Business Plan

& Valuation Presentation

Contents

OUR VISION & MISSION

Our Mission

Willow Leaf Tea House provides thoughtfully sourced loose-leaf teas, herbal blends, and tea-related accessories, paired with expert brewing guidance and welcoming tastings. By offering a calm space for customers to relax, connect, and discover diverse tea traditions, the organization exists to elevate everyday moments into meaningful experiences, helping people slow down, explore flavors, and cultivate enjoyment through tea. It commits to quality, education, and hospitality, ensuring customers leave with knowledge, a sense of renewal, and a memorable visit.

Our Vision

Willow Leaf Tea House aims to be the premier neighborhood destination where tea enthusiasts and casual drinkers alike come to explore a world of flavors, learn brewing mastery, and savor calm, social moments. In twenty years, it aspires to expand its community impact through sustainable sourcing, intimate tastings, and curated experiences that make tea culture accessible to all, while maintaining a tranquil, inviting space that inspires connection and well-being.

Summary Financials Dashboard

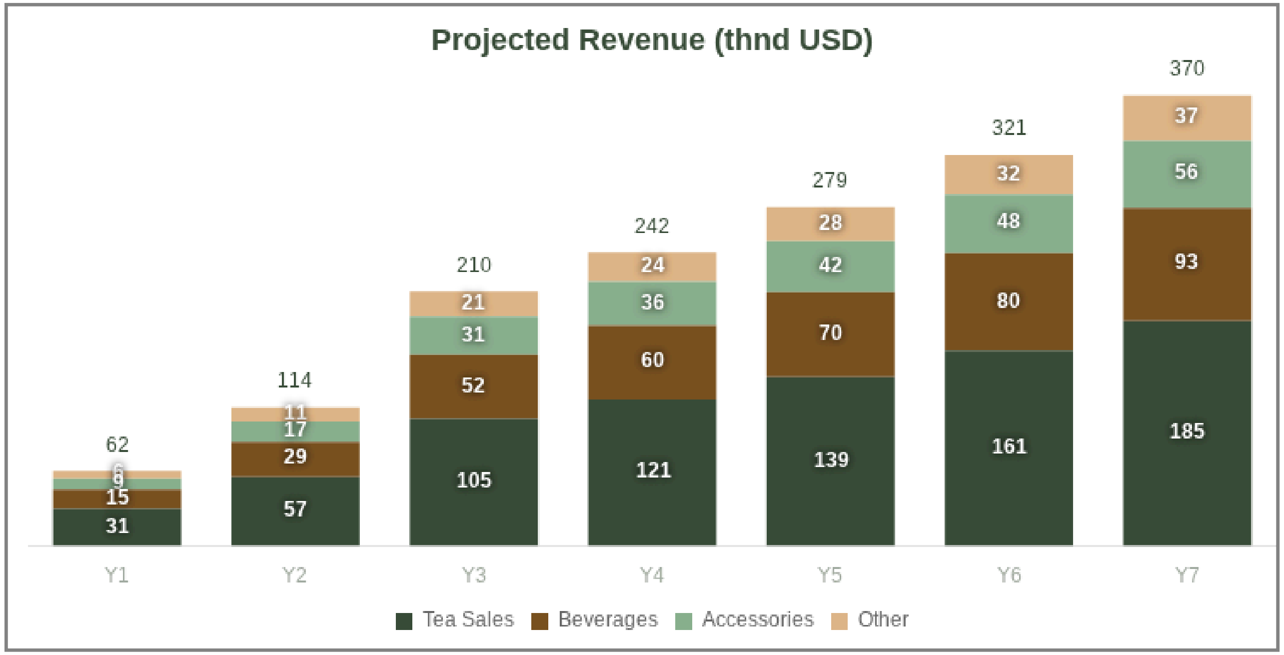
Key performance indicators
(Base Scenario Y3)

$ 210k
Revenue

$ 96k
Gross Profit

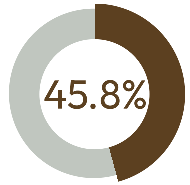
$ 76k
EBITDA

0.00%
Target Market Share

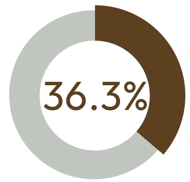


Margins
(Stabilized by Y3)

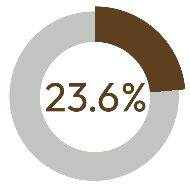
GP Margin



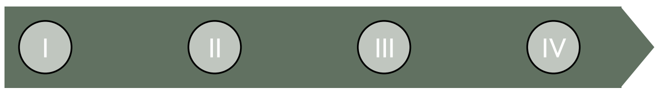
EBITDA Margin



PbT Margin



Project Phases



Phase 1: Foundational

Phase 2: Core Expansion and

Phase 3: New Value Streams

Phase 4: Long-Term, High-

Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

Investment will be used to finance CAPEX, WC buffers, etc.

Investment $ 190k

Y1 CAPEX $ 132k

WC $ 8k

About the Company: General Overview

Willow Leaf Tea House operates as a welcoming, community-focused venue within the limited-service eating places segment of the accommodation and food services sector. The business specializes in selling an array of loose-leaf teas, herbal blends, tea accessories, and freshly prepared beverages, offering customers black, green, white, oolong, fruit, and caffeine-free options. Emphasizing quality and education, the shop hosts tastings and provides guidance on brewing methods, flavor profiles, and tea traditions, helping guests discover personalized experiences. The retail and beverage portfolio is complemented by a calm seating area designed for relaxation, casual meetings, or a peaceful pause during a busy day. This combination of retail product depth, experiential service, and a tranquil environment positions Willow Leaf Tea House as a niche destination for tea enthusiasts and casual visitors alike. By fostering a welcoming atmosphere and offering approachable expertise, the business aims to drive repeat visits, referrals, and steady foot traffic from local residents and visitors seeking comfort and a moment of respite in a convenient, approachable setting.

The Main Phases: Projects & Impacts

01 Phase 1: Foundational Offering

Phase I.

Willow Leaf Tea House establishes a focused offering of curated loose-leaf teas, blends, and brewing guidance, delivering a simple, welcoming tasting and service experience that proves the concept with steady local demand.

03 Phase 3: New Value Streams

Phase III

New profit streams emerge through in-house blends, tea accessories, tastings events, and educational workshops, leveraging brand trust to monetize knowledge and diversify revenue beyond core beverages.

02 Phase 2: Core Expansion and Market Defense

Phase II

The shop expands with a broader tea assortment, enhanced brews and prepared drinks, elevating the customer experience while growing repeat visitors and local partnerships, defending market share against competition.

04 Phase 4: Long-Term, High-Impact Bets

Phase IV.

Strategic exploration targets high-risk, long-horizon opportunities such as collaboration with wellness offerings, seasonal pop-ups, or experiential retreats, positioning Willow Leaf for transformative, future growth paths.

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	Individuals who visit Willow Leaf Tea House seeking quality teas, tasting experiences, and a calming space for socializing or reflection.
Employees and Baristas	Team members delivering service, brewing guidance, and product knowledge, whose skills and satisfaction drive consistent quality and guest experience.
Local Suppliers and Tea Producers	Farmers, distributors, and artisans providing tea leaves, blends, accessories, and seasonal offerings, contributing to quality and local economic links.
Investors and Lenders	Financial partners supporting capitalization, growth initiatives, and operational improvements, seeking sustainable returns and transparent stewardship.
Neighbors and Local Community	Nearby residents and businesses who benefit from community space, traffic to local commerce, and potential collaborations or events.
Partners and Collaborators	Other local cafes, wellness providers, event organizers, and educational institutions exploring cross-promotions and joint experiences.
Regulators and Industry Bodies	Public health, safety, and licensing authorities ensuring compliance with food service standards, safety protocols, and responsible business practices.

Sources: Company's Proprietary Assessment

Key Performance Components

Competitive Advantage

Curated Tea Portfolio

Willow Leaf Tea House offers a carefully selected range of loose-leaf teas, herbal blends, and seasonally inspired drinks, ensuring high freshness, distinctive flavors, and options across black, green, white, oolong, fruit, and caffeine-free varieties.

Guided Brews & Tastings

In-house tastings and brewing guidance empower customers to discover optimal flavors and techniques, enhancing perceived value and encouraging repeat visits through education and personalized recommendations.

Relaxing Social Space

Calm, welcoming seating and a tranquil atmosphere position Willow Leaf as a preferred social and break venue, driving longer visits, word-of-mouth referrals, and repeat patronage in the Accommodation and Food Services sector.

Marketing and Growth Strategy

Willow Leaf Tea House hosts regular tastings and brewing workshops to drive foot traffic, showcase its loose-leaf selections, and build a loyal local following through experiential, shareable moments.

The shop creates a guest loyalty program and quiet retreat themes, encouraging repeat visits, higher average spend, and positive word-of-mouth through exclusive blends and member-only events.

By sharing brewing guides, flavor profiles, and tea traditions online, Willow Leaf Tea House expands reach, positions itself as an expert source, and drives multi-channel engagement and online orders.

Target Groups

	Industries	Description
I	Local tea enthusiasts and daily regulars	Residents within walking distance who seek a calm, casual spot for tasting, tea education, and a reliable everyday beverage option as part of their routine.
II	Young professionals and students	Individuals looking for a quiet environment to study or meet with peers, benefitting from guided brewing, affordable beverages, and comfortable seating.
III	Health-conscious and wellness-minded customers	Customers attracted to caffeine-free, herbal, and functional teas seeking mindful rituals, wellness benefits, and low-stress relaxation moments.
IV	Tea hobbyists and connoisseurs	Afficionados who appreciate curated loose-leaf selections, rare blends, and brewing guidance to deepen their home tea rituals.
V	Family and social gathering groups	Small groups and families seeking a welcoming space for casual meetups, tastings, and shared tea experiences.
VI	Local businesses and partnerships	Nearby offices and community organizations interested in collaborative tastings, catering, or employee perks through tea experiences.
VII	Tourists and visitors seeking local flavor	Short-term visitors looking for a soothing, authentic tea session and lightweight educational experiences as part of discovering the area.

Sources: Company's Proprietary Assessment

Painpoints & Solutions

Solution from Phase I to Phase IV

	1	2	3	4	5	6	7
Painpoints	Limited local awareness and foot traffic	Narrow initial product appeal	Operational inefficiencies in service	Competition from established cafes	Supply and quality variability	Pricing pressure and margin cardiology	Limited opportunities for repeat engagement
	As a new, focused tea shop, attracting enough local customers to prove the concept can be challenging.	A limited initial assortment may not attract diverse customer preferences or encourage repeat visits.	Inconsistent brewing, slow service, and unclear tasting experiences can frustrate customers and deter return visits.	Nearby cafes and beverage concepts may cap market share and deter first-time customers.	Fluctuations in tea quality or supplier reliability can impact taste, consistency, and proceeds.	Balancing accessibility with healthy margins in a price-sensitive market is essential.	With a narrow offering, customers may visit infrequently, reducing lifetime value.
Solution	Implement targeted local marketing, tasting events, and partnerships with nearby businesses to drive trial and repeat visits.	Curate a balanced lineup of teas (black, green, white, oolong, fruit, caffeine-free) with tasting flights and brewing guidance to showcase versatility.	Standardize brewing parameters, train staff on proper leaf-to-water ratios, and implement a simple tasting protocol for quick, quality service.	Differentiate with a curated tea-focused experience, exclusive blends, and loyalty programs to defend market share.	Establish reliable supplier partnerships, set quality standards, and implement consistent cupping and feedback loops.	Adopt value-based pricing with tiered offerings (tasting flights, daily specials) and optimize portion control to protect margins.	Create recurring engagement through loyalty rewards, monthly tea clubs, and in-store events to boost repeat visits.

Strategic Analysis: SWOT

Strength	Weaknesses
Strong niche in tea culture with diverse offerings across loose-leaf teas, herbal blends, and accessories, appealing to varied customer tastes and occasions.	Limited menu compared to full-service eateries may cap impulse purchases and broader meal revenue potential.

Opportunities	Threats
Expand tastings, workshops, and tea education; partner with local suppliers for exclusive blends; leverage online sales for broader reach.	Competition from specialty cafes and large beverage chains; seasonal demand fluctuations; rising tea sourcing costs; economic downturn reducing discretionary spending.

Pestel: Analysis

P	E	S	T	E	L
Political 7 / 10	Economic 6 / 10	Social 8 / 10	Technological 7 / 10	Environmental 6 / 10	Legal 6 / 10
Regulatory: Local health and food safety regulations for handling tea and beverages.	Disposable income: Local discretionary spending influences tea shop visits and premium sales.	Wellness trend: Growing interest in healthy, natural beverages and mindful consumption.	Brewing tech: Modern brewing equipment and precise temp control enhance consistency.	Sourcing: Sustainable tea sourcing reduces environmental footprint and enhances brand values.	Food safety: Adherence to health codes and staff training requirements.
Licensing: Permits for food service, beverage licenses, and potential signage restrictions.	Price sensitivity: Competition on price affects footfall and margins for loose-leaf teas.	Community space: Calm seating facilitates socializing, study, and local engagement.	Payment tools: POS systems, loyalty apps, and contactless payments streamline service.	Waste management: Waste and packaging considerations, encouraging recycling and reusable cups.	Labeling: Accurate ingredient and allergen disclosures for blends and drinks.

Willow Leaf Tea House operates in a consumer-focused, regulated, service-driven market; leveraging wellness trends and a welcoming space while managing costs and compliance will drive success.

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?

Offers curated tea experience, education, tastings, and ambiance, addressing consumer desire for specialty beverages and a relaxing space.

Value

V

Yes

No

Competitive Disadvantage

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

Distinct blend of curated teas and in-house guidance with a calming venue is limited to niche tea shops.

Rarity

R

Yes

No

Competitive Parity

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

Sourcing unique blends and training staff could be replicated, but brand, supplier relationships, and culture are harder to imitate.

Imitability

I

Yes

No

Temporary Competitive Advantage

Is the firm organized to exploit the resource or capability?

Operational setup supports experiential service, customer education, and beverage presentation, aligning with the offered value.

Organization

O

Yes

No

Unused Competitive Advantage

Distinct experiential tea focus and soothing setting provide competitive advantage if reinforced through strong branding, supplier ties, and consistent service quality.

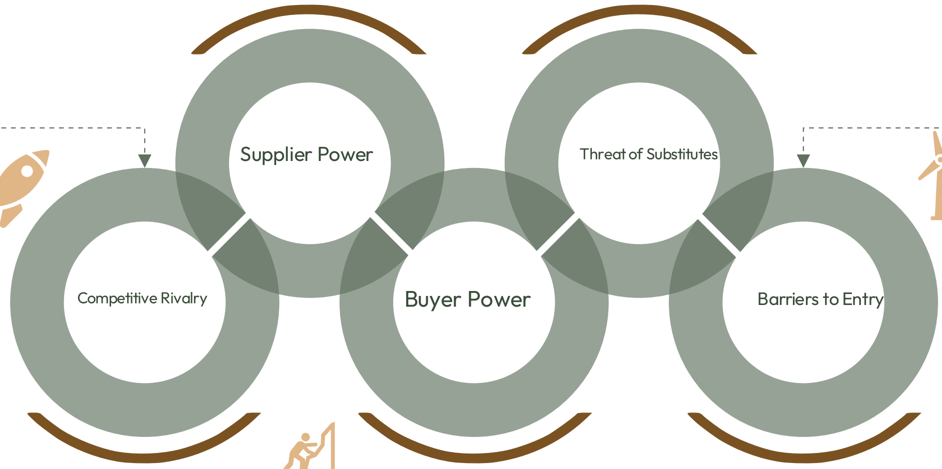
Sustainable Competitive Advantage

Porter’s Five Forces: Analysis

Moderate; tea leaf suppliers and accessory vendors; many alternatives.

Moderate; coffee shops, bottled beverages, and other beverages nearby; value of ambiance lowers substitution.

Moderate to high rivalry among tea/specialty cafés and chains.



Moderate; lease costs and location appeal; moderate capital needs for specialty equipment.

Moderate; diverse customer preferences and price sensitivity in beverages.

Willow Leaf Tea House faces moderate competitive pressure with opportunities to differentiate through ambiance, tastings, and education.

High
Moderate
Low

Management Team

Overview

Overview

Overview

Overview

Sustainability & Digital Presence

Oct 2027

Adopt eco practices, ecommerce, and online brewing education.

Community & Partnerships

Jul 2027

Host collaborations with local growers and wellness events.

Operational Scaling

Apr 2027

Open second location or expand seating capacity.

Product Diversification

Jan 2027

Introduce seasonal blends, ready-to-drink options, and teasets.

Customer Experience Expansion

Oct 2026

Launch loyalty program, tastings, brewing guides; train staff.

Market Entry & Brand Foundation

Jul 2026

Establish brand, finalize menu, source suppliers, and set pricing.

Current Status .

Initial market entry plan ready; awaiting seed funding to commence operations.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Establish legal entity and governance structure	Not Started	High	CEO	1 month
2	Define initial operating plan and budget	Not Started	High	CFO	2 weeks
3	Secure location and lease terms (minimum viable storefront)	Not Started	High	CIO	6 weeks
4	Brand identity and visual guidelines for Willow Leaf Tea House	Not Started	Medium	CMO	4 weeks
5	Select POS, inventory, and tea ingredient supplier systems	Not Started	High	CIO	8 weeks
6	Develop initial health and safety, compliance, and quality controls	Not Started	High	CFO	4 weeks
7	Create staff schedule, training plan, and onboarding process	Not Started	Medium	COO	5 weeks
8	Develop phased launch plan with milestone reviews	Not Started	Medium	CSO	6 weeks
Marketing					
1	Define target customer personas and buyer journey for local market	Not Started	High	CMO	1 month
2	Develop brand and visual identity aligned with calm, welcoming茶 experience and create a style guide	Not Started	High	CPO	2 weeks
3	Create a local marketing plan including grand opening event, tasting sessions, and partnerships with nearby businesses	Not Started	High	CMO	1 month
4	Set up social media channels and content calendar (teas of the week, brewing tips, behind-the-scenes)	Not Started	Medium	CIO	2 weeks
5	Develop loyalty program and referral incentives to drive repeat visits	Not Started	High	CRO	1 month
6	Design and implement in-store signage, tasting menus, and QR code-enabled menus	Not Started	Medium	CBO	3 weeks
7	Launch local press outreach and community event sponsorships	Not Started	Low	CLO	2 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Source initial tea suppliers and establish sourcing criteria	Not Started	High	CFO	M07 2026
2	Develop foundational menu and pricing for Phase 1 offering	Not Started	High	CPO	M07 2026
3	Design store layout and seating plan for tasting-friendly experience	Not Started	High	COO	M08 2026
4	Set up brewing equipment and workflow with standard operating procedures	Not Started	High	CIO	M07 2026
5	Create initial branding and in-store signage for Foundational Offering	Not Started	Medium	CMO	M07 2026
6	Hire/chalk out roles for frontline staff and train on tasting guidance	Not Started	High	CRO	M07 2026
7	Obtain necessary permits and health compliance documentation	Not Started	High	CFO	Q3 2026
8	Develop initial customer feedback loop and metrics for Phase 1 proof of concept	Not Started	Medium	CIO	M07 2026
Phase 2					
1	Expand core beverage and prepared drink menu	Not Started	High	CRO	M07 2026
2	Strengthen supplier partnerships and local collaborations	Not Started	High	CSO	M08 2026
3	Revamp in-store marketing and loyalty program	Not Started	High	CMO	M07 2026
4	Upgrade point-of-sale and order-ahead capabilities	Not Started	Medium	CIO	M08 2026
5	Develop seasonal signature drinks and limited-time offers	Not Started	Medium	CPO	M09 2026
6	Enhance training for baristas and brew guidance	Not Started	Medium	CLO	M07 2026
7	Expand retail tea accessories and merchandise mix	Not Started	Low	CBO	M10 2026
8	Local event participation and pop-up planning	Not Started	Low	CXO	Q4 2026

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop in-house tea blends strategy	Not Started	High	CPO	M09 2026
2	Launch line of tea accessories and starter kits	Not Started	High	CPO	M11 2026
3	Plan and host inaugural tasting events and workshops	Not Started	High	CMO	Q1 2027
4	Create educational content and brewing guides (digital and in-store)	Not Started	Medium	CIO	M01 2027
5	Develop partner program with local cafes and retailers for co-branded blends	Not Started	Medium	CSO	Q3 2026
6	Set up e-commerce platform for blends and accessories	Not Started	High	CIO	M08 2026
7	Establish wholesale and event licensing for tastings	Not Started	Medium	CFO	Q4 2026
8	Budget and forecast for new value streams (blends, events, workshops)	Not Started	High	CFO	M07 2026
Phase 4					
1	Phase 4 Task 1: Launch wellness collaboration pilot	Not Started	High	CIO	Q4 2026
2	Phase 4 Task 2: Seasonal pop-up planning and rollout	Not Started	High	CMO	Q1 2027
3	Phase 4 Task 3: Experiential retreat concept development	Not Started	Medium	CPO	M07 2027
4	Phase 4 Task 4: Strategic partnerships with wellness studios	Not Started	Medium	CSO	M08 2027
5	Phase 4 Task 5: Premium in-house blends for premium pricing	Not Started	High	CFO	M09 2027
6	Phase 4 Task 6: Develop branded tea experience events program	Not Started	Medium	CMO	M10 2027
7	Phase 4 Task 7: Deploy pop-up analytics and learnings loop	Not Started	Medium	CIO	M11 2027
8	Phase 4 Task 8: Financial modeling for long-horizon bets and runway planning	Not Started	High	CFO	Q1 2028

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Supply chain disruption for tea and accessories	CFO	Diversify suppliers and maintain safety stock at 2–3 months of core items
2	Equipment and maintenance downtime	CFO	Implement preventive maintenance schedule and service contracts
3	Inventory management and spoilage	CPO	Adopt FIFO, regular inventory audits, and waste tracking software
4	Staffing and scheduling gaps	COO	Create flexible staffing plans and cross-train staff for core tasks
5	Ventilation, cleanliness, and hygiene lapses	CFO	Establish strict cleaning protocols and weekly health inspections

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Food safety and labeling compliance	CFO	Implement HACCP-like plan; maintain ingredient/allergen logs; clear labeling and disclosures.
2	Licensing and permit compliance	CLO	Track license expirations; establish renewals calendar; engage counsel for renewals.
3	Employment and labor regulations	CPO	Standardized payroll; classification reviews; regular training on labor laws.
4	Consumer protection and advertising rules	CLO	Review marketing claims; maintain substantiation for health/taste statements.
5	Product liability and liability waivers	CFO	Obtain product and general liability insurance; use waivers for events; safety protocols.

Sources: Company's Proprietary Assessment

Core Risks & Mitigation Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Competitive intensity and market saturation	CMO	Differentiate with curated blends and exceptional in-store experiences; partnerships.
2	Dependence on local customerbase	CSO	Expand to nearby neighborhoods and offer delivery/tastings partnerships.
3	Pricing pressure and margin erosion	CFO	Value-based pricing and premium offerings; optimize cost of goods.
4	Supply chain disruptions for tea and accs	COO	Diversify supplier base and maintain safety stock; local sourcing.
5	Brand diffusion and misalignment with audience	CLO	Clear brand guidelines and staged product launches; audience testing.

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Variability	CFO	Implement rolling 12-month cash forecasts and reserve targets.
2	Reliance on Key Suppliers	CFO	Establish dual sourcing and supplier credit terms, maintain buffer stock.
3	Pricing Pressure and Margin Erosion	CFO	Regular cost-to-serve分析 and value-based pricing for blends.
4	Debt Service and Financing Needs	CFO	Secure flexible credit lines and maintain debt covenants dashboard.
5	Capital Allocation for Growth Initiatives	CFO	Run staged pilots with clear ROI gates and post-mortem reviews.

5. Other general risks

#	Risk Type	Area	Mitigation Strategy
1	Brand or reputation risk from negative social media	CFO	Monitor sentiment; respond promptly; deliver consistent quality.
2	Supply chain disruption for tea leaves and ingredients	CFO	Develop multiple vetted suppliers and buffer stock.
3	Seasonality affecting foot traffic	CMO	Year-round promotions and diversified offerings to smooth cycles.
4	Intellectual property of unique blends	CLO	Legal review of recipes; limited disclosure; secure production.
5	Food safety and compliance incidents	CFO	Strict SOPs; regular staff training; external audits.

Sources: Company's Proprietary Assessment

Market Overview (TAM, SAM and SOM)

Target Available Market (TAM)	Subindustry	$ 64,400,000k	Source: TAM is based on third party market estimation provided by IBIS World. CAGR is based on open source web research. Expected CAGR for industry is 15.30%
Service Available Market (SAM)	0.08%	Given Willow Leaf Tea House is a single, small-format café with limited seating and a local focus, its serviceable market is a tiny fraction of the national TAM for Coffee & Snack Shops. A conservative local-reach assumption (neighborhood foot traffic, limited hours, and regional competition) places SAM near the lower end of the range, around 0.08% of...	
Service Obtainable Market Y1-Y3 (SOM)	Year 1 0.12000% Year 2 0.19200% Year 3 0.30600%	With a 0.19k USDk capital against a 64,400k USD TAM and a SAM of 0.08%, Willow Leaf Tea House begins with a conservative SOM in Year 1 (0.08% of SAM). Gradual strengths in niche, personalized service, and location support modest growth into Years 2 and 3 (0.12% and 0.18%). Competitive density and SME-focused strategy keep expansions cautious but...	

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 $ 190k

Y1 Cash Flow Stream (thnd USD)	Inflows	Outlows
Gross Profit	32	
Payroll Expenses		2
Rent & Utilities		1
Marketing and Branding		1
Other Miscellaneous		0
CAPEX		132
Communication Expenses		0
Legal and Professional Fees		0
Training and Development		0
Office supplies		0
Representation and Entert.		0
CAPEX & WC shortage Y1		105
Buffer		85
Total Required Investment (thnd USD)		190

Payroll Expenses
1.50%

Rent & Utilities
0.93%

Marketing and Branding
0.45%

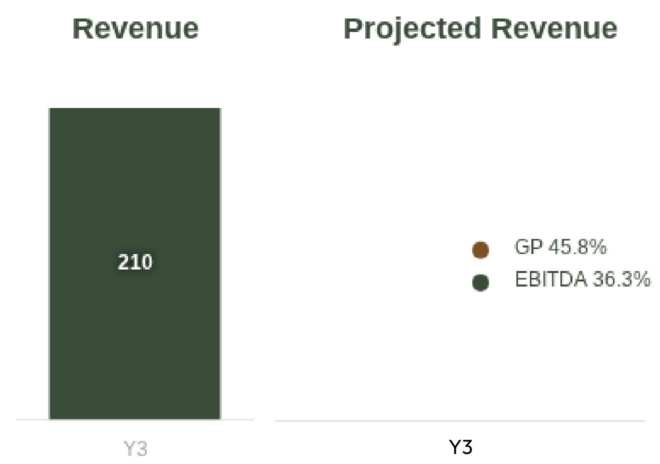
Other Miscellaneous
0.19%

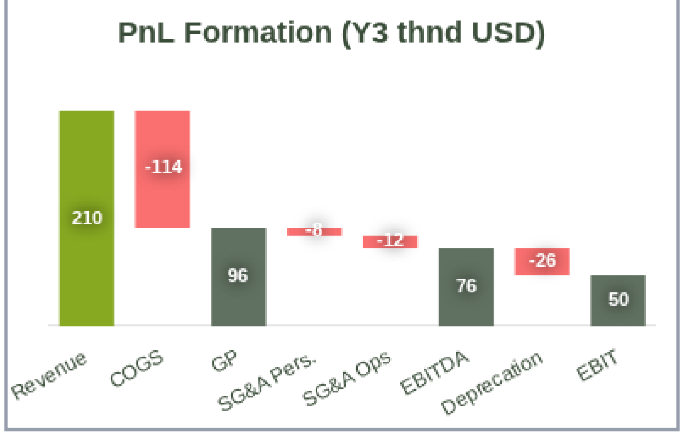
CAPEX
96.25%

Other
0.68%

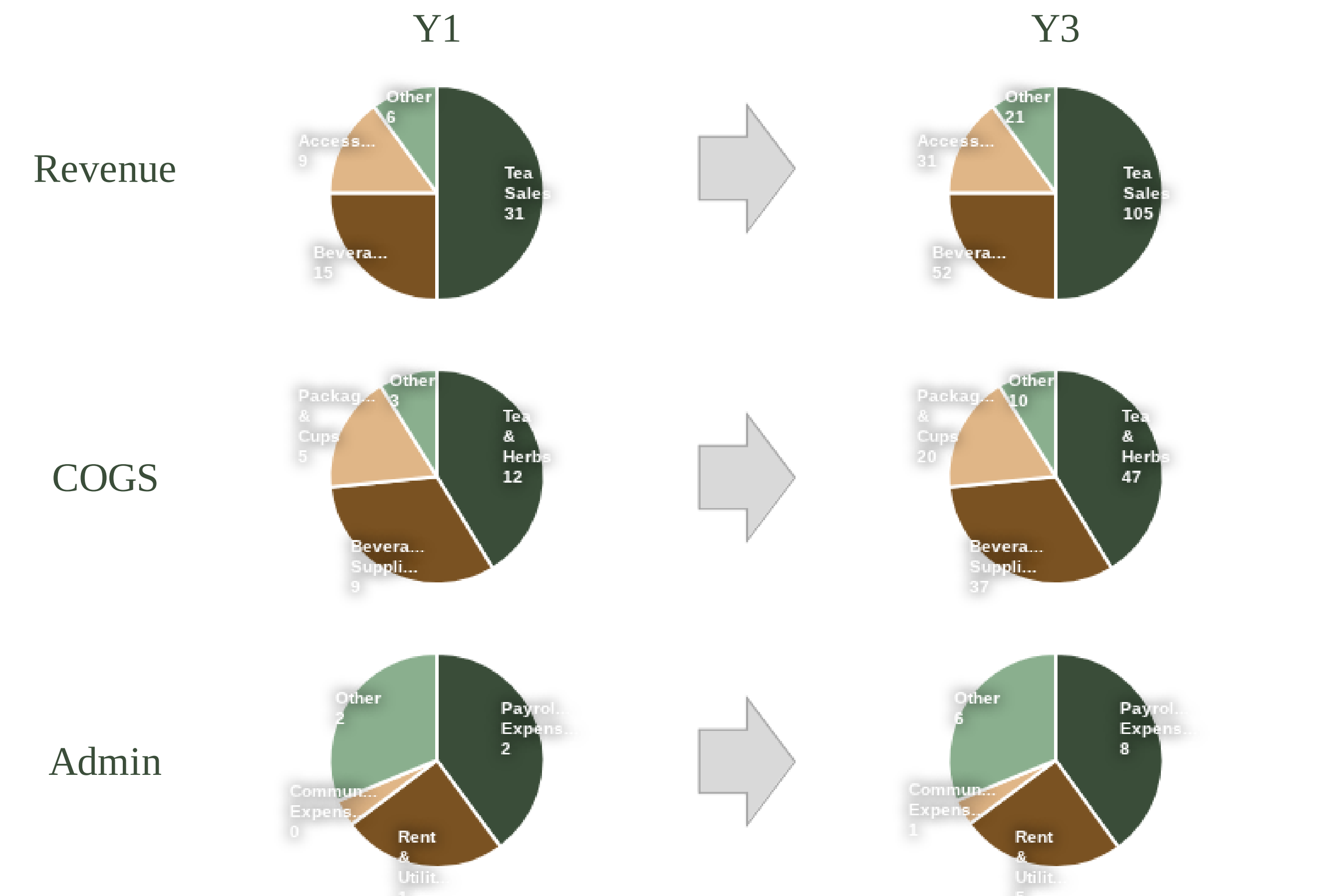
Financials Dashboard

Y3 PL formation and Margins





Business Line Breakdown (thnd USD)

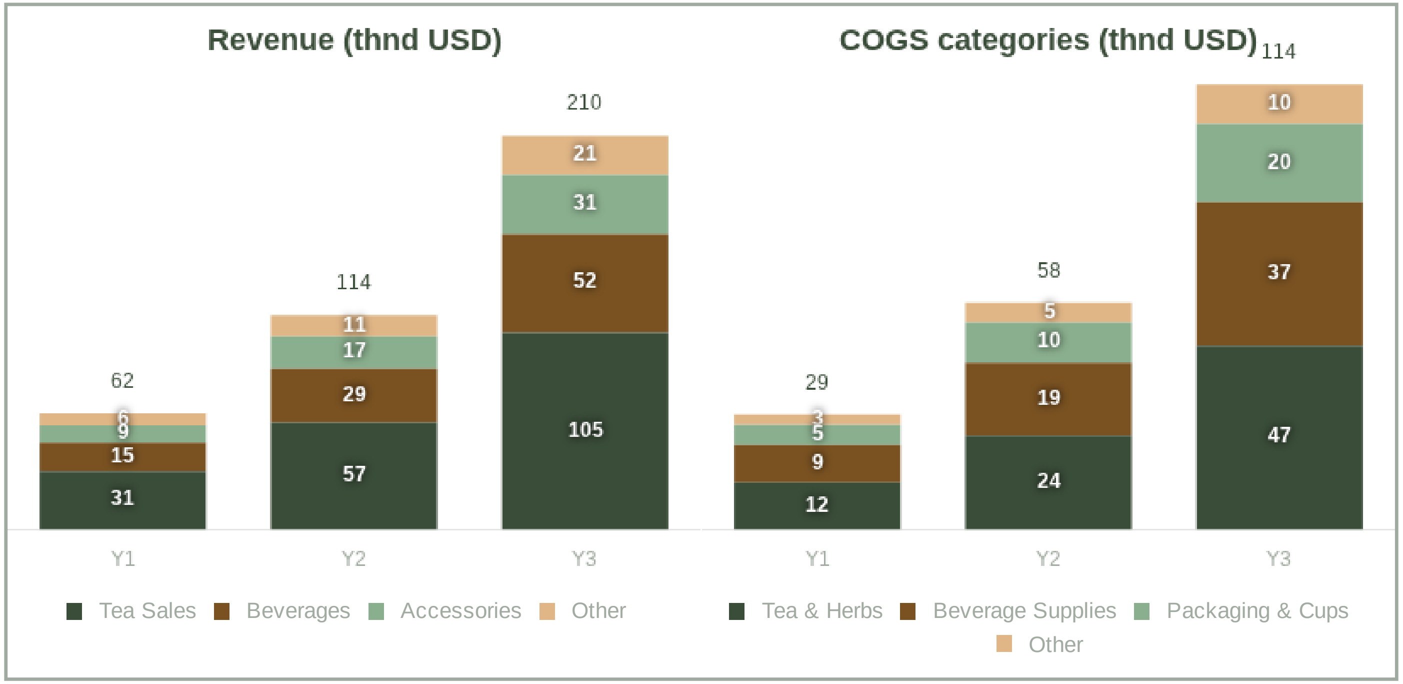


Revenue Formation Narrative

Willow Leaf Tea House targets a defined, high-touch consumer segment within the Limited-Service Eating Places sector, leveraging a curated loose-leaf tea portfolio, herbal blends, and in-house tasting-guided experiences to convert foot traffic into repeat visits. The total addressable market (TAM) is 64,400,000k USD, with the serviceable addressable market (SAM) representing 0 of TAM, acknowledging the local-venue nature and limited-hours footprint. Initial market entry concentrates on a conservatively sized SOM, calculated at 0 of SAM, followed by staged improvements to 0 in Year 2 and 0 in Year 3 as brand recognition, neighborhood presence, and repeat patronage grow. Revenue projections reflect this trajectory: 41.216k USD in Year 1, 68.13k USD in Year 2, and 112.619k USD in Year 3, underscoring a path to material scale within a restrained geographic footprint. The business operates across four lines of business, with Tea Sales, Beverages, Accessories, and Other contributing revenue shares of 50, 25, 15, and 10 respectively, with names Tea Sales, Beverages, Accessories, and Other. This structure supports a balanced mix that reinforces core tea experiences while cross-selling accessories and ancillary items to enhance ticket size. The capital requirement to execute this plan is 190k USD, enabling targeted site selection, supplier relations, and a curated guest experience. By aligning with a neighborhood-focused brand and a boutique service model, Willow Leaf Tea House seeks to translate measured SOM gains into sustainable revenue growth across Years 1–3 within a modest capital envelope.

$ 210k Y3 Projected Revenue

0.00% Market Share



Revenue Calculation Details

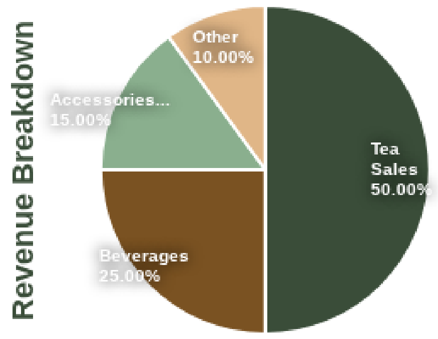
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Tea Sales	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*50.00%*
Beverages	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*
Accessories	*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	*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%*
Tea Sales	2	2	2	2	2	2	3	3	3	3	3	3	31	57	105
Beverages	1	1	1	1	1	1	1	1	1	2	2	2	15	29	52
Accessories	1	1	1	1	1	1	1	1	1	1	1	1	9	17	31
Other	0	0	0	0	0	0	1	1	1	1	1	1	6	11	21
Total Revenue (thnd USD)	4	4	4	5	5	5	6	6	6	6	6	6	62	114	210

Total revenue is expected to reach $ 210k by year 3.

Main revenue driver are:

- Tea Sales which generates $ 105k by Year 3
- Beverages which generates $ 52k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 84.12 %



COGS Calculation Details

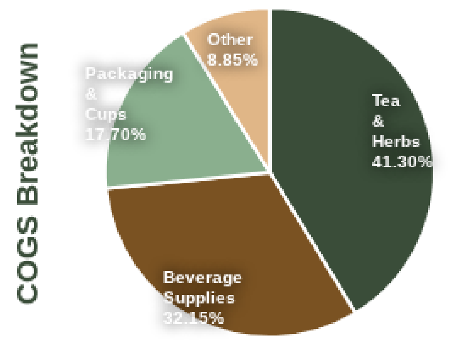
COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Tea & Herbs	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*21.00%*	*22.40%*
Beverage Supplies	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*15.26%*	*16.35%*	*17.44%*
Packaging & Cups	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*9.00%*	*9.60%*
Other	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.20%*	*4.50%*	*4.80%*
Tea & Herbs	1	1	1	1	1	1	1	1	1	1	1	1	12	24	47
Beverage Supplies	1	1	1	1	1	1	1	1	1	1	1	1	9	19	37
Packaging & Cups	0	0	0	0	0	0	0	0	0	1	1	1	5	10	20
Other	0	0	0	0	0	0	0	0	0	0	0	0	3	5	10
Total COGS (thnd USD)	2	2	2	2	2	2	3	3	3	3	3	3	29	58	114

Total COGS is expected to reach '$ 114k by year 3.

Main revenue driver are:

- Tea & Herbs which generates $ 47k by Year 3
- Beverage Supplies which generates $ 37k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 96.83 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.33%*	*3.57%*	*3.81%*
Rent & Utilities	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.07%*	*2.21%*	*2.36%*
Communication Expenses	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.36%*	*0.38%*
Office supplies	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.27%*	*0.29%*
Legal and Professional Fees	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.36%*	*0.38%*
Marketing and Branding	*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%*	*1.07%*	*1.14%*
Representation and Entertainment	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.27%*	*0.29%*
Training and Development	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.36%*	*0.38%*
Other Miscellaneous	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.45%*	*0.48%*

Payroll Expenses	0	0	0	0	0	0	0	0	0	0	0	0	2	4	8
Rent & Utilities	0	0	0	0	0	0	0	0	0	0	0	0	1	3	5
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Marketing and Branding	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Total SG&A (thnd USD)	0	0	0	0	0	0	0	0	0	1	1	1	5	10	20

Sources: Company's Proprietary Planning

PaT Expectations

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	**4**	**4**	**4**	**5**	**5**	**5**	**6**	**6**	**6**	**6**	**6**	**6**	**62**	**114**	**210**
Tea Sales	2	2	2	2	2	2	3	3	3	3	3	3	31	57	105
Beverages	1	1	1	1	1	1	1	1	1	2	2	2	15	29	52
Accessories	1	1	1	1	1	1	1	1	1	1	1	1	9	17	31
Other	0	0	0	0	0	0	1	1	1	1	1	1	6	11	21
COGS	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**	**-3**	**-3**	**-3**	**-3**	**-3**	**-3**	**-29**	**-58**	**-114**
Tea & Herbs	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-12	-24	-47
Beverage Supplies	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-9	-19	-37
Packaging & Cups	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-1	-1	-5	-10	-20
Other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3	-5	-10
Gross Profit	2	2	2	2	2	2	3	3	3	3	3	3	32	56	96
SG&A Personal Expenses	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-2	-4	-8
SG&A Operating Expenses	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3	-6	-12
EBITDA	2	2	2	2	2	2	3	3	3	3	3	3	27	46	76
Depreciation	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-26	-26	-26
EBIT	-0	-0	-0	-0	-0	-0	0	0	0	1	1	1	1	19	50
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-0	-0	-0	-0	-0	-0	0	0	0	1	1	1	1	19	50
Tax	0	0	0	0	0	0	-0	-0	-0	-0	-0	-0	-0	-5	-13
Profit after Tax (thnd USD)	-0	-0	-0	-0	-0	-0	0	0	0	0	0	0	1	14	37

Sources: Company's Proprietary Planning

Balance Sheet Statement

Balance Sheet (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cash & Cash Equivalents	54	55	57	58	60	62	63	66	68	70	73	75	75	112	168
Accounts Receivable	4	4	4	5	5	5	6	6	6	6	6	6	6	12	22
Inventory	2	2	2	2	2	3	3	3	3	3	3	4	4	7	12
Prepaid Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Deferred Tax Assets	0	0	0	0	0	1	0	0	0	0	-	-	-	-	-
Current Assets	60	61	63	65	68	70	72	74	77	80	82	85	85	131	202
Commercial Kitchen Equipment	45	44	43	42	42	41	40	39	39	38	37	36	36	27	18
Espresso/Drink Station and Smallwares	29	28	28	27	27	26	26	25	25	25	24	24	24	18	12
Storefront and Seating Improvements	29	28	28	27	27	26	26	25	25	25	24	24	24	18	12
Point of Sale and IT/Security	28	27	27	26	26	25	25	24	24	23	23	22	22	17	11
Non-Current Assets	130	128	126	123	121	119	117	115	112	110	108	106	106	79	53
Total Assets	190	189	189	189	189	189	189	189	189	190	190	191	191	210	255
Accounts Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-	0	0	0	5	13
Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	5	13
Loans and Other Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	5	13
Paid-In Capital	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	1	15
Current Period Earnings	-0	-1	-1	-1	-1	-1	-1	-1	-1	-0	0	1	1	14	37
Total Equity	190	189	189	189	189	189	189	189	189	190	190	191	191	205	242

Cash Flow Statement - Direct

Cash Flow Statement - Direct (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Initial Balance	56	54	55	57	58	60	62	63	66	68	70	73	-	75	112
Cash from Sales of Goods / Services	-	4	4	4	5	5	5	6	6	6	6	6	55	109	200
Payments to Employees / Vendors	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4	-4	-4	-38	-71	-138
Advances Paid / Received	-	-	-0	-	-	-0	-	-	-0	-	-	-0	-0	-0	-0
Taxes Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-0	-5
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-2	2	1	1	2	2	2	3	2	2	3	2	17	37	56
Acquisition of															
Commercial Kitchen Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-46	-	-
Espresso/Drink Station and Smallwares	-	-	-	-	-	-	-	-	-	-	-	-	-29	-	-
Storefront and Seating Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-29	-	-
Point of Sale and IT/Security	-	-	-	-	-	-	-	-	-	-	-	-	-28	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-132	-	-
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	190	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	190	-	-
Ending Balance	54	55	57	58	60	62	63	66	68	70	73	75	75	112	168

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 (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Initial Balance	56	54	55	57	58	60	62	63	66	68	70	73	-	75	112
EBIT	-0	-0	-0	-0	-0	-0	0	0	0	1	1	1	1	19	50
Δ Receivables & Prepaids	-4	-	-0	-1	-	-0	-1	-	-0	-1	-	-0	-7	-6	-10
Δ Payables	0	-	-	0	-	-	0	-	-	0	-	-	0	0	0
Δ Inventory	-	-	-0	-	-	-0	-	-	-0	-	-	-1	-4	-3	-5
Δ Depreciation	2	2	2	2	2	2	2	2	2	2	2	2	26	26	26
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-0	-5
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-2	2	1	1	2	2	2	3	2	2	3	2	17	37	56
Acquisition of															
Commercial Kitchen Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-46	-	-
Espresso/Drink Station and Smallwares	-	-	-	-	-	-	-	-	-	-	-	-	-29	-	-
Storefront and Seating Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-29	-	-
Point of Sale and IT/Security	-	-	-	-	-	-	-	-	-	-	-	-	-28	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-132	-	-
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	190	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	190	-	-
Ending Balance	54	55	57	58	60	62	63	66	68	70	73	75	75	112	168

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.

Cost of Capital Estimation

Required Return on Equity Derivation

- 1. RE 11.73%
  - 2. RF 4.29%
    - 2.1. TSY Bond 4.64%
    - 2.2. Country Risk 0.35%
  - 3. Adj ERP 3.44%
    - 3.1. ERP 4.58%
      - 3.1.1. Mature market ERP 4.23%
      - 3.1.2. Country Risk 0.35%
        - 3.1.2.1. Rating-based Default 0.23%
        - 3.1.2.2. Default Spread Multiple 1.52
    - 3.2. Total levered β 0.75
      - 3.2.1. Tax rate 26.00% and D/E Ratio 0.26
      - 3.2.2. Unlevered β 0.63
  - 4. Illiquidity Discount 4.00%

Cost of Capital: CAPM Inputs

Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is R(E)=R(F)+β ⁎ (ERP), where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple (β) is average equity betas of correspondingindustries. 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 Premiumof 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

	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%	46.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf http://pages.stern.nyu.edu/~adamodar/

Business Valuation

DCF

(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Profit after Tax	**1**	**14**	**37**	**42**	**49**	**56**	**65**
Growth% Y4-Y7				15.30%	15.30%	15.30%	15.30%
Growth% Y7	5.60%						
WACC'	**11.73%**						
PV Y1-Y7 at Y0	1	12	26	27	28	29	30
PV Y7 --> Y0	513						
NPV (thnd USD)	665						

Assumed 3Y Survival Rate 50%

Final Valuation $ 333k

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 11.73 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 10.20 %, 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. Taking into account the project's current stage of development and risk profile, the final survival rate has been assumed at 50%. 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.

Sources: Company's Proprietary Planning

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 Ra te (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...	lower by 10%
		This scenario models an increase in the discount rate (RoE) driven by higher market risk, macroeconomic instability, or industry-	

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	$ 210k	$ 241k	$ 178k	$ 210k	$ 210k	$ 210k	$ 210k
	Gross Profit Y3	$ 96k	$ 110k	$ 82k	$ 119k	$ 73k	$ 96k	$ 96k
	GP Margin	46%	46%	46%	57%	35%	46%	46%
	EBITDA Y3	$ 76k	$ 87k	$ 65k	$ 99k	$ 53k	$ 76k	$ 76k
	EBITDA Margin	36%	36%	36%	47%	25%	36%	36%
	Net Profit Y3	$ 37k	$ 45k	$ 28k	$ 53k	$ 20k	$ 37k	$ 37k
	Profit Margin	17%	19%	16%	26%	9%	17%	17%
	Final Valuation	$ 333k	$ 411k	$ 254k	$ 488k	$ 177k	$ 422k	$ 273k

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 challenges.

Scenario Name

Growth Under Pressure

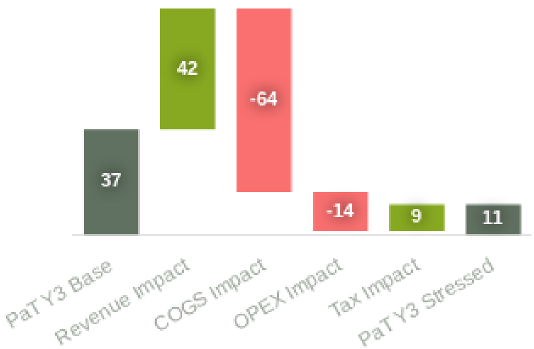
Story

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.

KPIs impact

Revenue Higher by 20%	**COGS** Higher by 30%
OPEX Higher by 40%	**Discount Rate** unaffected

Results

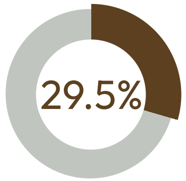


$ 92k
Valuation

$ 252k
Revenue Y3

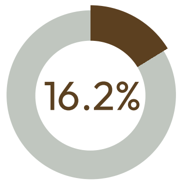
$ 41k
EBITDA

$ 11k
Profit After Tax



Gross Profit Margin Y3

EBITDA Margin Y3



Stress Test: The Perfect Storm

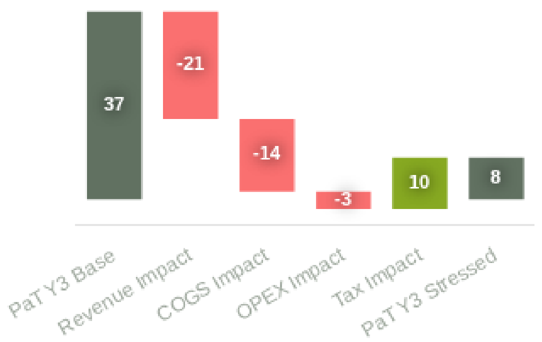
Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of challenges.

Scenario Name	Story
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.

KPIs impact

Revenue Lower by 10%	**COGS** Higher by 25%
OPEX Higher by 30%	**Discount Rate** Higher by 10%

Results

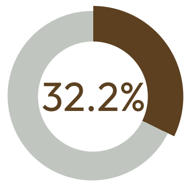


$ 55k
Valuation

$ 189k
Revenue Y3

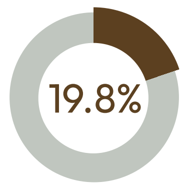
$ 37k
EBITDA

$ 8k
Profit After Tax



Gross Profit Margin Y3

EBITDA Margin Y3



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	$ 49k	$ 56k	$ 59k	$ 65k	$ 68k	$ 74k	$ 56k	$ 58k	$ 60k	$ 64k	$ 66k	$ 67k
	Y2	$ 91k	$ 103k	$ 108k	$ 120k	$ 125k	$ 137k	$ 104k	$ 107k	$ 111k	$ 117k	$ 121k	$ 124k
	Y3	$ 168k	$ 189k	$ 199k	$ 220k	$ 231k	$ 252k	$ 191k	$ 197k	$ 203k	$ 216k	$ 222k	$ 228k
Gross Profit	Y1	$ 26k	$ 29k	$ 31k	$ 34k	$ 36k	$ 39k	$ 30k	$ 31k	$ 32k	$ 33k	$ 34k	$ 35k
	Y2	$ 45k	$ 50k	$ 53k	$ 59k	$ 62k	$ 67k	$ 51k	$ 53k	$ 54k	$ 58k	$ 59k	$ 61k
	Y3	$ 77k	$ 86k	$ 91k	$ 101k	$ 105k	$ 115k	$ 87k	$ 90k	$ 93k	$ 99k	$ 102k	$ 105k
GP Margin	Y1	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%
	Y2	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%
	Y3	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
EBITDA	Y1	$ 22k	$ 25k	$ 26k	$ 29k	$ 30k	$ 33k	$ 25k	$ 26k	$ 27k	$ 28k	$ 29k	$ 30k
	Y2	$ 37k	$ 41k	$ 44k	$ 48k	$ 50k	$ 55k	$ 42k	$ 43k	$ 45k	$ 47k	$ 49k	$ 50k
	Y3	$ 61k	$ 68k	$ 72k	$ 80k	$ 84k	$ 91k	$ 69k	$ 71k	$ 74k	$ 78k	$ 81k	$ 83k
EBITDA Margin	Y1	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
	Y2	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
	Y3	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%
Net Profit	Y1	-$ 3k	-$ 1k	-$ 0k	$ 2k	$ 3k	$ 5k	-$ 1k	-$ 1k	$ 0k	$ 1k	$ 2k	$ 2k
	Y2	$ 8k	$ 11k	$ 13k	$ 16k	$ 18k	$ 21k	$ 11k	$ 12k	$ 13k	$ 15k	$ 16k	$ 17k
	Y3	$ 25k	$ 31k	$ 34k	$ 39k	$ 42k	$ 48k	$ 32k	$ 33k	$ 35k	$ 38k	$ 40k	$ 42k
Profit Margin	Y1	-7%	-2%	-1%	3%	4%	6%	-2%	-1%	0%	2%	3%	4%
	Y2	8%	11%	12%	13%	14%	15%	11%	12%	12%	13%	14%	14%
	Y3	15%	16%	17%	18%	18%	19%	17%	17%	17%	18%	18%	18%
Final Valuation		$ 228k	$ 280k	$ 306k	$ 359k	$ 385k	$ 437k	$ 285k	$ 301k	$ 317k	$ 348k	$ 364k	$ 380k

Glossary

Abbreviations

Adj - Adjusted
Admin - Administrative Expense
Av - Average
b - Billions of
B2B - Business to Business
B2C - Business to Customer
C-level - Chief level
CAGR - Compounded Annual Growth Rate
CAPEX - Capital Expenditure
CAPM - Capital Asset Pricing Model
CBDO - Chief Business Development Officer
CEO - Chief Executive Officer
CF - Cash FLow
CFO - Chief Financial Officer
COGS - Cost of OODS Sold
CPO - Chief Product Officer
CTO - Chief Technology Officer
D/E - Debt to Equity
DCF - Discounted Cash Flow
Depr. - Depreciation
Dev - Developer
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Axes, Depreciation, and Amortization

HR - Human Resources
Inv. - Inventory
k - Thousands of
KPI - Key Performance Indicators
LE - Legal Entity
LFY - Last Fiscal Year
LLM - Large Language Model
m - Millions of
MTD - Month-To-Date
MVP - Minimum Viable Product
NDA - Non-Disclosure Agreement
NFT - Non-Fungible Token
NPV - Net Present Value
OPEX - Operating Expense
P&L - A Profit and Loss (P&L) Statement
PaT - Profit after Tax
PbT - Profit before Tax
PE - Private Equity
PL - Profit and Loss
POC - Proof of Concept
PPE - Property, Plant, and equipment
PV - Present Value
RE - Return on Equity

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