

# Business Plan & Valuation Presentation



# Contents

	Part 1 Executive Summary	3 - 4
	Company & Product Overview	5 - 15
	Check List & Risk Overview	16 - 21
	Users, Market & Investment	22 - 23
	Part 2 Financial Projection	24 - 32
	Business Valuation	33 - 35
	Stress Test, Scenario Analysis & Simulations	36 - 40
	Glossary & Disclaimer	41 - 42

# OUR VISION & MISSION

## Our Mission

Nexus Haven's mission is to provide an exceptional and memorable guest experience through personalized service, luxurious accommodations, and refined dining options. We aim to create a sophisticated and relaxing retreat for travelers by offering state-of-the-art facilities and modern amenities, all while maintaining a commitment to sustainability and engaging with the local community. By prioritizing comfort and elegance, we make a significant difference in the travel experience, ensuring every stay supports eco-friendly practices and regional businesses.

## Our Vision

Nexus Haven envisions becoming the preeminent choice for discerning travelers seeking a blend of luxury and sustainability. Over the next twenty years, we aspire to expand our footprint, creating havens of elegance and comfort around the globe, while continually elevating our standards of service and environmental stewardship. We aim to be recognized as leaders in the hospitality industry for our innovative approach to sustainable luxury and our unwavering commitment to enriching the communities we serve.



# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 2,549,882**

Revenue

**\$ 1,517,690**

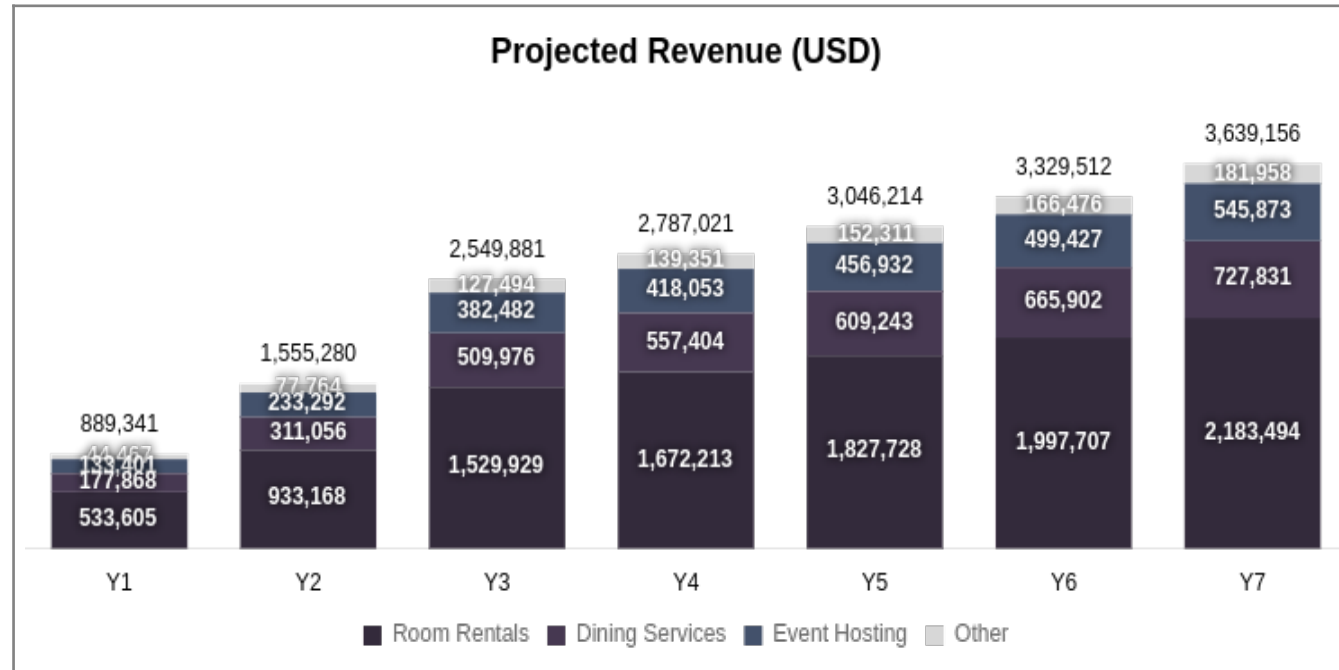
Gross Profit

**\$ 782,049**

EBITDA

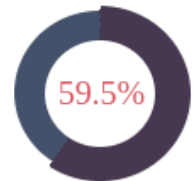
**0.18%**

Target Market Share

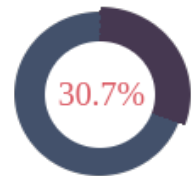


Margins  
(Stabilized by Y3)

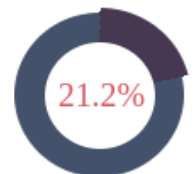
GP Margin



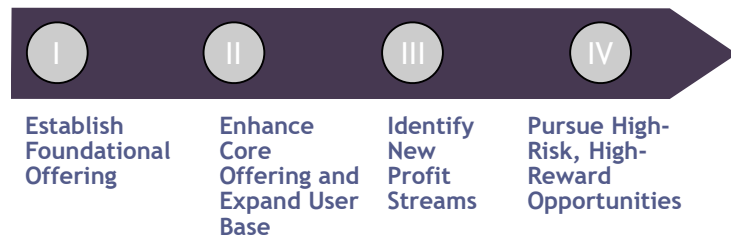
EBITDA Margin



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.

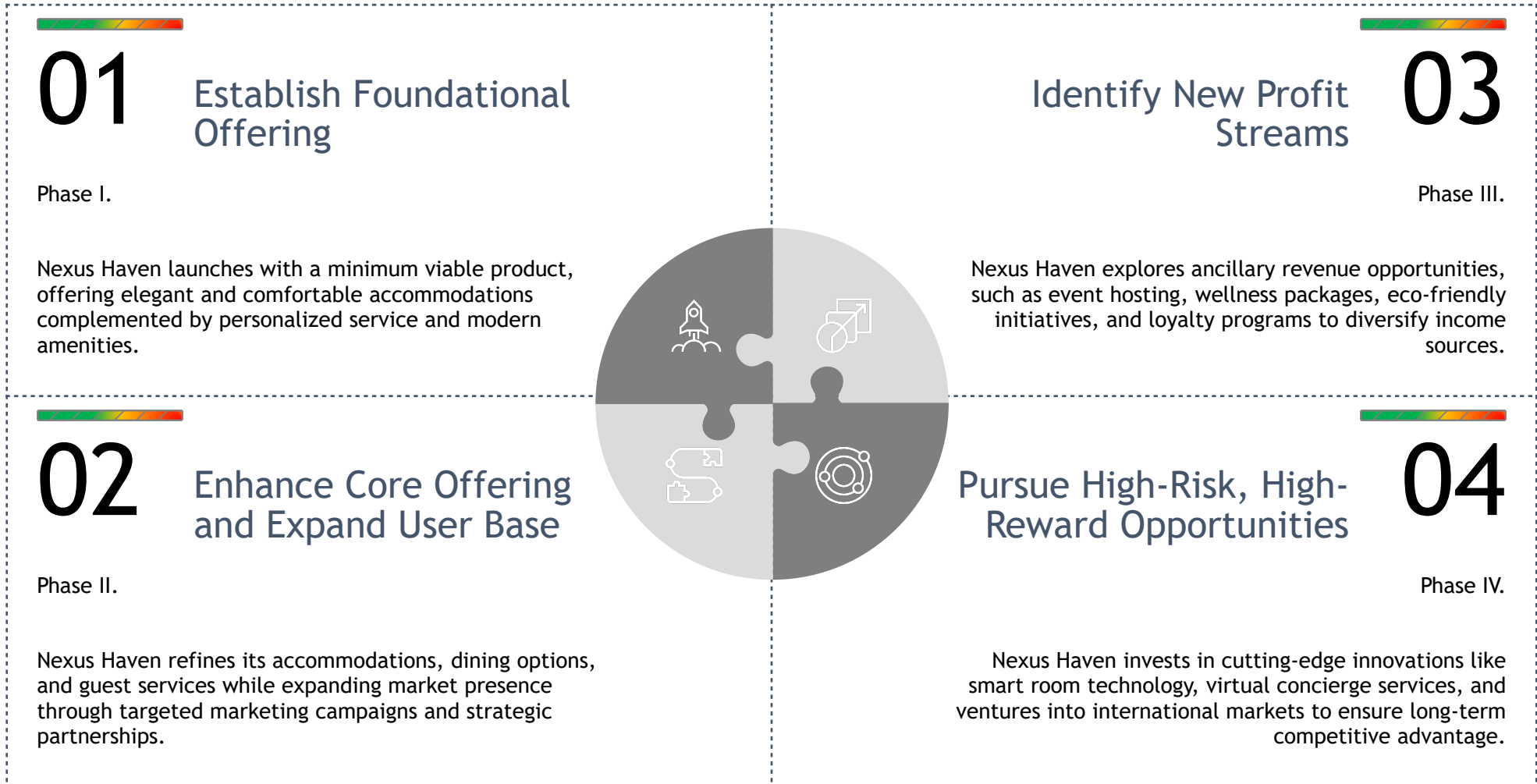


# About the Company: General Overview



Nexus Haven is an elegant hotel designed to provide a sophisticated and relaxing retreat for travelers seeking comfort and exceptional service. Operating within the Short term accommodation activities industry and part of the Accommodation and food service activities sector, Nexus Haven offers a range of luxurious accommodations, from spacious suites to cozy rooms, all equipped with modern amenities and stylish decor. The hotel is committed to delivering a memorable guest experience through personalized service, refined dining options, and state-of-the-art facilities. Emphasizing sustainability and local community engagement, Nexus Haven ensures that each stay supports eco-friendly practices and regional businesses. Whether for business or leisure, Nexus Haven stands as a premier destination for comfort and elegance.

# The Main Phases: **Projects & Impacts**



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Guests</b>	<ol style="list-style-type: none"> <li>1. Guests benefit from high-quality accommodations and personalized service tailored to their specific needs.</li> <li>2. Access to modern amenities and elegant decor enhances the overall stay experience.</li> <li>3. Commitment to sustainability provides eco-friendly options and peace of mind during the stay.</li> </ol>
<b>Local Community</b>	<ol style="list-style-type: none"> <li>1. Local businesses benefit through partnerships and sourcing of regional goods and services.</li> <li>2. Job creation within the local economy supports community growth and development.</li> <li>3. Eco-friendly initiatives and community engagement enhance the area's environmental and social health.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Employees receive training and development opportunities to enhance their skills and career growth.</li> <li>2. A supportive work environment fosters job satisfaction and retention.</li> <li>3. Competitive compensation and benefits packages attract and maintain a high-quality workforce.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Investors can expect steady returns from a well-managed and profitable business model.</li> <li>2. Diversifying income streams through new profit opportunities mitigates risk and enhances revenue potential.</li> <li>3. Expansion into international markets offers opportunities for significant growth and higher yields.</li> </ol>
<b>Environment</b>	<ol style="list-style-type: none"> <li>1. Sustainable practices reduce the hotel's carbon footprint and environmental impact.</li> <li>2. Promoting eco-friendly initiatives encourages environmental responsibility among guests and staff.</li> <li>3. Active participation in conservation and sustainability projects supports broader environmental goals.</li> </ol>
<b>Local Suppliers</b>	<ol style="list-style-type: none"> <li>1. Increased business opportunities through Nexus Haven's commitment to sourcing local products and services.</li> <li>2. Long-term partnerships foster financial stability and growth for local suppliers.</li> <li>3. Promotion of regional products enhances their reputation and market reach.</li> </ol>
<b>Business Partners</b>	<ol style="list-style-type: none"> <li>1. Strategic partnerships with Nexus Haven offer collaborative growth and innovation opportunities.</li> <li>2. Co-marketing efforts enhance brand visibility and market reach for both parties.</li> <li>3. Shared resources and expertise lead to improved operational efficiencies and customer satisfaction.</li> </ol>

# Key Performance Components

## Competitive Advantage

**Luxurious Accommodations**

Nexus Haven offers a range of luxurious accommodations, from spacious suites to cozy rooms, equipped with modern amenities and stylish decor, ensuring a comfortable and sophisticated stay for guests.

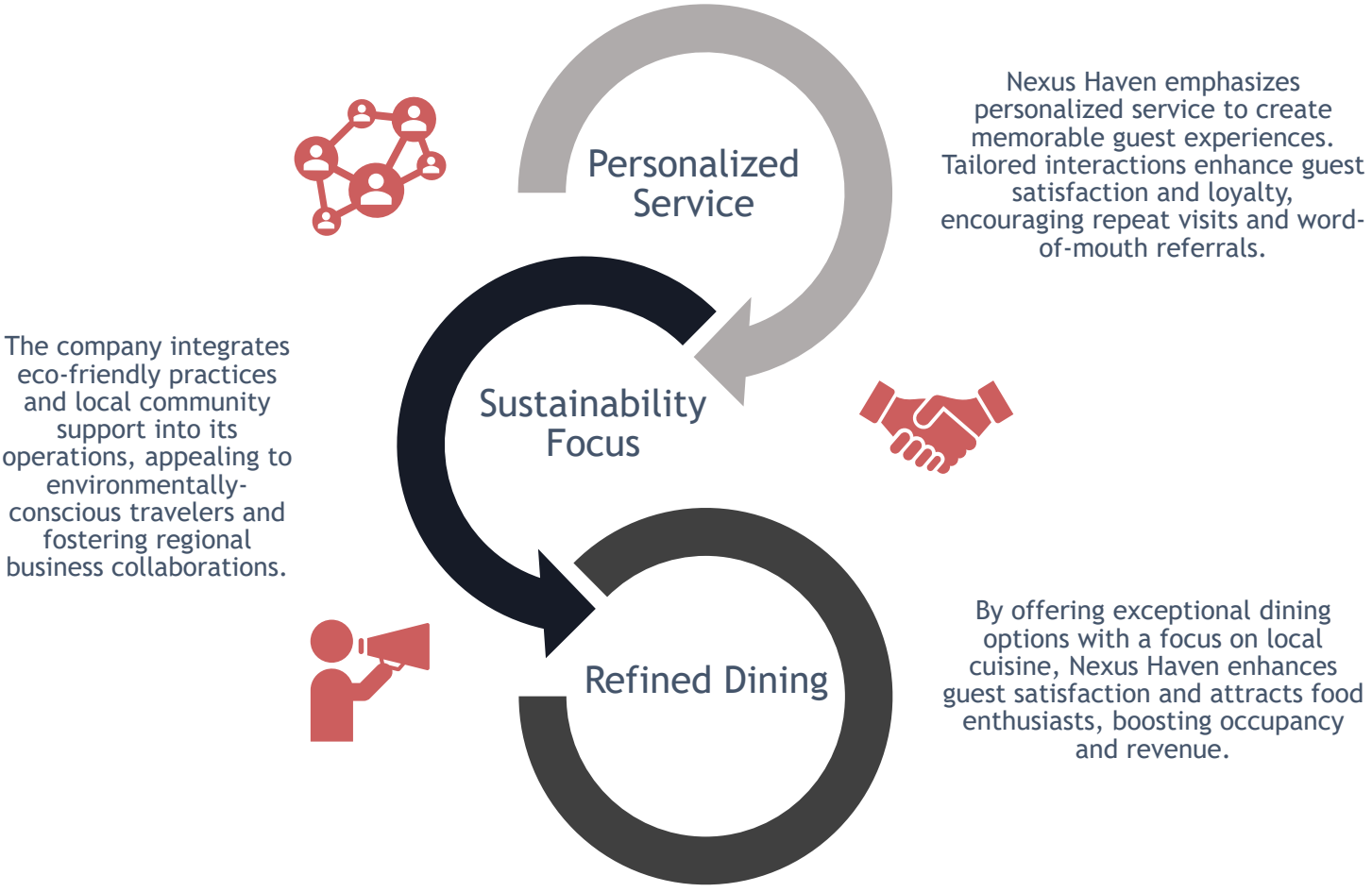
**Personalized Service**

Nexus Haven focuses on delivering a memorable guest experience through personalized service, catering to individual needs and preferences to ensure that every stay is exceptional and tailored uniquely to each guest.

**Sustainability Commitment**








Nexus Haven is committed to sustainability and local community engagement, implementing eco-friendly practices and supporting regional businesses, ensuring that each stay contributes positively to the environment and the local economy.

## Marketing and Growth Strategy

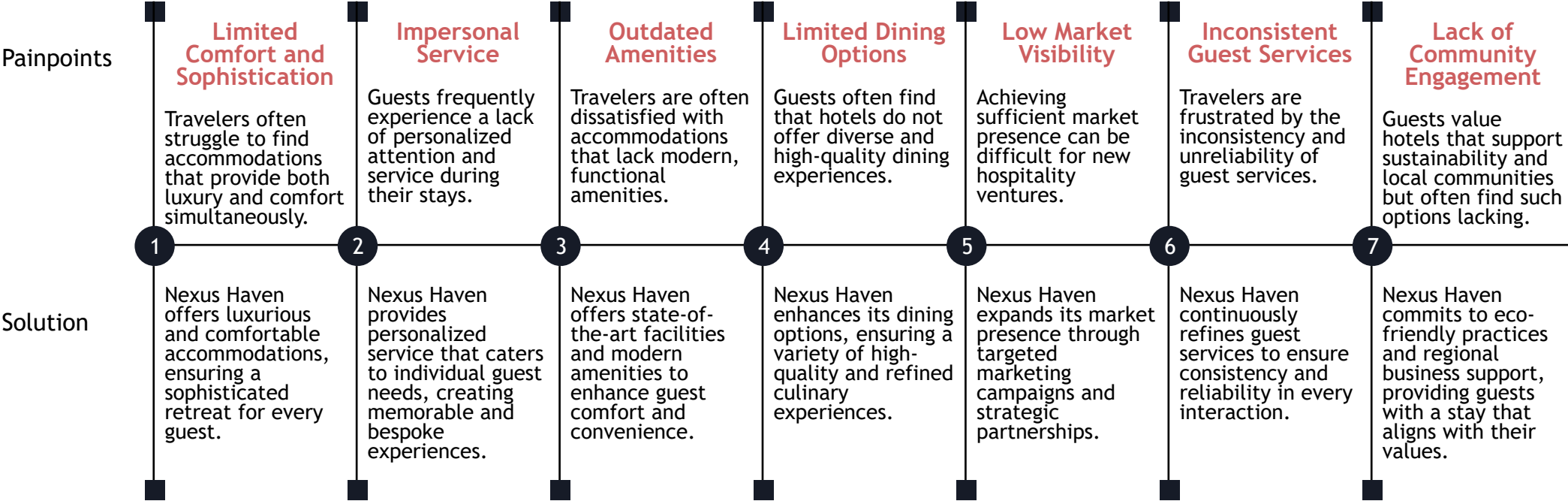




# Target Groups


Industries		Description
I	 Business Travelers	Professionals seeking comfortable and convenient accommodations with amenities that support productive work trips.
II	 Leisure Travelers	Vacationers looking for luxurious and relaxing stays with personalized services and modern amenities.
III	 Event Planners	Coordinators organizing conferences, weddings, or social gatherings in need of upscale venues and comprehensive event services.
IV	 Eco-Conscious Guests	Travelers who prioritize sustainability and prefer accommodations that implement environmentally friendly practices and support local communities.
V	 Wellness Seekers	Individuals looking for wellness packages including spa treatments, fitness facilities, and healthy dining options as part of their stay.
VI	 Corporate Clients	Organizations that require regular accommodations for employees and clients, along with meeting rooms and business facilities.
VII	 International Tourists	Travelers from abroad requiring high-quality accommodations with services tailored to their cultural and practical needs.

## Solution from Phase I to Phase IV




# Strategic Analysis: SWOT

**Strength**



Elegant and luxurious accommodations; High-quality personalized service; Strong focus on guest experience; Refined dining options; State-of-the-art facilities.

**Weaknesses**




High operational costs; Seasonal demand fluctuations; Competition in the luxury hotel market; Dependency on customer reviews; High staff training requirements.

**Opportunities**









Partnerships with local businesses; Increased focus on eco-tourism; Expansion in emerging markets; Growing trend for personalized travel experiences; Adoption of new technologies for enhanced services.

**Threats**



Economic downturns affecting travel; Increased competition from alternative accommodations; Changing travel regulations; Technological disruptions in the hospitality industry; Environmental changes impacting operations.

# Pestel: Analysis

 <b>P</b>	 <b>E</b>	 <b>S</b>	 <b>T</b>	 <b>E</b>	 <b>L</b>						
Political	7 / 10	Economic	6 / 10	Social	9 / 10	Technological	7 / 10	Environmental	7 / 10	Legal	9 / 10
<p><b>Regulations:</b> Government regulations on hospitality industry and environmental standards impacting operations.</p> <p><b>Taxation:</b> Changes in taxation policies affecting profitability and operational costs.</p>	<p><b>Tourism Trends:</b> Economic factors influencing travel and tourism, affecting hotel occupancy rates.</p> <p><b>Inflation:</b> Rising costs of goods and services impact pricing strategies and profit margins.</p>	<p><b>Consumer Preferences:</b> Increasing demand for luxury and eco-friendly accommodations.</p> <p><b>Health Consciousness:</b> Post-pandemic focus on cleanliness and safety impacting guest expectations.</p>	<p><b>Booking Platforms:</b> Advancements in online booking technologies impacting customer engagement.</p> <p><b>Smart Rooms:</b> Integration of smart technology in rooms enhancing guest experience.</p>	<p><b>Sustainability:</b> Commitment to eco-friendly practices attracting environmentally conscious guests.</p> <p><b>Local Sourcing:</b> Engagement with regional businesses supporting local economy and reducing carbon footprint.</p>	<p><b>Labor Laws:</b> Compliance with employment regulations impacting staffing strategies.</p> <p><b>Health Standards:</b> Adherence to health and safety regulations in accommodations.</p>						

Nexus Haven is poised to thrive by continuously monitoring and adapting to PESTEL factors, ensuring a refined guest experience while upholding sustainability and community engagement.

Scores reflect the relative importance and potential impact of each PESTEL factor on the business

# VRIO Framework: Analysis

Does the resource or capability enable the firm to exploit an opportunity or neutralize a threat in the environment?

The elegant setting and personalized service enable Nexus Haven to exploit premium market opportunities and appeal to discerning travelers.

Is the resource or capability controlled by only a few firms or no other firms?

Few firms match the unique combination of elegant design, refined dining, and exceptional guest service offered by Nexus Haven.

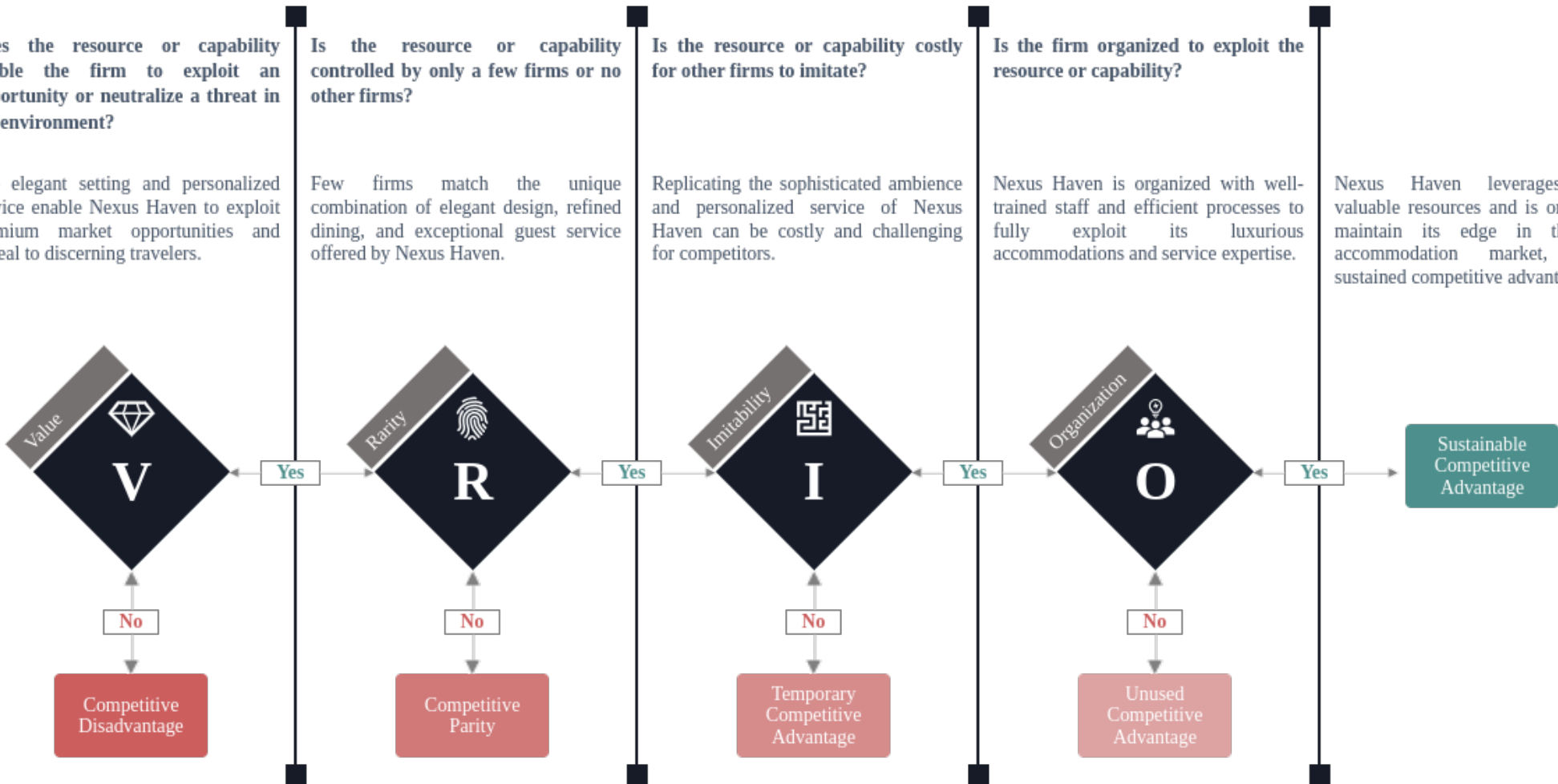
Is the resource or capability costly for other firms to imitate?

Replicating the sophisticated ambience and personalized service of Nexus Haven can be costly and challenging for competitors.

Is the firm organized to exploit the resource or capability?

Nexus Haven is organized with well-trained staff and efficient processes to fully exploit its luxurious accommodations and service expertise.

Nexus Haven leverages unique, valuable resources and is organized to maintain its edge in the luxury accommodation market, ensuring sustained competitive advantage.



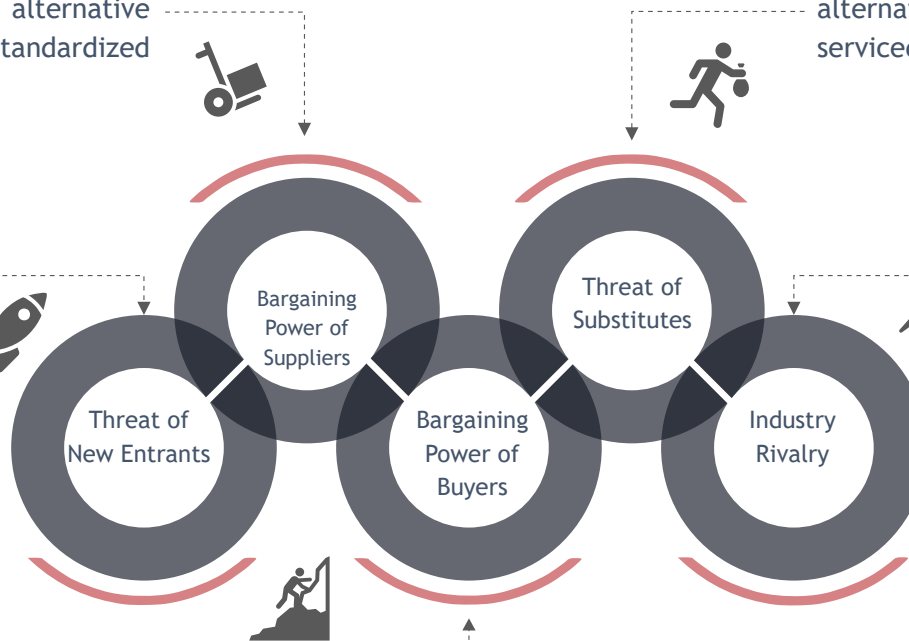
# Porter's Five Forces: Analysis

Suppliers have moderate power due to availability of alternative suppliers and standardized services.

High as customers can opt for alternative lodging like Airbnb and serviced apartments.

High entry barrier due to significant capital investment and brand reputation development.

High due to the presence of several established competitors with similar offerings.



High due to numerous accommodation alternatives and price sensitivity among business and leisure travelers.

Nexus Haven operates in a highly competitive environment, with significant pressures from substitutes, buyer power, and industry rivalry.

High  
Moderate  
Low

# Management Team

## Overview

John leads Nexus Haven with over 12 years of experience in hospitality, ensuring exceptional guest experiences and hotel management.



Co-Founder & CEO

## Emily Johnson



Co-Founder & COO

## Overview

Emily oversees daily operations, focusing on seamless service delivery and enhancing operational efficiency at Nexus Haven.

## Overview

Michael ensures personalized guest services, fostering a welcoming atmosphere and ensuring customer satisfaction.



Head of Guest Relations

## Sophia Brown



Marketing Manager

## Overview

Sophia develops innovative marketing strategies, promoting Nexus Haven as a premier destination for travelers in Hungary.



# History & Roadmap



**Current Status.**

- Launch Marketing Campaign: Start with regional advertising by Feb 2024.
- Enhance Sustainability Practices: Implement new eco-friendly initiatives by Jun 2024.
- Expand Dining Options: Introduce local cuisine menus by Sep 2024.
- Upgrade Guest Facilities: Renovate common areas and amenities by Dec 2024.
- Launch Loyalty Program: Reward frequent guests with exclusive perks by Mar 2025.
- Expand to New Locations: Open new hotels in strategic cities by Jul 2025.



# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Develop Business Plan	●	Not Started	High	CEO 2 months
2	Secure Initial Funding	●	Not Started	High	CFO 3 months
3	Incorporate the Company	●	Not Started	High	CFO 1 month
4	Hire Key Management Team	●	Not Started	High	COO 4 months
5	Identify Location for First Property	●	Not Started	High	CPO 2 months
6	Establish Legal and Compliance Framework	●	Not Started	Medium	CSO 3 months
7	Setup IT Infrastructure	●	Not Started	Medium	CTO 2 months
8	Develop Brand Identity and Guidelines	●	Not Started	High	CMO 2 months
<b>Marketing</b>					
1	Develop Comprehensive Marketing Strategy	●	Not Started	High	CMO 2 months
2	Establish Brand Identity and Positioning	●	Not Started	High	CMO 1 month
3	Launch Website and Booking Platform	●	Not Started	High	CTO 2 months
4	Create Social Media Presence	●	Not Started	Medium	CMO 1 month
5	Develop Content Marketing Strategy	●	Not Started	Medium	CMO 3 months
6	Identify and Collaborate with Influencers	●	Not Started	Medium	CMO 3 months
7	Implement Local SEO Strategy	●	Not Started	High	CTO 1 month
8	Develop Partnerships with Travel Agencies	●	Not Started	Medium	CRO 3 months

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 1 &amp; Technical Set Up for next Phases</b>						
1	Secure initial funding	●	Not Started	High	CFO	2 months
2	Identify and lease property	●	Not Started	High	COO	3 months
3	Develop minimum viable product (MVP)	●	Not Started	High	CPO	4 months
4	Hire key initial staff	●	Not Started	Medium	COO	3 months
5	Implement initial technology infrastructure	●	Not Started	High	CTO	2 months
6	Set up guest service protocols	●	Not Started	Medium	COO	3 months
7	Establish partnerships with local suppliers	●	Not Started	Medium	CBO	4 months
8	Design and furnish rooms	●	Not Started	Medium	COO	5 months
<b>Phase 2</b>						
1	Refine Accommodations	●	Not Started	High	CPO	3 months
2	Enhance Dining Options	●	Not Started	High	COO	4 months
3	Improve Guest Services	●	Not Started	High	CSO	3 months
4	Launch Targeted Marketing Campaigns	●	Not Started	High	CMO	2 months
5	Form Strategic Partnerships	●	Not Started	Medium	CRO	6 months
6	Upgrade Booking System	●	Not Started	Medium	CTO	4 months
7	Expand Online Presence	●	Not Started	High	CIO	3 months
8	Conduct Customer Feedback Surveys	●	Not Started	Medium	CSO	2 months

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 3</b>						
1	Launch Event Hosting Services	●	Not Started	High	COO	3 months
2	Develop Wellness Packages	●	Not Started	Medium	CPO	4 months
3	Initiate Eco-Friendly Initiatives	●	Not Started	High	CSO	2 months
4	Create Loyalty Programs	●	Not Started	High	CRO	1 month
5	Collaborate with Local Vendors	●	Not Started	Medium	CBO	3 months
6	Explore Partnerships for Wellness Activities	●	Not Started	Medium	CMO	4 months
7	Assess Ancillary Revenue Streams	●	Not Started	Low	CFO	5 months
8	Implement Guest Feedback System	●	Not Started	High	CPO	2 months
<b>Phase 4</b>						
1	Develop Smart Room Technology	●	Not Started	High	CTO	6 months
2	Implement Virtual Concierge Services	●	Not Started	High	CTO	5 months
3	Expand into International Markets	●	Not Started	High	CEO	12 months
4	Pilot Artificial Intelligence for Guest Personalization	●	Not Started	Medium	CIO	8 months
5	Integrate Blockchain for Secure Transactions	●	Not Started	Medium	CFO	9 months
6	Launch Augmented Reality Hotel Tours	●	Not Started	Low	CPO	10 months
7	Research and Develop Eco-Friendly Innovations	●	Not Started	Medium	CSO	7 months
8	Form Strategic Alliance with International Travel Agencies	●	Not Started	High	CRO	6 months

# Core Risks & Mitigation Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Maintenance downtime	COO	Implement a proactive maintenance schedule and employ predictive maintenance technologies to minimize downtime.
2	Technology failures	CTO	Implement robust and redundant technology infrastructure to reduce the impact of technology failures.
3	Supply chain disruptions	CPO	Develop strong relationships with multiple suppliers and maintain an emergency inventory to cope with supply chain disruptions.
4	Staffing shortages	CPO	Create a comprehensive recruitment and training program to quickly onboard new employees and retain existing staff.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Health and Safety Regulations Compliance	COO	Conduct regular safety audits and ensure all staff are trained on health and safety protocols.
2	Data Privacy Laws	CIO	Implement rigorous data protection measures and ensure compliance with GDPR and other relevant data privacy regulations.
3	Building and Zoning Codes	CFO	Ensure that all new constructions and renovations comply with local building and zoning regulations.
4	Labor Laws Compliance	CPO	Regularly update HR policies to align with current labor laws and provide ongoing training for management on compliance issues.
5	Environmental Regulations	CSO	Adopt eco-friendly practices and technologies to minimize environmental impact, ensuring compliance with relevant environmental regulations.

### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Competition	CMO	Differentiate through unique guest experiences.
2	Shifting Traveler Preferences	CPO	Continuously update offerings based on market research.
3	Economic Downturn	CFO	Build financial buffers and diversify revenue streams.
4	International Expansion Risks	CRO	Conduct thorough market analysis before entry.
5	Brand Reputation	CEO	Ensure exceptional service and quick issue resolution.

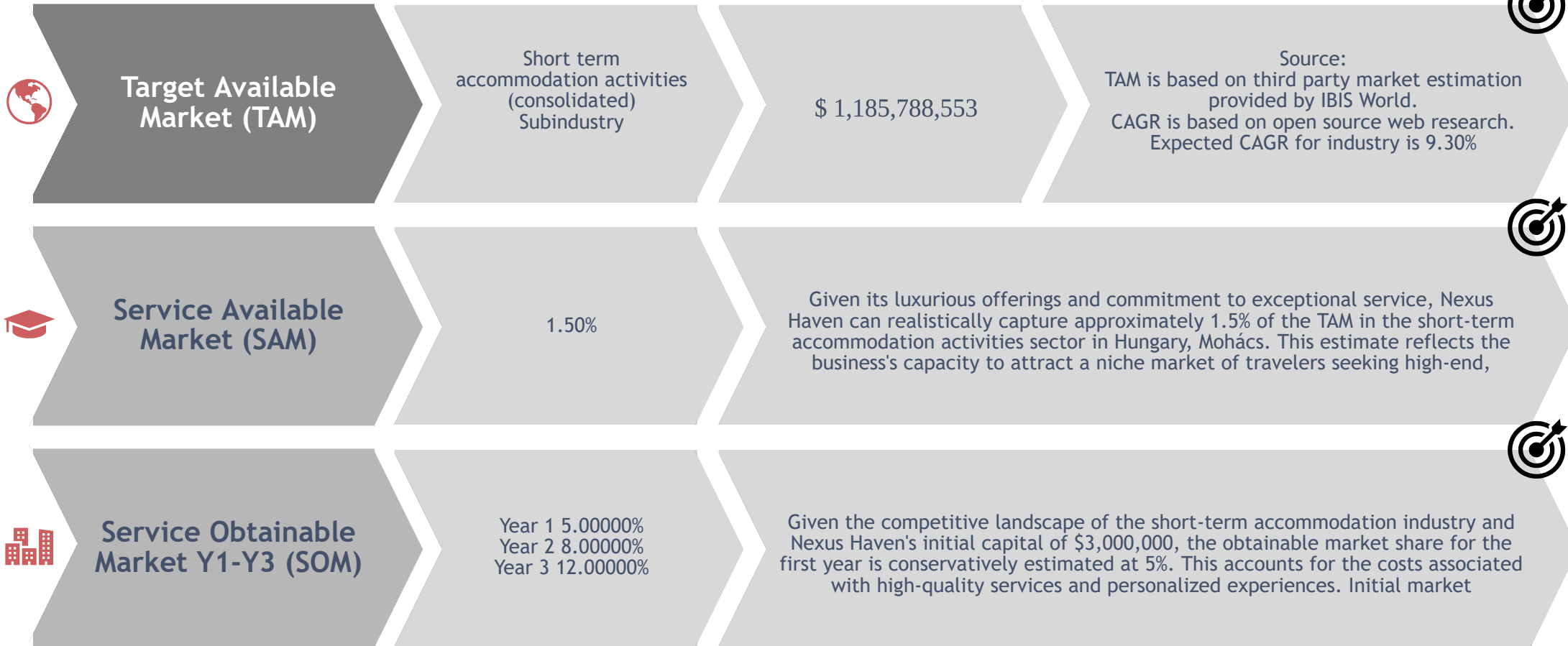
### 4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortages	CFO	Maintain strong cash reserves and optimize cash flow management.
2	Over-leverage	CFO	Carefully manage debt levels and maintain a balanced capital structure.
3	Revenue Volatility	CRO	Diversify revenue streams and establish long-term contracts.
4	Foreign Exchange Risk	CFO	Utilize hedging strategies and monitor exchange rate movements.
5	Capital Allocation Missteps	CEO	Conduct thorough ROI analyses and prioritize high-impact investments.

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Reputation Damage	CMO	Implement a proactive public relations strategy
2	Customer Preference Shifts	CPO	Continuously adapt offerings based on customer feedback
3	Supply Chain Disruptions	COO	Diversify supplier base
4	Talent Retention	CSO	Create competitive employee benefits
5	Cybersecurity Threats	CIO	Invest in advanced cybersecurity measures

# 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.

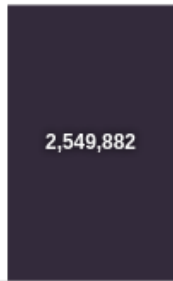
The total investment required is \$ 3,000,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	529,336	
Payroll Expenses		106,721
Rent & Utilities		48,914
Marketing and Branding		44,467
Legal and Professional Fees		13,340
Capex		2,300,000
Training and Development		13,340
Communication Expenses		8,893
Representation and Entert.		8,893
Office supplies		6,670
Other Miscellaneous		5,336
<b>CAPEX &amp; WC shortage Y1</b>		<b>2,027,239</b>
<b>Buffer</b>		<b>972,761</b>
<b>Total Required Investment(USD)</b>		<b>3,000,000</b>



## Y3 PL formation and Margins

### Revenue



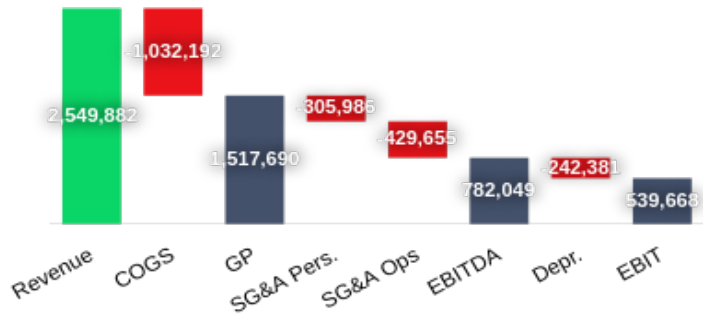
### Projected Revenue

- GP 59.5%
- EBITDA 30.7%

Y3

Y3

### PnL Formation (Y3 USD)

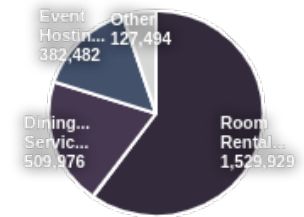
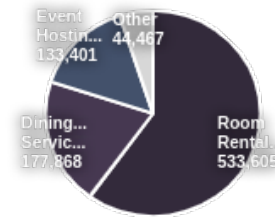


## Business Line Breakdown (USD)

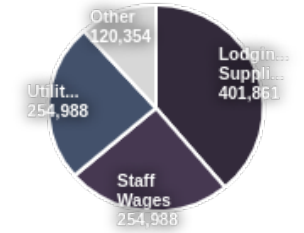
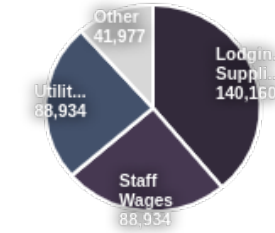
Y1

Y2

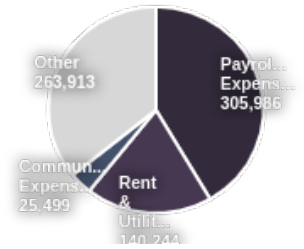
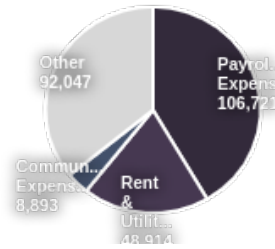
### Revenue



### COGS



### Admin

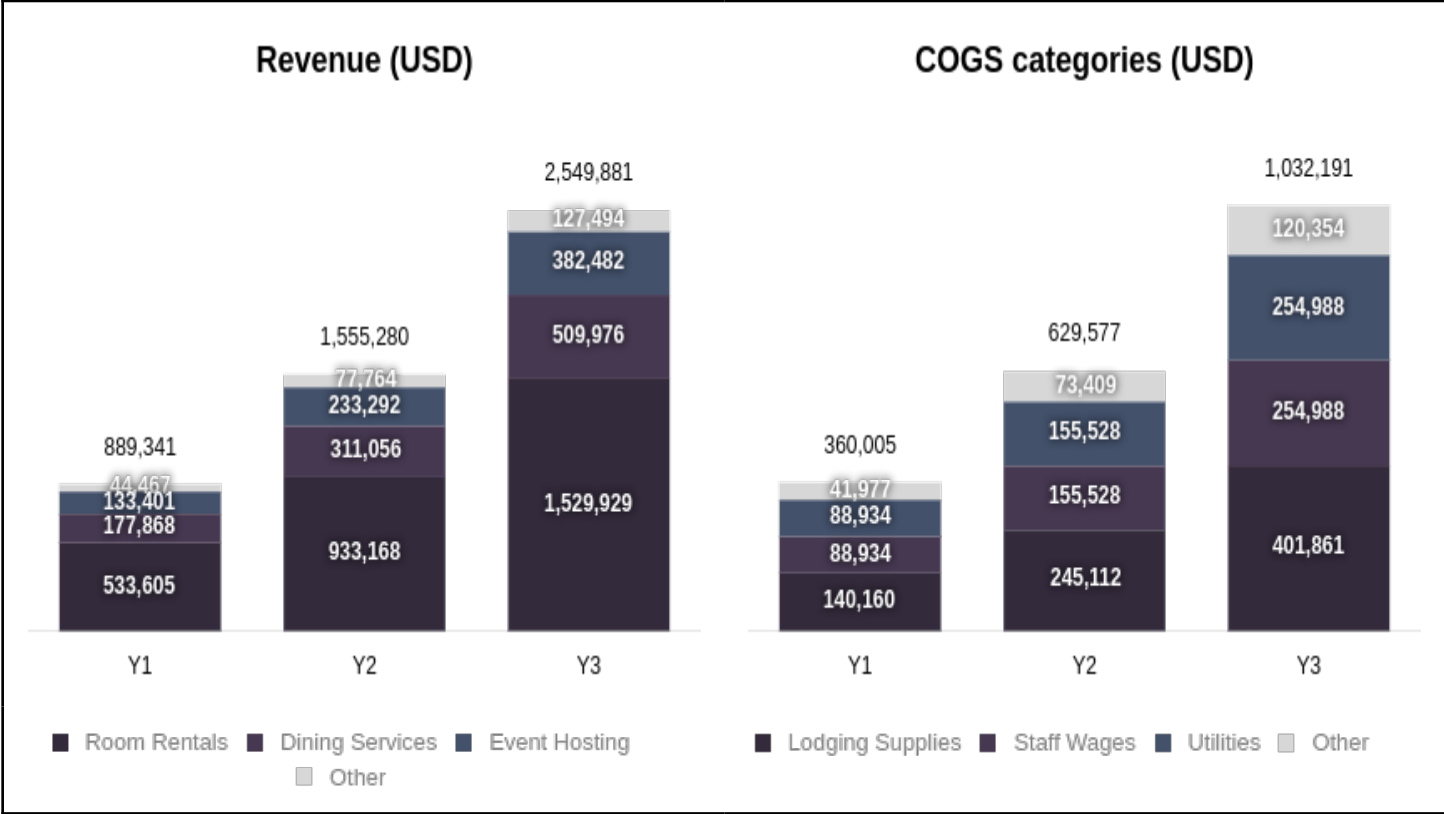




# Revenue Formation Narrative

Nexus Haven projects a robust revenue growth trajectory anchored on its luxurious and personalized offering in the short-term accommodation sector. Our Total Addressable Market (TAM) stands at 1,185,788,553 USD, reflecting the expansive opportunity within Hungary's accommodation and food service activities sector. Given its niche focus on high-end services, Nexus Haven can realistically capture a Serviceable Addressable Market (SAM) of approximately 1.5% of the TAM. This estimate is supported by the hotel's unique value proposition, targeting travelers who prioritize comfort, sustainability, and exceptional service. The estimated Serviceable Obtainable Market (SOM) for the first year is conservatively set at 5%, accounting for initial operational complexities and capital utilization of 3,000,000 USD. In subsequent years, continued emphasis on brand building and customer satisfaction is expected to elevate the SOM to 8% in year 2 and 12% in year 3. The projected revenues align with these growth expectations, with anticipated figures of 889,341.42 USD for year 1, rising to 1,555,280.27 USD by year 2, and reaching 2,549,882 USD in year 3. Nexus Haven's revenue streams are diversified across four main lines of business: Room Rentals (60%), Dining Services (20%), Event Hosting (15%), and Other services (5%). Each line of business is poised to contribute significantly to the overall revenue, ensuring a balanced and sustainable growth model. This strategic focus positions Nexus Haven to thrive in the competitive landscape, delivering refined experiences that foster guest loyalty and drive long-term success.

**\$ 2,549,882** Y3 Projected Revenue      **0.18%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Room Rentals	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Dining Services	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Event Hosting	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%
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%

Room Rentals	33,350	33,350	33,350	40,020	40,020	40,020	48,914	48,914	48,914	55,584	55,584	55,584	533,605	933,168	1,529,929
Dining Services	11,117	11,117	11,117	13,340	13,340	13,340	16,305	16,305	16,305	18,528	18,528	18,528	177,868	311,056	509,976
Event Hosting	8,338	8,338	8,338	10,005	10,005	10,005	12,228	12,228	12,228	13,896	13,896	13,896	133,401	233,292	382,482
Other	2,779	2,779	2,779	3,335	3,335	3,335	4,076	4,076	4,076	4,632	4,632	4,632	44,467	77,764	127,494

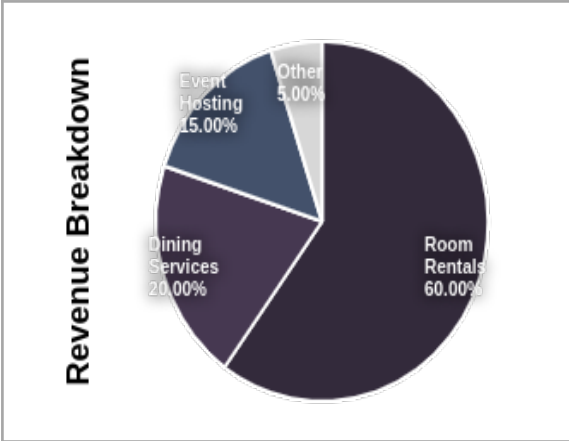
<b>Total Revenue (USD)</b>	<b>55,584</b>	<b>55,584</b>	<b>55,584</b>	<b>66,701</b>	<b>66,701</b>	<b>66,701</b>	<b>81,523</b>	<b>81,523</b>	<b>81,523</b>	<b>92,640</b>	<b>92,640</b>	<b>92,640</b>	<b>889,341</b>	<b>1,555,280</b>	<b>2,549,882</b>
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Total revenue is expected to reach \$ 2,549,882 by year 3.

Main revenue driver are:

- Room Rentals which generates \$ 1,529,929 by Year 3
- Dining Services which generates \$ 509,976 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 69.33 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Lodging Supplies	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%
Staff Wages	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%
Utilities	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	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%

Lodging Supplies	8,760	8,760	8,760	10,512	10,512	10,512	12,848	12,848	12,848	14,600	14,600	14,600	140,160	245,112	401,861
Staff Wages	5,558	5,558	5,558	6,670	6,670	6,670	8,152	8,152	8,152	9,264	9,264	9,264	88,934	155,528	254,988
Utilities	5,558	5,558	5,558	6,670	6,670	6,670	8,152	8,152	8,152	9,264	9,264	9,264	88,934	155,528	254,988
Other	2,624	2,624	2,624	3,148	3,148	3,148	3,848	3,848	3,848	4,373	4,373	4,373	41,977	73,409	120,354

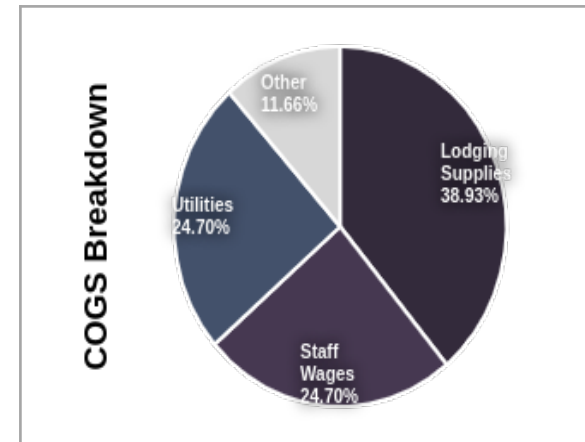
<b>Total COGS (USD)</b>	<b>22,500</b>	<b>22,500</b>	<b>22,500</b>	<b>27,000</b>	<b>27,000</b>	<b>27,000</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>	<b>37,501</b>	<b>37,501</b>	<b>37,501</b>	<b>360,005</b>	<b>629,577</b>	<b>1,032,192</b>
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Total COGS is expected to reach \$ 1,032,192 by year 3.

Main revenue driver are:

- Lodging Supplies which generates \$ 401,861 by Year 3
- Staff Wages which generates \$ 254,988 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 69.33 %



# 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>	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
<i>Rent &amp; Utilities</i>	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
<i>Communication Expenses</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Office supplies</i>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
<i>Legal and Professional Fees</i>	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<i>Marketing and Branding</i>	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>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>	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>Other Miscellaneous</i>	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%

<i>Payroll Expenses</i>	6,670	6,670	6,670	8,004	8,004	8,004	9,783	9,783	9,783	11,117	11,117	11,117	106,721	186,634	305,986
<i>Rent &amp; Utilities</i>	3,057	3,057	3,057	3,669	3,669	3,669	4,484	4,484	4,484	5,095	5,095	5,095	48,914	85,540	140,244
<i>Communication Expenses</i>	556	556	556	667	667	667	815	815	815	926	926	926	8,893	15,553	25,499
<i>Office supplies</i>	417	417	417	500	500	500	611	611	611	695	695	695	6,670	11,665	19,124
<i>Legal and Professional Fees</i>	834	834	834	1,001	1,001	1,001	1,223	1,223	1,223	1,390	1,390	1,390	13,340	23,329	38,248
<i>Marketing and Branding</i>	2,779	2,779	2,779	3,335	3,335	3,335	4,076	4,076	4,076	4,632	4,632	4,632	44,467	77,764	127,494
<i>Representation and Entertainment</i>	556	556	556	667	667	667	815	815	815	926	926	926	8,893	15,553	25,499
<i>Training and Development</i>	834	834	834	1,001	1,001	1,001	1,223	1,223	1,223	1,390	1,390	1,390	13,340	23,329	38,248
<i>Other Miscellaneous</i>	334	334	334	400	400	400	489	489	489	556	556	556	5,336	9,332	15,299

<b>Total SG&amp;A (USD)</b>	<b>16,036</b>	<b>16,036</b>	<b>16,036</b>	<b>19,243</b>	<b>19,243</b>	<b>19,243</b>	<b>23,519</b>	<b>23,519</b>	<b>23,519</b>	<b>26,727</b>	<b>26,727</b>	<b>26,727</b>	<b>256,575</b>	<b>448,698</b>	<b>735,641</b>
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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
<b>Revenue</b>	55,584	55,584	55,584	66,701	66,701	66,701	81,523	81,523	81,523	92,640	92,640	92,640	889,341	1,555,280	2,549,882
Room Rentals	33,350	33,350	33,350	40,020	40,020	40,020	48,914	48,914	48,914	55,584	55,584	55,584	533,605	933,168	1,529,929
Dining Services	11,117	11,117	11,117	13,340	13,340	13,340	16,305	16,305	16,305	18,528	18,528	18,528	177,868	311,056	509,976
Event Hosting	8,338	8,338	8,338	10,005	10,005	10,005	12,228	12,228	12,228	13,896	13,896	13,896	133,401	233,292	382,482
Other	2,779	2,779	2,779	3,335	3,335	3,335	4,076	4,076	4,076	4,632	4,632	4,632	44,467	77,764	127,494
<b>COGS</b>	-22,500	-22,500	-22,500	-27,000	-27,000	-27,000	-33,000	-33,000	-33,000	-37,501	-37,501	-37,501	-360,005	-629,577	-1,032,192
Lodging Supplies	-8,760	-8,760	-8,760	-10,512	-10,512	-10,512	-12,848	-12,848	-12,848	-14,600	-14,600	-14,600	-140,160	-245,112	-401,861
Staff Wages	-5,558	-5,558	-5,558	-6,670	-6,670	-6,670	-8,152	-8,152	-8,152	-9,264	-9,264	-9,264	-88,934	-155,528	-254,988
Utilities	-5,558	-5,558	-5,558	-6,670	-6,670	-6,670	-8,152	-8,152	-8,152	-9,264	-9,264	-9,264	-88,934	-155,528	-254,988
Other	-2,624	-2,624	-2,624	-3,148	-3,148	-3,148	-3,848	-3,848	-3,848	-4,373	-4,373	-4,373	-41,977	-73,409	-120,354
<b>Gross Profit</b>	33,084	33,084	33,084	39,700	39,700	39,700	48,522	48,522	48,522	55,139	55,139	55,139	529,336	925,703	1,517,690
<b>SG&amp;A Personal Expenses</b>	-6,670	-6,670	-6,670	-8,004	-8,004	-8,004	-9,783	-9,783	-9,783	-11,117	-11,117	-11,117	-106,721	-186,634	-305,986
<b>SG&amp;A Operating Expenses</b>	-9,366	-9,366	-9,366	-11,239	-11,239	-11,239	-13,737	-13,737	-13,737	-15,610	-15,610	-15,610	-149,854	-262,065	-429,655
<b>EBITDA</b>	17,048	17,048	17,048	20,457	20,457	20,457	25,003	25,003	25,003	28,413	28,413	28,413	272,761	477,004	782,049
<b>Depreciation</b>	-20,198	-20,198	-20,198	-20,198	-20,198	-20,198	-20,198	-20,198	-20,198	-20,198	-20,198	-20,198	-242,381	-242,381	-242,381
<b>EBIT</b>	-3,151	-3,151	-3,151	259	259	259	4,805	4,805	4,805	8,214	8,214	8,214	30,380	234,624	539,668
<b>Interest Expense</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Profit before Tax</b>	-3,151	-3,151	-3,151	259	259	259	4,805	4,805	4,805	8,214	8,214	8,214	30,380	234,624	539,668
<b>Tax</b>	284	284	284	-23	-23	-23	-432	-432	-432	-739	-739	-739	-2,734	-21,116	-48,570
<b>Profit after Tax (USD)</b>	-2,867	-2,867	-2,867	235	235	235	4,372	4,372	4,372	7,475	7,475	7,475	27,646	213,507	491,098

# Balance Sheet Statement

1 2 3 4 5 6 7 8

Financial Projection

Balance Sheet (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cash & Cash Equivalents	638,963	656,011	667,622	677,899	698,356	711,564	722,994	747,997	767,563	785,796	814,208	840,388	840,388	1,220,733	1,834,831
Accounts Receivable	55,584	55,584	55,584	66,701	66,701	66,701	81,523	81,523	81,523	92,640	92,640	92,640	92,640	162,008	265,613
Inventory	22,500	22,500	27,000	27,000	27,000	33,000	33,000	33,000	37,501	37,501	37,501	39,349	39,349	64,512	107,520
Prepaid Expenses	4,683	4,683	5,620	5,620	5,620	6,868	6,868	6,868	7,805	7,805	7,805	8,190	8,190	13,427	22,378
Deferred Tax Assets	284	567	851	827	804	781	348	-	-	-	-	-	-	-	-
<b>Current Assets</b>	<b>722,014</b>	<b>739,345</b>	<b>756,676</b>	<b>778,047</b>	<b>798,481</b>	<b>818,914</b>	<b>844,734</b>	<b>869,388</b>	<b>894,392</b>	<b>923,741</b>	<b>952,153</b>	<b>980,566</b>	<b>980,566</b>	<b>1,460,680</b>	<b>2,230,342</b>
Building and Construction Costs	797,778	795,556	793,333	791,111	788,889	786,667	784,444	782,222	780,000	777,778	775,556	773,333	773,333	746,667	720,000
Furniture, Fixtures, and Equipment (FF&E)	495,833	491,667	487,500	483,333	479,167	475,000	470,833	466,667	462,500	458,333	454,167	450,000	450,000	400,000	350,000
IT and Hotel Management Systems	393,333	386,667	380,000	373,333	366,667	360,000	353,333	346,667	340,000	333,333	326,667	320,000	320,000	240,000	160,000
Renovation and Interior Design	592,857	585,714	578,571	571,429	564,286	557,143	550,000	542,857	535,714	528,571	521,429	514,286	514,286	428,571	342,857
<b>Non-Current Assets</b>	<b>2,279,802</b>	<b>2,259,603</b>	<b>2,239,405</b>	<b>2,219,206</b>	<b>2,199,008</b>	<b>2,178,810</b>	<b>2,158,611</b>	<b>2,138,413</b>	<b>2,118,214</b>	<b>2,098,016</b>	<b>2,077,817</b>	<b>2,057,619</b>	<b>2,057,619</b>	<b>1,815,238</b>	<b>1,572,857</b>
<b>Total Assets</b>	<b>3,001,816</b>	<b>2,998,948</b>	<b>2,996,081</b>	<b>2,997,253</b>	<b>2,997,488</b>	<b>2,997,724</b>	<b>3,003,345</b>	<b>3,007,801</b>	<b>3,012,606</b>	<b>3,021,757</b>	<b>3,029,971</b>	<b>3,038,185</b>	<b>3,038,185</b>	<b>3,275,919</b>	<b>3,803,199</b>
Accounts Payable	4,683	4,683	4,683	5,620	5,620	5,620	6,868	6,868	6,868	7,805	7,805	7,805	7,805	13,649	22,378
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-	-	-	84	516	1,256	1,995	2,734	2,734	21,116	48,570
<b>Current Liabilities</b>	<b>4,683</b>	<b>4,683</b>	<b>4,683</b>	<b>5,620</b>	<b>5,620</b>	<b>5,620</b>	<b>6,868</b>	<b>6,952</b>	<b>7,385</b>	<b>9,061</b>	<b>9,800</b>	<b>10,539</b>	<b>10,539</b>	<b>34,765</b>	<b>70,948</b>
Loans and other borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>4,683</b>	<b>4,683</b>	<b>4,683</b>	<b>5,620</b>	<b>5,620</b>	<b>5,620</b>	<b>6,868</b>	<b>6,952</b>	<b>7,385</b>	<b>9,061</b>	<b>9,800</b>	<b>10,539</b>	<b>10,539</b>	<b>34,765</b>	<b>70,948</b>
Paid-In Capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	27,646	241,153
Current Period Earnings	-2,867	-5,735	-8,602	-8,366	-8,131	-7,896	-3,523	849	5,221	12,696	20,171	27,646	27,646	213,507	491,098
<b>Total Equity</b>	<b>2,997,133</b>	<b>2,994,265</b>	<b>2,991,398</b>	<b>2,991,634</b>	<b>2,991,869</b>	<b>2,992,104</b>	<b>2,996,477</b>	<b>3,000,849</b>	<b>3,005,221</b>	<b>3,012,696</b>	<b>3,020,171</b>	<b>3,027,646</b>	<b>3,027,646</b>	<b>3,241,153</b>	<b>3,732,251</b>

# Cash Flow Statement - Direct

Cash Flow Statement - Direct (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	672,817	638,963	656,011	667,622	677,899	698,356	711,564	722,994	747,997	767,563	785,796	814,208	-	840,388	1,220,733
Cash from sales of goods/services	-	55,584	55,584	55,584	66,701	66,701	66,701	81,523	81,523	81,523	92,640	92,640	796,702	1,485,912	2,446,278
Payments to employees/vendors	-33,853	-38,536	-43,036	-45,307	-46,244	-52,244	-55,271	-56,520	-61,020	-63,291	-64,227	-66,075	-648,124	-1,097,595	-1,802,113
Advances paid/received	-	-	-937	-	-	-1,249	-	-	-937	-	-	-385	-8,190	-5,237	-8,951
Taxes paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-2,734	-21,116
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CF from Operating Activities</b>	-33,853	17,048	11,611	10,277	20,457	13,208	11,430	25,003	19,566	18,232	28,413	26,180	140,388	380,345	614,098
Acquisition of															
Building and Construction Costs	-	-	-	-	-	-	-	-	-	-	-	-	-800,000	-	-
Furniture, Fixtures, and Equipment (FF&E)	-	-	-	-	-	-	-	-	-	-	-	-	-500,000	-	-
IT and Hotel Management Systems	-	-	-	-	-	-	-	-	-	-	-	-	-400,000	-	-
Renovation and Interior Design	-	-	-	-	-	-	-	-	-	-	-	-	-600,000	-	-
<b>CF from Investing Activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-2,300,000	-	-
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	-	-
<b>CF from Financing activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	-	-
<b>Ending Balance</b>	638,963	656,011	667,622	677,899	698,356	711,564	722,994	747,997	767,563	785,796	814,208	840,388	840,388	1,220,733	1,834,831

## Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.

# Cash Flow Statement - Indirect

1 2 3 4 5 6 7 8

Financial Projection

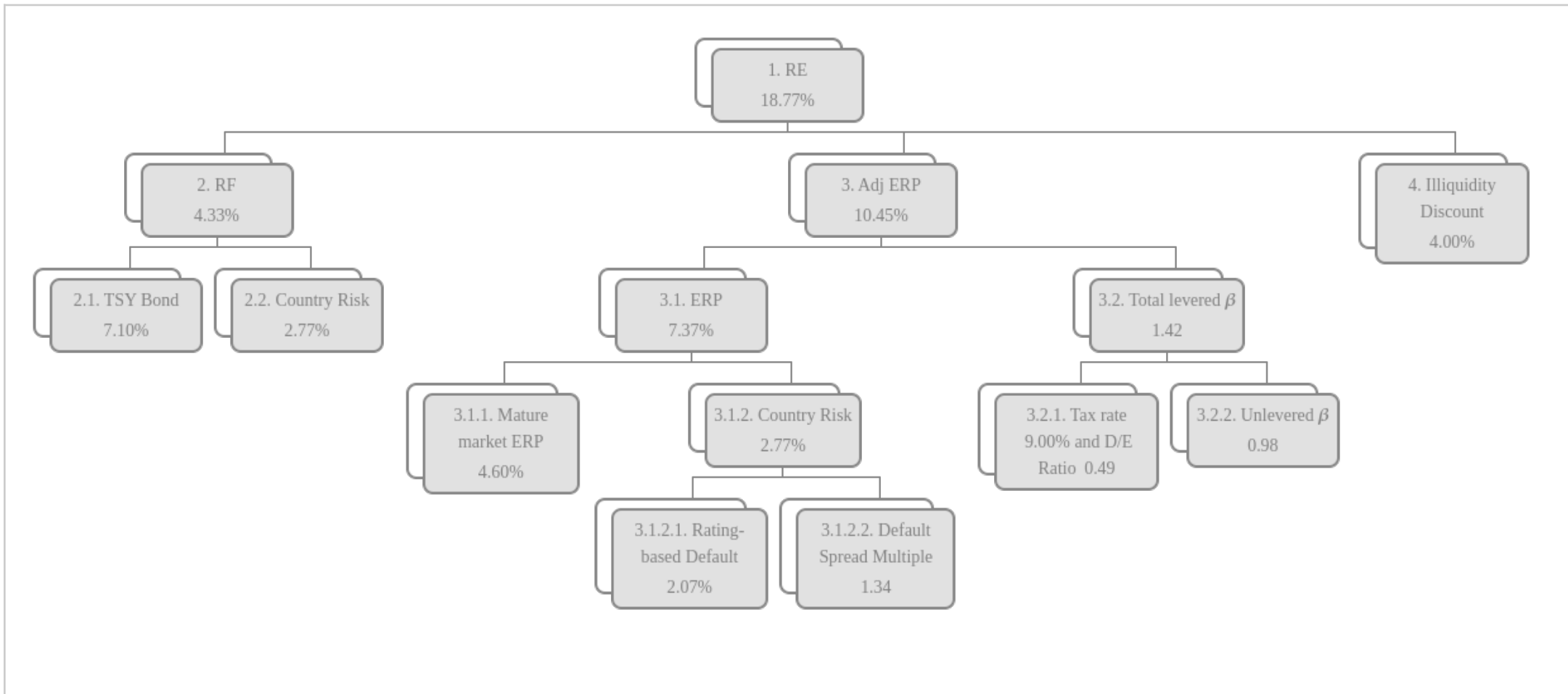
Cash Flow Statement - Indirect (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	672,817	638,963	656,011	667,622	677,899	698,356	711,564	722,994	747,997	767,563	785,796	814,208	-	840,388	1,220,733
EBIT	-3,151	-3,151	-3,151	259	259	259	4,805	4,805	4,805	8,214	8,214	8,214	30,380	234,624	539,668
Δ Receivables & Prepaids	-55,584	-	-937	-11,117	-	-1,249	-14,822	-	-937	-11,117	-	-385	-100,829	-74,606	-112,555
Δ Payables	4,683	-	-	937	-	-	1,249	-	-	937	-	-	7,805	5,844	8,729
Δ Inventory	-	-	-4,500	-	-	-6,000	-	-	-4,500	-	-	-1,848	-39,349	-25,163	-43,008
Δ Depreciation	20,198	20,198	20,198	20,198	20,198	20,198	20,198	20,198	20,198	20,198	20,198	20,198	242,381	242,381	242,381
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-2,734	-21,116
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CF from Operating Activities</b>	-33,853	17,048	11,611	10,277	20,457	13,208	11,430	25,003	19,566	18,232	28,413	26,180	140,388	380,345	614,098
Acquisition of															
Building and Construction Costs	-	-	-	-	-	-	-	-	-	-	-	-	-800,000	-	-
Furniture, Fixtures, and Equipment (FF&E)	-	-	-	-	-	-	-	-	-	-	-	-	-500,000	-	-
IT and Hotel Management Systems	-	-	-	-	-	-	-	-	-	-	-	-	-400,000	-	-
Renovation and Interior Design	-	-	-	-	-	-	-	-	-	-	-	-	-600,000	-	-
<b>CF from Investing Activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-2,300,000	-	-
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	-	-
<b>CF from Financing activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	-	-
<b>Ending Balance</b>	638,963	656,011	667,622	677,899	698,356	711,564	722,994	747,997	767,563	785,796	814,208	840,388	840,388	1,220,733	1,834,831

## Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.



## 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 ( $\beta$ ) 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](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	27,646	213,507	491,098	536,770	586,689	641,252	700,888
	Growth% Y4-Y7				9.30%	9.30%	9.30%	9.30%
	Growth% Y7 -->	3.50%						
	WACC	18.77%						
	PV Y1-Y7 at Y0	23,276	151,344	293,086	269,707	248,192	228,394	210,174
	PV Y7 --> Y0	1,424,119						
	NPV (USD)	2,848,292						

Average Survival Rate for 3 Years 50%

Final Valuation \$ 1,424,146

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 18.77 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 9.30 %, 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.

# Scenario Analysis: Narrative

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

KPI	Scenario	Narrative	KPI affected by
Revenue	Positive	This scenario reflects a favorable market environment or a strategic breakthrough, leading to higher projected revenue. It showcases the potential rewards of scaling and innovative approaches.	higher by 15%
	Negative	This scenario accounts for challenging conditions such as economic downturns or market disruptions, forecasting a potential revenue decrease. It emphasizes the importance of adaptability and risk management.	lower by 15%
COGS	Positive	This scenario demonstrates the benefits of operational efficiency or cost-saving strategies, resulting in reduced COGS. It highlights the value of innovation in supply chain and operations.	lower by 20%
	Negative	This scenario addresses rising costs due to external pressures, resulting in an increase in COGS. It underlines the need for proactive cost-control measures.	higher by 20%
Discount Rate (RoE)	Positive	This scenario assumes a decrease in the discount rate (RoE) due to improved market conditions, lower perceived risk, or favorable macroeconomic factors. A lower discount rate increases the present value of future cash flows, enhancing the company's valuation.	lower by 10%
	Negative	This scenario models an increase in the discount rate (RoE) driven by higher market risk, macroeconomic instability, or industry-specific challenges. A higher discount rate reduces the present value of future cash flows, decreasing the company's valuation.	higher by 10%

# Scenario Analysis: Results

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

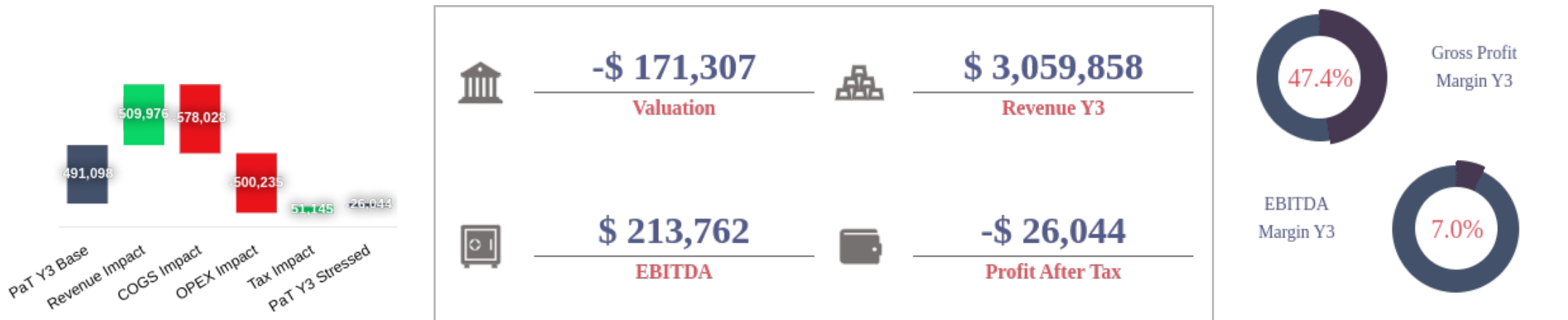
Scenario Analysis		Revenue		COGS		Discount Rate		
	KPIs	Base	Positive	Negative	Positive	Negative	Positive	Negative
Input	Revenue	no impact	15%	-15%	no impact	no impact	no impact	no impact
	COGS	no impact	no impact	no impact	-20%	20%	no impact	no impact
	RoE	no impact	no impact	no impact	no impact	no impact	-10%	10%
Output	Revenue Y3	\$ 2,549,882	\$ 2,932,364	\$ 2,167,400	\$ 2,549,882	\$ 2,549,882	\$ 2,549,882	\$ 2,549,882
	Gross Profit Y3	\$ 1,517,690	\$ 1,745,343	\$ 1,290,036	\$ 1,724,128	\$ 1,311,251	\$ 1,517,690	\$ 1,517,690
	GP Margin	60%	60%	60%	68%	51%	60%	60%
	EBITDA Y3	\$ 782,049	\$ 899,356	\$ 664,741	\$ 988,487	\$ 575,610	\$ 782,049	\$ 782,049
	EBITDA Margin	31%	31%	31%	39%	23%	31%	31%
	Net Profit Y3	\$ 491,098	\$ 597,847	\$ 384,348	\$ 678,957	\$ 303,239	\$ 491,098	\$ 491,098
	Profit Margin	19%	20%	18%	27%	12%	19%	19%
	Final Valuation	\$ 1,424,146	\$ 1,753,484	\$ 1,094,809	\$ 2,003,717	\$ 844,575	\$ 1,672,556	\$ 1,232,279

# Stress Test: Growth Under Pressure

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

Scenario Name	Story	KPIs impact	
<b>Growth Under Pressure</b>	This scenario explores the challenges of managing rapid growth while dealing with operational bottlenecks. A surge in demand and revenue places significant strain on supply chains and internal processes. Despite achieving higher sales volumes, inefficiencies in scaling lead to increased costs and a heightened risk perception, keeping the discount rate elevated. 'Growth Under Pressure' examines how businesses can balance seizing growth opportunities while investing in infrastructure, talent, and systems to support scalability.	<b>Revenue</b> Higher by 20%	<b>COGS</b> Higher by 30%
		<b>OPEX</b> Higher by 40%	<b>Discount Rate</b> unaffected

## Results



# Stress Test: The Perfect Storm

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

## Scenario Name

## Story

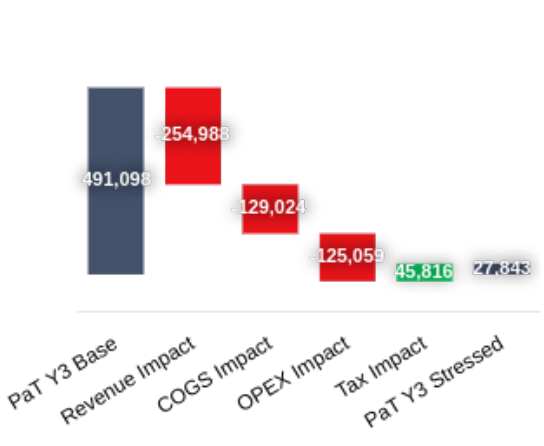
## KPIs impact

# The Perfect Storm

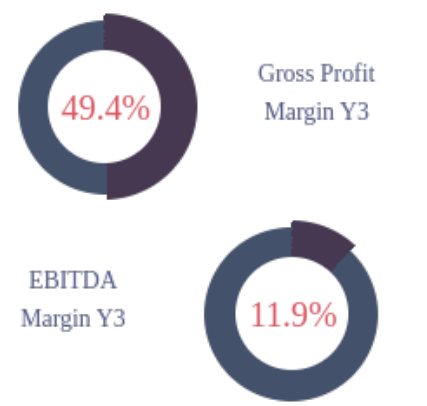
This scenario simulates the convergence of adverse market conditions and rising operational challenges. A sharp downturn in market demand coincides with increased costs due to inflation and supply chain disruptions. The combination results in a dual hit to both top-line revenue and operational margins. Additionally, external factors such as economic instability elevate the discount rate, amplifying the pressure on future cash flows. Businesses facing 'The Perfect Storm' must focus on resilience through diversified revenue streams, cost-control measures, and contingency planning.

<b>Revenue</b> Lower by 10%	<b>COGS</b> Higher by 25%
<b>OPEX</b> Higher by 30%	<b>Discount Rate</b> Higher by 10%

## Results



	<b>-\$ 14,162</b> Valuation		<b>\$ 2,294,894</b> Revenue Y3
	<b>\$ 272,978</b> EBITDA		<b>\$ 27,843</b> Profit After Tax



# Sensitivity Analysis: SAM & SOM

This sensitivity analysis evaluates the potential impact of changes in Serviceable Addressable Market (SAM) and Serviceable Obtainable Market (SOM) on key financial metrics. By simulating percentage variations in SAM and SOM, this analysis helps identify how shifts in market assumptions affect revenue, profitability, and overall valuation.

		SAM						SOM					
		-20%	-10%	-5%	5%	10%	20%	-9%	-6%	-3%	3%	6%	9%
Revenue	Y1	\$ 711,473	\$ 800,407	\$ 844,874	\$ 933,808	\$ 978,276	\$ 1,067,210	\$ 809,301	\$ 835,981	\$ 862,661	\$ 916,022	\$ 942,702	\$ 969,382
	Y2	\$ 1,244,224	\$ 1,399,752	\$ 1,477,516	\$ 1,633,044	\$ 1,710,808	\$ 1,866,336	\$ 1,415,305	\$ 1,461,963	\$ 1,508,622	\$ 1,601,939	\$ 1,648,597	\$ 1,695,255
	Y3	\$ 2,039,906	\$ 2,294,894	\$ 2,422,388	\$ 2,677,376	\$ 2,804,870	\$ 3,059,858	\$ 2,320,393	\$ 2,396,889	\$ 2,473,386	\$ 2,626,378	\$ 2,702,875	\$ 2,779,371
Gross Profit	Y1	\$ 423,469	\$ 476,402	\$ 502,869	\$ 555,803	\$ 582,270	\$ 635,203	\$ 481,696	\$ 497,576	\$ 513,456	\$ 545,216	\$ 561,096	\$ 576,976
	Y2	\$ 740,562	\$ 833,133	\$ 879,418	\$ 971,988	\$ 1,018,273	\$ 1,110,843	\$ 842,390	\$ 870,161	\$ 897,932	\$ 953,474	\$ 981,245	\$ 1,009,016
	Y3	\$ 1,214,152	\$ 1,365,921	\$ 1,441,805	\$ 1,593,574	\$ 1,669,459	\$ 1,821,228	\$ 1,381,098	\$ 1,426,628	\$ 1,472,159	\$ 1,563,220	\$ 1,608,751	\$ 1,654,282
GP Margin	Y1	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
	Y2	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
	Y3	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
EBITDA	Y1	\$ 218,209	\$ 245,485	\$ 259,123	\$ 286,399	\$ 300,037	\$ 327,313	\$ 248,213	\$ 256,395	\$ 264,578	\$ 280,944	\$ 289,127	\$ 297,310
	Y2	\$ 381,604	\$ 429,304	\$ 453,154	\$ 500,855	\$ 524,705	\$ 572,405	\$ 434,074	\$ 448,384	\$ 462,694	\$ 491,315	\$ 505,625	\$ 519,935
	Y3	\$ 625,639	\$ 703,844	\$ 742,946	\$ 821,151	\$ 860,254	\$ 938,459	\$ 711,664	\$ 735,126	\$ 758,587	\$ 805,510	\$ 828,972	\$ 852,433
EBITDA Margin	Y1	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
	Y2	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
	Y3	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Net Profit	Y1	-\$ 21,997	\$ 2,825	\$ 15,235	\$ 40,056	\$ 52,467	\$ 77,288	\$ 5,307	\$ 12,753	\$ 20,199	\$ 35,092	\$ 42,539	\$ 49,985
	Y2	\$ 126,693	\$ 170,100	\$ 191,804	\$ 235,211	\$ 256,915	\$ 300,322	\$ 174,441	\$ 187,463	\$ 200,485	\$ 226,530	\$ 239,552	\$ 252,574
	Y3	\$ 348,765	\$ 419,931	\$ 455,515	\$ 526,681	\$ 562,264	\$ 633,431	\$ 427,048	\$ 448,398	\$ 469,748	\$ 512,448	\$ 533,798	\$ 555,148
Profit Margin	Y1	-3%	0%	2%	4%	5%	7%	1%	2%	2%	4%	5%	5%
	Y2	10%	12%	13%	14%	15%	16%	12%	13%	13%	14%	15%	15%
	Y3	17%	18%	19%	20%	20%	21%	18%	19%	19%	20%	20%	20%
Final Valuation		\$ 985,029	\$ 1,204,588	\$ 1,314,367	\$ 1,533,925	\$ 1,643,704	\$ 1,863,263	\$ 1,226,544	\$ 1,292,411	\$ 1,358,279	\$ 1,490,014	\$ 1,555,881	\$ 1,621,749



## 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

# Disclaimer

The following information and valuation analysis are provided for informational purposes only and do not constitute financial or investment advice. This presentation is based on assumptions, projections, and historical data, which are subject to inherent uncertainties and risks.

Please note that the valuation results presented here are based on the Discounted Cash Flow (DCF) method and various assumptions, including projected cash flows, growth rates, discount rates, and survival rates. These assumptions are subject to change and may not accurately reflect future market conditions or the performance of the business.

The valuation does not guarantee future financial performance or the accuracy of the projections. Actual results may differ materially from those presented in this analysis due to numerous factors, including but not limited to changes in economic conditions, market dynamics, competition, regulatory factors, and unforeseen events.

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