlines a progressive roadmap from market research in March 2024 to global expansion by October 2025. Key milestones include product development and pilot production in mid-2024, followed by the implementation of sustainability initiatives in early 2025. By April 2025, the company will escalate to full-scale production. The strategic plan culminates in global expansion, taking Advance Gear to international markets. Each stage emphasizes innovation, quality, and sustainability, driving the company's vision of setting new standards in apparel manufacturing.



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	COO 1 month
3	Secure Initial Funding	●	Not Started	High	CFO 3 months
4	Establish Corporate Structure	●	Not Started	Medium	COO 2 weeks
5	Set Up Operational Processes and Workflows	●	Not Started	High	COO 1 month
6	Create Initial Product Line Blueprint	●	Not Started	High	CPO 1 month
7	Develop Supplier and Vendor Relationships	●	Not Started	Medium	CPO 2 months
8	Secure Required Licenses and Permits	●	Not Started	High	CSO 1 month
Marketing					
1	Develop Comprehensive Marketing Plan	●	Not Started	High	CMO 2 weeks
2	Identify Target Market Segments	●	Not Started	High	CMO 3 weeks
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Create Brand Awareness Campaigns	●	Not Started	High	CMO 1 month
5	Build Email Marketing Strategy	●	Not Started	Medium	CMO 6 weeks
6	Implement SEO and Content Marketing	●	Not Started	High	CMO 2 months
7	Plan Product Launch Events	●	Not Started	High	CMO 2 months
8	Engage in Influencer Partnerships	●	Not Started	Medium	CMO 3 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Source premium quality materials	● Not Started	High	CPO	2 months
2	Implement advanced manufacturing techniques	● Not Started	High	COO	3 months
3	Develop eco-friendly production processes	● Not Started	High	CSO	4 months
4	Set up rigorous quality control measures	● Not Started	High	CPO	3 months
5	Design baseline apparel offerings	● Not Started	High	CPO	2 months
6	Build initial production facility	● Not Started	High	COO	6 months
7	Create a supply chain management strategy	● Not Started	Medium	CFO	3 months
8	Obtain necessary certifications for eco-friendly practices	● Not Started	Medium	CSO	5 months
Phase 2					
1	Enhance Core Product Lines	● Not Started	High	CPO	3 months
2	Expand Market Presence	● Not Started	High	CMO	4 months
3	Develop Strategic Partnerships	● Not Started	Medium	CRO	5 months
4	Optimize Supply Chain for Scalability	● Not Started	Medium	COO	6 months
5	Expand Online Presence	● Not Started	High	CIO	4 months
6	Strengthen Brand Identity	● Not Started	Medium	CBO	5 months
7	Introduce Loyalty Programs	● Not Started	Low	CMO	6 months
8	Expand Customer Support Team	● Not Started	Medium	COO	4 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 3						
1	Research market for new specialized product lines	●	Not Started	High	CPO	2 months
2	Develop prototypes of new product lines	●	Not Started	High	CTO	3 months
3	Establish procurement channels for specialized materials	●	Not Started	Medium	CPO	2 months
4	Pilot production for new product lines	●	Not Started	High	COO	3 months
5	Implement specialized product line marketing strategy	●	Not Started	Medium	CMO	1 month
6	Set up distribution channels for new product lines	●	Not Started	High	CRO	2 months
7	Monitor and analyze customer feedback	●	Not Started	Medium	CSO	6 months
8	Adjust and optimize production based on initial sales data	●	Not Started	Medium	COO	4 months
Phase 4						
1	Identify Emerging Technologies in Wearable Tech	●	Not Started	High	CTO	3 months
2	Develop Prototypes for Smart Textiles	●	Not Started	High	CPO	6 months
3	Secure Funding for Innovation Projects	●	Not Started	Medium	CFO	2 months
4	Form Partnerships with Tech Firms	●	Not Started	High	CBO	4 months
5	Conduct Market Research on Future Trends	●	Not Started	Medium	CMO	3 months
6	Hire Specialized Talent for R&D	●	Not Started	High	COO	5 months
7	Establish an Innovation Lab	●	Not Started	High	CTO	6 months
8	Monitor Regulatory Changes in Tech Wearables	●	Not Started	Low	CSO	Ongoing



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 to reduce dependency on single suppliers and mitigate potential disruptions.
2	Equipment Failures	CTO	Implement a preventative maintenance schedule and invest in high-quality, reliable machinery to minimize downtime.
3	Quality Control Issues	CPO	Establish rigorous quality control procedures at multiple stages of production and invest in training for quality assurance teams.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Environmental Compliance	CSO	Implement a thorough environmental compliance program and conduct regular audits to ensure adherence to local and international environmental regulations.
2	Labor Law Violations	COO	Maintain comprehensive labor compliance checks and train management and staff on labor laws to ensure fair labor practices and avoid violations.
3	Product Safety Standards	CPO	Establish rigorous product testing procedures and stay updated with regional safety standards to ensure all products conform to safety requirements.
4	Intellectual Property Infringement	CIO	Regularly review and enforce intellectual property rights, and engage legal counsel to address potential infringements swiftly.
5	Trade Compliance Issues	CFO	Monitor changes in trade policies and tariffs; maintain up-to-date compliance documentation to mitigate risks associated with international trade.



3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Changing Consumer Preferences	CMO	Conduct regular market research
2	Increased Competition	CEO	Differentiate through unique designs
3	Brand Reputation Damage	CRO	Implement a strong PR strategy
4	Market Saturation	CSO	Explore new niche markets
5	Economic Downturn	CFO	Diversify revenue streams

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Revenue Volatility	CFO	Diversify revenue streams and customer base.
2	Cash Flow Management	CFO	Maintain a strong cash reserve and optimize payment cycles.
3	High Development Costs	CFO	Monitor budgets closely and seek cost-saving opportunities.
4	Market Fluctuations	CFO	Use hedging strategies to minimize financial exposure.
5	Funding Shortages	CFO	Secure diversified funding sources early on.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Innovation Fatigue	CSO	Schedule regular company-wide innovation workshops
2	Supply Chain Disruptions	COO	Diversify suppliers for critical materials
3	Reputation Management	CMO	Maintain active PR and crisis management plan
4	Talent Retention	CPO	Implement competitive employee benefits
5	Market Trends Shifts	CBO	Regularly update market research and adapt quickly



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.

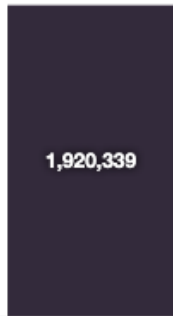
The total investment required is \$ 1,200,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	264,219	
Payroll Expenses		132,109
Rent & Utilities		25,904
Marketing and Branding		23,313
Training and Development		10,362
Capex		480,000
Legal and Professional Fees		7,771
Other Miscellaneous		7,305
Communication Expenses		6,217
Representation and Entert.		5,181
Office supplies		4,145
CAPEX & WC shortage Y1		438,088
Buffer		761,912
Total Required Investment(USD)		1,200,000



Y3 PL formation and Margins

Revenue



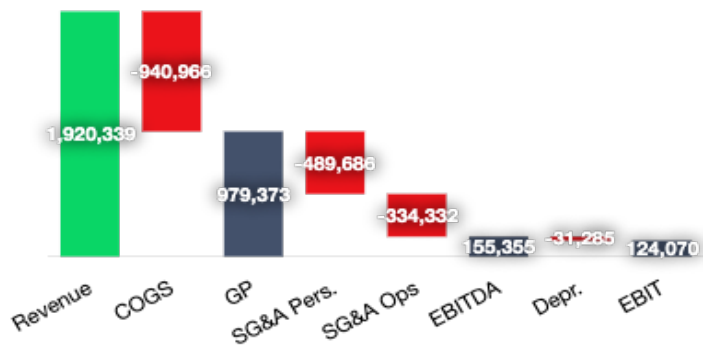
Projected Revenue

- GP 51.0%
- EBITDA 8.1%

Y3

Y3

PnL Formation (Y3 USD)

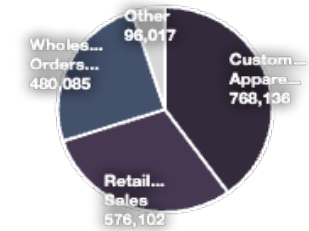
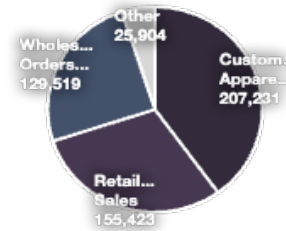


Business Line Breakdown (USD)

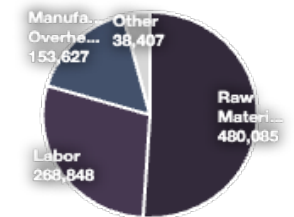
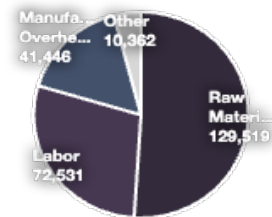
Y1

Y2

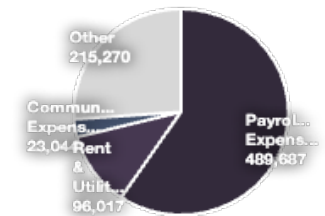
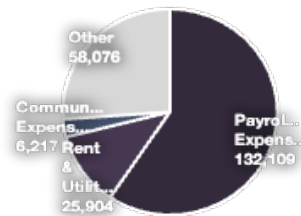
Revenue



COGS



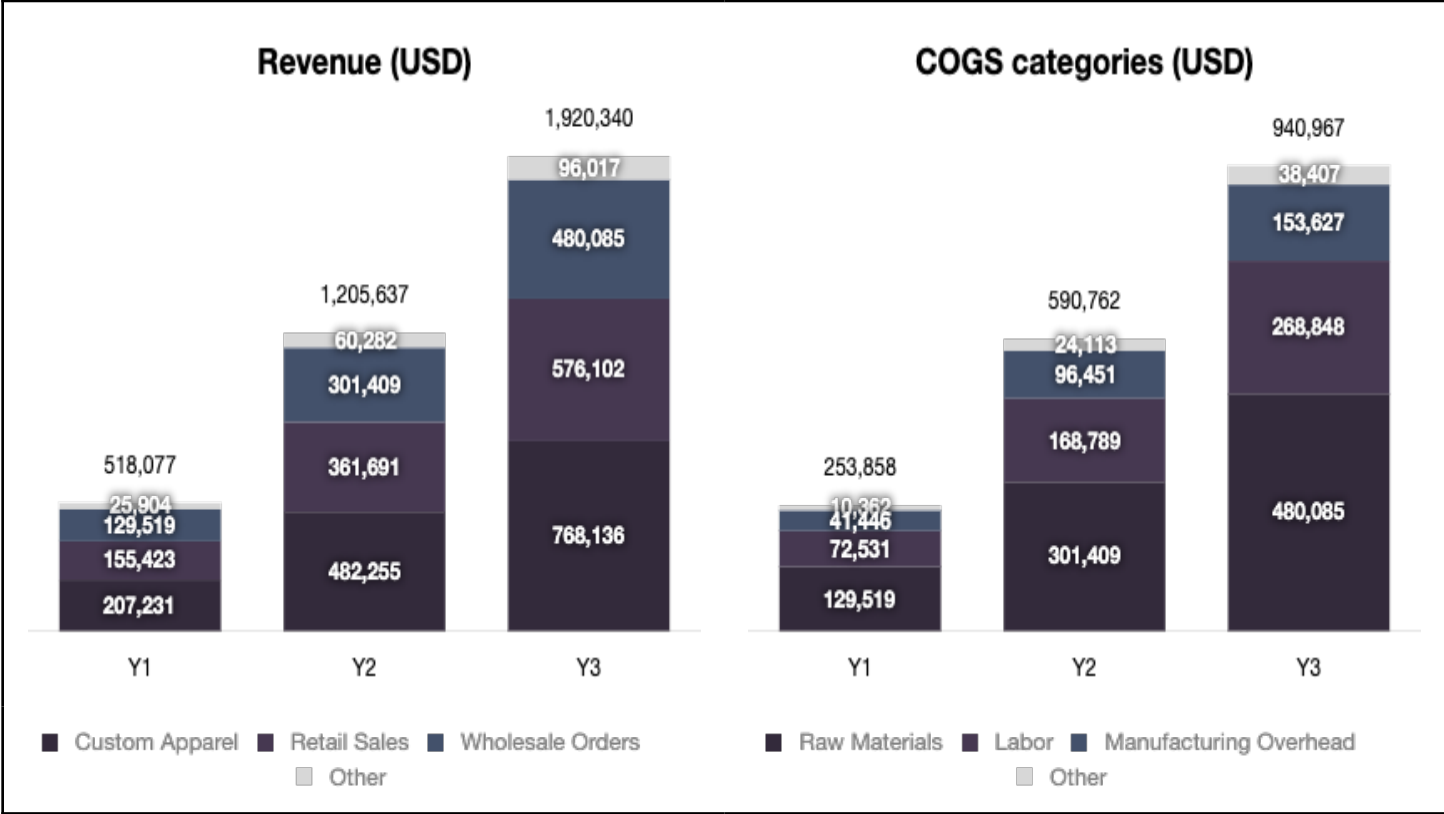
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Revenue Formation Narrative

Advance Gear is fervently positioned to penetrate the competitive apparel manufacturing market with a focussed approach rooted in innovation and sustainability. By integrating advanced manufacturing techniques and rigorous quality control processes, we estimate our Serviceable Addressable Market (SAM) to be conservative but promising at approximately 1.2% of the Total Addressable Market (TAM) of 6,167,574,476 USD USD. This estimation reflects our strategic capacity to scale while addressing unique market and operational challenges. For our Serviceable Obtainable Market (SOM), given the initial market entry with conservative expectations, we project a first-year SOM of 0.007% of TAM, translating into an estimated Year 1 revenue of 518,076 USD USD. As market awareness heightens and operational efficiencies take hold, the second year sees a realistic growth in SOM to 0.015%, translating into Year 2 revenues of 1,205,637 USD USD. By maximizing sustained growth and expanding our market presence, our projections for Year 3 touchdown at a SOM of 0.022%, leading to estimated revenues of 1,920,339 USD USD. Revenue distribution across our four main lines of business is poised strategically: Custom Apparel generating 40% of total revenue, Retail Sales contributing 30%, Wholesale Orders accounting for 25%, and Other sources making up the remaining 5%. These delineations illustrate a balanced revenue stream, aligning with our overarching strategy to innovate and elevate standards in apparel manufacturing.

\$ 1,920,339 ^{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
Custom Apparel	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Retail Sales	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Wholesale Orders	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

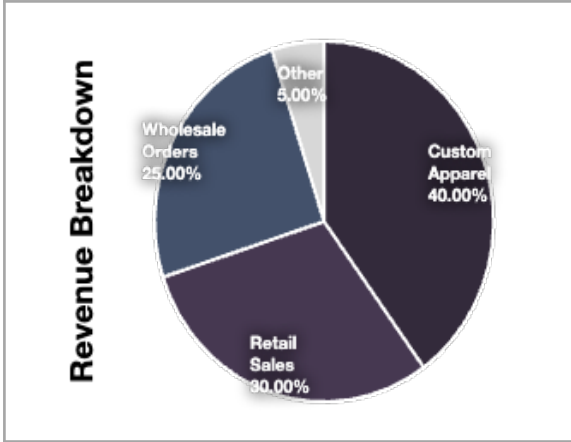
Custom Apparel	12,952	12,952	12,952	15,542	15,542	15,542	18,996	18,996	18,996	21,587	21,587	21,587	207,231	482,255	768,136
storeRevenueLOB.value?.res2?.name	9,714	9,714	9,714	11,657	11,657	11,657	14,247	14,247	14,247	16,190	16,190	16,190	155,423	361,691	576,102
Wholesale Orders	8,095	8,095	8,095	9,714	9,714	9,714	11,873	11,873	11,873	13,492	13,492	13,492	129,519	301,409	480,085
Other	1,619	1,619	1,619	1,943	1,943	1,943	2,375	2,375	2,375	2,698	2,698	2,698	25,904	60,282	96,017
Total Revenue (USD)	32,380	32,380	32,380	38,856	38,856	38,856	47,490	47,490	47,490	53,966	53,966	53,966	518,076	1,205,637	1,920,339

Total revenue is expected to reach \$ 1,920,339 by year 3.

Main revenue driver are:

- Custom Apparel which generates \$ 768,136 by Year 3
- Retail Sales which generates \$ 576,102 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 92.53 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Raw Materials	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Labor	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Manufacturing Overhead	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
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	8,095	8,095	8,095	9,714	9,714	9,714	11,873	11,873	11,873	13,492	13,492	13,492	129,519	301,409	480,085
Labor	4,533	4,533	4,533	5,440	5,440	5,440	6,649	6,649	6,649	7,555	7,555	7,555	72,531	168,789	268,848
Manufacturing Overhead	2,590	2,590	2,590	3,108	3,108	3,108	3,799	3,799	3,799	4,317	4,317	4,317	41,446	96,451	153,627
Other	648	648	648	777	777	777	950	950	950	1,079	1,079	1,079	10,362	24,113	38,407

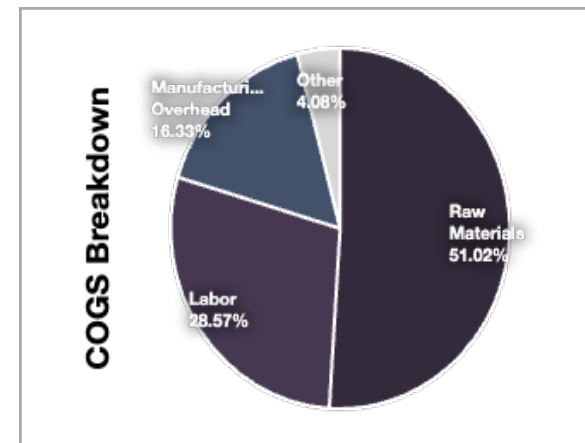
Total COGS (USD)	15,866	15,866	15,866	19,039	19,039	19,039	23,270	23,270	23,270	26,443	26,443	26,443	253,857	590,762	940,966
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Total COGS is expected to reach \$ 940,966 by year 3.

Main revenue driver are:

- Raw Materials which generates \$ 480,085 by Year 3
- Labor which generates \$ 268,848 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 92.53 %



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>	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%	25.50%
<i>Rent & Utilities</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>Communication Expenses</i>	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
<i>Office supplies</i>	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%
<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>	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%
<i>Representation and Entertainment</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>Training and Development</i>	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%
<i>Other Miscellaneous</i>	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%

<i>Payroll Expenses</i>	8,257	8,257	8,257	9,908	9,908	9,908	12,110	12,110	12,110	13,761	13,761	13,761	132,109	307,438	489,687
<i>Rent & Utilities</i>	1,619	1,619	1,619	1,943	1,943	1,943	2,375	2,375	2,375	2,698	2,698	2,698	25,904	60,282	96,017
<i>Communication Expenses</i>	389	389	389	466	466	466	570	570	570	648	648	648	6,217	14,468	23,044
<i>Office supplies</i>	259	259	259	311	311	311	380	380	380	432	432	432	4,145	9,645	15,363
<i>Legal and Professional Fees</i>	486	486	486	583	583	583	712	712	712	809	809	809	7,771	18,085	28,805
<i>Marketing and Branding</i>	1,457	1,457	1,457	1,749	1,749	1,749	2,137	2,137	2,137	2,428	2,428	2,428	23,313	54,254	86,415
<i>Representation and Entertainment</i>	324	324	324	389	389	389	475	475	475	540	540	540	5,181	12,056	19,203
<i>Training and Development</i>	648	648	648	777	777	777	950	950	950	1,079	1,079	1,079	10,362	24,113	38,407
<i>Other Miscellaneous</i>	457	457	457	548	548	548	670	670	670	761	761	761	7,305	16,999	27,077

Total SG&A (USD)	13,894	13,894	13,894	16,673	16,673	16,673	20,378	20,378	20,378	23,157	23,157	23,157	222,307	517,339	824,018
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PaT Expectations

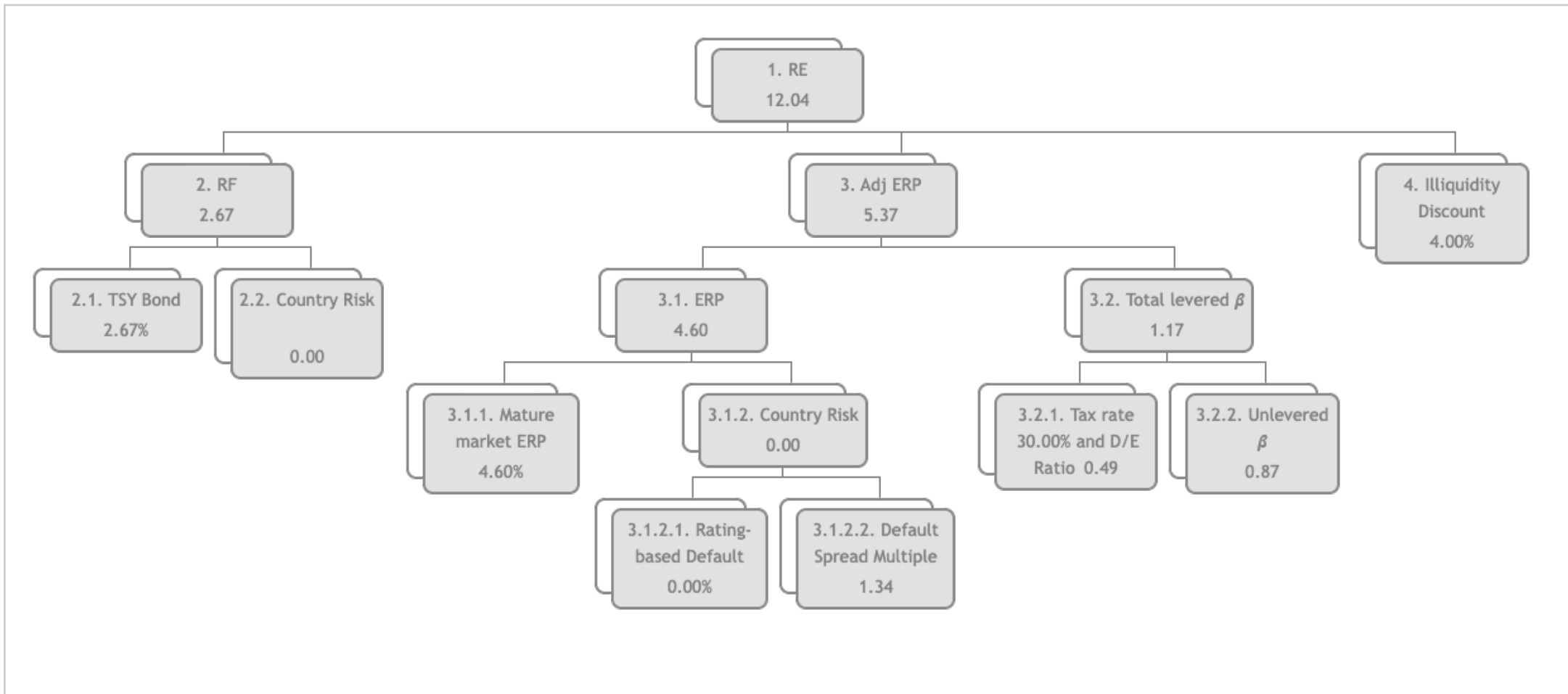
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Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	32,380	32,380	32,380	38,856	38,856	38,856	47,490	47,490	47,490	53,966	53,966	53,966	518,076	1,205,637	1,920,339
Custom Apparel	12,952	12,952	12,952	15,542	15,542	15,542	18,996	18,996	18,996	21,587	21,587	21,587	207,231	482,255	768,136
Retail Sales	9,714	9,714	9,714	11,657	11,657	11,657	14,247	14,247	14,247	16,190	16,190	16,190	155,423	361,691	576,102
Wholesale Orders	8,095	8,095	8,095	9,714	9,714	9,714	11,873	11,873	11,873	13,492	13,492	13,492	129,519	301,409	480,085
Other	1,619	1,619	1,619	1,943	1,943	1,943	2,375	2,375	2,375	2,698	2,698	2,698	25,904	60,282	96,017
COGS	-15,866	-15,866	-15,866	-19,039	-19,039	-19,039	-23,270	-23,270	-23,270	-26,443	-26,443	-26,443	-253,857	-590,762	-940,966
Raw Materials	-8,095	-8,095	-8,095	-9,714	-9,714	-9,714	-11,873	-11,873	-11,873	-13,492	-13,492	-13,492	-129,519	-301,409	-480,085
Labor	-4,533	-4,533	-4,533	-5,440	-5,440	-5,440	-6,649	-6,649	-6,649	-7,555	-7,555	-7,555	-72,531	-168,789	-268,848
Manufacturing Overhead	-2,590	-2,590	-2,590	-3,108	-3,108	-3,108	-3,799	-3,799	-3,799	-4,317	-4,317	-4,317	-41,446	-96,451	-153,627
Other	-648	-648	-648	-777	-777	-777	-950	-950	-950	-1,079	-1,079	-1,079	-10,362	-24,113	-38,407
Gross Profit	16,514	16,514	16,514	19,816	19,816	19,816	24,220	24,220	24,220	27,523	27,523	27,523	264,219	614,875	979,373
SG&A Personal Expenses	-8,257	-8,257	-8,257	-9,908	-9,908	-9,908	-12,110	-12,110	-12,110	-13,761	-13,761	-13,761	-132,109	-307,438	-489,687
SG&A Operating Expenses	-5,637	-5,637	-5,637	-6,765	-6,765	-6,765	-8,268	-8,268	-8,268	-9,396	-9,396	-9,396	-90,197	-209,901	-334,331
EBITDA	2,620	2,620	2,620	3,143	3,143	3,143	3,842	3,842	3,842	4,366	4,366	4,366	41,912	97,536	155,355
Depreciation	-2,607	-2,607	-2,607	-2,607	-2,607	-2,607	-2,607	-2,607	-2,607	-2,607	-2,607	-2,607	-31,286	-31,286	-31,286
EBIT	12	12	12	536	536	536	1,235	1,235	1,235	1,759	1,759	1,759	10,627	66,250	124,070
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	12	12	12	536	536	536	1,235	1,235	1,235	1,759	1,759	1,759	10,627	66,250	124,070
Tax	-4	-4	-4	-161	-161	-161	-370	-370	-370	-528	-528	-528	-3,188	-19,875	-37,221
Profit after Tax (USD)	9	9	9	375	375	375	864	864	864	1,231	1,231	1,231	7,439	46,375	86,849



Required Return on Equity Derivation



Cost of Capital: CAPM Inputs

Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is $R(E) = R(F) + \beta * (ERP)$, 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	7,439	46,375	86,849	94,318	102,429	111,238	120,805
	Growth% Y4-Y7				8.60%	8.60%	8.60%	8.60%
	Growth% Y7 -->				3.50%			
	WACC				12.04%			
	PV Y1-Y7 at Y0	6,639	36,944	61,751	59,855	58,017	56,236	54,509
	PV Y7 --> Y0				660,623			
	NPV (USD)				994,575			

Average Survival Rate for 3 Years

50%

Final Valuation

\$ 497,288

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 12.04 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 8.60 %, 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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