



# **BUSINESS PLAN**

Boquete Coffee Estate

[www.boquetecoffeeestate.com](http://www.boquetecoffeeestate.com)

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# EXECUTIVE SUMMARY

## Business Opportunity

**Boquete Coffee Estate** is a company formed from a group of coffee professionals and business experts, who have come together to seize on a market opportunity to cultivate the **Specialty Panama Geisha** coffee beans in Boquete, Panama.

Geisha Coffee from Panama has a growing demand worldwide and a very limited supply that will face continued restriction due to the limitation of available land. We have identified a unique parcel of land that is perfectly suited for the production of this high value, full flavored, Geisha Coffee.

We have assembled a high-performance team to seize on this opportunity and bring the proposed coffee plantation to maturity in a profitable manner.

Wilber Lamastus has produced some of the best geisha coffee in the world for the last 2 years. He comes from a family who has been in the Panama coffee industry for over 100 years.

The Hartmann family own and manage coffee farms in Panama which have consistently produced some of the best coffees. They also bring over 100 years of experience in the Panama Coffee industry.

By identifying a unique parcel of land, and securing the involvement of Panama coffee experts, we believe that we have secured a winning investment opportunity.

**The Boquete Coffee Estate** has been formed as a corporation and structured to maximize investor security and overall ROI. We will develop this land in order to bring world class Green Geisha Coffee Beans to market, and secure returns for our investors.

We will also develop some of the land purchased into a resort to take advantage of the natural beauty of the region, and the interest of coffee lovers looking to combine travel with their passion for coffee.



# MISSION STATEMENT

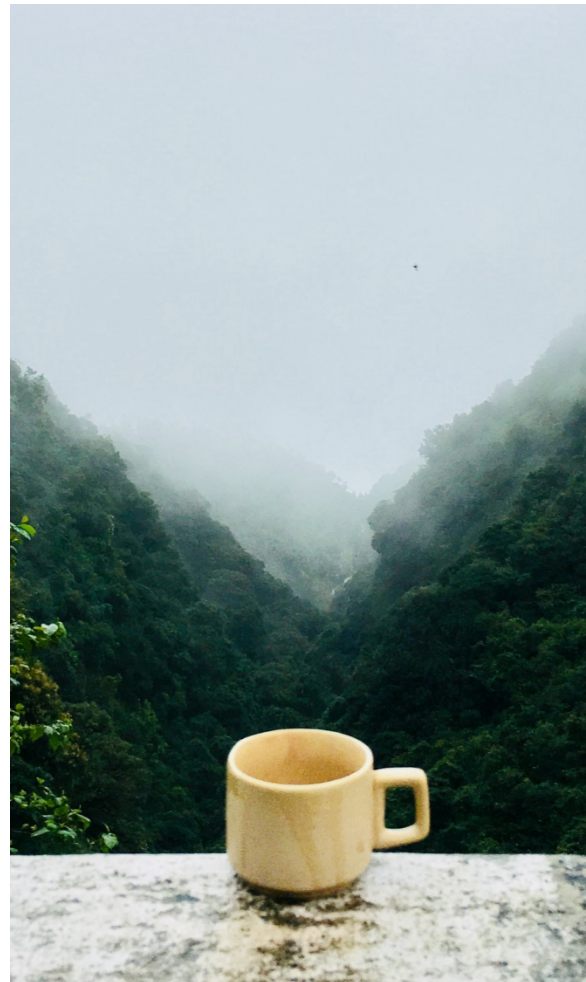
Boquete Coffee Estate believes in taking its coffee and its resort to the next level by providing a world class, exquisite Panama Geisha coffee and coffee resort experience. We will focus on the production of high-end specialty coffee known as Panama Geisha coffee,

Our philosophy is to lead the specialty coffee industry by embracing the new, reinventing the old, and preserving the coffee culture and its traditions.

Our commitment is to maintain the highest standards in quality, service, cleanliness and trustworthy business practices. We will be monitoring every stage of its coffee production process to its eventual delivery.

Everything is created with intention and balance. We honor nature and our relationship with the environment, we carefully plan and select the layout of the farm, the workers for planting and farming, and processing, up through delivery to our client's door.

The Boquete Coffee Estate resort and coffee house will offer a premium resort experience, with emphasis on the principles of quality and sustainability, to ensure our guests can enjoy the exquisite natural surroundings of our private nature reserve and coffee farm.



# INVESTMENT TARGET

Total investment opportunity will be \$5.5 million. Investors will own common shares of Boquete Coffee Estate, which will have 100% ownership of the land, and all infrastructure for a world class coffee estate. This funding will cover all costs related to purchasing assets and land, developing land, operating and management costs necessary to bring the production of coffee to maturity. We project that revenues will begin in the fourth year, and climb as production increases, allowing us to reward investors from the profits generated by operations.

Profits for the investors are projected to start at 10% to 12% return on the initial investment after the 5th year, with significant upside potential. Once built and in operation, the farm is projected to have an asset value significantly higher than the total investment.



# CRITICAL SUCCESS FACTORS

**Boquete Coffee Estate** has identified the four keys that will be instrumental to its success.

The first key to success is securing a unique parcel of land required to grow Geisha coffee. While Geisha coffee can be grown in a broader set of locations, the top flavors and quality come from a very unique and specific setting involving weather, elevation and soil qualities. We have the perfect land to produce the perfect cup of coffee and attract the highest price for our product.

The second key is the team of passionate, top coffee producers. Proven experience growing world class Geisha coffee requires specialized skill far beyond the production of commodity coffee. We have been able to bring a top coffee team in the world together on this land. Both will be involved in the creation of the farm, from the first planning stages, through all the development stages of the

project, the final production and introduction of the coffee to the world.

The third key is having control of the processing of the coffee to ensure it is processed to bring out the best flavor possible. We will provide our own on-site processing plant designed specifically for processing specialty coffee. It will be designed and run by our top team of world class coffee producers. This allows us to have full control of the process until the dried green coffee is shipped. This also provides us with a low-cost benefit due to vertical integration of production in house.

The fourth key is a team of seasoned businesspeople with experience in real estate, agro-forestry, construction, marketing and doing business in Panama.

These four critical keys are in place, and ready to be brought to fruition using the investment funds.

# GUIDING PRINCIPLES

We have implemented the following guiding principles as fundamental beliefs to guide the execution of this business plan.

**Knowledge and skills:** We believe in bringing together the top people from different sectors, with the knowledge, skills and experience to satisfy the business needs. We have brought together the talent required for planning, growing, harvesting, processing, selection, sales, as well as construction and management for the resorts. The team is involved in all aspects of the project for a fully integrated coffee production farm and resort.

**Evaluation:** We believe in using our resources as efficiently and sustainably as possible, sharing experiences and working with others to maximize opportunities. By developing a coffee estate resort, coffee house, coffee processing facility and marketing team, Boquete Coffee Estate is more than just a coffee farm. We will be listening and working in all aspects of the coffee industry, which will allow us to see opportunities and changes in the industry, and thus, evaluate the effects they will have on our farm.

This way we can adapt to ensure the business continually evolves and improves, in order to remain leaders in the industry.

**Involvement:** We believe that we



need to collaborate with other companies, continually improve our professional practice and thinking, and work with local community groups to identify opportunities. We believe in preserving the environment and helping the local communities. Our holistic approach to the coffee farm will keep us actively involved with industry groups in order to be a leader in specialty coffee farming. By engaging with the greater industry, we hope to continually improve in all areas of farming, processing, cupping, coffee tourism and marketing.



# OUR VALUES

**Excellence:** We pursue excellence in everything we do as a company, and endeavor to improve ourselves and our community. We search for ways to deliver above and beyond, through our unwavering commitment to teamwork, integrity, accountability, leadership, and continuous improvement. We believe we can achieve excellence as a world class coffee estate.

**Teamwork:** We believe that each investor is a member of the team. We believe in the team is united by common values and objectives.

Boquete Coffee Estate believes in conserving natural resources, limiting our carbon footprint, and making the world a better place to live in. Boquete Coffee Estate was created to meet the passion of a

community that shares these same views.

We believe that we can best accomplish our objectives by fostering a team environment, united by our shared passion in the coffee industry.

**Accountability:** We are committed to delivering exceptional, consistent and transparent results to our investors, and one another. The development and implementation of finance and accounting controls will ensure investing transparency and success. We believe the best way to reward our investors is to achieve ROI results that exceed industry expectations, while growing our asset value to provide lower risk to investors.



# COMPANY OVERVIEW

## Business Description

Boquete Coffee Estate is a well-structured specialty coffee investment opportunity. We are focused on growing high-end Panama Geisha Coffee, and processing it to dried Green coffee beans, ready for the market.

One of the keys to our success is to find and acquire land that is perfectly situated to grow full flavored coffee, which is quite rare. The Geisha species grows at high altitude, needs a rich volcanic soil and the perfect set of weather conditions. This combination of factors produces award winning coffee that commands a very high price in the market.

In Panama, the Volcan Baru area in Boquete has proven itself to have the soil with the right components, as well as the right weather conditions. We have identified a 52 hectare parcel of land that is perfectly suited for growing award winning coffee.

One of the other keys to success is processing the coffee beans. We will be building a processing plant designed specifically to processes and maximize the value of high-end specialty coffee.

We have been able to attract top coffee experts in Panama to work with us on developing and managing the farm and the processing plant. Coffee will be the primary focus and the main profit

center for Boquete Coffee Estate. We will develop a strategy for the end distribution channels to ensure we are always getting the top value for the coffee we produce.





Boquete Coffee Estate will also have a resort on the land, which will add branding and marketing value to the coffee. The interior design of the resort will focus on projecting a relaxing atmosphere. Depending on which investment level you choose, you will have free stays at the resort for a relaxing time out on your coffee farm, while simultaneously learning about and enjoying an exceptional coffee experience.



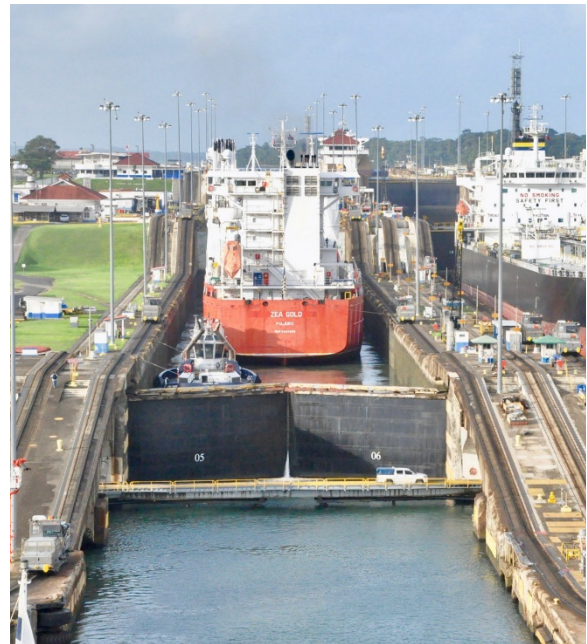
## Ownership and Legal Structure

The Boquete Coffee Estate S.A is a Panama corporation that will be owned by the investors as nominative (registered) shareholders. It is a holding company structured to maximize profits and effectively manage tax issues while maintaining control and security for the investor group. It will have a total of 11,000 shares. It will have 100% ownership and control of the land holding company, 75% controlling ownership of the coffee production company and 48% ownership of the resort and tourism company. The reason for this is to maximize security, control and the value of the holdings owned by the investors while still having an incentivized coffee and resort team. The main asset value is the land and infrastructure, which will be 100% owned by Boquete Coffee Estate, S.A. shareholders.

The production company will be responsible for all farming, processing, and sale of the coffee. This will be a separate company that Boquete Coffee Estate will have a controlling 75% ownership of.

The production company will manage and pay employees, separately from the holding company, which will own the land. The coffee team and management team will have up to a 25% incentive ownership of the production company.

The production company will have a contractual obligation to deliver 25,000 lbs of dried green coffee to the investors before the 25% profit incentive starts. That is about 50% of the projected total crop, so the incentive is about 12.5% of the total crop, as 100% of the costs come from the production and sale of the coffee after the 25,000 lbs are delivered to the investors. This gives a top weighted incentive. Below average performance will end up with 0 incentive gain. Average performance will have a minor profit incentive, and a large incentive to deliver optimal performance by the coffee production and management team.



The resort will have the mandate to have a fixed number (about 700) of free days available to the investors based on their level of investment (or a pro-rated profit from the time allotted to each investor). The goal is to provide sufficient incentive to

maintain a top rated, full-service resort that can be enjoyed at no charge to investors (for a limited time) while still generating enough profit from operations to keep a quality team running it. The coffee team will also be a part of the resort, ensuring a quality coffee experience to resort.

and infrastructure assets, and 100% of the value-added gain as the land is developed. With the coffee allotment the investors gain a solid and almost guaranteed base return of over 10% while giving a strong incentive to the coffee production team to drive production and profits beyond the base amount



The Resort will also sell some of the coffee produced through retail at the coffee house in the resort.

which goes 100% to the primary investors.

This ownership structure gives investors full ownership of the land

# DOING BUSINESS IN PANAMA



## The Business Case for Panama

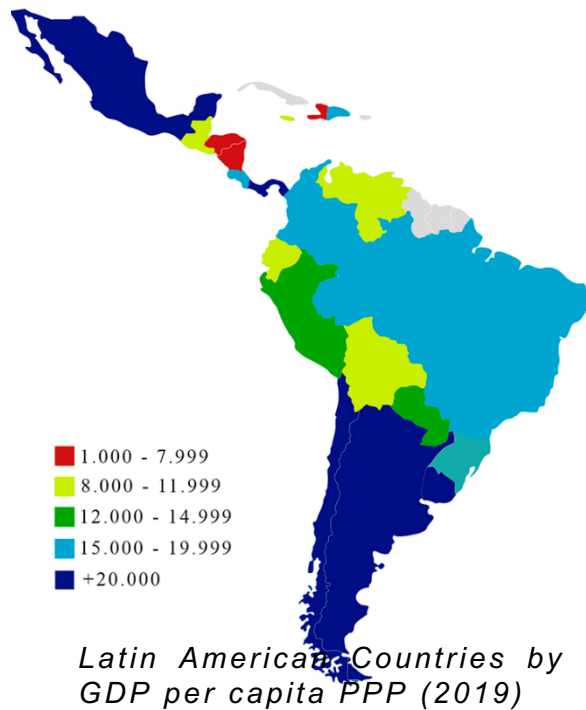
- Growing Economy: Panama has had unprecedented growth over the past ten years, and doesn't show any sign of slowing down soon.
- 2019 HIGHEST GDP PPP IN South and Central America 28,810
- Has significantly lower taxes than its neighbors in the Americas, as well as lots of incentives for small and large businesses.
- The infrastructure in Panama City is the best in the region, in part thanks to the decades-long U.S. military presence here while the Americans ran the Panama Canal
- The geographical position of Panama in the narrowest point of the Central American isthmus strategically connects the countries of the

world especially those with commercial activities in the Atlantic and Pacific oceans. The accessibility provided by the Panama Canal competitively binds all global markets, mainly Asia, Europe, North and South America.

- There are 6 major ports

The main trade routes with traffic in the Panama Canal are:

- East Coast of U.S.A. and Asia (Far East)
- East Coast of U.S.A. and West Coast of South America
- Europe and West Coast of South America
- East Coast of U.S.A. and West Coast of Central America
- Coast to Coast of U.S.A.



Logistically speaking, Panama's location is almost unparalleled globally, which is important if you're looking to start a new business. Panama has Central America's most active airport,

with over 20 direct flights to the US, and nearly 100 to cities across Latin America and the Caribbean

There are many incentives for new businesses, and favorable laws to help keep them sustainable through tax code enforcement.

Panama Canal revenues totaled 2,513.2 million dollars in 2018, 8.5% more than the 2,316.3 million of the previous year,

The transit of ships through the Canal, where about 6% of world trade passes, came in 2018 at 13,692, 0.2 percent more than the 13,666 the previous year, indicated preliminary official data.

New high capacity locks upgraded in 2016 doubled canals capacity.

Panama is a business-forward country, and Panama taxes represent this.

# MANAGEMENT TEAM

## Management Team and Organization

Boquete Coffee Estate is being led by experienced business people who bring both education and a wealth of experience in business in Panama. They bring knowledge and perspective from years in agriculture, real estate and construction, as well as property management and hospitality.

Our team consists of world leaders in high end coffee farming, production and sales, who have a proven track record of bringing high quality coffee to market that commands a high price.



Wilfredo Lamastus is the current leader when it comes to Geisha Coffee variety. He won the Best of Panama Coffee in 2018 and 2019, and has produced the highest rated coffee in the world. He has achieved the highest value per lb for his coffee.

Wilfredo Lamastus' love for estate coffee is inherited from his family, that has been growing quality Coffee successfully for more than 100 years in Boquete, Panama. Lamastus Coffee has been considered a top quality coffee producer for more than 100 years.

Wilfredo Lamastus is a founder of the SCAP (Specialty Coffee Association of Panama), which was founded due to the Coffee Crisis in the 1996. Six Coffee Producers came together in the areas Boquete and the Volcan Candela with the idea of raising the profile of Panama coffees on world markets. Since then the SCAP has become more prominent in coffee culture. Wilfredo Lamastus has been crowned in two Geisha categories





during the Best of Panama Auction (2018 and 2019) (washed and natural categories). He achieved the highest score ever given.

In the 23rd auction of Panama's top coffee Wilfredo Lamastus achieved a record breaking price of \$805 per pound. In 2019 he surpassed his own score, setting a new record for best quality of coffee in the world.

In the Green Tip Natural ASD category Wilfredo Lamastus scored 95.25 out of 100, which sold for over \$1,000 per lb. He won in 2018 with 93.34 points. He proved that the quality of Elida Estate Geisha is real, and can be achieved consistently.

The Finca Hartmann is a family-led enterprise founded in 1940 by Ratibor Hartmann Troetsch. His children, Ratibor Jr, Allan, Alexander, Aliss and Kelly, each performs a different function in the growth, production and tourism of the farm. The Hartmans are well known for their approach to growing coffee: growing coffee in harmony with the environment. Their vision is to work together with nature, work the land without destroying it. They have also been a steady producer of award-winning coffee that has made it to the Best of Panama competition. They are known as the top coffee farm management team in Panama.

These two world leaders in the coffee industry are being brought together in Boquete Coffee estate on an outstanding piece of land to create a coffee farm that will achieve new levels of quality and production, while maintaining our

environmentally friendly vision. They will bring their knowledge and experience in the coffee tourism industry to contribute to the development of the resort project.



We are bringing these land resources and coffee talent under the management of experienced business leadership. This project is being put together by Ricardo Bronfenmajer and Jeff Duda. Both have been doing business in Panama for 15 years. Ricardo has built over 1 million m<sup>2</sup> of construction in both residential and commercial. Ricardo and his family have also been involved in Cocoa farming for many years and currently lives full time in Panama.



Jeff Duda founded Panama Casa in 2002, which is one of the top property management companies in Panama, and Premier Casa, an international property management and real estate company that now has branches in 4 countries in Latin America. Jeff also founded Panama Teak Forestry in 2004, which has over 700 hectares of managed agri-forestry land, and a mill with over 4,000 m<sup>2</sup> of wood production.

Both business experts are familiar with the challenges of doing business in Panama and know what is required to put together a successful team to achieve the business goals, as well as a wealth of experience in agriculture. As part of the organizational structure the leadership and production team will have incentive ownership of 25% of the coffee production company, which is a separate company that will be responsible for the growing, processing and sales of the coffee. It is 75% owned and controlled by Boquete Coffee Estate which is the master holding company owned by the investors.

By combining experienced leaders from both agriculture, and business, we hope to bring this project to a successful completion.

# STRATEGY

## Target Market and Locations

While the majority of the market for coffee competes on price for coffee as a commodity, we will be focused on the high end, boutique coffee buyers that search the world for the best quality product.

We have found that whole green bean buyers are likely to purchase unique varieties, such as ours, and then supply high end cafes, coffee aficionados, and specialty coffee home baristas.

Current demand for specialty coffee drinks is rising, according to the Small Business Development Center, and we believe this trend will continue into the future.

Coffee culture has been growing, and these people are searching the world for unique, hard to find coffee experiences. Many of these cultures can be found in North America, Europe, and some countries in Asia, such as China, South Korea, and Japan.

Currently, demand far outstrips supply, and high end coffee, such as Panama Geisha Coffee, is highly sought after by boutique buyers, and we believe that marketing and selling our product for a high price will be achievable as there are many buyers available in the market.



## Business Development Timeline

**Year 1:** Raise funding work for infrastructure and farm plan. Obtain quality seeds and develop the nursery. Develop the processing area plan and the resort plan.

**Year 2:** Plant coffee, sell resort units and cabins. Develop and start construction on the resort and processing area.

**Year 3:** Manage the farm. Open the resort for guests and owners. Start bringing in the processing equipment.

**Year 4:** Manage the farm and resort. There should be a small

production of coffee to process in the first year of production.

**Year 5:** Harvest, process, and sell coffee. The production of coffee increases each year from year 5 to year 8 as the coffee plants become more mature.

The operational timelines of agriculture are strongly dictated by the seasons. We are at the perfect time to fund and start the project as the planting season is in Jun-Aug. This gives us 1 year to fund the project and get the seed and nursery going to plant in Jun 2022. During this time we will do a lot of the basic road work and underground infrastructure. The coffee plants take 4 years to start to produce the first crop. During this time we will develop more infrastructure. The resort company will build the resort structures and we will design and build the processing mill so that everything is fully operational by 2026. We will also develop market connection in this time and probably buy and sell some coffee from other farms through our marketing channels.



## Start-Up Summary and Goals

Boquete Coffee Estate is seeking \$5.5 million to fund the startup costs. This includes funds for the land, infrastructure and all management costs through year 4, at which point the company is projected to be net profitable. The farm is 53ha and over 30ha will be planted with the Geisha Coffee. The remaining parts of the farm will mostly be nature preserves, and some of the land is going to be available for the resort. The goals of the business are to provide a good return on investment focused on high end specialty coffee, and to create an environment where both the investors, land and clients are treated with care and respect.

The specific goals of the business are:

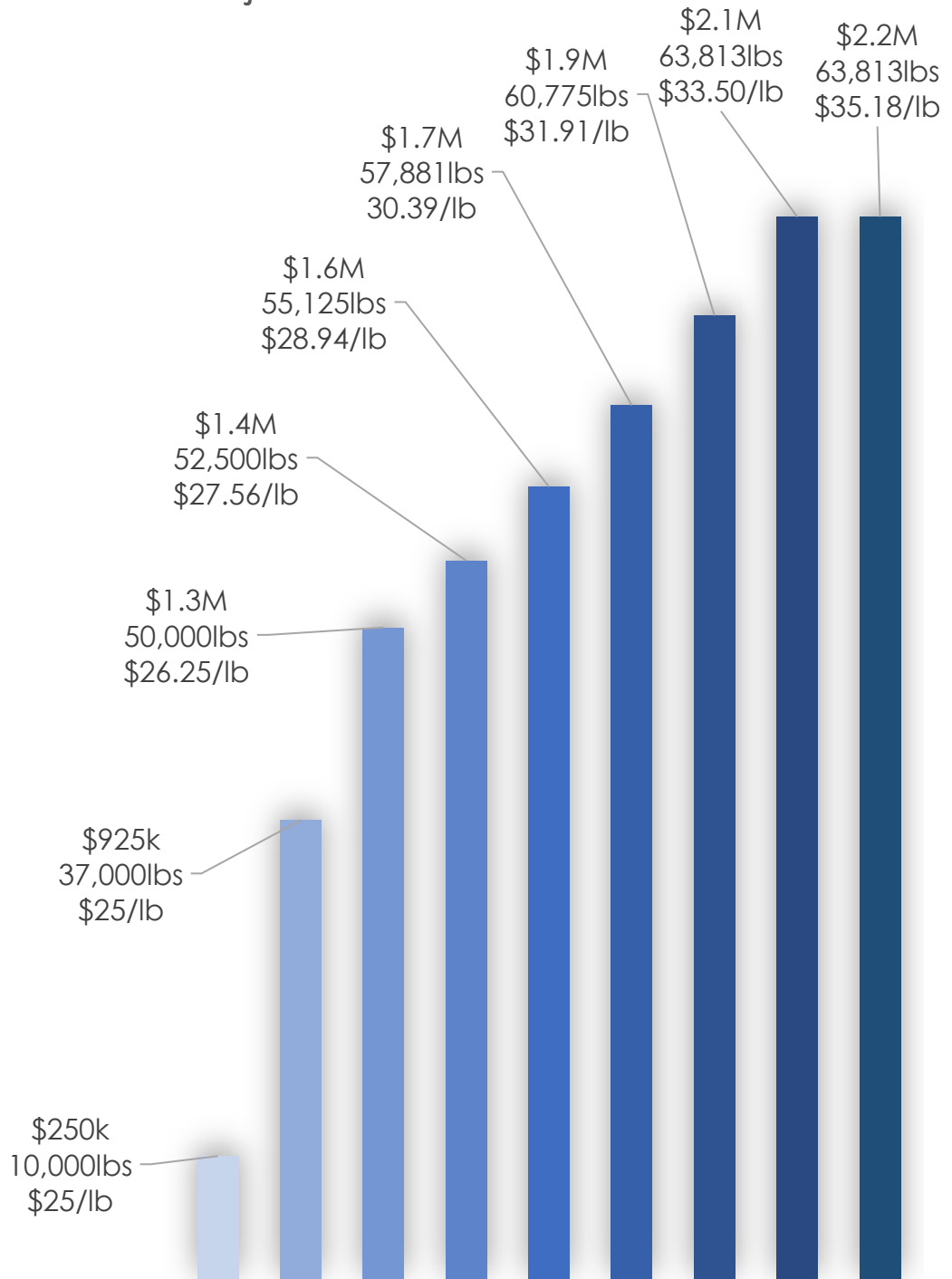
**Value and Profit** - Rising land value plus coffee income that is projected to be over 10%. The land and asset values are projected to increase significantly over time as the infrastructure is built and the coffee planted and goes into production providing the investors with capital appreciation and income.

**Good Coffee:** High-quality full-flavored coffee grown in environmentally friendly way by working together with nature, working the land without destroying it.

**Community:** Competent team who are committed and loyal to the vision and goals of the project. For us it is of vital importance to support the community and the people that are part of the team to achieve success



# Projected Revenue



# PRODUCTS AND SERVICES

## Coffee

Our main product is Panama Geisha Coffee. Panama Geisha is a unique variety of Geisha coffee that is different both genetically and in flavor due to the growing conditions. Panama Geisha is the T2722 variety of Geisha, which is very rare and less domesticated than some of the other varieties. The other factor that creates the award-winning flavor is the combination of the variety and the unique growing conditions found in the Boquete area of Panama. Panama Geisha is a unique variety with unique requirements that only a coffee farms can fulfill.



## Production and Marketing

We intend to have our own processing, packaging and branding to be a vertically integrated company. By processing our own coffee, we control the process to bring out the best quality and achieve the highest price. We will also have the opportunity to process coffee from other farms for an added income stream.





## The Resort

We intend to create a resort destination in the beautiful highlands of Chiriqui. A natural landscape, coffee farm, and relaxing environment will entice coffee enthusiasts looking for a way

to combine their passion for coffee with their holiday travels. Investors will have limited free use of the resort cabins every year, depending on the level of investment of each investor.



# CHIRIQUI & BOQUETE



Chiriqui province is one of the principal provinces in the production of many fruits and vegetables. It has some absolutely stunning landscapes, including beaches, mountains, and farmlands.

100% of Panama Geisha Coffee comes from small areas in this province, such as Boquete and the areas surrounding Mt Baru. Volcán Barú is the highest point in Panama, 3,475 meters, with views from the top that stretch to both the Pacific and Caribbean coast. Boquete is known for its cool, fresh climate and pristine natural surroundings. It is renowned for its coffee, oranges, strawberries and annual flower festival. The strawberries really must be tasted! Boquete was rated among the best

places to retire by the AARP in 2010.



# MARKET ANALYSIS

## Industry Analysis and Market Trends

The coffee market can be roughly divided into two categories, commodity coffee, and specialty coffee.

While commodity coffee has always been the largest segment by volume, recent trends have shown a shift in demand towards specialty coffee, as both quantities and prices have increased.

increase in the consumption of specialty coffee as segment of total coffee, with an increase from 14% in 2001, to 41% in 2017. We believe this trend will continue and demand for specialty coffee will increase.

## Market Size

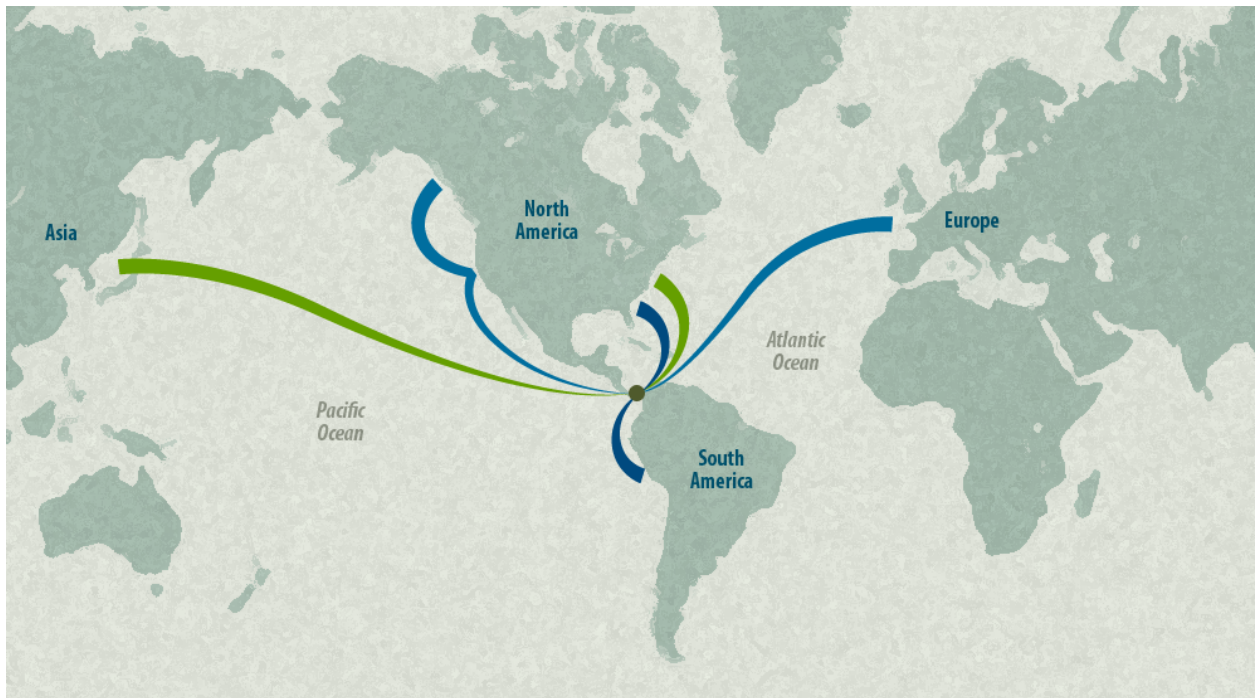
We estimate that the specialty coffee market in the US alone is worth \$1 Billion. China, Japan and Korea are also significant



Market research by the Specialty Coffee Association records an

consumers of high-end Panama specialty coffee. Asia has seen

record breaking prices paid for lots of high-quality Geisha Coffee. Growing demand means there is lots of opportunity for new micro coffee producers. Availability of land is a limiting factor to increasing the supply of high-quality coffee, and we expect prices to increase to this supply constraint.



## Competitors

The production of high-quality Geishas coffee requires high altitude, specific weather patterns, soil composition, and skilled agriculture experts who know coffee. This rare combination of factors places a constraint of competitors, leaving us without competition in the marketplace for our coffee. The imbalance in the marketplace places most of the pressure on coffee buyers, who have to drive up the prices for our coffee in order to acquire it.

We believe that the limitation of available land to expand production of high-quality Geisha coffee will prevent many new competitors from emerging.

The land we intend to develop is unique, and is located in the Chiriqui, not far away from Boquete, Panama. With elevations between 1,700 meters to a bit over 2,000 meters, it is at the perfect elevation to grow quality full flavored Geisha coffee, as well as having the perfect soil and weather conditions. This combination is a highly sought after locating for Geisha coffee farms. Moreover, Panama is a Pioneer when it comes to truly high-end Geisha Coffee compared to other countries like Costa Rica, Colombia that produce Geisha Coffee, but do not have the conditions to bring out the same flavors and quality. The best talent in the coffee industry is also found in Panama.

*Price per pound for Panama Geisha Coffee, as of Oct 16, 2019*

**\$421/lb**

*Sea Island Coffee*

**\$320/lb**

*Belux Coffee*

**\$160/lb**

*Hayman Coffee*

**\$120/lb**

*Mudhouse Coffee*

**\$65/lb**

*Hacienda La Esmeralda*

**\$55/lb**

*Klatch Coffee*



## Positioning

Boquete Coffee Estate has identified three distinct customer segments that it will actively pursue. High end cafes this will be the main target market. We will cultivate relationships with these cafes in order to maintain steady, direct-buyers for our coffee.

Retail home coffee aficionados search for high-quality coffee. While this segment consumes a lot less on an annual basis, they are often the ones willing to pay the highest prices. We intend to sell to this clientele using digital marketing. You can see this on E-Bay and other mass marketing outlets where Geisha coffee prices consistently exceed our \$25 per lb target price.

We will also be targeting the specialty coffee retail markets. Cafes and marketplaces sell high-quality coffee direct to consumers in search of coffee on the higher end of the specialty spectrum

Boquete Coffee Estate has several strategic points that enable us to be well positioned in the high-end coffee market.

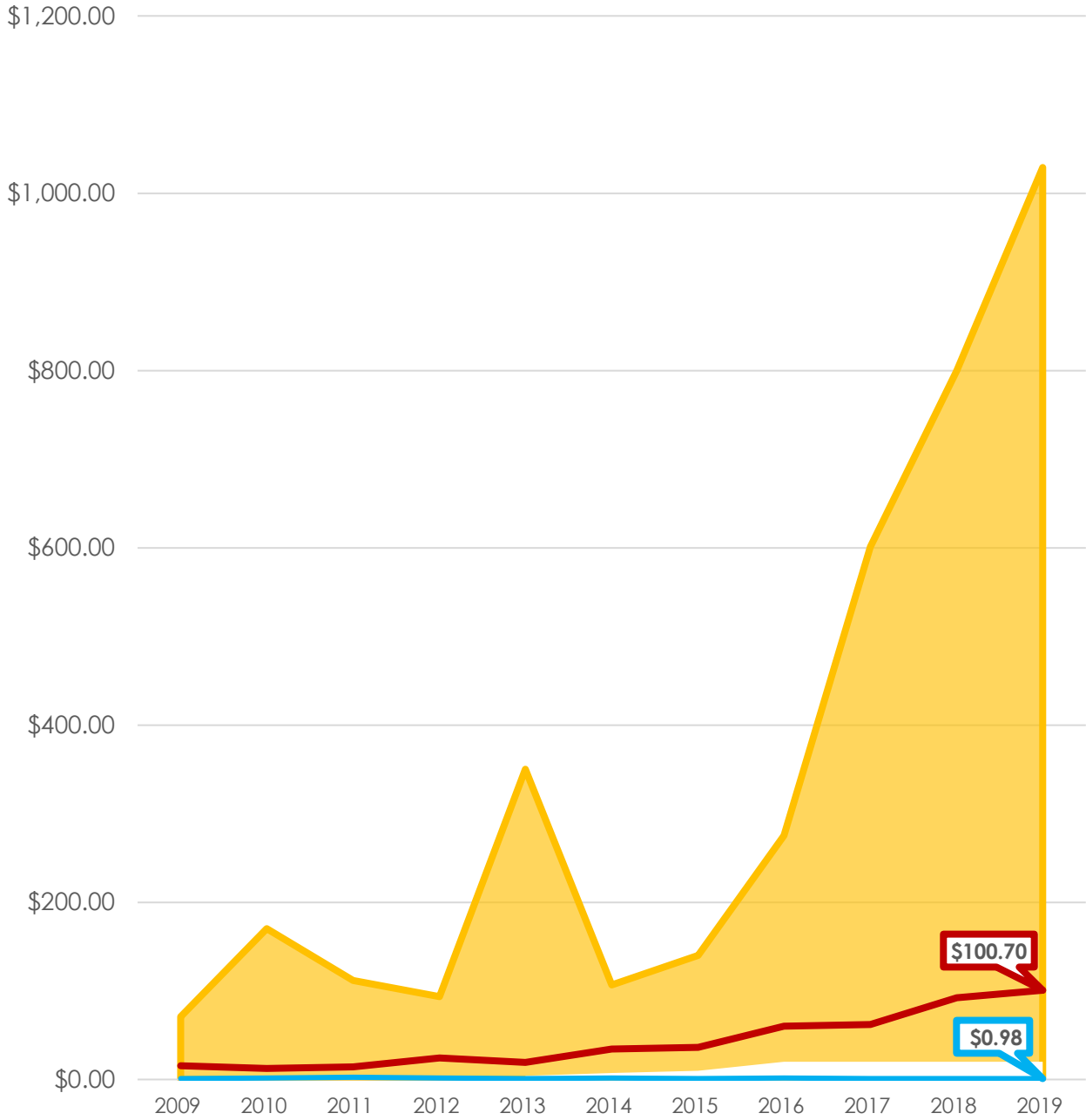
1. We intend to build a resort catering to coffee lovers, allowing them to engage in their passion for rare and exotic coffees.
2. We have attracted the top coffee talent from our region of the world, who will bring their reputation for cultivating the world's best coffees to our brand.

3. The Boquete region of Panama is world renowned for producing the world's best coffees, and new entrants in the exclusive zone will be noticed by our target customers.
4. Asia is one of the top markets for high-end Panama Geisha coffee, and our business team is well connected to Korea, Japan and China, including ownership of a coffee shop in one of China's top malls.

These 4 strategic points will give Boquete Coffee an advantage as we bring this business to market. We are well positioned for success, and believe we have a winning formula to achieve our targets.



# Historical Coffee Prices



■ Panama Geisha Price Range\* 
 — Panama Specialty Coffee\* 
 — Commodity Coffee

*\*Prices from Annual online auction "Best of Panama"*

# MARKETING AND SALES

## Relationship Marketing

We will be involved in the major coffee associations to build relationships with high end consumers in multiple countries. We are currently working with an experienced team who deal with the highest level of specialty coffee consumers, giving us an advantage over others entering the specialty coffee industry.

## Direct Sales

We intend to build relationships with top cafes that want to offer a unique quality. Our team has an existing network of connections in the US, China, Japan and South Korea. We will also be looking at expanding our coffee connection to the EU. As an environmentally friendly, sustainable, quality micro-farm, we will have strong appeal in the fastest growing sector of the coffee industry. This sector also happens to be one of the sectors that embraces direct buying of coffee from the farmers.

## Digital Media

Our team has several full-time web developers and digital marketing experts. We will start using digital media during the startup phase giving us 4 years to develop the anticipation and the followers to be waiting for our first production to come on line. With existing clean email lists of over 100,000 we will be able build a timely buzz about our company and coffee. Our team is very experienced in all forms of digital marketing.

## Sales Forecasts

The current undersupply of Panama Geisha Coffee on the world markets leads us to believe that all coffee we are able to produce will be sold quickly (in advance in many cases) with little impact on world prices.



# FINANCIAL PLAN

## Capital Requirements

\$5,500,000 is required in startup funding, which will cover all land costs, infrastructure, coffee processing facility, overhead and management costs, all first year planting and management and costs of the farm through the end of year 4. Due to the land, infrastructure and first year planting costs, 70% the investment will be used in the first 2 years.

## Revenue Summary

The projected gross sales revenue from coffee production will start in the fourth year, estimated to be \$425,000, increasing to \$1,200,000 by the sixth year. We anticipate that coffee sales revenue will increase a further 10% to 20% after the ninth year, due to some growth in production volume, and an increasing sales price as we develop a reputation for our specific brand of coffee.

We believe our experienced management team will enable us to minimize expenses and avoid complications. We expect net profits to reach \$840,000 by the sixth year from coffee production. This should provide investors with a return of about 15% per year.

We estimate that gross revenue from the resort will reach \$456,000 annually by the sixth year. We

expect to have 25 rental units, earning an average of \$100 per night, with an occupancy rate of 50%. Most of the funds will go into the maintenance and management of the resort to support having excellent quality and service for the investors when they stay in the resort. The resort management will also have employee and financial synergies with both the farm management and coffee production, which will decrease the farm management overhead.

## Revenue Assumptions

We have done extensive research to validate our assumptions, and we have based the plan on verifiable facts. Coffee is the second largest commodity so facts on coffee productions are readily available and verifiable.

Revenue assumptions for the coffee production is based on 30 ha of the total area being productively planted with Geisha Coffee and a projected yield of 1,700 lbs of dried Green coffee per ha when we reach full production, with an average retail sale price of \$25 per lb. These are very conservative assumptions as Panama Geisha Coffee is the highest valued Geisha coffee and the average price for Geisha coffee has exceeded \$25 per pound. While other areas are producing Geisha coffee, there is very limited available land to

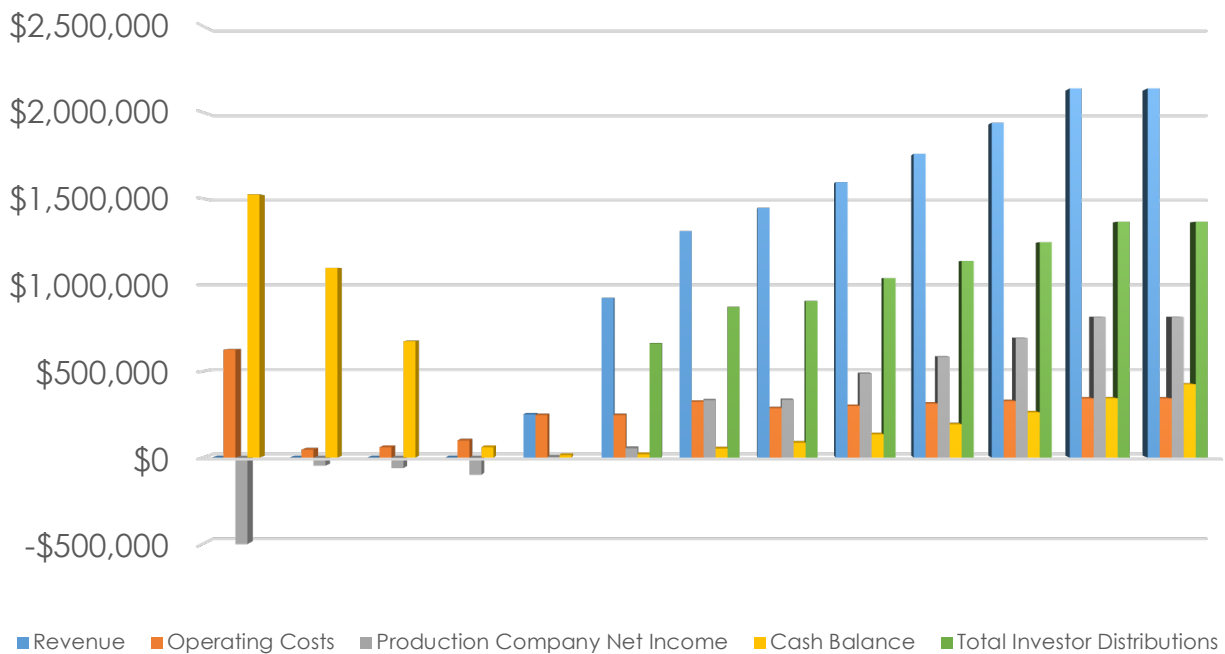
produce the highly valued Panama Geisha Coffee.

We have estimated conservatively that we will be able to plant and produce coffee using only 30 ha of the 52 ha plot we intend to develop. We anticipate to realistically plant on up to 40 ha of land, but have lowered our estimates in case some areas have varying levels of productivity

Resort revenue is based on renting 25 units, for an average price of

### Projected Profit & Loss

This is based on just the coffee farm value and income, there is some added value of the resort and income although most of the resort value will not start until year 4 and will have the most growth in year 4 through 8 so we are looking at this investment from the value of the coffee farm and based on just the coffee farm it has exceptional potential.

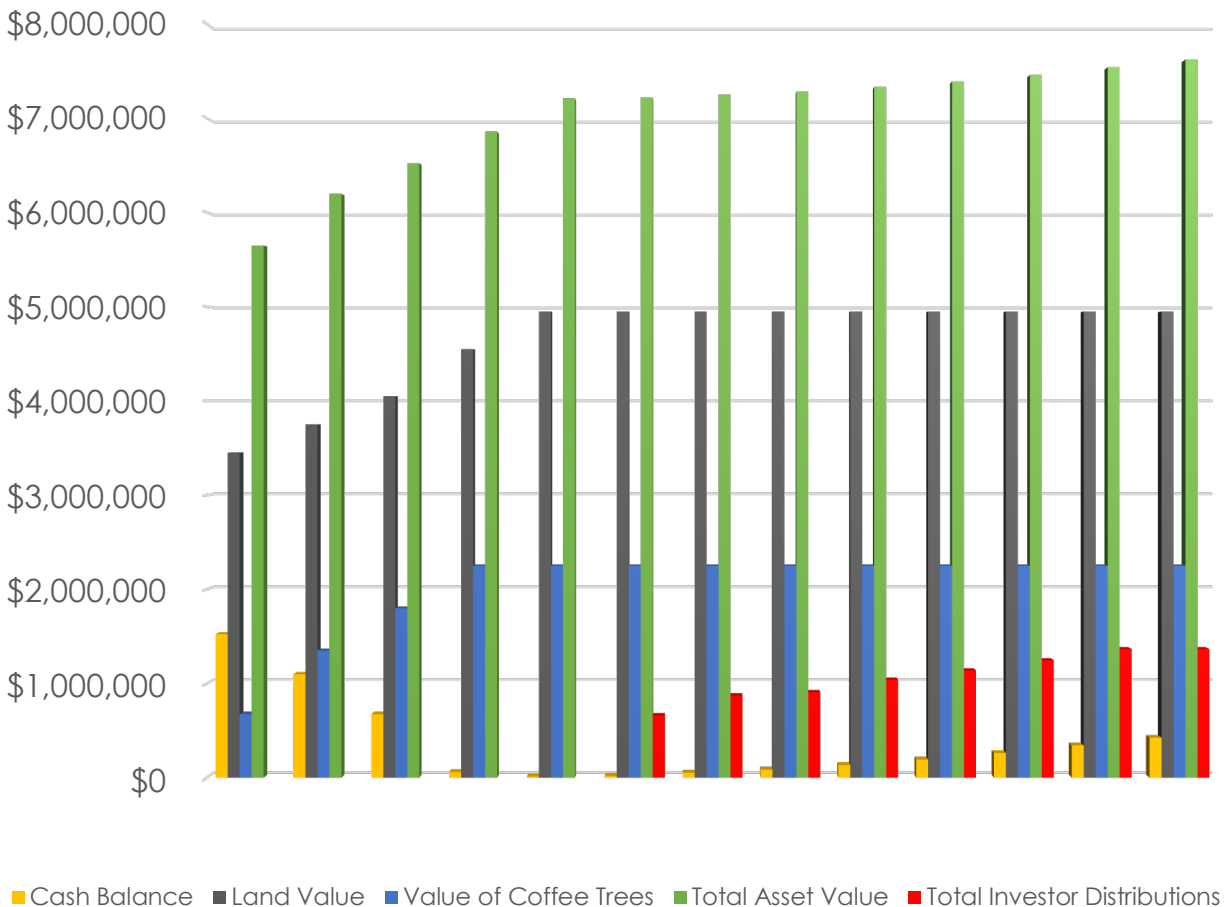


\$100 per night, with a 50% occupancy rate. Of the 25 units, 15 will be luxury studio hotel type units in the main common area coffee house, and 10 will be private cabins within the coffee plantation and forest reserve land.

## Asset Value Backed Investment

This is an asset-based investment opportunity with a solid balance sheet in owned real estate and infrastructure assets. Over 50% of the initial investment is the raw land value without infrastructure. As the roads and infrastructure are developed, we expect the value of the developed land to increase. Well located raw land with roads and infrastructure in the Boquete area sells for \$7 to \$10 per m<sup>2</sup>, therefore the raw land asset of the company is expected to grow to \$4.5 million after the road, electric and water infrastructure projects of the first two years are completed. Coffee plantations grow in value each year as the trees get older and

more productive. A productive coffee tree at the age of 4 years old has an asset value of \$50 per trees and we anticipate having 1500 trees per hectare adding \$2,250,000 to the raw farm asset value over the first 4 years. This investment will have a strong asset value of \$6.8 million, as well as cash flow value. These types of assets have real value independent of inflation and currency fluctuations and are independent of the income from the project.



	Cash Flow												
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Investor Funding	\$5,500,000												
Land Investment	\$2,600,000												
Development Investment	\$350,000	\$180,000	\$180,000	\$350,000	\$50,000								
Coffee Trees & Plantation Investment	\$400,000	\$200,000	\$185,000	\$165,000									
Production (Pounds)					10,000	35,000	50,000	52,500	55,125	57,881	60,775	63,813	63,813
Price/Pound					\$25.00	\$25.00	\$26.25	\$27.56	\$28.94	\$30.39	\$31.91	\$33.50	\$33.50
Revenue	\$0	\$0	\$0	\$0	\$250,000	\$875,000	\$1,312,500	\$1,446,900	\$1,595,318	\$1,759,004	\$1,939,330	\$2,137,736	\$2,137,736
Coffee Management, Overhead & Consulting	\$75,000	\$40,000	\$48,000	\$75,000	\$222,000	\$210,000	\$275,000	\$262,500	\$275,625	\$289,405	\$303,875	\$319,065	\$319,065
Fund Raising & Marketing	\$550,000	\$5,000	\$12,000	\$25,000	\$35,000	\$35,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Operating Costs	\$625,000	\$45,000	\$60,000	\$100,000	\$257,000	\$245,000	\$325,000	\$312,500	\$325,625	\$339,405	\$353,875	\$369,065	\$369,065
Distribution from Guaranteed Minimum Production						\$625,000	\$656,250	\$689,000	\$723,500	\$759,750	\$797,750	\$837,500	\$837,500
Production Company Pretax Profit	(\$625,000)	(\$45,000)	(\$60,000)	(\$100,000)	(\$7,000)	\$5,000	\$331,250	\$445,400	\$546,193	\$659,849	\$787,705	\$931,171	\$931,171
Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,231	\$98,977	\$118,156	\$139,676	\$139,676
Production Company Net Income	(\$625,000)	(\$45,000)	(\$60,000)	(\$100,000)	(\$7,000)	\$5,000	\$331,250	\$445,400	\$455,961	\$560,871	\$669,549	\$791,495	\$791,495
Investors Distribution from Production Company						\$3,250	\$215,313	\$289,510	\$296,375	\$364,566	\$435,207	\$514,472	\$514,472
Production Company Incentive						\$1,250	\$82,813	\$111,350	\$113,990	\$140,218	\$167,387	\$197,874	\$197,874
<b>Total Investor Distributions</b>						<b>\$4,500</b>	<b>\$871,563</b>	<b>\$978,510</b>	<b>\$1,019,875</b>	<b>\$1,124,316</b>	<b>\$1,232,957</b>	<b>\$1,351,972</b>	<b>\$1,351,972</b>
<b>Accumulative Investors Return</b>						<b>\$4,500</b>	<b>\$1,499,813</b>	<b>\$2,478,323</b>	<b>\$3,498,197</b>	<b>\$4,622,514</b>	<b>\$5,855,471</b>	<b>\$7,207,442</b>	<b>\$8,559,414</b>
Cash Balance	\$1,525,000	\$1,100,000	\$675,000	\$60,000	\$3,000	\$3,500	\$36,625	\$81,165	\$126,761	\$182,848	\$249,803	\$328,953	\$408,102
Annual Cash Flow (10% of Positive Net Income)	(\$3,975,000)	(\$425,000)	(\$425,000)	(\$615,000)	(\$57,000)	\$500	\$33,125	\$44,540	\$45,596	\$56,087	\$66,955	\$79,149	\$79,149
<b>Value of Assets</b>													
Total Accumulative Investment (Book Value)	\$3,350,000	\$3,730,000	\$4,095,000	\$4,610,000	\$4,603,000	\$4,603,500	\$4,636,625	\$4,681,165	\$4,726,761	\$4,782,848	\$4,849,803	\$4,928,953	\$5,008,102
Land Value	\$3,450,000	\$3,750,000	\$4,050,000	\$4,550,000	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000
Value of Coffee Trees	\$675,000	\$1,350,000	\$1,800,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000
Cash	\$1,525,000	\$1,100,000	\$675,000	\$60,000	\$3,000	\$3,500	\$36,625	\$81,165	\$126,761	\$182,848	\$249,803	\$328,953	\$408,102
<b>Total Asset Value</b>	<b>\$5,650,000</b>	<b>\$6,200,000</b>	<b>\$6,525,000</b>	<b>\$6,860,000</b>	<b>\$7,203,000</b>	<b>\$7,203,500</b>	<b>\$7,236,625</b>	<b>\$7,281,165</b>	<b>\$7,326,761</b>	<b>\$7,382,848</b>	<b>\$7,449,803</b>	<b>\$7,528,953</b>	<b>\$7,608,102</b>
<b>Analysis</b>													
Growth in Asset Value/Initial Investment	2.73%	10.00%	5.91%	6.09%	6.24%	0.01%	0.60%	0.81%	0.83%	1.02%	1.22%	1.44%	1.44%
Distributions (Return on Investment)	0.00%	0.00%	0.00%	0.00%	0.00%	11.42%	15.85%	17.79%	18.54%	20.44%	22.42%	24.58%	24.58%
Annual Investor Return with Asset Growth	2.73%	10.00%	5.91%	6.09%	6.24%	11.43%	16.45%	18.60%	19.37%	21.46%	23.63%	26.02%	26.02%
Total Investor Gain (Asset Value + Distributions)	\$5,650,000	\$6,200,000	\$6,525,000	\$6,860,000	\$7,203,000	\$7,831,750	\$8,736,438	\$9,759,488	\$10,824,958	\$12,005,362	\$13,305,274	\$14,736,395	\$16,167,516
Annualized ROI 13years	23%												

# FUNDING & INVESTMENT OPPORTUNITY

\$5,500,000 Total raise of funds to purchase land, plant and manage for 5 years. After that it is positive cash flow from the harvest and sales.

## **Master company VIP investor package**

*\$100,000 investment package*

a) 450 lbs. of dried green geisha coffee per year, which is the production from approximately 1 acre. ROI Value Return on 450 lbs. of Geisha Coffee at \$25 per lb. \$11,250 net ROI of 11.2%. This is just the return on the guaranteed allotment from the production.

b) 200 shares of the Boquete Coffee Estates which is the master holding company of the land holding company, 75% of the farm and coffee production company and 48% resort company and receives a percentage of the net profits of all profit streams in addition to the net 450 lbs. of coffee or cash. The guaranteed cash coffee yield is about 50% of the gross production. The other 50% goes to the coffee company to sell and the funds are used to cover 100% of the costs plus is projected to have a profit projected which will be distributed in addition to the income from the sale of the 450 lbs. of coffee which the investor gets the complete gross amount the allotted amount of coffee sells for.

c) 2 weeks free stay in the coffee house, which can be rented by the

management company to be used for additional net income. There are 0 fees for the ownership of this.

*\$25,000 investment package*

a) 100 lbs. of coffee 100 lbs. @ \$25 per lb. = \$2,500 or an 10% annual net cash return

b) 50 shares ownership in the master company

c) 3 free night's stay per year

*\$6,000 micro investment Package*

a) 20 lbs. of coffee, 20lb of Geisha coffee at \$25 per lb. is annual value of \$500 or 8.3% value return.

b) 10 shares ownership in the master company

c) 1 free night's stay at the resort per year. (can accumulate up to 5 nights)