






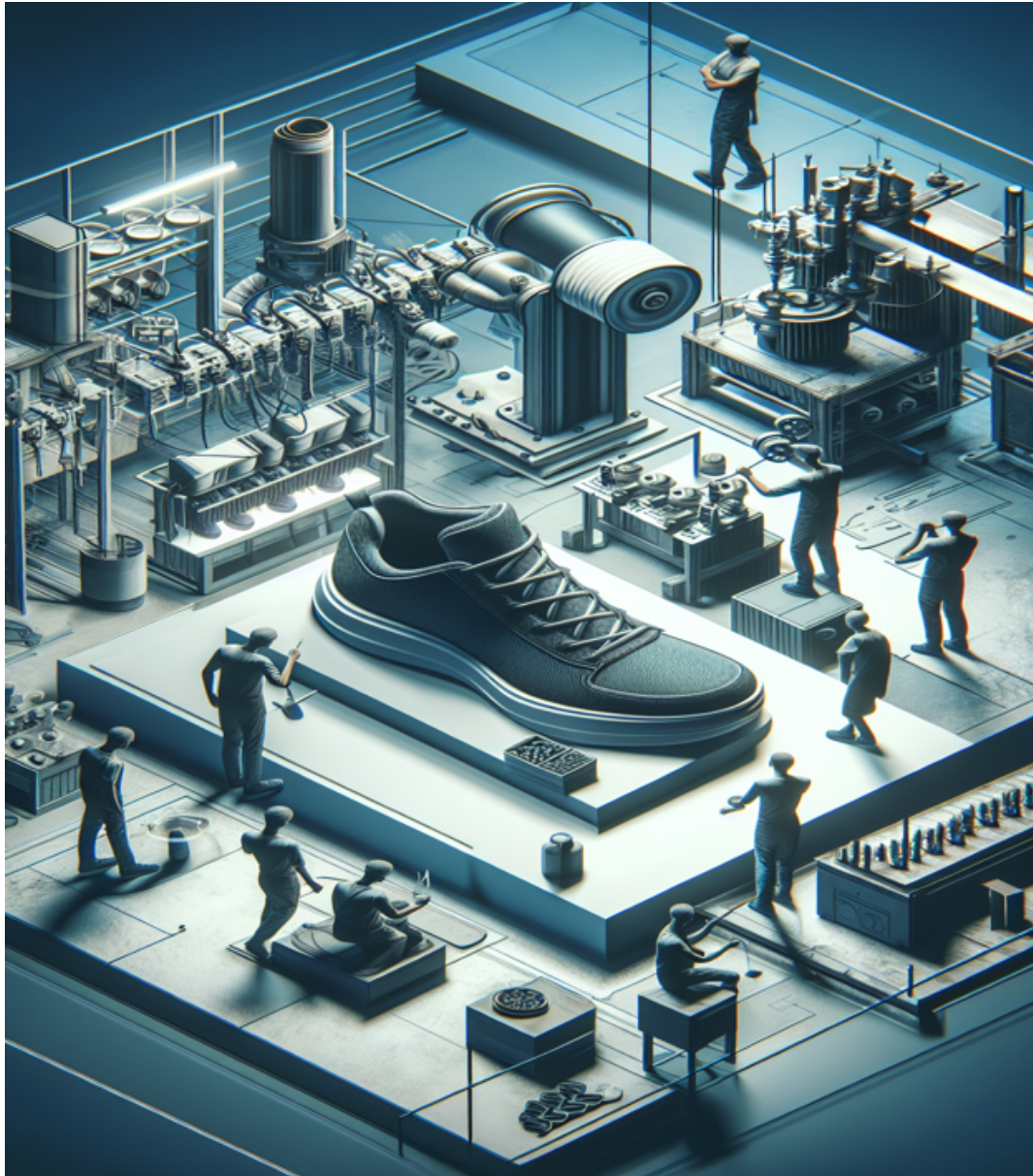


# Business Plan & Valuation Presentation



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# OUR VISION & MISSION

## Our Mission

Step Scope's mission is to elevate the footwear industry by delivering stylish and high-quality shoes that blend comfort and durability with innovative design. We are dedicated to crafting footwear that meets the highest standards of performance while ensuring eco-friendly practices throughout our production process. By prioritizing both fashion and function, we strive to make a significant impact in our customers' daily lives, offering exceptional footwear solutions for every occasion.

## Our Vision

Step Scope envisions a future where every individual can walk confidently and comfortably in footwear that is both fashionable and sustainably produced. We aspire to become a leading global brand recognized not only for our exceptional design and quality but also for our commitment to advancing eco-friendly practices in the footwear industry. In the next twenty years, we aim to set the standard for sustainable innovation, creating footwear that inspires and empowers individuals worldwide.

# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 347,729**

Revenue

**\$ 177,342**

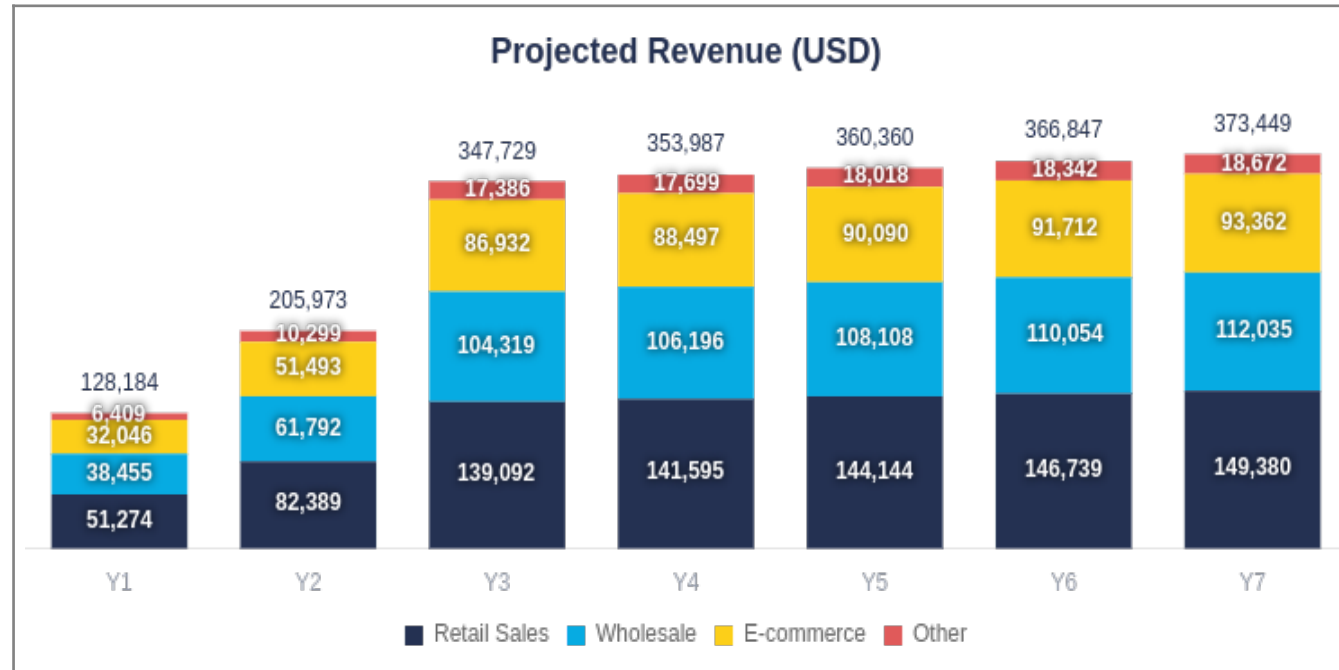
Gross Profit

**\$ 82,968**

EBITDA

**0.32%**

Target Market Share

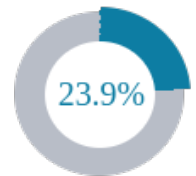


Margins  
(Stabilized by Y3)

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.

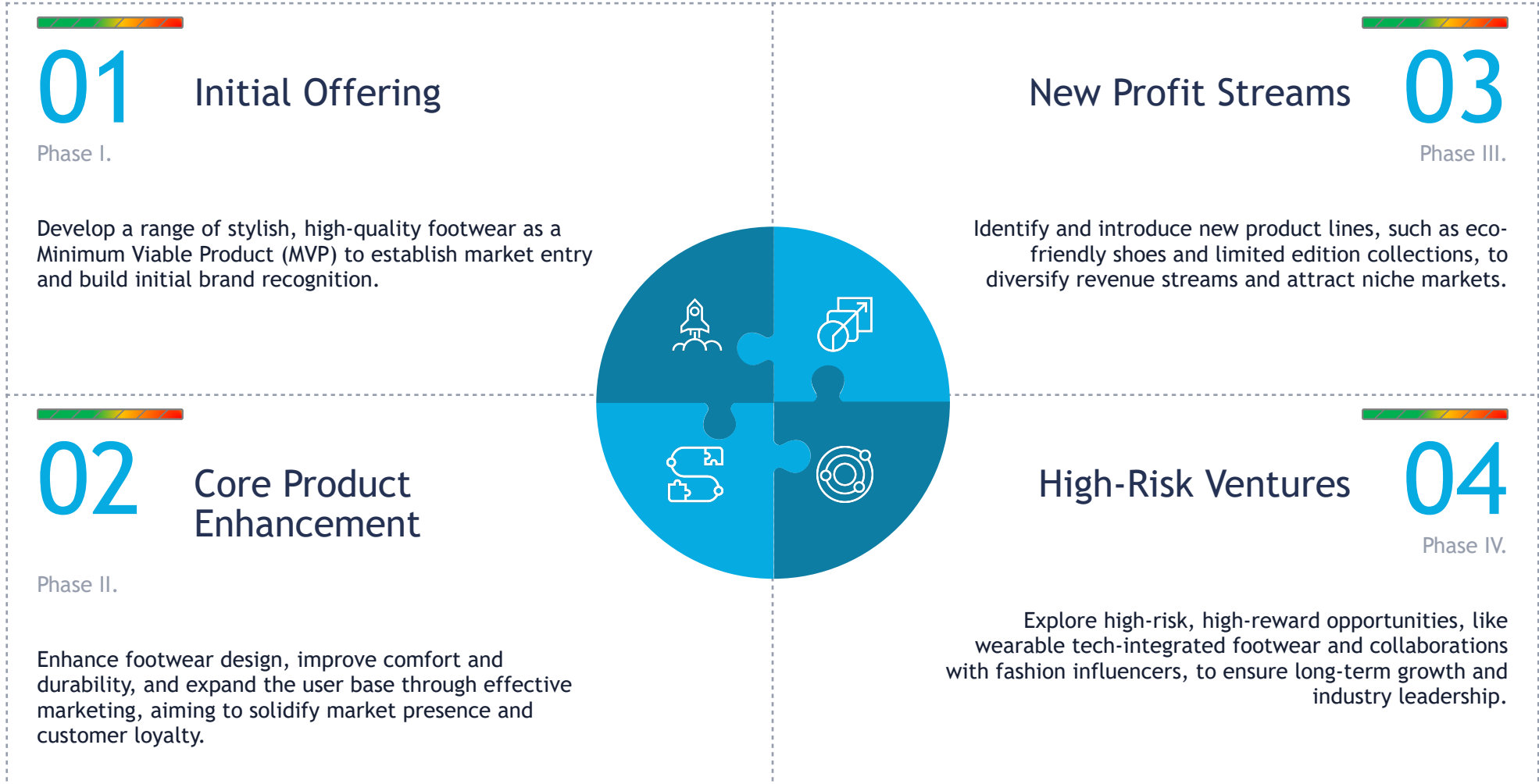


# About the Company: General Overview



Step Scope is a dynamic footwear brand dedicated to delivering stylish, high-quality shoes designed for comfort and durability. Specializing in the manufacture of footwear, Step Scope operates within the manufacturing sector. Their collection features a range of innovative designs, from casual wear to formal footwear, crafted with the finest materials and advanced technology. At Step Scope, both fashion and function are prioritized, ensuring that every pair of shoes meets the highest standards of comfort and performance. Committed to sustainability, the company incorporates eco-friendly practices into their production process. Whether you're looking for the perfect everyday shoe or a standout piece for a special occasion, Step Scope offers exceptional footwear solutions that keep you stepping in style.

# The Main Phases: Projects & Impacts



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Access to stylish, high-quality footwear that combines fashion with unparalleled comfort.</li> <li>2. Assurance of durability, ensuring long-lasting use and value for money.</li> <li>3. Satisfaction from eco-friendly practices, contributing to environmental sustainability.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Growth opportunities through phased developments, ensuring steady market expansion and diversified revenue streams.</li> <li>2. Potential for high returns on investment from innovative ventures and market leadership.</li> <li>3. Security in investing in a company committed to sustainability and long-term profitability.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Opportunities for career growth and skill development through a dynamic and innovative work environment.</li> <li>2. Job security from a successful, expanding company with a strong market presence.</li> <li>3. Personal satisfaction from contributing to eco-friendly and high-quality footwear production.</li> </ol>
<b>Suppliers</b>	<ol style="list-style-type: none"> <li>1. Stable, long-term business relationships with a growing company dedicated to high-quality production.</li> <li>2. Increased demand for materials as Step Scope expands product lines and market presence.</li> <li>3. Opportunities to participate in eco-friendly initiatives, promoting sustainability in the supply chain.</li> </ol>
<b>Retailers</b>	<ol style="list-style-type: none"> <li>1. Access to a diverse range of high-quality, stylish footwear that appeals to a broad customer base.</li> <li>2. Increased sales and customer satisfaction from stocking a reputable and innovative footwear brand.</li> <li>3. Support from Step Scope's marketing efforts to drive foot traffic and sales to their stores.</li> </ol>
<b>Community</b>	<ol style="list-style-type: none"> <li>1. Economic growth and job creation in local areas due to the expansion of Step Scope's operations.</li> <li>2. Positive environmental impact from the company's commitment to sustainability and eco-friendly practices.</li> <li>3. Community engagement through potential collaborations and corporate social responsibility initiatives.</li> </ol>
<b>Fashion Industry</b>	<ol style="list-style-type: none"> <li>1. Innovation and fresh designs that drive trends and set new standards in footwear fashion.</li> <li>2. Increased competition that elevates overall industry quality and consumer choice.</li> <li>3. Collaborative opportunities with a forward-thinking brand to push the boundaries of fashion and technology.</li> </ol>

# Key Performance Components

## Competitive Advantage

### Innovative Designs

Step Scope offers a range of innovative designs, blending fashion and function to appeal to diverse consumer tastes.

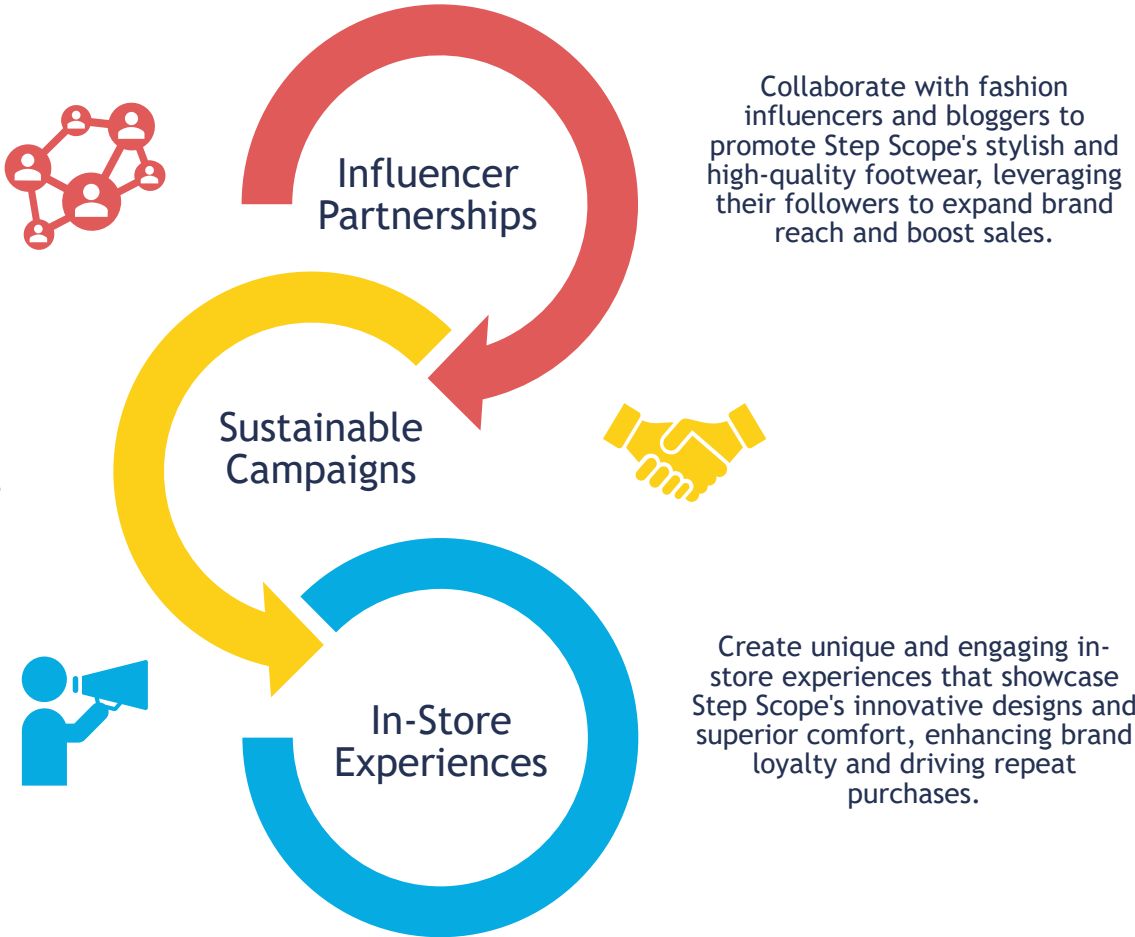
### High-Quality Materials

Using the finest materials, Step Scope ensures durability and comfort, setting a high standard for quality in the footwear industry.

### Eco-Friendly Practices



Step Scope is committed to sustainability, incorporating eco-friendly practices into their production process to reduce environmental impact.

## Marketing and Growth Strategy

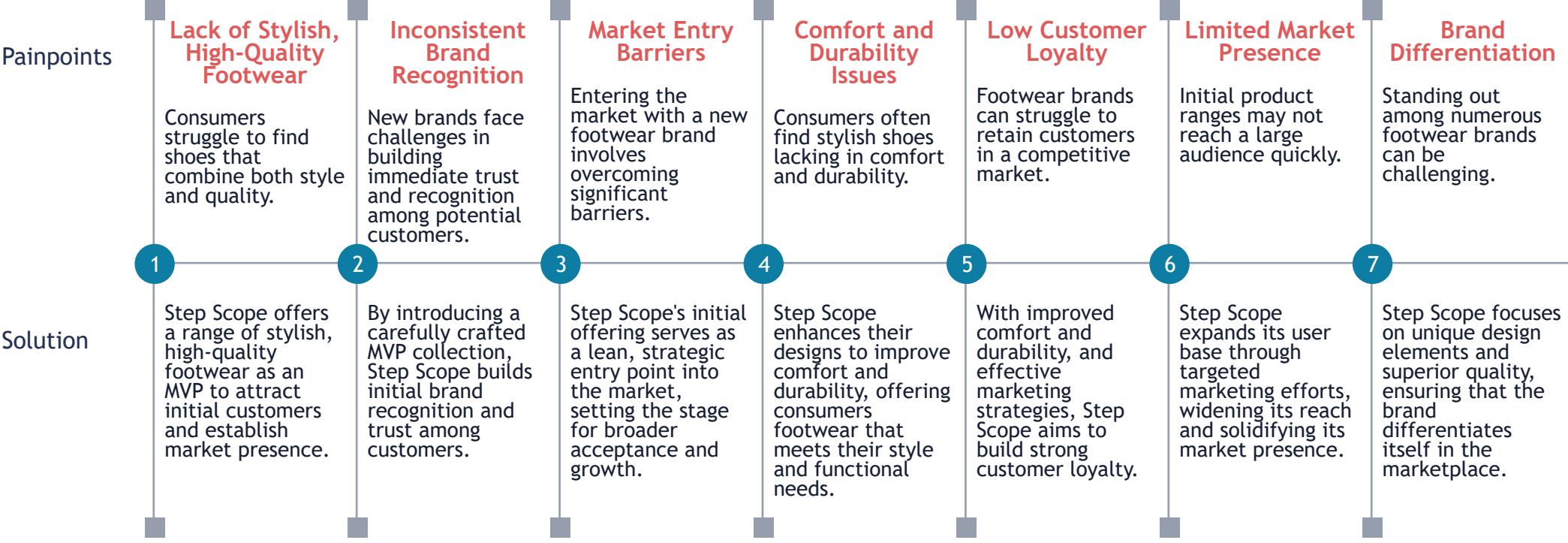




# Target Groups

	Industries	Description
I	 Young Professionals	Fashion-forward individuals seeking stylish and comfortable footwear for both casual and business settings.
II	 Fitness Enthusiasts	Active individuals who require high-performance footwear for various sports and fitness activities.
III	 Eco-Conscious Consumers	Consumers who prioritize sustainability and seek out eco-friendly products made from sustainable materials.
IV	 Fashion Aficionados	Trendsetters looking for unique, limited edition collections and collaborations with fashion influencers.
V	 Parents	Families needing durable and comfortable shoes for children, balancing quality with affordability.
VI	 Outdoor Enthusiasts	Individuals who engage in outdoor activities and need reliable, durable footwear that offers excellent support and protection.
VII	 Tech-Savvy Consumers	Innovative consumers interested in wearable tech-integrated footwear that offers advanced features and functionality.

## Solution from Phase I to Phase IV




# Strategic Analysis: SWOT

**Strength**



- Extensive range of high-quality footwear designs catering to various styles and needs.
- Commitment to sustainability with eco-friendly production practices enhancing brand appeal.
- Utilization of advanced technology ensures superior comfort and performance of products.
- Strong emphasis on both fashion and function meets diverse customer preferences.
- Use of finest materials ensures durability, building customer loyalty and reputation.

**Weaknesses**




- High production costs due to use of advanced technology and premium materials.
- Limited brand recognition compared to established industry giants.
- Dependence on specific suppliers for premium materials may affect production consistency.
- High competition in the footwear market challenges market share growth.
- Potential higher price point may limit accessibility for budget-conscious consumers.

**Opportunities**








- Expanding eco-friendly product lines to tap into the growing sustainability market.
- Leveraging digital marketing to increase brand visibility and reach a wider audience.
- Collaborations with fashion influencers and designers for unique footwear collections.
- Exploring new geographical markets to diversify customer base.
- Integrating smart technology for advanced footwear features, attracting tech-savvy consumers.

**Threats**



- Economic downturns affecting consumer spending on non-essential items like premium footwear.
- Rapid changes in fashion trends requiring continuous innovation and adaptation.
- Increasing raw material costs affecting profitability.
- Potential disruptions in the supply chain due to geopolitical issues.
- Intense competition from both established brands and emerging startups affecting market position.

# 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	7 / 10	Technological	9 / 10	Environmental	7 / 10	Legal	6 / 10
<p><b>Regulations:</b> Compliance with international trade and labor laws is essential.</p> <p><b>Tariffs:</b> Import tariffs may affect material costs and pricing.</p>	<p><b>Inflation:</b> Rising prices could impact production and consumer purchasing power.</p> <p><b>Exchange Rates:</b> Fluctuations in currency exchange rates may affect profit margins.</p>	<p><b>Trends:</b> Changing fashion trends influence consumer preferences.</p> <p><b>Ethical Consumerism:</b> Increasing preference for sustainable and ethically produced footwear.</p>	<p><b>Innovation:</b> Emphasis on advanced materials and manufacturing technologies.</p> <p><b>E-commerce:</b> Online sales platforms are critical for market reach and convenience.</p>	<p><b>Sustainable Practices:</b> Commitment to reducing environmental footprint in production.</p> <p><b>Recycling:</b> Focus on recyclability and reducing waste.</p>	<p><b>Intellectual Property:</b> Protection against design and technology replication.</p> <p><b>Health &amp; Safety:</b> Adhering to standards in production for consumer safety.</p>						

Step Scope must navigate a complex landscape of political, economic, social, technological, environmental, and legal factors. By leveraging innovation and sustainability, the company is well-placed to meet industry demands and consumer expectations.

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?

Step Scope's high-quality, stylish, and comfortable shoes exploit opportunities in fashion and durability, while their eco-friendly practices neutralize potential sustainability threats.

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

Their innovative designs and advanced technology, combined with a strong commitment to sustainability, are unique features not commonly found in other brands.

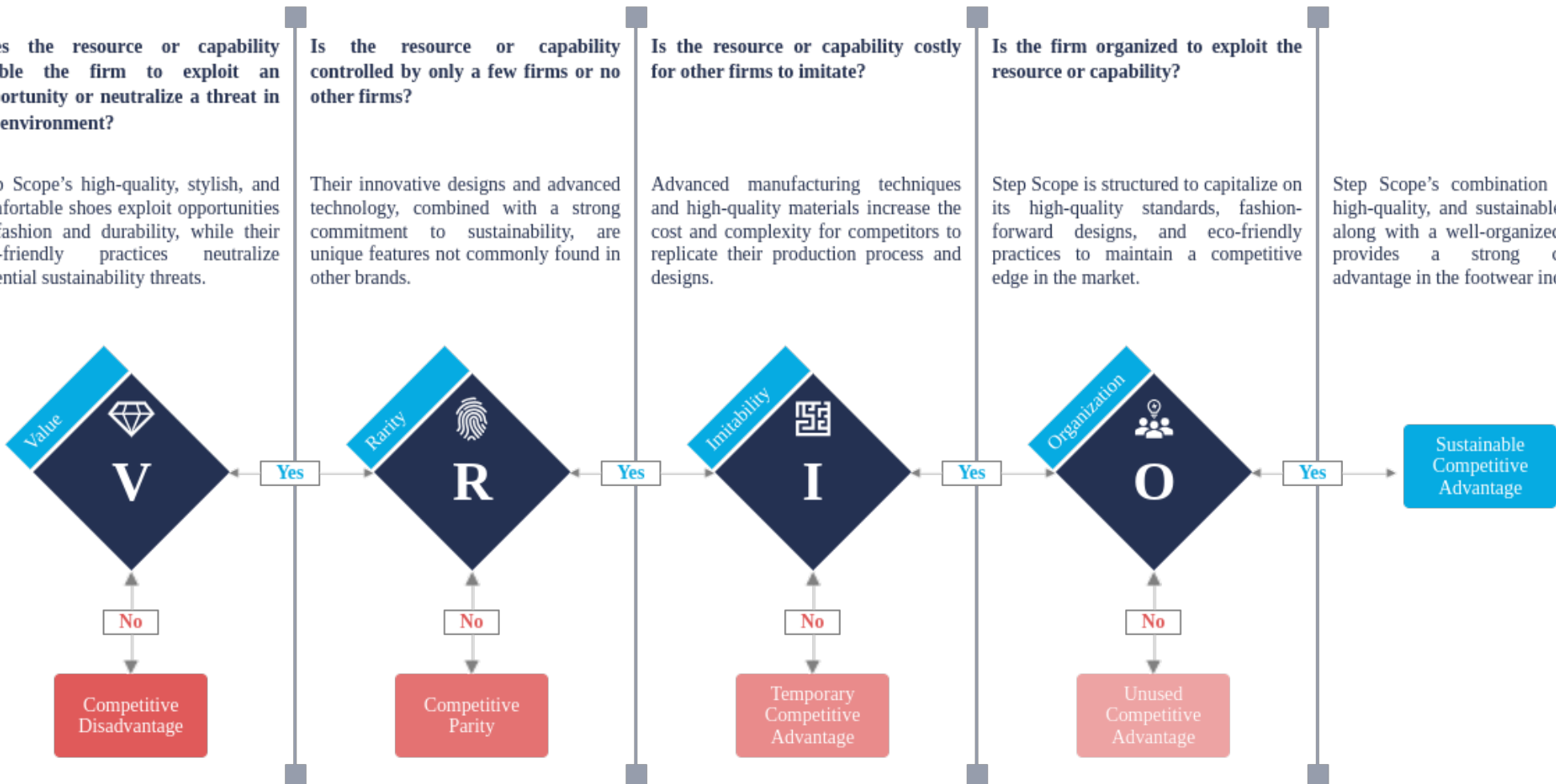
Is the resource or capability costly for other firms to imitate?

Advanced manufacturing techniques and high-quality materials increase the cost and complexity for competitors to replicate their production process and designs.

Is the firm organized to exploit the resource or capability?

Step Scope is structured to capitalize on its high-quality standards, fashion-forward designs, and eco-friendly practices to maintain a competitive edge in the market.

Step Scope's combination of stylish, high-quality, and sustainable footwear, along with a well-organized structure, provides a strong competitive advantage in the footwear industry.



# Porter's Five Forces: Analysis

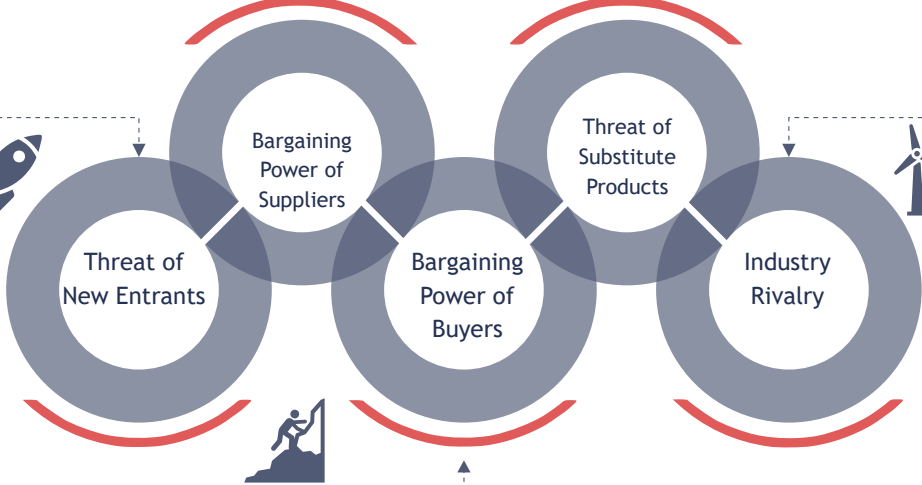
Suppliers of high-quality and sustainable materials hold significant power due to Step Scope's commitment to eco-friendly practices.



The threat is high with numerous alternative footwear options from various brands offering different styles and price points.



The ease of entry in footwear manufacturing is moderate, albeit requiring substantial investment in technology and branding.



High competition exists with well-established footwear brands and new entrants aggressively vying for market share.

Step Scope operates in a highly competitive footwear market, facing numerous challenges from supplier power and industry rivalry.

Buyers have moderate power with numerous options, but brand loyalty and quality remain pivotal.

- High
- Moderate
- Low

# Management Team

## Overview

Alexander leads Step Scope, focusing on delivering high-quality, stylish shoes while maintaining a commitment to comfort and durability.

Alexander Dimitriou



Co-Founder & CEO

Isabella Papadopoulou



Co-Founder & Operations Director

## Overview

Isabella oversees operations, ensuring seamless production and quality control to meet Step Scope's high standards.

## Overview

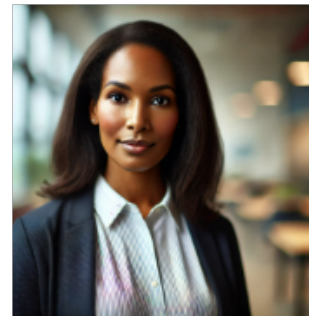
Nikos drives sales, developing relationships with retailers and ensuring that Step Scope shoes are accessible to a global market.

Nikos Ioannou



Sales Manager

Elena Georgiou



Marketing Manager

## Overview

Elena crafts marketing strategies that highlight Step Scope's unique style and craftsmanship, attracting customers worldwide.



# History & Roadmap



## Current Status.

Step Scope aims to launch 10 new footwear styles by Feb 2024. The shift to eco-friendly production in May 2024 signals strong commitment to sustainability. Aug 2024 marks the opening of 5 new retail outlets. Nov 2024 will see a robust digital marketing campaign. In Feb 2025, Step Scope plans to enter three international markets. By May 2025, the company will expand its product range to include athletic and outdoor footwear.



# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Define Company Vision and Mission	●	Not Started	High	CEO 2 weeks
2	Formulate Business Plan	●	Not Started	High	CFO 1 month
3	Register Business and Obtain Necessary Licenses	●	Not Started	High	COO 3 weeks
4	Set Up Manufacturing Facility	●	Not Started	High	COO 2 months
5	Hire Initial Key Personnel	●	Not Started	Medium	CEO 1 month
6	Develop Operational Processes and Workflows	●	Not Started	Medium	COO 1.5 months
7	Set Up IT Infrastructure and Systems	●	Not Started	Medium	CIO 1 month
8	Create a Financial Forecast and Budget	●	Not Started	High	CFO 3 weeks
<b>Marketing</b>					
1	Define Target Audience	●	Not Started	High	CMO 2 weeks
2	Develop Brand Identity	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Launch Initial Marketing Campaign	●	Not Started	High	CMO 1.5 months
5	Collaborate with Influencers	●	Not Started	Medium	CMO 2 months
6	Create Email Marketing Strategy	●	Not Started	Medium	CRO 1 month
7	Analyze Market Trends	●	Not Started	High	CMO 3 weeks
8	Attend Industry Trade Shows	●	Not Started	Low	CMO 3 months

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 1 &amp; Technical Set Up for next Phases</b>					
1	Design initial product range	●	Not Started	High	CPO 2 months
2	Source high-quality materials	●	Not Started	High	COO 1 month
3	Set up manufacturing processes	●	Not Started	High	COO 3 months
4	Develop product prototypes	●	Not Started	Medium	CTO 2 months
5	Conduct user testing and gather feedback	●	Not Started	High	CPO 1 month
6	Finalize product design based on feedback	●	Not Started	High	CPO 1 month
7	Develop a supply chain strategy	●	Not Started	Medium	CFO 2 months
8	Establish quality control standards	●	Not Started	High	COO 1 month
<b>Phase 2</b>					
1	Enhance Material Quality	●	Not Started	High	CPO 2 months
2	Improve Footwear Design	●	Not Started	High	CTO 3 months
3	Increase Production Capacity	●	Not Started	Medium	COO 4 months
4	Develop Marketing Strategies	●	Not Started	High	CMO 2 months
5	Launch Customer Loyalty Program	●	Not Started	Medium	CRO 3 months
6	Expand Online Presence	●	Not Started	High	CIO 2 months
7	Conduct Customer Feedback Surveys	●	Not Started	Medium	CSO 1 month
8	Optimize Supplier Relationships	●	Not Started	Low	CFO 4 months

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 3</b>					
1	Research and Identify Eco-Friendly Materials	●	Not Started	High	CPO 2 months
2	Design Limited Edition Collections	●	Not Started	High	CPO 3 months
3	Develop and Test New Product Lines	●	Not Started	High	CTO 4 months
4	Implement Sustainable Production Practices	●	Not Started	Medium	COO 6 months
5	Launch Marketing Campaigns for New Product Lines	●	Not Started	High	CMO 5 months
6	Establish Partnerships with Eco-Friendly Suppliers	●	Not Started	Medium	COO 4 months
7	Secure Funding for Product Line Expansion	●	Not Started	High	CFO 3 months
8	Organize Focus Groups for Feedback on New Products	●	Not Started	Medium	CSO 2 months
<b>Phase 4</b>					
1	Develop wearable tech-integrated footwear prototypes	●	Not Started	High	CTO 6 months
2	Conduct market research for wearable tech shoes	●	Not Started	Medium	CRO 3 months
3	Establish partnerships with fashion influencers	●	Not Started	High	CMO 4 months
4	Launch a marketing campaign for tech-integrated footwear	●	Not Started	High	CMO 3 months
5	Explore funding options for high-risk ventures	●	Not Started	Medium	CFO 2 months
6	Test user feedback for wearable tech prototypes	●	Not Started	High	CPO 5 months
7	Identify potential technology collaborators	●	Not Started	Medium	CTO 2 months
8	Plan pilot launch of wearable tech collection	●	Not Started	High	COO 6 months

# Core Risks & Mitigation Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Supply chain disruptions	COO	Develop multiple supplier relationships and maintain a strategic inventory buffer to ensure continuity in supply during disruptions.
2	Quality control issues	CPO	Implement rigorous quality control processes and regular audits to maintain high standards for materials and production.
3	Production delays	COO	Optimize production schedules and invest in advanced manufacturing technologies to streamline processes and reduce bottlenecks.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Product Safety Compliance	COO	Implement rigorous product testing and quality assurance protocols to ensure all footwear meets safety standards and regulations.
2	Environmental Regulations	CSO	Adopt sustainable manufacturing practices and ensure adherence to all environmental laws and guidelines.
3	Labor Law Compliance	CPO	Regularly review labor practices and ensure all operations comply with local and international labor laws.
4	Intellectual Property Infringements	CEO	Develop and enforce robust intellectual property policies and conduct regular audits to prevent infringement issues.
5	Consumer Protection Laws	CRO	Ensure all marketing and sales practices comply with consumer protection laws to avoid legal action and fines.

### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market competition	CEO	Differentiate with unique designs and quality.
2	Changing consumer preferences	CMO	Stay agile and responsive to market trends.
3	Brand reputation	CBO	Maintain high standards in materials and customer service.
4	New market entry barriers	CRO	Conduct thorough market research and strategic partnerships.
5	Economic downturn	CFO	Implement cost control measures and diversify revenue streams.

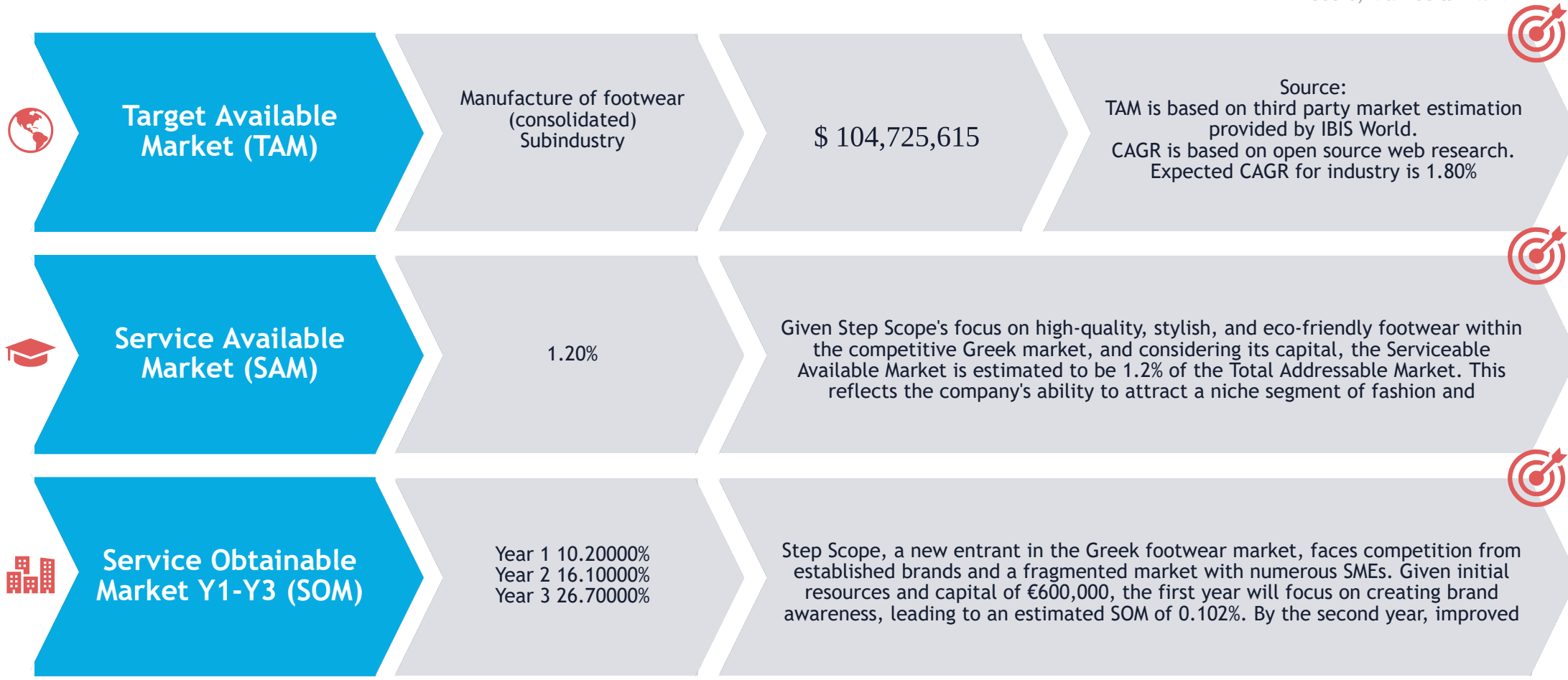
### 4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Constraints	CFO	Maintain a cash reserve and optimize payment terms.
2	High Development Costs	CFO	Adopt cost-control measures and budget allocation.
3	Market Demand Fluctuations	CFO	Diversify product lines and market segments.
4	Credit Risk	CFO	Conduct credit checks and limit receivables exposure.
5	External Funding Dependency	CFO	Develop alternative funding sources and self-financing strategies.

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation Damage	CMO	Implement proactive PR and marketing strategies
2	Supply Chain Disruptions	COO	Develop multiple supplier relationships
3	Cybersecurity Threats	CIO	Strengthen cybersecurity protocols
4	Customer Preference Shifts	CPO	Conduct regular market surveys
5	Economic Downturns	CFO	Maintain a strong cash reserve

# 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.

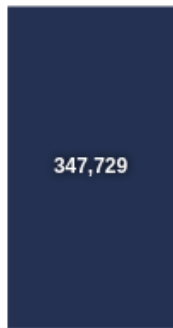
The total investment required is \$ 600,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	65,374	
Payroll Expenses		12,818
Rent & Utilities		6,409
Marketing and Branding		3,846
Communication Expenses		3,205
Capex		210,000
Legal and Professional Fees		2,564
Training and Development		2,102
Office supplies		1,282
Representation and Entert.		1,282
Other Miscellaneous		1,282
<b>CAPEX &amp; WC shortage Y1</b>		<b>179,415</b>
<b>Buffer</b>		<b>420,585</b>
<b>Total Required Investment(USD)</b>		<b>600,000</b>



## Y3 PL formation and Margins

### Revenue



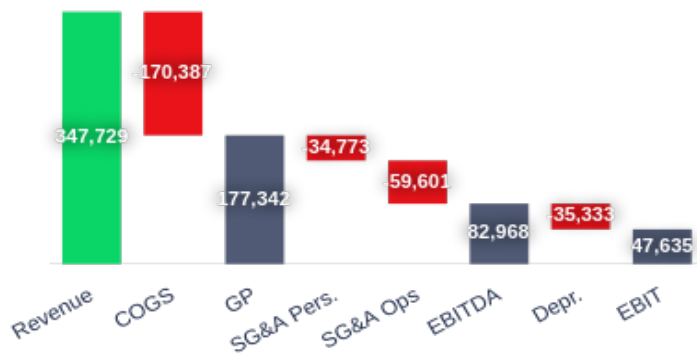
### Projected Revenue

- GP 51.0%
- EBITDA 23.9%

Y3

Y3

### PnL Formation (Y3 USD)

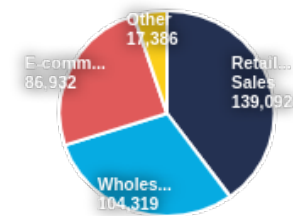
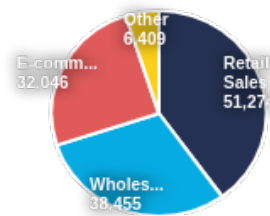


## Business Line Breakdown (USD)

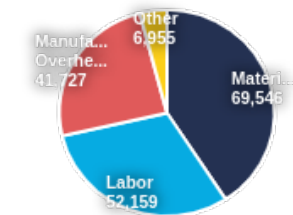
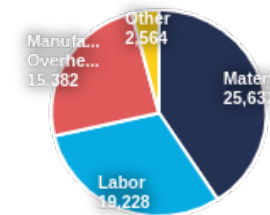
Y1

Y2

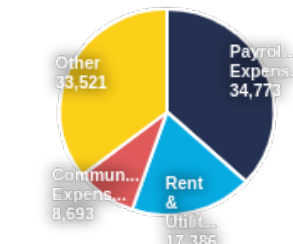
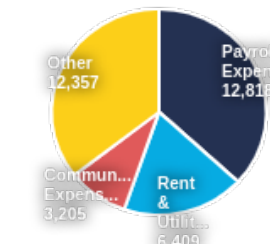
### Revenue



### COGS



### Admin

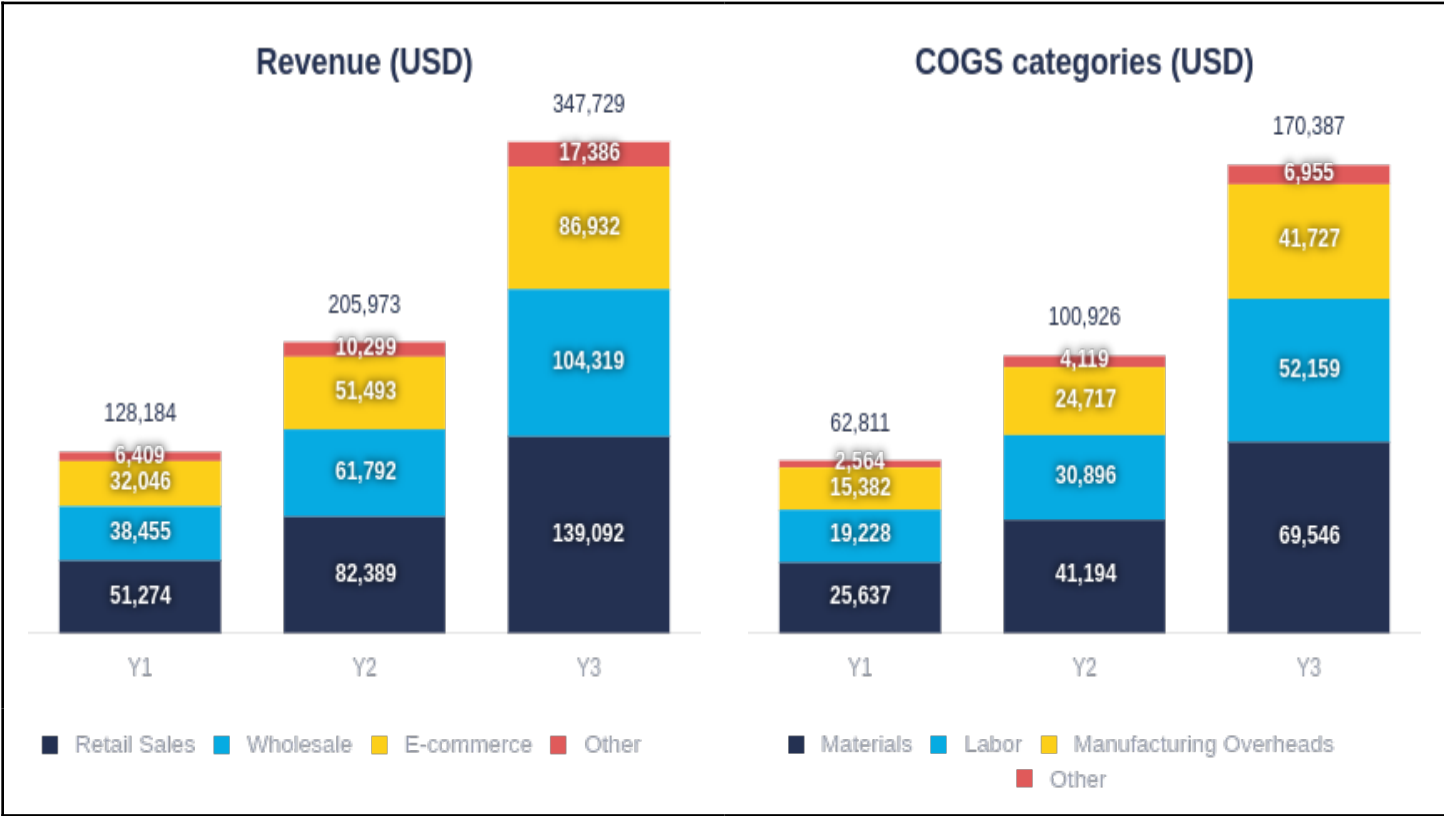




# Revenue Formation Narrative

Step Scope is navigating the footwear market with precision, targeting a Total Addressable Market (TAM) of 104,725,615 USD . With a strategic focus on high-quality, stylish, and eco-friendly footwear, our Serviceable Available Market (SAM) is estimated at 1.2% of the TAM. This reflects our niche appeal to fashion-forward and sustainability-conscious consumers. In the initial phase, our Serviceable Obtainable Market (SOM) is estimated at 0.102% of the TAM in year one, with a projected revenue of 128,184.15 USD . This conservative estimate considers our current capital of €600,000 and the need to establish brand awareness amidst competition from established brands and numerous SMEs in the Greek market. By the second year, we anticipate an increase in our SOM to 0.161%, resulting in revenues of 205,971.83 USD , driven by improved market penetration and increased customer trust. Sustained marketing efforts and potential product diversification are expected to further elevate our SOM to 0.267% by the third year, yielding revenues of 347,729.06 USD . Our revenue streams are projected to diversify with Retail Sales accounting for 40.00% of total revenue, Wholesale contributing 30.00%, E-commerce making up 25.00%, and Other channels comprising 5.00%. These revenue estimations underscore a methodical growth trajectory aimed at cementing Step Scope’s position in the market while balancing fashion, comfort, and sustainability.

**\$ 347,729** <sup>Y3</sup> Projected Revenue      **0.32%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Retail Sales	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%
Wholesale	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%
E-commerce	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	5.00%	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%

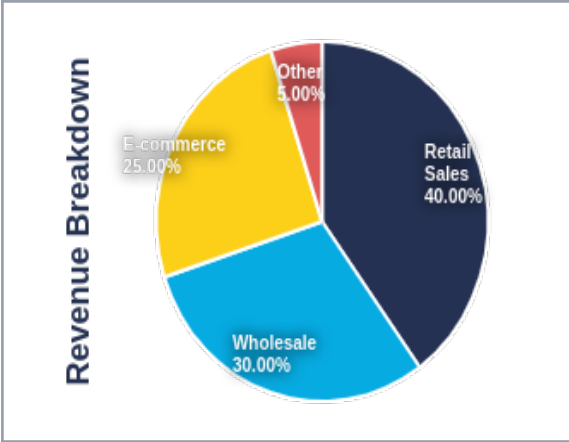
Retail Sales	3,205	3,205	3,205	3,846	3,846	3,846	4,700	4,700	4,700	5,341	5,341	5,341	51,274	82,389	139,092
Wholesale	2,403	2,403	2,403	2,884	2,884	2,884	3,525	3,525	3,525	4,006	4,006	4,006	38,455	61,792	104,319
E-commerce	2,003	2,003	2,003	2,403	2,403	2,403	2,938	2,938	2,938	3,338	3,338	3,338	32,046	51,493	86,932
Other	401	401	401	481	481	481	588	588	588	668	668	668	6,409	10,299	17,386
<b>Total Revenue (USD)</b>	<b>8,012</b>	<b>8,012</b>	<b>8,012</b>	<b>9,614</b>	<b>9,614</b>	<b>9,614</b>	<b>11,750</b>	<b>11,750</b>	<b>11,750</b>	<b>13,353</b>	<b>13,353</b>	<b>13,353</b>	<b>128,184</b>	<b>205,972</b>	<b>347,729</b>

Total revenue is expected to reach \$ 347,729 by year 3.

Main revenue driver are:

- Retail Sales which generates \$ 139,092 by Year 3
- Wholesale which generates \$ 104,319 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 64.70 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Materials	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%
Labor	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%
Manufacturing Overheads	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%
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%

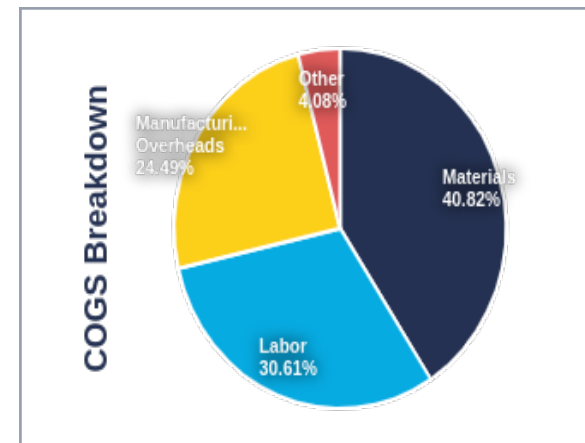
Materials	1,602	1,602	1,602	1,923	1,923	1,923	2,350	2,350	2,350	2,671	2,671	2,671	25,637	41,194	69,546
Labor	1,202	1,202	1,202	1,442	1,442	1,442	1,763	1,763	1,763	2,003	2,003	2,003	19,228	30,896	52,159
Manufacturing Overheads	961	961	961	1,154	1,154	1,154	1,410	1,410	1,410	1,602	1,602	1,602	15,382	24,717	41,727
Other	160	160	160	192	192	192	235	235	235	267	267	267	2,564	4,119	6,955
<b>Total COGS (USD)</b>	<b>3,926</b>	<b>3,926</b>	<b>3,926</b>	<b>4,711</b>	<b>4,711</b>	<b>4,711</b>	<b>5,758</b>	<b>5,758</b>	<b>5,758</b>	<b>6,543</b>	<b>6,543</b>	<b>6,543</b>	<b>62,810</b>	<b>100,926</b>	<b>170,387</b>

Total COGS is expected to reach \$ 170,387 by year 3.

Main revenue driver are:

- Materials which generates \$ 69,546 by Year 3
- Labor which generates \$ 52,159 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 64.70 %



# 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>	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%
<i>Rent &amp; 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>	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<i>Office supplies</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>Legal and Professional Fees</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>Marketing and Branding</i>	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<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>	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%
<i>Other Miscellaneous</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

<i>Payroll Expenses</i>	801	801	801	961	961	961	1,175	1,175	1,175	1,335	1,335	1,335	12,818	20,597	34,773
<i>Rent &amp; Utilities</i>	401	401	401	481	481	481	588	588	588	668	668	668	6,409	10,299	17,386
<i>Communication Expenses</i>	200	200	200	240	240	240	294	294	294	334	334	334	3,205	5,149	8,693
<i>Office supplies</i>	80	80	80	96	96	96	118	118	118	134	134	134	1,282	2,060	3,477
<i>Legal and Professional Fees</i>	160	160	160	192	192	192	235	235	235	267	267	267	2,564	4,119	6,955
<i>Marketing and Branding</i>	240	240	240	288	288	288	353	353	353	401	401	401	3,846	6,179	10,432
<i>Representation and Entertainment</i>	80	80	80	96	96	96	118	118	118	134	134	134	1,282	2,060	3,477
<i>Training and Development</i>	131	131	131	158	158	158	193	193	193	219	219	219	2,102	3,378	5,703
<i>Other Miscellaneous</i>	80	80	80	96	96	96	118	118	118	134	134	134	1,282	2,060	3,477

<b>Total SG&amp;A (USD)</b>	<b>2,174</b>	<b>2,174</b>	<b>2,174</b>	<b>2,609</b>	<b>2,609</b>	<b>2,609</b>	<b>3,189</b>	<b>3,189</b>	<b>3,189</b>	<b>3,624</b>	<b>3,624</b>	<b>3,624</b>	<b>34,789</b>	<b>55,901</b>	<b>94,374</b>
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# PaT Expectations

1 2 3 4 5 6 7 8

Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Revenue</b>	8,012	8,012	8,012	9,614	9,614	9,614	11,750	11,750	11,750	13,353	13,353	13,353	128,184	205,972	347,729
Retail Sales	3,205	3,205	3,205	3,846	3,846	3,846	4,700	4,700	4,700	5,341	5,341	5,341	51,274	82,389	139,092
Wholesale	2,403	2,403	2,403	2,884	2,884	2,884	3,525	3,525	3,525	4,006	4,006	4,006	38,455	61,792	104,319
E-commerce	2,003	2,003	2,003	2,403	2,403	2,403	2,938	2,938	2,938	3,338	3,338	3,338	32,046	51,493	86,932
Other	401	401	401	481	481	481	588	588	588	668	668	668	6,409	10,299	17,386
<b>COGS</b>	-3,926	-3,926	-3,926	-4,711	-4,711	-4,711	-5,758	-5,758	-5,758	-6,543	-6,543	-6,543	-62,810	-100,926	-170,387
Materials	-1,602	-1,602	-1,602	-1,923	-1,923	-1,923	-2,350	-2,350	-2,350	-2,671	-2,671	-2,671	-25,637	-41,194	-69,546
Labor	-1,202	-1,202	-1,202	-1,442	-1,442	-1,442	-1,763	-1,763	-1,763	-2,003	-2,003	-2,003	-19,228	-30,896	-52,159
Manufacturing Overheads	-961	-961	-961	-1,154	-1,154	-1,154	-1,410	-1,410	-1,410	-1,602	-1,602	-1,602	-15,382	-24,717	-41,727
Other	-160	-160	-160	-192	-192	-192	-235	-235	-235	-267	-267	-267	-2,564	-4,119	-6,955
<b>Gross Profit</b>	4,086	4,086	4,086	4,903	4,903	4,903	5,993	5,993	5,993	6,810	6,810	6,810	65,374	105,046	177,342
<b>SG&amp;A Personal Expenses</b>	-801	-801	-801	-961	-961	-961	-1,175	-1,175	-1,175	-1,335	-1,335	-1,335	-12,818	-20,597	-34,773
<b>SG&amp;A Operating Expenses</b>	-1,373	-1,373	-1,373	-1,648	-1,648	-1,648	-2,014	-2,014	-2,014	-2,289	-2,289	-2,289	-21,971	-35,304	-59,601
<b>EBITDA</b>	1,912	1,912	1,912	2,294	2,294	2,294	2,804	2,804	2,804	3,186	3,186	3,186	30,585	49,145	82,968
<b>Depreciation</b>	-2,944	-2,944	-2,944	-2,944	-2,944	-2,944	-2,944	-2,944	-2,944	-2,944	-2,944	-2,944	-35,333	-35,333	-35,333
<b>EBIT</b>	-1,033	-1,033	-1,033	-651	-651	-651	-141	-141	-141	241	241	241	-4,749	13,812	47,635
<b>Interest Expense</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Profit before Tax</b>	-1,033	-1,033	-1,033	-651	-651	-651	-141	-141	-141	241	241	241	-4,749	13,812	47,635
<b>Tax</b>	227	227	227	143	143	143	31	31	31	-53	-53	-53	1,045	-3,039	-10,480
<b>Profit after Tax (USD)</b>	-806	-806	-806	-507	-507	-507	-110	-110	-110	188	188	188	-3,704	10,773	37,155

# 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	379,974	381,886	382,875	383,704	385,998	387,062	387,912	390,716	392,597	394,318	397,504	400,965	400,965	437,601	455,689
Accounts Receivable	8,012	8,012	8,012	9,614	9,614	9,614	11,750	11,750	11,750	13,353	13,353	13,353	13,353	21,455	36,222
Inventory	3,926	3,926	4,711	4,711	4,711	5,758	5,758	5,758	6,543	6,543	6,543	6,308	6,308	10,649	17,749
Prepaid Expenses	687	687	824	824	824	1,007	1,007	1,007	1,144	1,144	1,144	1,103	1,103	1,863	3,104
Deferred Tax Assets	227	454	682	825	968	1,111	1,142	1,173	1,204	1,151	1,098	1,045	1,045	-	-
<b>Current Assets</b>	<b>392,825</b>	<b>394,964</b>	<b>397,103</b>	<b>399,677</b>	<b>402,114</b>	<b>404,551</b>	<b>407,569</b>	<b>410,403</b>	<b>413,238</b>	<b>416,508</b>	<b>419,641</b>	<b>422,774</b>	<b>422,774</b>	<b>471,568</b>	<b>512,763</b>
Manufacturing Equipment	69,167	68,333	67,500	66,667	65,833	65,000	64,167	63,333	62,500	61,667	60,833	60,000	60,000	50,000	40,000
Facility Renovation and Setup	69,417	68,833	68,250	67,667	67,083	66,500	65,917	65,333	64,750	64,167	63,583	63,000	63,000	56,000	49,000
Research and Development	29,583	29,167	28,750	28,333	27,917	27,500	27,083	26,667	26,250	25,833	25,417	25,000	25,000	20,000	15,000
IT Infrastructure and Software	38,889	37,778	36,667	35,556	34,444	33,333	32,222	31,111	30,000	28,889	27,778	26,667	26,667	13,333	40,000
<b>Non-Current Assets</b>	<b>207,056</b>	<b>204,111</b>	<b>201,167</b>	<b>198,222</b>	<b>195,278</b>	<b>192,333</b>	<b>189,389</b>	<b>186,444</b>	<b>183,500</b>	<b>180,556</b>	<b>177,611</b>	<b>174,667</b>	<b>174,667</b>	<b>139,333</b>	<b>144,000</b>
<b>Total Assets</b>	<b>599,881</b>	<b>599,075</b>	<b>598,270</b>	<b>597,899</b>	<b>597,392</b>	<b>596,885</b>	<b>596,958</b>	<b>596,848</b>	<b>596,738</b>	<b>597,064</b>	<b>597,252</b>	<b>597,440</b>	<b>597,440</b>	<b>610,902</b>	<b>656,763</b>
Accounts Payable	687	687	687	824	824	824	1,007	1,007	1,007	1,144	1,144	1,144	1,144	1,839	3,104
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	1,994	9,435
<b>Current Liabilities</b>	<b>687</b>	<b>687</b>	<b>687</b>	<b>824</b>	<b>824</b>	<b>824</b>	<b>1,007</b>	<b>1,007</b>	<b>1,007</b>	<b>1,144</b>	<b>1,144</b>	<b>1,144</b>	<b>1,144</b>	<b>3,833</b>	<b>12,539</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>687</b>	<b>687</b>	<b>687</b>	<b>824</b>	<b>824</b>	<b>824</b>	<b>1,007</b>	<b>1,007</b>	<b>1,007</b>	<b>1,144</b>	<b>1,144</b>	<b>1,144</b>	<b>1,144</b>	<b>3,833</b>	<b>12,539</b>
Paid-In Capital	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-3,704	7,069
Current Period Earnings	-806	-1,611	-2,417	-2,924	-3,432	-3,939	-4,049	-4,159	-4,269	-4,081	-3,892	-3,704	-3,704	10,773	37,155
<b>Total Equity</b>	<b>599,194</b>	<b>598,389</b>	<b>597,583</b>	<b>597,076</b>	<b>596,568</b>	<b>596,061</b>	<b>595,951</b>	<b>595,841</b>	<b>595,731</b>	<b>595,919</b>	<b>596,108</b>	<b>596,296</b>	<b>596,296</b>	<b>607,069</b>	<b>644,224</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>	385,388	379,974	381,886	382,875	383,704	385,998	387,062	387,912	390,716	392,597	394,318	397,504	-	400,965	437,601
Cash from sales of goods/services	-	8,012	8,012	8,012	9,614	9,614	9,614	11,750	11,750	11,750	13,353	13,353	114,832	197,869	332,963
Payments to employees/vendors	-5,413	-6,100	-6,885	-7,183	-7,320	-8,367	-8,764	-8,947	-9,732	-10,029	-10,167	-9,932	-102,763	-160,474	-270,595
Advances paid/received	-	-	-137	-	-	-183	-	-	-137	-	-	41	-1,103	-759	-1,242
Taxes paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-3,039
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CF from Operating Activities</b>	-5,413	1,912	989	829	2,294	1,064	850	2,804	1,881	1,721	3,186	3,462	10,965	36,636	58,088
<b>Acquisition of</b>															
Manufacturing Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-70,000	-	-
Facility Renovation and Setup	-	-	-	-	-	-	-	-	-	-	-	-	-70,000	-	-
Research and Development	-	-	-	-	-	-	-	-	-	-	-	-	-30,000	-	-
IT Infrastructure and Software	-	-	-	-	-	-	-	-	-	-	-	-	-40,000	-	-40,000
<b>CF from Investing Activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-210,000	-	-40,000
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	600,000	-	-
<b>CF from Financing activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	600,000	-	-
<b>Ending Balance</b>	379,974	381,886	382,875	383,704	385,998	387,062	387,912	390,716	392,597	394,318	397,504	400,965	400,965	437,601	455,689

## 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

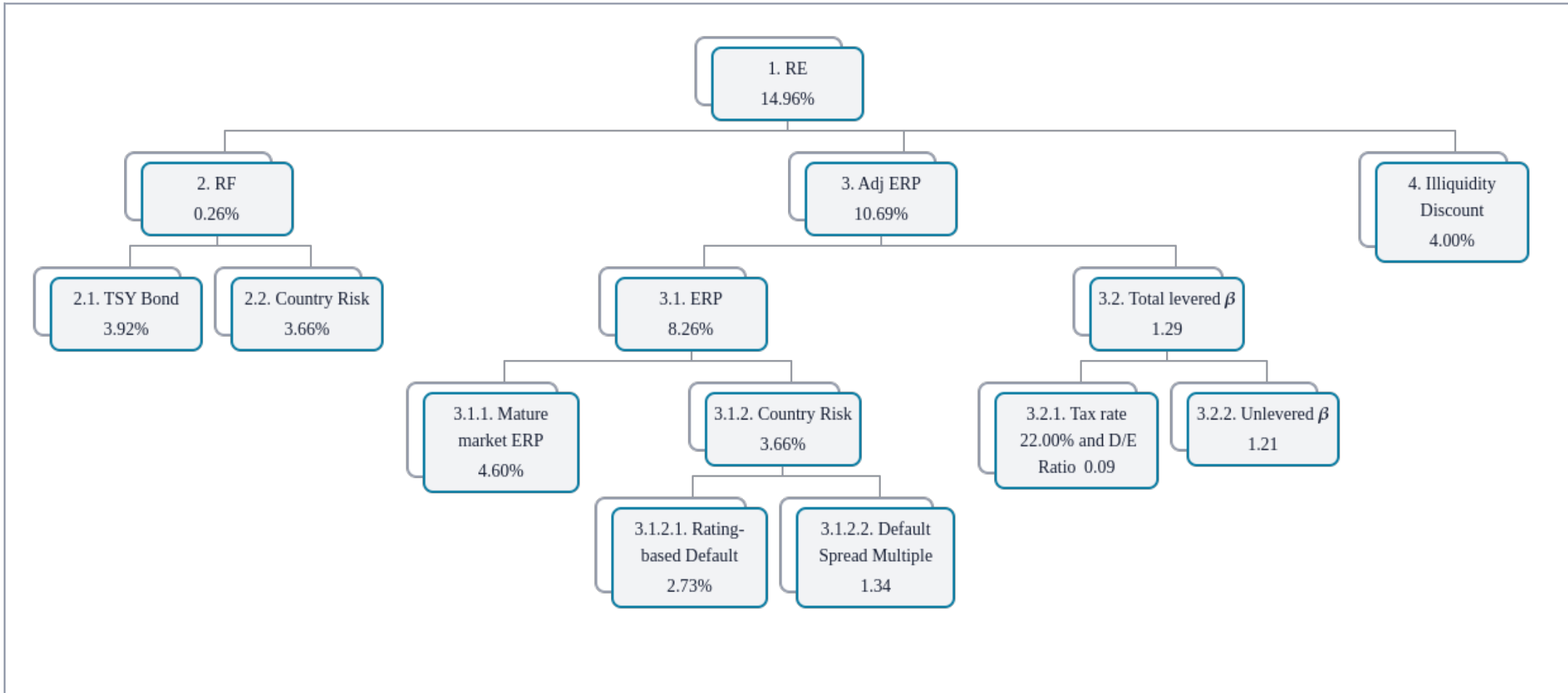
Cash Flow Statement - Indirect (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	385,388	379,974	381,886	382,875	383,704	385,998	387,062	387,912	390,716	392,597	394,318	397,504	-	400,965	437,601
<b>EBIT</b>	-1,033	-1,033	-1,033	-651	-651	-651	-141	-141	-141	241	241	241	-4,749	13,812	47,635
<b>Δ Receivables &amp; Prepaids</b>	-8,012	-	-137	-1,602	-	-183	-2,136	-	-137	-1,602	-	41	-14,456	-8,862	-16,008
<b>Δ Payables</b>	687	-	-	137	-	-	183	-	-	137	-	-	1,144	694	1,265
<b>Δ Inventory</b>	-	-	-785	-	-	-1,047	-	-	-785	-	-	235	-6,308	-4,341	-7,099
<b>Δ Depreciation</b>	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	35,333	35,333	35,333
<b>Tax Paid</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-3,039
<b>Interest Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CF from Operating Activities</b>	-5,413	1,912	989	829	2,294	1,064	850	2,804	1,881	1,721	3,186	3,462	10,965	36,636	58,088
<b>Acquisition of</b>															
<b>Manufacturing Equipment</b>	-	-	-	-	-	-	-	-	-	-	-	-	-70,000	-	-
<b>Facility Renovation and Setup</b>	-	-	-	-	-	-	-	-	-	-	-	-	-70,000	-	-
<b>Research and Development</b>	-	-	-	-	-	-	-	-	-	-	-	-	-30,000	-	-
<b>IT Infrastructure and Software</b>	-	-	-	-	-	-	-	-	-	-	-	-	-40,000	-	-40,000
<b>CF from Investing Activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-210,000	-	-40,000
<b>Loans received / paid</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investments received / paid</b>	-	-	-	-	-	-	-	-	-	-	-	-	600,000	-	-
<b>CF from Financing activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	600,000	-	-
<b>Ending Balance</b>	379,974	381,886	382,875	383,704	385,998	387,062	387,912	390,716	392,597	394,318	397,504	400,965	400,965	437,601	455,689

## 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	-3,704	10,773	37,155	37,824	38,505	39,198	39,903
	Growth% Y4-Y7				1.80%	1.80%	1.80%	1.80%
	Growth% Y7 -->				3.50%			
	WACC				14.96%			
	PV Y1-Y7 at Y0	-3,222	8,152	24,458	21,659	19,181	16,986	15,042
	PV Y7 --> Y0				135,899			
	NPV (USD)				238,155			

Average Survival Rate for 3 Years

50%

Final Valuation

\$ 119,077

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 14.96 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 1.80 %, 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.

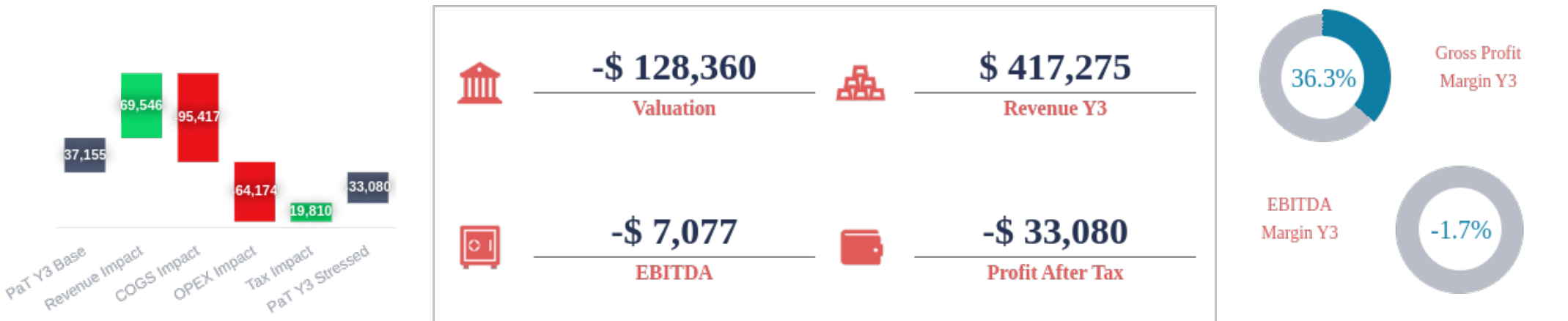
Scenario Analysis		Revenue		COGS		Discount Rate		
	KPIs	Base	Positive	Negative	Positive	Negative	Positive	Negative
Input	Revenue	no impact	15%	-15%	no impact	no impact	no impact	no impact
	COGS	no impact	no impact	no impact	-20%	20%	no impact	no impact
	RoE	no impact	no impact	no impact	no impact	no impact	-10%	10%
	Revenue Y3	\$ 347,729	\$ 399,888	\$ 295,570	\$ 347,729	\$ 347,729	\$ 347,729	\$ 347,729
Output	Gross Profit Y3	\$ 177,342	\$ 203,943	\$ 150,741	\$ 211,419	\$ 143,264	\$ 177,342	\$ 177,342
	GP Margin	51%	51%	51%	61%	41%	51%	51%
	EBITDA Y3	\$ 82,968	\$ 95,413	\$ 70,523	\$ 117,046	\$ 48,891	\$ 82,968	\$ 82,968
	EBITDA Margin	24%	24%	24%	34%	14%	24%	24%
	Net Profit Y3	\$ 37,155	\$ 46,862	\$ 27,448	\$ 63,736	\$ 10,575	\$ 37,155	\$ 37,155
	Profit Margin	11%	12%	9%	18%	3%	11%	11%
	Final Valuation	\$ 119,077	\$ 153,276	\$ 84,879	\$ 212,719	\$ 25,435	\$ 140,007	\$ 103,052

# 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

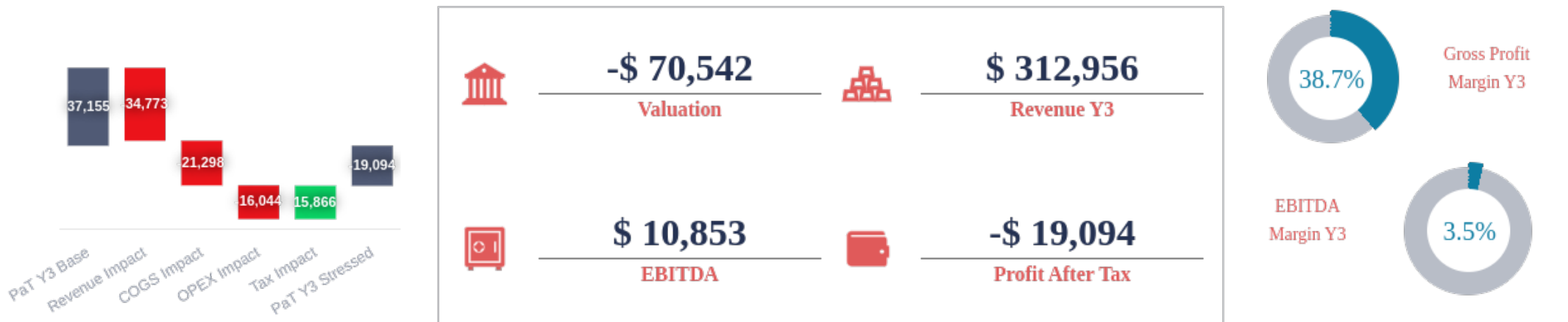


# Stress Test: The Perfect Storm

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	
<b>The Perfect Storm</b>	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



# 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	\$ 102,547	\$ 115,366	\$ 121,775	\$ 134,593	\$ 141,003	\$ 153,821	\$ 116,648	\$ 120,493	\$ 124,339	\$ 132,030	\$ 135,875	\$ 139,721
	Y2	\$ 164,777	\$ 185,375	\$ 195,673	\$ 216,270	\$ 226,569	\$ 247,166	\$ 187,434	\$ 193,614	\$ 199,793	\$ 212,151	\$ 218,330	\$ 224,509
	Y3	\$ 278,183	\$ 312,956	\$ 330,343	\$ 365,116	\$ 382,502	\$ 417,275	\$ 316,433	\$ 326,865	\$ 337,297	\$ 358,161	\$ 368,593	\$ 379,025
Gross Profit	Y1	\$ 52,299	\$ 58,837	\$ 62,105	\$ 68,643	\$ 71,911	\$ 78,449	\$ 59,490	\$ 61,451	\$ 63,413	\$ 67,335	\$ 69,296	\$ 71,258
	Y2	\$ 84,037	\$ 94,541	\$ 99,793	\$ 110,298	\$ 115,550	\$ 126,055	\$ 95,592	\$ 98,743	\$ 101,894	\$ 108,197	\$ 111,348	\$ 114,500
	Y3	\$ 141,873	\$ 159,608	\$ 168,475	\$ 186,209	\$ 195,076	\$ 212,810	\$ 161,381	\$ 166,701	\$ 172,022	\$ 182,662	\$ 187,982	\$ 193,303
GP Margin	Y1	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%
	Y2	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%
	Y3	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%
EBITDA	Y1	\$ 24,468	\$ 27,526	\$ 29,056	\$ 32,114	\$ 33,643	\$ 36,702	\$ 27,832	\$ 28,750	\$ 29,667	\$ 31,502	\$ 32,420	\$ 33,337
	Y2	\$ 39,316	\$ 44,230	\$ 46,688	\$ 51,602	\$ 54,059	\$ 58,974	\$ 44,722	\$ 46,196	\$ 47,671	\$ 50,619	\$ 52,094	\$ 53,568
	Y3	\$ 66,375	\$ 74,671	\$ 78,820	\$ 87,117	\$ 91,265	\$ 99,562	\$ 75,501	\$ 77,990	\$ 80,479	\$ 85,457	\$ 87,946	\$ 90,435
EBITDA Margin	Y1	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
	Y2	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
	Y3	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
Net Profit	Y1	-\$ 8,475	-\$ 6,090	-\$ 4,897	-\$ 2,511	-\$ 1,318	\$ 1,067	-\$ 5,851	-\$ 5,135	-\$ 4,420	-\$ 2,988	-\$ 2,273	-\$ 1,557
	Y2	\$ 3,106	\$ 6,940	\$ 8,856	\$ 12,690	\$ 14,606	\$ 18,440	\$ 7,323	\$ 8,473	\$ 9,623	\$ 11,923	\$ 13,073	\$ 14,223
	Y3	\$ 24,212	\$ 30,684	\$ 33,919	\$ 40,391	\$ 43,627	\$ 50,098	\$ 31,331	\$ 33,272	\$ 35,214	\$ 39,097	\$ 41,038	\$ 42,980
Profit Margin	Y1	-8%	-5%	-4%	-2%	-1%	1%	-5%	-4%	-4%	-2%	-2%	-1%
	Y2	2%	4%	5%	6%	6%	7%	4%	4%	5%	6%	6%	6%
	Y3	9%	10%	10%	11%	11%	12%	10%	10%	10%	11%	11%	11%
Final Valuation		\$ 73,479	\$ 96,278	\$ 107,678	\$ 130,477	\$ 141,876	\$ 164,675	\$ 98,558	\$ 105,398	\$ 112,238	\$ 125,917	\$ 132,757	\$ 139,596



## 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

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