Business Plan

& Valuation Presentation

Contents

OUR
VISION & MISSION

Our Mission

North Loom Apparel Co. exists to enable small, emerging brands to compete and grow by delivering high-quality, domestically produced knit basics and lightweight activewear. By integrating knitting, cutting, sewing, and finishing under one roof, the company provides transparent sourcing, rapid development, and reliable on-time delivery through in-house pattern-making, sample-room services, and tech-packs. Its purpose is to de-risk domestic production for clients who cannot access offshore capacity, while offering a margin-friendly, development-minded partner that elevates their products and brand narrative.

Our Vision

In twenty years, North Loom Apparel Co. will be the trusted, scalable domestically-based partner for small-to-mid-sized brands seeking premium, transparent manufacturing. It will be recognized as the industry standard for knit basics and lightweight activewear, known for sustained operational excellence, vertically integrated capability, and strategic collaboration that accelerates product development, reduces complexity, and expands access to domestic manufacturing across the market.

Summary Financials Dashboard

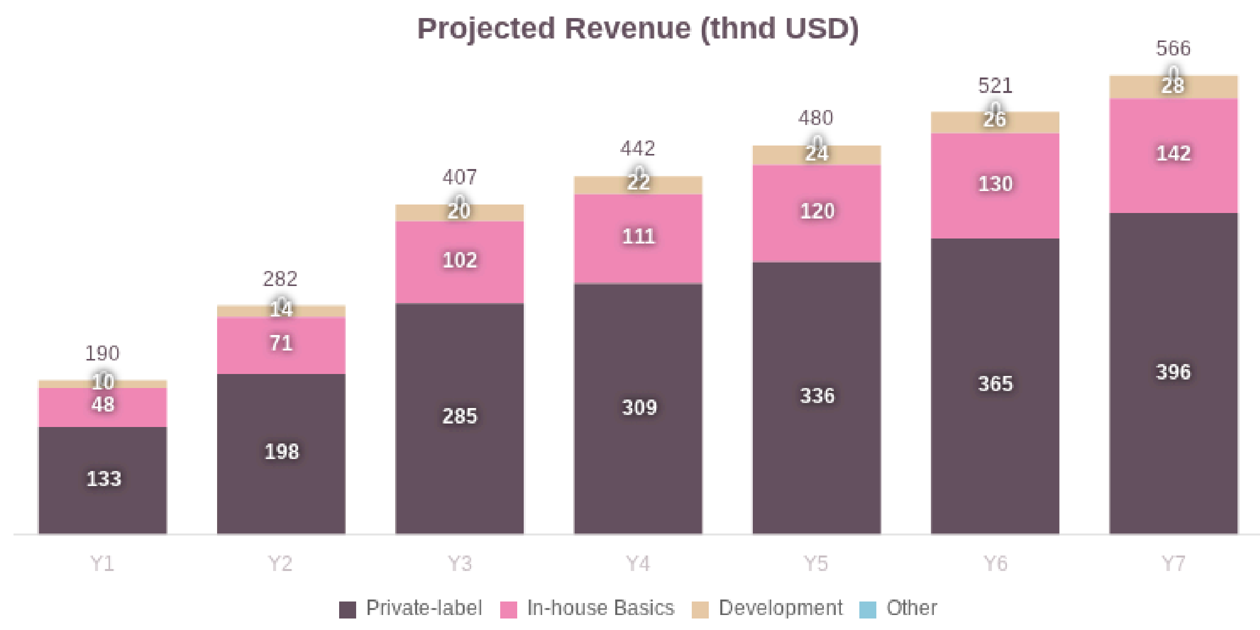
Key performance indicators
(Base Scenario Y3)

$ 407k
Revenue

$ 290k
Gross Profit

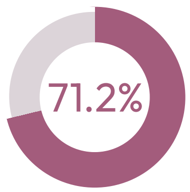
$ 168k
EBITDA

0.02%
Target Market Share

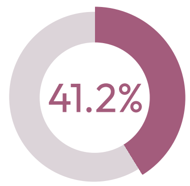


Margins
(Stabilized by Y3)

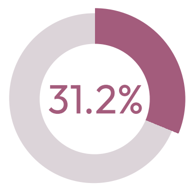
GP Margin



EBITDA Margin



PbT Margin



Project Phases

Phase 1 — Foundation and

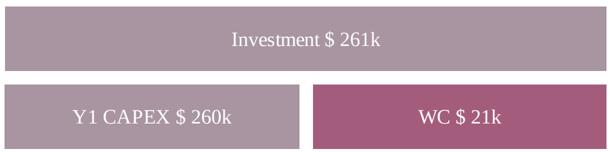
Phase 2 — Core Expansion and

Phase 3 — New Profit Streams and

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.



About the Company: General Overview

General Overview

North Loom Apparel Co. is a domestic contract clothing manufacturer focused on private-label knit basics and lightweight activewear for emerging direct-to-consumer brands, boutique retailers, and corporate uniform programs. Operating a vertically integrated cut-and-sew facility that unites knitting, cutting, sewing, and finishing under one roof, the company minimizes minimum order quantities with a 200-unit-per-style threshold to serve small brands that cannot easily access offshore capacity. Production is balanced between approximately 70% private-label work for external clients and 30% reserved for North Loom's in-house basics line, which provides a reliable margin cushion and serves as a live showcase of the facility's capabilities for prospective customers. North Loom's competitive posture rests on three core operating decisions. First, domestic production with verified supply-chain disclosures enables bids for retail and corporate accounts requiring documented sourcing, creating an access gate that excludes many low-cost offshore competitors. Second, in-house pattern-making, sample room, and tech-pack capabilities position the firm as a development partner rather than a pure manufacturer, justifying a 15%–25% premium over offshore options at the small-batch tier. Third, route density at the order-management layer clusters similar fabrics and grading rules across clients, sustaining machine utilization above regional benchmarks and absorbing higher domestic labor costs without eroding gross margin. The company targets a gross margin of 32%–38% at scale and plans to add a second production line and woven outerwear capability after stabilizing the knit operation.

The Main Phases: Projects & Impacts

01 Phase 1 — Foundation and Proof of Capability

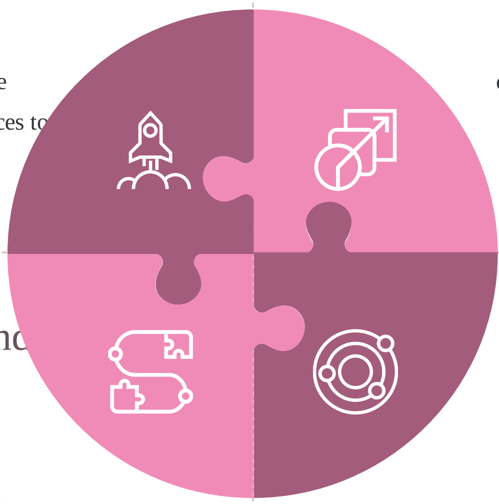
Phase I.

North Loom establishes a foundational offering by delivering high-quality domestic knit basics and lightweight activewear with scalable minimums, leveraging in-house pattern-making and tech-pack services to demonstrate capability and win early private-label partners.

03 Phase 3 — New Profit Streams and Capacity Leverage

Phase III

North Loom identifies new profit streams by optimizing in-house capabilities for additional product lines, such as woven outerwear after knit stability, and leveraging domestic disclosures to attract premium contracts with scalable margins.



02 Phase 2 — Core Expansion and Market Defense

Phase II

The company expands core capacity and client base, optimizing route density to sustain margins while offering development partnerships that justify a premium over offshore BOMs, and approaching steady demand from new DTC brands and corporate programs.

04 Phase 4 — Long-Term, High-Impact Exploration

Phase IV.

The venture explores high-impact, long-horizon opportunities—enhanced end-to-end design collaboration, potential regional hubs, and strategic partnerships—to diversify risk and unlock transformative growth years ahead.

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers (Emerging DTC brands, boutique retailers, and corporate programs)	Direct beneficiaries of North Loom's domestically produced knit basics and lightweight activewear, gaining reliable lead times, quality, and transparent sourcing.
Private-label Partners (Retailers and brands)	Partners that use North Loom for private-label production, benefiting from in-house development support, faster time-to-market, and a premium over offshore BOMs.
North Loom Employees and Craft Team	Crew members across knitting, cutting, sewing, and finishing who gain stable workloads, growth opportunities, and upskilling through in-house pattern-making and tech-pack services.
Investors and Financial Backers	Beneficiaries of scalable margins, margin cushion from in-house line, and phased expansion that reduces risk while pursuing long-term value creation.
Supply Chain Partners (Fabric mills, logistics, and ancillary vendors)	Critical collaborators enabling disclosed, domestic production; alignment on quality standards and compliant sourcing to support traceability.
Regulators and Industry Bodies	Stakeholders ensuring adherence to domestic manufacturing standards, labor practices, and supply-chain disclosures that validate North Loom's operating model.
Community and Local Economy	Positive local economic impact through job creation, supplier engagement, and regional manufacturing activity supporting domestic resilience.

Sources: Company's Proprietary Assessment

Key Performance Components

Competitive Advantage

Domestic Sourcing Edge

North Loom leverages verified, transparent U.S. supply chains to win retail and corporate accounts demanding documented sourcing, creating a moat against offshore low-cost competitors and enhancing trust with clients.

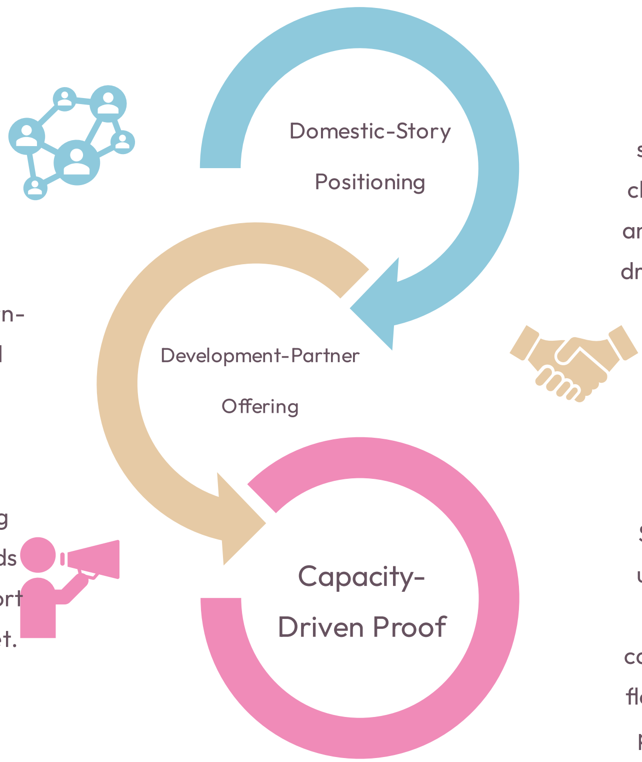
In-House Development Capabilities

With in-house pattern-making, sample-room, and tech-packing, North Loom acts as a development partner, justifying premium pricing and enabling faster iteration for small brands seeking bespoke, privately labeled basics.

Route-Density Manufacturing

By clustering similar fabrics and rules across client runs, the facility sustains high machine utilization, offsets higher domestic labor costs, and maintains margins while growing scale toward the 32%–38% target.

Marketing and Growth Strategy



Highlights North Loom's transparent, domestic supply chain and verified sourcing to attract retail and corporate clients seeking risk-reduced partnerships and compliant, on-shore manufacturing—driving premium demand for private-label and in-house basics.

Leverages in-house pattern-making, tech-packs, and sample room to market North Loom as a development partner, justifying premium pricing and attracting small brands needing end-to-end support and faster time-to-market.

Shows route-density and high machine utilization as a proof point of efficiency, reliability, and scalability, converting capacity into trust for brands that require flexible MOQs and consistent delivery for private-label and corporate programs.

Target Groups

	Industries	Description
I	Emerging Direct-to-Consumer (DTC) Brands	Small to mid-size DTC brands seeking domestically produced knit basics and lightweight activewear with predictable minimums and transparent sourcing to support fast growth and wholesale partnerships.
II	Boutique Retailers and Private-Label Partners	Boutique stores and private-label clients looking for high-quality, domestically produced garments with development support (pattern-making, tech-packs) to differentiate offerings and justify premium pricing.
III	Corporate Uniform Programs	Companies needing stable, domestically manufactured uniform solutions with documented supply chains and consistent quality across small-batch orders.
IV	SUSTAINABLE/TRACEABILITY-Focused Brands	Brands prioritizing transparent sourcing and localized production, leveraging North Loom's domestic production and disclosure capabilities as a selling point.
V	Accessory and Apparel Startups Exploring Co-Development	Early-stage apparel startups seeking a development partner to iterate product concepts, reduce time-to-market, and validate fit before scaling offshore or domestically.
VI	Contract Manufacturers and Supply-Chain Partners	Industry partners interested in shared capabilities, capacity planning, and route-density efficiencies to optimize utilization and margins across multiple clients.
VII	Regional Brand Consortia and Corporate Programs	Networks or programs that require scalable domestic manufacturing for group brands or corporate initiatives, enabling standardized specs and consolidated production.

Sources: Company's Proprietary Assessment

Painpoints & Solutions

Solution from Phase I to Phase IV

	1	2	3	4	5	6	7
Painpoints	Access to Domestic Production and Verified Disclosures	Limited Development Capabilities for Private-Label Partners	High Domestic Labor Costs Without Margin Erosion	Scaling While Protecting Margin in Core Capacity	Dependence on Offshore Alternatives for Cost Advantages	Building a Robust Private-Label Pipeline	Longer Lead Times for Prototyping and Time-to-Market
	Emerging brands struggle to find domestic contract manufacturers that can provide fully disclosed, traceable sourcing and compliant operations at small volumes.	Clients often need more than just manufacturing; they require pattern-making, tech-packs, and development support to iterate and time-to-market fast.	Domestic production faces higher labor costs, threatening margins if capacity is not efficiently utilized across clients.	Expanding capacity risks margin pressure if new work disrupts existing routes or increases complexity.	Offshore manufacturing remains cheaper for many brands, making it challenging to win bids with domestic-only value propositions.	Securing a steady stream of private-label work from emerging brands requires proven capabilities and risk-sharing models.	Brands demand faster prototyping and quicker time-to-market to stay competitive in DTC channels and corporate programs.
Solution	North Loom delivers domestically produced knit basics with transparent supply-chain disclosures and scalable minimums, enabling clients to meet retail and corporate sourcing requirements.	North Loom offers in-house pattern-making, sample-room services, and tech-pack development to act as a development partner and justify premium pricing.	Phase the workload through route density by clustering similar fabrics and styles, maintaining machine utilization above regional benchmarks to protect margins.	Optimize route density and selectively add development partnerships that justify a premium over offshore BOMs while maintaining efficient production flows.	Differentiate with domestic disclosures, reliability, and development support to secure premium contracts and convert clients despite offshore price gaps.	Leverage in-house capabilities as a development partner and showcase live in-house basics to win private-label partners with scalable minimums and predictable lead times.	Provide rapid pattern-making, pre-production tech-packs, and streamlined sampling to accelerate development cycles and shorten time-to-market.

Sources: Company's Proprietary Assessment

Strategic Analysis: SWOT

Strength

Domestic, vertically integrated knit facility; strong ability to certify sourcing and disclose supply chains for retail and corporate accounts; in-house pattern-making, sample-room, and tech-pack capabilities; high utilization through route density; diversified revenue with 70% private-label and 30% in-house basics; niche for small brands with 200-unit MOQ; margin cushion from in-house line serving as demo and risk buffer; potential to scale with planned second line and woven expansion.

Weaknesses

Limited scale relative to offshore manufacturers; dependence on 200-unit minimums may constrain some brands; higher labor costs domestically may pressure margins if volumes falter; reliance on route density efficiency requires ongoing operational discipline; smaller scale may limit ability to bid on very large contracts; potential learning curve for woven outerwear beyond knit operations.

Opportunities

Growing demand for domestic, transparent supply chains among retailers and corporate clients; expanding private-label portfolio by partnering with emerging brands; leveraging in-house capabilities to attract development-minded clients at premium pricing; moat from verified sourcing and on-site tech-pack; cross-sell from in-house basics line to new clients; plan to add second line and woven outerwear broadens product scope.

Threats

Economic downturn impacting small brands and discretionary apparel spending; rising domestic labor and compliance costs; competition from other domestic makers expanding capacity; potential offshore price swings pressuring customers to consider offshore bids; supply-chain disruptions despite domestic focus; risk of capacity underutilization if client funnel slows or MOQ gaps widen.

Sources: Company's Proprietary Assessment

Pestel: Analysis

P	E	S	T	E	L
Political 7 / 10	Economic 8 / 10	Social 7 / 10	Technological 8 / 10	Environmental 6 / 10	Legal 7 / 10
Trade Policy: Domestic focus; potential impact from tariffs on imports/supply-chain disclosures.	Labor Cost: Higher US labor costs influence margins; route density optimizes utilization.	Brand Transparency: Verified supply chains appeal to retailers seeking responsible sourcing.	In-House Capabilities: Pattern-making, tech-packs; accelerates development and justifies premium.	Sustainability: Sustainable practices appeal to retailers; potential cost of green materials.	Sourcing Disclosure: Disclosure requirements for supply chains; audits may be needed for clients.
Labor Regulation: Regulatory wage/benefit rules; safety standards affecting staffing costs.	Demand Cycles: Private-label growth and DTC brands drive capacity utilization and ASPs.	SMB Empowerment: Support for small brands creates market differentiation and recurring partnerships.	Automation Potential: Continued automation improves efficiency; second line enables scale.	Waste & Compliance: Compliance with waste, dyeing water use; regulatory exposure.	Contract Law: IP, private-label agreements; enforceability across clients and templates.

North Loom benefits from nearshoring advantages and in-house capabilities, but bears exposure to labor costs, regulatory shifts, and demand cyclicality; strategic emphasis on transparency and scale.

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

VRIO Framework: Analysis

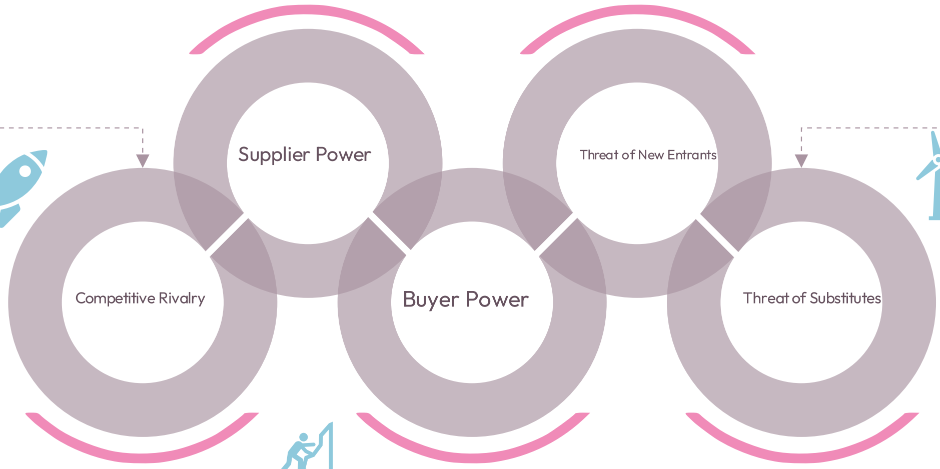
Value	Rarity	Imitability	Organization	
Does the resource or capability enable the firm to exploit an opportunity or neutralize a threat in the environment?	Is the resource or capability controlled by only a few firms or no other firms?	Is the resource or capability costly for other firms to imitate?	Is the firm organized to exploit the resource or capability?	
Yes, enables domestic, transparent sourcing and development capabilities that attract brands needing verified supply chains and faster time-to-market.	Moderately rare; vertical integration and in-house development skills are not ubiquitous but achievable by other regional manufacturers.	Costs rise quickly due to integration, know-how, and established client relationships; not easily imitated.	Operations are structured to leverage core capabilities with route-density and in-house tech-pack, enabling value capture.	North Loom's integrated, transparent domestic production with development capabilities offers a valuable, somewhat rare competitive position that is hard to imitate and well-organized to exploit.
V	R	I	O	
Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
No	No	No	No	
Competitive Disadvantage	Competitive Parity	Temporary Competitive Advantage	Unused Competitive Advantage	

Porter’s Five Forces: Analysis

Moderate; specialized skilled labor and materials, limited suppliers locally, but some flexibility via vertical integration.

Low to Moderate; high setup costs, capital for knitting/finishing, and specific capabilities deter offshore entrants.

Intense but differentiates via domestic, compliant, and development capabilities.



Moderate; offshore manufacturing or in-house private-label options by brands exist, but domestic, transparent supply is a differentiator.

Moderate to High; price-sensitive small brands, but differentiation through development services and domestic sourcing.

North Loom leverages domestic, development-led capabilities to mitigate rivalry and substitute threats while managing supplier and buyer power through scale and efficiency.

High
Moderate
Low

Management Team

Overview

Overview

Overview

Overview

History & Roadmap

Stage 6: Enter woven outerwear and scale cross-flow

Launch woven line; optimize cross-flow with knit operations.

Stage 4: Margin expansion through domestic pricing discipline

Price premium for small-batch knit basics sustained with QA.

Stage 2: Expand capacity with process optimization

Improve routing, reduce changeovers, lift utilization above

Jun 2029

Dec 2027

Jul 2027

Mar 2027

Dec 2026

Sep 2026

Stage 5: Prepare for second production line

Finalize capex plan and secure financing for second line.

Stage 3: Strengthen in-house development capabilities

Scale pattern-making, tech-packs, and sampling for clients.

Stage 1: Validate demand and stabilize core knit facility

Dock orders at 70% private-label; achieve

Current Status .

North Loom is positioned as a domestic, vertically integrated knit specialist with in-house development capabilities, pursuing disciplined capacity expansion and margin improvement toward a second line and woven outerwear.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Define corporate vision, mission, and values document	Not Started	High	CEO	2 weeks
2	Finalize legal entities, ownership structure, and initial governance	Not Started	High	CFO	3 weeks
3	Establish core operating model and org chart for vertical integration	Not Started	High	COO	3 weeks
4	Set up financial planning and budgeting process with monthly forecasting	Not Started	High	CFO	4 weeks
5	Develop initial private-label partner outreach and CRM strategy	Not Started	High	CMO	6 weeks
6	Create minimum-viable product (MVP) for in-house basics line and tech-pack services pricing	Not Started	High	CPO	4 weeks
7	Establish supplier and disclosure standards for domestic production (Sustainability and compliance)	Not Started	Medium	CIO	8 weeks
8	Develop risk management and contingency planning framework	Not Started	Medium	CRO	6 weeks
Marketing					
1	Brand positioning and messaging for domestic-made advantages (sustainability, disclosed supply chain, development partnership)	Not Started	High	CMO	1 month
2	Private-label partner acquisition plan and channel targets (DP, boutique brands, corporate programs) with value props and case studies	Not Started	High	CSO	1 month
3	Content marketing and digital presence focused on capability demo (tech-packs, pattern-making, sample-room)	Not Started	High	CIO	2 months
4	Trade show and industry event strategy to generate private-label inquiries	Not Started	Medium	CMO	3 months
5	Customer testimonials and private-label case studies library	Not Started	Medium	CPO	2 months
6	Collateral development: one-pager, capability deck, tech-pack templates	Not Started	High	CBO	5 weeks
7	Pricing and value proposition articulation for premium over offshore BOMs (5-25% premium)	Not Started	High	CFO	1 month

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Define North Loom's foundational offering and minimums	Not Started	High	CPO	M06 2026
2	Establish in-house pattern-making and tech-pack capabilities	Not Started	High	CTO	M07 2026
3	Develop private-label partner targeting and onboarding plan	Not Started	High	CRO	M07 2026
4	Set minimum order quantities and production scheduling framework	Not Started	High	COO	M06 2026
5	Prototype intro line of knit basics and lightweight activewear	Not Started	High	CPO	M06 2026
6	Pricing strategy and margin model for small-batch private-label	Not Started	High	CFO	M07 2026
7	Supply chain disclosures framework for domestic production	Not Started	Medium	CIO	Q3 2026
8	Phase 1 performance metrics and early private-label partner success criteria	Not Started	Medium	CSO	Q4 2026
Phase 2					
1	Optimize core capacity utilization and route density across existing production lines	Not Started	High	CFO	M06 2026
2	Develop and launch development partnerships with 5 new private-label clients to justify premium over offshore BOMs	Not Started	High	CPO	M07 2026
3	Establish detailed cost-to-serve model and target margins for domestic vs offshore production to defend pricing premium	Not Started	High	CFO	Q3 2026
4	Implement pilot program for 200-unit minimums with at least 3 new DTC/boutique brands to validate minimums and lead times	Not Started	Medium	COO	M07 2026
5	Expand in-house pattern-making and tech-pack services capabilities to shorten sample cycle by 15%	Not Started	Medium	CPO	Q3 2026
	Optimize supplier disclosures and ESG data collection for sourcing transparency to win corporate				

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Phase 3 Task 1: Define new product lines and capability map for woven outerwear readiness	Not Started	High	CPO	M09 2026
2	Phase 3 Task 2: Develop internal cost model and margin targets for woven outerwear and related laminates	Not Started	High	CFO	M10 2026
3	Phase 3 Task 3: Establish in-house pattern-making and tech-pack workflows for woven outerwear development	Not Started	High	CTO	M11 2026
4	Phase 3 Task 4: Create supplier and fabric sourcing strategy for woven fabrics with domestic disclosures	Not Started	Medium	CIO	Q4 2026
5	Phase 3 Task 5: Pilot private-label woven outerwear development with select partner(s)	Not Started	High	CRO	Q1 2027
6	Phase 3 Task 6: Design and implement capacity planning model to leverage existing knit line for new product streams	Not Started	Medium	COO	Q2 2027
7	Phase 3 Task 7: Establish go-to-market positioning for domestic woven outerwear and premium contracts	Not Started	Medium	CMO	Q3 2027
8	Phase 3 Task 8: Develop risk assessment and compliance framework for expanded product portfolio and disclosures	Not Started	Low	CISO	Q4 2027
Phase 4					
1	Phase 4 Task 1 — Establish enhanced end-to-end design collaboration framework	Not Started	High	CPO	Q3 2026
2	Phase 4 Task 2 — Identify and evaluate potential regional hub locations and partners	Not Started	High	CCO	Q4 2026
3	Phase 4 Task 3 — Develop scalable regional partnerships and strategic alliance roadmap	Not Started	High	CSO	Q1 2027
4	Phase 4 Task 4 — Design and pilot an enhanced end-to-end design collaboration process with at	Not Started	High	CPO	Q2 2027

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	1) Equipment downtime and maintenance interruptions	COO	Implement preventive maintenance calendar and cross-train mechanics.
2	2) Capacity bottlenecks during phase transitions	COO	Maintain flexible staffing and scalable shift models; monitor workload in real time.
3	3) quality variance affecting downstream partners	CPO	Standardize QA protocols; implement in-line inspection and SPC data.
4	4) supply chain disruptions for domestic materials	CFO	Diversify supplier base; establish safety stock for core fabrics.
5	5) scalability limits of in-house capabilities	CTO	Invest in scalable digital tooling; hire/retain skilled staff ahead of need.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Environmental and waste management compliance	CFO	Implement strict waste segregation and partner with licensed disposal vendors.
2	Product safety and labeling compliance	CPO	Establish QA/process controls and regulatory review at design stage.
3	Trade and import/export regulatory risk	CFO	Monitor trade policy and diversify supplier origins where feasible.
4	Labor and employment regulations	CLO	Maintain formal HR/compliance processes and regular audits.
5	Privacy and data security for design files	CIO	Adopt robust IT security controls and vendor risk assessments.

Core Risks & Mitigation Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market demand shifts and brand churn	CSO	Diversify client base across segments and maintain flexible capacity
2	Competitive pressure from offshore and domestic players	CPO	Differentiate via development services and verified sourcing; maintain premium positioning
3	Dependency on a few large private-label clients	CFO	Expand client roster and offer development partnerships to reduce reliance
4	Execution risk of Phase 2 expansion	COO	Stage-gated milestones with contingency capacity planning
5	Regulatory or trade policy changes affecting sourcing	CIO	Monitor policy developments; diversify supplier geography and sourcing options

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash flow volatility	CFO	Implement strict AR aging, upfront deposits, and line of credit access.
2	Dependence on a few large clients	CFO	Diversify client base; target SMBs and new DTC brands.
3	Commodity and input cost inflation	CFO	Hedge raw material costs; negotiate long-term supplier contracts.
4	Capital expenditure funding gaps	CFO	Stage gate funding; secure debt/equity with milestones.
5	Foreign exchange and pricing risk	CFO	Use USD-based pricing for exports; FX hedging strategies.

5. Other general risks

#	Risk Type	Area	Mitigation Strategy
1	Supply chain visibility gaps in new markets	CFO	Implement third-party audits and quarterly supplier scorecards.
2	Key customer concentration risk	CFO	Diversify client portfolio; target 20+ active customers by year 3.
3	Product mix risk for upcoming woven outerwear	CFO	Pilot woven line with controlled capacity and clear SOPs.
4	Manufacturing cure for defects and returns	COO	Institute robust QA at source, rapid corrective action plan.

Sources: Company's Proprietary Assessment

Market Overview (TAM, SAM and SOM)

Target Available Market (TAM)	Cut & Sew Apparel Contractors Subindustry	$ 2,030,000k	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 8.60%
Service Available Market (SAM)	0.25%	North Loom operates in a niche of small-batch, domestic contract knitting and cut-and-sew for emerging brands, with a 200-unit MOQ and in-house development capabilities. Given its size and capital, the addressable opportunity is concentrated on US-based private-labels, boutique retailers, and corporate uniforms that require transparent...	
Service Obtainable Market Y1-Y3 (SOM)	Year 1 3.75000% Year 2 5.12000% Year 3 6.80000%	Given North Loom's 0.261k USDk capital against a 2,030,000k USD TAM and a SAM of 0.25% of TAM, the obtainable share within SAM is modest. The niche strategy—domestic, transparent supply chains, in-house development capabilities, and selective premium pricing—supports gradual, conservative capture. Industry concentration favors establishe...	

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 $ 261k

Y1 Cash Flow Stream (thnd USD)	Inflows	Outlows
Gross Profit	142	
Payroll Expenses		23
Rent & Utilities		11
Legal and Professional Fees		6
Marketing and Branding		6
CAPEX		260
Communication Expenses		4
Office supplies		2
Representation and Entert.		2
Training and Development		2
Other Miscellaneous		2
CAPEX & WC shortage Y1		175
Buffer		86
Total Required Investment (thnd USD)		261

Payroll Expenses
7.20%

Rent & Utilities
3.60%

Legal and Professional Fees
1.80%

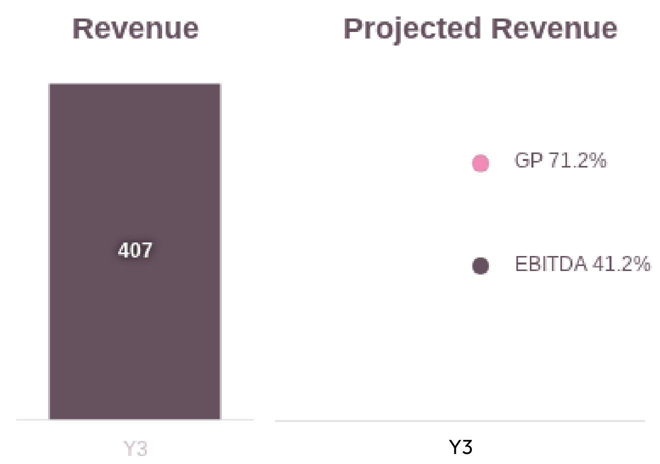
Marketing and Branding
1.80%

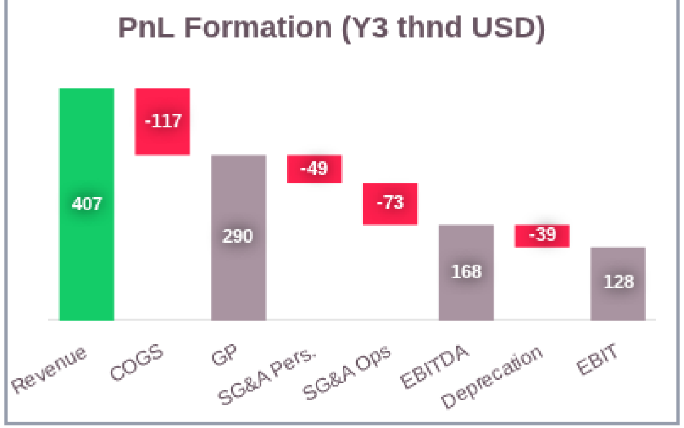
CAPEX
81.99%

Other
3.60%

Financials Dashboard

Y3 PL formation and Margins





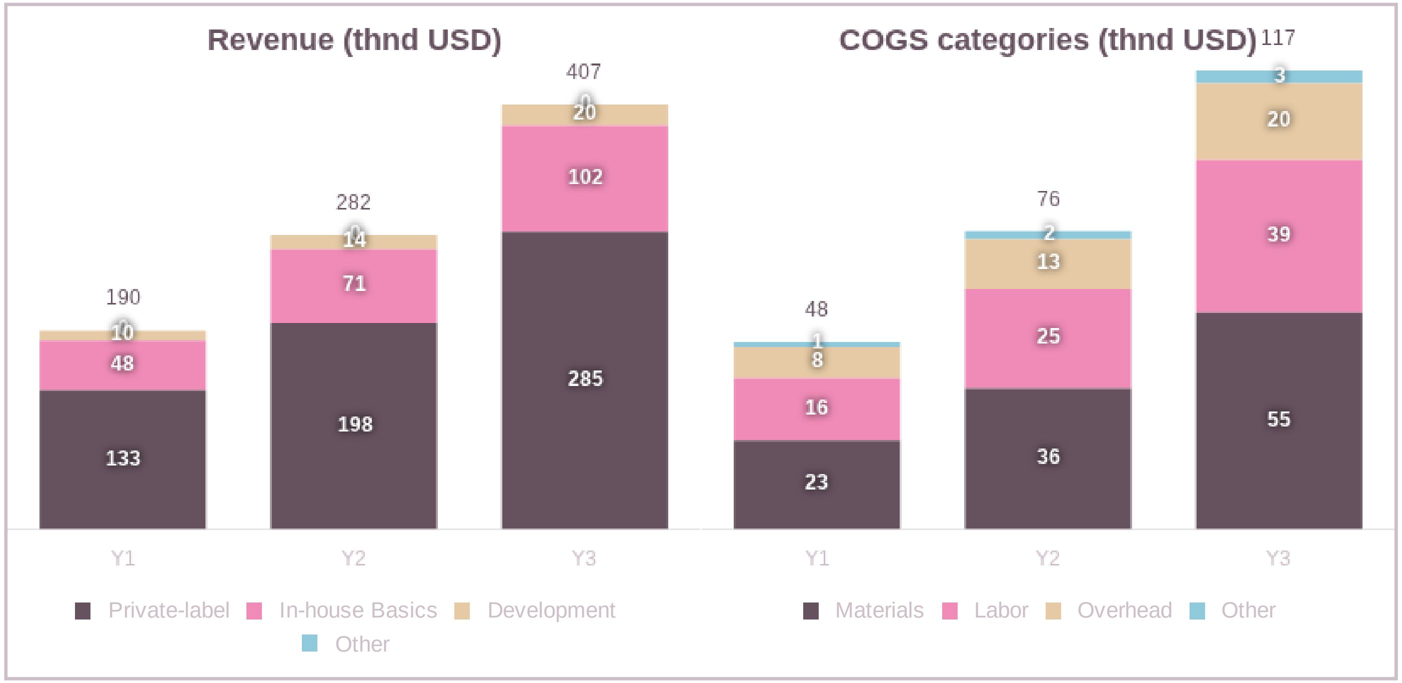
Business Line Breakdown (thnd USD)

Revenue Formation Narrative

North Loom Apparel Co. targets a compelling revenue opportunity within the domestic cut-and-sew apparel market by leveraging its vertically integrated knit basics and lightweight activewear production for emerging D2C brands, boutique retailers, and corporate uniform programs. The total addressable market is 2,030,000k USD, with a served addressable market of 0 of TAM and an obtainable share within SAM of 3 in Year 1, 3 in Year 2, and 4 in Year 3. The company's four-line-of-business revenue architecture—Private-label, In-house Basics, Development, and Other—drives a diversified mix: 70 of revenue from Private-label, 25 from In-house Basics, 5 from Development, and 0 from Other. Current Year 1 revenue stands at 126.875k USD, expanding to 176.366k USD in Year 2 and 239.417k USD in Year 3, reflecting steady throughput growth aligned to incremental capacity and premium pricing enabled by domestic production, in-house development, and selective premium positioning. The initial capital requirement is 261k USD, supporting scalability through a second production line and eventual weaving expansion after knit stabilization. The revenue model assumes gross margins of 32%–38% at scale, with the LOB mix sustaining a blended margin consistent with the company's high-value, demonstrated-capability proposition. The SOM trajectories imply early market entry focused on trusted partners, followed by progressive scale as the pipeline matures, client wins compound, and capacity deployment aligns with demand signals. This narrative emphasizes revenue growth anchored by the TAM/SAM/SOM framework, a disciplined operating model, and capital-backed capacity expansion planned to enhance both top-line revenue and margin resilience across Years 1–3.

$ 407k Y3 Projected Revenue

0.02% Market Share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Private-label	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*	*70.00%*
In-house Basics	*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%*
Development	*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%*
Other	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*

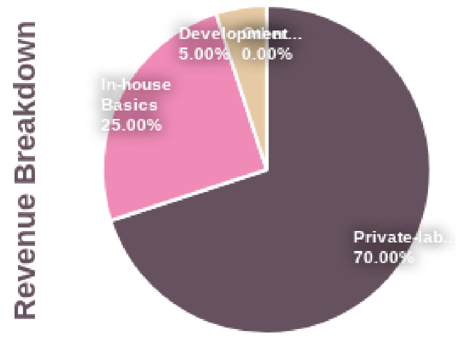
Private-label	8	8	8	10	10	10	12	12	12	14	14	14	133	198	285
In-house Basics	3	3	3	4	4	4	4	4	4	5	5	5	48	71	102
Development	1	1	1	1	1	1	1	1	1	1	1	1	10	14	20
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue (thnd USD)	12	12	12	14	14	14	17	17	17	20	20	20	190	282	407

Total revenue is expected to reach $ 407k by year 3.

Main revenue driver are:

- Private-label which generates $ 285k by Year 3
- In-house Basics which generates $ 102k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 46.24 %



COGS Calculation Details

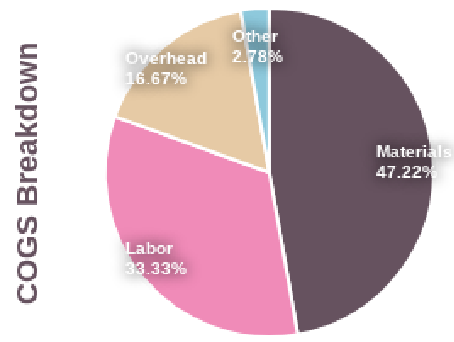
COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Materials	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*11.90%*	*12.75%*	*13.60%*
Labor	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*9.00%*	*9.60%*
Overhead	*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%*
Other	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.75%*	*0.80%*
Materials	1	1	1	2	2	2	2	2	2	2	2	2	23	36	55
Labor	1	1	1	1	1	1	1	1	1	2	2	2	16	25	39
Overhead	1	1	1	1	1	1	1	1	1	1	1	1	8	13	20
Other	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3
Total COGS (thnd USD)	3	3	3	4	4	4	4	4	4	5	5	5	48	76	117

Total COGS is expected to reach '$ 117k by year 3.

Main revenue driver are:

- Materials which generates $ 55k by Year 3
- Labor which generates $ 39k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 56.34 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Rent & Utilities	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Communication Expenses	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Office supplies	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Legal and Professional Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Marketing and Branding	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Representation and Entertainment	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Training and Development	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other Miscellaneous	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Payroll Expenses	1	1	1	2	2	2	2	2	2	2	2	2	23	34	49
Rent & Utilities	1	1	1	1	1	1	1	1	1	1	1	1	11	17	24
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	4	6	8
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	2	3	4
Legal and Professional Fees	0	0	0	0	0	0	1	1	1	1	1	1	6	8	12
Marketing and Branding	0	0	0	0	0	0	1	1	1	1	1	1	6	8	12
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	2	3	4
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	2	3	4
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	2	3	4
Total SG&A (thnd USD)	4	4	4	4	4	4	5	5	5	6	6	6	57	85	122

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	**12**	**12**	**12**	**14**	**14**	**14**	**17**	**17**	**17**	**20**	**20**	**20**	**190**	**282**	**407**
Private-label	8	8	8	10	10	10	12	12	12	14	14	14	133	198	285
In-house Basics	3	3	3	4	4	4	4	4	4	5	5	5	48	71	102
Development	1	1	1	1	1	1	1	1	1	1	1	1	10	14	20
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COGS	**-3**	**-3**	**-3**	**-4**	**-4**	**-4**	**-4**	**-4**	**-4**	**-5**	**-5**	**-5**	**-48**	**-76**	**-117**
Materials	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-23	-36	-55
Labor	-1	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	-16	-25	-39
Overhead	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-8	-13	-20
Other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-2	-3
Gross Profit	9	9	9	11	11	11	13	13	13	15	15	15	142	206	290
SG&A Personal Expenses	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-23	-34	-49
SG&A Operating Expenses	-2	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4	-4	-34	-51	-73
EBITDA	5	5	5	6	6	6	8	8	8	9	9	9	85	121	168
Depreciation	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-39	-39	-39
EBIT	2	2	2	3	3	3	5	5	5	6	6	6	46	82	128
Interest Expense	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-1	-1
Profit before Tax	2	2	2	3	3	3	4	4	4	5	5	5	45	81	127
Tax	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-12	-21	-33
Profit after Tax (thnd USD)	1	1	1	2	2	2	3	3	3	4	4	4	33	60	94

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	11	17	21	25	31	37	41	49	56	63	71	81	81	177	304
Accounts Receivable	12	12	12	14	14	14	17	17	17	20	20	20	20	29	42
Inventory	3	3	4	4	4	4	4	4	5	5	5	5	5	7	12
Prepaid Expenses	1	1	1	1	1	2	2	2	2	2	2	2	2	2	4
Deferred Tax Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets	27	33	38	44	51	57	65	72	80	89	98	107	107	216	362
Knitting/Weaving and Cut-Sew Facility Infrastructure (Machinery & Equipment)	128	127	125	124	122	121	119	118	116	115	113	111	111	93	74
Finishing, Quality Control, and Packaging Equipment	51	50	49	49	48	47	46	45	44	43	42	42	42	31	21
Facility and IT Infrastructure (Buildings/Leasehold Improvements and IT Systems)	52	51	51	50	50	49	49	49	48	48	47	47	47	42	36
Specialized Tooling, Sample Room, and Pattern/Tech-Pack Equipment	26	25	25	24	24	23	23	23	22	22	21	21	21	16	10
Non-Current Assets	257	253	250	247	244	240	237	234	230	227	224	221	221	181	142
Total Assets	284	286	288	291	294	297	302	306	311	316	322	327	327	397	504
Accounts Payable	1	1	1	1	1	1	2	2	2	2	2	2	2	3	4
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	1	2	2	3	4	5	6	7	9	10	12	12	21	33
Current Liabilities	2	2	3	4	4	5	7	8	9	11	12	13	13	24	37
Loans and Other Borrowings	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Non-Current Liabilities	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Total Liabilities	22	22	23	24	24	25	27	28	29	31	32	33	33	44	57
Paid-In Capital	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	33	93
Current Period Earnings	1	3	4	7	9	11	14	17	21	25	29	33	33	60	94
Total Equity	262	264	265	268	270	272	275	278	282	286	290	294	294	354	447

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	17	11	17	21	25	31	37	41	49	56	63	71	-	81	177
Cash from Sales of Goods / Services	-	12	12	12	14	14	14	17	17	17	20	20	170	273	394
Payments to Employees / Vendors	-5	-7	-7	-8	-8	-9	-9	-10	-10	-11	-11	-11	-108	-163	-243
Advances Paid / Received	-	-	-0	-	-	-0	-	-	-0	-	-	0	-2	-1	-2
Taxes Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-12	-21
Interest Paid	-	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-1	-1
CF from Operating Activities	-5	5	4	4	6	5	5	8	7	7	9	9	60	96	127
Acquisition of															
Knitting/Weaving and Cut-Sew Facility Infrastructure (Machinery & Equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-130	-	-
Finishing, Quality Control, and Packaging Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-52	-	-
Facility and IT Infrastructure (Buildings/Leasehold Improvements and IT Systems)	-	-	-	-	-	-	-	-	-	-	-	-	-52	-	-
Specialized Tooling, Sample Room, and Pattern/Tech-Pack Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-26	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-260	-	-
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	20	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	261	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	281	-	-
Ending Balance	11	17	21	25	31	37	41	49	56	63	71	81	81	177	304

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	17	11	17	21	25	31	37	41	49	56	63	71	-	81	177
EBIT	2	2	2	3	3	3	5	5	5	6	6	6	46	82	128
Δ Receivables & Prepaids	-12	-	-0	-2	-	-0	-3	-	-0	-2	-	0	-21	-10	-15
Δ Payables	1	-	-	0	-	-	0	-	-	0	-	-	2	1	1
Δ Inventory	-	-	-1	-	-	-1	-	-	-1	-	-	0	-5	-3	-5
Δ Depreciation	3	3	3	3	3	3	3	3	3	3	3	3	39	39	39
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-12	-21
Interest Expenses	-	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-1	-1
CF from Operating Activities	-5	5	4	4	6	5	5	8	7	7	9	9	60	96	127
Acquisition of															
Knitting/Weaving and Cut-Sew Facility Infrastructure (Machinery & Equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-130	-	-
Finishing, Quality Control, and Packaging Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-52	-	-
Facility and IT Infrastructure (Buildings/Leasehold Improvements and IT Systems)	-	-	-	-	-	-	-	-	-	-	-	-	-52	-	-
Specialized Tooling, Sample Room, and Pattern/Tech-Pack Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-26	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-260	-	-
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	20	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	261	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	281	-	-
Ending Balance	11	17	21	25	31	37	41	49	56	63	71	81	81	177	304

Assumptions:

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- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.

Sources: Company's Proprietary Planning

Cost of Capital Estimation

Required Return on Equity Derivation

- 1. RE 12.08%
  - 2. RF 4.33%
    - 2.1. TSY Bond 4.64%
    - 2.2. Country Risk 0.31%
  - 3. Adj ERP 3.75%
    - 3.1. ERP 4.91%
      - 3.1.1. Mature market ERP 4.60%
      - 3.1.2. Country Risk 0.31%
        - 3.1.2.1. Rating-based Default 0.23%
        - 3.1.2.2. Default Spread Multiple 1.34
    - 3.2. Total levered β 0.76
      - 3.2.1. Tax rate 26.00% and D/E Ratio 0.19
      - 3.2.2. Unlevered β 0.67
  - 4. Illiquidity Discount 4.00%

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/

Business Valuation

DCF

(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Profit after Tax	**33**	**60**	**94**	**102**	**111**	**120**	**131**
Growth% Y4-Y7				8.60%	8.60%	8.60%	8.60%
Growth% Y7	3.50%						
WACC'	**12.08%**						
PV Y1-Y7 at Y0	29	47	67	65	63	61	59
PV Y7 --> Y0	709						
NPV (thnd USD)	1,099						

Assumed 3Y Survival Rate	50%

Final Valuation	$ 550k

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 12.08 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 8.60 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. 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.

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	$ 407k	$ 468k	$ 346k	$ 407k	$ 407k	$ 407k	$ 407k
	Gross Profit Y3	$ 290k	$ 333k	$ 246k	$ 313k	$ 266k	$ 290k	$ 290k
	GP Margin	71%	71%	71%	77%	65%	71%	71%
	EBITDA Y3	$ 168k	$ 193k	$ 143k	$ 191k	$ 144k	$ 168k	$ 168k
	EBITDA Margin	41%	41%	41%	47%	35%	41%	41%
	Net Profit Y3	$ 94k	$ 113k	$ 75k	$ 111k	$ 77k	$ 94k	$ 94k
	Profit Margin	23%	24%	22%	27%	19%	23%	23%
	Final Valuation	$ 550k	$ 661k	$ 439k	$ 652k	$ 448k	$ 650k	$ 475k

Stress Test: Growth Under Pressure

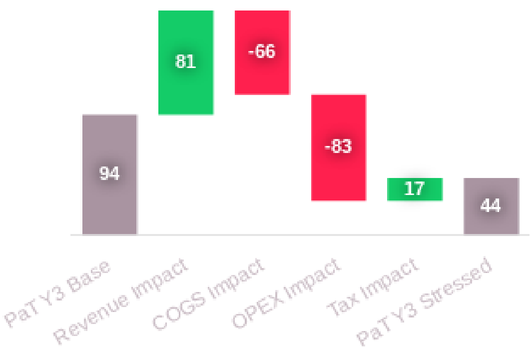
Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of challenges.

Scenario Name	Story
Growth Under Pressure	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.

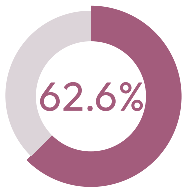
KPIs impact

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

Results

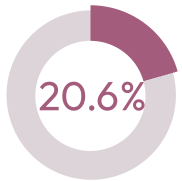


$ 257k Valuation	**$ 488k** Revenue Y3
$ 100k EBITDA	**$ 44k** Profit After Tax



Gross Profit Margin Y3

EBITDA Margin Y3



Stress Test: The Perfect Storm

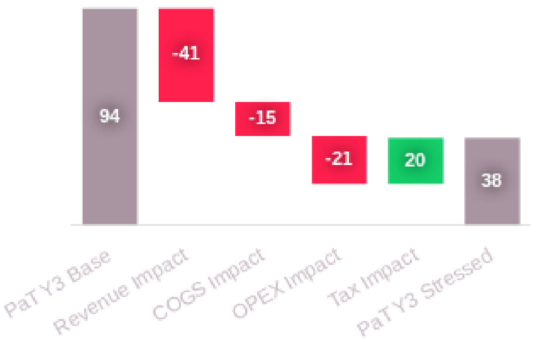
Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of challenges.

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

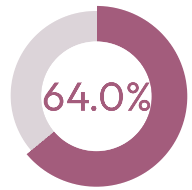


$ 186k
Valuation

$ 366k
Revenue Y3

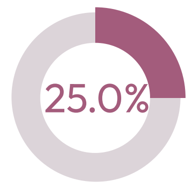
$ 92k
EBITDA

$ 38k
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	$ 152k	$ 171k	$ 181k	$ 200k	$ 209k	$ 228k	$ 173k	$ 179k	$ 185k	$ 196k	$ 202k	$ 207k
	Y2	$ 226k	$ 254k	$ 268k	$ 296k	$ 310k	$ 339k	$ 257k	$ 265k	$ 274k	$ 291k	$ 299k	$ 308k
	Y3	$ 326k	$ 366k	$ 387k	$ 427k	$ 448k	$ 488k	$ 370k	$ 383k	$ 395k	$ 419k	$ 431k	$ 444k
Gross Profit	Y1	$ 114k	$ 128k	$ 135k	$ 149k	$ 157k	$ 171k	$ 130k	$ 134k	$ 138k	$ 147k	$ 151k	$ 155k
	Y2	$ 165k	$ 185k	$ 196k	$ 216k	$ 227k	$ 247k	$ 187k	$ 194k	$ 200k	$ 212k	$ 218k	$ 225k
	Y3	$ 232k	$ 261k	$ 275k	$ 304k	$ 319k	$ 348k	$ 264k	$ 272k	$ 281k	$ 298k	$ 307k	$ 316k
GP Margin	Y1	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
	Y2	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%
	Y3	71%	71%	71%	71%	71%	71%	71%	71%	71%	71%	71%	71%
EBITDA	Y1	$ 68k	$ 77k	$ 81k	$ 90k	$ 94k	$ 102k	$ 78k	$ 80k	$ 83k	$ 88k	$ 90k	$ 93k
	Y2	$ 97k	$ 109k	$ 115k	$ 127k	$ 133k	$ 146k	$ 110k	$ 114k	$ 118k	$ 125k	$ 129k	$ 132k
	Y3	$ 134k	$ 151k	$ 159k	$ 176k	$ 184k	$ 201k	$ 153k	$ 158k	$ 163k	$ 173k	$ 178k	$ 183k
EBITDA Margin	Y1	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
	Y2	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%
	Y3	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%
Net Profit	Y1	$ 20k	$ 27k	$ 30k	$ 36k	$ 39k	$ 46k	$ 27k	$ 29k	$ 31k	$ 35k	$ 37k	$ 39k
	Y2	$ 42k	$ 51k	$ 55k	$ 64k	$ 69k	$ 78k	$ 52k	$ 54k	$ 57k	$ 62k	$ 65k	$ 68k
	Y3	$ 69k	$ 82k	$ 88k	$ 100k	$ 106k	$ 119k	$ 83k	$ 86k	$ 90k	$ 98k	$ 101k	$ 105k
Profit Margin	Y1	13%	16%	16%	18%	19%	20%	16%	16%	17%	18%	18%	19%
	Y2	18%	20%	21%	22%	22%	23%	20%	20%	21%	21%	22%	22%
	Y3	21%	22%	23%	23%	24%	24%	22%	23%	23%	23%	23%	24%
Final Valuation		$ 402k	$ 476k	$ 513k	$ 587k	$ 624k	$ 698k	$ 483k	$ 505k	$ 527k	$ 572k	$ 594k	$ 616k

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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