

November 2024

The Republic of Everyone

Valuation

**THE
REPUBLIC OF
EVERYONE**



NEVER AT THE EXPENSE OF OTHERS

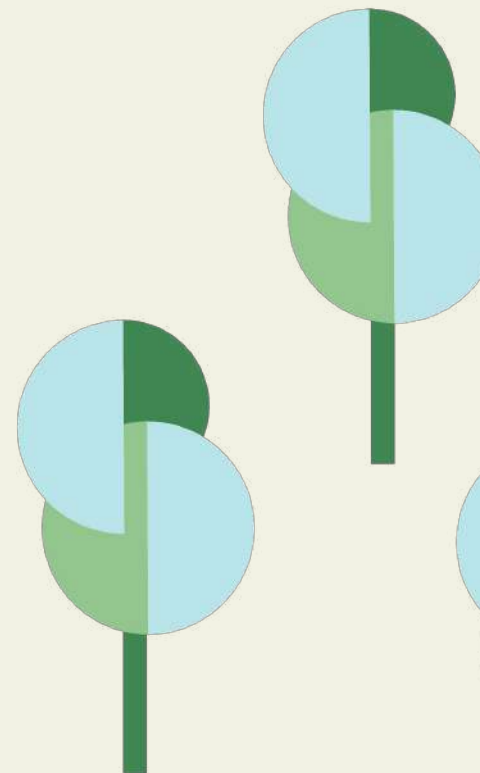
Pre-money valuation of equity

(value of equity before issue of new capital)

€7.5 million

Company information

Name	The Republic of Everyone Coöperatie U.A.
Founded	2022
Contact	hello@therepublicofeveryone.com
Description	The Republic of Everyone is a Netherlands-based cooperative whose subsidiaries own and operate coffee plantations and roasting facilities in Kenya and Ethiopia. The company supplies roasted coffee beans and green beans to European coffee companies closely affiliated with the cooperative. Its mission is to create a fully integrated plantation-to-end-customer supply chain under a FairChain model.



Summary

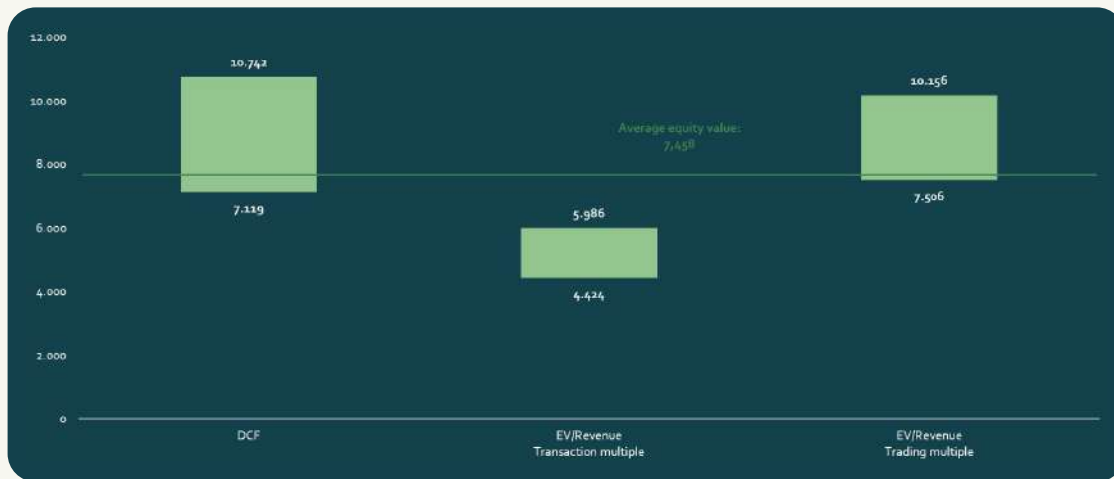
The **enterprise valuation** of The Republic of Everyone has been set at **€8.0 million** based on the discounted cash flow method. Additionally, multiples from comparable acquisitions in the coffee sector or plantations have been applied to The Republic's revenue, as well as multiples derived from market valuations of companies in the same sector.

The enterprise value has been adjusted for outstanding **net debt of €0.5 million**. This brings the **equity value** before the issuance of new capital to **€7.5 million**. The valuation date for this report is 31/12/2024.

Multiples The Republic of Everyone

Year	2023	2024	2025	2026
EV/Sales	5.55x	3.88x	2.28x	1.66x
EV/EBITDA	26.64x	36.38x	31.52x	11.91x
EV/EBIT	36.03x	65.23x	65.27x	14.54x

Valuations (x €1,000.-)



enterprise value

€8.0 million

pre-money equity value

€7.5 million

net debt (31/12/2024)

€0.5 million

Forecast & Visualisation

Financials

Profit and loss statement - History and short-term prognosis (-4 up to +3 years)

Consolidated profit and loss accounts (x €1,000.-)

Source: Republic of Everyone (2024)

Year	2021	2022	2023	2024	2025	2026	2027
Revenue Kenya	65	514	1,032	1,286	2,421	3,313	4,278
Revenue Ethiopia	478	620	406	769	1,072	1,483	2,134
Total revenue	543	1,134	1,438	2,055	3,493	4,796	6,412
Costs of goods sold	354	974	918	1,484	2,787	3,521	4,675
Gross profit	188	160	521	572	706	1,275	1,736
Team costs	85	94	107	150	191	258	334
Housing and offices	4	3	2	45	64	87	113
Marketing	6	2	18	17	44	61	80
General expenses	101	96	94	140	154	198	247
EBITDA	-8	-35	299	219	253	670	963
Depreciation	109	66	78	97	131	121	113
EBIT	-117	-100	221	122	122	549	850
Interest	8	18	49	73	34	34	34
Taxes	0	0	0	5	17	152	245
Net profit	-125	-118	172	44	71	363	571

Historically, The Republic established a profitable coffee plantation in Ethiopia's Mizan region with stable revenue. As of 2024, The Republic has acquired a rapidly growing coffee plantation and roastery in Kenya, whose revenues have surpassed those of Ethiopia's within three years. However, this growth comes with an increased level of operational expense. From 2023 onward, both businesses are expected to operate profitably and continue growing into the future.

In the short term, the Kenyan subsidiary is expected to experience increasingly higher growth, while Ethiopia will continue with steady growth margins. Additionally, due to higher volumes and revenue growth, investments in supplies and fixed assets are crucial to realizing the forecasted short-term growth while helping to create a stable company for the future.

Financials

Profit and loss statement - Long term prognosis (+4 up to +10 years)

Consolidated profit and loss accounts (x €1,000.-)

Source: Republic of Everyone (2024)

Year	2028	2029	2030	2031	2032	2033	2034
Revenue Kenya	5,580	7,202	7,274	7,347	7,420	7,494	7,569
Revenue Ethiopia	2,757	3,138	4,710	5,160	5,566	6,135	6,642
Total revenue	8,336	10,340	11,984	12,507	12,986	13,629	14,211
Costs of goods sold	6,060	7,457	8,718	9,029	9,354	9,691	10,042
Gross profit	2,277	2,883	3,266	3,477	3,632	3,938	4,169
Team costs	435	563	615	680	711	721	734
Housing and offices	147	189	191	189	189	189	189
Marketing	106	140	153	171	198	237	296
General expenses	311	392	397	403	409	415	422
EBITDA	1,277	1,599	1,910	2,034	2,125	2,374	2,527
Depreciation	111	107	105	104	103	103	102
EBIT	1,166	1,492	1,805	1,930	2,022	2,272	2,424
Interest	34	34	34	34	34	34	34
Taxes	437	437	532	569	596	671	717
Net profit	2,225	1,021	1,240	1,327	1,392	1,567	1,673

In the long run, after three years, both subsidiaries are expected to reach a stable state, as there is a finite amount of plantation land and production capacity that the current forecasted investments can support. At this point, increasing profits will no longer be driven by growing revenues, but will instead result from cost optimization and improved efficiency.

Both entities within The Republic are expected to maintain a consistent debt structure, with investments in working capital (supplies) and property, plant, and equipment stabilizing, as only maintenance investments will be needed. It is during this phase that The Republic will achieve a steady and optimal cash flow-generating business.

Visualisation

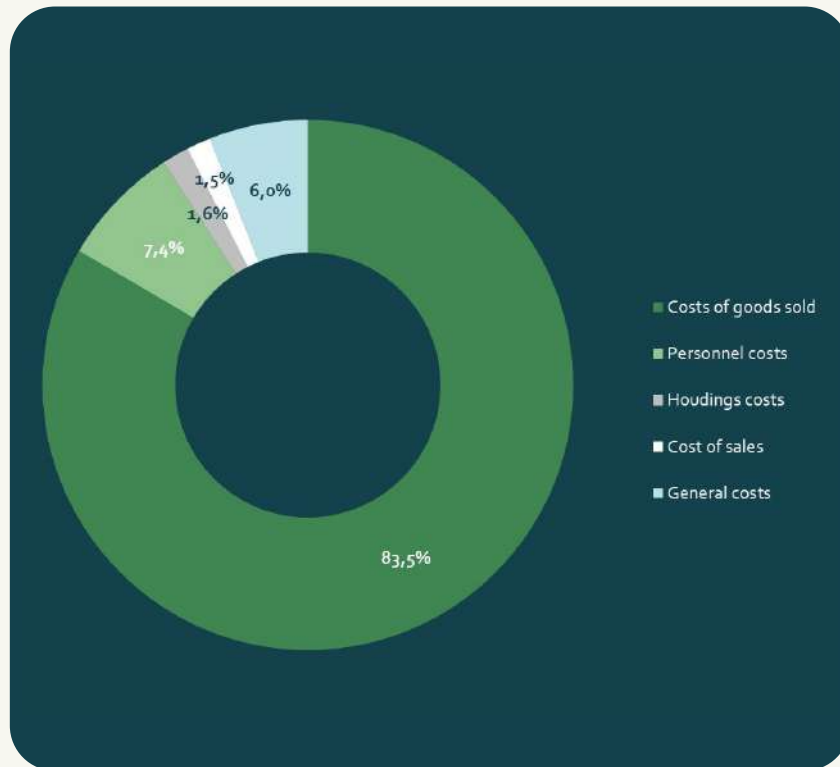
Revenues (x €1.000,-) | Short term



Revenues (x €1.000,-) | Long term

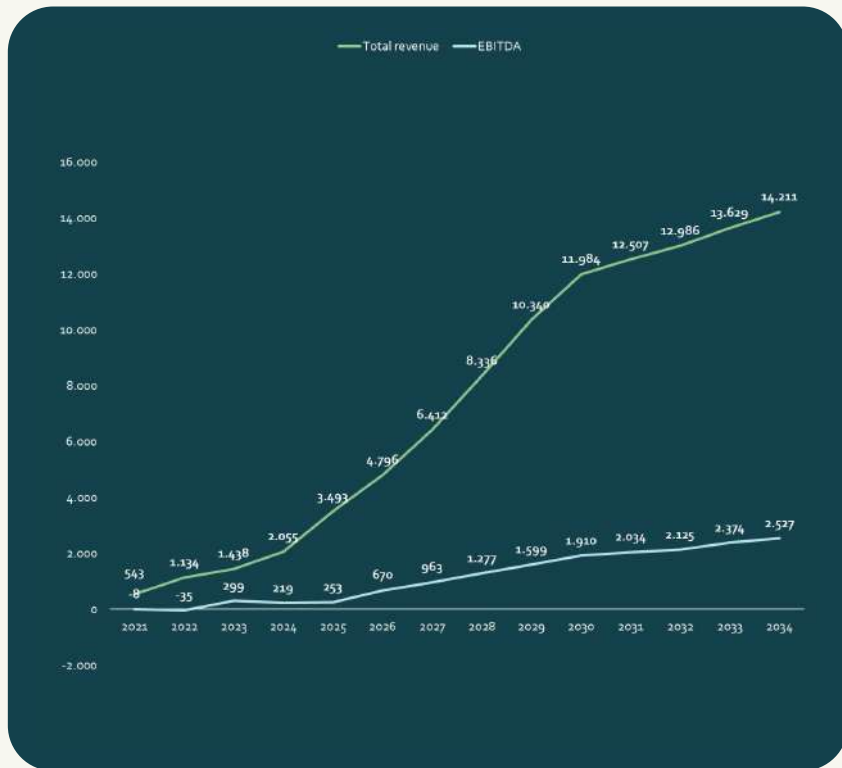


Breakdown of operational costs

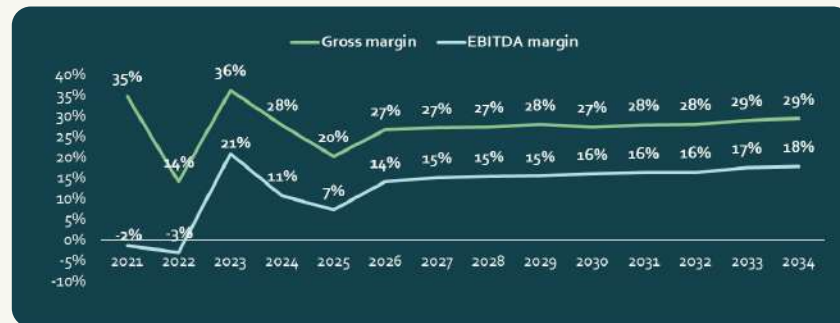


Visualisation

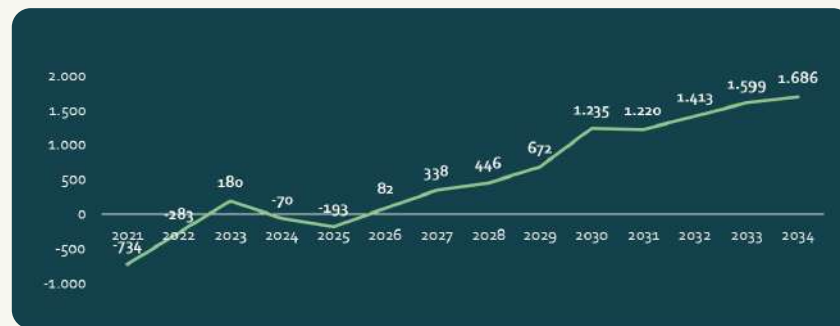
Revenue and EBITDA (x €1.000,-)



Gross margin & EBITDA margin



Free Cash Flow (x €1.000,-)



Discounted free cash flow

DCF valuation

Weighted average cost of capital

The WACC (Weighted Average Cost of Capital) is a financial measure used in business valuation. It represents the average return that a company must provide to its investors for both equity and debt, in order to cover financing costs and generate value for shareholders.

WACC	
Weighted average costs of capital (WACC)	12.72%
Long term growth rate (LTG)	2.00%

Cost of equity	
Market risk premium	5.00%
Risk free rate	2.59%
Tax rate	30.00%
Unlevered beta	0.77
Levered beta	0.99
Country risk premium	10.73%
Liquidity risk premium	5.50%
Cost of equity	23.77%

Cost of debt	
Average interest on long-term debt	5.38%
Tax rate	30.00%
After tax cost of debt	3.76%

Equity 44.78%

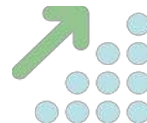
Debt 55.22%

DCF valuation

10-year discounted free cash flow

The DCF method calculates value based on expected future returns to equity providers (free cash flows). Cash flows have less weight as the future progresses due to the increasing uncertainty of these cash flows.

Assumptions



12.72%
required return (WACC)

2.00%
Long term-growth (LTG)

Discounted free cash flows (x €1,000.-)

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TY
NOPAT	105	396	605	827	1,054	1,274	1,361	1,425	1,600	1,707	
Depreciation	131	121	113	111	107	105	104	103	103	102	
CAPEX	355	278	98	105	41	81	83	84	87	90	
ΔNWC	74	158	283	386	448	62	162	31	17	34	
Free cash flow	-193	82	338	446	672	1,235	1,220	1,413	1,599	1,686	16,042
<i>Discount factor</i>	<i>0,94</i>	<i>0,84</i>	<i>0,74</i>	<i>0,66</i>	<i>0,58</i>	<i>0,52</i>	<i>0,46</i>	<i>0,41</i>	<i>0,36</i>	<i>0,32</i>	<i>0,32</i>
Discounted free cash flow	-182	69	250	293	392	639	560	576	578	541	5,143
Enterprise value	8,859										
Net debt (31/12/2024)	521										
Equity value	8,337										

DCF valuation

Sensitivity analysis

Sensitivity analysis (x €1,000.-)

WACC/LTG	1.00%	1.50%	2.00%	2.50%	3.00%
11.50%	9,244	9,563	9,915	10,305	10,742
12.00%	8,634	8,913	9,219	9,558	9,934
12.72%	7,853	8,084	8,337	8,615	8,922
13.00%	7,578	7,794	8,030	8,288	8,573
13.50%	7,119	7,310	7,518	7,746	7,994

Low
(WACC @13.50% / LTG @1.00%)

Mid
(WACC @12.72% / LTG @2.00%)

High
(WACC @11.50% / LTG @3.00%)



Comparables & Multiples

Comparables - Transaction multiples

Non-listed companies

Comparable private companies

Sources: Daily Coffee News (2023), Forbes (2023), Intelligence Coffee (2023), Palm Oil Analytics (2021), Farmers Direct (2023), Growjo (2023), Boustead Plantations (2022), KLSE Screener (2023)

Company	Buyer	Description	Country	Funding / Takeover
La Colombe Coffee	Chobani	La Colombe is an American coffee roaster and retailer, founded in 1994 and based in Philadelphia. The company is known for its high-quality coffee products and operates several cafes in cities such as New York, Chicago, Boston, and Washington D.C. In 2023, La Colombe was acquired by Chobani for \$900 million.	United States	Takeover (2023)
Boustead Plantations	Kuala Lumpur Kepong	Boustead Plantations is a Malaysian company focused on the cultivation and production of palm oil. The company manages significant agricultural land and is one of the leading palm oil producers in Malaysia.	Malaysia	Takeover (2023)
Club Coffee L.P.	Olam Food Ingredients	Club Coffee is a Canadian coffee roaster and packager, established in 1906. The company provides a wide range of coffee products, including single-serve pods and ground coffee, to retailers and foodservice companies across North America.	Canada	Takeover (2022)
The Green Coffee Company	Several Investors	The Green Coffee Company is a Colombian coffee enterprise focused on sustainable coffee production. The company operates multiple coffee farms in Colombia and is committed to environmentally friendly and socially responsible farming practices.	United States/Colombia	Funding (2023)
TSH Resources	PT Kalimantan Industrial	TSH Resources is a Malaysian agribusiness with diverse operations, including palm oil production and wood processing. The company owns and manages plantations in Malaysia and Indonesia.	Indonesia	Takeover (2021)
Farmers Direct	Crowd (Eyevestor)	Farmersdirect is a platform that connects consumers directly with local farmers, enabling the purchase of fresh produce. The platform aims to support local agriculture and provide fresh, sustainable products to consumers.	The Netherlands	Funding (2023)

Comparables - Transaction multiples

Non-listed companies

EV/Sales multiple

2.79x

Comparable companies and estimates (x €1,000.-)

Sources: Daily Coffee News (2023), Forbes (2023), Intelligence Coffee (2023), Palm Oil Analytics (2021), Farmers Direct (2023), Growjo (2023), Boustead Plantations (2022), KLSE Screener (2023)

	La Colombe Coffee	Boustead Plantations	Club Coffee L.P.	The Green Coffee Company	TSH Resources	Farmers Direct	Median	The Republic of Everyone (2024)
Revenue	187,496	252,000	109,296	9,200	18,900	7,906	64,098	2,055
Valuation	828,000	709,650	100,740	92,000	52,080	9,230	96,370	7,979
<i>Farmlands</i>	✗	✓	✗	✓	✓	✓		✓
<i>Coffee Sector</i>	✓	✗	✓	✓	✗	✓		✓
<i>Coffee belt location</i>	✗	✓	✗	✓	✓	✓		✓
EV/Sales multiple	4.42x	2.82x	0.92x	10.00x	2.76x	1.17x	2.79x	3.88x

Comparables - Transaction multiples

Listed companies

Comparable public companies

Source: Comparables.ai (2024), Yahoo Finance (2024), LinkedIn (2024)

Company	Description	Country	FTE
CCL Products Ltd	Based in India, CCL Products is a global leader in instant coffee production, supplying coffee to retail brands, private labels, and wholesale markets. The company specializes in providing both bulk and consumer-ready coffee products worldwide.	India	999
Taiwan Tea Corp	Taiwan Tea Corp is a major producer of premium teas, offering both loose leaf and bagged tea varieties. It serves both domestic and international markets through retail outlets and distributors, focusing on quality and sustainability in tea production.	Taiwan	237
Key Coffee Inc	Key Coffee is a renowned Japanese brand known for its high-quality coffee beans and blends, including ground and instant coffee. The company distributes its products through cafes, retail stores, and online platforms, both domestically and internationally.	Japan	940
PT Multi Agro Gemilang Plantation Tbk	PT Multi Agro Gemilang Plantationspecializes in the cultivation and processing of coffee and other crops, serving both local and international markets. It focuses on sustainable practices and wholesale distribution of its coffee beans.	Indonesia	841
Salada Foods Jamaica Ltd	Based in Jamaica, Salada Foods produces instant coffee and tea, using locally sourced ingredients. Its products are mainly sold in the Caribbean and exported to international markets, reflecting the island's rich beverage heritage.	Jamaica	37
Baristas Coffee Co Inc	Baristas Coffee is a U.S.-based specialty coffee company known for its premium blends. It offers products through cafes, e-commerce platforms, and retail stores, catering to coffee enthusiasts with high-quality offerings.	United States	30

Comparables - Transaction multiples

Listed companies

EV/Sales multiple

4.55x

Comparable companies and last estimates (x €1,000.-)

Source: Comparables.ai (14-11-2024)

	CCL Products Ltd	Taiwan Tea Corp	Key Coffee Inc	PT Multi Agro Plantation Tbk	Salada Foods Jamaica Ltd	Baristas Coffee Co Inc	Median	The Republic of Everyone (2024)
Revenue	326,947	11,179	471,667	9,400	9,368	500	10,289	2,055
EBITDA	56,217	-2,200	6,403	-9,300	1,874	414	1,144	219
Market Cap	1,037,500	468,800	262,600	30,200	20,200	1,950	146,400	7,458
<i>Farmlands</i>	✓	✓	✓	✓	✓	✓		✓
<i>Coffee Sector</i>	✓	✗	✓	✗	✓	✓		✓
<i>Coffee belt location</i>	✓	✓	✗	✓	✓	✓		✓
EV/Sales-multiple	3.80x	54.80x	0.60x	5.99x	1.90x	5.30x	4.55x	3.88x

Multiple valuation

Calculations

Multiple of acquisition companies (Transaction)

Enterprise value/Revenue-multiple (EV/Revenue) 2.79x

Multiple of listed companies (Trading)

Enterprise value/Revenue-multiple (EV/Revenue) 4.55x

Financials (x €1,000.-)	2024
Revenue	2.055
Net debt	521

Business valuation using multiples is a common method of determining the value of a business by comparison with similar companies (comparables). Multiples are ratios that reflect the valuation of a company in relation to specific financial measures, such as revenue or EBITDA. The median or average of these multiples, derived from a comparable group of companies, is applied to the financial data of the company to be valued. This is how the market value is determined.



Revenue or EBITDA x Multiple - Debt = Equity value

Low (-15%)

Medium

High (+15%)

Transaction
EV/Revenue

€4,424,000.-

€5,205,000.-

€5,986,000.-

Low (-15%)

Medium

High (+15%)

Trading
EV/Revenue

€7,506,000.-

€8,831,000.-

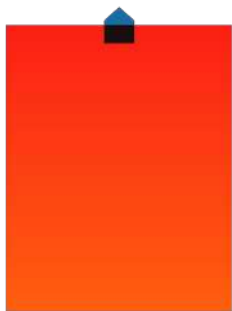
€10,156,000.-

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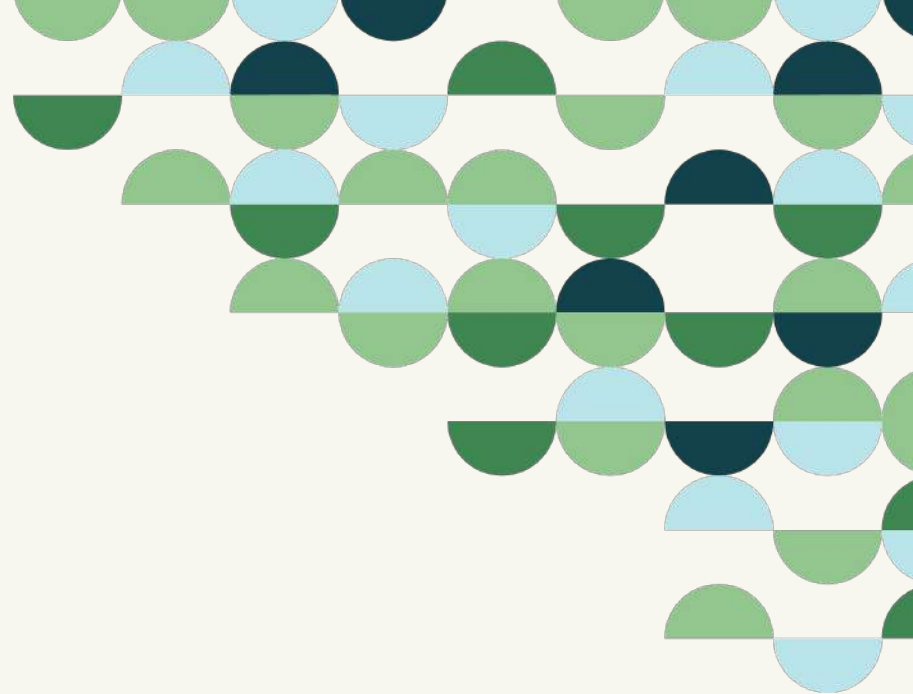
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