Investment Memo for Café Muse LLC

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Executive Summary

Overview of the Business Concept

This investment opportunity centers around a distinctive business model in the asset management realm, specifically targeting the licensing of Intellectual Property (IP) within the Food & Beverage industry across the Mediterranean and Middle East. Café Muse ME LLC, leveraging the established and globally recognized brand of Café MUSE, aims to capitalize on its existing IP license, extending it to other café operators. This strategy enables us to generate revenue through licensing fees, linked to the performance of these Cafés, while remaining uninvolved in their daily operations.

Café MUSE, developed by Lumen Media Group under the leadership of its CEO, the former Editor-in-Chief of MUSE Decor USA, epitomizes the French art de vivre. It's a casual yet chic destination that resonates with sophistication and style. The brand's first flagship café opened in a landmark retail destination in Riyadh, marking its foray into the Saudi capital.

MUSE stands as a global icon in lifestyle, influencing fashion, beauty, well-being, culture, design, and women's empowerment. The brand boasts over 45 editions globally, including MUSE and MUSE Decoration, alongside other spin-off titles. With a print readership of around 18 million per month and a digital presence across 35 platforms attracting 55 million unique visitors monthly, MUSE's influence is significant. Its social media reach extends to over 65 million, making it a notable name in the digital landscape.

As part of its brand expansion, MUSE has ventured into creating experience hubs such as hotels, cafés, spas, and hair and beauty salons. The brand's total monthly reach exceeds 130 million people, cementing its status as a notable name in lifestyle branding.

For further details about Café MUSE's vision, current locations, and future expansion plans, we invite potential investors to visit Café MUSE's website. This platform offers a comprehensive insight into the brand's ethos, design philosophy, and global footprint, essential for understanding the potential of this licensing opportunity with Café Muse ME LLC.

Market Opportunity

The cafés industry in the Mediterranean and Gulf regions represents a dynamic and burgeoning market, ripe with opportunities for growth and innovation. Café Muse ME LLC is uniquely positioned to harness this potential through its distinctive approach of IP licensing, centered around the esteemed Café MUSE brand. This innovative business model not only leverages the existing market presence of cafés but also introduces a new and compelling revenue stream through our well-established IP framework.

Café Muse ME LLC's strategy is to capitalize on the strong brand recognition and global appeal of Café MUSE, an icon in lifestyle and fashion. By licensing the Café MUSE brand to existing café operators, we provide them with a unique value proposition that transcends the typical café experience. This approach is particularly potent in the Mediterranean and Gulf regions, where there is a keen interest in global lifestyle trends and a growing demand for premium café experiences.

The market opportunity for Café Muse ME LLC is further enhanced by the strong cultural affinity for café culture in these regions. Cafés are not just places for coffee & snacks; they are social hubs, spaces for relaxation, and symbols of a modern, cosmopolitan lifestyle. The introduction of Café MUSE's chic, French-inspired ethos into this landscape represents a novel and attractive offering that can redefine café culture in these markets.

Business Model

Our unique approach involves licensing the Café MUSE brand to a select, experienced operator in each target country. These operators are meticulously chosen based on their proven expertise and substantial presence in the Food & Beverage industry. This strategy ensures that each Café MUSE outlet is managed by professionals who have the necessary capacity and understanding to uphold the brand's standards and reputation.

Revenue Stream through Licensing

Monthly Revenue Percentage: We will charge a 6% fee on the monthly revenue generated by each café with a minimal payment of 10.000 USD This aligns our interests directly with the café's success, creating a mutually beneficial relationship where our profitability is tied to the café's performance.

One-Time Licensing Fee: In addition to the monthly revenue percentage, we also collect a one-time licensing fee. This upfront payment is part of the agreement for granting the license to use the Café MUSE brand.

Duration of Licenses

The licenses are typically granted for a period of 10 years. This duration strikes a balance between providing long-term stability for the operators and allowing for periodic reassessment of the licensing agreements to align with market dynamics and brand evolution.

Proven Concept in Saudi Arabia

The efficacy of our business model is exemplified by our existing Café MUSE outlet in Saudi Arabia. This operation serves as a testament to the potential and scalability of our licensing model. The success in Saudi Arabia acts as a blueprint and a proof of concept, showcasing the viability and attractiveness of the Café MUSE brand in the target regions.

Financial Projections

Shop Expansion Plan

2024: Expansion includes the opening of three new shops: one additional shop in Saudi Arabia, one in Qatar, and one in the United Arab Emirates.

2025: Plans to open two more shops in the United Arab Emirates, one in Kuwait, and one in Turkey.

2026: Opening of two shops, one in Morocco and one in Egypt.

Store	Country	City/Location	Opening Date	Licensing time
1	Saudi_Arabia	Riyadh	May-23	Apr-33
2	Saudi_Arabia	Jeddah	Jun-24	May-34
3	Qatar	Doha	Oct-24	Sep-34
4	UAE	Dubai	Nov-24	Oct-34
5	UAE	Abu Dhabi	Mar-25	Feb-35
6	UAE	DXB Airport	May-25	Apr-35
7	Kuwait	Kuwait City	Aug-25	Jul-35
8	Turkey	Istanbul	Dec-25	Nov-35
9	Morocco	Marrakech	Mar-26	Feb-36
10	Egypt	Cairo	Jun-26	May-36

Note: The expansion calendar and choice of countries are flexible and may be adjusted based on market assessments and operational feasibilities.

Revenue Streams

Licensing Fees: Revenue will be generated from monthly fees (6% of café revenues) and one-time licensing fees for each new shop.

Deferred Revenue Recognition: The one-time licensing fees, although received upfront, will be accounted for as deferred revenue. This revenue will be recognized in the income statement over the 10-year agreement period, providing a steady income stream, despite the initial cash being immediately available.

Financial Outlook & Profit and Loss Forecast

2024: Anticipated losses due to operational costs not being fully covered by the limited number of operational shops.

Cash Surplus: Despite projected losses, a cash surplus is expected from the one-time licensing fees.

2025 and Beyond: Expectation of profitability starting in year two, with a significant improvement in margins.

Profitability: The business model forecasts a positive trajectory with an expected margin of around 60% by the end of year three.

Operational Costs: While initial years may see operational costs exceeding revenue from a limited number of shops, the scale of operations and efficient management will lead to cost optimization and increased profitability.

P&L			
Revenue	Dec-24	Dec-25	Dec-26
Deferred Revenue Recognition	$ 65,417	$ 177,500	$ 301,667
Revenue from Shops	$ 242,873	$ 735,094	$ 1,163,538
Total Revenue	$ 308,289	$ 912,594	$ 1,465,204
Total COGS	$ 60,000	$ 110,000	$ 147,000
Total Operating Expenses	$ 281,166	$ 365,252	$ 437,804
EBITDA	$ (32,876)	$ 437,342	$ 880,400
EBITDA margin	-11%	48%	60%
CASHFLOW			
	Dec-24	Dec-25	Dec-26
Cash balance Starting	$ 400,000	$ 1,251,707	$ 2,611,549
Net cashflow from operating activities	$ (98,293)	$ 259,842	$ 578,733
Cash coming from New Openings	$ 950,000	$ 1,100,000	$ 800,000
Cash Balance Ending	$ 1,251,707	$ 2,611,549	$ 3,990,283

Note: These financial projections are subject to change based on actual business performance, market conditions, and strategic decisions. Regular financial reviews and adjustments will be necessary to align with the evolving business landscape.

The financial projections for Café Muse ME LLC are grounded in a strategic expansion plan and a robust revenue model. Despite initial operational challenges and anticipated losses in the early stages, the business is poised for profitability and strong margins by leveraging its unique licensing model and strategic expansion. The financial outlook remains positive, with a well-structured approach to revenue recognition and cash flow management.

Refer to the "Financial Outlook" section for an in-depth analysis.

Seeking Investment

Café Muse ME LLC is actively seeking an initial investment of $1 million in exchange for 20% equity. This capital will be strategically deployed towards expanding our unique IP licensing model and scaling our operations across the Mediterranean and Gulf regions. **Our financial strategy is underpinned by 36 months of robust financial projections, targeting a yearly Internal Rate of Return (IRR) of 25% by the end of year 3**. This valuation is not only based our current successful operation in Saudi Arabia but also our potential for future growth.

The investment will be utilized to:

- Expand the Café MUSE brand into new markets.
- Set up and enhance the licensing framework for new café operators.
- Undertake marketing initiatives to establish and solidify partnerships.
- Strengthen our operational capabilities, including legal, marketing, and administrative aspects.

Our business model, backed by a successful proof of concept in Saudi Arabia, offers multiple exit strategies for investors, including a potential buyback of shares at the end of year 3, options for delayed income, sale to another investor, or retention of capital for future franchise growth. Investors will benefit from voting rights proportional to their shareholding and regular financial and operational updates, ensuring transparency and informed decision-making.

With a clear growth trajectory and a unique position in the café industry, Café Muse ME LLC presents a compelling investment opportunity designed for long-term success and aligned with our investors' interests.

Competitive Advantage

Café Muse ME LLC stands out with its groundbreaking approach to the café industry, pioneering an asset management model centered around Intellectual Property (IP). This unique strategy positions us distinctively in the market, offering substantial growth and profitability opportunities. By managing and licensing the IP of the Café MUSE brand, we create a new paradigm in the café sector, differentiating ourselves from traditional café and restaurant models.

Strong Fashion and Lifestyle Brand Association: Café Muse is not just a café; it's a fashion café with genuine fashion credentials. This association with MUSE, a global lifestyle and fashion authority, provides us with a significant competitive edge. Unlike other fashion-branded cafés that might compete with adjacent brands, Café MUSE stands as a complementary entity. It can coexist and even partner with other fashion brands, turning our café spaces into showcases for these brands, adding value to their presence without direct competition.

Strategic Partnerships and Location Selection: we are actively seeking partnerships with developers, hospitality entrepreneurs, and mall operators across the Middle East. The goal is to integrate Café MUSE into existing retail and F&B assortments, enhancing their appeal. Our selection process for locations is strategic, aiming to place our cafés in premium settings where they can contribute to and benefit from the existing retail mix.

Unique Position in the Market: Café MUSE's fashion café concept allows it to occupy a unique position in the market. This positioning is advantageous as it opens avenues for collaboration with a variety of fashion and lifestyle brands, creating a symbiotic relationship.

Conclusion

In conclusion, Café Muse ME LLC presents a unique and promising investment opportunity in the **F&B** industry. Our innovative approach to asset management through IP licensing, combined with the global appeal of the Café MUSE brand, positions us for significant growth and profitability. Our strategic partnerships, strong market positioning, and the unique fashion café concept set us apart in the Mediterranean and Middle East markets. With a solid expansion plan, a robust financial model, and a clear vision for the future, Café Muse ME LLC is poised to redefine the café experience while offering a lucrative opportunity for investors. We invite you to join us in this exciting venture as we embark on a journey to bring a new dimension to the café industry.

Investment Rationale

Unique Business Model in a Growing Market

The business model of Café Muse ME LLC is uniquely positioned in the rapidly growing café industry in the Mediterranean and Gulf regions. By focusing on the licensing of intellectual property (IP) to existing café operators, we create a new market niche. This approach allows for revenue generation through a less capital-intensive and operationally light strategy, distinguishing it from traditional café operations and franchise models.

High Demand for Innovation in Café Operations

There is a growing trend among café operators to differentiate themselves in a competitive market. Our IP licensing model meets this demand by offering innovative concepts and operational frameworks that can enhance the appeal and efficiency of existing cafés. This demand for innovation positions Café Muse ME LLC at the forefront of a new wave of value creation in the industry.

Strategic Asset-Light Approach

The asset-light strategy of licensing IP reduces the need for heavy investments in physical assets and operational management, typically associated with running cafés. This approach not only limits the risk exposure but also allows for rapid scalability and flexibility in response to market changes.

Strong Revenue Potential with Scalability

The licensing model provides a continuous revenue stream that is directly tied to the success of the cafés. As the number of licensed cafés increases, so does the potential for revenue growth. This scalability is a key advantage, offering the possibility of expanding the licensing model to new markets and regions.

Experienced Management Team

The management team of Café Muse ME LLC comprises individuals with extensive experience in asset management, intellectual property, and the café industry. This blend of skills ensures a deep understanding of market dynamics, operational excellence, and strategic asset management.

Alignment with Current Market Trends

The model aligns well with current trends in consumer preferences, which favor unique and innovative café experiences. By providing a framework for café operators to enhance their offerings, Café Muse ME LLC taps into these evolving market trends.

Deal Structure and Terms

Equity Offering

Offering: Café Muse ME LLC is offering 20% of its equity in exchange for a capital investment of $1 million. This investment is aimed at expanding our IP licensing model and scaling our operations.

Valuation Basis: The valuation is based on 36 months of financial projections, with a benchmark Internal Rate of Return (IRR) of 25% by the end of year 3. This valuation reflects both the current operations and the future growth potential of our business.

EBITDA Multiple	Business Valuation year 3	20% Equity	Capital to raise with 25% IRR	IRR with desired capital
x8	$ 8,328,067	$ 1,665,613	$ 852,794	18.54%
x10	$ 10,088,867	$ 2,017,773	$ 1,033,100	26.36%

Capital to raise	Nº of years	Desired share of equity	IRR as benchmark
$ 1,000,000	3	20%	25%

Use of Funds

Expansion and Scaling: The funds will primarily be used to acquire additional IP rights, expand the licensing model to new café operators, and enter new markets in the Mediterranean and Gulf regions.

Operational Enhancements: A portion of the investment will also be allocated towards enhancing our operational capabilities, including marketing, legal, and administrative functions.

Current Operations

Existing Café in Saudi Arabia: We already have a successful café operating in Saudi Arabia under our IP licensing model. This operation serves as a proof of concept and a foundation for our expansion plans.

Exit Strategy Options

Buy Back: Depending on the financial performance, Café Muse ME LLC may offer to buy back the shares at the end of year 3, providing a clear exit opportunity for the investor.

Delayed Income: Alternatively, we could arrange a delayed income agreement, where the investor continues to receive a portion of profits for a specified period post-exit.

Sale to Another Investor or Investment Round: The investor may have the option to sell their shares to another investor or participate in a subsequent investment round, offering an opportunity for liquidity.

Retention for Future Franchise Growth: Investors may also choose to retain their share of capital for future growth, particularly if the franchise model shows promising expansion and increased valuation prospects.

Investor Rights and Protections

Voting Rights: Investors will have voting rights proportional to their shareholding, allowing them to have a say in major business decisions.

Information Rights: Regular financial and operational updates will be provided, ensuring transparency and informed decision-making for the investors.

Risks and Mitigants

Market Acceptance and Adoption

While Café Muse ME LLC has successfully launched its licensing model with a Café MUSE in Saudi Arabia, the broader success across other regions still hinges on the model's acceptance and adoption by additional café operators. There's a possibility that operators in different markets may be hesitant to adopt this new operational framework, especially in markets where the MUSE brand's presence is less established.

Mitigants: To address this risk, Café Muse ME LLC is leveraging the success of our existing café in Saudi Arabia as a proven case study. This operation demonstrates the viability and appeal of the Café MUSE concept, serving as a persuasive example for potential partners. We are also in advanced discussions with the operator for the opening of a second café, indicating growing interest and acceptance of our model.

- **Tailored Market Research:** Conducting in-depth market research specific to each target region to understand local preferences and tailor our approach accordingly.
- **Showcase Pilot Programs:** Implementing pilot programs in new markets as practical demonstrations of the Café MUSE concept's success, reducing the perceived risk for potential operators.
- **Strengthening Industry Relationships:** Continuing to build strong relationships within the café industry through active marketing and networking, establishing Café Muse ME LLC as a trusted and innovative partner.
- **Feedback and Adaptation:** Actively seeking feedback from our first café and incorporating lessons learned into our expansion strategy, ensuring that our offering is continually refined to meet market needs.

Intellectual Property Protection

In a business centered around IP, there's a risk of infringement or replication of our concepts and frameworks by competitors.

Mitigants: We will secure robust intellectual property rights for our concepts and frameworks. This includes registering trademarks, patents (where applicable), and enforcing strict contractual agreements with licensed café operators to protect our IP.

Economic fluctuations

Economic fluctuations, particularly downturns, can subsequently impact the revenues of cafés like those under the Café MUSE brand. Given that our licensing income is tied to the performance of these cafés.

Mitigants: Café Muse ME LLC has strategized several approaches to mitigate this risk, emphasizing the strength and appeal of the MUSE brand in the luxury market:

- **Targeting Resilient Economies:** Focusing on countries with robust economies and high tourism potential, where the luxury sector is less susceptible to economic downturns.
- **Leveraging Brand Power:** Utilizing the strong brand appeal of Café MUSE, which is renowned for its association with fashion and luxury. This positions our Cafés as aspirational destinations, potentially maintaining consumer interest even during economic dips.
- **Asset-Light Model as a Buffer**: Our asset-light licensing model minimizes fixed costs, providing greater financial flexibility and resilience against economic fluctuations.

- **Geographical Diversification:** Expanding our portfolio across diverse geographical locations to spread and mitigate the risk. This includes entering markets with varying economic cycles and different levels of exposure to global economic trends.
- **High-End Market Focus**: Concentrating on the luxury sector, which often exhibits more resilience to economic downturns compared to the broader market. Luxury consumers typically maintain their spending habits even in less favorable economic conditions.

Operational Execution by Café Operators

The success of Café Muse ME LLC's business model is closely linked to the operational performance of our licensed café operators. Inadequate execution of the Café MUSE concept by these operators could potentially undermine the brand's reputation and affect our licensing revenues.

Mitigants: To mitigate this risk, Café Muse ME LLC has instituted a rigorous due diligence process for selecting operators. This process ensures that we partner only with operators who have a demonstrated track record in the F&B industry, particularly in managing high-end, luxury establishments. Our selection criteria focus on their operational capacity, financial stability, and alignment with the Café MUSE brand ethos.

- **In-depth Operator Training:** Providing comprehensive and tailored training programs to operators, ensuring they fully understand and can effectively execute the Café MUSE concept.
- **Continuous Support:** Offering ongoing support and guidance to operators, addressing any operational challenges promptly and maintaining the brand's high standards.
- **Quality and Operational Audits**: Conducting regular audits and performance reviews of the Cafés to monitor adherence to operational standards, customer service quality, and overall brand representation.
- **Feedback Mechanisms:** Establishing clear channels for feedback from operators, enabling us to adapt support and training to their evolving needs.

Financial Outlook

Nº of shops / Openings / valuation metrics

Store	Country	City/Location	Opening Date	Licensing time	Initial One-Time Fee	Total Royalties	2023	2024	2025	2026
1	Saudi_Arabia	Riyadh	May-23	Apr-33	$400,000	$440,000	$80,000	$120,000	$120,000	$120,000
2	Saudi_Arabia	Jeddah	Jun-24	May-34	$150,000	$310,000	$-	$70,000	$120,000	$120,000
3	Qatar	Doha	Oct-24	Sep-34	$400,000	$278,242	$-	$30,752	$122,438	$125,052
4	UAE	Dubai	Nov-24	Oct-34	$400,000	$275,442	$-	$22,121	$125,035	$128,286
5	UAE	Abu Dhabi	Mar-25	Feb-35	$150,000	$231,953	$-	$-	$103,666	$128,286
6	UAE	DXB Airport	May-25	Apr-35	$150,000	$211,733	$-	$-	$83,446	$128,286
7	Kuwait	Kuwait City	Aug-25	Jul-35	$400,000	$172,959	$-	$-	$50,508	$122,450
8	Turkey	Istanbul	Dec-25	Nov-35	$400,000	$130,000	$-	$-	$10,000	$120,000
9	Morocco	Marrakech	Mar-26	Feb-36	$400,000	$100,000	$-	$-	$-	$100,000
10	Egypt	Cairo	Jun-26	May-36	$400,000	$70,399	$-	$-	$-	$70,399
					$ 3,250,000	$2,220,728	$80,000	$242,873	$735,094	$1,162,761

EBITDA Multiple	Business Valuation year 3	20% Equity	Initial investment for 25% IRR	IRR with desired capital
6	$ 6,561,939	$ 1,312,388	$ 671,943	9.48%
8	$ 8,321,217	$ 1,664,243	$ 852,093	18.51%
10	$ 10,080,495	$ 2,016,099	$ 1,032,243	26.33%

Capital to raise	Nº of years	Desired share of equity	IRR as benchmark
$ 1,000,000	3	20%	25%

Notes:

- *For the Business valuation we have used EBITDA x Selected multiple +Net Debt Position (Cash – Liabilities)*
- *We have selected 25% as IRR benchmark considering the common standards for series A funding and 3 years benchmark for exit*

P&L

P&L			
Revenue	Dec-24	Dec-25	Dec-26
Deferred Revenue Recognition	$ 65,417	$ 177,500	$ 301,667
Revenue from Shops	$ 242,873	$ 735,094	$ 1,163,538
Total Revenue	$ 308,289	$ 912,594	$ 1,465,204
Total COGS	$ 60,000	$ 110,000	$ 147,000
Total Operating Expenses	$ 281,166	$ 365,252	$ 437,804
EBITDA	$ (32,876)	$ 437,342	$ 880,400
EBITDA margin	-11%	48%	60%
CASHFLOW			
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Net cashflow from operating activities	$ (98,293)	$ 259,842	$ 578,733
Cash coming from New Openings	$ 950,000	$ 1,100,000	$ 800,000
Cash Balance Ending	$ 1,251,707	$ 2,611,549	$ 3,990,283
BALANCE SHEET			
	Dec-24	Dec-25	Dec-26
ASSETS			
FIXED ASSETS			
IP License	$ 500,000	$ 500,000	$ 500,000
CURRENT ASSETS			
Cash	$ 1,251,707	$ 2,611,549	$ 3,990,283
TOTAL ASSETS	$ 1,751,707	$ 3,111,549	$ 4,490,283
LIABILITIES			
Credit Deferred Revenue	$ 1,284,583	$ 2,207,083	$ 2,705,417
TOTAL LIABILITIES	$ 1,284,583	$ 2,207,083	$ 2,705,417
EQUITY			
Owner's share capital	$ 500,000	$ 500,000	$ 500,000
Profit and Loss Account	$ (32,876)	$ 437,342	$ 880,400
Prior Periods' Retained Earnings		$ (32,876)	$ 404,466
TOTAL EQUITY	$ 467,124	$ 904,466	$ 1,784,866
TOTAL EQUITY & LIABILITIES	$ 1,751,707	$ 3,111,549	$ 4,490,283

Country Sales & Assumptions

Saudi Arabia (Baseline: 100%)
Economic Profile: Saudi Arabia has a large population and a growing economy, but consumer spending patterns can be conservative due to cultural factors. **Market Size:** The size of the market in Riyadh might be larger compared to major cities in Qatar and UAE, impacting sales.

Qatar
Economic Profile: Qatar has a high GDP per capita, indicating a potentially higher consumer spending power. **Market Size:** The population is smaller than Saudi Arabia, which could limit the total market size. **Consumer Behavior:** Qatar has a significant expatriate community, which might influence café culture and spending habits. **Estimated % for Qatar:** 120-130% **Rationale:** Higher GDP per capita and potential for higher average spend per customer, offset by a smaller overall market size.

UAE (particularly Dubai and Abu Dhabi)
Economic Profile: Similar to Qatar, UAE has a high GDP per capita. Dubai and Abu Dhabi are major tourist and expatriate hubs. **Market Size:** Larger than Qatar, with a diverse international community and a strong café culture. **Consumer Behavior:** High levels of tourism and an international population could lead to diverse and potentially higher spending in cafés. **Estimated % for UAE:** 135% **Rationale**: Larger market size with significant tourism and expatriate presence, contributing to potentially higher sales, despite competition.

Kuwait
Economic Profile: Kuwait has a high GDP per capita, largely due to its oil wealth. The economy is less diversified compared to UAE or Qatar. **Market Size**: Kuwait has a smaller population compared to Saudi Arabia, which may limit market size. However, it has a substantial middle and upper-class population. **Consumer Behavior**: Kuwaitis enjoy a relatively high standard of living. There is a significant presence of Western-style consumerism. **Estimated % for Kuwait:** 110-115% **Rationale:** High GDP per capita and a strong consumer culture are positives, but the smaller population size limits total market potential.

Turkey
Economic Profile: Turkey has a larger population and a diverse economy. However, the GDP per capita is lower than the Gulf countries. **Market Size:** Large population with significant urban centers like Istanbul and Ankara. **Consumer Behavior:** Turkish people have a rich café culture. The country also attracts many tourists, especially in cities like Istanbul. **Estimated % for Turkey**: 105-110% **Rationale:** The large population and established café culture are positives, but lower GDP per capita might mean lower average spending per customer.

Morocco
Economic Profile: Morocco has a growing economy but lower GDP per capita compared to Gulf countries. Tourism is a significant sector. **Market Size:** A large population, but overall spending power is lower. **Consumer Behavior:** There is a traditional café culture, and the country sees a good number of tourists, especially in cities like Marrakech and Casablanca. **Estimated % for Morocco:** 90-95% **Rationale:** Strong café culture and tourism are positive, but lower GDP per capita and overall economic development could limit spending.

Egypt
Economic Profile: Egypt has a diversified economy with sectors such as agriculture, tourism, and services. The GDP per capita is modest compared to Gulf countries. **Market Size:** A large population that can provide a substantial consumer base but with a generally lower spending capability. **Consumer Behavior:** Egypt has a strong traditional café culture with a growing segment interested in luxury establishments, especially in urban areas and among tourists. **Estimated % for Egypt**: 85-90% for a luxury coffee and brunch shop. **Rationale:** The large population and significant tourism sector support the market, but the lower GDP per capita means the luxury segment is a smaller niche compared to the Gulf baseline.

Seasonality Calendar

Seasonality Calendar for Gulf Countries		
Month	**% Sales**	**Comments on Seasonality**
January	120%	Cooler weather, post-holiday tourism
February	110%	Cool weather, regular tourist activity
March	110%	End of cool season, local tourism before Ramadan
April	90%	Possible impact of Ramadan, evening sales may increase
May	80%	End of Ramadan, Eid celebrations, fluctuating patterns
June	75%	Start of extreme heat, likely dip in day-time foot traffic
July	70%	Peak of hot season, lowest foot traffic
August	75%	Continuation of extreme heat, slight recovery due to vacations
September	100%	Start of school season, moderate climate
October	110%	Cooling down, start of peak season for tourism
November	120%	Pleasant climate, high tourist activity
December	130%	Year-end holidays, peak tourism and spending

Seasonality Calendar for Mediterranean Sea Countries		
Month	**% Sales**	**Comments on Seasonality**
January	110%	Cooler weather, but less extreme; steady tourist activity
February	100%	Cool weather continues; moderate tourist activity
March	110%	Beginning of spring; increase in local and regional tourism
April	120%	Spring season; peak in tourist activity before hot months
May	110%	Pleasant weather; high tourist activity continues
June	100%	Beginning of warm season; start of domestic tourism
July	90%	Hot weather; some decline in day-time tourism
August	90%	Peak of summer; holiday season for locals and Europeans
September	110%	End of hot season; revival of tourism
October	120%	Pleasant autumn weather; high tourist activity
November	100%	Cooler weather; moderate tourist activity
December	120%	Holiday season; increase in end-of-year tourism and spending

Economic growth and sales baselines

Table: Economic and F&B Sector Growth (Estimates)				
Country	GDP Growth (2018-2023)	GDP Projection (2023-28)	F&B Growth 2018-2023	F&B Growth 2023-28
Saudi Arabia	2.8%	3.5%	6.0%	5.0%
Qatar	2.4%	3.0%	7.0%	6.0%
UAE	3.3%	2.5%	5.0%	5.0%
Kuwait	0.5%	2.5%	7.5%	8.5%
Turkey	4.5%	4.2%	4.9%	5.9%
Morocco	1.6%	3.2%	4.8%	5.8%
Egypt	4.7%	4.0%	12.1%	14.8%

	Baseline %	Year 0	Year 1	Year 2	Year 3
Saudi Arabia	100%	$ 104,036	$109,238	$ 114,700	$120,435
Qatar	125%	$ 130,045	$137,848	$ 146,119	$154,886
UAE	135%	$ 140,449	$147,471	$ 154,845	$162,587
Kuwait	110%	$ 114,440	$124,167	$ 134,721	$146,172
Turkey	105%	$ 109,238	$115,628	$ 122,392	$129,552
Morocco	95%	$ 98,834	$104,557	$ 110,611	$117,015
Egypt	90%	$93,632	$107,490	$123,399	$141,661

Sales x Café example: Saudi Arabia

Saudi_Arabia								
Ver.	Period	Year	Season	%	USD Sales	Royalty	To 10K	Total Royalty
Actual	May-23	Year 0	Low	80%	$ 105,971	$6,358	$3,642	$ 10,000
Actual	Jun-23	Year 0	Low	75%	$ 123,595	$7,416	$2,584	$ 10,000
Actual	Jul-23	Year 0	Low	70%	$ 129,208	$7,752	$2,248	$ 10,000
Actual	Aug-23	Year 0	Low	75%	$ 133,796	$8,028	$1,972	$ 10,000
Actual	Sep-23	Year 0	Medium	100%	$ 104,036	$6,242	$3,758	$ 10,000
Actual	Oct-23	Year 0	Medium	110%	$ 111,073	$6,664	$3,336	$ 10,000
Forecast	Nov-23	Year 0	High	120%	$ 124,843	$7,491	$2,509	$ 10,000
Forecast	Dec-23	Year 0	High	130%	$ 135,247	$8,115	$1,885	$ 10,000
Forecast	Jan-24	Year 1	High	120%	$ 131,085	$7,865	$2,135	$ 10,000
Forecast	Feb-24	Year 1	Medium	110%	$ 120,162	$7,210	$2,790	$ 10,000
Forecast	Mar-24	Year 1	Medium	110%	$ 120,162	$7,210	$2,790	$ 10,000
Forecast	Apr-24	Year 1	Medium	90%	$ 98,314	$5,899	$4,101	$ 10,000
Forecast	May-24	Year 1	Low	80%	$ 87,390	$5,243	$4,757	$ 10,000
Forecast	Jun-24	Year 1	Low	75%	$ 81,928	$4,916	$5,084	$ 10,000
Forecast	Jul-24	Year 1	Low	70%	$ 76,466	$4,588	$5,412	$ 10,000
Forecast	Aug-24	Year 1	Low	75%	$ 81,928	$4,916	$5,084	$ 10,000
Forecast	Sep-24	Year 1	Medium	100%	$ 109,238	$6,554	$3,446	$ 10,000
Forecast	Oct-24	Year 1	Medium	110%	$ 120,162	$7,210	$2,790	$ 10,000
Forecast	Nov-24	Year 1	High	120%	$ 131,085	$7,865	$2,135	$ 10,000
Forecast	Dec-24	Year 1	High	130%	$ 142,009	$8,521	$1,479	$ 10,000
Forecast	Jan-25	Year 2	High	120%	$ 137,640	$8,258	$1,742	$ 10,000
Forecast	Feb-25	Year 2	Medium	110%	$ 126,170	$7,570	$2,430	$ 10,000
Forecast	Mar-25	Year 2	Medium	110%	$ 126,170	$7,570	$2,430	$ 10,000
Forecast	Apr-25	Year 2	Medium	90%	$ 103,230	$6,194	$3,806	$ 10,000
Forecast	May-25	Year 2	Low	80%	$ 91,760	$5,506	$4,494	$ 10,000
Forecast	Jun-25	Year 2	Low	75%	$ 86,025	$5,161	$4,839	$ 10,000
Forecast	Jul-25	Year 2	Low	70%	$ 80,290	$4,817	$5,183	$ 10,000
Forecast	Aug-25	Year 2	Low	75%	$ 86,025	$5,161	$4,839	$ 10,000
Forecast	Sep-25	Year 2	Medium	100%	$ 114,700	$6,882	$3,118	$ 10,000
Forecast	Oct-25	Year 2	Medium	110%	$ 126,170	$7,570	$2,430	$ 10,000
Forecast	Nov-25	Year 2	High	120%	$ 137,640	$8,258	$1,742	$ 10,000
Forecast	Dec-25	Year 2	High	130%	$ 149,110	$8,947	$1,053	$ 10,000
Forecast	Jan-26	Year 3	High	120%	$ 144,522	$8,671	$1,329	$ 10,000
Forecast	Feb-26	Year 3	Medium	110%	$ 132,478	$7,949	$2,051	$ 10,000
Forecast	Mar-26	Year 3	Medium	110%	$ 132,478	$7,949	$2,051	$ 10,000
Forecast	Apr-26	Year 3	Medium	90%	$ 108,391	$6,503	$3,497	$ 10,000
Forecast	May-26	Year 3	Low	80%	$ 96,348	$5,781	$4,219	$ 10,000
Forecast	Jun-26	Year 3	Low	75%	$ 90,326	$5,420	$4,580	$ 10,000
Forecast	Jul-26	Year 3	Low	70%	$ 84,304	$5,058	$4,942	$ 10,000
Forecast	Aug-26	Year 3	Low	75%	$ 90,326	$5,420	$4,580	$ 10,000
Forecast	Sep-26	Year 3	Medium	100%	$ 120,435	$7,226	$2,774	$ 10,000
Forecast	Oct-26	Year 3	Medium	110%	$ 132,478	$7,949	$2,051	$ 10,000
Forecast	Nov-26	Year 3	High	120%	$ 144,522	$8,671	$1,329	$ 10,000
Forecast	Dec-26	Year 3	High	130%	$ 156,565	$9,394	$ 606	$ 10,000