Business Plan

& Valuation Presentation

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OUR
VISION & MISSION

Our Mission

PixelPort Gaming Cafe exists to provide a premier social hub where casual and competitive gamers access high-performance PCs, consoles, and ultra-fast internet to play the games they love by the hour. By hosting tournaments, events, and community nights, the cafe fosters inclusive, fun, and fair play, while offering tasty snacks, beverages, and comfortable seating that let players connect, learn, and grow together. It is dedicated to delivering reliable tech, welcoming spaces, and memorable gaming experiences that keep our community engaged and thriving.

Our Vision

To become the leading community-driven gaming destination in the US, where every player—regardless of age or skill—feels seen, supported, and inspired. PixelPort aims to shape the future of social gaming by expanding inclusive events, advancing competitive opportunities, and redefining the cafe experience as a dynamic platform for friendship, teamwork, and innovation in gaming.

Summary Financials Dashboard

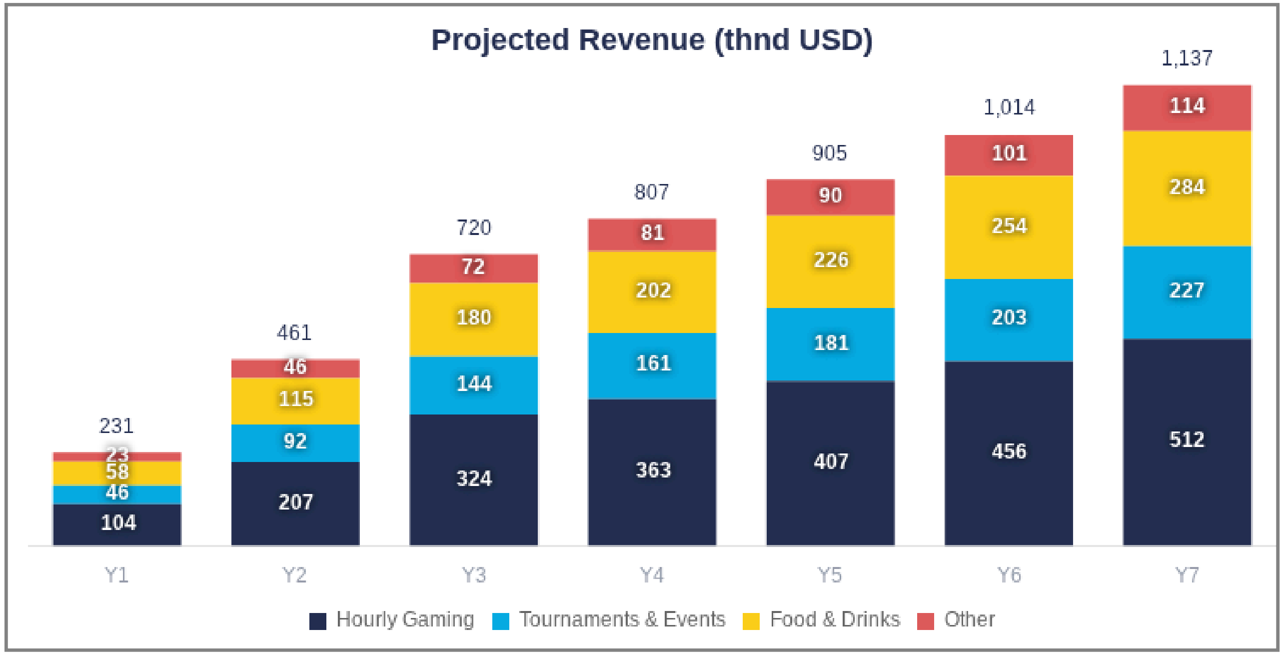
Key performance indicators
(Base Scenario Y3)

$ 720k
Revenue

$ 475k
Gross Profit

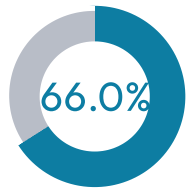
$ 373k
EBITDA

0.00%
Target Market Share

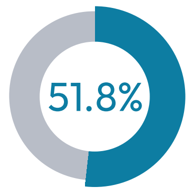


Margins
(Stabilized by Y3)

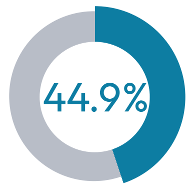
GP Margin



EBITDA Margin



PbT Margin



Project Phases

Phase 1: Foundational

Phase 2: Core Expansion and

Phase 3: New Revenue Streams

Phase 4: High-Rore 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 $ 209k

Y1 CAPEX $ 173k

WC $ 19k

About the Company: General Overview

General Overview

PixelPort Gaming Cafe offers a modern, social hub for gamers by providing high-performance computers, top-tier gaming consoles, and fast, reliable internet for both casual and competitive play. Located to attract a diverse community, the venue enables customers to book by the hour to experience a wide range of multiplayer, strategy, racing, and sports titles, from popular releases to enduring classics. The cafe is designed to support competitive play with comfortable setups, optimized acoustics, and a welcoming ambiance that encourages collaboration, friendly rivalries, and skill development. In addition to open play, PixelPort hosts tournaments, team events, birthday parties, and community gaming nights, turning every visit into an opportunity for connection and growth within the gaming ecosystem. A curated menu of snacks, beverages, and convenient seating options enhances the experience, ensuring players can focus on play without disruption. The business aims to be a central gathering spot for gamers across ages and skill levels, fostering a culture of inclusivity, mentorship, and celebration of gaming culture. As a player-facing venue, PixelPort balances entertainment value with practical amenities, positioning itself as a trusted destination in the US video games landscape.

The Main Phases: Projects & Impacts

01 Phase 1: Foundational Offering and Community Space

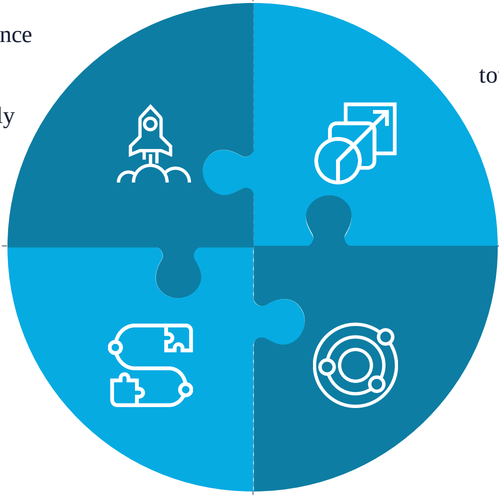
Phase I.

PixelPort Gaming Cafe establishes a core offering of high-performance PCs, consoles, and fast internet by the hour, targeting casual and competitive players with strong in-store social experiences and timely events.

03 Phase 3: New Revenue Streams and Partnerships

Phase III

Phase 3 explores new revenue streams such as sponsorships, micro-tournaments, merchandise, and partnerships with developers to monetize events and in-cafe services beyond hourly play.



02 Phase 2: Core Expansion and Community Defense

Phase II

The cafe expands by refining the core gaming experience, hosting regular tournaments and parties, optimizing throughput, and growing a loyal community while defensively strengthening its position against competitors.

04 Phase 4: High-Rore long-term Opportunities

Phase IV.

Phase 4 pursues ambitious, long-horizon opportunities—live-streamed events, branded arenas, or co-located pop-up experiences—embracing high risk for transformative growth beyond traditional cafe activities.

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers (Casual Gamers and Competitive Players)	Players who visit PixelPort for hourly play, tournaments, or social gaming nights.
Employees and In-Store Staff	Team members operating PCs, consoles, events, and customer service to deliver a high-quality gaming experience.
Local Gaming Community and Clubs	Nearby players, schools, and hobby groups that participate in events, tournaments, and community nights at the cafe.
Game Developers and Publishers	Partners providing access to titles, sponsorships, and potential co-hosted events or exclusive content within the cafe.
Suppliers and Merchants	Hardware, snacks, beverages, peripherals, and maintenance partners ensuring smooth operations and offerings.
Investors and Financial Backers	Capital providers interested in growth, profitability, and scalable models across phases 1–4.
Local Government and Regulatory Bodies	Authorities ensuring compliance with business licenses, safety, data privacy, and permissible gaming activities.

Sources: Company's Proprietary Assessment

Key Performance Components

Competitive Advantage

High-Performance Setup

PixelPort Gaming Cafe offers top-tier PCs, consoles, and ultra-fast internet, delivering smooth gameplay for casual and competitive players alike, supporting a wide range of genres and e-sports readiness.

Community & Events

Regular tournaments, team events, birthdays, and themed game nights foster a loyal community, driving repeat visits and word-of-mouth growth among diverse age groups.

Social & Convenience

On-site snacks, drinks, and comfortable seating create a social hub where players can connect, collaborate, and compete in a relaxed, family-friendly atmosphere.

Marketing and Growth Strategy

PixelPort leverages regular in-cafe and online tournaments to attract competitive players and casual fans, driving foot traffic, word-of-mouth, and social media buzz while showcasing high-end setups and fast networking.

The cafe forms alliances with game publishers, local schools, and esports teams to sponsor events, gain promotional exposure, and cross-promote through co-branded content and discounts.

A loyalty program with tiered perks, birthday party packages, and exclusive gaming nights encourages repeat visits, increases average spend, and builds a strong community around PixelPort.

Target Groups

	Industries	Description
I	Casual Local Gamers	Residents who enjoy occasional multiplayer gaming, socializing with friends, and trying new titles by the hour in a welcoming, affordable environment.
II	Competitive and Amateur eSports Players	Players who participate in local tournaments or practice sessions, valuing high-performance rigs, reliable latency, and a venue that supports community competition.
III	Student and Young Professional Gamers	Students and early-career individuals seeking a social gaming hub with flexible hours, comfortable seating, and affordable pricing between classes or after work.
IV	Birthday Parties and private Events	Groups looking to host celebrations or team-building events with access to consoles, PCs, snacks, and a dedicated space for a customized gaming experience.
V	Families and Casual Enthusiasts	Families exploring kid-appropriate multiplayer titles and family-friendly events, with a safe, comfortable atmosphere and snack options.
VI	Developers and Brand Partners	Game developers and brands seeking in-cafe exposure, sponsorships, and co-hosted events to showcase new titles and monetize community activities.
VII	Streaming and Content Creators	Creators who use in-cafe setups for recorded sessions or live-streamed events, leveraging the venue's tech and audience reach to grow their channels.

Sources: Company's Proprietary Assessment

Painpoints & Solutions

Solution from Phase I to Phase IV

	1	2	3	4	5	6	7
Painpoints	Inconsistent Foot Traffic and Peak Load Management	Limited Community Engagement and Retention	Operational Complexity and Throughput Bottlenecks	Competition from Nearby Gaming Hubs	Revenue Dependency on Hourly Play	Event Execution Risk and Cost	Data and Community Insights Gaps
	Fluctuations in daily and hourly foot traffic lead to underutilized high-performance PCs and wasted capacity during off-peak times.	New customers may visit once but not return if they don't feel connected to a community or recurring events.	Managing check-in, equipment readiness, and café service can slow down the guest experience during busy periods.	Other venues and online offerings provide similar experiences, risking customer migration during growth phases.	Overreliance on hourly play limits monetization opportunities and margin potential.	Hosting tournaments and parties can incur high upfront costs with uncertain attendance and ROI.	Lack of actionable data on member preferences and event success hinders optimization of offerings.
Solution	Implement dynamic booking, targeted events, and membership perks to smooth demand and maximize utilization of all setups.	Create a consistent events calendar, club memberships, and in-store social spaces to foster belonging and repeat visits.	Adopt streamlined check-in, pre-configured gaming stations, and staff cross-training to speed throughput and reduce wait times.	Differentiate with exclusive events, localized partnerships, and a strong brand community that rewards loyalty.	Introduce value-added services (snacks, beverages, party packages) and curated packages around events and tournaments.	Pilot smaller, low-cost tournaments with scalable formats and partner sponsorships to validate demand before larger investments.	Implement a simple data dashboard capturing attendance, dwell time, spend, and feedback to continuously refine programs.

Strategic Analysis: SWOT

Strength

- High-performance setup attracts casual and competitive players seeking reliable, fast-paced gaming experiences. - Social hub supports ongoing community events, fostering recurring customer traffic. - Hourly pricing offers flexible access for both short sessions and longer tournaments. - In-house amenities (snacks, beverages, comfortable seating) enhance dwell time and spend. - Diverse game catalog across genres encourages cross-genre participation and broad appeal.

Weaknesses

- Dependence on constant high-end hardware requires ongoing capex and upgrade cycles. - Staffing and event coordination may elevate operating complexity and costs. - Location risk if near competing venues or limited foot traffic. - Perceived as entertainment venue; may attract seasonal declines after holidays. - Limited online presence could impede virtual engagement and reservations.

Opportunities

- Expand tournaments and team leagues to raise brand visibility and sponsorship interests. - Partner with game publishers for exclusive events and demos. - Develop loyalty programs and family-friendly packages to broaden customer base. - Introduce streaming, content creation, and social media campaigns to attract remote audiences. - Offer corporate team-building or private venue rentals for broader revenue.

Threats

- Intense competition from other LAN centers and online gaming at home. - Hardware failures or supply chain delays could disrupt services. - Economic downturns reduce discretionary spending on leisure activities. - Shifts toward console-led ecosystems or cloud gaming could dampen demand. - Regulatory changes or stricter licensing for events may increase compliance costs.

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 5 / 10	Legal 7 / 10
Regulatory Environment: Local and state policies on gaming venues, licensing, and age restrictions.	Consumer Spending: Disposable income trends affect hourly play and tournaments.	Gaming Community: Growing gamer culture and social hangouts drive demand for events and socials.	Tech Infrastructure: High-performance PCs, consoles, and reliable internet are core differentiators.	Energy Use: Power consumption of PCs and cooling systems; potential efficiency upgrades.	Copyright & IP: Licensing for game distribution and tournaments; age-appropriate content.
Public Policy & Grants: Supportive incentives for entertainment venues and tech startups; potential grants for broadband access.	Operational Costs: Rent, utilities, high-end PCs, and bandwidth drive margin pressures.	Demographics: Age-diverse audience requires inclusive spaces and accessibility.	Security & Cyber: Robust network security and anti-cheat measures for tournaments.	Waste & Sustainability: Sustainable disposal of electronics and packaging for snacks.	Labor Laws: Workplace safety, employment classifications, and overtime rules.

PixelPort must navigate regulatory, cost, and technology dynamics while leveraging community events to sustain growth and brand loyalty.

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

VRIO Framework: Analysis

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

Provides high-performance rigs, fast internet, and social gaming events that exploit both casual and competitive gaming demand and community engagement.

Value

V

Yes

No

Competitive Disadvantage

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

Combination of dedicated high-end setup and regular organized events remains relatively scarce among local competitors.

Rarity

R

Yes

No

Competitive Parity

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

High-end equipment and event operations require significant upfront cost and established supplier relations, creating barriers to imitation.

Imitability

I

Yes

No

Temporary Competitive Advantage

Is the firm organized to exploit the resource or capability?

Operational structure supports tournaments, birthday parties, and community nights, aligning resources with revenue streams and marketing.

Organization

O

Yes

No

Unused Competitive Advantage

Valuable and somewhat rare with credible imitation barriers; organization supports exploitation, suggesting competitive potential if scale and consistency are maintained.

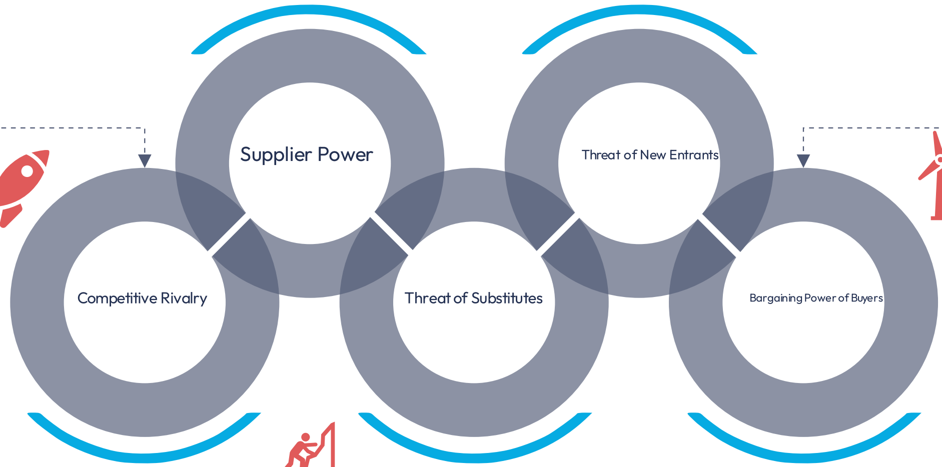
Sustainable Competitive Advantage

Porter's Five Forces: Analysis

Moderate; gaming hardware, fast internet, and snacks rely on suppliers but volume and branding provide leverage.

Moderate; capital requirements exist but location and community/event focus create barriers.

A crowded US gaming cafe market with multiple venues and online services increases competition intensity.



Moderate; customers have options but loyalty to events and social atmosphere reduces price sensitivity.

Moderate; home setups, e-sports arenas, and cafes offer alternatives to pay-per-hour gaming.

PixelPort Gaming Cafe faces solid competitive dynamics with moderate threat levels; success hinges on community engagement, events, and differentiated in-person experience.

High
Moderate
Low

Management Team

Overview

Overview

Overview

Overview

History & Roadmap

Apr 2028

Brand Maturation

Underscore PixelPort as a regional esports hub.

Nov 2027

Community Growth

Expand youth and women-focused programs, improve accessibility.

Jul 2027

Partnerships & Hosting

Partner with developers and brands for events.

Mar 2027

Tournament Platform

Roll out official brackets, streaming, and sponsorships.

Nov 2026

Infrastructure Upgrade

Upgrade servers, networking, and seating for larger events.

Jul 2026

Market Expansion

Launch loyalty program to drive repeat visits and referrals.

Current Status .

Initial phase planned: establish core audience, refine operations, and prepare for scalable growth.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Define mission, vision, and core value proposition for PixelPort Gaming Cafe	Not Started	High	CEO	1 month
2	Identify target markets and customer personas (casual players, competitive players, event hosts)	Not Started	High	CMO	2 weeks
3	Define legal structure, registrations, and basic compliance requirements	Not Started	High	CFO	1 month
4	Create initial financial model and budget forecast (startup costs, OPEX, revenue per hour, tournaments)	Not Started	High	CFO	2 months
5	Develop minimum viable branding package (logo, color palette, signage)	Not Started	Medium	CIO	1 month
6	Site selection criteria and lease evaluation framework	Not Started	High	CRO	1 month
7	Draft operational policies and standard operating procedures for hourly play and events	Not Started	High	CPO	1 month
8	Define initial technology infrastructure plan (PCs, consoles, networking, security) and vendor shortlist	Not Started	High	CTO	6 weeks
Marketing					
1	Define target customer segments and buyer personas for PixelPort Gaming Cafe	Not Started	High	CMO	1 month
2	Develop a branding and visual identity kit (logo, color palette, typography) tailored to gamers	Not Started	High	CBO	3 weeks
3	Create an omni-channel marketing plan (social, local events, partnerships) and roll out PR for Phase 1 launch	Not Started	High	CMO	1 month
4	Launch targeted social media campaigns and community engagement programs (Discord/Reddit/IG)	Not Started	High	CMO	1 month
5	Establish partnerships with local gaming groups, schools, and leagues for tournaments and events	Not Started	Medium	CSO	2 months
6	Plan and host inaugural Phase 1 launch events (tournaments, community nights)	Not Started	High	CRO	6 weeks

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Define overall business objectives and success metrics for Phase 1	Not Started	High	CEO	M07 2026
2	Secure initial funding and set budget allocations for start-up costs	Not Started	High	CFO	M08 2026
3	Finalize legal structures, permits, and compliance for the cafe (business license, health/safety, and local regulations)	Not Started	High	CFO	M08 2026
4	Select and procure hardware and network infrastructure (high-performance PCs, consoles, routers, internet bandwidth)	Not Started	High	CTO	M08 2026
5	Branding, store design, and layout planning for social space and gameplay areas	Not Started	Medium	CPO	M09 2026
6	Develop initial menu and concessions plan (snacks, drinks, seating comfort)	Not Started	Medium	CPO	M09 2026
7	Hire and onboard core team (shift managers, technicians, reception)	Not Started	Medium	COO	M10 2026
8	Launch marketing pre-opening awareness and community engagement (social media, local partnerships, launch events)	Not Started	Low	CMO	M11 2026
Phase 2					
1	Task 1: Define core Phase 2 tournament calendar and event cadence	Not Started	High	COO	M07 2026
2	Task 2: Optimize throughput and queuing system for peak hours	Not Started	High	CTO	M08 2026
3	Task 3: Recruit and train in-house tournament staff and admins	Not Started	High	CRO	M08 2026
4	Task 4: Launch loyalty/rewards program for repeat players	Not Started	Medium	CMO	M09 2026
5	Task 5: Expand partnerships with local teams and streamers for events	Not Started	Medium	CSO	M10 2026
6	Task 6: Develop incident response and safety protocols for period events	Not Started	Medium	CIO	M07 2026
7	Task 7: Purchase and implement event management software (EMS)	Not Started	Medium	CPO	M07 2026

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop sponsor outreach plan and target sponsorship categories	Not Started	High	CRO	Q4 2026
2	Create a micro-tournament playbook and event calendar	Not Started	High	CPO	M07 2026
3	Negotiate and formalize merchandise licensing and in-cafe sales channels	Not Started	Medium	CSO	M08 2026
4	Establish partnerships with game developers for in-cafe events	Not Started	High	CIO	Q1 2027
5	Implement in-cafe sponsorship integration tech and tracking (IFTTT/SDK hooks)	Not Started	Medium	CTO	Q2 2027
6	Launch brand-aligned apparel and digital merch storefront	Not Started	Low	CFO	M11 2027
7	Pilot micro-t tournaments with sponsor prizes and cross-promo	Not Started	High	CMO	Q3 2027
8	Develop and test revenue share models with partners for event monetization	Not Started	Medium	CRO	Q4 2027
Phase 4					
1	Plan and secure branded live-streamed events	Not Started	High	CRO	Q3 2027
2	Negotiate and formalize partnerships with game developers for in-cafe arenas	Not Started	High	CPO	Q4 2027
3	Design and pilot branded arena concept within flagship location	Not Started	Medium	CTO	M07 2027
4	Establish sponsorship program and monetization framework for events	Not Started	High	CFO	M09 2027
5	Develop and test co-located pop-up experience playables	Not Started	Medium	CMO	M10 2027
6	Build live-stream production pipeline and partner network	Not Started	High	CIO	Q1 2028
7	Legal and IP clearance for live events and arenas	Not Started	High	CLO	Q1 2028
8	Financial model for long-horizon opportunities and exit scenarios	Not Started	Medium	CFO	Q2 2028

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment failures and downtime	CFO	Maintain SLA-backed hardware maintenance contracts and backup units.
2	Network bandwidth and latency issues	CIO	Overbuild bandwidth with scalable add-ons and QoS management.
3	Power reliability and outages	CFO	Install uninterruptible power supplies and backup generators with testing.
4	Hardware refresh cycle misalignment	CPO	Create a defined refresh schedule with capex planning.
5	Maintenance staffing and expertise gaps	COO	Cross-train staff and hire on-call technicians for critical times.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Licensing for public gaming spaces	CFO	Secure licenses early; maintain renewal calendar and audits.
2	Age-restricted or minor gaming compliance	CIO	Implement age verification and parental consent workflows.
3	Tax compliance and nexus issues	CFO	Engage tax advisor; implement robust tax reporting systems.
4	Intellectual property and licensing for games	CLO	Obtain venue licenses; track IP licenses and usage rights.
5	Data privacy and consumer data protection	CIO	Implement PCI-DSS for payments; adopt privacy policy and data minimization.

Sources: Company's Proprietary Assessment

Core Risks & Mitigation Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market adoption slowdown	CMO	Enhance loyalty programs and events to sustain steady visits.
2	Competitive intensity and price pressure	CSO	Differentiate with exclusive events and superior service.
3	Dependency on hardware lifecycle and tech refresh	CFO	Plan phased upgrades and vendor partnerships to control costs.
4	Partnership and sponsorship risk	CRO	Diversify partnerships and set clear KPI-based contracts.
5	Brand and market perception risk	CLO	Proactive community management and transparent communication

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash flow volatility	CFO	Implement rolling 12-month forecast and reserve fund.
2	Capital expenditure intensity	CFO	Stagger purchases and lease equipment where possible.
3	Credit risk with customers	CFO	Tight payment terms and robust point-of-sale controls.
4	Funding runway risk	CFO	Regular fundraising readiness and diverse financing sources.
5	Pricing strategy risk	CFO	Implement dynamic pricing and regular margin reviews.

5. Other general risks

#	Risk Type	Area	Mitigation Strategy
1	Reliance on key supplier hardware/maintenance	CFO	Diversify vendor base; establish SLAs and warranty coverage.
2	Cybersecurity and data privacy exposure	CIO	Implement PCI-compliant payments; regular security audits.
3	Reputation risk from events gone poorly	CSO	Clear code of conduct; incident response plan; staff training.
4	Seasonal fluctuations in foot traffic	COO	Seasonal promos; flexible staffing; diversified revenue streams.
5	Economic downturn affecting discretionary spend	CFO	Adjust pricing tiers; promote value bundles; loyalty programs.

Sources: Company's Proprietary Assessment

Market Overview (TAM, SAM and SOM)

Target Available Market (TAM)	Subindustry	$ 107,000,000k	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 12.10%
Service Available Market (SAM)	0.03%	With a 0.209k USDk capital, PixelPort is best placed to capture a narrow, serviceable slice of the nationwide gaming-cafe TAM, focusing on local clusters, tournaments, and event-driven traffic. Conservatively targeting regional markets and partner venues, the achievable SAM sits around a few tens of millions as a fraction of the 107,000,000k USD...	
Service Obtainable Market Y1-Y3 (SOM)	Year 1 0.72000% Year 2 1.28000% Year 3 1.78500%	Given PixelPort Gaming Cafe's capital of 0.209k USDk in a 107,000k USD SAM, early market capture will be very modest. Within the allowed Y1 range, a 0.48% share of SAM reflects conservative traction from local marketing and community events. As brand recognition grows and tournaments drive repeat customers, incrementally expanding to...	

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 $ 209k

Y1 Cash Flow Stream (thnd USD)	Inflows	Outlows
Gross Profit	153	
Payroll		20
Rent & Utilities		5
Marketing and Branding		2
Communication Expenses		2
CAPEX		173
Legal and Professional Fees		1
Training and Development		1
Other Miscellaneous		1
Office supplies		1
Representation and Entert.		1
CAPEX & WC shortage Y1		53
Buffer		156
Total Required Investment (thnd USD)		209

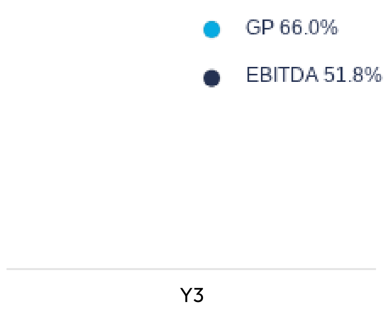
Payroll 9.57%	Rent & Utilities 2.39%
Marketing and Branding 0.96%	Communication Expenses 0.80%
CAPEX 84.05%	Other 2.23%

Financials Dashboard

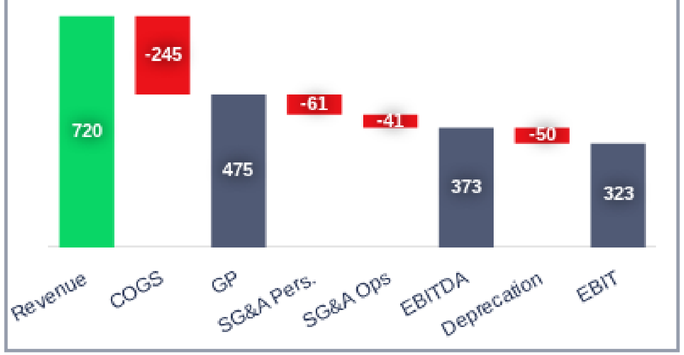
Y3 PL formation and Margins

Revenue

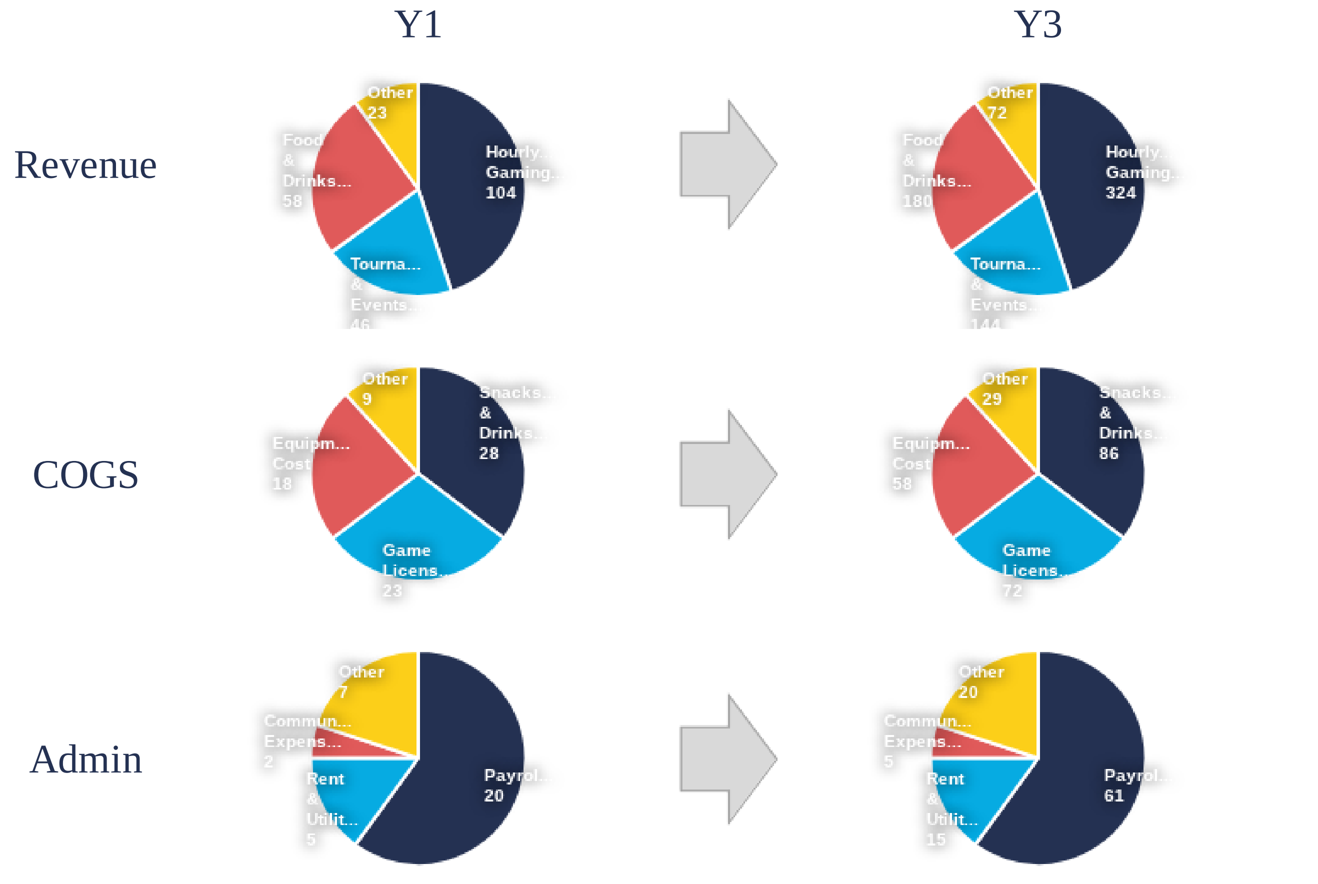
Projected Revenue



PnL Formation (Y3 thnd USD)



Business Line Breakdown (thnd USD)

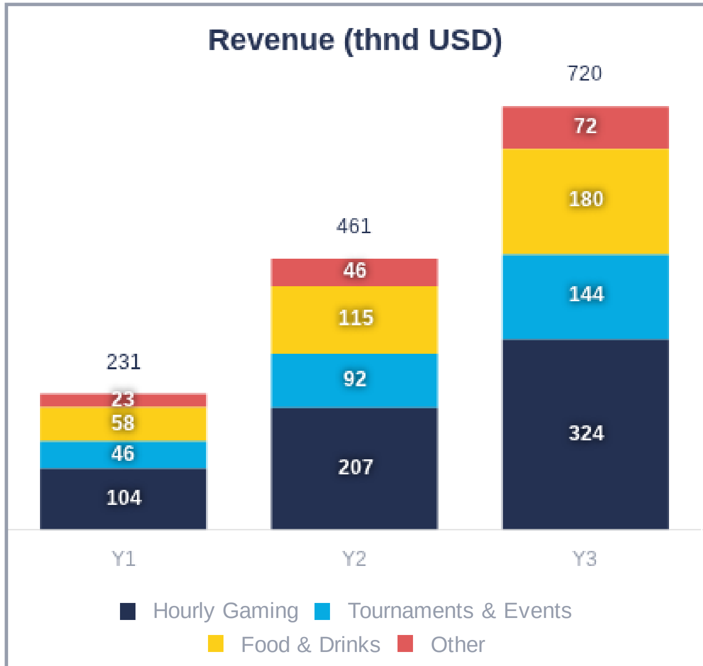


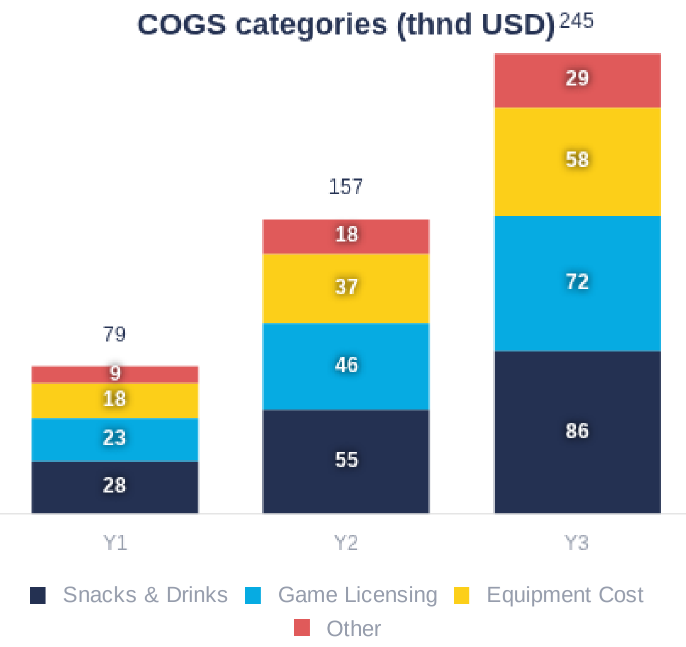
Revenue Formation Narrative

PixelPort Gaming Cafe aims to convert a targeted slice of the US video games market into recurring revenue across four lines of business. Leveraging a TAM of 107,000,000k USD, the business concentrates on a narrow, serviceable market (SAM) of 0 of TAM, with an initial addressable opportunity centered on local clusters, events, and social gaming nights. The serviceable obtainable market (SOM) percentages translate into revenue milestones: 0 of SAM in Year 1, 1 in Year 2, and 1 in Year 3, aligning with a measured ramp in brand recognition and community engagement. Projected revenues reflect this trajectory: 154.08k USD, 287.873k USD, and 423.551k USD across Years 1–3, supported by a diversified portfolio of four lines of business with clearly defined contribution mixes: 45 from Hourly Gaming, 20 from Tournaments & Events, 25 from Food & Drinks, and 10 from Other. The LOB-level contributions translate to a scalable mix that emphasizes recurring hourly play and events, with substantial upside from tournaments and related food and beverage offerings. The capital required to reach initial traction is 209k USD, enabling targeted investments in high-performance hardware, fast internet, and venue capabilities, while preserving capital efficiency. Overall, PixelPort's revenue story is anchored in incremental market share gains within a constrained but growing SAM, disciplined by a lean cost structure and a focus on community-driven growth to achieve a sustainable, profitable path over Year 1–Year 3.

$ 720k Y3 Projected Revenue

0.00% Market Share





Revenue Calculation Details

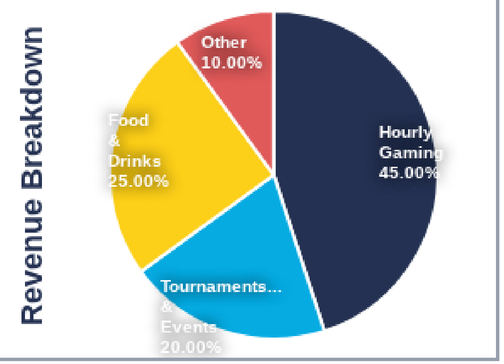
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Hourly Gaming	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*
Tournaments & Events	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*
Food & Drinks	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*
Other	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*
Hourly Gaming	7	7	7	8	8	8	10	10	10	11	11	11	104	207	324
Tournaments & Events	3	3	3	3	3	3	4	4	4	5	5	5	46	92	144
Food & Drinks	4	4	4	4	4	4	5	5	5	6	6	6	58	115	180
Other	1	1	1	2	2	2	2	2	2	2	2	2	23	46	72
Total Revenue (thnd USD)	14	14	14	17	17	17	21	21	21	24	24	24	231	461	720

Total revenue is expected to reach $ 720k by year 3.

Main revenue driver are:

- Hourly Gaming which generates $ 324k by Year 3
- Food & Drinks which generates $ 180k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 76.51 %



COGS Calculation Details

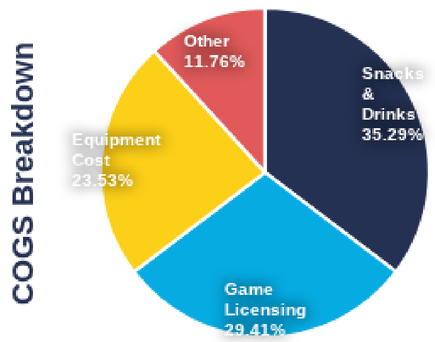
COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Snacks & Drinks	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*	*12.00%*
Game Licensing	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*
Equipment Cost	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*
Other	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*
Snacks & Drinks	2	2	2	2	2	2	3	3	3	3	3	3	28	55	86
Game Licensing	1	1	1	2	2	2	2	2	2	2	2	2	23	46	72
Equipment Cost	1	1	1	1	1	1	2	2	2	2	2	2	18	37	58
Other	1	1	1	1	1	1	1	1	1	1	1	1	9	18	29
Total COGS (thnd USD)	5	5	5	6	6	6	7	7	7	8	8	8	79	157	245

Total COGS is expected to reach '$ 245k by year 3.

Main revenue driver are:

- Snacks & Drinks which generates $ 86k by Year 3
- Game Licensing which generates $ 72k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 76.51 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*	*8.52%*
Rent & Utilities	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*	*2.13%*
Communication Expenses	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*	*0.71%*
Office supplies	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*
Legal and Professional Fees	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*	*0.57%*
Marketing and Branding	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*	*0.85%*
Representation and Entertainment	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*
Training and Development	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*
Other Miscellaneous	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*	*0.43%*

Payroll	1	1	1	1	1	1	2	2	2	2	2	2	20	39	61
Rent & Utilities	0	0	0	0	0	0	0	0	0	1	1	1	5	10	15
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	2	3	5
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	1	3	4
Marketing and Branding	0	0	0	0	0	0	0	0	0	0	0	0	2	4	6
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3
Total SG&A (thnd USD)	2	2	2	2	2	2	3	3	3	3	3	3	33	65	102

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	**14**	**14**	**14**	**17**	**17**	**17**	**21**	**21**	**21**	**24**	**24**	**24**	**231**	**461**	**720**
Hourly Gaming	7	7	7	8	8	8	10	10	10	11	11	11	104	207	324
Tournaments & Events	3	3	3	3	3	3	4	4	4	5	5	5	46	92	144
Food & Drinks	4	4	4	4	4	4	5	5	5	6	6	6	58	115	180
Other	1	1	1	2	2	2	2	2	2	2	2	2	23	46	72
COGS	**-5**	**-5**	**-5**	**-6**	**-6**	**-6**	**-7**	**-7**	**-7**	**-8**	**-8**	**-8**	**-79**	**-157**	**-245**
Snacks & Drinks	-2	-2	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	-28	-55	-86
Game Licensing	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-23	-46	-72
Equipment Cost	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-18	-37	-58
Other	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-9	-18	-29
Gross Profit	10	10	10	11	11	11	14	14	14	16	16	16	153	304	475
SG&A Personal Expenses	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-20	-39	-61
SG&A Operating Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-13	-26	-41
EBITDA	7	7	7	9	9	9	11	11	11	12	12	12	120	239	373
Depreciation	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-50	-50	-50
EBIT	3	3	3	5	5	5	7	7	7	8	8	8	70	189	323
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	3	3	3	5	5	5	7	7	7	8	8	8	70	189	323
Tax	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-18	-49	-84
Profit after Tax (thnd USD)	2	2	2	4	4	4	5	5	5	6	6	6	52	140	239

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	24	32	38	44	53	61	68	79	89	99	111	122	122	313	480
Accounts Receivable	14	14	14	17	17	17	21	21	21	24	24	24	24	48	75
Inventory	5	5	6	6	6	7	7	7	8	8	8	10	10	15	26
Prepaid Expenses	0	0	0	0	0	1	1	1	1	1	1	1	1	1	2
Deferred Tax Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets	44	51	59	68	77	86	97	108	119	131	144	156	156	377	582
Gaming PCs and Monitors (high-end workstations, GPUs, peripherals)	117	113	110	107	103	100	97	93	90	87	83	80	80	40	120
Networking and Infrastructure (servers, switches, routers, cabling, wireless access)	24	23	23	22	22	22	21	21	20	20	20	19	19	14	10
Venue Renovation and Furniture (gaming chairs, modular seating, desks, decor)	14	14	14	13	13	13	13	13	13	12	12	12	12	10	8
POS, Security, and Miscellaneous Equipment (cash registers, payment systems, cameras, backup power)	15	15	14	14	14	14	13	13	13	13	12	12	12	9	6
Non-Current Assets	169	165	161	156	152	148	144	140	136	132	127	123	123	73	144
Total Assets	213	216	219	224	229	234	241	248	255	263	271	280	280	451	726
Accounts Payable	0	0	0	0	0	0	1	1	1	1	1	1	1	1	2
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	1	2	3	4	5	6	8	10	12	14	16	18	18	49	84
Current Liabilities	1	2	3	4	6	7	9	11	12	15	17	19	19	50	86
Loans and Other Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	1	2	3	4	6	7	9	11	12	15	17	19	19	50	86
Paid-In Capital	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	52	191
Current Period Earnings	2	5	7	11	15	18	23	28	33	39	46	52	52	140	239
Total Equity	211	214	216	220	224	227	232	237	242	248	255	261	261	400	640

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	31	24	32	38	44	53	61	68	79	89	99	111	-	122	313
Cash from Sales of Goods / Services	-	14	14	14	17	17	17	21	21	21	24	24	207	437	693
Payments to Employees / Vendors	-7	-7	-8	-8	-8	-10	-10	-10	-11	-12	-12	-13	-121	-227	-356
Advances Paid / Received	-	-	-0	-	-	-0	-	-	-0	-	-	-0	-1	-0	-1
Taxes Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-18	-49
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-7	7	6	6	9	8	7	11	10	10	12	11	86	191	287
Acquisition of															
Gaming PCs and Monitors (high-end workstations, GPUs, peripherals)	-	-	-	-	-	-	-	-	-	-	-	-	-120	-	-120
Networking and Infrastructure (servers, switches, routers, cabling, wireless access)	-	-	-	-	-	-	-	-	-	-	-	-	-24	-	-
Venue Renovation and Furniture (gaming chairs, modular seating, desks, decor)	-	-	-	-	-	-	-	-	-	-	-	-	-14	-	-
POS, Security, and Miscellaneous Equipment (cash registers, payment systems, cameras, backup power)	-	-	-	-	-	-	-	-	-	-	-	-	-15	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-173	-	-120
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	209	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	209	-	-
Ending Balance	24	32	38	44	53	61	68	79	89	99	111	122	122	313	480

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	31	24	32	38	44	53	61	68	79	89	99	111	-	122	313
EBIT	3	3	3	5	5	5	7	7	7	8	8	8	70	189	323
Δ Receivables & Prepaids	-14	-	-0	-3	-	-0	-4	-	-0	-3	-	-0	-25	-24	-28
Δ Payables	0	-	-	0	-	-	0	-	-	0	-	-	1	1	1
Δ Inventory	-	-	-1	-	-	-1	-	-	-1	-	-	-2	-10	-6	-10
Δ Depreciation	4	4	4	4	4	4	4	4	4	4	4	4	50	50	50
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-18	-49
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-7	7	6	6	9	8	7	11	10	10	12	11	86	191	287
Acquisition of															
Gaming PCs and Monitors (high-end workstations, GPUs, peripherals)	-	-	-	-	-	-	-	-	-	-	-	-	-120	-	-120
Networking and Infrastructure (servers, switches, routers, cabling, wireless access)	-	-	-	-	-	-	-	-	-	-	-	-	-24	-	-
Venue Renovation and Furniture (gaming chairs, modular seating, desks, decor)	-	-	-	-	-	-	-	-	-	-	-	-	-14	-	-
POS, Security, and Miscellaneous Equipment (cash registers, payment systems, cameras, backup power)	-	-	-	-	-	-	-	-	-	-	-	-	-15	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-173	-	-120
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	209	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	209	-	-
Ending Balance	24	32	38	44	53	61	68	79	89	99	111	122	122	313	480

Assumptions:

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

Cost of Capital Estimation

Required Return on Equity Derivation

- 1. RE 14.00%
  - 2. RF 4.29%
    - 2.1. TSY Bond 4.64%
    - 2.2. Country Risk 0.35%
  - 3. Adj ERP 5.71%
    - 3.1. ERP 4.58%
      - 3.1.1. Mature market ERP 4.23%
      - 3.1.2. Country Risk 0.35%
        - 3.1.2.1. Rating-based Default 0.23%
        - 3.1.2.2. Default Spread Multiple 1.52
    - 3.2. Total levered β 1.25
      - 3.2.1. Tax rate 26.00% and D/E Ratio 0.03
      - 3.2.2. Unlevered β 1.22
  - 4. Illiquidity Discount 4.00%

Cost of Capital: CAPM Inputs

Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is R(E)=R(F)+β ⁎ (ERP), where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple (β) is average equity betas of correspondingindustries. Despite the company has no debt, the unlevered beta was levered with industry average figures to reflect the long-term D/E ration in the capital structure. Additionally, Illiquidity Risk Premiumof 4% is added to the estimated Return on Equity to reflect risk associated with firm being Privately Held vs Publicly Traded Companies.

Additional Assumptions

To calculate the companies Firm Value, its future Free Cash Flow to Equity (FCFE) is discounted using estimated Required Return on Equity.

The 3rd-year projected cash flow is used as a representation of the long-term Free Cash Flow to the Equity (FCFE). This approach may understate the valuation because cash flows are expected to grow more aggressively in the first 10 years, and the growth from years 4 to 10 is not reflected in this calculation. Long-term growth rate of 5% is applied.

After discounting the cashflows and measuring the Firm Value it is adjusted to historical estimate of Start-up firm's survival rate. The allows to incorporate risk of start-ups fails.

Survival of new establishments

	Proportion of firms that were started in 1998 that survived through						
	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*	*Year 6*	*Year 7*
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	46.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

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

Business Valuation

DCF	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
	Profit after Tax	**52**	**140**	**239**	**268**	**301**	**337**	**378**
	Growth% Y4-Y7				12.10%	12.10%	12.10%	12.10%
	Growth% Y7	3.50%						
	WACC'	**14.00%**						
	PV Y1-Y7 at Y0	45	107	161	159	156	153	151
	PV Y7 --> Y0	1,487						
	NPV (thnd USD)	2,421						

Assumed 3Y Survival Rate	50%

Final Valuation	$ 1,210k

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 14.00 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 12.10 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. Taking into account the project's current stage of development and risk profile, the final survival rate has been assumed at 50%. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.

Sources: Company's Proprietary Planning

Scenario Analysis: Narrative

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

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

Scenario Analysis: Results

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

Scenario Analysis			Revenue		COGS		Discount Rate	
	KPIs	Base	Positive	Negative	Positive	Negative	Positive	Negative
Input	Revenue	no impact	15%	-15%	no impact	no impact	no impact	no impact
	COGS	no impact	no impact	no impact	-20%	20%	no impact	no impact
	RoE	no impact	no impact	no impact	no impact	no impact	-10%	10%
Output	Revenue Y3	$ 720k	$ 828k	$ 612k	$ 720k	$ 720k	$ 720k	$ 720k
	Gross Profit Y3	$ 475k	$ 547k	$ 404k	$ 524k	$ 426k	$ 475k	$ 475k
	GP Margin	66%	66%	66%	73%	59%	66%	66%
	EBITDA Y3	$ 373k	$ 429k	$ 317k	$ 422k	$ 324k	$ 373k	$ 373k
	EBITDA Margin	52%	52%	52%	59%	45%	52%	52%
	Net Profit Y3	$ 239k	$ 281k	$ 198k	$ 275k	$ 203k	$ 239k	$ 239k
	Profit Margin	33%	34%	32%	38%	28%	33%	33%
	Final Valuation	$ 1,210k	$ 1,423k	$ 998k	$ 1,396k	$ 1,025k	$ 1,429k	$ 1,045k

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

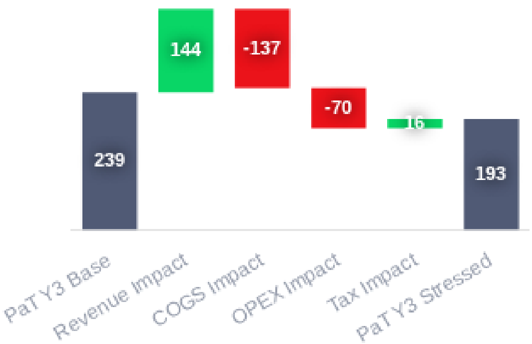
Story

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.

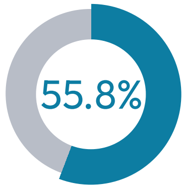
KPIs impact

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

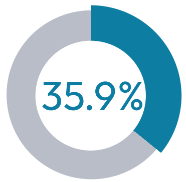
Results



$ 973k Valuation	**$ 864k** Revenue Y3
$ 310k EBITDA	**$ 193k** Profit After Tax



Gross Profit Margin Y3



EBITDA Margin Y3

Stress Test: The Perfect Storm

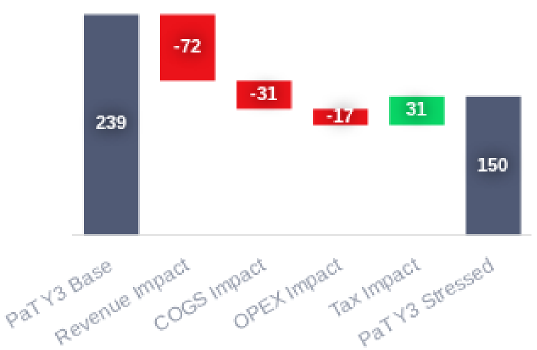
Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of challenges.

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.

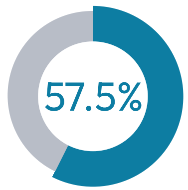
KPIs impact

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

Results

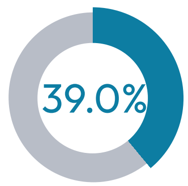


$ 651k Valuation	**$ 648k** Revenue Y3
$ 253k EBITDA	**$ 150k** Profit After Tax



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	$ 185k	$ 208k	$ 220k	$ 243k	$ 254k	$ 277k	$ 210k	$ 217k	$ 224k	$ 238k	$ 245k	$ 252k
	Y2	$ 368k	$ 415k	$ 438k	$ 484k	$ 507k	$ 553k	$ 419k	$ 433k	$ 447k	$ 474k	$ 488k	$ 502k
	Y3	$ 576k	$ 648k	$ 684k	$ 756k	$ 792k	$ 864k	$ 655k	$ 677k	$ 698k	$ 742k	$ 763k	$ 785k
Gross Profit	Y1	$ 122k	$ 137k	$ 145k	$ 160k	$ 168k	$ 183k	$ 139k	$ 143k	$ 148k	$ 157k	$ 162k	$ 166k
	Y2	$ 243k	$ 274k	$ 289k	$ 319k	$ 334k	$ 365k	$ 277k	$ 286k	$ 295k	$ 313k	$ 322k	$ 331k
	Y3	$ 380k	$ 428k	$ 451k	$ 499k	$ 523k	$ 570k	$ 432k	$ 447k	$ 461k	$ 489k	$ 504k	$ 518k
GP Margin	Y1	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%
	Y2	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%
	Y3	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%
EBITDA	Y1	$ 96k	$ 108k	$ 114k	$ 126k	$ 132k	$ 144k	$ 109k	$ 113k	$ 116k	$ 123k	$ 127k	$ 130k
	Y2	$ 191k	$ 215k	$ 227k	$ 251k	$ 262k	$ 286k	$ 217k	$ 224k	$ 231k	$ 246k	$ 253k	$ 260k
	Y3	$ 298k	$ 336k	$ 354k	$ 392k	$ 410k	$ 448k	$ 339k	$ 351k	$ 362k	$ 384k	$ 395k	$ 407k
EBITDA Margin	Y1	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
	Y2	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
	Y3	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
Net Profit	Y1	$ 34k	$ 43k	$ 47k	$ 56k	$ 61k	$ 69k	$ 44k	$ 46k	$ 49k	$ 54k	$ 57k	$ 60k
	Y2	$ 104k	$ 122k	$ 131k	$ 149k	$ 157k	$ 175k	$ 124k	$ 129k	$ 134k	$ 145k	$ 150k	$ 156k
	Y3	$ 184k	$ 212k	$ 225k	$ 253k	$ 267k	$ 294k	$ 214k	$ 223k	$ 231k	$ 247k	$ 256k	$ 264k
Profit Margin	Y1	18%	21%	22%	23%	24%	25%	21%	21%	22%	23%	23%	24%
	Y2	28%	29%	30%	31%	31%	32%	30%	30%	30%	31%	31%	31%
	Y3	32%	33%	33%	33%	34%	34%	33%	33%	33%	33%	34%	34%
Final Valuation		$ 927k	$ 1,069k	$ 1,140k	$ 1,281k	$ 1,352k	$ 1,494k	$ 1,083k	$ 1,125k	$ 1,168k	$ 1,253k	$ 1,295k	$ 1,338k

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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