



**Weathervane
Coffee**

Coffee with Soul

who we are-

We are a specialty coffee roaster

what we are doing-

Currently operating at the Brambleton Farmers Market and online webstore

what's next-

Establishing a retail location in Ashburn, VA; Goose Creek Village



Coffee with Soul

Brambleton Farmers Market

- Located a few miles south of the planned location
- Strong revenue growth as compared to last season
- Experiencing a strong demand



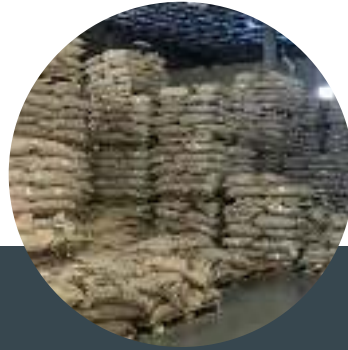


The Team



Paul

Founder,
Coffee Roaster, Barista,
Business Developer,
Manager



Specialty Coffee Importers

We have teamed up with
several Specialty Coffee
importers to bring in the
best coffee



George Siragusa

Business Advisor
Mason Small Business
Development Center
(SBDC)



Specialty Coffee in the US

- Specialty coffee house sector generated \$26.3B (2018);
 - expected to grow to \$85B (2025); 18% YoY growth rate
- Strong growth rate & profitability:
 - Drive towards higher quality good
 - Drive to individualize and curated shopping experience
 - Drive to more community based businesses
- For context, a typical medium volume Starbucks:
 - 75-150 transactions per hour
 - \$3,000-\$5,000 in daily deposits

Sources:

- Statista
- Alegra World Coffee Portal
- Daily Coffee News

- Marketing Week
- Specialty Coffee Association

- Personal conversations with employees & managers

Passion & Hard Work, Meet Opportunity



The Opportunity:

- Co-Located in the Ashburn Collective coworking space
 - Captive market with exclusive supply contract
 - Full service coffee shop
 - Beer, wine, & small plates
 - Extended hours to serve customer base
- Strong Community Support & Customer Base
 - Located on the ground floor of a luxury apartment building
 - Community space with outdoor seating
 - Adjacent to a dense townhouse community, office space, and retail space



Coffee with Soul





Demographics

- 80+ tenants at the Ashburn Collective Co-Working
- 230 Luxury apartment Units
- 650 Luxury townhouses
- Multiple businesses & offices in the immediate area (80)
- Greater Region (5 mi radius)

| DEMOGRAPHICS | 1 MILE | 3 MILES | 5 MILES |
|---------------------------------|-----------|-----------|-----------|
| Total Population | 9,686 | 72,158 | 170,457 |
| 2010 Population | 7,582 | 58,955 | 124,808 |
| 2024 Population | 10,972 | 81,385 | 194,341 |
| Employees | 2,340 | 13,958 | 49,755 |
| Total Businesses | 292 | 1,421 | 4,607 |
| Average Household Income | \$189,016 | \$176,128 | \$165,316 |
| Median Household Income | \$166,300 | \$150,265 | \$139,923 |
| Total Consumer Spending | \$129.72M | \$969.4M | \$2.2B |
| Median Age | 35.3 | 35.4 | 36 |
| Households | 2,921 | 23,520 | 57,370 |
| Percent College Degree or Above | 34% | 35% | 34% |
| Average Housing Unit Value | \$601,751 | \$591,692 | \$580,635 |

| COLLECTION STREET | CROSS STREET | TRAFFIC VOL | YEAR |
|-------------------|----------------------------|-------------|------|
| Belmont Ridge Rd | Ashburn Farm Pkwy, NE | 18,245 | 2018 |
| Ashburn Farm Pkwy | <u>Sycolin Rd</u> , NW | 8,778 | 2018 |
| Ashburn Farm Pkwy | Farmingdale Dr, SE | 8,300 | 2016 |
| Ashburn Farm Pkwy | <u>Gardencate Cir</u> , SE | 11,154 | 2018 |

Location, Location, Location

- **Coffee Dessert**

- 1 mi radius: ZERO coffee shops
- 3 mi radius: Five coffee shops (3 Starbucks*)

- **High Demand**

- 1 mi radius: 13K residents, Avg. Income \$190K
- 3 mi radius: 81K residents, Avg. Income \$176K

- **High Growth**

- Immediate Neighborhood development
- Extensive new residential & business construction





Captive & built in market base

- Co-Located in the coworking space
- Attached to The Heights luxury apartments
- Already have a strong local following

More than just coffee:

- Food: breakfast, lunch, small plates
- Beer and wine
- Outdoor seating

In-House coffee roasting:

- Lower COGS
- Curated, diverse, & seasonal coffee line-up
- Unique customer experience

Wholesale coffee markets

- Coffee supplier for other shops
- Local grocery stores

Strategic Competitive Advantage

Weathervane Coffee & Co-Working space

- 24 Seats inside
- 32 Seats outside

Outdoor Space
included in ABC license



Financial Cost and Revenue Projection Summary:





Baseline Business Model

Retail Coffee Shop
\$325,775

53% of expected revenue

- Beverages
- Food items
- Merchandise

Retail Beer & Wine Bar
\$151,785

26% of expected revenue

- Local Beer Selection
- Local Wine Selection
- Small Plates & Food

Coffee Bags & Wholesale
\$83,540

13% of expected revenue

- Local Grocery Stores
- Other coffee shops & restaurant
- Online Retail Sales

Farmer Market Revenue: \$41,200 (8%)

TOTALS: \$602,300

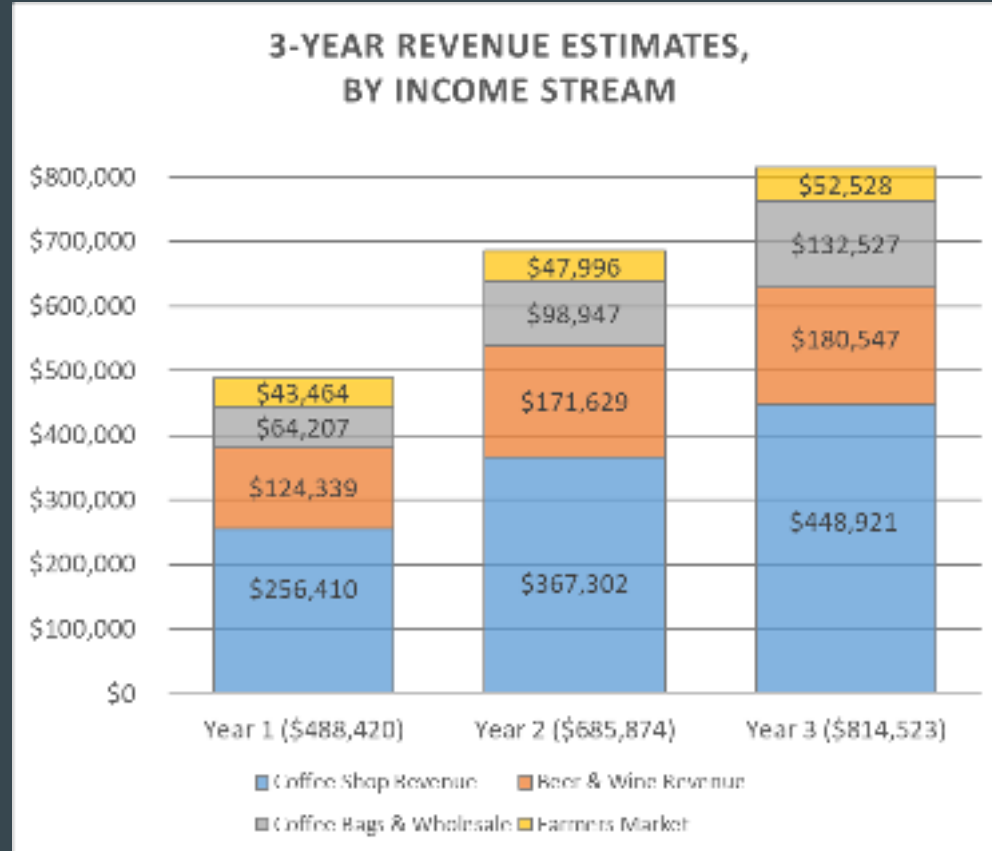
3-Year Revenue Estimates

Key Notes & Assumptions:

- Year 1 will start at 50% capacity; operating in the red for 5 months
- 48% growth overall in YR2
- 24% growth overall in YR3
- Increase our Farmers Market presence

Baseline Revenue Model

| Category, AVERAGES | Coffee Shop | Beer & Wine | Roasted Coffee | Totals |
|-----------------------|-------------|-------------|----------------|------------------|
| Transactions per Hour | 16 | 8 | -- | |
| Customers per Day | 200 | 32 | 18 | |
| Food Conversion | 25% | 25% | -- | |
| Daily Revenue | \$849 | \$514 | \$250 | \$1,613 |
| Monthly Revenue | \$25,465 | \$15,422 | \$7,507 | \$48,394 |
| Yearly Revenue | \$305,579 | \$185,064 | \$90,082 | \$580,725 |



Profit and Loss Model

| Category | Year 1 | As Percent | Year 2 | As Percent | Year 3 | As Percent |
|-------------------------------------|------------------|------------|------------------|------------|------------------|------------|
| Coffee Shop Revenue | \$256,410 | 52% | \$367,302 | 54% | \$448,921 | 55% |
| Beer & Wine Revenue | \$124,339 | 25% | \$171,629 | 25% | \$180,547 | 22% |
| Coffee Bags & Wholesale | \$64,207 | 13% | \$98,947 | 14% | \$132,527 | 16% |
| Farmers Market | \$43,464 | 8.9% | \$47,996 | 7.0% | \$52,528 | 6.4% |
| less returns | (\$15,647) | -3.2% | (\$22,148) | -3.2% | (\$25,869) | -3.2% |
| TOTAL Revenues | \$488,420 | | \$685,874 | | \$814,523 | |
| <i>Costs Of Goods Sold</i> | \$167,987 | 34% | \$234,189 | 34% | \$277,165 | 34% |
| <i>Payroll Expenses</i> | \$191,456 | 39% | \$223,034 | 33% | \$296,741 | 36% |
| <i>General & Administrative</i> | \$117,140 | 24% | \$122,446 | 18% | \$125,859 | 15% |
| TOTAL Expenses | \$476,583 | 98% | \$579,669 | 85% | \$699,764 | 86% |
| GROSS PROFITS | \$11,838 | 2% | \$106,205 | 15% | \$114,758 | 14% |



Major Operating Milestones

Launch

- Currently under construction
- Grand opening September 2020

Establish a Base

- Secure a loyal customer throughput
- Advertise, build collaboration, & a following

Achieve Steady Growth

- Create luxurious & premium experience
- Network & expand social footprint

Expand Business Offerings

- Actively pursue additional wholesale accounts
- Explore options for future locations

Marketing Strategy

Immediate Physical Area:

- "Coming Soon" banners on Apt. Building
- Flyers mailed to Apt & Townhouse residents
- Handouts & sign at current Farmers Market

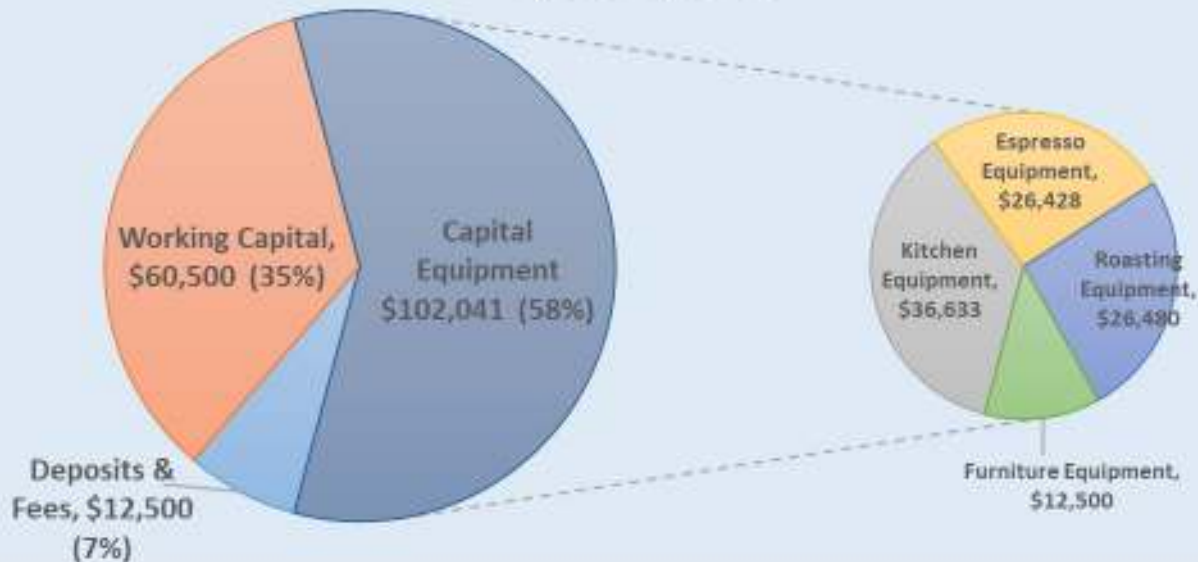
Digital Outreach Area:

- Paid ads in "Ashburn Magazine" & partner sites
 - Update article in 'The Burn' Website
 - Paid ads in Instagram & Facebook
 - Email marketing to customer base via Square
-



Our Funding Ask

Funding Needs and Allocation Details \$175,000



Traction / Proof of Concept

Proven Product in a Proven Market, second season (April - November)

Data Assumptions have been ground-truthed using extensive research and validated using my own sales data

Customers at the Farmers Market are constantly asking about a physical location

Proven resourcefulness and determination



Weathervane Coffee & Wine Bar

Coming September 2020

Currently available online:
www.weathervanecoffee.com

See me in action, Sundays:
Brambleton Farmers Market

Paul Large
Billy@XYZcoffee.com



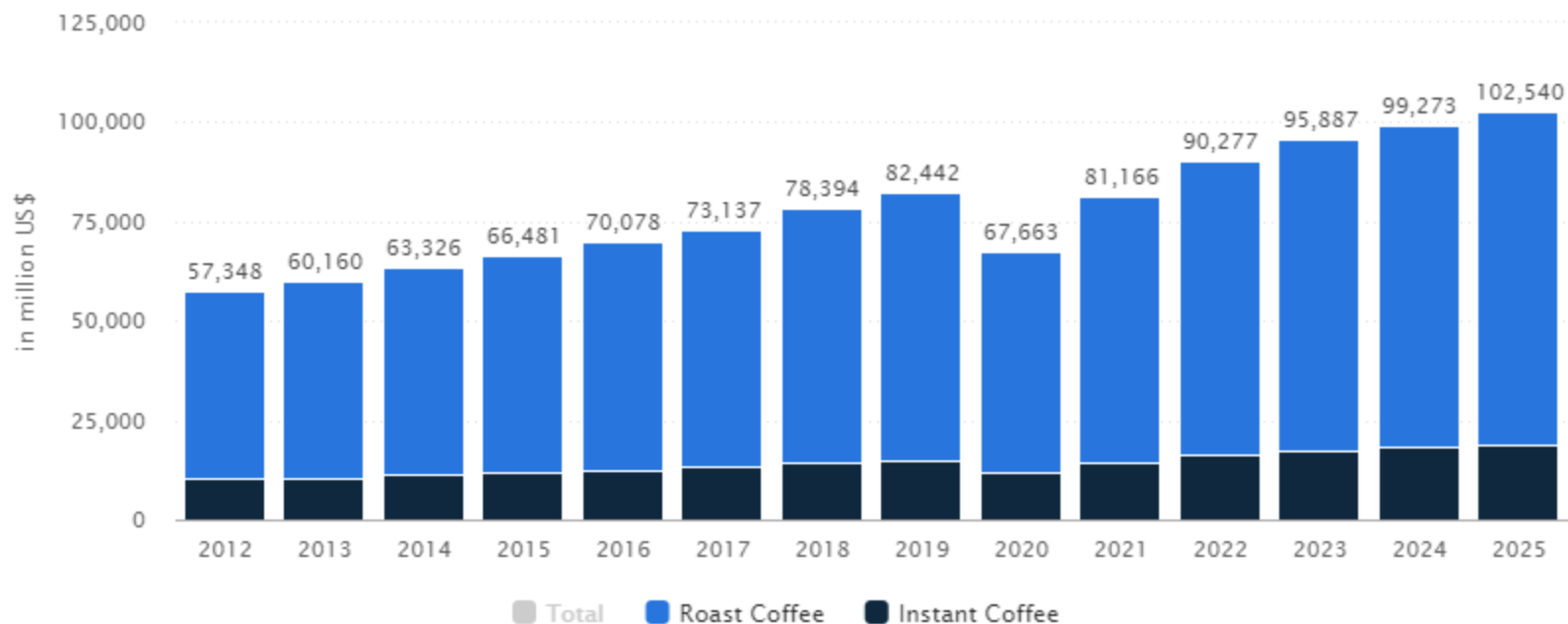
Additional Supporting Slides

Risk Mitigation



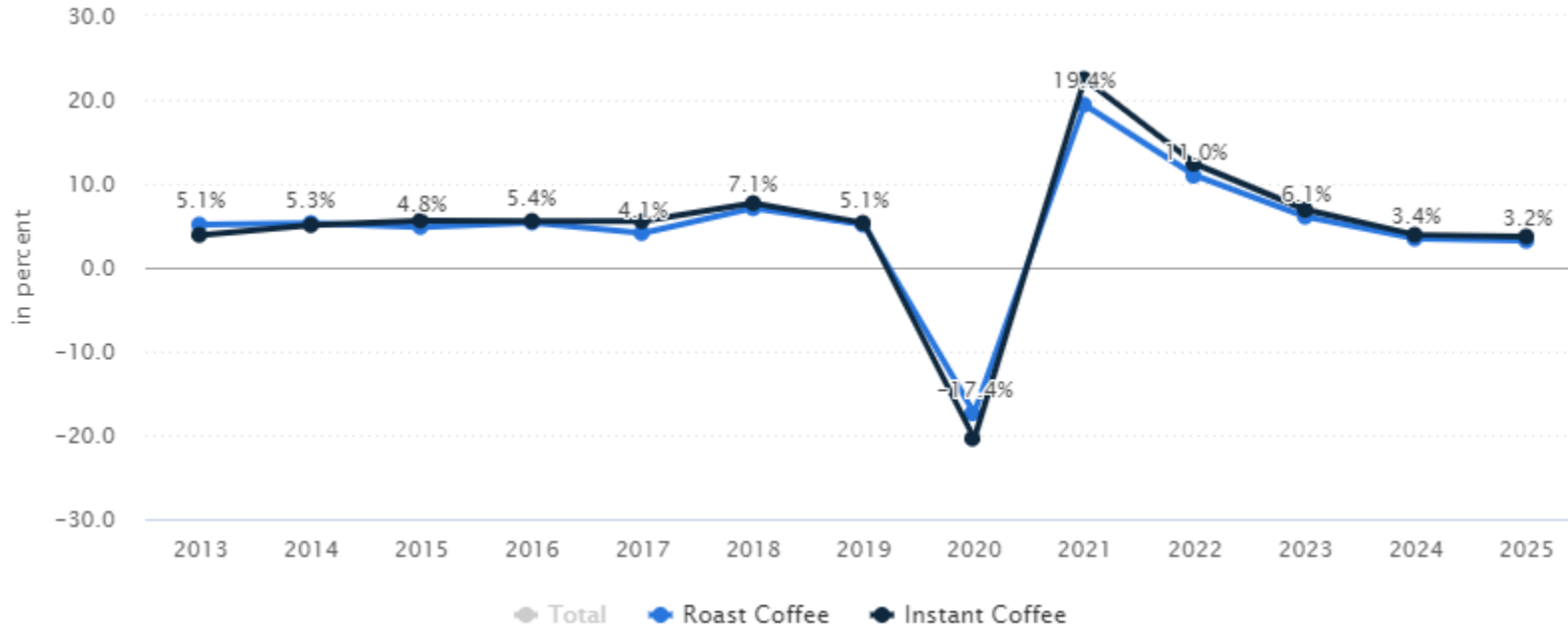
- Business risk, get tired
 - Fully committed, signed the lease providing a personal guarantee
- Financial risk, not make my numbers
 - Conservative revenue models. Currently strong and growing demand.
- Legal Risk, someone gets hurt, lawsuit
 - Insurance
 - Incorporated as an LLC
- Cyber Risk, mitigation
 - Using Square as my POS and they assume the risk
- Other, COVID: how to mitigate
 - Flexible business model which can be quickly adapted

Statista: Revenues



Source: Statista (COVID-19 impact will be implemented Q2 2020), May 2020

Statista: Growth



Source: Statista (COVID-19 impact will be implemented Q2 2020), May 2020

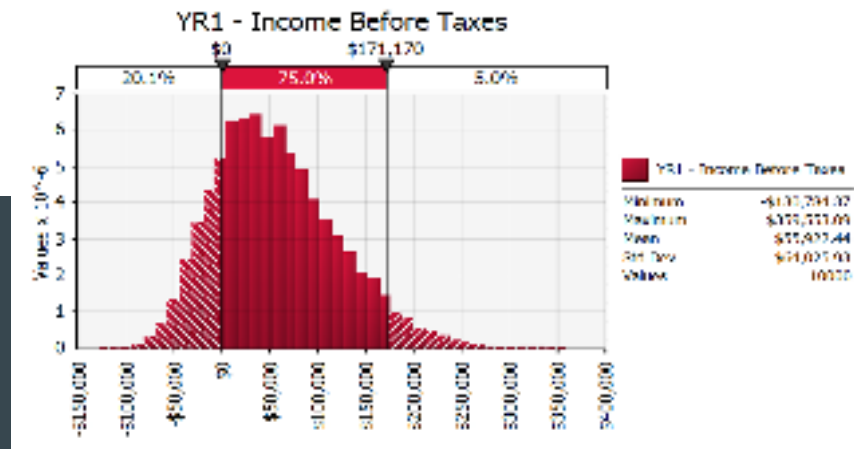
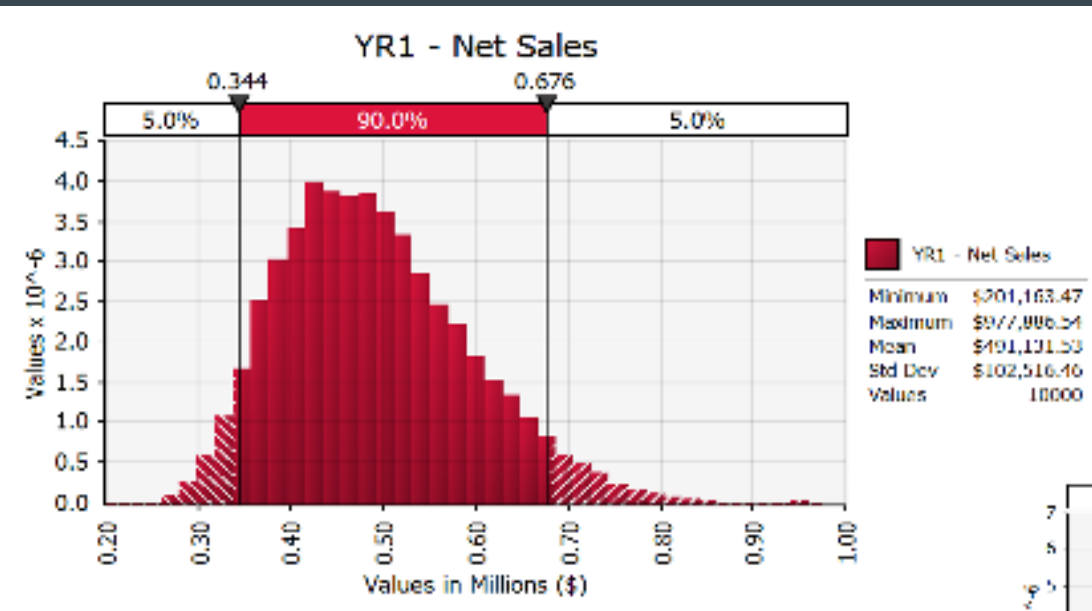
Year 1 Profit & Loss Model

| Projected Profit & Loss Model | | | | | | | | | | | | | | |
|---|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| REVENUE | January | February | March | April | May | June | July | August | September | October | November | December | Avg. Montly | Annual |
| Coffee Shop Revenue | \$15,006 | \$15,389 | \$17,957 | \$18,904 | \$19,463 | \$21,502 | \$23,221 | \$24,132 | \$24,427 | \$27,224 | \$26,404 | \$27,997 | \$21,802 | \$261,625 |
| <i>Coffee Beverages</i> | <i>\$11,240</i> | <i>\$11,637</i> | <i>\$13,739</i> | <i>\$14,613</i> | <i>\$15,103</i> | <i>\$16,861</i> | <i>\$18,347</i> | <i>\$19,079</i> | <i>\$19,450</i> | <i>\$21,753</i> | <i>\$21,158</i> | <i>\$22,481</i> | <i>\$17,122</i> | <i>\$205,461</i> |
| <i>Coffee Shop Food</i> | <i>\$3,136</i> | <i>\$3,103</i> | <i>\$3,450</i> | <i>\$3,472</i> | <i>\$3,520</i> | <i>\$3,696</i> | <i>\$3,842</i> | <i>\$3,990</i> | <i>\$3,888</i> | <i>\$4,255</i> | <i>\$4,066</i> | <i>\$4,256</i> | <i>\$3,723</i> | <i>\$44,674</i> |
| <i>Retail Merchandise</i> | <i>\$630</i> | <i>\$649</i> | <i>\$768</i> | <i>\$819</i> | <i>\$840</i> | <i>\$945</i> | <i>\$1,032</i> | <i>\$1,063</i> | <i>\$1,089</i> | <i>\$1,216</i> | <i>\$1,180</i> | <i>\$1,260</i> | <i>\$958</i> | <i>\$11,491</i> |
| Beer & Wine Revenue | \$8,160 | \$7,961 | \$9,265 | \$9,763 | \$9,476 | \$10,832 | \$11,818 | \$11,480 | \$11,890 | \$13,027 | \$12,380 | \$13,504 | \$10,796 | \$129,555 |
| <i>Beer & Wine Sales</i> | <i>\$4,224</i> | <i>\$4,224</i> | <i>\$5,069</i> | <i>\$5,491</i> | <i>\$5,376</i> | <i>\$6,336</i> | <i>\$7,066</i> | <i>\$6,854</i> | <i>\$7,258</i> | <i>\$8,026</i> | <i>\$7,680</i> | <i>\$8,448</i> | <i>\$6,338</i> | <i>\$76,051</i> |
| <i>Food & Small Plates</i> | <i>\$3,936</i> | <i>\$3,737</i> | <i>\$4,196</i> | <i>\$4,272</i> | <i>\$4,100</i> | <i>\$4,496</i> | <i>\$4,752</i> | <i>\$4,626</i> | <i>\$4,632</i> | <i>\$5,001</i> | <i>\$4,700</i> | <i>\$5,056</i> | <i>\$4,459</i> | <i>\$53,504</i> |
| Roasted Coffee Revenue | \$3,796 | \$3,935 | \$4,643 | \$4,935 | \$5,110 | \$5,694 | \$6,190 | \$6,453 | \$6,570 | \$7,351 | \$7,154 | \$7,592 | \$5,785 | \$69,423 |
| <i>Retail Coffee Bags</i> | <i>\$1,820</i> | <i>\$1,887</i> | <i>\$2,226</i> | <i>\$2,366</i> | <i>\$2,450</i> | <i>\$2,730</i> | <i>\$2,968</i> | <i>\$3,094</i> | <i>\$3,150</i> | <i>\$3,525</i> | <i>\$3,430</i> | <i>\$3,640</i> | <i>\$2,774</i> | <i>\$33,285</i> |
| <i>Wholesale Coffee</i> | <i>\$1,976</i> | <i>\$2,048</i> | <i>\$2,417</i> | <i>\$2,569</i> | <i>\$2,660</i> | <i>\$2,964</i> | <i>\$3,222</i> | <i>\$3,359</i> | <i>\$3,420</i> | <i>\$3,827</i> | <i>\$3,724</i> | <i>\$3,952</i> | <i>\$3,012</i> | <i>\$36,138</i> |
| Less Sales Returns & Discounts | (\$927) | (\$934) | (\$1,089) | (\$1,147) | (\$1,158) | (\$1,293) | (\$1,402) | (\$1,424) | (\$1,453) | (\$1,610) | (\$1,551) | (\$1,660) | (\$1,304) | (\$15,647) |
| Net Sales | \$26,036 | \$26,351 | \$30,776 | \$32,455 | \$32,892 | \$36,734 | \$39,827 | \$40,641 | \$41,434 | \$45,992 | \$44,387 | \$47,433 | \$37,080 | \$444,956 |
| Other Revenue (Farmers Markets) | \$3,200 | \$3,636 | \$3,672 | \$3,296 | \$4,160 | \$3,360 | \$2,968 | \$4,280 | \$3,456 | \$3,924 | \$3,960 | \$3,552 | \$3,622 | \$43,464 |
| TOTAL REVENUES | \$29,236 | \$29,987 | \$34,448 | \$35,751 | \$37,052 | \$40,094 | \$42,795 | \$44,921 | \$44,890 | \$49,916 | \$48,347 | \$50,985 | \$40,702 | \$488,420 |

Year 1 Profit & Loss Model

| EXPENSES | January | February | March | April | May | June | July | August | September | October | November | December | Avg. Monthly | Annual |
|--|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Costs Of Goods Sold | \$10,203 | \$10,450 | \$11,953 | \$12,356 | \$12,811 | \$13,791 | \$14,671 | \$15,425 | \$15,360 | \$17,063 | \$16,514 | \$17,391 | \$13,999 | \$167,987 |
| <i>Coffee Beverages</i> | \$2,810 | \$2,909 | \$3,435 | \$3,653 | \$3,776 | \$4,215 | \$4,587 | \$4,770 | \$4,862 | \$5,438 | \$5,290 | \$5,620 | \$4,280 | \$51,365 |
| <i>Coffee Shop Food</i> | \$1,254 | \$1,241 | \$1,380 | \$1,389 | \$1,408 | \$1,478 | \$1,537 | \$1,596 | \$1,555 | \$1,702 | \$1,626 | \$1,702 | \$1,489 | \$17,870 |
| <i>Retail Merchandise</i> | \$315 | \$325 | \$384 | \$410 | \$420 | \$473 | \$516 | \$531 | \$545 | \$608 | \$590 | \$630 | \$479 | \$5,745 |
| <i>Beer & Wine Sales</i> | \$1,605 | \$1,605 | \$1,926 | \$2,087 | \$2,043 | \$2,408 | \$2,685 | \$2,605 | \$2,758 | \$3,050 | \$2,918 | \$3,210 | \$2,408 | \$28,899 |
| <i>Food & Small Plates</i> | \$1,496 | \$1,420 | \$1,594 | \$1,623 | \$1,558 | \$1,708 | \$1,806 | \$1,758 | \$1,760 | \$1,900 | \$1,786 | \$1,921 | \$1,694 | \$20,332 |
| <i>Retail Coffee Bags</i> | \$455 | \$472 | \$557 | \$592 | \$613 | \$683 | \$742 | \$774 | \$788 | \$881 | \$858 | \$910 | \$693 | \$8,321 |
| <i>Wholesale Coffee</i> | \$988 | \$1,024 | \$1,208 | \$1,284 | \$1,330 | \$1,482 | \$1,611 | \$1,680 | \$1,710 | \$1,913 | \$1,862 | \$1,976 | \$1,506 | \$18,069 |
| <i>Other Rev. (Farmers Market)</i> | \$1,280 | \$1,454 | \$1,469 | \$1,318 | \$1,664 | \$1,344 | \$1,187 | \$1,712 | \$1,382 | \$1,570 | \$1,584 | \$1,421 | \$1,449 | \$17,386 |
| Payroll Expenses | \$15,988 | \$15,516 | \$16,346 | \$15,988 | \$15,873 | \$15,988 | \$16,046 | \$16,288 | \$15,573 | \$16,346 | \$15,516 | \$15,988 | \$15,955 | \$191,456 |
| <i>Salaries & Waged</i> | \$13,867 | \$13,457 | \$14,177 | \$13,867 | \$13,767 | \$13,867 | \$13,917 | \$14,127 | \$13,507 | \$14,177 | \$13,457 | \$13,867 | \$13,838 | \$166,050 |
| <i>FICA Taxes</i> | \$2,122 | \$2,059 | \$2,169 | \$2,122 | \$2,106 | \$2,122 | \$2,129 | \$2,161 | \$2,067 | \$2,169 | \$2,059 | \$2,122 | \$2,117 | \$25,406 |
| General & Administrative | \$9,458 | \$9,467 | \$9,588 | \$9,635 | \$9,647 | \$9,752 | \$9,837 | \$9,860 | \$9,881 | \$10,007 | \$9,963 | \$10,046 | \$9,762 | \$117,140 |
| <i>Accounting & Legal</i> | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$2,400 |
| <i>Marketing/Advertising</i> | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$3,000 |
| <i>Rent</i> | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$51,000 |
| <i>Utilities</i> | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$7,200 |
| <i>Debt Servicing</i> | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$26,400 |
| <i>Website Expenses</i> | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$504 |
| <i>Internet/Phone</i> | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$1,500 |
| <i>Insurance</i> | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$3,600 |
| <i>Merchant Fees (2.75% net sales)</i> | \$716 | \$725 | \$846 | \$893 | \$905 | \$1,010 | \$1,095 | \$1,118 | \$1,139 | \$1,265 | \$1,221 | \$1,304 | \$1,020 | \$12,236 |
| <i>Office Supplies</i> | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$300 |
| <i>Vehicle/Travel</i> | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$6,000 |
| <i>Miscellaneous</i> | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$3,000 |
| Total Expenses | \$35,650 | \$35,432 | \$37,887 | \$37,979 | \$38,331 | \$39,531 | \$40,554 | \$41,572 | \$40,815 | \$43,415 | \$41,992 | \$43,426 | \$39,715 | \$476,583 |
| Income Before Taxes | (\$6,414) | (\$5,446) | (\$3,439) | (\$2,228) | (\$1,279) | \$563 | \$2,241 | \$3,348 | \$4,075 | \$6,501 | \$6,355 | \$7,559 | \$986 | \$11,838 |
| Income Tax Expense | (\$981) | (\$833) | (\$526) | (\$341) | (\$196) | \$86 | \$343 | \$512 | \$623 | \$995 | \$972 | \$1,157 | \$151 | \$1,811 |
| NET INCOME | (\$5,432) | (\$4,612) | (\$2,913) | (\$1,887) | (\$1,083) | \$477 | \$1,898 | \$2,836 | \$3,452 | \$5,506 | \$5,383 | \$6,403 | \$836 | \$10,026 |

Year 1 MC Range Estimates



Year 2 Profit & Loss Model

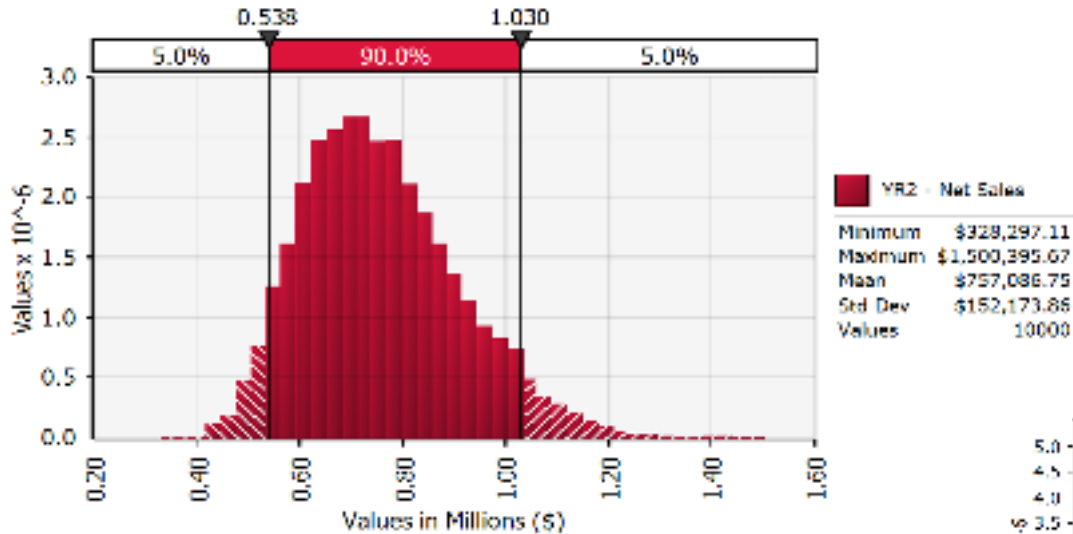
| Projected Profit & Loss Model | | | | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| REVENUE | January | February | March | April | May | June | July | August | September | October | November | December | Avg. Montly | Annual |
| Coffee Shop Revenue | \$27,997 | \$27,016 | \$29,872 | \$29,945 | \$29,454 | \$31,244 | \$32,490 | \$32,574 | \$31,921 | \$34,506 | \$32,524 | \$35,142 | \$31,224 | \$374,685 |
| <i>Coffee Beverages</i> | \$22,481 | \$21,687 | \$24,043 | \$24,167 | \$23,734 | \$25,291 | \$26,373 | \$26,374 | \$25,933 | \$28,051 | \$26,448 | \$28,663 | \$25,270 | \$303,245 |
| <i>Coffee Shop Food</i> | \$4,256 | \$4,120 | \$4,485 | \$4,424 | \$4,400 | \$4,536 | \$4,633 | \$4,731 | \$4,536 | \$4,888 | \$4,601 | \$4,872 | \$4,540 | \$54,481 |
| <i>Retail Merchandise</i> | \$1,260 | \$1,210 | \$1,344 | \$1,355 | \$1,320 | \$1,418 | \$1,484 | \$1,469 | \$1,452 | \$1,568 | \$1,475 | \$1,607 | \$1,413 | \$16,959 |
| Beer & Wine Revenue | \$13,504 | \$12,675 | \$14,209 | \$14,466 | \$13,626 | \$15,107 | \$16,033 | \$15,204 | \$15,366 | \$16,466 | \$15,326 | \$17,031 | \$14,918 | \$179,012 |
| <i>Beer & Wine Sales</i> | \$8,448 | \$7,910 | \$8,955 | \$9,208 | \$8,602 | \$9,715 | \$10,422 | \$9,757 | \$9,999 | \$10,729 | \$9,984 | \$11,236 | \$9,580 | \$114,966 |
| <i>Food & Small Plates</i> | \$5,056 | \$4,764 | \$5,254 | \$5,258 | \$5,024 | \$5,392 | \$5,611 | \$5,447 | \$5,366 | \$5,737 | \$5,342 | \$5,795 | \$5,337 | \$64,046 |
| Roasted Coffee Revenue | \$7,592 | \$7,389 | \$8,246 | \$8,339 | \$8,258 | \$8,837 | \$9,261 | \$9,336 | \$9,216 | \$10,023 | \$9,501 | \$10,332 | \$8,861 | \$106,330 |
| <i>Retail Coffee Bags</i> | \$3,640 | \$3,516 | \$3,896 | \$3,913 | \$3,850 | \$4,095 | \$4,267 | \$4,277 | \$4,200 | \$4,545 | \$4,288 | \$4,641 | \$4,094 | \$49,126 |
| <i>Wholesale Coffee</i> | \$3,952 | \$3,873 | \$4,350 | \$4,426 | \$4,408 | \$4,742 | \$4,995 | \$5,059 | \$5,016 | \$5,478 | \$5,214 | \$5,691 | \$4,767 | \$57,204 |
| Less Sales Returns & Discounts | (\$1,660) | (\$1,588) | (\$1,763) | (\$1,776) | (\$1,723) | (\$1,854) | (\$1,941) | (\$1,911) | (\$1,891) | (\$2,039) | (\$1,914) | (\$2,087) | (\$1,846) | (\$22,148) |
| Net Sales | \$47,433 | \$45,492 | \$50,564 | \$50,974 | \$49,614 | \$53,335 | \$55,843 | \$55,202 | \$54,611 | \$58,956 | \$55,437 | \$60,418 | \$53,157 | \$637,878 |
| Other Revenue (Farmers Markets) | \$3,552 | \$4,032 | \$4,068 | \$3,648 | \$4,600 | \$3,712 | \$3,276 | \$4,720 | \$3,808 | \$4,320 | \$4,356 | \$3,904 | \$4,000 | \$47,996 |
| TOTAL REVENUES | \$50,985 | \$49,524 | \$54,632 | \$54,622 | \$54,214 | \$57,047 | \$59,119 | \$59,922 | \$58,419 | \$63,276 | \$59,793 | \$64,322 | \$57,156 | \$685,874 |

Year 2 Profit & Loss Model

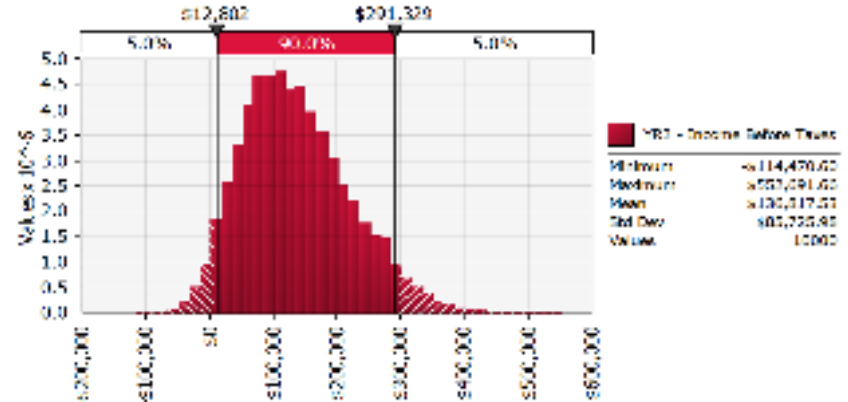
| EXPENSES | January | February | March | April | May | June | July | August | September | October | November | December | Avg. Monthly | Annual |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Costs Of Goods Sold | \$17,391 | \$16,919 | \$18,652 | \$18,636 | \$18,538 | \$19,466 | \$20,155 | \$20,484 | \$19,944 | \$21,612 | \$20,435 | \$21,957 | \$19,516 | \$234,189 |
| <i>Coffee Beverages</i> | \$5,620 | \$5,422 | \$6,011 | \$6,042 | \$5,933 | \$6,323 | \$6,593 | \$6,594 | \$6,483 | \$7,013 | \$6,612 | \$7,166 | \$6,318 | \$75,811 |
| <i>Coffee Shop Food</i> | \$1,702 | \$1,648 | \$1,794 | \$1,770 | \$1,760 | \$1,814 | \$1,853 | \$1,892 | \$1,814 | \$1,955 | \$1,840 | \$1,949 | \$1,816 | \$21,792 |
| <i>Retail Merchandise</i> | \$630 | \$605 | \$672 | \$677 | \$660 | \$709 | \$742 | \$734 | \$726 | \$784 | \$738 | \$803 | \$707 | \$8,480 |
| <i>Beer & Wine Sales</i> | \$3,210 | \$3,006 | \$3,403 | \$3,499 | \$3,269 | \$3,692 | \$3,960 | \$3,708 | \$3,800 | \$4,077 | \$3,794 | \$4,270 | \$3,641 | \$43,687 |
| <i>Food & Small Plates</i> | \$1,921 | \$1,810 | \$1,997 | \$1,998 | \$1,909 | \$2,049 | \$2,132 | \$2,070 | \$2,039 | \$2,180 | \$2,030 | \$2,202 | \$2,028 | \$24,337 |
| <i>Retail Coffee Bags</i> | \$910 | \$879 | \$974 | \$978 | \$963 | \$1,024 | \$1,067 | \$1,069 | \$1,050 | \$1,136 | \$1,072 | \$1,160 | \$1,023 | \$12,282 |
| <i>Wholesale Coffee</i> | \$1,976 | \$1,936 | \$2,175 | \$2,213 | \$2,204 | \$2,371 | \$2,497 | \$2,529 | \$2,508 | \$2,739 | \$2,607 | \$2,845 | \$2,383 | \$28,602 |
| <i>Other Rev. (Farmers Market)</i> | \$1,421 | \$1,613 | \$1,627 | \$1,459 | \$1,840 | \$1,485 | \$1,310 | \$1,888 | \$1,523 | \$1,728 | \$1,742 | \$1,562 | \$1,600 | \$19,198 |
| Payroll Expenses | \$15,988 | \$15,981 | \$17,326 | \$17,427 | \$17,778 | \$18,387 | \$18,934 | \$19,709 | \$19,311 | \$20,759 | \$20,170 | \$21,264 | \$18,586 | \$223,034 |
| <i>Salaries & Waged</i> | \$13,867 | \$13,860 | \$15,027 | \$15,115 | \$15,419 | \$15,947 | \$16,422 | \$17,093 | \$16,748 | \$18,004 | \$17,494 | \$18,443 | \$16,120 | \$193,438 |
| <i>FICA Taxes</i> | \$2,122 | \$2,121 | \$2,299 | \$2,313 | \$2,359 | \$2,440 | \$2,513 | \$2,615 | \$2,562 | \$2,755 | \$2,677 | \$2,822 | \$2,466 | \$29,596 |
| General & Administrative | \$10,046 | \$9,993 | \$10,133 | \$10,144 | \$10,106 | \$10,209 | \$10,278 | \$10,260 | \$10,244 | \$10,363 | \$10,267 | \$10,403 | \$10,204 | \$122,446 |
| <i>Accounting & Legal</i> | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$2,400 |
| <i>Marketing/Advertising</i> | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$3,000 |
| <i>Rent</i> | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$51,000 |
| <i>Utilities</i> | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$7,200 |
| <i>Debt Servicing</i> | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$26,400 |
| <i>Website Expenses</i> | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$504 |
| <i>Internet/Phone</i> | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$1,500 |
| <i>Insurance</i> | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$3,600 |
| <i>Merchant Fees (2.75% net sales)</i> | \$1,304 | \$1,251 | \$1,391 | \$1,402 | \$1,364 | \$1,467 | \$1,536 | \$1,518 | \$1,502 | \$1,621 | \$1,525 | \$1,661 | \$1,462 | \$17,542 |
| <i>Office Supplies</i> | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$300 |
| <i>Vehicle/Travel</i> | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$6,000 |
| <i>Miscellaneous</i> | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$3,000 |
| Total Expenses | \$43,426 | \$42,893 | \$46,111 | \$46,207 | \$46,422 | \$48,062 | \$49,367 | \$50,453 | \$49,498 | \$52,734 | \$50,872 | \$53,625 | \$48,306 | \$579,669 |
| Income Before Taxes | \$7,559 | \$6,631 | \$8,520 | \$8,415 | \$7,792 | \$8,985 | \$9,752 | \$9,469 | \$8,921 | \$10,542 | \$8,922 | \$10,697 | \$8,850 | \$106,205 |
| Income Tax Expense | \$1,157 | \$1,015 | \$1,304 | \$1,287 | \$1,192 | \$1,375 | \$1,492 | \$1,449 | \$1,365 | \$1,613 | \$1,365 | \$1,637 | \$1,354 | \$16,249 |
| NET INCOME | \$6,403 | \$5,616 | \$7,217 | \$7,127 | \$6,600 | \$7,611 | \$8,260 | \$8,021 | \$7,556 | \$8,929 | \$7,557 | \$9,060 | \$7,496 | \$89,956 |

Year 2 MC Range Estimates

YR2 - Net Sales



YR2 - Income Before Taxes



Year 3 Profit & Loss Model

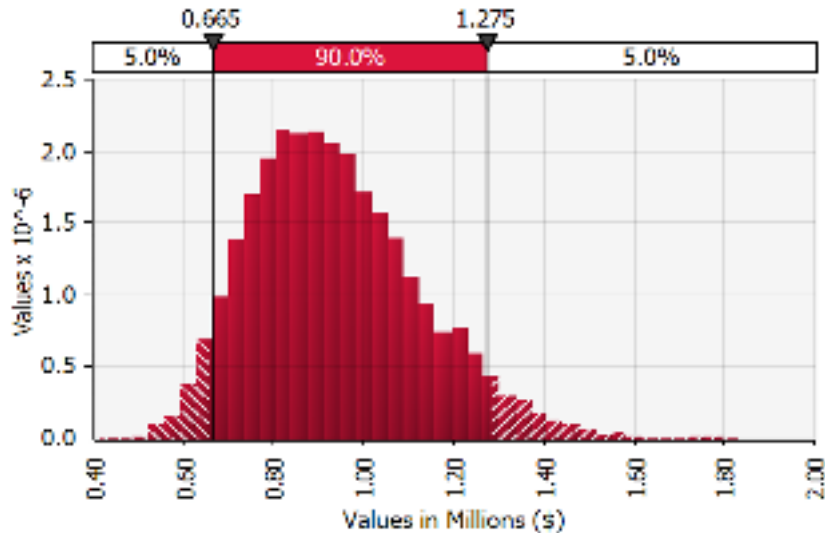
| Projected Profit & Loss Model | | | | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| REVENUE | January | February | March | April | May | June | July | August | September | October | November | December | Avg. Montly | Annual |
| Coffee Shop Revenue | \$35,142 | \$33,748 | \$37,154 | \$37,090 | \$36,322 | \$38,389 | \$39,773 | \$39,717 | \$38,791 | \$41,788 | \$38,644 | \$40,987 | \$38,129 | \$457,543 |
| <i>Coffee Beverages</i> | \$28,663 | \$27,506 | \$30,340 | \$30,349 | \$29,667 | \$31,473 | \$32,680 | \$32,547 | \$31,876 | \$34,348 | \$31,738 | \$33,721 | \$31,242 | \$374,907 |
| <i>Coffee Shop Food</i> | \$4,872 | \$4,708 | \$5,118 | \$5,040 | \$5,005 | \$5,152 | \$5,255 | \$5,358 | \$5,130 | \$5,520 | \$5,136 | \$5,376 | \$5,139 | \$61,669 |
| <i>Retail Merchandise</i> | \$1,607 | \$1,534 | \$1,696 | \$1,701 | \$1,650 | \$1,764 | \$1,838 | \$1,813 | \$1,785 | \$1,920 | \$1,770 | \$1,890 | \$1,747 | \$20,967 |
| Beer & Wine Revenue | \$14,290 | \$13,316 | \$14,987 | \$15,325 | \$14,265 | \$16,016 | \$17,094 | \$15,965 | \$16,279 | \$17,404 | \$16,143 | \$18,086 | \$15,764 | \$189,170 |
| <i>Beer & Wine Sales</i> | \$11,236 | \$10,522 | \$11,912 | \$12,250 | \$11,443 | \$12,925 | \$13,866 | \$12,983 | \$13,306 | \$14,277 | \$13,286 | \$14,953 | \$12,747 | \$152,959 |
| <i>Food & Small Plates</i> | \$3,054 | \$2,795 | \$3,075 | \$3,076 | \$2,822 | \$3,090 | \$3,228 | \$2,982 | \$2,973 | \$3,127 | \$2,856 | \$3,133 | \$3,018 | \$36,212 |
| Roasted Coffee Revenue | \$10,332 | \$10,008 | \$11,119 | \$11,198 | \$11,045 | \$11,775 | \$12,295 | \$12,352 | \$12,155 | \$13,178 | \$12,370 | \$13,324 | \$11,762 | \$141,150 |
| <i>Retail Coffee Bags</i> | \$4,641 | \$4,459 | \$4,916 | \$4,914 | \$4,813 | \$5,096 | \$5,287 | \$5,278 | \$5,163 | \$5,565 | \$5,145 | \$5,460 | \$5,061 | \$60,736 |
| <i>Wholesale Coffee</i> | \$5,691 | \$5,549 | \$6,203 | \$6,284 | \$6,232 | \$6,679 | \$7,009 | \$7,074 | \$6,992 | \$7,613 | \$7,225 | \$7,864 | \$6,701 | \$80,414 |
| Less Sales Returns & Discounts | (\$1,977) | (\$1,883) | (\$2,086) | (\$2,097) | (\$2,023) | (\$2,176) | (\$2,275) | (\$2,227) | (\$2,203) | (\$2,368) | (\$2,191) | (\$2,363) | (\$2,156) | (\$25,869) |
| Net Sales | \$57,786 | \$55,189 | \$61,174 | \$61,517 | \$59,608 | \$64,003 | \$66,887 | \$65,807 | \$65,021 | \$70,002 | \$64,964 | \$70,035 | \$63,500 | \$761,995 |
| Other Revenue (Farmers Markets) | \$3,904 | \$4,428 | \$4,464 | \$4,000 | \$5,040 | \$4,064 | \$3,584 | \$5,160 | \$4,160 | \$4,716 | \$4,752 | \$4,256 | \$4,377 | \$52,528 |
| TOTAL REVENUES | \$61,690 | \$59,617 | \$65,638 | \$65,517 | \$64,648 | \$68,067 | \$70,471 | \$70,967 | \$69,181 | \$74,718 | \$69,716 | \$74,291 | \$67,877 | \$814,523 |

Year 3 Profit & Loss Model

| EXPENSES | January | February | March | April | May | June | July | August | September | October | November | December | Avg. Monthly | Annual |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Costs Of Goods Sold | \$20,915 | \$20,247 | \$22,291 | \$22,248 | \$22,000 | \$23,136 | \$23,946 | \$24,173 | \$23,550 | \$25,453 | \$23,807 | \$25,398 | \$23,097 | \$277,165 |
| <i>Coffee Beverages</i> | \$7,166 | \$6,876 | \$7,585 | \$7,587 | \$7,417 | \$7,868 | \$8,170 | \$8,137 | \$7,969 | \$8,587 | \$7,934 | \$8,430 | \$7,811 | \$93,727 |
| <i>Coffee Shop Food</i> | \$1,949 | \$1,883 | \$2,047 | \$2,016 | \$2,002 | \$2,061 | \$2,102 | \$2,143 | \$2,052 | \$2,208 | \$2,054 | \$2,150 | \$2,056 | \$24,668 |
| <i>Retail Merchandise</i> | \$803 | \$767 | \$848 | \$851 | \$825 | \$882 | \$919 | \$906 | \$892 | \$960 | \$885 | \$945 | \$874 | \$10,484 |
| <i>Beer & Wine Sales</i> | \$4,270 | \$3,998 | \$4,526 | \$4,655 | \$4,348 | \$4,912 | \$5,269 | \$4,934 | \$5,056 | \$5,425 | \$5,049 | \$5,682 | \$4,844 | \$58,124 |
| <i>Food & Small Plates</i> | \$1,161 | \$1,062 | \$1,169 | \$1,169 | \$1,072 | \$1,174 | \$1,227 | \$1,133 | \$1,130 | \$1,188 | \$1,085 | \$1,191 | \$1,147 | \$13,760 |
| <i>Retail Coffee Bags</i> | \$1,160 | \$1,115 | \$1,229 | \$1,229 | \$1,203 | \$1,274 | \$1,322 | \$1,320 | \$1,291 | \$1,391 | \$1,286 | \$1,365 | \$1,265 | \$15,184 |
| <i>Wholesale Coffee</i> | \$2,845 | \$2,774 | \$3,102 | \$3,142 | \$3,116 | \$3,339 | \$3,504 | \$3,537 | \$3,496 | \$3,806 | \$3,612 | \$3,932 | \$3,351 | \$40,207 |
| <i>Other Rev. (Farmers Market)</i> | \$1,562 | \$1,771 | \$1,786 | \$1,600 | \$2,016 | \$1,626 | \$1,434 | \$2,064 | \$1,664 | \$1,886 | \$1,901 | \$1,702 | \$1,751 | \$21,011 |
| Payroll Expenses | \$21,264 | \$21,256 | \$23,047 | \$23,183 | \$23,651 | \$24,462 | \$25,192 | \$26,224 | \$25,696 | \$27,624 | \$26,842 | \$28,299 | \$24,728 | \$296,741 |
| <i>Salaries & Waged</i> | \$18,443 | \$18,436 | \$19,989 | \$20,107 | \$20,512 | \$21,216 | \$21,849 | \$22,744 | \$22,286 | \$23,959 | \$23,280 | \$24,544 | \$21,447 | \$257,364 |
| <i>FICA Taxes</i> | \$2,822 | \$2,821 | \$3,058 | \$3,076 | \$3,138 | \$3,246 | \$3,343 | \$3,480 | \$3,410 | \$3,666 | \$3,562 | \$3,755 | \$3,281 | \$39,377 |
| General & Administrative | \$10,331 | \$10,260 | \$10,424 | \$10,434 | \$10,381 | \$10,502 | \$10,581 | \$10,552 | \$10,530 | \$10,667 | \$10,529 | \$10,668 | \$10,488 | \$125,859 |
| <i>Accounting & Legal</i> | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$2,400 |
| <i>Marketing/Advertising</i> | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$3,000 |
| <i>Rent</i> | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$4,250 | \$51,000 |
| <i>Utilities</i> | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$7,200 |
| <i>Debt Servicing</i> | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$2,200 | \$26,400 |
| <i>Website Expenses</i> | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$504 |
| <i>Internet/Phone</i> | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$1,500 |
| <i>Insurance</i> | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 | \$3,600 |
| <i>Merchant Fees (2.75% net sales)</i> | \$1,589 | \$1,518 | \$1,682 | \$1,692 | \$1,639 | \$1,760 | \$1,839 | \$1,810 | \$1,788 | \$1,925 | \$1,787 | \$1,926 | \$1,746 | \$20,955 |
| <i>Office Supplies</i> | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$300 |
| <i>Vehicle/Travel</i> | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$6,000 |
| <i>Miscellaneous</i> | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$3,000 |
| Total Expenses | \$52,511 | \$51,763 | \$55,763 | \$55,864 | \$56,032 | \$58,100 | \$59,720 | \$60,949 | \$59,776 | \$63,744 | \$61,178 | \$64,365 | \$58,314 | \$699,764 |
| Income Before Taxes | \$9,179 | \$7,854 | \$9,875 | \$9,652 | \$8,617 | \$9,967 | \$10,752 | \$10,018 | \$9,405 | \$10,974 | \$8,539 | \$9,926 | \$9,563 | \$114,758 |
| Income Tax Expense | \$1,404 | \$1,202 | \$1,511 | \$1,477 | \$1,318 | \$1,525 | \$1,645 | \$1,533 | \$1,439 | \$1,679 | \$1,306 | \$1,519 | \$1,463 | \$17,558 |
| NET INCOME | \$7,775 | \$6,652 | \$8,364 | \$8,175 | \$7,298 | \$8,442 | \$9,107 | \$8,485 | \$7,966 | \$9,295 | \$7,232 | \$8,407 | \$8,100 | \$97,200 |

Year 3 MC Range Estimates

YR 3 - Net Sales



YR3 - Income Before Taxes

