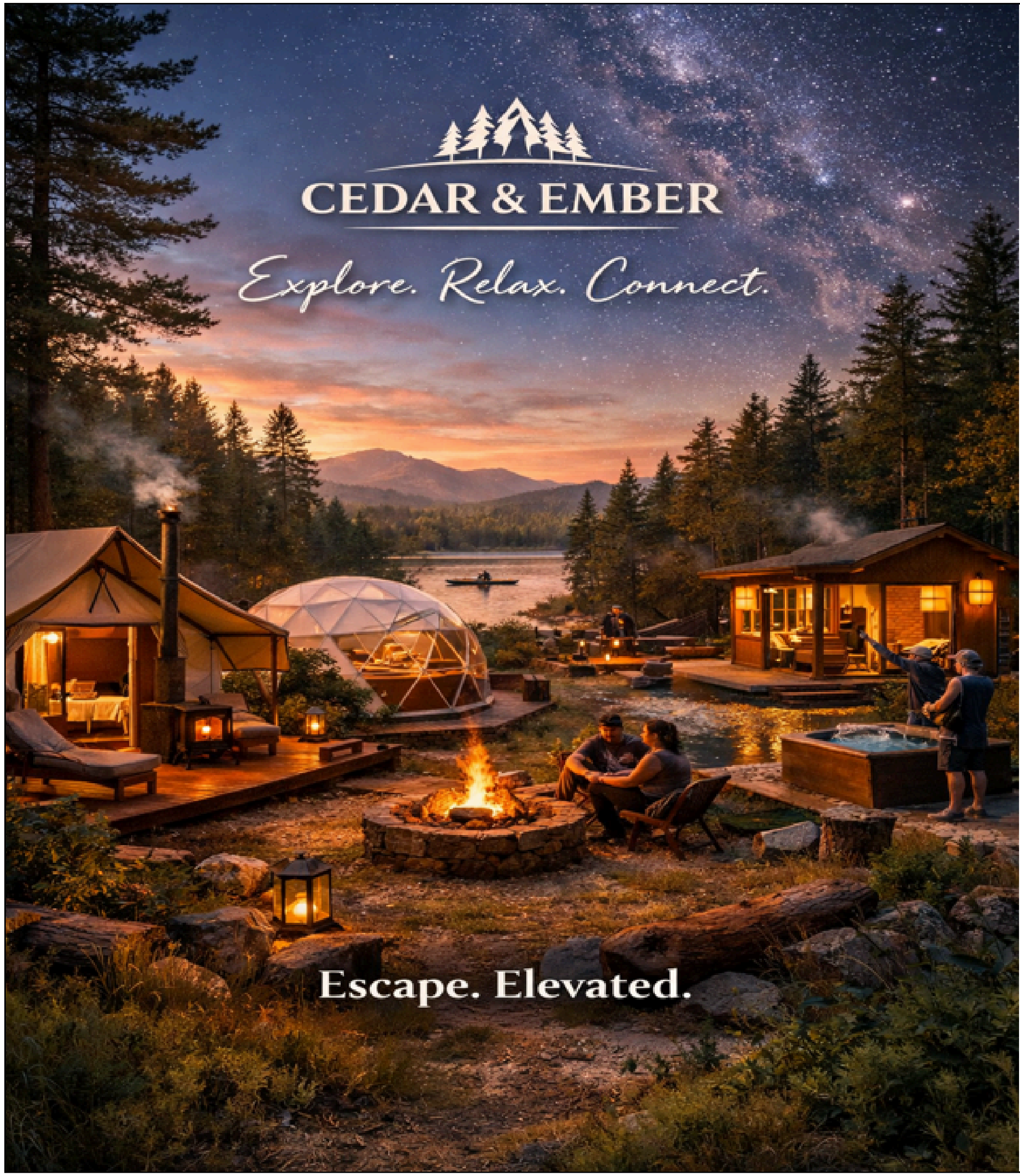
# Business Plan
& Valuation Presentation

# Contents






# OUR
# VISION & MISSION

## Our Mission

Cedar & Ember exists to provide premium, design-forward outdoor getaways that blend nature with the comforts of boutique hospitality. By delivering thoughtfully crafted accommodations, private spaces, and elevated experiences, the company creates memorable retreats for urban professionals and couples seeking connection, privacy, and renewal—without compromising comfort. Through asset-light expansion and curated ancillary experiences, Cedar & Ember aims to redefine how travelers connect with the outdoors while sustaining responsible growth and guest-focused innovation.

## Our Vision

To become the leading network of intimate, design-led glamping experiences—where guests regularly seek multi-night escapes and private retreats—driving a standard for high-end, sustainable, drive-to getaways across multiple regional sites. Cedar & Ember envisions a future where nature, privacy, and refined hospitality are accessible without compromise, expanding the brand footprint while maintaining consistent, exceptional guest journeys and scalable, repeatable operating models.

# Summary Financials Dashboard

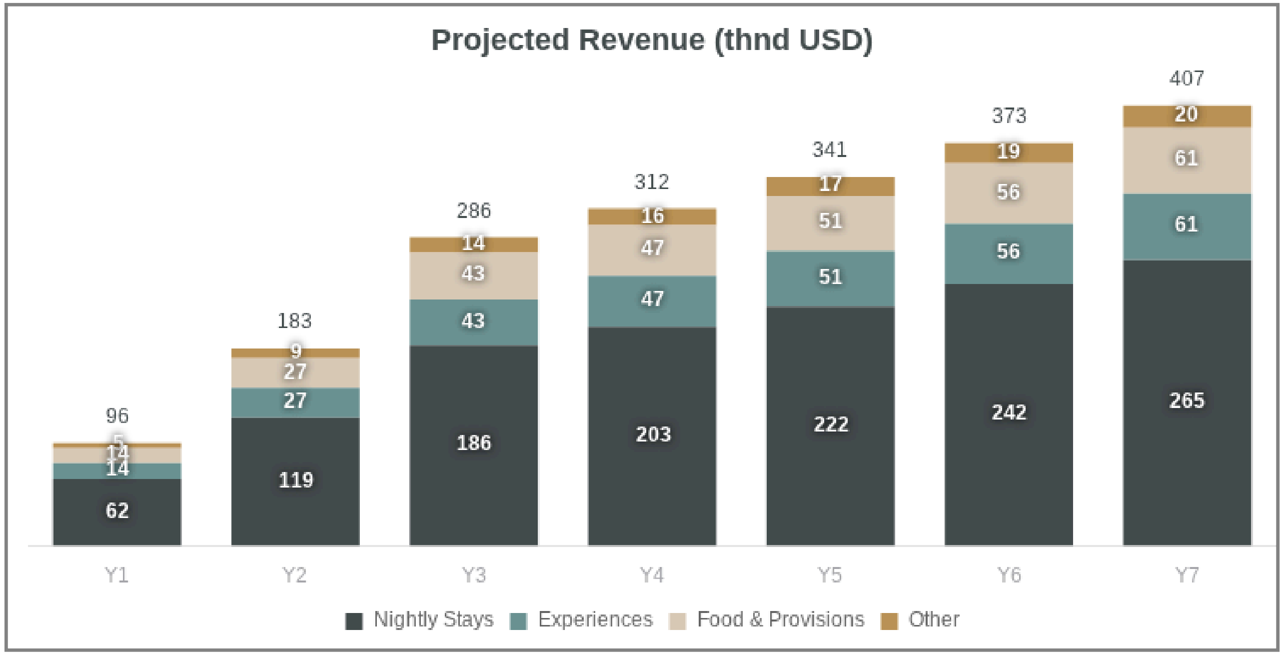
**Key performance indicators**
(Base Scenario Y3)

**$ 286k**
Revenue

**$ 217k**
Gross Profit

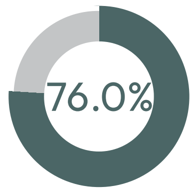
**$ 216k**
EBITDA

**0.00%**
Target Market Share

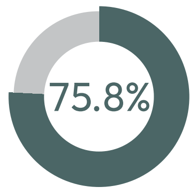



**Margins**
(Stabilized by Y3)

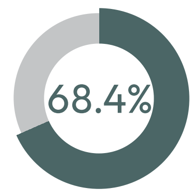
GP Margin




EBITDA Margin




PbT Margin




Project Phases


Foundational MVP & Flagship

Core Expansion & Market Defense

New Revenue Streams &

Strategic Horizons & Long-Term

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 $ 122k

Y1 CAPEX $ 118k

WC $ 7k

# About the Company: General Overview


Cedar & Ember is a premium glamping retreat that merges boutique-hotel comfort with the ease of outdoor living, designed for travelers who seek nature without sacrificing design, privacy, or a real bed. The flagship site spans roughly 30 acres of leased woodland within a two-hour drive of a major metro, featuring 24 insulated safari tents and geodesic domes. Each unit offers an ensuite bathroom, climate control, a private deck, and a wood-burning stove, creating a distinct and comfortable outdoor-living experience. Revenue is driven by direct nightly stays and partner platforms, augmented by high-margin ancillaries such as guided experiences (kayaking, foraging, stargazing), an on-site cafe and small-plates kitchen, firewood and provisions, and a spa cabin with a sauna and cold plunge. The target guest includes urban professionals and couples aged 28 to 45, plus remote workers who book multi-night midweek stays or small private buyouts for retreats and elopements. Cedar & Ember uses RevPAR-centric economics, targeting an average daily rate of $320–$420 per unit, and occupancy ramping from ~45% in Year 1 to ~65% by Year 3, with ancillary revenue adding $60–$90 per occupied night. The asset-light model minimizes upfront capital by leasing land and financing modular structures over five to seven years, maintaining flexibility to expand with units as demand proves. The growth plan envisions a flagship and two to three regional sites under one brand, each chosen for drive-time access to a metro, a unique natural setting, and a repeatable build-and-operate template.

Sources: Company's Proprietary Vision

# The Main Phases: Projects & Impacts



## 01 Foundational MVP & Flagship Establishment

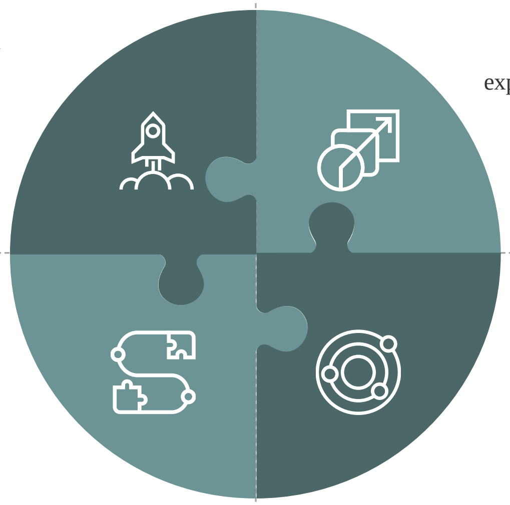
Phase I.

Phase 1 establishes Cedar & Ember as a premium, nature-integrated retreat, launching with a flagship 30-acre site of insulated tents and domes. The focus is on precise guest experience, safety, and unit economics anchored by RevPAR and high-margin ancillaries.

## 03 New Revenue Streams & Portfolio Growth

Phase III

Phase 3 identifies new profit streams beyond stays, such as expanded experiential programming, regional extensions, and potential sister sites, leveraging the repeatable build-operate template to create a scalable multi-site portfolio.



## 02 Core Expansion & Market Defense

Phase II

Phase 2 enhances core experiences and expands occupancy, refining pricing, service, and ancillary offerings. It scales to 45–65% occupancy targets, diversifies experiences, and defends market position while preserving an asset-light model.

## 04 Strategic Horizons & Long-Term Innovation

Phase IV.

Phase 4 pursues high-risk, high-reward opportunities years out, including expanded partnerships, premium private retreats, or adjacent wellness/eco-tourism ventures, with disciplined R&D and long-term strategic planning.

# Product Impact on Core Stakeholders

| Main Stakeholder | Product Benefits |
| --- | --- |
| Guests (Current and Prospective) | Individuals and couples seeking premium, nature-integrated stays with design-forward comfort and trusted safety standards. |
| Local Communities & Landowners | Residents and landowners near flagship and future sites who may benefit from employment, local sourcing, and community events while ensuring environmental stewardship. |
| Employees & Service Partners | Frontline staff, guides, kitchen and wellness providers, maintenance, and partner vendors who deliver guest experiences and operational excellence. |
| Investors & Financial Partners | Capital providers interested in disciplined growth, asset-light scalability, and sustainable unit economics anchored by RevPAR and high-margin ancillaries. |
| Regulators & Industry Bodies | Local and national regulators overseeing land use, safety, labor, and hospitality standards to ensure compliant, sustainable operations. |
| Suppliers & Experience Partners | Campsite suppliers, activity vendors (kayaking, foraging, spa), food and beverage partners, and experiential operators aligned with brand quality. |
| Brand & Strategic Partners | Collaborators for co-branded experiences, regional extensions, and potential sister sites that amplify reach and reinforce the repeatable build-operate model. |

Sources: Company's Proprietary Assessment

# Key Performance Components



## Competitive Advantage

### Premium Nature Design

Cedar & Ember pairs boutique-hotel aesthetics with outdoor living, delivering stylish, private accommodations—ensuring guests enjoy comfort, privacy, and elevated design without sacrificing nature.

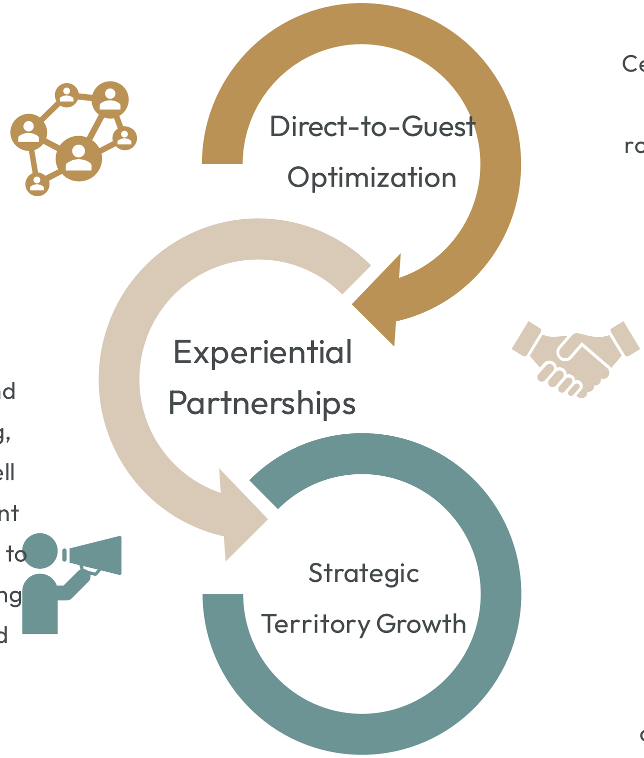
### Asset-Light Scale

Leased land and modular builds enable rapid expansion with lower upfront capital, while maintaining flexibility to add sites and phases as occupancy proves out.

### High-Value Ancillaries

A curated suite of high-margin experiences, cafe offerings, and wellness amenities boosts per-guest spend and RevPAR, enhancing profitability beyond room rates.

## Marketing and Growth Strategy




Cedar & Ember expands its direct-booking engine through a seamless website, robust OTA-avoidance pricing, and loyalty incentives, maximizing RevPAR. The strategy emphasizes personalized experiences, dynamic packaging, and midweek stays for steady occupancy growth.

The brand forges partnerships with experiential platforms and local operators (kayaking, foraging, spa) to cross-sell high-margin add-ons. Joint campaigns broaden reach to urban professionals seeking bundled, nature-forward getaways.

Cedar & Ember scales to 2–3 regional sites via a phased, asset-light model. Location drives drive-time access, repeatable build templates, and brand consistency, enabling replicable occupancy gains and elevated ancillary revenue across markets.

# Target Groups



| | Industries | Description |
|---|---|---|
| I | Urban Professionals & Couples (Midweek & Weekend Getaways) | Primarily 28–45-year-old city dwellers seeking nature-oriented escapes with design-forward comfort, privacy, and reliable beds. They book multi-night stays and are open to midweek deals, driven by wellness, exploration, and curated experiences. |
| II | Remote Workers & Digital Nomads | Remote professionals looking for a productive yet restful environment, incorporating a work-friendly stays with nature access, stable Wi-Fi, and short-to-midterm booking options that blend work and leisure. |
| III | Small Private Groups & Elopement Clients | Couples or small groups seeking intimate, privately buyout experiences for elopements, anniversaries, retreats, or intimate celebrations with exclusive access to on-site amenities and experiences. |
| IV | Experiential Travel Seekers | Travelers who prioritize immersive activities—kayaking, foraging, stargazing, spa, and culinary experiences—as the primary value proposition, often purchasing bundled experiential add-ons. |
| V | Wellness & Retreat Organizers | Organizers or individuals seeking premium wellness or corporate retreat experiences, leveraging Cedar & Ember as a turnkey, nature-integrated venue with curated programming and privacy. |
| VI | Metro-to-Nature Weekend Explorers | Residents within drive-time metro areas needing quick, restorative weekend escapes that combine design-led accommodations with outdoor pursuits and high-margin ancillary options. |
| VII | Affluent Domestic Tourists (Regional Markets) | Affluent travelers from regional markets exploring distinctive, high-quality glamping experiences with a focus on design, comfort, and exclusive access to limited-capacity sites. |

Sources: Company's Proprietary Assessment

## Solution from Phase I to Phase IV

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| Painpoints | Guest Experience Consistency at Scale | Safety and Compliance in an Outdoor Setting | High-Impact Ancillary Revenue Realization | Pricing Transparency and Occupancy Management | Asset-Light Model and Land-Lease Dependence | Brand Consistency Across a Small Portfolio | Community and Environmental Impact Management |
| | Delivering a consistently premium guest experience across a remote, nature-forward site with modular tents and domes can be challenging due to variable weather, site logistics, and staffing. | Operating insulated tents, domes, and a spa cabin introduces safety, fire, and health compliance risks in a remote environment. | Capturing meaningful ancillary revenue (experiential activities, cafe, spa) hinges on demand, pricing, and operational integration with stays. | Balancing premium ARP with occupancy targets (45% to 65%) requires precise pricing, inventory controls, and demand forecasting. | Relying on leased land and modular structures creates renewal, scalability, and regulatory risks that could affect long-term viability. | Maintaining Cedar & Ember's premium, nature-integrated brand as the portfolio grows requires cohesive standards and messaging. | Operating in woodland settings demands thoughtful environmental stewardship and community relations to mitigate reputational risk. |
| Solution | Implement a standardized operating playbook, on-site training, and checklists supported by a guest experience SOP app to ensure uniform service, safety, and amenities across all units. | Adopt rigorous safety protocols, remote monitoring, fire safety systems, emergency response plans, and trained safety stewards to minimize risk and protect guests. | Bundle high-margin ancillaries with dynamic pricing, pre-booking experiences, and trained hosts to drive per-guest spend without compromising stays. | Deploy revenue management tooling, segmented pricing, and occupancy forecasting to optimize RevPAR while protecting guest value. | Establish clear lease terms, rail-through asset management, and phased capex plans with options for site expansion within a repeatable build-operate framework. | Create a centralized brand playbook, training, and vendor partnerships to assure consistent aesthetics, service levels, and guest touchpoints. | Implement sustainability KPIs, waste and energy protocols, and stakeholder engagement plans to ensure responsible operations and brand trust. |

# Strategic Analysis: SWOT

## Strength

Premium experience blending boutique design with outdoors, attracting design-conscious travelers seeking comfort and privacy in nature. Strong RevPAR focus via high ADR and ancillary revenue, boosting profitability per occupied night. Asset-light model with leased land and modular units minimizes capex and accelerates expansion. Scalable template enables rapid site rollout across regions with repeatable build-and-operate approach. Direct-to-consumer core channel plus experiential platforms expands reach and diversifies distribution.

## Weaknesses

Reliance on leased land introduces long-term renewal risk and potential lease-rate pressure. Seasonal demand and weather exposure can destabilize occupancy and guest satisfaction. High-quality tents and on-site services require continuous maintenance and staffing, elevating OPEX. Limited brand recognition early, with education needed for guests about upscale glamping value. Financing cycles for modular units may constrain rapid expansion if occupancy underperforms.

## Opportunities

Expansion to multi-site regional portfolio leverages brand and playbook, increasing market presence and network effects. Growing demand for experiential travel and wellness stays enhances ancillary upsell potential. Strategic partnerships with outdoor brands, tour operators, and metro employers can drive midweek and retreat bookings. Offseason experiences and memberships could stabilize cash flow and occupancy. Potential to optimize pricing, length-of-stay incentives, and loyalty programs to lift RevPAR.

## Threats

Competition from other premium glamping and boutique hotels intensifies, pressuring occupancy and ADR. Lease renewal terms and land access risks could disrupt expansion. Economic downturns may curb discretionary travel and corporate retreats, reducing demand. Regulatory changes around short-term accommodations and environmental compliance could add costs. Environmental risks (wildfire, severe weather) threaten safety, operations, and guest experience.

# Pestel: Analysis



| P | E | S | T | E | L |
|---|---|---|---|---|---|
| Political 7 / 10 | Economic 8 / 10 | Social 7 / 10 | Technological 7 / 10 | Environmental 8 / 10 | Legal 7 / 10 |
| Regulatory Environment:<br><br>Zoning, land-use approvals, and leased-site regulations impact site operations and expansions. | Macro Tourism Demand:<br><br>Traveler demand cycles, discretionary spending, and willingness to pay premium rents RevPAR. | Consumer Trends:<br><br>Preference for experiential travel, privacy, design-led stays, and sustainable experiences. | Digital Experience:<br><br>Direct bookings, platform partnerships, and CRM for guest personalization. | Sustainable Practices:<br><br>Leased sites and modular builds require responsible stewardship, waste reduction, and sustainable procurement. | Labor & Employment:<br><br>Labor laws, contractor vs. employee models, and hospitality regulations affect staffing. |
| Public Safety:<br><br>Permits, fire safety, and environmental protections affect guest safety and insurance costs. | Inflation & Labor Costs:<br><br>Rising costs for materials, wages, and utilities affect margins and pricing power. | Demographics & Urbanization:<br><br>Target guests are urban professionals; remote-work trends support midweek stays and longer bookings. | Energy & Tech Efficiency:<br><br>Smart controls, climate systems, and remote monitoring reduce costs and enhance comfort. | Climate Resilience:<br><br>Weather risks and fire danger demand climate-adaptive design and risk mitigation. | Licensing & Health:<br><br>Food, beverage, spa, and safety licensing drive compliance and operating scope. |

Cedar & Ember operates in a favorable yet complex regulatory and economic landscape. Success relies on disciplined regulatory navigation, cost control, and a differentiated experience that aligns with demand for design-forward, private getaways.

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

# VRIO Framework: Analysis



**V – Value**

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

Yes; blends nature with design, enhances guest experience, and drives higher RevPAR through experiential add-ons and premium amenities.

No → Competitive Disadvantage

Yes ↓

**R – Rarity**

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

Moderately rare; lease-based, asset-light model with branded experiences offers differentiation but not exclusive control; replicable with capital.

No → Competitive Parity

Yes ↓

**I – Imitability**

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

Moderately costly to imitate due to site design, brand, experiential menus, and curated partnerships; requires time and trust.

No → Temporary Competitive Advantage

Yes ↓

**O – Organization**

Is the firm organized to exploit the resource or capability?

Operational structure aligned with asset-light model, scalable template, and multi-revenue channels; governance supports rapid expansion.

No → Unused Competitive Advantage

Yes → Sustainable Competitive Advantage

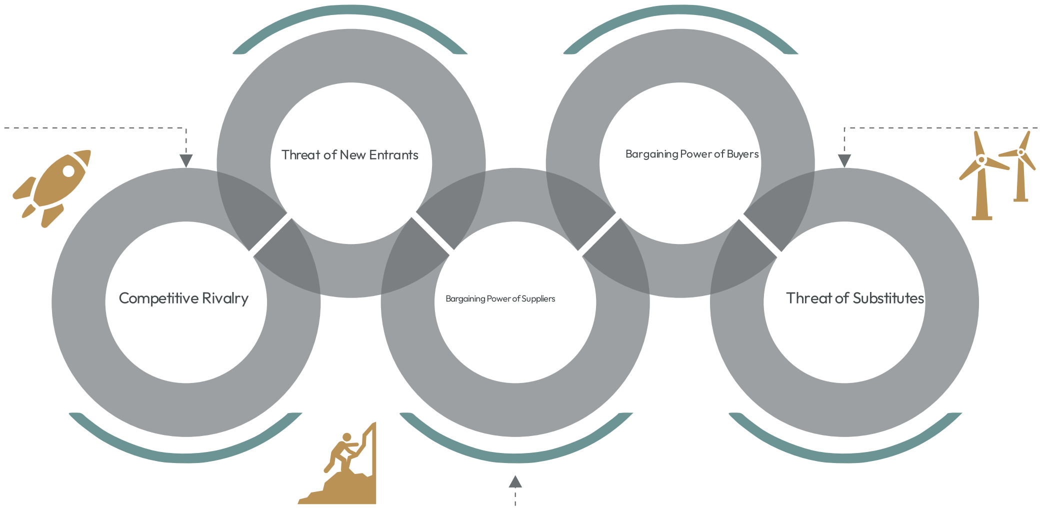
Cedar & Ember possesses valuable, partly rare capabilities with barriers from brand and experiential execution; organization supports growth, potential sustainable competitive advantage with scale.

# Porter’s Five Forces: Analysis

Moderate: asset-light model and niche branding raise barriers, but scalable templates ease entry for new sites.

Moderate: informed guests and platforms enable choice; direct bookings and ancillaries increase loyalty, reducing price sensitivity.

High: many premium glamping and boutique lodging options compete for urban-to-nature travelers.




Moderate: alternatives include traditional hotels, camping, and other experiential getaways; differentiation through design and experiences matters.

Moderate: reliance on land leases and service vendors; specialized experiences modestly elevates supplier influence.

Cedar & Ember faces competitive pressure and supplier dependencies, with moderate overall threats; leveraging brand, experience, and gated-ownership model supports differentiation and growth.

High
Moderate
Low

# Management Team



Overview

Overview

Overview

Overview

# History & Roadmap



Jul 2026

### Stage 1: Validate flagship performance

Achieve 45% occupancy and $320–$420 ADR with strong ancillaries.

Nov 2026

### Stage 2: Optimize unit economics

Refine pricing, expand ancillary mix, and boost RevPAR through partnerships.

Mar 2027

### Stage 3: Enhance guest experience

Roll out spa cabin, curated experiences, and on-site cafe concepts.

Sep 2027

### Stage 4: Begin regional expansion

Secure second site within metro drive-time, maintain template ROI.

Jan 2028

### Stage 5: Brand and operations playbook

Document repeatable build/operate template and licensing for others.

Jun 2029

### Stage 6: Portfolio growth

Launch 2–3 regional sites under same brand with scalable model.

Current Status .

Draft roadmap outlining flagship performance, expansion, and playbook to support a phased portfolio growth.

# Organizational and Marketing Tasks

| # | Check List Item | Status | Priority | Area | ETA |
|---|---|---|---|---|---|
| **General Planning and Organization** | | | | | |
| 1 | Define corporate vision, mission, and values for Cedar & Ember | Not Started | High | CEO | 1 month |
| 2 | Establish legal structure, governance, and initial permits for flagship site | Not Started | High | CFO | 1 month |
| 3 | Create initial financial model and RevPAR-driven unit economics (CAPEX, OPEX, unit economics, and ancillaries) | Not Started | High | CFO | 1 month |
| 4 | Define brand positioning, messaging, and visual identity aligned to premium nature retreat | Not Started | High | CMO | 2 months |
| 5 | Develop supply chain and procurement framework for tents, domes, and ancillaries | Not Started | Medium | CPO | 2 months |
| 6 | Establish leasing/land access, site selection criteria, and initial site-ops playbook | Not Started | High | COO | 3 months |
| 7 | Create risk management and safety protocols for guest experience and operations | Not Started | High | CRO | 2 months |
| 8 | Define initial technology stack and data governance plan (booking engine, guest data, security) | Not Started | Medium | CIO | 3 months |
| **Marketing** | | | | | |
| 1 | Define target guest personas and segmentation strategy | Not Started | High | CMO | 2 weeks |
| 2 | Develop branding and positioning for Cedar & Ember as premium nature-integrated retreat | Not Started | High | CMO | 3 weeks |
| 3 | Create flagship site marketing plan and launch timeline (digital, PR, partnerships) | Not Started | High | CMO | 4 weeks |
| 4 | Build pricing strategy and RevPAR-focused ancillary package catalog | Not Started | High | CFO | 6 weeks |
| 5 | Develop experiential offerings catalog and booking bundles with partners | Not Started | Medium | CSO | 8 weeks |
| 6 | Launch direct-to-consumer marketing funnel (website, OTA-native presence, meta/search) | Not Started | High | CIO | 8 weeks |
| 7 | Content strategy and social media calendar focused on nature, design, and wellness | Not Started | Medium | CIO | 6 weeks |
| 8 | Performance marketing measurement framework and reporting (KPI dashboards, RevPAR/ANCILLARIES tracking) | Not Started | High | CFO | 5 weeks |

# Overview of Phases



| # | Check List Item | Status | Priority | Area | ETA |
|---|---|---|---|---|---|
| **Phase 1 & Technical Set Up for next Phases** | | | | | |
| 1 | Secure flagship site lease terms and zoning alignment | Not Started | High | CFO | M09 2026 |
| 2 | Define foundational guest experience standards and SOPs (check-in/out, safety, sanitation, service levels) | Not Started | High | CPO | M09 2026 |
| 3 | Architectural and engineering plan for Phase 1 tents/domes (HVAC, insulation, safety codes) | Not Started | High | CIO | M10 2026 |
| 4 | Develop initial unit economics model (RevPAR, occupancy ramp, ancillary margins) | Not Started | High | CFO | M07 2026 |
| 5 | Lease-structure and asset-light financing plan (5–7 year terms, capex-light) | Not Started | High | CFO | M07 2026 |
| 6 | Site operations and safety framework (emergency response, guest safety, compliance) | Not Started | High | COO | M08 2026 |
| 7 | Vendor and partner ecosystem onboarding (experiential activities, cafe/kitchen, spa) | Not Started | Medium | CSO | M08 2026 |
| 8 | Brand development and flagship marketing positioning (Cedar & Ember premium nature-integrated retreat) | Not Started | Medium | CMO | Q4 2026 |
| **Phase 2** | | | | | |
| 1 | Refine Core Experience Pricing & Packaging | Not Started | High | CFO | M07 2026 |
| 2 | Occupancy Optimization & Revenue Management System | Not Started | High | CRO | M07 2026 |
| 3 | Ancillary Productization & Bundling for Midweek Stays | Not Started | High | CPO | M06 2026 |
| 4 | Care & Safety Protocols for Phase 2 Scale | Not Started | High | COO | Q3 2026 |
| 5 | Experience Development Roadmap (Tours, Activities, Spa, Cafe) | Not Started | Medium | CMO | M08 2026 |
| 6 | Vendor & Supply Chain Contracts for Expanded Menu & Provisions | Not Started | Medium | CFO | M07 2026 |
| 7 | Site Operations Playbook for Flagship & Regional Extensions | Not Started | Medium | COO | Q3 2026 |
| 8 | Marketing Channel Experiment Plan (Direct, OTA, Experiences Platforms) | Not Started | Medium | CMO | Q3 2026 |

# Overview of Phases



| # | Check List Item | Status | Priority | Area | ETA |
|---|---|---|---|---|---|
| **Phase 3** | | | | | |
| 1 | Develop scalable multi-site portfolio blueprint | Not Started | High | CPO | Q3 2026 |
| 2 | Identify and evaluate potential regional extension sites | Not Started | High | CPO | Q4 2026 |
| 3 | Scope and pilot new experiential programming beyond stays | Not Started | High | CMO | M09 2026 |
| 4 | Develop repeatable build-operate template for multi-site replication | Not Started | High | CIO | M12 2026 |
| 5 | Create asset-light capex and financing model for regional sites | Not Started | High | CFO | M04 2027 |
| 6 | Establish brand governance and consistency guidelines for new sites | Not Started | Medium | CCO | Q2 2027 |
| 7 | Develop partner ecosystem for premium private retreats and exclusive experiences | Not Started | Medium | CSO | Q3 2027 |
| 8 | Pilot regional site pre-qualification framework (market size, drive-time, regulatory) | Not Started | Medium | CBO | Q4 2027 |
| **Phase 4** | | | | | |
| 1 | Identify and assess high-risk, high-reward opportunities in adjacent wellness/eco-tourism ventures | Not Started | High | CIO | Q4 2027 |
| 2 | Develop strategic partnership framework for premium private retreats and exclusive experiences | Not Started | High | CLO | Q3 2027 |
| 3 | R&D for potential sister-site concepts and regional extensions (market-screen, site-qualification, feasibility) | Not Started | Medium | CPO | Q4 2027 |
| 4 | Pilot a limited-ed private retreat program with controlled capacity to test demand dynamics | Not Started | High | COO | Q2 2027 |
| 5 | Long-term capital plan and scenario modeling for multi-site portfolio growth | Not Started | Medium | CFO | Q3 2027 |
| 6 | Technology and data architecture for multi-site operations (centralized CRM, OTA integration, inventory control) | Not Started | Medium | CIO | Q3 2027 |
| 7 | Legal and regulatory framework assessment for cross-border partnerships and private retreats | Not Started | Medium | CLO | Q4 2027 |
| | Sustainability and impact framework development (certifications, carbon accounting, supplier | | | | |

# Core Risks & Mitigation Strategies

## 1. Operation and maintenance risks

| # | Risk Type | Area | Mitigation Strategy |
|---|---|---|---|
| 1 | Site/lease risk impacting continuity of operations | CFO | Negotiate long-term lease with renewal options and contingency sites |
| 2 | Energy/utility reliability for off-grid/remote site | CIO | Invest in hybrid energy/backup generators and energy storage |
| 3 | Supply chain for tents, domes, and amenities | CPO | diversify suppliers and keep safety stock for key components |
| 4 | Safety/compliance gaps for wilderness guest experiences | COO | Standardize SOPs, trained guides, and incident reporting systems |
| 5 | Maintenance cycle and lifecycle of modular structures | CFO | Preventive maintenance calendar and service-level contracts |

## 2. Regulatory and legal risks

| # | Risk Type | Area | Mitigation Strategy |
|---|---|---|---|
| 1 | Zoning, land use, and permitting delays | CLO | Engage early with local authorities; secure permits before build; monitor changes. |
| 2 | Lease compliance and subleasing restrictions | CFO | Maintain clear lease covenants; obtain approvals for expansions; document allowances. |
| 3 | Health, safety, and accommodation standards | CPO | Implement rigorous safety programs; third-party audits; adopt accessibility improvements. |
| 4 | Insurance adequacy and liability | CFO | Secure comprehensive policies; annual reviews; risk-transfer for experiences. |
| 5 | Data privacy and guest information | CIO | Adopt data governance; strong cybersecurity; incident response plan; comply with applicable laws. |

# Core Risks & Mitigation Strategies



## 3. Strategic/Market Risk

| # | Risk Type | Area | Mitigation Strategy |
|---|---|---|---|
| 1 | Market adoption and competitive intensity | CSO | Differentiate through bespoke experiences and superior service. |
| 2 | Pricing/price sensitivity and RevPAR assumptions | CFO | Dynamic pricing, value-based packages, and disciplined cost controls. |
| 3 | Expansion execution and site selection risk | CPO | Pilot, strict KPI gates, and phased rollouts with fit-for-purpose templates. |
| 4 | Brand dilution across multi-site rollout | CMO | Maintain high standards, centralized quality assurance, and training. |
| 5 | Dependency on leased land and asset-light model | CFO | Diversify land arrangements and secure scalable financing terms. |

## 4. Finance risk

| # | Risk Type | Area | Mitigation Strategy |
|---|---|---|---|
| 1 | Funding runway and liquidity risk | CFO | Secure multi-tranche facilities and clearly staged spend. |
| 2 | Revenue volatility risk | CFO | Implement hedging, dynamic pricing, and conservative forecasting. |
| 3 | Cost overruns and CAPEX inflation | CFO | Fixed-price contracts and contingency budgeting. |
| 4 | Lease and operational liability risk | CFO | Diversify land partners; negotiate favorable renewal terms. |
| 5 | Tax and regulatory timing risk | CFO | Proactive tax planning and milestone-based incentive utilization. |

## 5. Other general risks

| # | Risk Type | Area | Mitigation Strategy |
|---|---|---|---|
| 1 | Dependence on leased land and long-term site access | CFO | Negotiate long-term leases with clear renewal terms; diversify sites. |
| 2 | Weather and seasonal fluctuations | CFO | Develop flexible seasonality pricing and off-season experiences. |
| 3 | Supply chain and vendor concentration | CPO | Establish multi-source vendors and stock buffers. |
| 4 | Reputational risk from guest safety incidents | CISO | Robust safety protocols, training, and incident response plan. |
| 5 | Regulatory changes affecting short-term rentals | CLO | Engage with local councils and monitor policy; adjust model if needed. |

Sources: Company's Proprietary Assessment

# Market Overview (TAM, SAM and SOM)



| | | | |
|---|---|---|---|
| Target Available Market (TAM) | Hotels & Motels Subindustry | $ 239,000,000k | 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 9.30% |
| Service Available Market (SAM) | 0.20% | Given Cedar & Ember's asset-light model and planned 2–3 regional sites, its SAM in the U.S. travel accommodation TAM would realistically sit around 0.2% of the total addressable market, roughly 480,000k USD. This conservative share reflects capital limits, regulatory and permitting hurdles, seasonality, and reliance on drive-to markets, while leveraging... | |
| Service Obtainable Market Y1-Y3 (SOM) | Year 1 0.02000%<br>Year 2 0.03500%<br>Year 3 0.05000% | Given Cedar & Ember's capital of 122k and a SAM representing a small, premium niche within Traveler Accommodation, initial market capture will be extremely modest. Year 1 targets entail deliberate, high-touch branding and direct-channel growth within a single flagship, yielding a tiny share of the SAM. Gradual expansion to 2–3 sites, selective... | |

# 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 $ 122k

| Y1 Cash Flow Stream (thnd USD) | Inflows | Outlows |
|---|---|---|
| **Gross Profit** | 76 | |
| **Payroll Expenses** | | 0 |
| **Rent & Utilities** | | 0 |
| **Marketing and Branding** | | 0 |
| **Legal and Professional Fees** | | 0 |
| **CAPEX** | | 118 |
| **Other Miscellaneous** | | 0 |
| **Representation and Entert.** | | 0 |
| **Training and Development** | | 0 |
| **Communication Expenses** | | 0 |
| **Office supplies** | | 0 |
| CAPEX & WC shortage Y1 | | 43 |
| Buffer | | 79 |
| Total Required Investment (thnd USD) | | 122 |

Payroll Expenses
0.07%

Rent & Utilities
0.03%

Marketing and Branding
0.03%

Legal and Professional Fees
0.02%

CAPEX
99.80%

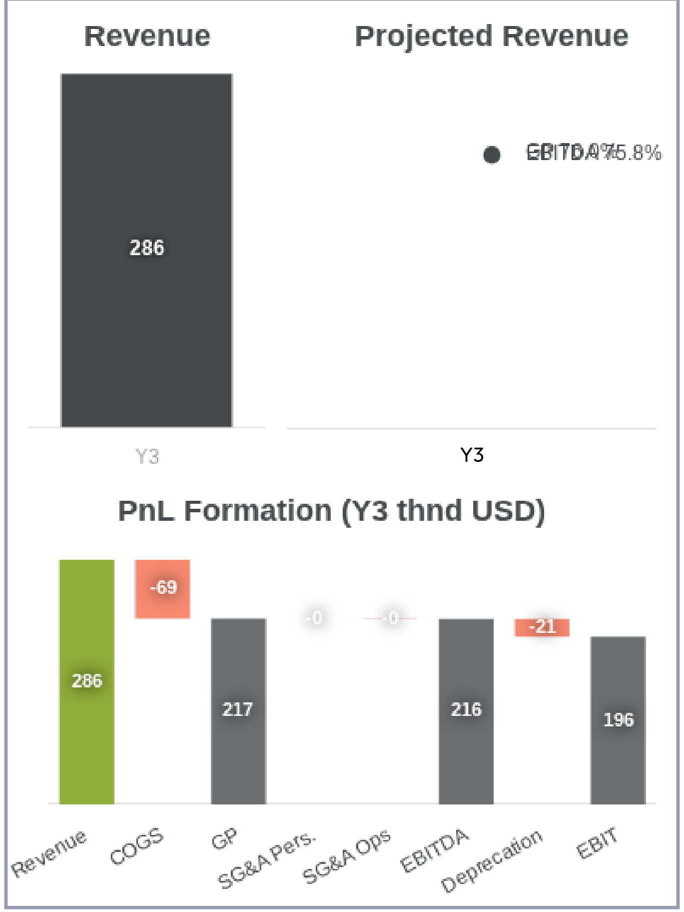
Other
0.04%

Sources: Company's Proprietary Planning

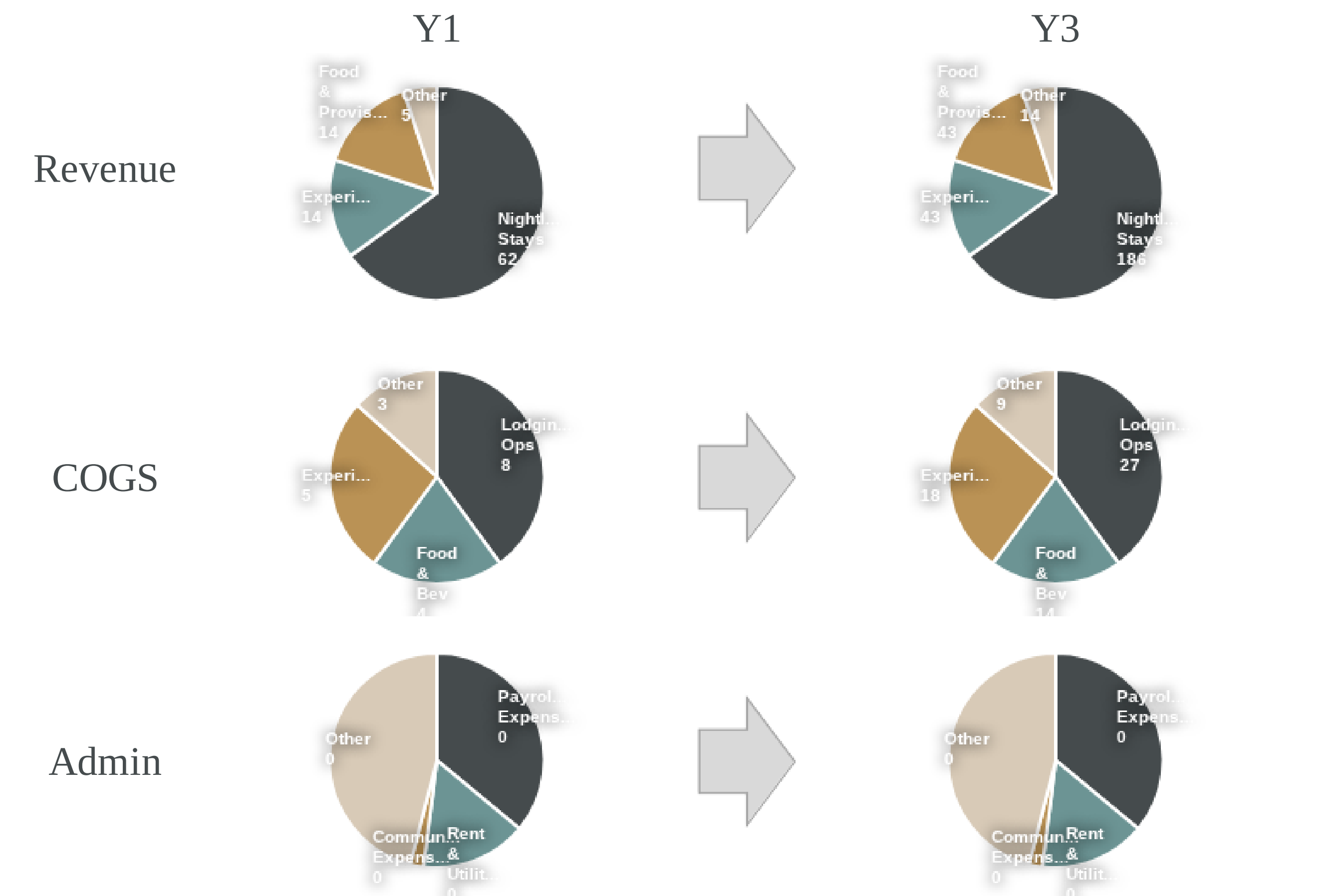
# Financials Dashboard



## Y3 PL formation and Margins




## Business Line Breakdown (thnd USD)



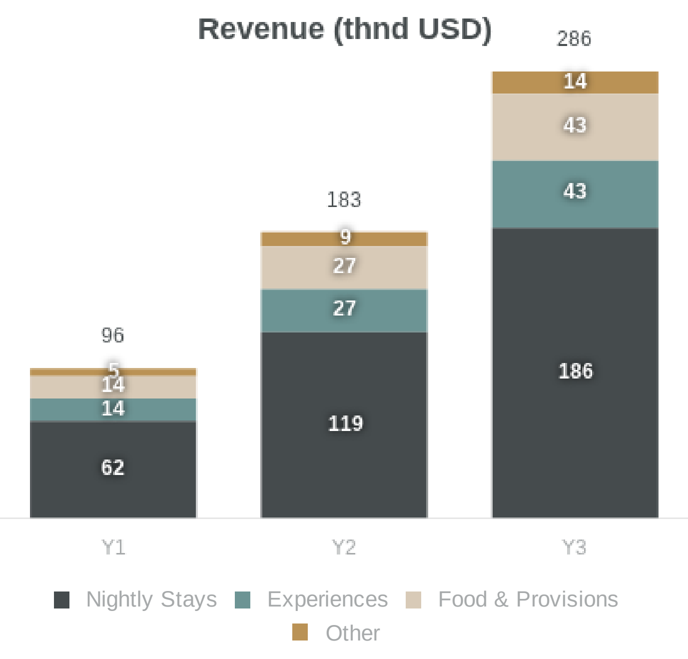
# Revenue Formation Narrative

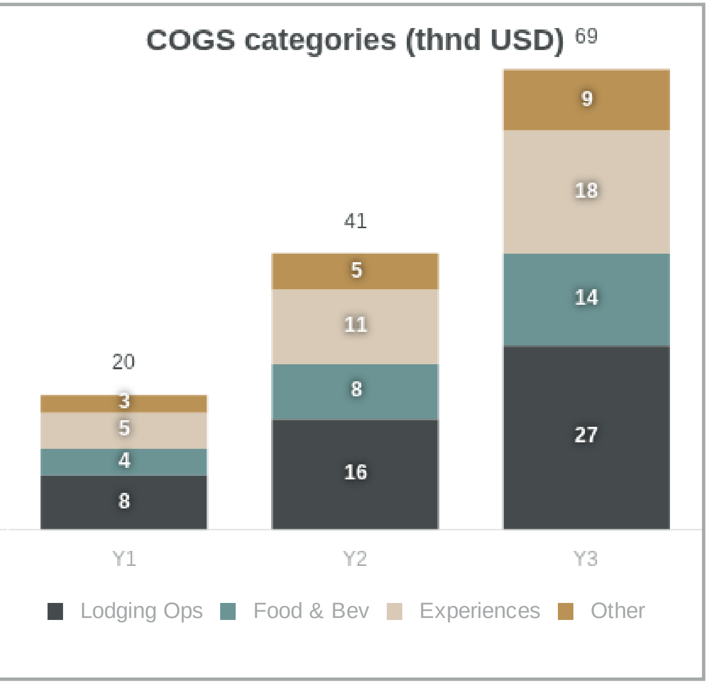


Cedar & Ember sits at the premium end of the Traveler Accommodation market, leveraging an asset-light model to convert nature-rich destinations into high-margin stays and experiential add-ons. With a TAM of 239,000,000k USD, the opportunity is meaningful across targeted drive-to metros, yet the addressable share is constrained by seasonality, capital cycles, and permitting timelines. The SAM is defined as 0 of the TAM, rooted in a focused 2–3-site regional rollout and the premium-niche positioning that amplifies willingness to pay for design-forward glamping and curated experiences. Year-over-year, the SOM targets are 0, 0, and 0, reflecting a cautious, capital-aligned path from a single flagship to a small regional portfolio. Financially, the model schedules revenue across four lines of business: Nightly Stays with 65 of total revenue, Experiences at 15, Food & Provisions at 15, and Other comprising 5. Initial Year 1 revenue emerges from nightly stays at an average rate aligned to the RevPAR concept, with occupancy ramping from 0 to 0 and ancillary uplift of 0–0 per occupied night. The Year 1–3 revenue trajectory is 95.6k USD, 182.859k USD, and 285.521k USD, underscoring the disciplined scalability of the asset-light model. Capital needs are capped at 122k USD, enabling staged capacity additions as occupancy proves viable, and preserving margin while enabling brand-led expansion across the planned two-to-three-site regional horizon.

**$ 286k** Y3 Projected Revenue

**0.00%** Market Share



# Revenue Calculation Details



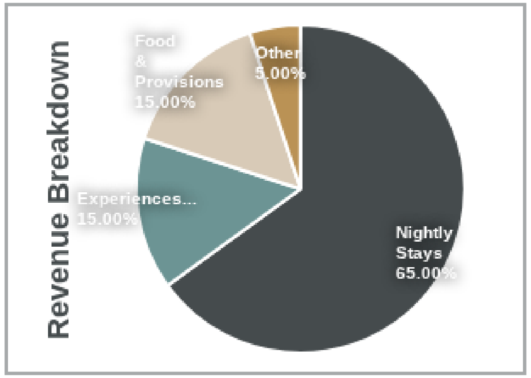
| Revenue Formation | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Y1 | Y2 | Y3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Nightly Stays* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* | *65.00%* |
| *Experiences* | *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%* |
| *Food & Provisions* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* | *15.00%* |
| *Other* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* |
| *Nightly Stays* | 4 | 4 | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 62 | 119 | 186 |
| *Experiences* | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 14 | 27 | 43 |
| *Food & Provisions* | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 14 | 27 | 43 |
| *Other* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 9 | 14 |
| Total Revenue (thnd USD) | 6 | 6 | 6 | 7 | 7 | 7 | 9 | 9 | 9 | 10 | 10 | 10 | 96 | 183 | 286 |

Total revenue is expected to reach $ 286k by year 3.

Main revenue driver are:

- Nightly Stays which generates $ 186k by Year 3
- Experiences which generates $ 43k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 72.82 %



# COGS Calculation Details



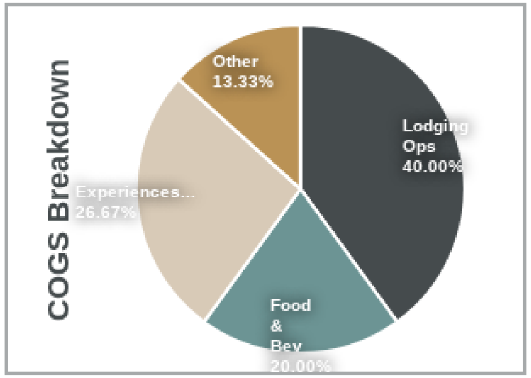
| COGS Formation | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Y1 | Y2 | Y3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Lodging Ops* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *8.40%* | *9.00%* | *9.60%* |
| *Food & Bev* | *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%* |
| *Experiences* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *5.60%* | *6.00%* | *6.40%* |
| *Other* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *2.80%* | *3.00%* | *3.20%* |
| *Lodging Ops* | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 8 | 16 | 27 |
| *Food & Bev* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 8 | 14 |
| *Experiences* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 5 | 11 | 18 |
| *Other* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 5 | 9 |
| Total COGS (thnd USD) | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 20 | 41 | 69 |

Total COGS is expected to reach '$ 69k by year 3.

Main revenue driver are:

- Lodging Ops which generates $ 27k by Year 3
- Experiences which generates $ 18k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 84.75 %



# SG&A Calculation Details



| OPEX Formation | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Y1 | Y2 | Y3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Payroll Expenses* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* | *0.09%* |
| *Rent & Utilities* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* |
| *Communication Expenses* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* |
| *Office supplies* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* |
| *Legal and Professional Fees* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* | *0.03%* |
| *Marketing and Branding* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* | *0.04%* |
| *Representation and Entertainment* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* |
| *Training and Development* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* | *0.01%* |
| *Other Miscellaneous* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* | *0.02%* |
| *Payroll Expenses* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Rent & Utilities* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Communication Expenses* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Office supplies* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Legal and Professional Fees* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Marketing and Branding* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Representation and Entertainment* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Training and Development* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Other Miscellaneous* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total SG&A (thnd USD) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

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** | **6** | **6** | **6** | **7** | **7** | **7** | **9** | **9** | **9** | **10** | **10** | **10** | **96** | **183** | **286** |
| Nightly Stays | 4 | 4 | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 62 | 119 | 186 |
| Experiences | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 14 | 27 | 43 |
| Food & Provisions | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 14 | 27 | 43 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 9 | 14 |
| **COGS** | **-1** | **-1** | **-1** | **-2** | **-2** | **-2** | **-2** | **-2** | **-2** | **-2** | **-2** | **-2** | **-20** | **-41** | **-69** |
| Lodging Ops | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -8 | -16 | -27 |
| Food & Bev | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -4 | -8 | -14 |
| Experiences | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -1 | -1 | -1 | -5 | -11 | -18 |
| Other | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -3 | -5 | -9 |
| Gross Profit | 5 | 5 | 5 | 6 | 6 | 6 | 7 | 7 | 7 | 8 | 8 | 8 | 76 | 142 | 217 |
| SG&A Personal Expenses | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 |
| SG&A Operating Expenses | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 |
| EBITDA | 5 | 5 | 5 | 6 | 6 | 6 | 7 | 7 | 7 | 8 | 8 | 8 | 75 | 141 | 216 |
| Depreciation | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -21 | -21 | -21 |
| EBIT | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 55 | 121 | 196 |
| Interest Expense | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 |
| Profit before Tax | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 54 | 120 | 195 |
| Tax | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -2 | -2 | -2 | -14 | -31 | -51 |
| Profit after Tax (thnd USD) | 2 | 2 | 2 | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 5 | 5 | 40 | 89 | 145 |

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 | 5 | 9 | 14 | 18 | 24 | 29 | 34 | 41 | 48 | 55 | 62 | 70 | 70 | 186 | 357 |
| Accounts Receivable | 6 | 6 | 6 | 7 | 7 | 7 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 19 | 30 |
| Inventory | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 4 | 7 |
| Prepaid Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Current Assets | 12 | 17 | 21 | 27 | 33 | 38 | 45 | 52 | 59 | 67 | 74 | 82 | 82 | 209 | 394 |
| Site and Lease Improvements | 30 | 29 | 29 | 28 | 28 | 27 | 27 | 26 | 26 | 25 | 25 | 24 | 24 | 18 | 12 |
| Modular Structures and Tents/Units | 51 | 51 | 50 | 50 | 49 | 48 | 48 | 47 | 46 | 46 | 45 | 45 | 45 | 37 | 30 |
| Amenities and Experience Assets (spa cabin, cafe/kitchen, decks, heating, plumbing, utilities) | 24 | 23 | 23 | 22 | 22 | 22 | 21 | 21 | 20 | 20 | 20 | 19 | 19 | 14 | 10 |
| Initial Working Capital and Soft Costs (permits, design, onboarding, misc) | 12 | 12 | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 7 | 5 |
| Non-Current Assets | 116 | 115 | 113 | 111 | 109 | 108 | 106 | 104 | 103 | 101 | 99 | 97 | 97 | 77 | 56 |
| Total Assets | 128 | 131 | 134 | 138 | 142 | 146 | 151 | 156 | 161 | 167 | 174 | 180 | 180 | 286 | 450 |
| Accounts Payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-Term Loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued Interest Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax Liabilities | 1 | 2 | 2 | 3 | 4 | 5 | 7 | 8 | 9 | 11 | 13 | 14 | 14 | 31 | 51 |
| Current Liabilities | 1 | 2 | 2 | 3 | 4 | 5 | 7 | 8 | 9 | 11 | 13 | 14 | 14 | 31 | 51 |
| Loans and Other Borrowings | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Non-Current Liabilities | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Total Liabilities | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 13 | 14 | 16 | 17 | 17 | 35 | 54 |
| Paid-In Capital | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 |
| Retained Earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | 40 | 129 |
| Current Period Earnings | 2 | 4 | 7 | 9 | 12 | 15 | 19 | 23 | 27 | 31 | 36 | 40 | 40 | 89 | 145 |
| Total Equity | 124 | 126 | 129 | 131 | 134 | 137 | 141 | 145 | 149 | 153 | 158 | 162 | 162 | 251 | 396 |

# 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 | 6 | 5 | 9 | 14 | 18 | 24 | 29 | 34 | 41 | 48 | 55 | 62 | - | 70 | 186 |
| Cash from Sales of Goods / Services | - | 6 | 6 | 6 | 7 | 7 | 7 | 9 | 9 | 9 | 10 | 10 | 86 | 174 | 275 |
| Payments to Employees / Vendors | -1 | -1 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -3 | -23 | -43 | -72 |
| Advances Paid / Received | - | - | -0 | - | - | -0 | - | - | -0 | - | - | -0 | -0 | -0 | -0 |
| Taxes Paid | - | - | - | - | - | - | - | - | - | - | - | - | - | -14 | -31 |
| Interest Paid | - | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 |
| CF from Operating Activities | -1 | 5 | 4 | 4 | 6 | 5 | 5 | 7 | 7 | 7 | 8 | 7 | 63 | 116 | 171 |
| Acquisition of | | | | | | | | | | | | | | | |
| Site and Lease Improvements | - | - | - | - | - | - | - | - | - | - | - | - | -30 | - | - |
| Modular Structures and Tents/Units | - | - | - | - | - | - | - | - | - | - | - | - | -52 | - | - |
| Amenities and Experience Assets (spa cabin, cafe/kitchen, decks, heating, plumbing, utilities) | - | - | - | - | - | - | - | - | - | - | - | - | -24 | - | - |
| Initial Working Capital and Soft Costs (permits, design, onboarding, misc) | - | - | - | - | - | - | - | - | - | - | - | - | -12 | - | - |
| CF from Investing Activities | - | - | - | - | - | - | - | - | - | - | - | - | -118 | - | - |
| Loans Received / Paid | - | - | - | - | - | - | - | - | - | - | - | - | 3 | - | - |
| Investments Received / Paid | - | - | - | - | - | - | - | - | - | - | - | - | 122 | - | - |
| CF from Financing Activities | - | - | - | - | - | - | - | - | - | - | - | - | 125 | - | - |
| Ending Balance | 5 | 9 | 14 | 18 | 24 | 29 | 34 | 41 | 48 | 55 | 62 | 70 | 70 | 186 | 357 |

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 | 6 | 5 | 9 | 14 | 18 | 24 | 29 | 34 | 41 | 48 | 55 | 62 | - | 70 | 186 |
| EBIT | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 55 | 121 | 196 |
| Δ Receivables & Prepaids | -6 | - | -0 | -1 | - | -0 | -2 | - | -0 | -1 | - | -0 | -10 | -9 | -11 |
| Δ Payables | 0 | - | - | 0 | - | - | 0 | - | - | 0 | - | - | 0 | 0 | 0 |
| Δ Inventory | - | - | -0 | - | - | -0 | - | - | -0 | - | - | -0 | -3 | -2 | -3 |
| Δ Depreciation | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 21 | 21 | 21 |
| Tax Paid | - | - | - | - | - | - | - | - | - | - | - | - | - | -14 | -31 |
| Interest Expenses | - | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 |
| CF from Operating Activities | -1 | 5 | 4 | 4 | 6 | 5 | 5 | 7 | 7 | 7 | 8 | 7 | 63 | 116 | 171 |
| Acquisition of | | | | | | | | | | | | | | | |
| Site and Lease Improvements | - | - | - | - | - | - | - | - | - | - | - | - | -30 | - | - |
| Modular Structures and Tents/Units | - | - | - | - | - | - | - | - | - | - | - | - | -52 | - | - |
| Amenities and Experience Assets (spa cabin, cafe/kitchen, decks, heating, plumbing, utilities) | - | - | - | - | - | - | - | - | - | - | - | - | -24 | - | - |
| Initial Working Capital and Soft Costs (permits, design, onboarding, misc) | - | - | - | - | - | - | - | - | - | - | - | - | -12 | - | - |
| CF from Investing Activities | - | - | - | - | - | - | - | - | - | - | - | - | -118 | - | - |
| Loans Received / Paid | - | - | - | - | - | - | - | - | - | - | - | - | 3 | - | - |
| Investments Received / Paid | - | - | - | - | - | - | - | - | - | - | - | - | 122 | - | - |
| CF from Financing Activities | - | - | - | - | - | - | - | - | - | - | - | - | 125 | - | - |
| Ending Balance | 5 | 9 | 14 | 18 | 24 | 29 | 34 | 41 | 48 | 55 | 62 | 70 | 70 | 186 | 357 |

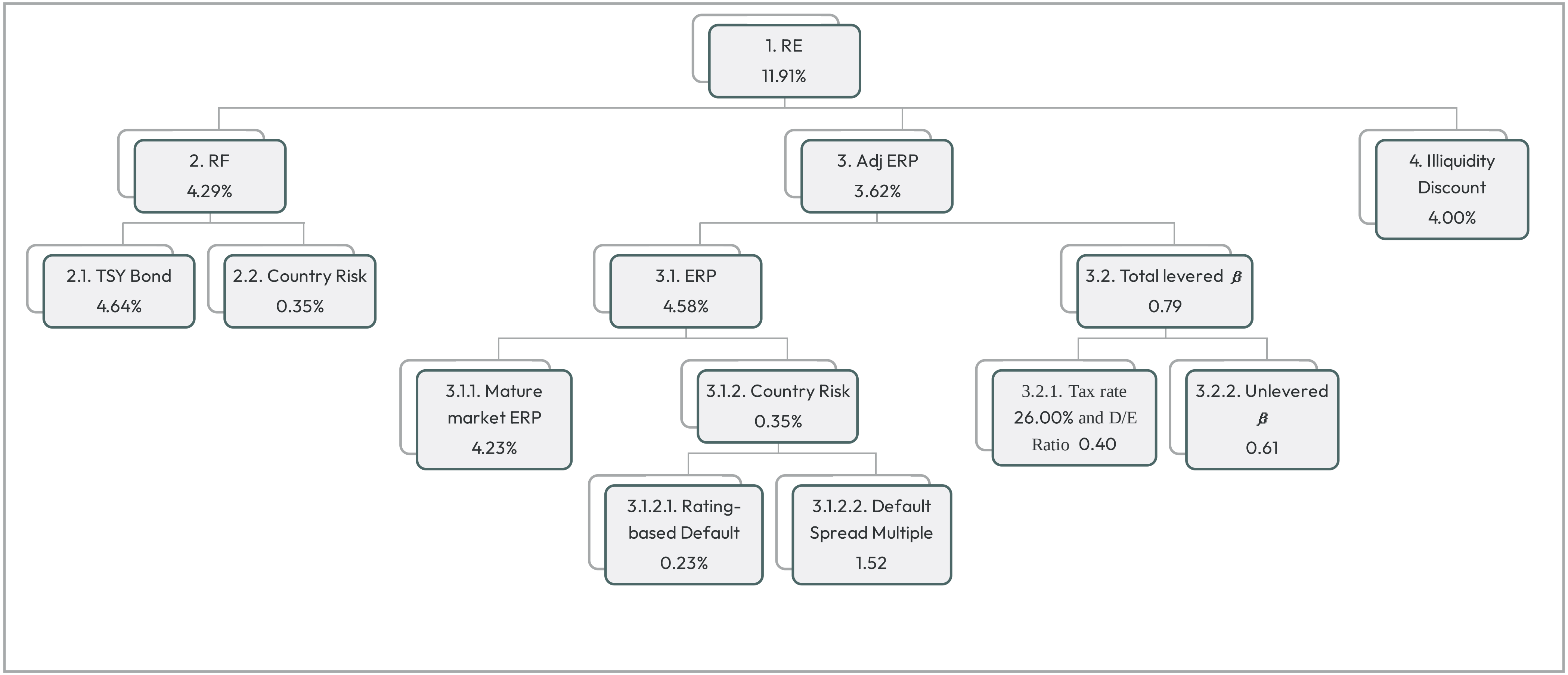
Assumptions:

- 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




Sources: Aswath Damodaran, web search

# 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/

Sources: Aswath Damodaran, Investing.com

# Business Valuation

| DCF | (thnd USD) | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 |
|---|---|---|---|---|---|---|---|---|
| | **Profit after Tax** | **40** | **89** | **145** | **158** | **173** | **189** | **206** |
| | Growth% Y4-Y7 | | | | 9.30% | 9.30% | 9.30% | 9.30% |
| | Growth% Y7 | 3.50% | | | | | | |
| | **WACC'** | **11.91%** | | | | | | |
| | PV Y1-Y7 at Y0 | 36 | 71 | 103 | 101 | 98 | 96 | 94 |
| | PV Y7 --> Y0 | 1,155 | | | | | | |
| | NPV (thnd USD) | 1,755 | | | | | | |

| Assumed 3Y Survival Rate | 50% |
|---|---|

| Final Valuation | $ 877k |
|---|---|

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 11.91 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 9.30 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. 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 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... | 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 | $ 286k | $ 328k | $ 243k | $ 286k | $ 286k | $ 286k | $ 286k |
| | Gross Profit Y3 | $ 217k | $ 250k | $ 184k | $ 231k | $ 203k | $ 217k | $ 217k |
| | GP Margin | 76% | 76% | 76% | 81% | 71% | 76% | 76% |
| | EBITDA Y3 | $ 216k | $ 249k | $ 184k | $ 230k | $ 203k | $ 216k | $ 216k |
| | EBITDA Margin | 76% | 76% | 76% | 81% | 71% | 76% | 76% |
| | Net Profit Y3 | $ 145k | $ 169k | $ 121k | $ 155k | $ 134k | $ 145k | $ 145k |
| | Profit Margin | 51% | 51% | 50% | 54% | 47% | 51% | 51% |
| | Final Valuation | $ 877k | $ 1,024k | $ 731k | $ 939k | $ 816k | $ 1,039k | $ 756k |

# 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

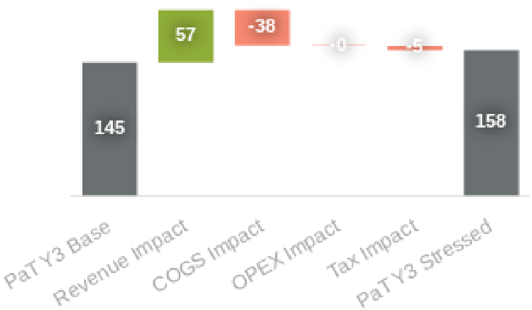
**Story**

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

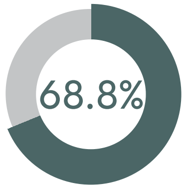



$ 961k
Valuation

$ 343k
Revenue Y3

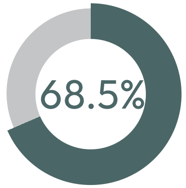
$ 235k
EBITDA

$ 158k
Profit After Tax




Gross Profit Margin Y3

EBITDA Margin Y3



# Stress Test: The Perfect Storm

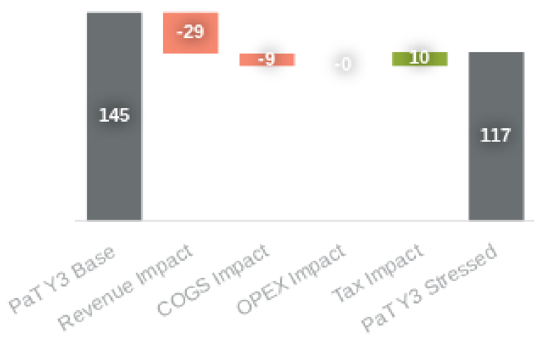
Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of challenges.

| 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. |

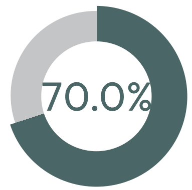
## KPIs impact

| | |
|---|---|
| **Revenue**<br>Lower by 10% | **COGS**<br>Higher by 25% |
| **OPEX**<br>Higher by 30% | **Discount Rate**<br>Higher by 10% |

## Results

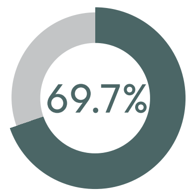



| | |
|---|---|
| $ 611k<br>Valuation | $ 257k<br>Revenue Y3 |
| $ 179k<br>EBITDA | $ 117k<br>Profit After Tax |




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 | $ 76k | $ 86k | $ 91k | $ 100k | $ 105k | $ 115k | $ 87k | $ 90k | $ 93k | $ 98k | $ 101k | $ 104k |
| | Y2 | $ 146k | $ 165k | $ 174k | $ 192k | $ 201k | $ 219k | $ 166k | $ 172k | $ 177k | $ 188k | $ 194k | $ 199k |
| | Y3 | $ 228k | $ 257k | $ 271k | $ 300k | $ 314k | $ 343k | $ 260k | $ 268k | $ 277k | $ 294k | $ 303k | $ 311k |
| Gross Profit | Y1 | $ 60k | $ 68k | $ 72k | $ 79k | $ 83k | $ 91k | $ 69k | $ 71k | $ 73k | $ 78k | $ 80k | $ 82k |
| | Y2 | $ 113k | $ 128k | $ 135k | $ 149k | $ 156k | $ 170k | $ 129k | $ 133k | $ 137k | $ 146k | $ 150k | $ 154k |
| | Y3 | $ 174k | $ 195k | $ 206k | $ 228k | $ 239k | $ 260k | $ 197k | $ 204k | $ 210k | $ 224k | $ 230k | $ 237k |
| GP Margin | Y1 | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% |
| | Y2 | 77% | 78% | 78% | 77% | 77% | 77% | 78% | 78% | 78% | 78% | 78% | 77% |
| | Y3 | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% |
| EBITDA | Y1 | $ 60k | $ 68k | $ 72k | $ 79k | $ 83k | $ 90k | $ 69k | $ 71k | $ 73k | $ 78k | $ 80k | $ 82k |
| | Y2 | $ 113k | $ 127k | $ 134k | $ 148k | $ 155k | $ 170k | $ 129k | $ 133k | $ 137k | $ 145k | $ 150k | $ 154k |
| | Y3 | $ 173k | $ 195k | $ 205k | $ 227k | $ 238k | $ 260k | $ 197k | $ 203k | $ 210k | $ 223k | $ 229k | $ 236k |
| EBITDA Margin | Y1 | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% | 79% |
| | Y2 | 77% | 77% | 77% | 77% | 77% | 77% | 77% | 77% | 77% | 77% | 77% | 77% |
| | Y3 | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% |
| Net Profit | Y1 | $ 29k | $ 35k | $ 37k | $ 43k | $ 46k | $ 51k | $ 35k | $ 37k | $ 39k | $ 42k | $ 44k | $ 45k |
| | Y2 | $ 68k | $ 79k | $ 84k | $ 94k | $ 100k | $ 110k | $ 80k | $ 83k | $ 86k | $ 92k | $ 95k | $ 99k |
| | Y3 | $ 113k | $ 129k | $ 137k | $ 153k | $ 161k | $ 177k | $ 130k | $ 135k | $ 140k | $ 149k | $ 154k | $ 159k |
| Profit Margin | Y1 | 38% | 40% | 41% | 43% | 44% | 45% | 41% | 41% | 42% | 43% | 43% | 43% |
| | Y2 | 47% | 48% | 48% | 49% | 49% | 50% | 48% | 48% | 48% | 49% | 49% | 49% |
| | Y3 | 49% | 50% | 50% | 51% | 51% | 52% | 50% | 50% | 50% | 51% | 51% | 51% |
| Final Valuation | | $ 682k | $ 780k | $ 828k | $ 926k | $ 975k | $ 1,073k | $ 789k | $ 819k | $ 848k | $ 907k | $ 936k | $ 965k |

# 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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