

Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

ClothesCraft is committed to enriching lives by offering a curated selection of high-quality, fashion-forward apparel for men, women, and children. We aim to provide an exceptional shopping experience, blending timeless classics with contemporary trends, all while prioritizing style, comfort, and customer satisfaction. We are dedicated to sustainability, offering eco-friendly clothing options and ethical fashion choices to ensure a positive impact on the community and the environment.

Our Vision

ClothesCraft envisions a future where ethical and eco-friendly fashion is the norm, not the exception. In twenty years, we aspire to have expanded our reach globally, setting industry standards for quality, style, and sustainability. We aim to become a household name synonymous with exceptional fashion and customer service, inspiring a movement towards more conscious and personalized shopping experiences. Our vision includes being leaders in innovative fashion solutions that resonate with our customers' values, ultimately making ClothesCraft the go-to retailer for discerning shoppers around the world.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

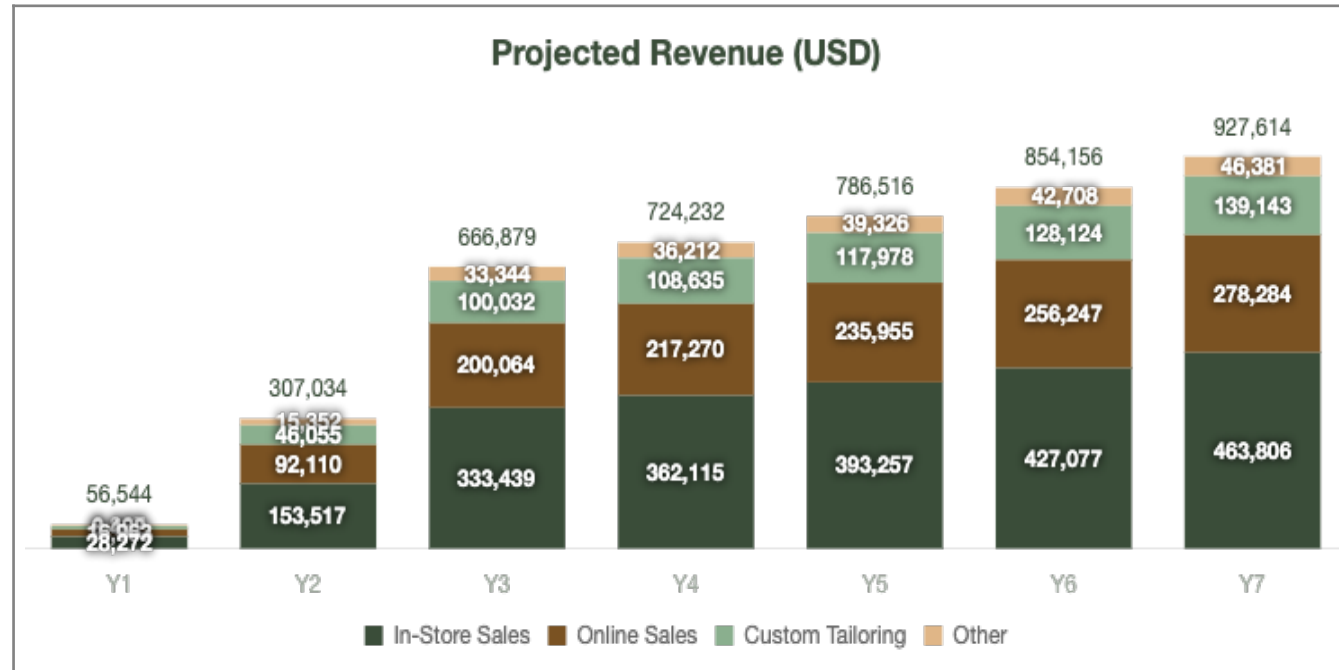
\$ 666,879

Revenue
\$ 346,310

Gross Profit
\$ 58,885

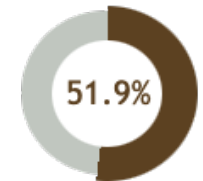
EBITDA
0.02%

Target Market Share

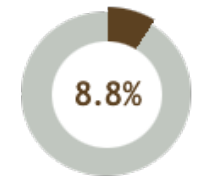


Margins
(Stabilized by Y3)

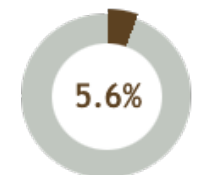
GP Margin



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.



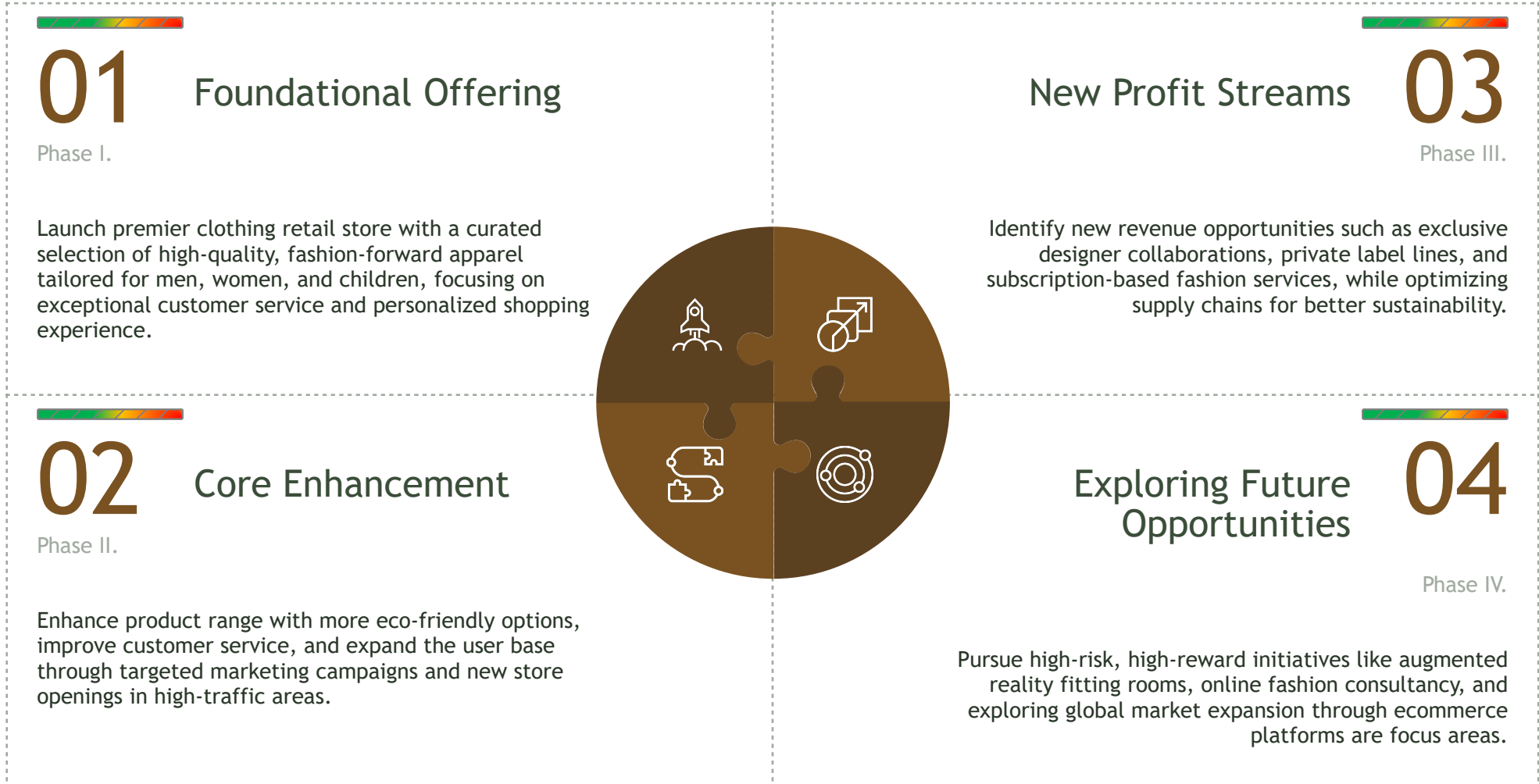
About the Company: General Overview



ClothesCraft is a premier clothing retail store dedicated to offering a curated selection of high-quality, fashion-forward apparel for men, women, and children. Our collection features a blend of timeless classics and contemporary trends, meticulously crafted to provide both style and comfort. At ClothesCraft, we prioritize exceptional customer service and a personalized shopping experience, ensuring each visit is enjoyable and inspiring. With a commitment to sustainability, we offer eco-friendly clothing options and ethical fashion choices. Whether you're updating your wardrobe or seeking a standout piece, ClothesCraft is your destination for refined fashion and outstanding value.



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 curated selection of high-quality, fashion-forward apparel for all ages. 2. Enhanced shopping experience with personalized service and exceptional customer care. 3. Eco-friendly and ethical fashion choices contribute to a more sustainable wardrobe.
Employees	<ol style="list-style-type: none"> 1. Opportunities for professional growth through training programs on customer service and fashion merchandising. 2. A positive and engaging work environment that encourages creativity and innovation. 3. Potential for increased job opportunities with expansion into new stores and market areas.
Suppliers	<ol style="list-style-type: none"> 1. Long-term partnerships with a growing retail brand committed to high-quality standards. 2. Increased business opportunities through new store openings and expanded product lines. 3. Collaboration on sustainable practices, enhancing their own eco-friendly initiatives.
Investors	<ol style="list-style-type: none"> 1. Potential for high returns with strategic expansions and new revenue streams. 2. A diversified portfolio with investments in sustainable and ethically-minded business practices. 3. Opportunities for involvement in innovative and high-growth market segments such as augmented reality fitting rooms.
Local Communities	<ol style="list-style-type: none"> 1. Economic growth through job creation and support for local businesses. 2. Increased community engagement through events and partnerships. 3. Availability of stylish, affordable clothing options that cater to diverse tastes and needs.
Environmental Advocates	<ol style="list-style-type: none"> 1. Support for sustainability through the promotion of eco-friendly clothing options. 2. Reductions in fashion industry waste via ethical fashion choices and optimized supply chains. 3. Role model in responsible retail practices, encouraging others in the industry to follow suit.
Fashion Designers	<ol style="list-style-type: none"> 1. Platform for showcasing collections through collaborations and exclusive lines. 2. Engagement with a receptive and fashion-forward customer base. 3. Opportunities to explore innovative fashion concepts aligned with sustainability and new retail experiences.



Key Performance Components

Competitive Advantage

Curated Selection

ClothesCraft offers a carefully curated selection that blends timeless classics with contemporary trends, ensuring customers find both style and comfort in every piece.

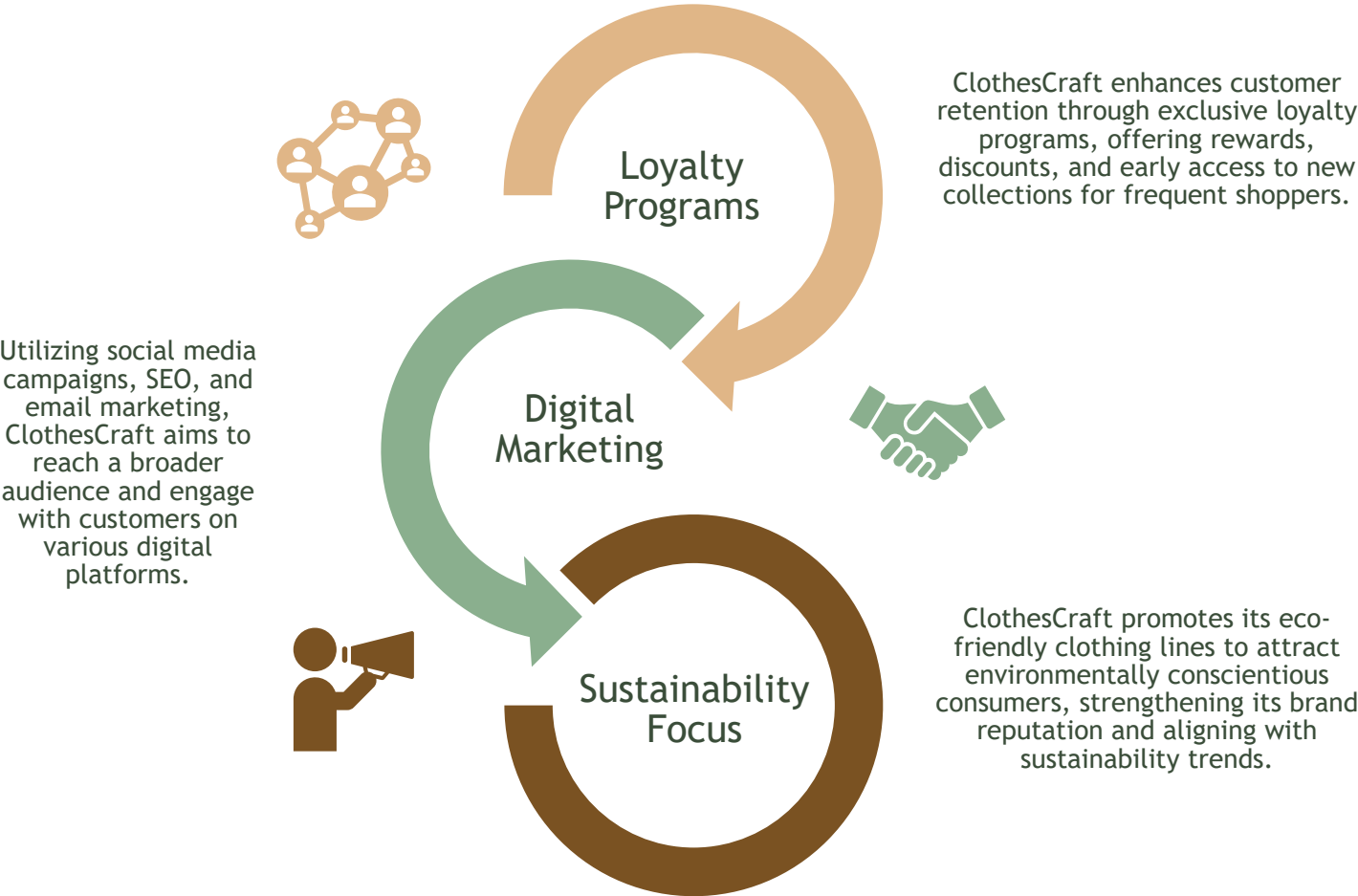
Personalized Experience

ClothesCraft provides exceptional customer service and a personalized shopping experience, making each visit both enjoyable and inspiring for every customer.






Sustainable Fashion

With a commitment to sustainability, ClothesCraft offers eco-friendly clothing options and ethical fashion choices, catering to conscious consumers seeking quality and responsible fashion.

Marketing and Growth Strategy

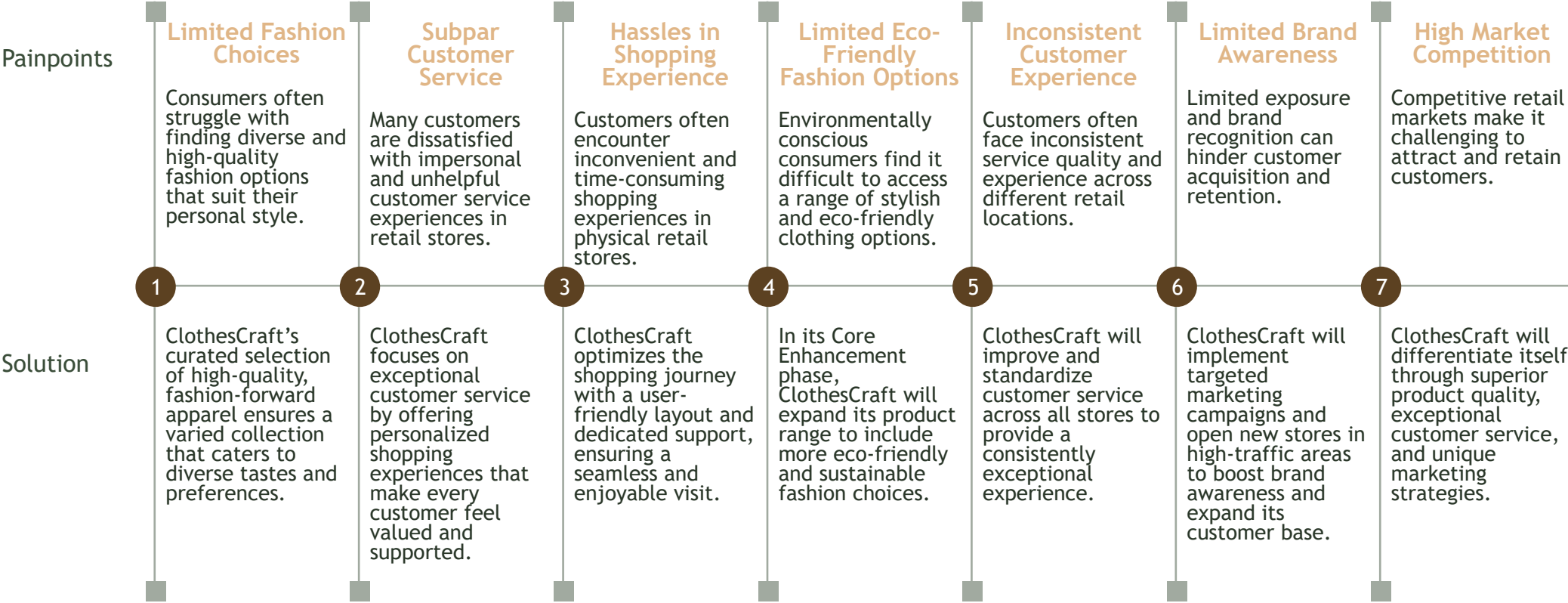


Target Groups

Industries		Description
I	 Fashion Enthusiasts	Individuals who actively follow fashion trends and seek high-quality, stylish apparel to update their wardrobes regularly.
II	 Eco-Conscious Shoppers	Consumers who prioritize sustainability and are actively looking for eco-friendly and ethically produced clothing options.
III	 Families	Parents and guardians who shop for clothing for men, women, and children, looking for quality and value in their purchases.
IV	 Professionals	Working individuals seeking well-crafted apparel suitable for professional settings and daily wear, combining style with comfort.
V	 Young Adults	Students and young professionals who are fashion-forward and looking for trendy yet affordable clothing options.
VI	 High-Spenders	Customers willing to spend more on exclusive and designer collaborations, seeking unique and high-value fashion pieces.
VII	 Online Shoppers	Tech-savvy individuals who prefer the convenience of shopping online, looking for a seamless and personalized e-commerce experience.



Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




Premier clothing retailer with high-quality, curated apparel selection. Blend of timeless classics and contemporary trends. Exceptional customer service and personalized shopping experiences. Commitment to sustainability and eco-friendly clothing options. Known for outstanding value and stylish collections.

Weaknesses




Dependent on fashion trends that are constantly changing. High overhead costs due to physical retail locations. Limited online presence compared to competitors. Inventory management challenges related to diverse product lines. Potentially higher prices due to quality and ethical sourcing.

Opportunities



Expanding online presence and e-commerce capabilities. Collaborations with sustainable and ethical fashion brands. Introducing augmented reality for virtual try-ons. Broadening the product range to include accessories and footwear. Enhancing loyalty programs and personalized marketing.

Threats



Intense competition from both large retailers and niche online stores. Economic downturns affecting consumer spending. Shifts in consumer preferences towards fast fashion. Distribution and supply chain disruptions. Rising costs of sustainable and ethically sourced materials.



History & Roadmap



Current Status.

- ClothesCraft will introduce the Spring-Summer 2024 line in Feb 2024.
- By Jun 2024, the company plans to launch an international e-commerce website.
- Expansion includes opening three new retail locations by Oct 2024.
- Sustainability will be emphasized with more eco-friendly options by Mar 2025.
- A comprehensive customer rewards program is set to launch by Jul 2025.
- By Nov 2025, ClothesCraft aims to integrate augmented reality in stores & online.



Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Finalize Business Plan	●	Not Started	High	CEO 1 month
2	Secure Initial Funding	●	Not Started	High	CFO 2 months
3	Incorporate the Business	●	Not Started	High	COO 1 month
4	Lease Retail Space	●	Not Started	High	CPO 3 months
5	Set up Accounting System	●	Not Started	Medium	CFO 2 months
6	Develop Initial Inventory Strategy	●	Not Started	High	CPO 1 month
7	Establish Supplier Relationships	●	Not Started	High	CPO 3 months
8	Build the Core Team	●	Not Started	High	CEO 3 months
Marketing					
1	Develop Branding Strategy	●	Not Started	High	CMO 2 weeks
2	Launch Website and E-commerce Platform	●	Not Started	High	CTO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Plan and Execute Initial Marketing Campaign	●	Not Started	High	CRO 3 weeks
5	Collaborate with Influencers and Bloggers	●	Not Started	Medium	CMO 2 months
6	Organize Launch Event	●	Not Started	High	COO 1 month
7	Create Content Calendar	●	Not Started	Medium	CMO 2 weeks
8	SEO Optimization	●	Not Started	Medium	CIO 3 weeks



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 1 & Technical Set Up for next Phases						
1	Secure retail store location	●	Not Started	High	COO	2 months
2	Hire key staff for store operations	●	Not Started	High	COO	1 month
3	Establish supplier relationships	●	Not Started	High	CPO	1 month
4	Set up IT infrastructure and POS systems	●	Not Started	Medium	CTO	1 month
5	Develop and implement store interior design	●	Not Started	Medium	COO	3 weeks
6	Create and stock initial inventory selection	●	Not Started	High	CPO	1 month
7	Train staff in customer service excellence	●	Not Started	High	COO	2 weeks
8	Organize grand opening event	●	Not Started	Medium	CRO	3 weeks
Phase 2						
1	Expand eco-friendly product range	●	Not Started	High	CPO	3 months
2	Launch targeted marketing campaigns	●	Not Started	High	CMO	2 months
3	Improve customer service training program	●	Not Started	Medium	COO	4 months
4	Open new stores in high-traffic areas	●	Not Started	High	CBO	6 months
5	Develop customer feedback loop	●	Not Started	Medium	CSO	3 months
6	Integrate more sustainable materials in products	●	Not Started	High	CPO	5 months
7	Enhance website design and usability	●	Not Started	Medium	CTO	2 months
8	Increase partnerships with eco-friendly brands	●	Not Started	Medium	CBO	6 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 3						
1	Establish exclusive designer collaborations	●	Not Started	High	CBO	6 months
2	Develop and launch private label clothing lines	●	Not Started	High	CPO	8 months
3	Introduce subscription-based fashion services	●	Not Started	High	CMO	4 months
4	Optimize supply chain for enhanced sustainability	●	Not Started	Medium	COO	6 months
5	Build partnerships with sustainable suppliers	●	Not Started	Medium	CSO	5 months
6	Implement advanced inventory management systems	●	Not Started	Medium	CIO	3 months
7	Develop exclusive marketing campaigns for new revenue streams	●	Not Started	High	CRO	4 months
8	Conduct market research for profitable product categories	●	Not Started	Medium	CFO	2 months
Phase 4						
1	Develop Augmented Reality Fitting Rooms	●	Not Started	High	CTO	6 months
2	Launch Online Fashion Consultancy	●	Not Started	High	CPO	4 months
3	Expand into Global E-commerce Platforms	●	Not Started	Medium	CIO	5 months
4	Evaluate High-Risk Initiatives	●	Not Started	Medium	CFO	3 months
5	Explore Strategic Partnerships for Global Expansion	●	Not Started	Medium	CRO	6 months
6	Beta Test VR Shopping Experience	●	Not Started	Low	CSO	8 months
7	Pilot Global Logistics and Distribution Networks	●	Not Started	High	COO	7 months
8	Conduct Market Research for International Trends	●	Not Started	Medium	CMO	2 months



Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Inventory Management Issues	COO	Implement advanced inventory management systems to ensure real-time tracking and accurate forecasting of stock levels.
2	Supply Chain Disruptions	COO	Diversify suppliers and develop contingency plans to handle disruptions in the supply chain effectively.
3	Quality Control Failures	CPO	Implement rigorous quality control processes and conduct regular audits to ensure product standards are met.
4	Technology Failures	CTO	Implement robust and redundant technology infrastructure with regular maintenance and updates.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Sustainability Regulations	COO	Stay updated on sustainability laws and regulations, and implement eco-friendly practices to ensure compliance.
2	Data Privacy Violations	CIO	Enhance data protection protocols and comply with GDPR and other data privacy regulations to avoid legal issues.
3	Employment Law Compliance	COO	Ensure HR practices align with labor laws and regulations, and provide regular training for management on compliance issues.
4	Product Safety Standards	CPO	Regularly review and follow product safety standards and regulations to avoid recalls and fines.
5	Advertising Regulations	CMO	Ensure all marketing materials comply with advertising standards and regulations to avoid legal repercussions.



3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market saturation	CMO	Differentiate offerings and target niche markets
2	Changing fashion trends	CPO	Stay agile with trend forecasting
3	Economic downturn	CFO	Diversify product ranges and manage costs
4	Competitive pressure	CEO	Innovate and enhance customer experience
5	Supply chain disruptions	COO	Establish backup suppliers and improve logistics

4. Finance risk

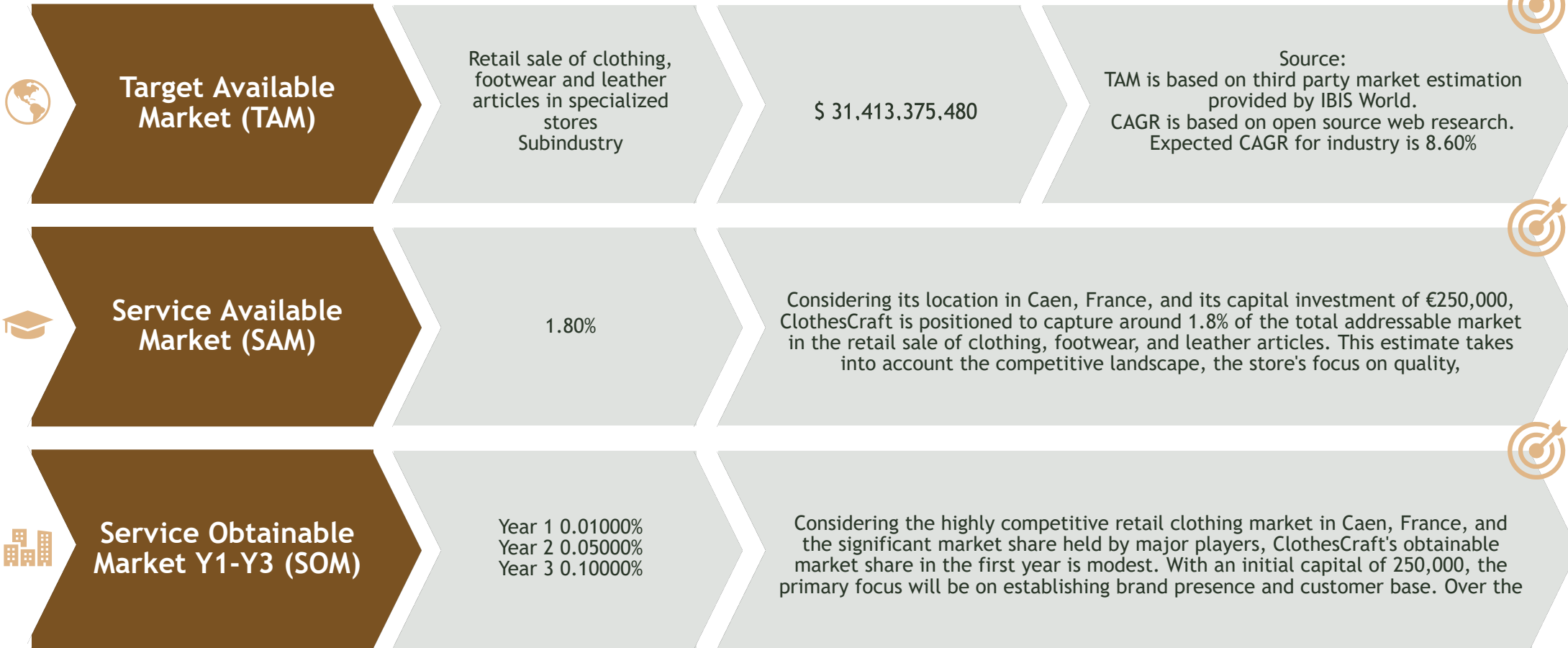
#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Management	CFO	Implement strict budgeting and real-time financial monitoring.
2	Credit Risk	CFO	Strictly evaluate customers' and suppliers' creditworthiness.
3	Inventory Costs	COO	Optimize inventory levels and improve demand forecasting.
4	Economic Downturn	CEO	Diversify revenue streams and maintain a flexible cost structure.
5	Currency Fluctuations	CFO	Use hedging strategies and maintain a diverse supplier base.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation Damage	CMO	Manage PR and continuously monitor customer feedback.
2	Supply Chain Disruptions	COO	Develop alternative suppliers and create flexible logistics plans.
3	Data Breaches	CIO	Implement strong cybersecurity measures and regular audits.
4	Customer Loyalty Erosion	CRO	Maintain engagement through loyalty programs and quality service.
5	Economic Downturns	CFO	Adjust financial strategies and build emergency reserves.



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.

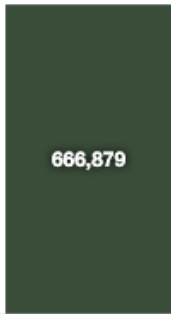
The total investment required is \$ 250,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	29,363	
Payroll Expenses		8,595
Rent & Utilities		5,937
Marketing and Branding		3,958
Training and Development		1,583
Capex		100,000
Legal and Professional Fees		1,187
Communication Expenses		905
Other Miscellaneous		792
Representation and Entert.		735
Office supplies		679
CAPEX & WC shortage Y1		95,008
Buffer		154,992
Total Required Investment(USD)		250,000



Y3 PL formation and Margins

Revenue



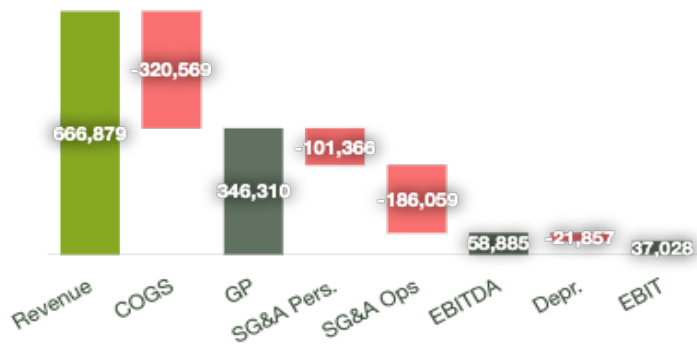
Projected Revenue

- GP 51.9%
- EBITDA 8.8%

Y3

Y3

PnL Formation (Y3 USD)

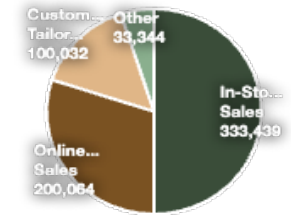
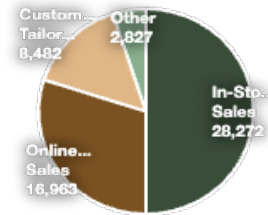


Business Line Breakdown (USD)

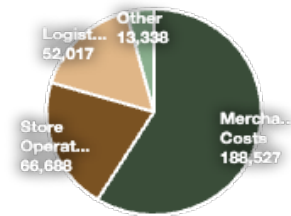
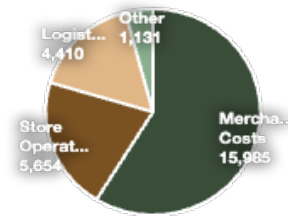
Y1

Y2

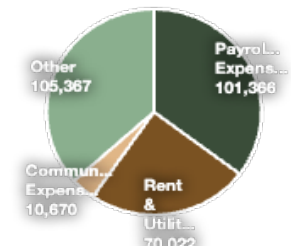
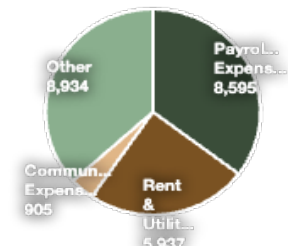
Revenue



COGS



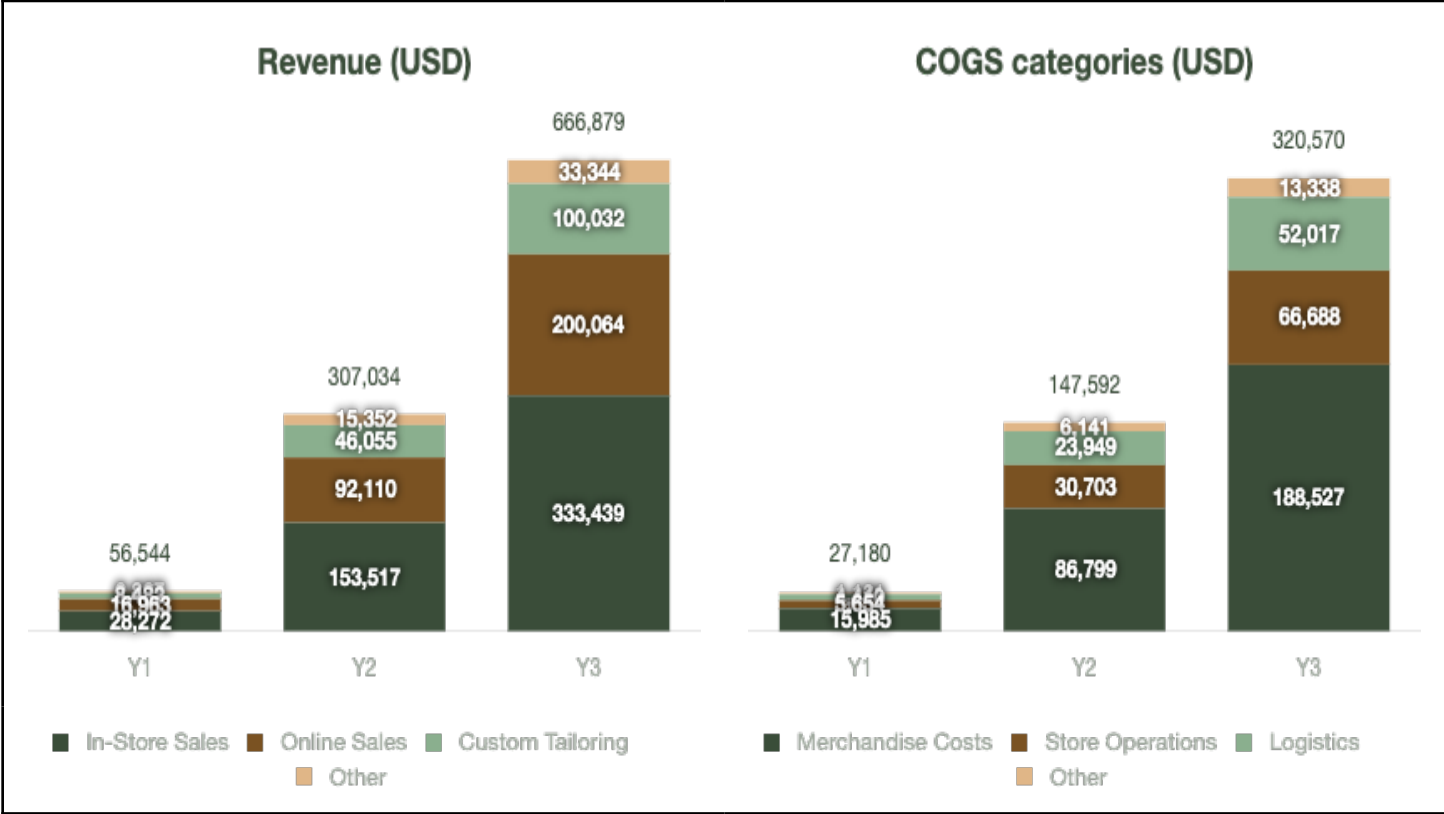
Admin



Revenue Formation Narrative

ClothesCraft is positioned to gradually capture market share within the expansive retail clothing industry. Our Total Addressable Market (TAM) stands at 31,413,375,480 USD, a reflection of the industry's vast potential. Given our localized operations in Caen and initial capital of €250,000, we conservatively estimate capturing 0.25% of this TAM, translating our Serviceable Addressable Market (SAM) into a more realistic range. Our strategy is rooted in offering high-quality, fashion-forward apparel with eco-friendly options, paired with exceptional customer service. For our Serviceable Obtainable Market (SOM), we project initial capture rates of 0.30% in Year 1, 0.70% in Year 2, and 1.20% in Year 3, adjusted to reflect the competitive dynamics of the retail sector and our operational capacity. Year 1 revenue is anticipated at 235,600.32 USD, growing to 597,011.2 USD in Year 2, and reaching 1,111,464.28 USD by Year 3. Our revenue streams are diversified among four main lines of business: In-Store Sales (50.00%), Online Sales (30.00%), Custom Tailoring (15.00%), and Other (5.00%). This diversified approach ensures a balanced growth trajectory across various customer touchpoints. ClothesCraft's initial conservative market capture rates are reflective of our strategic approach to building a strong brand and loyal customer base, setting the stage for sustainable growth in the competitive retail clothing sector.

\$ 666,879 ^{Y3} Projected Revenue
 0.02% Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>In-Store 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>Online Sales</i>	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%
<i>Custom Tailoring</i>	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%
<i>Other</i>	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

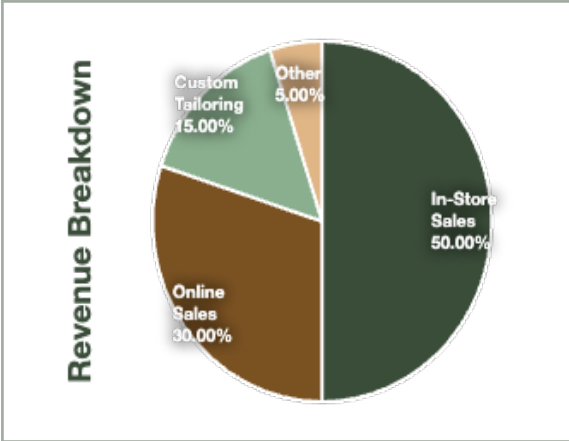
<i>In-Store Sales</i>	1,767	1,767	1,767	2,120	2,120	2,120	2,592	2,592	2,592	2,945	2,945	2,945	28,272	153,517	333,439
<i>storeRevenueLOB.value?.res2?.name</i>	1,060	1,060	1,060	1,272	1,272	1,272	1,555	1,555	1,555	1,767	1,767	1,767	16,963	92,110	200,064
<i>Custom Tailoring</i>	530	530	530	636	636	636	777	777	777	884	884	884	8,482	46,055	100,032
<i>Other</i>	177	177	177	212	212	212	259	259	259	295	295	295	2,827	15,352	33,344
Total Revenue (USD)	3,534	3,534	3,534	4,241	4,241	4,241	5,183	5,183	5,183	5,890	5,890	5,890	56,544	307,034	666,879

Total revenue is expected to reach \$ 666,879 by year 3.

Main revenue driver are:

- In-Store Sales which generates \$ 333,439 by Year 3
- Online Sales which generates \$ 200,064 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 243.42 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Merchandise Costs	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%	28.27%
Store Operations	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%
Logistics	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
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%

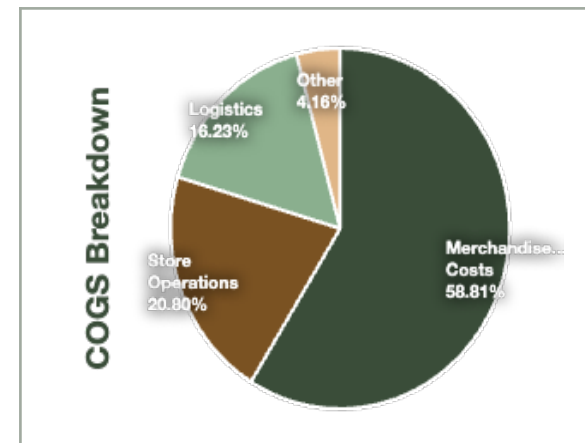
Merchandise Costs	999	999	999	1,199	1,199	1,199	1,465	1,465	1,465	1,665	1,665	1,665	1,665	15,985	86,799	188,527
Store Operations	353	353	353	424	424	424	518	518	518	589	589	589	589	5,654	30,703	66,688
Logistics	276	276	276	331	331	331	404	404	404	459	459	459	459	4,410	23,949	52,017
Other	71	71	71	85	85	85	104	104	104	118	118	118	118	1,131	6,141	13,338
Total COGS (USD)	1,699	1,699	1,699	2,039	2,039	2,039	2,492	2,492	2,492	2,831	2,831	2,831	2,831	27,181	147,591	320,569

Total COGS is expected to reach \$ 320,569 by year 3.

Main revenue driver are:

- Merchandise Costs which generates \$ 188,527 by Year 3
- Store Operations which generates \$ 66,688 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 243.42 %



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>	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%	15.20%
<i>Rent & Utilities</i>	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
<i>Communication Expenses</i>	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
<i>Office supplies</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>Legal and Professional Fees</i>	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
<i>Marketing and Branding</i>	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%
<i>Representation and Entertainment</i>	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
<i>Training and Development</i>	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
<i>Other Miscellaneous</i>	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%

<i>Payroll Expenses</i>	537	537	537	645	645	645	788	788	788	895	895	895	8,595	46,669	101,366
<i>Rent & Utilities</i>	371	371	371	445	445	445	544	544	544	618	618	618	5,937	32,239	70,022
<i>Communication Expenses</i>	57	57	57	68	68	68	83	83	83	94	94	94	905	4,913	10,670
<i>Office supplies</i>	42	42	42	51	51	51	62	62	62	71	71	71	679	3,684	8,003
<i>Legal and Professional Fees</i>	74	74	74	89	89	89	109	109	109	124	124	124	1,187	6,448	14,004
<i>Marketing and Branding</i>	247	247	247	297	297	297	363	363	363	412	412	412	3,958	21,492	46,682
<i>Representation and Entertainment</i>	46	46	46	55	55	55	67	67	67	77	77	77	735	3,991	8,669
<i>Training and Development</i>	99	99	99	119	119	119	145	145	145	165	165	165	1,583	8,597	18,673
<i>Other Miscellaneous</i>	49	49	49	59	59	59	73	73	73	82	82	82	792	4,298	9,336

Total SG&A (USD)	1,523	1,523	1,523	1,828	1,828	1,828	2,234	2,234	2,234	2,539	2,539	2,539	24,370	132,332	287,425
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PaT Expectations

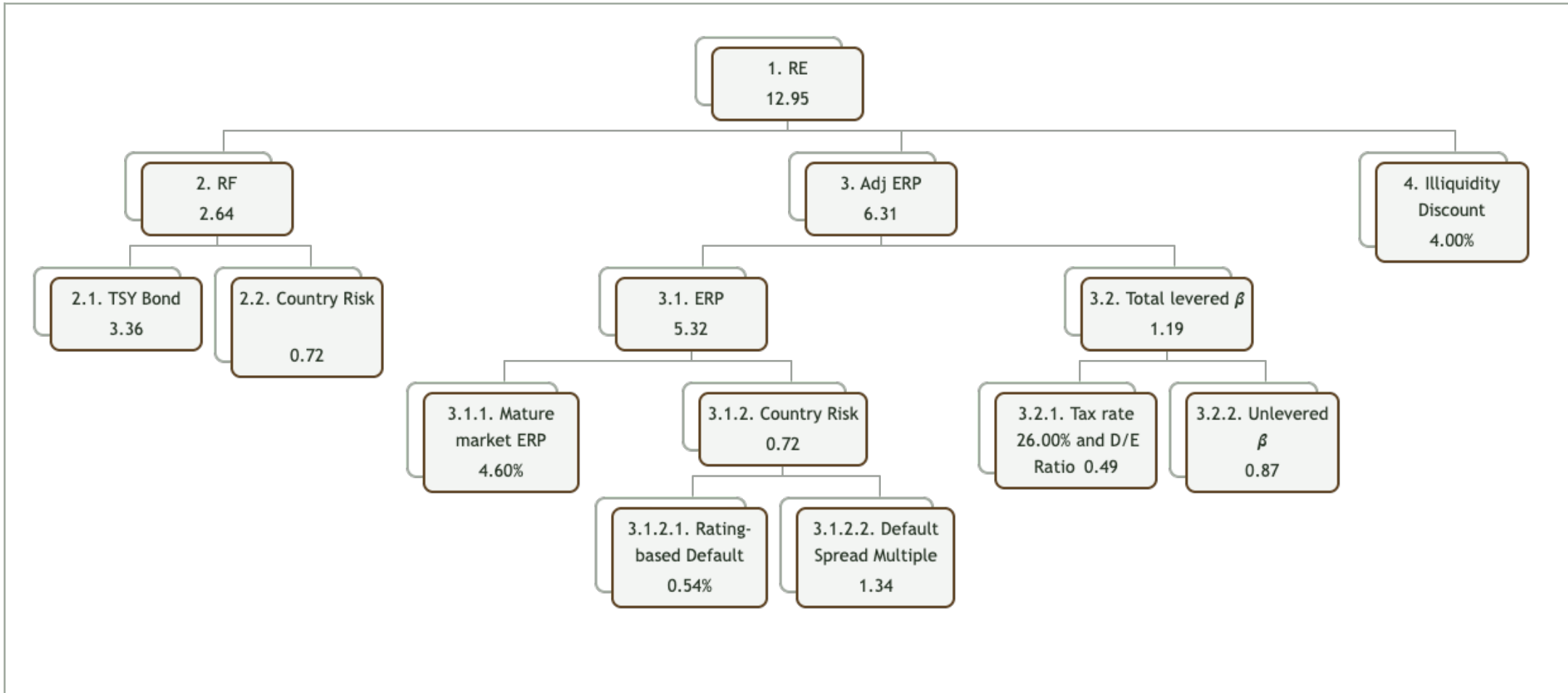
1 2 3 4 5 6 7

Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	3,534	3,534	3,534	4,241	4,241	4,241	5,183	5,183	5,183	5,890	5,890	5,890	56,544	307,034	666,879
In-Store Sales	1,767	1,767	1,767	2,120	2,120	2,120	2,592	2,592	2,592	2,945	2,945	2,945	28,272	153,517	333,439
Online Sales	1,060	1,060	1,060	1,272	1,272	1,272	1,555	1,555	1,555	1,767	1,767	1,767	16,963	92,110	200,064
Custom Tailoring	530	530	530	636	636	636	777	777	777	884	884	884	8,482	46,055	100,032
Other	177	177	177	212	212	212	259	259	259	295	295	295	2,827	15,352	33,344
COGS	-1,699	-1,699	-1,699	-2,039	-2,039	-2,039	-2,492	-2,492	-2,492	-2,831	-2,831	-2,831	-27,181	-147,591	-320,569
Merchandise Costs	-999	-999	-999	-1,199	-1,199	-1,199	-1,465	-1,465	-1,465	-1,665	-1,665	-1,665	-15,985	-86,799	-188,527
Store Operations	-353	-353	-353	-424	-424	-424	-518	-518	-518	-589	-589	-589	-5,654	-30,703	-66,688
Logistics	-276	-276	-276	-331	-331	-331	-404	-404	-404	-459	-459	-459	-4,410	-23,949	-52,017
Other	-71	-71	-71	-85	-85	-85	-104	-104	-104	-118	-118	-118	-1,131	-6,141	-13,338
Gross Profit	1,835	1,835	1,835	2,202	2,202	2,202	2,692	2,692	2,692	3,059	3,059	3,059	29,363	159,443	346,310
SG&A Personal Expenses	-537	-537	-537	-645	-645	-645	-788	-788	-788	-895	-895	-895	-8,595	-46,669	-101,366
SG&A Operating Expenses	-986	-986	-986	-1,183	-1,183	-1,183	-1,446	-1,446	-1,446	-1,643	-1,643	-1,643	-15,776	-85,663	-186,059
EBITDA	312	312	312	374	374	374	458	458	458	520	520	520	4,993	27,111	58,885
Depreciation	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-21,857	-21,857	-21,857
EBIT	-1,509	-1,509	-1,509	-1,447	-1,447	-1,447	-1,364	-1,364	-1,364	-1,301	-1,301	-1,301	-16,864	5,254	37,028
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-1,509	-1,509	-1,509	-1,447	-1,447	-1,447	-1,364	-1,364	-1,364	-1,301	-1,301	-1,301	-16,864	5,254	37,028
Tax	392	392	392	376	376	376	355	355	355	338	338	338	4,385	-1,366	-9,627
Profit after Tax (USD)	-1,117	-1,117	-1,117	-1,071	-1,071	-1,071	-1,009	-1,009	-1,009	-963	-963	-963	-12,480	3,888	27,401



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	-12,480	3,888	27,401	29,757	32,317	35,096	38,114
	Growth% Y4-Y7				8.60%	8.60%	8.60%	8.60%
	Growth% Y7 -->				3.50%			
	WACC				12.95%			
	PV Y1-Y7 at Y0	-11,049	3,048	19,017	18,285	17,581	16,904	16,254
	PV Y7 --> Y0				178,067			
	NPV (USD)				258,107			

Average Survival Rate for 3 Years

50%

Final Valuation

\$ 129,053

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 12.95 % 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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