INTERNATIONAL BUSINESS GRADUATION PROJECT

TITLE: XM import, commercialization & distribution company

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Executive summary

The motivation of this business plan is to solve the problem found that a health beneficial product, like Carrara Nº1 by Marmel S.R.L, is not in the Spanish market. Once the financial and strategic viability analysis was done, it revealed that there is a market for this project to be implemented. In order to make the financial analysis, it was necessary to make three forecasts: Pessimistic, Neutral and Optimistic. The most probable one is the Neutral scenario, because it is the most realistic. After comparing the WACC and IRR results, the conclusion was drawn that the project is profitable. Regarding the strategic viability analysis, competition is high with low barriers of entry, the projection made reveals that there could be a good market acceptance with the help of the marketing efforts by the supplier.

This project is of great interest for all the members in it because it is about an importing, distributing and commercializing company and all of them are International Business degree students. Therefore, the fact that the company operates internationally fuels the interest of the team.

For the methodology used, many tools were used to reach each objective. To identify which factors, drive Spanish customers to choose between skincare products and how they prioritize them, a survey was conducted. Although this survey is not representative of the Spanish skincare market, because it did not have the minimum number of responses needed, important data was gathered from it. To make the financial statements, the scholar accounting tool “Contaone” was implemented. This tool not only helps make the financial statements, but also give the cashflows and liquidity, profitability and debt ratios. For the strategic viability analysis, a timeline was set, and a performance matrix and a contingency plan were created.

Keywords: exfoliating cream, viability, importing, distributing, commercializing.

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1. INTRODUCTION

The cosmetic industry in Spain amounted 7 billion euros in 2019, being the skincare sector the most important in this country accounting a share of 30% of the cosmetic market. Within the European Union, Spain is the number 5 in consumption. Besides, e-commerce has been growing a lot and has gained more than a third of the industry. This project analyzes the Spanish market focused on the cosmetic-skincare industry.

The cosmetics market has been growing up non-stop since 2008, it is a very competitive market with difficulties to be established in it as there is a lot of competition. Another factor to consider is not only women, but also men want to preserve a young appearance, this is no longer a taboo subject. Nowadays, men are buying more skincare products, mainly facial creams, sunscreen, cleansers, and exfoliators. According to research, 78% of men are now using facial cream. But men need to use a product made for them, they cannot use feminine products – although is a very common mistake – as their skin is 20% thicker than in the case of women and they also age differently. Another difference in the behavior is that men tend to be more disciplined than women when it comes to frequency and how to properly use the products. Although the consumption of the male gender has increased, women are still the bigger niche as they buy 30 products (skincare products, make-up, perfume, etc.) annually, while men only buy 16 products per year. Additionally, according to a Cerave research 44% of Spanish teenagers (14-17 years old) only start taking care of their skin to solve acne problems. Moreover, according to some experts, they expect that in 10 years the consumption of skincare products will be equal between women and men. Besides, the consumption per capita in Spain is 170 euros per year, higher in comparison with the European average of 140 euros per year.

Research problem

The main issue found is the fact that a truly interesting and health beneficial product is not known yet. *Carrara Nº1* is part of a small company that launched this exfoliant in 2020. It is a very young project that needs the hand of a good distribution and commercialization center to gain market presence. Therefore, it is truly important to reduce costs as much as possible.

In addition, most recently, a new outbreak of the "monkey pox" disease that affects the skin. This product could help people in the Spanish market, given the fact that it promotes skin cell regeneration.

Research question

Is the proposed project about the exfoliant marble cream financially and strategically feasible in the Spanish market?

Objectives

Several objectives will be described more in-depth in the subsections of this project. These objectives go from using Spain as the first European country that will commercialize *Carrara Nº1* to make revenue to be capable to expand our business and import more products, from Argentina or other parts of the world.

General objectives

The general objective in this project is to analyze if it would be profitable and viable to open an importing and distributing company, dedicated specifically to cosmetic products. In this project, an investigation will be conducted about how the Spanish market would react to a marble-based exfoliating, and how to enter in it.

Specific objectives & methodology

1.3.2.1 Specific objective & methodology Nº1: Identify which factors drive Spanish customers to choose between different skincare products and how they prioritize them.

The first specific objective is to identify which factors, drive Spanish customers to choose between different cosmetics. The goal of this objective is to learn about how the Spanish customer of facial skincare products thinks and acts when purchasing an exfoliating cream. For this objective, a survey has been conducted, and calculations were made to find the minimum number of responses for the survey to be representative of the Spanish market and the result was 1.067. The survey carried out only got 77 responses and, even though 77 responses are not as significant when considering the entire Spanish market, interesting information was gathered from it. The survey was carried out in Spanish to make it easier for the surveyed to understand.

1.3.2.2 Specific objective & methodology Nº2: To do a viability analysis.

The first viability analysis to be discussed is the financial viability. For this analysis, first, it was necessary to make costs and sales forecasts. The tool used to implement the forecasts was “Contaone”, an educational software that allows students to learn and apply accounting learnings. This software allows users to make a journal with every cost and revenue a company has, creating automatically afterwards the income statement, balance sheet, some ratios and indicators. The forecast of sales has been done for the three scenarios with the following methodology:

- Calculation of the purchase price.
- Calculation of the sale price.
- Calculation of the number of sales.
- Calculation of setup, fixed and variable costs.
- Calculation of sales progression.

Implementing these calculations in financial statements is quite simplified with the use of Contaone. The accuracy of this forecast is subjective, and it must be taken as orientation figures to understand how to manage the company in different scenarios. It is also helpful to determine the number of sales needed and the price per unit to make profits.

At the same time, a budget is being to know how much capital is needed and thus, know how the money is going to be raised. It is decided that part of the capital will be financed with a loan, regardless if it will be provided by a public or private entity. The most important aspects to be taken into consideration to make the final decision will be:

- Low-interest rate
- Face value must be 100 000 €

After that, calculations will be done regarding the interest amount per year principally. Then, it will be compared with a second option to see what the best option for this type of project is based on all the factors.

The ratios created by Contaone mentioned before will be composed of liquidity ratios and ratios that show the return on equity and the risk on the investment. Moreover, indicators such as Ke, WACC, IRR and NPV will help to know if the project is financially viable. The comparison between the WACC and the IRR will determine the viability of the project. If the IRR is higher than the WACC, it can be say that it is profitable.

1.3.2.3 Specific objective & methodology Nº3

- To do a strategic viability analysis.

Establish a strategic plan timeline to have deadlines and starting lines for the different objectives. This timeline will tell when to start diversifying or study other markets to expand to.

To give a broad and simple view of some of the potential competitors XM has decided to use a performance matrix. It is a very good tool since the main aspects to analyze when comparing with other companies can be seen. The “x” axis represents the factors understood as relevant for customers from less to more important which are gathered from our survey’s insights. With this information competitors can be rated and depending on how well they do in a certain point, the “y” axis tells the comparison with the rest of participants. Apart from this, Internet research was performed by comparing each distributor in all aspects shown in the “x” axis. Going factor by factor explaining how each different company operates and afterwards rating them inside the matrix separating them all with distinctive colors. All of this information was found in their respective official websites.

The contingency plan will be developed by analyzing three possible scenarios and then giving a description of how they will be solved in each of the scenario's forecasts. It will be composed of macro-economic factors regarding the Russia and Ukraine war and another that will address Argentina's economic situation regarding inflation.

1.4 Justification, relevance and interest

XM is an importing, commercializing, and distributing company, therefore it includes many of the areas of study in the International Business degree. Then it was of interest for the members in this project.

We had two different products possibilities to commercialize and distribute. However, we have chosen one of them. At the end we have of course chosen the exfoliant cream, but the other idea was ecological sheep cheese. It was an interesting product that has a lot of potential in Germany for example nowadays and in further years. We wanted to export this Spanish product to Germany because it is a very well ecologically developed market. It is a product with a lot of quality, nonetheless, the group followed the SWOT analysis criteria to make a decision. The cream got a total score of 31 points against 11 from the cheese. We believe this is quite a difference of points and these results were what made us choose between one or another. We will explain later in this paper the analysis of the two different SWOT.

In addition, as explained in previous paragraphs XM is concentrated in Spain which is a market, we know a lot better than the German market, and we will find a variety of information quicker mainly because of the language. The members of XM first language is Spanish, and it will be much easier to gather data in a language we are more familiar with.

1.4.2 The relevance

This study could benefit society because if the project is profitable it would lead to the creation of jobs in Spain and if the growth continues the objective is to expand to the rest of Europe. Also, the product with which de company will work is using waste from the marble industry and is compromised with the conservation of the earth.

1.4.3 Interest

Being that all of the members of the group are International Business students the integration of two countries at least was key for us, we believe that analyzing an importing company will fuel our interest in every step of the project.

2 STATE OF THE MATTER

2.3 Strategic plan

2.3.1 Strategic plan timeline

Figure 1 shows the timeline of the company's strategic plan. It is divided by the five years of our forecast. The first thing is to set up our company by completing all the legal requirements, getting all pertinent permits, and buying all the furniture and equipment.

Once that first step is done the next step is to start gathering clients and getting in contact with companies and retailers that will be willing to buy the product and add it to their portfolio. Some months after this, it will be released the first marketing plan so people could make themselves more familiar with the product and be willing to buy it and add it to their skincare routine.

After the first year of the company, it is planned to start to get revenue, the reason for this being planned for the second year is because it is a new company penetrating an existing market with a new product. These factors make it difficult for the business to be able to get a share of the market from the first moment the company is established, that is the reason why there is one year margin to start getting the revenue, for gathering enough clients and sales before being able to be profitable. But from that point on all three forecast scenarios of the company: the pessimistic, the neutral, and the optimistic.

Finally, once it is reached the beginning of the second half of 2021 it will start an analysis of the international market to see if it is possible to expand to it. In case the results are favorable the product will start being sold at an international level, it will start at a low scale to other countries in Europe, and in the following quarter after beginning our international sales the company will start diversifying and expanding their portfolio.

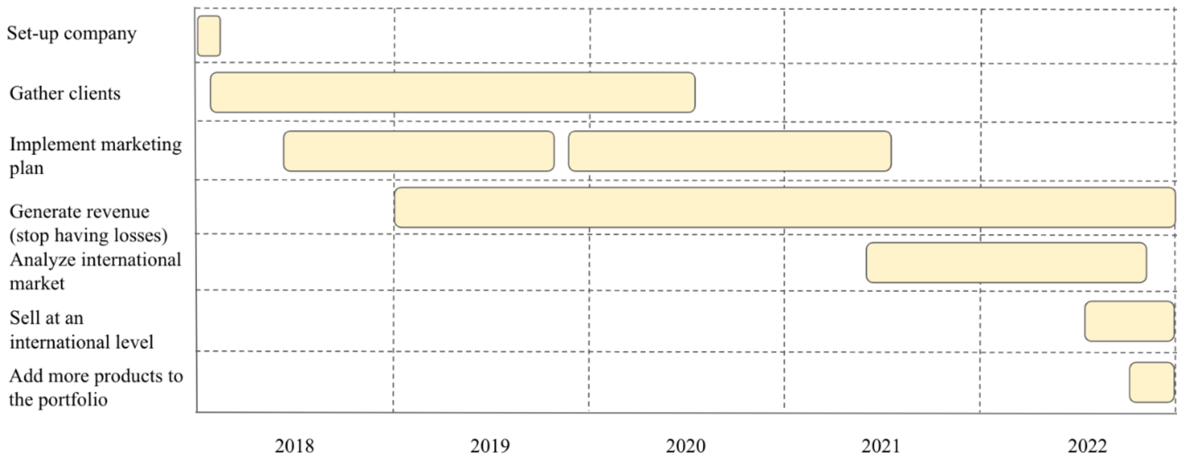

Figure 1 - Timeline.

2.3.2 Macro-environment analysis

- PESTEL analysis

Table 1 shows the PESTEL analysis of the skincare industry in Spain and how these external factors would affect a new business. The table indicates the most important aspects of the analysis and after that, each point is deeply explained in the following paragraphs.

IMPORTANCE		-2	-1	0	1	2	TOTAL
1 (Low) - 3 (High)	POLITICAL						
2	Political stability				x		2
2	Taxes		x				-2
3	Country part of the European Union					x	6
3	Free trade zone (European Union)					x	6
	ECONOMIC						
3	GDP				x		3
2	Consumption rate					x	4
3	Economic stability				x		3
2	Inflation			x			0
	SOCIAL						
1	Cultural aspects				x		1
2	Age profile				x		2
2	Lifestyle					x	4
3	Eco-friendly preferences					x	6
	TECHNOLOGICAL						
3	Lack of scientific information	x					-6
1	Website user friendly				x		1
2	Process of delivery				x		2
3	R&D					x	6
	ENVIRONMENTAL						
2	Eco-friendly approach					x	4
2	Vegan and/or organic ingredients					x	4
3	Eco-friendly packaging					x	6
3	Committed to reducing carbon footprint					x	6
	LEGAL						
3	European Union regulation					x	6
3	Certificates and Permits					x	6
2	Consumer guarantees				x		2
2	Consumer protection				x		2
	TOTAL						74

Table 1 – PESTEL.
Source: Own creation.

Political

Regarding the political stability which is a key element for a new company Spain has a stable political environment, principally because it is a developed country that belongs to the European Union which also has a solid political environment. With respect to the fiscal policy, according to the Doing Business Index 2019, Spain ranks number 1 in trading across borders just as almost all the EU countries, due to this Union works basically like one country in terms of trading, therefore for a business, it is very easy to enter new markets. Although, in Spain taxes are a big struggle when it comes to starting a business and, in the index previously mentioned, Spain is in position 35. Nevertheless, recently the Minister Council approved a law that offers tax incentives that are supposed to benefit more than 7 000 businesses.

Economical

After the beginning of the pandemic, in terms of GDP per capita Spain recovered and has been going up since then, which is a good sign for their economy. Besides, the EU created an economic plan for a successful recovery of the European countries. GDP per capita is an important indicator to measure the purchasing power of people and therefore, consumption. In this case, it is increasing in Spain and therefore, it is an advantage for businesses, especially for the skincare industry since it is not part of a person's basic needs. With all this mentioned, the Spanish economy is certainly stable and a great market.

Argentina on the other end, has a more unstable political environment, primarily because it is a developing country with a lot of corruption and unease in the population. This country has many barriers for importing products, and encourage Argentinian companies to export their products, this can be seen as something positive for a company that is considering buying products from there.

Social

According to a 2021 study by Brandwatch, Spanish consumers demand more natural and "greener" products with the least environmental impact. Also, it shows that for the Spanish society is not so common anymore to think that some products are just for women, men are interested in skincare too and this is being more normalized which for companies is a new market with potential.

Technological

As there is not so much scientific information about the benefits of the marble in an exfoliator, this is an area of improvement. R&D is a very important part of a product, especially when it is new to the market, because people need proof that the product is good for their skin, with high quality and that will not damage their skin. Thus, this should be considered.

Environmental

About the production process, the marble that is used in the exfoliator cream is extracted in Italy and the company is committed to reducing its ecological footprint. Also, the packaging is eco-friendly which is an advantage for entering the Spanish market, since people care about a company's efforts to try not to damage more the world.

Legal

The European regulation with respect to the requirements when a product is entering the EU zone is very strict, then all requirements must be met to avoid delays in shipments or logistics of the company.

- Scenario analysis

The following analysis will focus on explaining how the current war in Eastern Europe between Ukraine and Russia would affect Spain and therefore, businesses in this last country mentioned. The analysis will be divided into 2 possible scenarios, a short war (0-3 months) and a long war (3 months-1 year). First, the scenarios will be analyzed according to 3 different variables. After that, the main consequences and key factors will be analyzed by each scenario.

	SHORT WAR RUSSIA vs UKRAINE	**LONG WAR RUSSIA vs UKRAINE**
Economic impact	Low	High
Legal impact	Neutral	Low
Social impact	Neutral	Low

Table 2 - Scenario analysis impact.

Source: Own creation.

CONSEQUENCES & KEY FACTORS		
Petroleum price	→	↗
Gas price	↗	↑
Stock market	↘	↓
Inflation	→	↗
Economic growth	→	↘

LEGEND
→ Stable
↗ Slight increase
↘ Slight decrease
↑ Strong increase
↓ Strong decrease

Table 3 - Consequences & key factors.

Source: Own creation.

Short war RU vs UKR

In this scenario, as the Spanish economy is stable and strong backed by the European Union, it will suffer a low impact principally due to the current slight increase in the energy and gas industry by 52%. Although, luckily Spain is not as dependent on Russian gas as the rest of the European countries, only 10% of Spanish gas is imported from Russia. Petroleum is a similar case, Spain only imports 5% of its petroleum from Russia, therefore the price will be hardly affected in the short term. Another important consequence is the stock market losses that just by now have been 3.96%. All of this will affect the forecast for economic growth, but the Spanish economy will continue to be stable in the next couple of months. Concerning the legal impact, in the short-run, it will not have any impact on exports of skincare products within the European Union as Ukraine is not part of the EU and besides, the cream will focus on the Spanish market in the first months. There will not be a social impact for the moment, as the economy is resisting and people's purchasing power has not been negatively affected.

Long war RU vs UKR

Regarding this scenario, if the war goes on, the price of the petroleum could rise from 90 € to 116 € according to experts, this will increase the inflation and thus, the prices of several basic needs, reducing the budget for non-basic needs which the facial cream is part of. Another price that will go up even more would be the gas which will also affect the monthly budget. Besides, the stock market will lose even more. Regarding the legal impact, there may be delays in the shipping as European countries will be focused on helping Ukraine. Perhaps bureaucracy could increase, delaying permits and/or certificates for the cream to be allowed to be shipped within the European Union. As in this case, the economy has been trying to endure the crisis but could not take it anymore, the social impact has begun affecting mainly the low and middle class. Now people have to prioritize on what they are spending more money.

2.3.3 Industry analysis

- Porter's 5 Forces

Threat of new entrants

In general terms, there is a high threat of new entrants. The existence of barriers is nearly null. There are many brands competing in this market and the main factor to introduce yourself in this environment is by creating an interesting product. However, one of the most fundamental issues of taking part in this market is the participation of already very well-known brands and their established power. It is true that new entrants must differentiate somehow. For instance, XM has selected *Carrara Nº1* because it has a differentiation item. Not many cosmetic creams use marble, then XM is using this to reach our customers.

Moreover, there is also a high threat of entry because of e-commerce. There are not many restrictions for this type of product and it is something becoming a truly popular way of purchasing for clients. For small brands, the Internet is always considered since the product can be seen worldwide.

Threat of substitutes

The level of threat of substitutes is low. It is briefly sum up by (adamkasi, 2017): “There are mainly two substitutes of skin care products which are home remedies and other skin products made at home with natural ingredients such as herbs and oils to protect and rejuvenate the skin. Such products are more used in rural areas. Some women also think of these substitutes as old-fashioned and ineffective. The switching cost and the buyer propensity to substitutes, both are low”.

Bargaining power of customers

There are plenty of cosmetic producers and there is a huge variety of brands to choose. Does not matter if it is a smaller or bigger company with a new band or an established one. Just to give an example this article talks about “The 15 best face exfoliants according to your skin type”. (Esteban, 2020) Of course, these are not the only choices customers have there are more. Nonetheless, 15 is already a big number of choices. This tells us that clients can switch to other brands very easily. Furthermore, people have different types of skin and every customer requires a specific necessity. This way, a buyer might purchase different brands until he/she finds the precise product. In other words, because of the availability of possibilities, customers have high bargaining power.

Bargaining power of suppliers

This is an area that XM really has to consider since it is the one who is supplying retailers and stores. Since the beginning of the research it has been noticed that suppliers in this sector do not have too much power. There is a large number of suppliers. This makes us lose force.

Industry rivalry

According to a (Stanpa, 2020) study, supermarkets have nearly 50% of the market share in cosmetic products in Spain. This will be a challenge for XM as the rest of the suppliers have to be considered apart from supermarkets.

2.3.4 Competitors analysis

Figure 2 shows that the only product this business idea provides has a striking situation regarding ingredients. In fact, it is the principal differentiation from the rest of the distribution companies. “The critical response of firms is to create as much distance as possible between its own products and those of competitors. In essence, the goal is to make the demand for its own good less elastic by making it less substitutable. The most effective means of making one’s good less substitutable is through product differentiation.” (Marburger, 2016) This way XM is at the top of the matrix since it provides a distinct factor that the other three distributors do not have which is the use of marble. *Carrara Nº1* is made without any waxes or chemical components. According to the product provider: “Its purity and its minimal size allow greater precision at the time to penetrate and act in the pores of the skin, achieving an intensive but not aggressive treatment removing dead cells and impurities, promoting cellular regeneration.”

Moreover, the same book says that: “The Bertrand oligopoly, in which the firms produce identical goods and compete based on price, results in vigorous price competition that results in normal profits. This can be avoided through product differentiation, price matching, or randomized pricing.” (Marburger, 2016) In the end, differentiation leads to having the possibility of selling more and therefore maximizing profits. The project would not really make sense if there were no intention to avoid the feeling of being just one more player. This type of product could make the grade and be more interesting when performing the project and one of the main goals is to make it as attractive as possible in all ways. Indeed, the rest of the competitors shown in the matrix commercialize good products with great ingredients but at some point, they could be more or less the same type. In second place is Lubre (Lubre, n.d.) because they offer solid cosmetics that are not found in any of the matrix participants. Also, Libre solid cosmetics have interesting ingredients for different types of uses and skin needs depending on the person. There are not just for facial care, shampoos too.

Although Engel (Engel, n.d.) and Ortrade (Ortrade, n.d.) are in a lower position, it does not mean that they do not have valuable ingredients, the thing is that what they offer is more or less the standard products any distributor could provide.

In terms of returns to customers, Lubre shows more flexibility compared to others. As explained in their website "Right of withdrawal: If you are contracting as a consumer and user, you have the right to withdraw from this contract within a period of 14 calendar days without the need for justification, and without prejudice to the exceptions provided for such right. The withdrawal period will expire 14 calendar days from the day that you or a third party indicated by you, other than the carrier, acquired material possession of the goods or in the event that the goods that make up your order are delivered separately, to the 14 calendar days from the day that you or a third party indicated by you, other than the carrier, acquired the material possession of the last of those goods." (Cosmetics, n.d.) Afterward, the refund will be the difference between the order amount and the shipping costs. If a customer is willing to return a delivery because of ddefectiveproducts Lubre would ask for more explanations and an examination would be performed. However, in this case, all the costs would be refunded integrally.

This aspect is something that differs quite a bit from Ortrade and Engel since they are stricter. Overall, the maximum time limit is 48 hours, and everything has to be very well explained and notified. Even pictures of potential defects and specified notifications are required. What is learned from these two companies is that they are not as flexible.

The third feature is vegan products. XM is at the very bottom since *Carrara Nº1* is made with beaver oil. Although it is not tested on animals, this makes the exfoliant to be nonvegan, and obviously, it is forced to be in a critical situation regarding the rest that offers vegan options. Lubre again leads in this sense because they are focused on ecological and sustainable products. They offer a wide range of products with these characteristics which mean Lubre is specialized in this aspect and does better than all the participants. Engel is a bit higher than Ortrade just due to the quantities Engel manages, which is a lot more, but later in the paper, there will be more details when speaking about the variety feature.

The vegan point is linked to sustainability and here the Galician company (Lubre) logically is the best because of the reason explained above. Nonetheless, the remaining two analyzed competitors and XM are also included in the "appropriate" section of the graph since the last one provides sustainable products as well. In XM's example, the exfoliant that would be commercialized is paraben-free, hypoallergenic, mineral-based and it is not tested on animals. Engel's products are so wide that they include more or less sustainable merchandise but for sure a huge amount. Ortrade is a smaller distributor that offers a brand focused on veganism and sustainability which makes it to be a bit lower than the rest.

Furthermore, Lubre again stands out with the packaging with a facet related to sustainability regarding that their packaging is 100% sustainable. In fact, it is something that they promote at the top of the website which totally makes sense because their focal point is ecological and vegan products so it is a must to have sustainable packaging. XM will offer recyclable packaging and its looks are amazing as well plus it is not a big wrap that increases volume and waste unnecessarily.

On the other hand, there could be a discussion to put XM on top, but it is true that a lot of what Engel's offers is high quality, and it would be a bit aggressive to state that *Carrara Nº1* is above Engel. Marble as a differentiator gives high quality as well but some of the options that the corporation from Mallorca offers could even be recognized as higher quality. It is how they market themselves by offering great quality and approaching a wealthier target market. Ortrade and Lubre are similar. Although Lubre has ecological items that does not mean that they are better or worse quality so it is difficult to categorize which should be better categorized.

Variety plays an essential role in every business of any industry, and in the cosmetics world too. One of the conclusions from the research is that having a wide range of options to customers gives credibility and even customer loyalty because they will feel more comfortable and will like that they can get anything from you. It is clearly one of XM's weakest features. For the moment the center of attention will be on *Carrara Nº1* to increase its market share, find a market niche and improve from there. In this situation, the company from the Balearic Islands has a lot of power. They have more than 800 brands and 30.000 references in their catalog which has made Engel a truly important player in the market. Apart from cosmetics, high perfumery (their main business), sunglasses, nutrition, hairdressing, etc. are found in their catalog. Lubre and Otrade are about in the same point because both have a makeup line and they have more or less the same degree of variety.

Regarding price, XM is placed somewhere in the middle because it is not as expensive, but it is not a cheap one if compared with Ortrade's Ziaja brand. For measuring were to place everyone in the matrix not just facial exfoliants are considered, but also the general trends of the different distributors. Lubre has some higher prices than Ortrade, however, since Engel is high quality focused price is going to be less affordable for the general public.

Lastly, brands. According to the survey conducted by XM the most important factor to consider when buying an exfoliating is the brand. Again, Engel with its more than 800 brands has a clear advantage. They provide an enormous number of options which include the most popular and less known ones that offer a lot of quality and are building brand reputation. Ortrade and the Galician distributors' products are less known, nonetheless, those brands still have some recognition and are constant in quality.

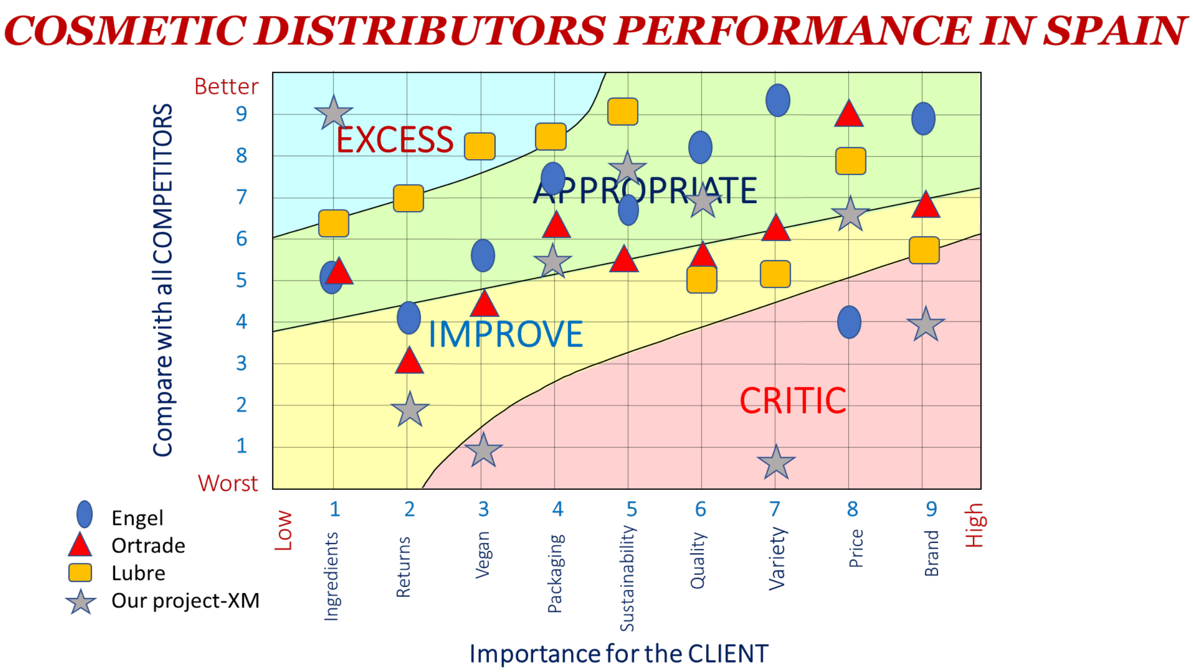

Figure 2 - Performance matrix.

Source: Own creation.

2.1.5 Mixed analysis

2.1.5.1 Exfoliant cream SWOT analysis

The following SWOT has been developed along with another one that analyzed the organic cheese to see which product will be better to work with, the Marble cream came out with a higher result. This SWOT is constructed in the form of a matrix instead of the usual ones that just tend to have the factors of each category. By doing this analysis it can determine what is the result of each strength and weakness combined with each thread and

Opportunity, so the company can focus on the most vulnerable combinations and maintain a high standard in those that rate higher.

CREAM in Spain: SWOT Analysis (Valor Scale -5 to 5)

CREAM	THREATS AND OPPORTUNITIES							
	Social media presence	Economic Crisis	Ecologic tendency	Self-care tendency	High competitive market	Established competitors	Governmental restrictions	TOTAL
STRENGTHS								
High profit margin (Low production cost)	1	3	0	0	2	0	1	7
Distinction (marble)	3	1	0	1	5	4	0	14
No animal testing	3	0	2	0	3	2	0	10
Waste recycling	4	0	5	0	3	3	0	15
WEAKNESSES								
Small market presence	-1	0	0	0	-2	-1	0	-4
Produced outside of the EU (Argentina)	0	1 (inflation)	0	0	2	2	-4	1
Just one product	-1	0	0	-1	-3	-1	1	-5
Low marketing profile	-1	0	0	0	-4	-2	0	-7
								31

Table 4 - SWOT analysis exfoliating cream.

Source: Own creation.

Small Market Presence

The market presence will be something that has to be overcome with time, there will be specialists recommending the product and also, and the company will distribute them in big spaces such as Corte Ingles or Carrefour. These companies operate all along with Spain and are based on logistic distribution, which will make the product efficiently go around the country. These two places have a wide range of products and brands along with prepared people, the employees know what to sell and are capable of recommending products. Product recommendation would be beneficial because it would allow approaching people that are trying to initiate themselves into a self-care routine.

Produced outside of the European Union (Argentina)

This was written as a weakness but if looking closely at the SWOT, it can be seen that in the end, it became a strength. This may not make sense if the reason behind it is not explained. The fact that the product is being produced outside the European Union it is a weakness because the pertinent permission will need to be obtained to have this product in

Europe along with the transportation cost. On the other hand, it became a strength because the situation is currently going on in Argentina. Production is cheaper due to internal factors of the company and the country's economic situation. Argentina is going through high rates of inflation which is compared to the stability that the euro has. Inflation might benefit the project economically, and make the product more competitive with established competitors and well-known brands as the company would have a high-profit margin.

Just one product

As there is not a product range, promotional packages including different self-care products cannot be made. For people that use to buy packages or all their products of the same brand would not be as feasible; to correct this weakness it would be possible to partner up with different brands of the same market range that have similar features for selling them together.

Low marketing profile (in Spain)

This business is the one introducing this product in Spain, and therefore also Europe. Having a low marketing profile in a country you have not addressed before is normal, to overcome this weakness the plan is to create new social media accounts (Instagram, Facebook, web page) that will be from the brand with the only difference of being designed to address the Spanish customers (to make promotions focused on this region, more feasible posting times without saturating the customer and may do reference to the culture and the national days). These accounts will be related to the main account and make reference to it for the ones that want to prefer to follow the big account to have easy access to it.

Social media presence

The social media presence has not been reached yet, but with marketing, knowing the algorithms, learning the trends, and giveaways it would be possible to achieve it. There is a huge young and young-adult public on social media that will be willing to participate and continue to follow the brand if it is aesthetic, active, and aligned with their beliefs.

Economic Crisis

The economic crisis affected the whole world, but now the country that this project wants to penetrate is not just recovering from this crisis but even having the unemployment rate from before 2008. This means more people have a higher purchasing power and will be able to buy products that will benefit them.

Ecologic tendency

The ecologic tendency is something that has come to stay. The product is not tested on animals and also uses recycled material; that will give the product a good position in the market and will catch the attention of people who are concerned.

Self-care tendency

Self-care is a tendency that is hitting hard all over the world, not just women but also men are jumping into this tendency, this means that the product has to be addressed from a genderless point of view to gather all the population that could be interested in it.

High competitive market

Competition is high due to the low entrance barrier, also the part of the population that the project wants to target is exclusive. Marble is for this last point a good way of bringing prestige to the brand and differentiating it from others. To compete, it will be needed to invest in marketing and pay attention to the social media content and presence.

Established competitors

The project is targeting a high economic class with the product, so it will be competing with brands that are already established, with a good name, reputation, high rate of exclusivity, and loyal customers. For this, the project will use established shops such as El Corte Inglés or Carrefour that have a good distribution channel, and XM could be positioned on the same shelf with the products mentioned before and that would bring status to the product and brand.

Governmental restrictions

Governmental restrictions can be overcome by meeting the requirements, the good part of these restrictions is that the product will not be just meeting Spanish requirements but European, so the company would be able to expand to the whole continent, when necessary, by just overcoming one of the bureaucratic restrictions. Another thing to take into account is that even though different regions have different restrictions Europe tends to be harder to overcome. If our product can overcome Europe, it will be easy to pass restrictions on other regions.

High profit margin (Low production cost)

The high margin comes from the low production cost, with a higher production the cost of developing will even become lower.

Distinction (marble)

To maintain this strength, it is just needed to continue having marble in this product and adding marble, when possible, to new potential products that the brand could produce and put out into the market.

No animal testing

People are each time more aware of the animal suffering that can happen behind a product that has been tested on animals, this makes them more willing to buy products that have not come under this practice. The company will just need to have all future products follow this same line where animal testing is not even considered a possibility.

Waste recycling

This product is brand new, but it does recycle the main component: the marble. Marble is also the most expensive product that compounds the cream, so if the brand can obtain it for free through recycling, the company is not just saving money but being more friendly with the planet.

2.1.5.2 Ecological cheese SWOT analysis

In TABLE XM came out with for analyzing the ecological cheese option. The internal factors are quite straightforward. In terms of strengths, this handmade cheese has won many important awards and the fact that it is ecological is really a thing to consider. This fact was truly considered since it is something becoming very trendy and ecological products are probably going to mean a lot in the future. A key added value to take into account.

There are a few weaknesses that made the balance in favor of the exfoliant cream. However, in relation to the environmental factors, the strengths and weaknesses are needed to be matched with these situations. The most usual but important threats and opportunities are displayed in the SWOT. Social media must be present since e-commerce is used by many customers. Health care and ecological tendency are essential because clients always consider these factors. It is good to include some market factors in the SWOT to give a general idea of the situation in the business environment.

ECOLOGIC CHEESE in Germany: SWOT Analysis (Valor Scale -5 to 5)

ECOLOGIC CHEESE	THREATS AND OPPORTUNITIES							
	Social Media presence	Economic Crisis	Health-care	Ecologic tendency	Competitive market	Established competitors	Governmental restrictions	TOTAL
STRENGTHS								
Self produced	2	0	0	3	3	1	1	10
Added value (Eco.)	2	0	2	5	4	3	0	16
Variety	1	0	0	1	3	3	0	8
Awards	3	0	0	0	4	4	0	11
WEAKNESSES								
Higher production Costs	0	-3	0	0	-2	-1	0	-6
Conservation conditions	0	-1	-1	0	-1	-1	0	-4
Small market presence	-2	-3	0	0	-2	-2	0	-9
Low marketing profile	-4	-3	0	0	-4	-4	0	-15
								11

Table 5 - SWOT ecologic cheese.
Source: Own creation.

2.2 Client analysis (Survey).

2.2.1 Introduction.

In order to understand the Spanish market, a survey was carried out using the Google forms webpage, and the conveniency method was used to distribute it. The survey helps understand how the Spanish customer for an exfoliating cream think, what they look for and how they purchase them. Even though 77 responses are not as significant when considering the entire Spanish market, interesting information was gathered from it. The survey was carried out in Spanish to make it easier for the surveyed to understand.

On the first's questions in the survey, background information about the respondents was asked to make a better interpretation of the responses. Because the conveniency method of distributing the survey was used, most responses were done by students and residents of Madrid (see Figure 3), these facts must be considered when analyzing the results. It is also important, in order to analyze the results, to notice that more than half of the respondents were women with 64,9% (see Figure 4). This can be seen as something positive, given the fact that women use more cosmetics than men in general.

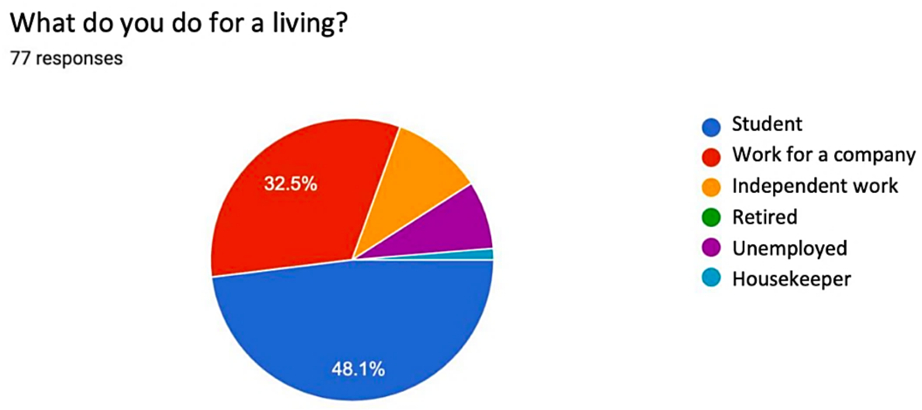

Figure 3 - Occupation answers.
Source: Own creation.

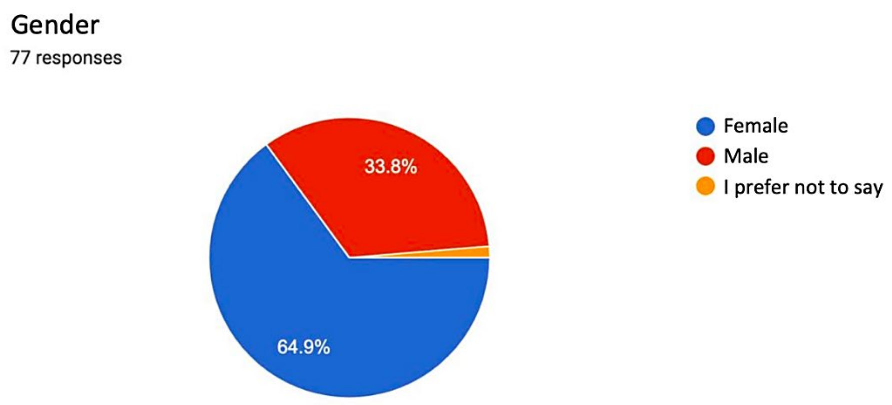

Figure 4 – Gender answers.
Source Own creation.

2.2.2 Cross-tabulations.

Cross-tabulations were performed to analyze the relation between different answers, this tool uses a table with the responses to one question in the rows section and the answers of another in the column section, then the values shown on the table are the number of respondents that chose the same answer on both questions.

2.2.2.1 First cross-tabulation:

The first cross-tabulation shows the relation between the monthly budget that respondents have and the value, on a scale from 1 to 5, they think that marble adds to an exfoliating cream (See Table 6). In that table, it is possible to appreciate that most of the respondents selected 3, this shows that there are possible customers that see value in a marble-based exfoliating cream. When looking at the relation, the less budget that respondents have, the less value they see that marble adds to an exfoliating cream.

	Budget				
Value	**Less than 500 €**	**Between 500 € - 1.500 €**	**Between 1.500 € - 3.000 €**	**More than 3.000 €**	**Grand Total**
1	6	11	4	2	23
2	3	5	1		9
3	14	9	6	2	31
4	3	4			7
5	2	3	1	1	7
Grand Total	**28**	**32**	**12**	**5**	**77**

Table 6 – Cross-tabulation between Budget and Value attributed by marble to an exfoliating cream.

2.2.2.2 Second cross-tabulation.

Source: Own creation.

The next cross-tabulation shows the relationship between the factors that people consider when buying an exfoliating cream and the value, on a scale from 1 to 5, they think that marble adds to an exfoliating cream (see Table 7).

The first thing to notice is that most of the respondents that perceived that marble adds less value to an exfoliating cream are also the ones that consider the brand more than other things when shopping for an exfoliating cream. This can be explained by the low use of marble by known brands, probably due to the high cost of acquisition and the lack of knowledge about the benefits of the marble for the skin.

It is also notable that most of the people that consider if the exfoliating cream is tested in animals, gave a value of 3 or more to the value that marble adds to the cream. That same tendency can be seen by the ones that consider the quality and ingredients and the most suitable for their skin type, this can be attributed to the perception of quality and rarity that marble generates.

Another thing to notice is that respondents that consider if the product is sustainable tend to attribute more value to a marble-based exfoliating cream, this trend is important given the fact that the marble used in Carrara Nº1 by Marmel is recycled. A similar trend can be seen also in respondents that consider sustainability the most when purchasing an exfoliating cream.

	Value					
Factors	**1**	**2**	**3**	**4**	**5**	**Grand Total**
Quality and ingredients			2		1	3
Composition	1					1
Packaging				1		1
The most suitable for my skin type			2		1	3
Price	4	2	3	2	3	14
Brand	10	4	13		1	28
I do not buy	3			1		4
Vegan product			1			1
If it is tested on animals		1	4	1	1	7
If it a sustainable product	1	1	5	2		9
Total general	**19**	**8**	**30**	**7**	**7**	**71**

Table 7 - Cross-tabulation between Factors considered and Value attributed by marble to an exfoliating cream.
Source: Own creation.

2.2.2.3 Third cross-tabulation.

The third cross-tabulation shows the relationship between how many times people exfoliate a month and the value, on a scale from 1 to 5, they think that marble adds to an exfoliating cream (see Table 8). In that same table it is possible to notice how most respondents that did not see any value added by the marble, are also the ones that do not use an exfoliant. Also, it is possible to appreciate that the surveyed that do use exfoliants tend to believe that marble adds value to an exfoliating cream, this shows that there is a market for an exfoliating cream in Spain.

	Use exfoliant					
Value	**0.**	**1.**	**2.**	**3.**	**4 or more.**	**Grand Total**
1	18	1	1	1	2	23
2	4	2	2	1		9
3	10	6	5	4	6	31
4	2	2		2	1	7
5	2	1	1	2	1	7
Grand Total	**36**	**12**	**9**	**10**	**10**	**77**

Table 8 - Cross-tabulation between Use of exfoliant and Value attributed by marble to an exfoliating cream.

Source: Own creation.

2.2.2.4 Fourth cross-tabulation:

The fourth and last cross-tabulation is between how many times a month they use cosmetics and how often they exfoliate (see Table 9). It is possible to notice the clear relation between the number of times respondents use cosmetics and the number of times they exfoliate, the more use cosmetics, the more they exfoliate. It is also observable that 67,2% of people that use cosmetics also use an exfoliant at least once a month. This helps understand the habits of the Spanish customer, and the demand for an exfoliating cream.

	Use Exfoliant					
Cosmetics	**0.**	**1.**	**2.**	**3.**	**4 or more.**	**Grand Total**
0.	13	3				16
1 to 4.	14	3	4	1	1	23
4 to 8.	1		2		3	6
8+	8	6	3	9	6	32
Grand Total	**36**	**12**	**9**	**10**	**10**	**77**

Table 9 - Cross-tabulation between use of cosmetics and use of exfoliant.

Source: Own creation.

2.2.3 Other important questions.

The survey included two other important questions that weren't discussed previously. The first one asked which brand of exfoliant they currently use, and 25 different brands were mentioned by respondents, most of them are well known. This question is key in the survey, to learn about which brands are used in the Spanish market.

Another question that was not previously discussed was the one asking if they would change their exfoliating cream, the results were that most of the exfoliant users could be willing to change the one they use (see Figure 5).

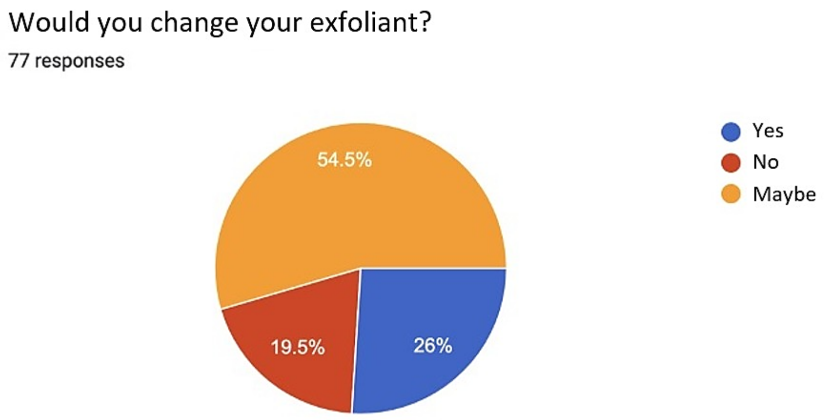

Figure 5 - Answers to "Would you change your exfoliant?".
Source Own creation.

2.2.4 Conclusion

When reflecting on the results from the survey, it is possible to conclude that there is a market for a marble-based exfoliating cream. The Spanish market sees value in a marble-based exfoliating cream and XM Imports can supply it. This survey is going to work as a guide to market a marble-based exfoliating cream in the Spanish market. The Spanish customer likes to use cosmetics, 79% of the market uses them at least 1 to 4 times a month. Of those who use cosmetics, 67,2% exfoliate at least once a month (see Figure 6). Also, in this market, over 80% of users could consider changing their exfoliant. They take animal testing, and sustainability into account, while considering brand and price as the most important factors (see Figure 6).

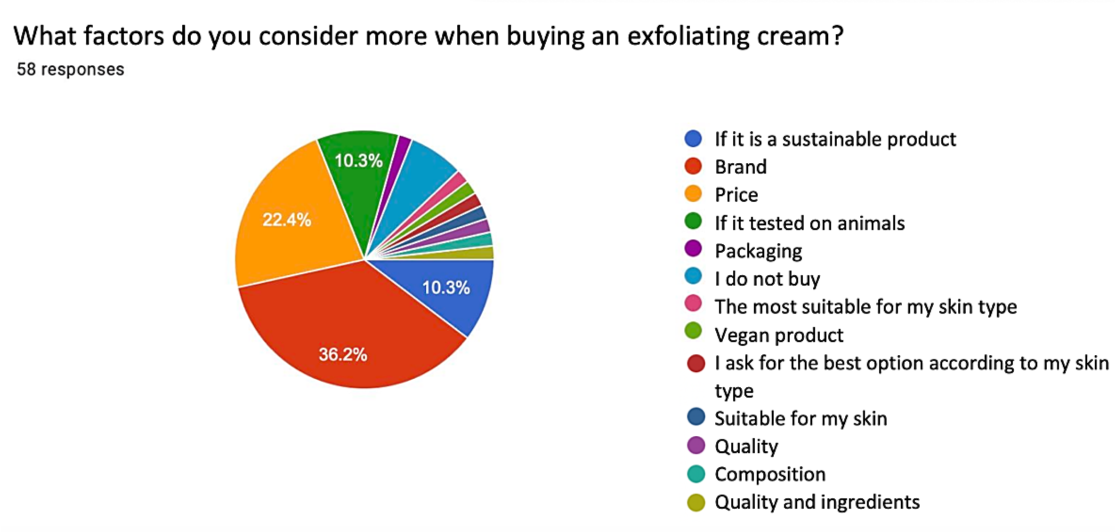

Figure 6 - Answers to "What factors do you consider more when buying an exfoliating cream?".
Source: Own creation.

2.3 Operations Plan

2.3.1 Cost analysis (Setup, fixed, and variable cost)

It is important to highlight that the purchase in Argentina is done in U$S (US Dollars), an exchange rate of 0,85 U$S/€ was set. A verbal agreement was conducted with Marmel Care S.R.L in which a purchase price was set at €5,56 per unit when buying 10.000 units and a discount would be offered if a purchase of 36.000 units or more is done, with a purchase price of €4,04 per unit.

An agreement was also conducted with some retailers in which the unit price is €20 for them, with a retail price to the end customer of €25, giving retailers a gross margin of 25%. Normally retailers work on a slimmer gross margin, making the proposal more attractive for them.

The margin per unit changes depending on the units bought, for 10.000 units the gross margin is 72%, meaning €14,44 per unit. For 36.000 units bought, the supplier will offer a discount, raising the gross margin to 80% and the monetary gross margin to €15,95.

2.3.1.1 Setup costs

Table 10 shows a summary of the setup costs the company must endure in order to start operating. Notice that warehouse rent is for the whole year and not for the first month, this warehouse is going to function as the business's headquarters. In order to start with the operations besides the warehouse, the LLC creation and some assets are needed. As it can be seen on the table, machinery to handle the merchandise in the warehouse as well as racks to store pallets with the merchandise. Computers and a delivery van are also valuable assets for the business given the nature of it. Finally, 10.000 units are going to be bought to sell during the first year, from those units, 1.000 units are going to be used for promotion.

INITIAL INVESTMENT	In € W/O VAT	VAT	TOTAL
Electric hand pallet truck	€1,359.10	€285.41	€1,644.51
Electric forklift	€3,958.68	€831.32	€4,790.00
Racks	€787.00	€165.27	€952.27
Furniture	€1,240.00	€260.40	€1,500.40
Warehouse rent	€15,000.00		€15,000.00
Rent deposit	€3,750.00		€3,750.00
10.000 units	€55,564.51	€11,668.55	€67,233.06
Computers	€2,000.00	€420.00	€2,420.00
Delivery van	€24,445.00	€5,133.45	€29,578.45
LLC creation	€600.00		€600.00
TOTAL	**€114,914.44**	**€18,764.40**	**€133,678.84**

Table 10 - Setup costs.
Source: Own creation.

2.3.1.2 Fixed costs

In Table 11 a summary of the fixed costs can be seen. The highest fixed costs are the salaries plus benefits of the four employees in the company, followed by the warehouse rent and the CRM rent. Other fixed costs are the interest on the loan and running costs for the delivery van.

FIXED COSTS	In € W/O VAT	VAT	TOTAL
Salaries	€47,694.00	-	€47,694.00
Withholdings tax	€2,128.00	-	€2,128.00
Social security	€19,817.00	-	€19,817.00
Loan interest	€466.67	-	€466.67
Warehouse rent for the year	€15,000.00	-	€15,000.00
CRM whole year	€1,100.00	€231.00	€1,331.00
ITV	€59.95	€12.59	€72.54
Delivery van insurance for the year	€400.00	-	€400.00
TOTAL	**€86,665.62**	**€243.59**	**€86,909.21**

Table 11 - Fixed costs.

Source: Own creation.

2.3.1.3 Variable costs

In Table 12 it is possible to see the neutral forecast of variable costs during the five-year period. It is important to explain that the cost of units sold shows the purchase value in euros of the units sold. The relation between the increase of fuel for the delivery van and sales is that fuel increases 50% of what the sales increase, this is because it is assumed that most customers will buy more units for resale and some new customers will buy the product. Utilities increase linearly 10% a year, even though the operations of the company do not rely on high utilities use, the main use will be in electricity to charge the warehouse management machinery. Other operating expenses include 1.000 units for promotion and the LLC creation fee.

VARIABLE COSTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Units sold	-€47,229.83	-€45,840.72	-€70,428.02	-€92,418.48	-€86,628.43
Fuel	-€1,264.00	-€1,453.60	-€1,671.64	-€1,922.39	-€2,210.74
Utilities	-€2,844.00	-€3,128.40	-€3,441.24	-€3,785.36	-€4,163.90
Other operating expenses	-€6,810.15	€0.00	€0.00	€0.00	€0.00

Table 12 - Variable costs neutral forecasting.

Source: Own creation.

2.3.1.4 Funding analysis

The capital needed for this project is 200 000 €, but of that amount, 50% will be contributed by the shareholders, that is 100 000 €, 25 000 € per shareholder. For the other 50%, it will be contributed through a loan. Two loan options were found, the first one is from Aval Madrid:

Maturity	6 years
Face value	100 000 €
Interest rate	2,80%
Interest per year	466,67 €

Table 13 - Aval Madrid loan info.
Source: Own creation.

The second one is from Iberaval:

Maturity	6 years
Face value	100 000 €
Interest rate	5,52%
Interest per year	919,67 €

Table 14 - Iberaval loan info.
Source: Own creation.
The loan that Aval Madrid was chosen since it has the best interest rate. The upfront fee for that loan is 3%.

2.3.2 Human Resources

Employee name: Alessia Rujel
Position and title: Finance Director, Responsible for accounting
Date: 20th February of 2022
Professional goals and aspirations:

- Operate at International level
- Communication Skills
    - Able to communicate effectively with the other departments of the company

to be all on the same page.

- Decision making
    - Learn how to prioritize
    - Able to take important decisions and act in difficult situations
- Being more technologically competent.
    - Learning in an advanced way to use the new tools or technologies specifically designed to perform his work and make it more efficient.

Strengths and talents:

- Time management
- Perseverance
- Ability to work under pressure
- Confidence
- High level of communication in 2 languages

Development opportunities: Finance Director of a company that it's expanding and willing to go international.

Salary: 993€/month

Action plan (Specific steps or tasks to achieve goals)

ACTION STEP	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE
To be operating on an international level	2 years	3 years
Learning how to improve his ability of decision making	5 months	6 months
Communication skills course	3 months	4 months
Participate in seminars to improve management skills	1 month	1.5 month
Participate in a competition of new technologies to acquire more knowledge	1 month	1 month

Table 15 – Action plan Alessia.

Source: Own creation.

Employee name: Carolina Aja

Position and title: HR Director, Responsible for Compensation and Benefits.

Date: 20th February of 2022

Professional goals and aspirations:

- Become an HR director at an international level
- Become a good and effective leader
- Have a better understanding of French (B2 level)
- Time management
    - Having better disposal of time
    - Able to organize effectively and prioritize
- Being more technologically competent.
    - Learning in an advanced way to use the new tools or technologies specified design to perform his work or to help HR employees to perform their work in a more effective way

Strengths and talents:

- Communication Skills
- Analytical thinking
- Teamwork
- Problem-solving
- Negotiation

Development opportunities: HR Director of a company that it’s expanding and willing to go international.

Salary: 993€/month

Action plan (Specific steps or tasks to achieve goals)

ACTION STEP	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE
To be operating on an international level	2 years	3 years
Foreign language course	4 months	6 months
A course to know how to use in a professional way the new technologies related to his field	2 months	5 months
Seminars to improve leadership skills	1 month	1.5 month
Better planning to improve time management	3 weeks	3 weeks

Table 16 – Action plan Carolina.

Source: Own creation.

Employee name: Ignacio Gil

Position and title: Manager of the warehouse and distributor

Date: 20th February of 2022

Professional goals and aspirations:

- Become the warehouse manager.
- Be able to optimize the warehouse.
- Time management.
    - Optimization of time.
- Learn about new machinery to improve the warehouse efficiency.

Strengths and talents:

- Communication Skills.
- Organization skills.
- Time management.
- Problem solving.

- Know how to use the necessary machinery.

Development opportunities: Manager of the main warehouse of the company.

Salary: 993€/month

Action plan (Specific steps or tasks to achieve goals)

ACTION STEP	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE
Manage a warehouse that exports international	2 years	3 years
Warehouse safety course	2 weeks	2 weeks
Seminars to improve organization skills	2 months	2.5 months
Seminar to improve space optimization	2.5 months	3 months

Table 17 - Action plan Ignacio.

Source: Own creation.

Employee name: Antonio Marqués

Position and title: Logistics Director, Responsible for Logistics and Supply Chain

Date: 20th February of 2022

Professional goals and aspirations:

- Fulfill demand on an international level
- Build a good network
- Faster delivery of the products
- Accelerate the cash flow
- Time management
    - Higher efficiency
    - Able to organize effective and prioritize
- Technology
    - Able to implement tool that could forecast the demand.

- Work with tools that could have a count of the inventory and not having a high excedent.

Strengths and talents:

- Capability to know the population's needs or wants (to forecast demand)
- Analytical thinking
- Problem-solving
- Technological person, know how to work with specialized software.

Development opportunities: Logistics Director of a company that it is expanding and willing to go international.

Salary: 993€/month

Action plan (Specific steps or tasks to achieve goals)

ACTION STEP	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE
To be operating on an international level	2 years	3 years
Study and comparison to enable a fast product delivery	8 months	10 months
Seminars about demand forecast	6 months	6 months
Professional course to learn how to use the specific software required	4 months	5 months

Table 18 - Action plan Antonio.
Source: Own creation.

This is a small company that is directed and run by the founders. The four employers shown above are the four founders, and each of them is specialized in one area in which they are the directors. The four departments XM have are Finance, HR, Warehouse Management, and Logistics. In the HR development plan that has been developed there are listed the professional's goals and aspirations each member of the company wants to pursue, their strengths and talents that are the aptitudes that already have and will help each member to reach their potential, and finally, the action plan that must be followed to achieve that potential, for this they will need to put extra effort and time into their work and complete several deadlines, their deadlines that will be the “target deadlines” and the companies deadlines that are listed as “actual completion date”.

Another point that is written here is the salaries. As it can be observed the salaries are low, not just for a department director but in general. This is because the founders want to get paid as they are performing a job that will be time and energy-consuming but leaving the expenses as low as possible so the company has more chance to survive and grow quicker.

2.3.3 Supply Chain Management

The product imported is bought from the factory in Argentina meaning that the company does not produce anything.

This buying will be done in bulk and the supplier is offering discount rates when buying certain amounts, these discounts happen when 10.000 units are bought, that in that case, the price per unit will be 5,56€, and when buying 36.000 units the price will be lower, reaching 4,04€ per unit. There is a contract with the supplier, and another contract with the retailer, on the contracts with the retailers it is said that if it achieves the volume of sales agreed they will buy 30% more for the next year.

The supplier from Argentina is also the one in charge of obtaining the pertinent certificates for the importation of these products to Spain. This is due to the fact that the product is produced on a different continent, and the regulations in Argentina may differ from the regulations in Spain following the European Union regulations at the same time. Along with obtaining the different certifications, the supplier will also be in charge of the Marketing of the product in Spain, so there are two areas that the company does not have to worry about.

The product will arrive in Spain every four months (three times a year) via ship Spain, the size of the purchase will be one small shipping container. The supplier is in charge of delivering the product to the boat in Argentina, and the merchandise will be FOB (free on board) Origin, this means that if something happens to the product the responsible will be the supplier. On the other hand, the company will be responsible for the shipping cost, the fees regarding the importation of the goods, and also the VAT from Spain.

This product will arrive in Madrid in Puerto Seco, the translation for the word will be “Dry Port”. The fact that it is called that way is because Madrid does not have a coast but has really good connections up to the point that the goods can arrive directly there and that Puerto Seco is treated as a regular port, so the merchandise will arrive there directly. Once the product has arrived at the corresponding port it will be sent to the warehouse on a truck.

The warehouse will be located on the outskirts of Madrid, as the warehouses located in this area have easier access for trucks. Also, Madrid was the chosen city for our operation because all the members of the company already live there and also because Spain has a centralized system regarding the train (but it represents just 4% of the total transport in Spain) and it is in the center of the country meaning that there is a similar distance with the different cities of the country (transport of goods by road represents 75% of the total transport in Spain).

The following graph illustrates how the products will flow inside our warehouse:

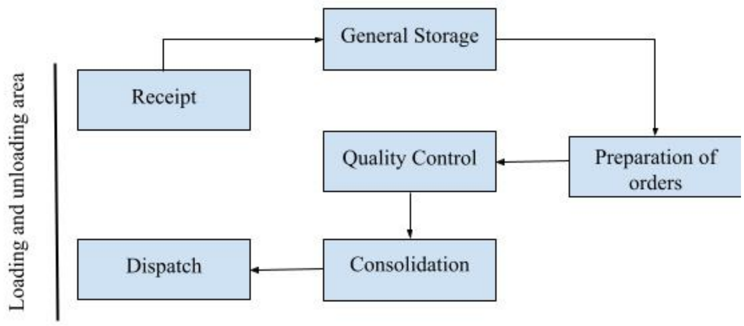

Figure 7 - Product flow.
Source: Own creation.

The products will be loaded and unloaded by the same door, as our warehouse will only have one entrance for the shipping. Once the product has been received it will be moved into the general store, where all the products will be stored until there is an order. Once an order has come in, it will be moved into the “preparation of orders” step where the required number of products will be selected and the warehouse employee will do quality control on them to ensure the product is in good condition and that the package has not suffered from the shipping, moving or storage. Finally, the package will be consolidated and ready for dispatch.

2.4 Marketing analysis

2.4.1 Target market

2.4.1.1 Profile of the target market

The target market will be composed of the Z generation (1997-2012); millennials, that are Y generation (1981-1996); and X generation (1965-1980). Therefore, the age range will be between 18-57 years old.

The Z generation has invested the most in skincare products rather than makeup as usual according to a study from Klarna. People from this generation have been growing up surrounded by several sources of information related to skincare such as YouTube tutorials, influencers, and several social media like Instagram and TikTok that promote this kind of lifestyle. The Z generation does not see skincare products as something for just a moment or an occasion but rather as a long-term investment, due to its objective to age in the best possible way. There is another article that illustrates this with numbers, and after their study, they conclude that 86% of Z generation shoppers were beauty and skincare shoppers and that around 70% of the total amount they spend goes towards this industry of beauty and skincare products.

Besides, for the Millennial generation, social media had an impact on their purchase decision, although it was not as strong as in the generation Z. This generation is more likely to follow a skincare routine if compared with generation Z. This is shown in a CeraVe Survey that reveals that 63% of millennials follow a routine against the 57% of the generation Z.

Generation X has been included in the target market for the exfoliating cream due to geographical factors. This factor is considered because the company proposed is going to distribute and sell this product in Spain, and this is a country that has an aging population, and Spanish women tend to invest in skincare products at a late age in comparison with other countries.

2.4.1.2 Demographic segmentation

- Age

Men start taking care of their skin at a very young age, approximately between 15-24 years old and those who are more interested in skincare are between 25-34 years old.

While Spanish women do not use too many skincare products until 40 years principally to combat the signs of aging. In fact, in 2020 the biggest spend (47% of the total expenditure) in skincare products came from people between 55-75 years old.

- Gender

According to the Spanish Association of Cosmetologists and Cosmiatrists in 2021, 50% of Spanish men recognized that they use skincare, hair or body care products. In 2018, in the Spanish skincare industry, 59% of the consumers were women and 41% men.

- Income

In Spain, the average budget for these products is 170 € annually, above the European average which is 140 € per year. Moreover, women older than 55 years spend 204,06 € every year, while men of that age spend 125,9 €.

2.4.1.3 Psychographic segmentation

Now consumers are more aware of the climate change crisis, and they are asking for more natural and sustainable products, meaning that they prefer products without any chemicals in the composition as they think are better for the environment and for their skin. Although in order to have a more sustainable product, the investment is higher than in a regular product. Besides, they want products that are easy to use, but of high quality.

2.4.1.4 Behavioral segmentation

Spanish consumers have the following characteristics regarding their behavior when it comes to buying skincare products:

- Frequency of use

They tend to buy routinely, it is a habit, not an occasional purchase. Therefore, strategies must be applied in order to attract the consumer to another purchase of the exfoliator cream.

- Customer Loyalty

As it is a habit, the loyalty to a brand in Spain is high. Thus, it is expected that loyalty will increase towards the facial cream as time goes by.

- User status

In the case of a new product with a unique – not so known – ingredient as the marble exfoliator cream, people first need to know what the benefits of it are, what makes it unique and why is it better than a regular exfoliator. Then, the user status will be prospects.

2.4.2 Buyer persona

- Bárbara is a 40-year-old business woman.
- She lives in Madrid, Spain.
- She spends 80 € in skincare products every 3 months.
- She has designer clothes from Boss, Channel, Dior, etc.
- She likes to take care of her appearance and her health.
- She goes to expensive restaurants with her friends.
- She travels at least once a year for pleasure or business.

2.4.3 Marketing Mix

- Product
  - Container of 70g
  - Aluminum container with plastic tap, both 100% recyclable
  - 100% purest quality marble
  - White creamy texture
- Place
  - Sold at retailers specialized in skincare (Douglas, Primor, etc.)
  - Sold direct from Instagram account
  - Sold direct from website
  - Product will be stored in our warehouse before being delivered to retailers or customers
- Price

- The facial exfoliator cream will be sold to retailers at 20€.
- Small box that contains the cream
- Special box for shipping

- Promotion
  - The supplier will carry out the marketing campaign.
  - XM will use 1.000 units to send to possible customers.

2.4.4 Contingency Plan

SCENARIO	PROBABILITY (1-5)*	IMPACT (1-10)**	PREPARATION	RESPONSE
The loss of a big client	3	6	• Meeting all deadlines • Treating them with respect and professionalism • Offering discounts when possible (for early payments or big purchases) • Make sure the merchandise is in good conditions	• Getting feedback from the client so we know the reasons and where to improve
Software stops working for 24 hours	3.5	3	• Updated systems • Always having enough remaining storage capacity	• Call the company with which the software was contracted from • Having other lines to take orders (phone, email) and other ways to treat the (excel, by hand)
Long war Russia and Ukraine	3	7	• Have a high revenue margin in case it has to be reduced • Being in contact with the supplier to make sure that more units can be bought in case there is a need of reducing price and increase sales	• Stagnate the princes and do not let them do up with the inflation so they look lower or higher the prices and make the product exclusive for an elite

* 1 being the lowest probability and 5 the most probable scenario
** 1 being the lowest impact and 10 the most devastating impact

Table 19 - Contingency plan.

Source: Own creation.

The loss of a big client

This scenario is a possible one, as the firm sells in batch and not to individual clients the loss of a client, and more, if it is a big one, could be detrimental to the company's survival.

The preparation for preventing this to happen is really basic and falls within the company's guidelines, but even though it is this it deserves to be mentioned and started again. The first thing will be to meet all the deadlines. If it is stated that a product will be on a site on a specific date the company has to make sure that the deadline is realistic and that it can be met before accepting it, and once accepted there has to be a guarantee that the deadline is met.

Secondly will be to treat them with respect and professionalism, not just because they are a source of income, but because human interactions also play an important part in business relations, and it is necessary to create a long-term relationship, not just a one-time sale.

As it was stated in the previous point it is needed to be an appealing company, so offering discounts for early payments or big purchases at least during the first stage of development of the company would be crucial for the client to be more willing to buy and keep doing business with the company.

Finally, but not least there is a need to make sure that the merchandise sold is in good condition, meaning that it’s not damaged, either the product or the package, and that the transport method and vehicle would not damage the merchandise while transporting it.

The impact on the company if this happens will be six out of ten, the reason for this was stated before: the firm is in an early stage, this means that at first the clients that the company already has would be crucial to maintain but the sales would not be relying in just one big client, rather than several medium and small clients on the first years. The way that the firm will have to respond to the loss of a big client would be to get in contact with them and ask for some feedback and reasons they decided to stop doing business with the enterprise. This way it can be known if it was an external factor, some internal problem that the client had, or if it was the company's fault, what would be the point to consider in the future so this does not happen again.

Software stops working for 24 hours

The company depends on large-scale sales, not individuals, which means that if our software fails for twenty-four hours in a row it might lose a sale that might be a big one. The probability of this happening is three points five out of five, which is quite probable to happen. It has been seen how big companies such as Facebook have problems with their software and this makes everyone more aware of the fact that no one is exempt from this to happen. The reasons a software can fail are a few, but in this case, the most probable will be that the software has some bugs, and a software engineer will be needed to solve this problem.

A second reason will be to have an overload on the server, this means that more data is going in or more people in it than the one that the software can support. The third reason for a software to fail will be not updating it, as updates solve problems and make it compatible with the hardware where the software is installed. The last way that software fails is by exceeding the data storage.

In the case of any of these events happening, the company would not be devastated but there is a chance of missing a sale. As the business is a wholesale company that one sale could mean a significant amount of revenue, it is not like missing the purchase from individuals buying the product, it will be missing a batch purchase from another company. In this case, the impact is three out of ten. The reason for this is because this company is the only distributor of this product not just in Spain but also in all of Europe. This means that if they want this product, they will need to take it from this company.

For overcoming this there need to be other channels open, those channels could be phone or email, and if the company cannot note the order on the software, it will be needed to be done by hand, even manually over a piece of paper or using an excel to get all the data needed or any contact information and they can be contacted once the server starts to work again.

Also, the company will have the software with the most updated version to prevent the problems of having bugs in the software and not updating. For the last problem, which is exceeding the storage, the business will keep a close eye on it and make sure that it has enough remaining storage capacity at every moment.

Long war Russia and Ukraine

The consequences of this scenario have already been discussed from the macroeconomic environment point. Wrapping up it is mentioned that if this scenario happens the price of petroleum will go up from 90€ up to 116€. This will lead to inflation that will make the prices of several basic need's products go up leaving a more reduced budget for the non-basic need's products, and the product distributed by this company, which is exfoliant cream, falls into this category.

The increased price of petroleum will also affect the company since it is a distribution company and the product is transported up to the clients on the company truck. If the price of petroleum rises then the cost of shipping will be higher and this will lead to a smaller percentage of profit for the company, and a higher price for the final client.

There is no way for the company to prevent this situation as it is part of the macro-economic environment but it can react to minimize a negative outcome. The first step will be to assume that sales will be lower due to inflation and the fact that the product is not in basic need. The approach could be done in two different ways, as it is widely known when war comes there is someone who loses and someone that gains, and this also applies to individual wealth.

The assumption of having lower sales applies to both options that will be explained. The first option is to assume a lower percentage of revenue and also offer a discount or not change the price of the product along with the inflation and have it stagnated there.

The second option will be to elevate the prices, this will lead to lower sales but with higher revenues. The customers in this case will be the elite class. They would have been generating more money due to the war, this was the same that happened with Covid-19, there were a lot of people struggling to reach the end of the month while others were gaining higher amounts of money and increasing their wealth. These people in their elite position will be willing to spend more on more expensive and selected products and the exfoliant cream that is being sold could fall into this category.

2.5 Financial plan

2.5.1 Forecasting

2.5.1.1 Neutral

2.5.1.1.1 Sales

The annual sales in the most realistic forecasting can be seen in Table 20. The sales are estimated taking into consideration the €1.260 Million market for skincare products according to Stanpa (the Spanish association of perfumery and cosmetics). The forecast for the first year in this scenario is to capitalize 1,19% of the Spanish market. Sales are going to increase by 30% each year, with the help of marketing efforts by the supplier.

SALES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Units sold	7500	9750	12675	16478	21421
Value in €	€150,000.00	€195,000.00	€253,500.00	€328,560.00	€428,420.00

Table 20 - Neutral sales forecast.

2.5.1.1.2 Balance sheet

In Table 21 the balance sheet results have been put in a table for easier analysis (to see the balance sheets created by Contaone, head to APPENDIX 2 – Balance Sheet Neutral Forecast years 1 to 5). It is possible to appreciate that with this forecast the assets of the company increase by 322% by year five. It is also possible to observe that in the first year there will be losses because of the initial investment required to start operating. By year two the company broke even, and the first profits are made, the decision to reinvest all profits has been made in order to increase future profits with the application of economies of scale and developing new projects.

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NON-CURRENT ASSETS					
PROPERTY PLANT & EQUIPMENT	€30,234.41	€27,072.41	€24,258.09	€21,748.08	€19,508.98
NON-CURRENT INVESTMENTS	€3,750.00	€3,750.00	€3,750.00	€3,750.00	€3,750.00
TOTAL NON-CURRENT ASSETS	€33,984.41	€30,822.41	€28,008.09	€25,498.08	€23,258.98
CURRENT ASSETS					
INVENTORIES	€8,334.68	€18,058.47	€30,977.22	€101,494.50	€14,866.07
TREASURY	€139,645.70	€171,166.47	€224,662.00	€267,974.40	€548,872.92
TOTAL CURRENT ASSETS	€147,980.38	€189,224.94	€255,639.22	€369,468.90	€563,738.99
TOTAL	€181,964.79	€220,047.35	€283,647.31	€394,966.98	€586,997.97
EQUITY & LIABILITIES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
EQUITY					
CAPITAL	€100,000.00	€100,000.00	€100,000.00	€100,000.00	€100,000.00
PROFIT/LOSS	-€1,368.97	€46,537.65	€75,206.84	€103,443.60	€184,884.15
RESERVES	€0.00	€0.00	€46,537.65	€121,744.49	€225,188.09
RETAINED LOSSES		-€1,368.97	-€1,368.97	-€1,368.97	-€1,368.97
LIABILITIES					
NON-CURRENT LIABILITIES					
LONG TERM LOAN	€83,333.33	€66,666.66	€49,999.99	€33,333.32	€16,666.65
CURRENT LIABILITIES					
BENEFIT TAX (0%,15%,15%,25%,25%)	€0.00	€8,212.53	€13,271.80	€37,814.54	€61,628.05
TOTAL	€181,964.36	€220,047.87	€283,647.31	€394,966.98	€586,997.97

Table 21 - Balance sheet neutral forecast.

Source: Own creation.

2.5.1.1.3 Ratios

TABLE shows ratios calculated with the balance sheet to analyze different factors. The first ratios to be discussed are liquidity ratios, the company will have positive results on both ratios and the working capital every year given the fact that the only current liability that the company will have will be the benefits tax, this tax is 15% the first two years of profits and 25% from then on due to a ruling by the Spanish government to motivate people to create new businesses.

When looking at the debt ratios, in the first year the company has good ratios, primarily because of the decision to raise only half of the initial capital with a loan. It is possible to appreciate the improvement of every ratio because of the increase in profits and because no new loans were taken.

The profitability ratios can be seen on the bottom of Table 22, when looking at the ROI it can be seen that the first year is positive even though that year there is no profit, this is because the earnings before interest and tax is positive, but the financial costs of the first year make the ROE negative. The improvement of the profitability ratios is clearly appreciable as well, ending in the fifth year with very promising results.

INDICATORS & RATIOS		END OF YEAR 1	END OF YEAR 2	END OF YEAR 3	END OF YEAR 4	END OF YEAR 5
LIQUIDITY RATIOS						
Working capital	Current assets – Current liabilities	147,980.38€	181,012.41€	242,367.42€	331,654.36€	502,110.94€
Liquidity ratio or technical solvency	Current assets / Current liabilities	0	23.041	19.262	9.771	9.147
Cash ratio	Cash / Current liabilities	0	20.842	16.928	7.087	8.906
DEBT RATIOS						
Debt ratio	Total Liabiliites / (Total liabilities + Equity)	0.458	0.340	0.223	0.180	0.133
Debt to equity ratio	Total liabilities / Equity	0.84	0.52	0.29	0.22	0.15
Equity ratio	Equity / (Total liabilities + Equity)	0.542	0.660	0.777	0.820	0.867
Firmness ratio	Non-current assets / Non-current Liabilities	40.78%	46.23%	56.02%	76.49%	139.55%

Guarantee ratio	Total assets / Total liabilities	2.18	2.94	4.48	5.55	7.5
PROFITABILITY RATIOS						
Profit ratio	Net benefit x 100 / Annual sales.	-€18.25	€477.31	€593.35	€627.77	€863.10
ROI (Return on investment)	EBIT / Total assets.	1.15%	25.09%	31.36%	35.88%	42.07%
ROE (Return on equity)	Profit/(LOSS) for the year / Equity.	-1.39%	32.06%	34.13%	31.94%	36.34%

Table 22 - Ratios neutral forecast.

Source: Own creation.

2.5.1.1.4 Income statement

On Table 23 a more detailed version of the income statement generated by Contaone is shown. Before the EBT it is possible to appreciate the depreciation costs, these include depreciation of machinery, vehicles, computer hardware, furniture and warehouse equipment. This cost is lower each year because no new equipment or other depreciable assets are bought after the first year.

Finally, at the bottom of Table the benefit tax is deducted showing the result for the profit/loss account below. It is important to notice that the first year does not have benefit tax because there are not any profits.

	YEAR 1	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**
INCOME					
Units sold in €	**€150,000.00**	**€195,000.00**	**€253,500.00**	**€328,560.00**	**€428,420.00**
TOTAL FIXED COSTS	**-€86,198.95**	**-€86,198.95**	**-€86,198.95**	**-€86,198.95**	**-€86,198.95**
Salaries and wages	-€69,639.00	-€69,639.00	-€69,639.00	-€69,639.00	-€69,639.00
CRM	-€1,100.00	-€1,100.00	-€1,100.00	-€1,100.00	-€1,100.00
ITV	-€59.95	-€59.95	-€59.95	-€59.95	-€59.95
Delivery van insurance	-€400.00	-€400.00	-€400.00	-€400.00	-€400.00
Warehouse rent	-€15,000.00	-€15,000.00	-€15,000.00	-€15,000.00	-€15,000.00
TOTAL VARIABLE COSTS	**-€58,147.98**	**-€50,422.72**	**-€75,540.90**	**-€98,126.23**	**-€93,003.07**
Units sold	-€47,229.83	-€45,840.72	-€70,428.02	-€92,418.48	-€86,628.43
Fuel	-€1,264.00	-€1,453.60	-€1,671.64	-€1,922.39	-€2,210.74
Utilities	-€2,844.00	-€3,128.40	-€3,441.24	-€3,785.36	-€4,163.90
Other operating expenses	-€6,810.15	€0.00	€0.00	€0.00	€0.00

TOTAL FINANCIAL COSTS	**-€3,466.67**	**-€466.67**	**-€466.67**	**-€466.67**	**-€466.67**
Interest	-€466.67	-€466.67	-€466.67	-€466.67	-€466.67
Upfront loan fees	-€3,000.00	-	-	-	-
AMORTIZATION & DEPRECIATION	**-€3,555.37**	**-€3,161.48**	**-€2,814.84**	**-€2,510.01**	**-€2,239.10**
EBT (Earnings before tax)	**-€1,368.97**	**€54,750.18**	**€88,478.64**	**€141,258.14**	**€246,512.21**
Benefit tax 0%,15%/,15%,/25%,25%		€8,212.53	€13,271.80	€35,314.54	€61,628.05
PROFIT/LOSS FOR THE YEAR	**-€1,368.97**	**€46,537.65**	**€75,206.84**	**€105,943.61**	**€184,884.15**

Table 23 - Income statement neutral forecast.
Source: Own creation.

2.5.1.2 Optimistic

2.5.1.2.1 Sales

The most enthusiastic estimate wants to capitalize even more market than a normal scenario (see Table 24). It is the less likely to happen, but if things go well and there is great market acceptance it is a possibility. What is more, sales would increase by 35% with the marketing help from Marmel Care S.R.L as well.

SALES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Units sold	9000	12150	16403	22143	28786
Value in €	€180.000,00	€243.000,00	€328.050,00	€442.867,50	€575.727,75

Table 24 - Sales in optimistic scenario.
Source: Own creation.

2.5.1.2.2 Balance Sheet

In Table 25 it is possible to find the balance sheet outcomes for the optimistic scenario. There is an outstanding 490,52% increase in assets by the last year. From the first year the company would not have losses, so benefit tax will always be paid. The idea of profit reinvestment in this scenario has the same goal as in the normal case.

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NON-CURRENT ASSETS					
PROPERTY PLANT & EQUIPMENT	€30.234,44	€29.273,01	€26.238,13	€23.511,91	€21.272,81
NON-CURRENT INVESTMENTS	€3.750,00	€3.750,00	€3.750,00	€3.750,00	€3.750,00
TOTAL NON-CURRENT ASSETS	€33.984,44	€33.023,01	€29.988,13	€27.261,91	€25.022,81
CURRENT ASSETS					
INVENTORIES	€0,00	€15.835,89	€8.042,96	€85.036,63	€140.601,14
TREASURY	€169.645,27	€215.863,65	€339.927,65	€492.433,94	€833.215,08
TOTAL CURRENT ASSETS	€169.645,27	€231.699,54	€347.970,61	€577.470,57	€973.816,22
TOTAL	**€203.629,71**	**€264.722,55**	**€377.958,74**	**€604.732,48**	**€998.839,03**
EQUITY AND LIABILITIES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
EQUITY					
CAPITAL	€100.000,00	€100.000,00	€100.000,00	€100.000,00	€100.000,00
PROFIT/LOSS	€17.251,92	€68.683,38	€106.517,59	€209.407,95	€360.112,34
RESERVES	€0,00	€17.251,92	€85.935,30	€192.614,64	€402.022,59
RETAINED LOSSES		€0,00	€0,00	€0,00	€0,00
LIABILITIES					
NON-CURRENT LIABILITIES					
LONG TERM LOAN	€83.333,33	€66.666,66	€49.999,99	€33.333,32	€16.666,65
CURRENT LIABILITIES					
BENEFIT TAX (15%,15%,25%,25%,25%)	€3.044,46	€12.120,59	€35.505,86	€69.376,57	€120.037,45
TOTAL	**€203.629,71**	**€264.722,55**	**€377.958,74**	**€604.732,48**	**€998.839,03**

Table 25 - Balance sheet optimistic.

Source: Own creation.

2.5.1.2.3 Ratios

Table 26 is about liquidity ratios for the bullish plan. Very important to point out that working capital is positive to check the liquidity so it is possible to deal with the debt and any other problems. Compared to the neutral forecast, the optimist liquidity ratio and cash ratio are higher than 0€ because the company would not lose money in the first year. The firmness ratio is the same in both cases because the non-current assets and the non-current liabilities are equal, however, later they will be different. Lastly, the profitability ratios show great prospects which are quite difficult to get due to its unrealistic nature.

INDICATORS & RATIOS	END OF YEAR 1	END OF YEAR 2	END OF YEAR 3	END OF YEAR 4	END OF YEAR 5
LIQUIDITY RATIOS					
Working capital	166.600,81€	219.578,95€	312.464,75€	508.094,00€	853.778,77€
Liquidity ratio or technical solvency	66,89	19,116	9,800	8,324	8,113
Cash ratio	55,72	17,810	9,574	7,098	6,941
DEBT RATIOS					
Debt ratio	0,424	0,318	0,226	0,170	0,137
Debt to equity ratio	0,74	0,47	0,29	0,20	0,16
Equity ratio	0,576	0,682	0,774	0,830	0,863
Firmness ratio	40,78%	49,53%	59,98%	81,79%	150,14%
Guarantee ratio	2,18	2,94	4,48	5,55	7,5
PROFITABILITY RATIOS					
Profit ratio	€191,69	€565,30	€649,38	€945,71	€1.251,00
ROI (Return on investment)	11,67%	30,70%	37,70%	46,20%	48,12%
ROE (Return on equity)	14,71%	36,94%	36,42%	41,75%	41,77%

Table 26 - Ratios optimistic.

Source: Own creation.

2.5.1.2.4 Income statement

Table 27 shows the income statement information for the optimistic scenario. Depreciation costs include machinery, vehicles, computer hardware, furniture and warehouse equipment too. No other depreciable asset is bought so this cost will be lower each year because of that. In this positive context, XM earns profits from the very beginning, so the first two years (2018 and 2019) include 15% benefit tax and 25% for the remaining three years. This is a tax rule by the Spanish government.

Notice that the variable costs in the same period for an optimist scenario change a bit. Here, fuel increases 17,5% every year. It has a higher increase since XM sells more so more distance would be driven to do transportation of our products. The operating expenses also include 1000 units for promotion which is something that remains the same in every forecast plus the LLC creation. Moreover, the cost and the use of utilities are the same as the neutral case. Lastly, units sold in year 5 has a value of 0€. It is a strange result that the accounting tool used (Contaone) gave us in the income statement. The journal of entries in 2022 seems to be correct but it is quite difficult to understand the reason of this effect.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Units sold in €	**€180.000,00**	**€243.000,00**	**€328.050,00**	**€442.867,50**	**€575.727,75**
TOTAL FIXED COSTS	**-€86.198,95**	**-€86.198,95**	**-€86.198,95**	**-€86.198,95**	**-€86.198,95**
Salaries and wages	-€69.639,00	-€69.639,00	-€69.639,00	-€69.639,00	-€69.639,00
CRM	-€1.100,00	-€1.100,00	-€1.100,00	-€1.100,00	-€1.100,00
ITV	-€59,95	-€59,95	-€59,95	-€59,95	-€59,95
Delivery van insurance	-€400,00	-€400,00	-€400,00	-€400,00	-€400,00
Warehouse rent	-€15.000,00	-€15.000,00	-€15.000,00	-€15.000,00	-€15.000,00
TOTAL VARIABLE COSTS	**-€66.482,66**	**-€72.124,48**	**-€96.326,05**	**-€74.429,39**	**-€6.573,24**
Units sold	-€55.564,51	-€67.510,88	-€91.139,70	-€68.593,53	€0,00
Fuel	-€1.264,00	-€1.485,20	-€1.745,11	-€2.050,50	-€2.409,34
Utilities	-€2.844,00	-€3.128,40	-€3.441,24	-€3.785,36	-€4.163,90
Other operating expenses	-€6.810,15	€0,00	€0,00	€0,00	€0,00
TOTAL FINANCIAL COSTS	**-€3.466,67**	**-€466,67**	**-€466,67**	**-€466,67**	**-€466,67**
Interest	-€466,67	-€466,67	-€466,67	-€466,67	-€466,67
Upfront loan fees	-€3.000,00	-	-	-	-
AMORTIZATION & DEPRECIATION	**-€3.555,34**	**-€3.405,93**	**-€3.034,88**	**-€2.726,22**	**-€2.239,10**
EBT (Earnings before tax)	**€20.296,38**	**€80.803,97**	**€142.023,45**	**€279.046,27**	**€480.249,79**
Benefit tax 15%,15%/,25%,/25%,25%	€3.044,46	€12.120,60	€35.505,86	€69.761,57	€120.062,45
PROFIT/LOSS FOR THE YEAR	**€17.251,92**	**€68.683,37**	**€106.517,59**	**€209.284,70**	**€360.187,34**

Table 27- Income statement optimistic.

Source: Own creation.

2.5.1.3 Pessimistic

2.5.1.3.1 Sales

In the worst possible scenario, the forecast of annual sales begins with 6000 units of the exfoliating cream, and it will be increasing gradually by 25% each year as it can be seen in Table 28.

SALES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Units sold	6000	7500	9375	11719	14649
Value in €	€120,000.00	€150,000.00	€187,500.00	€234,380.00	€292,968.75

Table 28 - Sales pessimistic scenario.

Source: Own creation.

2.5.1.3.2 Balance sheet

Table 29 shows the balance sheet for the pessimistic scenario. As this is the least favorable projection of the business project, it shows a slight increase of 198% in assets of the company by year 5. Moreover, benefit tax will not be paid in the first year since the company will not have benefits that year. In this scenario, all profits will be reinvested as well.

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NON-CURRENT ASSETS					
PROPERTY PLANT & EQUIPMENT	€30,234.41	€26,828.48	€23,793.60	€21,067.38	€18,828.28
NON-CURRENT INVESTMENTS	€3,750.00	€3,750.00	€3,750.00	€3,750.00	€3,750.00
TOTAL NON-CURRENT ASSETS	€33,984.41	€30,578.48	€27,543.60	€24,817.38	€22,578.28
CURRENT ASSETS					
INVENTORIES	€16,669.35	€2,778.23	€6,251.01	€4,406.25	€26,435.16
CASH	€109,645.27	€123,980.32	€145,486.83	€181,502.67	€268,050.88
TOTAL CURRENT ASSETS	€126,314.62	€126,758.55	€151,737.84	€185,908.92	€294,486.04
TOTAL	**€160,299.03**	**€157,337.03**	**€179,281.44**	**€210,726.30**	**€317,064.32**
EQUITY & LIABILITIES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
EQUITY					
CAPITAL	€100,000.00	€100,000.00	€100,000.00	€100,000.00	€100,000.00
PROFIT/LOSS	-€23,034.30	€11,648.97	€34,566.76	€40,658.66	€102,418.18
RESERVES	€0.00	€0.00	€11,648.97	€46,215.73	€86,874.39
RETAINED LOSSES		-€23,034.30	-€23,034.30	-€23,034.30	-€23,034.30
TOTAL EQUITY	€76,965.70	€88,614.67	€123,181.43	€163,840.09	€266,258.27
LIABILITIES					
NON-CURRENT LIABILITIES					
LONG TERM LOAN	€83,333.33	€66,666.66	€49,999.99	€33,333.32	€16,666.65
CURRENT LIABILITIES					
BENEFIT TAX (0%,15%,15%,25%,25%)	€0.00	€2,055.70	€6,100.02	€13,552.89	€34,139.40
TOTAL	**€160,299.03**	**€157,337.03**	**€179,281.44**	**€210,726.30**	**€317,064.32**

Table 29 - Balance sheet pessimistic scenario.

Source: Own creation.

2.5.1.3.3 Ratios

In Table 30 different indicators that have been calculated with the balance sheet results previously presented. First to analyze are the liquidity ratios and as it can seen the liquidity ratio and cash ratio are 0 in the first year as there are losses. After that the debt ratios are shown, and they are higher in comparison with the other forecasts as in this pessimistic scenario the profits are not that high. Finally, the profitability ratios, these indicators define if the company is profitable or not. In this case, the ROI in the last year increases notably thanks to the large increase in the profit and thus, increasing the EBT which is part of the formula, positively affecting the ROE too.

INDICATORS & RATIOS	END OF YEAR 1	END OF YEAR 2	END OF YEAR 3	END OF YEAR 4	END OF YEAR 5
LIQUIDITY RATIOS					
Working capital	126,314.62€	124,702.85€	145,637.82€	172,356.03€	260,346.64€
Liquidity ratio or technical solvency	0	61.66	24.87	13.72	8.63
Cash ratio	0	60.31	23.85	13.39	7.85
DEBT RATIOS					
Debt ratio	0.68	0.64	0.59	0.56	0.54
Debt to equity ratio	2.08	1.78	1.46	1.29	1.19
Equity ratio	0.32	0.36	0.41	0.44	0.46
Firmness ratio	40.78%	45.87%	55.09%	74.45%	135.47%
Guarantee ratio	1.92	2.29	3.20	4.49	6.24
PROFITABILITY RATIOS					
Profit ratio	-€383.91	€155.32	€368.71	€346.95	€699.15
ROI (Return on investment)	-12.21%	9.01%	22.94%	25.91%	43.21%
ROE (Return on equity)	-29.93%	13.15%	28.06%	24.78%	38.46%

Table 30 - Ratios pessimistic scenario.
Source: Own creation.

2.5.1.3.4 Income statement

Table 31 has more detailed information regarding the profit/loss analysis of each year. Although this is the worst-case scenario, only the first year there are losses, the following years there are profits but not as high as in the other scenarios. According to the Spanish Law, therefore if there is no profit, there is no benefit tax to be paid.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Units sold in €	**€120,000.00**	**€150,000.00**	**€187,500.00**	**€234,380.00**	**€292,968.75**
TOTAL FIXED COSTS	**-€86,198.95**	**-€86,198.95**	**-€86,198.95**	**-€86,198.95**	**-€86,198.95**
Salaries and wages	-€69,639.00	-€69,639.00	-€69,639.00	-€69,639.00	-€69,639.00
CRM software	-€1,100.00	-€1,100.00	-€1,100.00	-€1,100.00	-€1,100.00
ITV	-€59.95	-€59.95	-€59.95	-€59.95	-€59.95
Delivery van insurance	-€400.00	-€400.00	-€400.00	-€400.00	-€400.00
Warehouse rent	-€15,000.00	-€15,000.00	-€15,000.00	-€15,000.00	-€15,000.00
TOTAL VARIABLE COSTS	**-€49,813.31**	**-€46,223.78**	**-€57,132.72**	**-€90,776.61**	**-€67,506.45**
Units sold	-€38,895.16	-€41,673.38	-€52,091.73	-€85,191.53	-€61,317.86
Fuel	-€1,264.00	-€1,422.00	-€1,599.75	-€1,799.72	-€2,024.69
Utilities	-€2,844.00	-€3,128.40	-€3,441.24	-€3,785.36	-€4,163.90
Other operating expenses	-€6,810.15	€0.00	€0.00	€0.00	€0.00
TOTAL FINANCIAL COSTS	**-€3,466.67**	**-€466.67**	**-€466.67**	**-€466.67**	**-€466.67**
Interest	-€466.67	-€466.67	-€466.67	-€466.67	-€466.67
Upfront loan fees	-€3,000.00	€0.00	€0.00	€0.00	€0.00
AMORTIZATION & DEPRECIATION	**-€3,555.37**	**-€3,405.93**	**-€3,034.88**	**-€2,726.22**	**-€2,239.10**
EBIT (Earnings before interest & tax)	**-€23,034.30**	**€13,704.67**	**€40,666.78**	**€54,211.55**	**€136,557.58**
Benefit tax 15%/15%/25%	€0.00	€2,055.70	€6,100.02	€13,552.89	€34,139.40
PROFIT/LOSS FOR THE YEAR	**-€23,034.30**	**€11,648.97**	**€34,566.76**	**€40,658.66**	**€102,418.19**

Table 31 - Income statement pessimistic scenario.

2.5.2 Financial indicators

2.5.2.1 Calculation of Ke

The cost of equity is the rate that shows the expected profitability, in other words, what the shareholders expect in return by investing in the business project. To obtain this rate, this formula must be applied:

- $Ke = Rf + \beta\ (Rm - Rf)$

Table 29 explains the different variables in this formula.

Rf	Risk Free rate refers to the interest rate of the Treasury bonds issued by the state.
β	Is a value that indicates the risk of a company or in this case, of the industry. The closer it gets to 1, the riskier it is to invest.
Rm - Rf	Market risk premium.

Table 32 - Ke formula variables explanation.

Source: Own creation.

This being an entrepreneurial project, it is decided to multiply the β by 3 to increase the profit expectations of the shareholders.

- β = 1,28 x 4 = 5,12
- Rf = 2,05%
- Risk premium = 1,12%
- **Ke = 2,05% + (5,12 x 1,12%) = 5,29%**

2.5.2.2 Calculation of WACC

This represents the cost of financing the project. The formula to calculate this is the following:

- WACC = Kd x D (1- Benefit tax) + Ke x E

TABLE explains the different variables in this formula.

Kd	Cost of debt is the interest rate of the loan.
D	The debt percentage is the debt, in this case the loan requested for the project.
Ke	The cost of equity is the rate that shows the expected profitability.
E	The equity percentage is the part of the capital contributed by the shareholders.

Table 33 - WACC formula variables explained.

Source: Own creation

In this case the benefit tax is 0 for the first year.

- Kd = 2,80%
- D = 50%
- Ke = 7,78%

- E = 50%
- **WACC = (2,80% x 50%) (1-0) + (7,78% x 50%) = 5,29%**

2.5.2.3 IRR and NPV

Table 34 shows the cash flows of the three forecast scenarios: pessimistic, neutral, and optimistic. These cash flows are the ones used to calculate the NPV (Net Present Value) and the IRR (Internal Rate of Return) of the project. In addition to the cash flows, it is also shown the Residual Value of each forecast for the last year, as it is also a necessary value to obtain the two ratios already mentioned.

	2018	2019	2020	2021	2022	Residual value
Pessimistic (Cash flow)	-26.589,67	8.243,04	31.531,88	37.857,44	100.104,08	266.108,27
Neutral (Cash flow)	-4.924,34	43.376,17	72.392,00	100.933,59	182.645,05	508.703,27
Optimist (Cash flow)	13.696,58	65.277,45	103.482,71	206.843,48	357.873,24	862.134,93

Table 3434 - Cashflows for three scenarios.
Source: Own creation.

Pessimistic		Neutral		Optimistic	
Rate	5,29%	**Rate**	5,29%	**Rate**	5,29%
NPV	116.799,91 €	**NPV**	487.042,15 €	**NPV**	1.017.718,87 €
IRR	15,85%	**IRR**	39,97%	**IRR**	61,41%

Table 35 - Rate, NPV & IRR.
Source: Own creation.

The WACC (Weighted average cost of capital) of the project it is of 5,29%, and it is the rate used to be able to calculate the NPV. When analyzing the three projects it can be seen that the pessimistic scenario has the lowest NPV.

It is also shown that the pessimistic scenario has the lowest NPV and the optimistic the highest, meaning that the pessimistic is the least profitable and the optimistic the most, leaving the neutral in the middle. A positive NPV that it is what has been obtained in the three cases means that the project it is worthwhile.

Also in every case, the IRR is higher than the WACC meaning that the project it is profitable in all its scenarios.

Conclusion and Limitations

3.1 Conclusion

This business plan is planned to start operations in January of the year 2023. Taking into consideration every factor analyzed, the conclusion was reached that this project is viable and profitable in every scenario forecasted. Even though there are some factors that are not considered in this analysis, this business plan is attractive for the founders to make profits.

The market analysis is to be taken as benchmark, since the minimum number of responses was not met in the survey. Either way, it was possible to identify trends in the factors Spanish customers consider when purchasing skincare products. It was also found that the Spanish customer believes marble adds value to an exfoliating cream. The financial viability analysis and calculations have given promising results. Since the IRR is higher than the WACC, then the project is financially viable. When looking at the WACC for a startup, the average is 15%, but in this case the result was almost one third of that, this means that the business plan is not only viable but very attractive for investors. What is also attractive for investors is that only half of the initial capital is from acquiring debt, making the lean easier to repay. The project shows interesting market acceptance considering some of the existing players with years of experience although it is a new business. Entering the Spanish market is going to be difficulted because it is a red ocean market, this means it has many established skincare companies, however, because of the differentiation factor *Carrara Nº1* provides this barrier could be minimized. With the help of the contingency plan, it can be concluded that there aren't any probable major events that put this business plan at risk. The most probable one is that the software goes offline for one day, and the consequences are not significant.

To conclude, because there are no mechanisms to measure the accuracy of forecasts made, it would be recommendable to seek legal and financial help before making the initial investment.

3.2 Limitations

- Technical limitations of Contaone software (online tool for accounting).
- Inaccuracy of financial forecasts.

- Not having access to detailed or updated information about the skincare industry in Spain.
- Not finding reliable sources about the contracts between suppliers and retailers in this type of industry.
- Lack of experience in this industry in Spain.
- Inaccuracy of results of the survey as the sample was not significative.
- Not having considered all possible costs.

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APPENDIX 1 – SURVEY

https://docs.google.com/forms/d/1OLbqmLwnIHB1XKhFsuvBMhyyRXT9SZyjRpZ5NuXgrQM/edit?usp=sharing

APPENDIX 2 – BALANCE SHEET NEUTRAL FORECAST YEARS 1 TO 5

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2019		
A S S E T S	2019	2018
A) NON-CURRENT ASSETS	**30,822.93**	**33,984.41**
I. Intangible assets	0.00	0.00
1. Development	0.00	
2. Administrative concessions	0.00	
3. Patents, licences, trade marks and similar rights	0.00	
4. Goodwill	0.00	
5. Computer software	0.00	
6. Research	0.00	
7. Other intangible assets	0.00	
II. Property, plant and equipment	27,072.93	30,234.41
1. Land and Buildings	0.00	
2. Technical installations and other items	27,072.93	
3. Under construction and advances	0.00	
III. Investment property	0.00	0.00
1. Lands	0.00	
2. Buildings	0.00	
IV. Non-current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
V. Non-current investments	3,750.00	3,750.00
1. Equity instruments	0.00	
2. Loans to third parties	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	3,750.00	
6. Other investments	0.00	
VI. Deferred tax assets	0.00	0.00
B) CURRENT ASSETS	**189,224.94**	**147,979.95**
I. Non-current assets held-for-sale	0.00	0.00
II. Inventories	18,058.47	8,334.68
1. Gooods for resale	18,058.47	
2. Raw materials and other supplies	0.00	
3. Work in progress	0.00	
4. Finished goods	0.00	
5. By-products, waste and recovered materials	0.00	
6. Advances to suppliers	0.00	
III. Trade and other receivables	0.00	0.00
1. Trade receivables	0.00	0.00
2. Trade receivables from group companies and associates	0.00	0.00
3. Other receivables	0.00	0.00
4. Employees benefits	0.00	
5. Current (income) tax assets	0.00	
6. Public entities, other	0.00	
7. Receivable on called-up capital from partners or equity holders	0.00	
IV. Current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Other financial assets	0.00	
V. Current investments	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	0.00	
VI. Prepayments for current assets	0.00	0.00
VII. Cash and cash equivalents	171,166.47	139,645.27
1. Cashs	171,166.47	
2. Cash equivalents	0.00	
TOTAL ASSETS (A+B)	**220,047.87**	**181,964.36**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2019		
EQUITY AND LIABILITIES	**2019**	**2018**
A) EQUITY	**145,168.68**	**98,631.03**
A-1 Equity attributable to owners of the company	**145,168.68**	**98,631.03**
I. Capital	100,000.00	100,000.00
1. Registered capital	100,000.00	100,000.00
2. (Uncalled capital)	0.00	0.00
II. Share Premium	0.00	0.00
III. Reserves	0.00	0.00
1. Legal and statutory reserves	0.00	
2. Other reserves	0.00	
IV. (Treasury shares and own equity holdings)	0.00	0.00
V. Retained earning (losses)	-1,368.97	0.00
1. Retained earning	0.00	
2. (Retained losses)	-1,368.97	
VI. Other owners/equity holders' contributions	0.00	0.00
VII. Profit (loss) for the year	46,537.65	-1,368.97
VIII. (Interim dividend)	0.00	0.00
IX. Other equity instruments	0.00	0.00
A-2) Valuation adjustments	**0.00**	**0.00**
I. Financial assets at fair value with changes in equity	0.00	
II. Hedging transactions	0.00	
III. Non-current assets and liabilities associated held for sale	0.00	
IV. Translation differences	0.00	
V. Other transfers	0.00	
A-3) Grants, donations and bequests received	**0.00**	**0.00**
B) NON-CURRENT LIABILITIES	**66,666.66**	**83,333.33**
I. Non-current provisions	0.00	0.00
1. Long-term employee benefits obligations	0.00	
2. Provision for environmental costs	0.00	
3. Reestructuring provision	0.00	
4. Other provisions	0.00	
II. Non-current payables	66,666.66	83,333.33
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	66,666.66	83,333.33
3. Non-current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
III. Non-current payables to group companies and associates	0.00	0.00
IV. Deferred tax liabilities	0.00	0.00
V. Non-current deferred income/revenue	0.00	0.00
VI. Non-current payables with special features	0.00	0.00
C) CURRENT LIABILITIES	**8,212.53**	**0.00**
I. Liabilities associated to non-current assets held for sale	0.00	0.00
II. Current provisions	0.00	0.00
III. Bonds and other marketable securities	0.00	0.00
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	0.00	0.00
3. Current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
IV. Current payables to group companies and associates	0.00	0.00
V. Trade and other payables	8,212.53	0.00
1. Trade payables	0.00	0.00
2. Trade payables, group companies and associates	0.00	0.00
3. Other payables	0.00	
4. Employee benefits payable	0.00	
5. Current tax liabilities	8,212.53	
6. Other payables to Public Entities	0.00	
7. Customer advances	0.00	
VI. Current deferred income/revenue	0.00	0.00
VII. Current payables with special features	0.00	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**220,047.87**	**181,964.36**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2021		
A S S E T S	**2021**	**2020**
A) NON-CURRENT ASSETS	**25,498.08**	**28,008.09**
I. Intangible assets	0.00	0.00
1. Development	0.00	
2. Administrative concessions	0.00	
3. Patents, licences, trade marks and similar rights	0.00	
4. Goodwill	0.00	
5. Computer software	0.00	
6. Research	0.00	
7. Other intangible assets	0.00	
II. Property, plant and equipment	21,748.08	24,258.09
1. Land and Buildings	0.00	
2. Technical installations and other items	21,748.08	
3. Under construction and advances	0.00	
III. Investment property	0.00	0.00
1. Lands	0.00	
2. Buildings	0.00	
IV. Non-current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
V. Non-current investments	3,750.00	3,750.00
1. Equity instruments	0.00	
2. Loans to third parties	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	3,750.00	
6. Other investments	0.00	
VI. Deferred tax assets	0.00	0.00
B) CURRENT ASSETS	**369,468.90**	**255,639.22**
I. Non-current assets held-for-sale	0.00	0.00
II. Inventories	101,494.50	30,977.22
1. Gooods for resale	101,494.50	
2. Raw materials and other supplies	0.00	
3. Work in progress	0.00	
4. Finished goods	0.00	
5. By-products, waste and recovered materials	0.00	
6. Advances to suppliers	0.00	
III. Trade and other receivables	0.00	0.00
1. Trade receivables	0.00	0.00
2. Trade receivables from group companies and associates	0.00	0.00
3. Other receivables	0.00	0.00
4. Employees benefits	0.00	
5. Current (income) tax assets	0.00	
6. Public entities, other	0.00	
7. Receivable on called-up capital from partners or equity holders	0.00	
IV. Current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Other financial assets	0.00	
V. Current investments	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	0.00	
VI. Prepayments for current assets	0.00	0.00
VII. Cash and cash equivalents	267,974.40	224,662.00
1. Cashs	267,974.40	
2. Cash equivalents	0.00	
TOTAL ASSETS (A+B)	**394,966.98**	**283,647.31**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2021		
EQUITY AND LIABILITIES	**2021**	**2020**
A) EQUITY	**323,819.12**	**220,375.52**
A-1 Equity attributable to owners of the company	**323,819.12**	**220,375.52**
I. Capital	100,000.00	100,000.00
1. Registered capital	100,000.00	100,000.00
2. (Uncalled capital)	0.00	0.00
II. Share Premium	0.00	0.00
III. Reserves	121,744.49	46,537.65
1. Legal and statutory reserves	0.00	
2. Other reserves	121,744.49	
IV. (Treasury shares and own equity holdings)	0.00	0.00
V. Retained earning (losses)	-1,368.97	-1,368.97
1. Retained earning	0.00	
2. (Retained losses)	-1,368.97	
VI. Other owners/equity holders' contributions	0.00	0.00
VII. Profit (loss) for the year	103,443.60	75,206.84
VIII. (Interim dividend)	0.00	0.00
IX. Other equity instruments	0.00	0.00
A-2) Valuation adjustments	**0.00**	**0.00**
I. Financial assets at fair value with changes in equity	0.00	
II. Hedging transactions	0.00	
III. Non-current assets and liabilities associated held for sale	0.00	
IV. Translation differences	0.00	
V. Other transfers	0.00	
A-3) Grants, donations and bequests received	**0.00**	**0.00**
B) NON-CURRENT LIABILITIES	**33,333.32**	**49,999.99**
I. Non-current provisions	0.00	0.00
1. Long-term employee benefits obligations	0.00	
2. Provision for environmental costs	0.00	
3. Reestructuring provision	0.00	
4. Other provisions	0.00	
II. Non-current payables	33,333.32	49,999.99
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	33,333.32	49,999.99
3. Non-current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
III. Non-current payables to group companies and associates	0.00	0.00
IV. Deferred tax liabilities	0.00	0.00
V. Non-current deferred income/revenue	0.00	0.00
VI. Non-current payables with special features	0.00	0.00
C) CURRENT LIABILITIES	**37,814.54**	**13,271.80**
I. Liabilities associated to non-current assets held for sale	0.00	0.00
II. Current provisions	0.00	0.00
III. Bonds and other marketable securities	0.00	0.00
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	0.00	0.00
3. Current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
IV. Current payables to group companies and associates	0.00	0.00
V. Trade and other payables	37,814.54	13,271.80
1. Trade payables	0.00	0.00
2. Trade payables, group companies and associates	0.00	0.00
3. Other payables	0.00	
4. Employee benefits payable	0.00	
5. Current tax liabilities	37,814.54	
6. Other payables to Public Entities	0.00	
7. Customer advances	0.00	
VI. Current deferred income/revenue	0.00	0.00
VII. Current payables with special features	0.00	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**394,966.98**	**283,647.31**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model - 31/12/2022	
A S S E T S	**2022**
A) NON-CURRENT ASSETS	**23,258.98**
I. Intangible assets	0.00
1. Development	0.00
2. Administrative concessions	0.00
3. Patents, licences, trade marks and similar rights	0.00
4. Goodwill	0.00
5. Computer software	0.00
6. Research	0.00
7. Other intangible assets	0.00
II. Property, plant and equipment	19,508.98
1. Land and Buildings	0.00
2. Technical installations and other items	19,508.98
3. Under construction and advances	0.00
III. Investment property	0.00
1. Lands	0.00
2. Buildings	0.00
IV. Non-current investments in group companies and associates	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
V. Non-current investments	3,750.00
1. Equity instruments	0.00
2. Loans to third parties	0.00
3. Debt securities	0.00
4. Derivatives	0.00
5. Other financial assets	3,750.00
6. Other investments	0.00
VI. Deferred tax assets	0.00
B) CURRENT ASSETS	**563,738.99**
I. Non-current assets held-for-sale	0.00
II. Inventories	14,866.07
1. Gooods for resale	14,866.07
2. Raw materials and other supplies	0.00
3. Work in progress	0.00
4. Finished goods	0.00
5. By-products, waste and recovered materials	0.00
6. Advances to suppliers	0.00
III. Trade and other receivables	0.00
1. Trade receivables	0.00
2. Trade receivables from group companies and associates	0.00
3. Other receivables	0.00
4. Employees benefits	0.00
5. Current (income) tax assets	0.00
6. Public entities, other	0.00
7. Receivable on called-up capital from partners or equity holders	0.00
IV. Current investments in group companies and associates	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
4. Other financial assets	0.00
V. Current investments	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
4. Derivatives	0.00
5. Other financial assets	0.00
VI. Prepayments for current assets	0.00
VII. Cash and cash equivalents	548,872.92
1. Cashs	548,872.92
2. Cash equivalents	0.00
TOTAL ASSETS (A+B)	**586,997.97**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) - Normal model - 31/12/2022	
EQUITY AND LIABILITIES	**2022**
A) EQUITY	**508,703.27**
A-1 Equity attributable to owners of the company	**508,703.27**
I. Capital	100,000.00
1. Registered capital	100,000.00
2. (Uncalled capital)	0.00
II. Share Premium	0.00
III. Reserves	225,188.09
1. Legal and statutory reserves	0.00
2. Other reserves	225,188.09
IV. (Treasury shares and own equity holdings)	0.00
V. Retained earning (losses)	-1,368.97
1. Retained earning	0.00
2. (Retained losses)	-1,368.97
VI. Other owners/equity holders' contributions	0.00
VII. Profit (loss) for the year	184,884.15
VIII. (Interim dividend)	0.00
IX. Other equity instruments	0.00
A-2) Valuation adjustments	**0.00**
I. Financial assets at fair value» with changes in equity	0.00
II. Hedging transactions	0.00
III. Non-current assets and liabilities associated held for sale	0.00
IV. Translation differences	0.00
V. Other transfers	0.00
A-3) Grants, donations and bequests received	**0.00**
B) NON-CURRENT LIABILITIES	**16,666.65**
I. Non-current provisions	0.00
1. Long-term employee benefits obligations	0.00
2. Provision for environmental costs	0.00
3. Reestructuring provision	0.00
4. Other provisions	0.00
II. Non-current payables	16,666.65
1. Bonds and other marketable securities	0.00
2. Bank borrowings	16,666.65
3. Non-current obligations under finance leases	0.00
4. Derivatives	0.00
5. Other financial liabilities	0.00
III. Non-current payables to group companies and associates	0.00
IV. Deferred tax liabilities	0.00
V. Non-current deferred income/revenue	0.00
VI. Non-current payables with special features	0.00
C) CURRENT LIABILITIES	**61,628.05**
I. Liabilities associated to non-current assets held for sale	0.00
II. Current provisions	0.00
III. Bonds and other marketable securities	0.00
1. Bonds and other marketable securities	0.00
2. Bank borrowings	0.00
3. Current obligations under finance leases	0.00
4. Derivatives	0.00
5. Other financial liabilities	0.00
IV. Current payables to group companies and associates	0.00
V. Trade and other payables	61,628.05
1. Trade payables	0.00
2. Trade payables, group companies and associates	0.00
3. Other payables	0.00
4. Employee benefits payable	0.00
5. Current tax liabilities	61,628.05
6. Other payables to Public Entities	0.00
7. Customer advances	0.00
VI. Current deferred income/revenue	0.00
VII. Current payables with special features	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**586,997.97**

APPENDIX 3 - INCOME STATEMENT NEUTRAL FORECAST YEARS 1 TO 5

STANDARD INCOME STATEMENT 31/12/2019

Items	2019	2018
A) CONTINUING OPERATIONS		
1. Revenue	**195,000.00**	**150,000.00**
a) Sales	195,000.00	150,000.00
b) Services rendered	0.00	0.00
2. Changes in finished goods and work in progress inventories	**0.00**	**0.00**
3. Work carried out by the company for assets	**0.00**	**0.00**
4. Supplies	**-45,840.72**	**-47,229.83**
a) Merchandise used	-45,840.72	-47,229.83
b) Raw materials and other consumables used	0.00	0.00
c) Subcontracted work	0.00	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00	0.00
5. Other operating income	**0.00**	**0.00**
a) Non-trading and other operating income	0.00	0.00
b) Income-related grants transferred to profit and loss	0.00	0.00
6. Personnel expenses	**-69,639.00**	**-69,639.00**
a) Salaries and wages	-53,200.00	-53,200.00
b) Employee benefits costs	-16,439.00	-16,439.00
c) Provisions	0.00	0.00
7. Other operating expenses	**-21,141.95**	**-27,478.10**
a) External services	-21,141.95	-27,478.10
b) Taxes other than income tax	0.00	0.00
c) Losses, impairment and changes in trade provisions	0.00	0.00
d) Other current operating expenses	0.00	0.00
8. Amortization and depreciation charges on non-current assets	**-3,161.48**	**-3,555.37**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**	**0.00**
10. Provision surpluses	**0.00**	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**	**0.00**
a) Impairment and losses	0.00	0.00
b) Gains /(losses) on disposal and other	0.00	0.00
12. Losses on business combinations	**0.00**	**0.00**
13. Other gains/(losses)	**0.00**	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**55,216.85**	**2,097.70**
14. Finance income	**0.00**	**0.00**
a) From investments in equity instruments (dividends)	0.00	0.00
a_1) En empreses del grupo y asociadas	0.00	0.00
a_2) En terceros	0.00	0.00
b) From marketable securities and other financial instruments	0.00	0.00
b_1) D'empreses del grup i associades	0.00	0.00
b_2) De tercers	0.00	0.00
15. Finance costs	**-466.67**	
a) Of debts to group companies and associates	0.00	-3,466.67
b) Of debts to third parties	-466.67	-3,466.67
c) Change in fair value of financial instruments	0.00	0.00
16. Change in fair value of financial instruments	**0.00**	**0.00**
a) Fair value through the income statement / profit (lost)	0.00	0.00
b) Transfer of fair value adjustments with changes in equity	0.00	0.00
17. Exchange gains/ (losses) differences	**0.00**	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**	**0.00**
a) Impairments and losses	0.00	0.00
b) Gains/(losses) on disposal and other	0.00	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**	**-3,466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**54,750.18**	**-1,368.97**
19. Income tax	**-8,212.53**	**0.00**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)		
B) DISCONTINUED OPERATIONS	**0.00**	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**46,537.65**	**-1,368.97**

STANDARD INCOME STATEMENT 31/12/2021		
Items	**2021**	**2020**
A) CONTINUING OPERATIONS		
1. Revenue	**328,560.00**	**253,500.00**
a) Sales	328,560.00	253,500.00
b) Services rendered	0.00	0.00
2. Changes in finished goods and work in progress inventories	**0.00**	**0.00**
3. Work carried out by the company for assets	**0.00**	**0.00**
4. Supplies	**-92,418.48**	**-70,428.02**
a) Merchandise used	-92,418.48	-70,428.02
b) Raw materials and other consumables used	0.00	0.00
c) Subcontracted work	0.00	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00	0.00
5. Other operating income	**0.00**	**0.00**
a) Non-trading and other operating income	0.00	0.00
b) Income-related grants transferred to profit and loss	0.00	0.00
6. Personnel expenses	**-69,639.00**	**-69,639.00**
a) Salaries and wages	-53,200.00	-53,200.00
b) Employee benefits costs	-16,439.00	-16,439.00
c) Provisions	0.00	0.00
7. Other operating expenses	**-22,267.70**	**-21,672.83**
a) External services	-22,267.70	-21,672.83
b) Taxes other than income tax	0.00	0.00
c) Losses, impairment and changes in trade provisions	0.00	0.00
d) Other current operating expenses	0.00	0.00
8. Amortization and depreciation charges on non-current assets	**-2,510.01**	**-2,814.84**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**	**0.00**
10. Provision surpluses	**0.00**	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**	**0.00**
a) Impairment and losses	0.00	0.00
b) Gains /(losses) on disposal and other	0.00	0.00
12. Losses on business combinations	**0.00**	**0.00**
13. Other gains/(losses)	**0.00**	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**141,724.81**	**88,945.31**
14. Finance income	**0.00**	**0.00**
a) From investments in equity instruments (dividends)	0.00	0.00
a_1) En empreses del grupo y asociadas	0.00	0.00
a_2) En terceros	0.00	0.00
b) From marketable securities and other financial instruments	0.00	0.00
b_1) D'empreses del grup i associades	0.00	0.00
b_2) De tercers	0.00	0.00
15. Finance costs	**-466.67**	
a) Of debts to group companies and associates	0.00	-466.67
b) Of debts to third parties	-466.67	-466.67
c) Change in fair value of financial instruments	0.00	0.00
16. Change in fair value of financial instruments	**0.00**	**0.00**
a) Fair value through the income statement / profit (lost)	0.00	0.00
b) Transfer of fair value adjustments with changes in equity	0.00	0.00
17. Exchange gains/ (losses) differences	**0.00**	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**	**0.00**
a) Impairments and losses	0.00	0.00
b) Gains/(losses) on disposal and other	0.00	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**	**-466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**141,258.14**	**88,478.64**
19. Income tax	**-37,814.54**	**-13,271.80**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)		
B) DISCONTINUED OPERATIONS	**0.00**	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**103,443.60**	**75,206.84**

STANDARD INCOME STATEMENT 31/12/2022	
Items	2022
A) CONTINUING OPERATIONS	
1. Revenue	**428,420.00**
a) Sales	428,420.00
b) Services rendered	0.00
2. Changes in finished goods and work in progress inventories	**0.00**
3. Work carried out by the company for assets	**0.00**
4. Supplies	**-86,628.43**
a) Merchandise used	-86,628.43
b) Raw materials and other consumables used	0.00
c) Subcontracted work	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00
5. Other operating income	**0.00**
a) Non-trading and other operating income	0.00
b) Income-related grants transferred to profit and loss	0.00
6. Personnel expenses	**-69,639.00**
a) Salaries and wages	-53,200.00
b) Employee benefits costs	-16,439.00
c) Provisions	0.00
7. Other operating expenses	**-22,934.60**
a) External services	-22,934.60
b) Taxes other than income tax	0.00
c) Losses, impairment and changes in trade provisions	0.00
d) Other current operating expenses	0.00
8. Amortization and depreciation charges on non-current assets	**-2,239.10**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**
10. Provision surpluses	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**
a) Impairment and losses	0.00
b) Gains /(losses) on disposal and other	0.00
12. Losses on business combinations	**0.00**
13. Other gains/(losses)	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**246,978.87**
14. Finance income	**0.00**
a) From investments in equity instruments (dividends)	0.00
a_1) Group companies and associates	0.00
a_2) Third parties	0.00
b) From marketable securities and other financial instruments	0.00
b_1) Group companies and associates	0.00
b_2) Third parties	0.00
15. Finance costs	**-466.67**
a) Of debts to group companies and associates	0.00
b) Of debts to third parties	-466.67
c) Change in fair value of financial instruments	0.00
16. Change in fair value of financial instruments	**0.00**
a) Fair value through the income statement / profit (loss)	0.00
b) Transfer of fair value adjustments with changes in equity	0.00
17. Exchange gains/ (losses) differences	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**
a) Fair value through the income statement / profit (loss)	0.00
b) Transfer of fair value adjustments with changes in equity	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**246,512.20**
19. Income tax	**-61,628.05**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)	
B) DISCONTINUED OPERATIONS	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**184,884.15**

APPENDIX 3 - BALANCE SHEET PESSIMISTIC FORECAST YEARS 1 TO 5

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2019		
A S S E T S	2019	2018
A) NON-CURRENT ASSETS	**30,578.48**	**33,984.41**
I. Intangible assets	0.00	0.00
1. Development	0.00	
2. Administrative concessions	0.00	
3. Patents, licences, trade marks and similar rights	0.00	
4. Goodwill	0.00	
5. Computer software	0.00	
6. Research	0.00	
7. Other intangible assets	0.00	
II. Property, plant and equipment	26,828.48	30,234.41
1. Land and Buildings	0.00	
2. Technical installations and other items	26,828.48	
3. Under construction and advances	0.00	
III. Investment property	0.00	0.00
1. Lands	0.00	
2. Buildings	0.00	
IV. Non-current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
V. Non-current investments	3,750.00	3,750.00
1. Equity instruments	0.00	
2. Loans to third parties	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	3,750.00	
6. Other investments	0.00	
VI. Deferred tax assets	0.00	0.00
B) CURRENT ASSETS	**126,758.55**	**126,314.62**
I. Non-current assets held-for-sale	0.00	0.00
II. Inventories	2,778.23	16,669.35
1. Gooods for resale	2,778.23	
2. Raw materials and other supplies	0.00	
3. Work in progress	0.00	
4. Finished goods	0.00	
5. By-products, waste and recovered materials	0.00	
6. Advances to suppliers	0.00	
III. Trade and other receivables	0.00	0.00
1. Trade receivables	0.00	0.00
2. Trade receivables from group companies and associates	0.00	0.00
3. Other receivables	0.00	0.00
4. Employees benefits	0.00	
5. Current (income) tax assets	0.00	
6. Public entities, other	0.00	
7. Receivable on called-up capital from partners or equity holders	0.00	
IV. Current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Other financial assets	0.00	
V. Current investments	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	0.00	
VI. Prepayments for current assets	0.00	0.00
VII. Cash and cash equivalents	123,980.32	109,645.27
1. Cashs	123,980.32	
2. Cash equivalents	0.00	
TOTAL ASSETS (A+B)	**157,337.03**	**160,299.03**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2019		
EQUITY AND LIABILITIES	**2019**	**2018**
A) EQUITY	**88,614.67**	**76,965.70**
A-1 Equity attributable to owners of the company	**88,614.67**	**76,965.70**
I. Capital	100,000.00	100,000.00
1. Registered capital	100,000.00	100,000.00
2. (Uncalled capital)	0.00	0.00
II. Share Premium	0.00	0.00
III. Reserves	0.00	0.00
1. Legal and statutory reserves	0.00	
2. Other reserves	0.00	
IV. (Treasury shares and own equity holdings)	0.00	0.00
V. Retained earning (losses)	-23,034.30	0.00
1. Retained earning	0.00	
2. (Retained losses)	-23,034.30	
VI. Other owners/equity holders' contributions	0.00	0.00
VII. Profit (loss) for the year	11,648.97	-23,034.30
VIII. (Interim dividend)	0.00	0.00
IX. Other equity instruments	0.00	0.00
A-2) Valuation adjustments	**0.00**	**0.00**
I. Financial assets at fair value with changes in equity	0.00	
II. Hedging transactions	0.00	
III. Non-current assets and liabilities associated held for sale	0.00	
IV. Translation differences	0.00	
V. Other transfers	0.00	
A-3) Grants, donations and bequests received	**0.00**	**0.00**
B) NON-CURRENT LIABILITIES	**66,666.66**	**83,333.33**
I. Non-current provisions	0.00	0.00
1. Long-term employee benefits obligations	0.00	
2. Provision for environmental costs	0.00	
3. Reestructuring provision	0.00	
4. Other provisions	0.00	
II. Non-current payables	66,666.66	83,333.33
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	66,666.66	83,333.33
3. Non-current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
III. Non-current payables to group companies and associates	0.00	0.00
IV. Deferred tax liabilities	0.00	0.00
V. Non-current deferred income/revenue	0.00	0.00
VI. Non-current payables with special features	0.00	0.00
C) CURRENT LIABILITIES	**2,055.70**	**0.00**
I. Liabilities associated to non-current assets held for sale	0.00	0.00
II. Current provisions	0.00	0.00
III. Bonds and other marketable securities	0.00	0.00
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	0.00	0.00
3. Current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
IV. Current payables to group companies and associates	0.00	0.00
V. Trade and other payables	2,055.70	0.00
1. Trade payables	0.00	0.00
2. Trade payables, group companies and associates	0.00	0.00
3. Other payables	0.00	
4. Employee benefits payable	0.00	
5. Current tax liabilities	2,055.70	
6. Other payables to Public Entities	0.00	
7. Customer advances	0.00	
VI. Current deferred income/revenue	0.00	0.00
VII. Current payables with special features	0.00	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**157,337.03**	**160,299.03**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2021		
A S S E T S	**2021**	**2020**
A) NON-CURRENT ASSETS	**24,817.38**	**27,543.60**
I. Intangible assets	0.00	0.00
1. Development	0.00	
2. Administrative concessions	0.00	
3. Patents, licences, trade marks and similar rights	0.00	
4. Goodwill	0.00	
5. Computer software	0.00	
6. Research	0.00	
7. Other intangible assets	0.00	
II. Property, plant and equipment	21,067.38	23,793.60
1. Land and Buildings	0.00	
2. Technical installations and other items	21,067.38	
3. Under construction and advances	0.00	
III. Investment property	0.00	0.00
1. Lands	0.00	
2. Buildings	0.00	
IV. Non-current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
V. Non-current investments	3,750.00	3,750.00
1. Equity instruments	0.00	
2. Loans to third parties	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	3,750.00	
6. Other investments	0.00	
VI. Deferred tax assets	0.00	0.00
B) CURRENT ASSETS	**185,908.92**	**151,737.84**
I. Non-current assets held-for-sale	0.00	0.00
II. Inventories	4,406.25	6,251.01
1. Gooods for resale	4,406.25	
2. Raw materials and other supplies	0.00	
3. Work in progress	0.00	
4. Finished goods	0.00	
5. By-products, waste and recovered materials	0.00	
6. Advances to suppliers	0.00	
III. Trade and other receivables	0.00	0.00
1. Trade receivables	0.00	0.00
2. Trade receivables from group companies and associates	0.00	0.00
3. Other receivables	0.00	0.00
4. Employees benefits	0.00	
5. Current (income) tax assets	0.00	
6. Public entities, other	0.00	
7. Receivable on called-up capital from partners or equity holders	0.00	
IV. Current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Other financial assets	0.00	
V. Current investments	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	0.00	
VI. Prepayments for current assets	0.00	0.00
VII. Cash and cash equivalents	181,502.67	145,486.83
1. Cashs	181,502.67	
2. Cash equivalents	0.00	
TOTAL ASSETS (A+B)	**210,726.30**	**179,281.44**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2021		
EQUITY AND LIABILITIES	**2021**	**2020**
A) EQUITY	**163,840.09**	**123,181.43**
A-1 Equity attributable to owners of the company	**163,840.09**	**123,181.43**
I. Capital	100,000.00	100,000.00
1. Registered capital	100,000.00	100,000.00
2. (Uncalled capital)	0.00	0.00
II. Share Premium	0.00	0.00
III. Reserves	46,215.73	11,648.97
1. Legal and statutory reserves	0.00	
2. Other reserves	46,215.73	
IV. (Treasury shares and own equity holdings)	0.00	0.00
V. Retained earning (losses)	-23,034.30	-23,034.30
1. Retained earning	0.00	
2. (Retained losses)	-23,034.30	
VI. Other owners/equity holders' contributions	0.00	0.00
VII. Profit (loss) for the year	40,658.66	34,566.76
VIII. (Interim dividend)	0.00	0.00
IX. Other equity instruments	0.00	0.00
A-2) Valuation adjustments	**0.00**	**0.00**
I. Financial assets at fair value with changes in equity	0.00	
II. Hedging transactions	0.00	
III. Non-current assets and liabilities associated held for sale	0.00	
IV. Translation differences	0.00	
V. Other transfers	0.00	
A-3) Grants, donations and bequests received	**0.00**	**0.00**
B) NON-CURRENT LIABILITIES	**33,333.32**	**49,999.99**
I. Non-current provisions	0.00	0.00
1. Long-term employee benefits obligations	0.00	
2. Provision for environmental costs	0.00	
3. Reestructuring provision	0.00	
4. Other provisions	0.00	
II. Non-current payables	33,333.32	49,999.99
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	33,333.32	49,999.99
3. Non-current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
III. Non-current payables to group companies and associates	0.00	0.00
IV. Deferred tax liabilities	0.00	0.00
V. Non-current deferred income/revenue	0.00	0.00
VI. Non-current payables with special features	0.00	0.00
C) CURRENT LIABILITIES	**13,552.89**	**6,100.02**
I. Liabilities associated to non-current assets held for sale	0.00	0.00
II. Current provisions	0.00	0.00
III. Bonds and other marketable securities	0.00	0.00
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	0.00	0.00
3. Current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
IV. Current payables to group companies and associates	0.00	0.00
V. Trade and other payables	13,552.89	6,100.02
1. Trade payables	0.00	0.00
2. Trade payables, group companies and associates	0.00	0.00
3. Other payables	0.00	
4. Employee benefits payable	0.00	
5. Current tax liabilities	13,552.89	
6. Other payables to Public Entities	0.00	
7. Customer advances	0.00	
VI. Current deferred income/revenue	0.00	0.00
VII. Current payables with special features	0.00	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**210,726.30**	**179,281.44**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model - 31/12/2022	
A S S E T S	**2022**
A) NON-CURRENT ASSETS	**22,578.28**
I. Intangible assets	0.00
1. Development	0.00
2. Administrative concessions	0.00
3. Patents, licences, trade marks and similar rights	0.00
4. Goodwill	0.00
5. Computer software	0.00
6. Research	0.00
7. Other intangible assets	0.00
II. Property, plant and equipment	18,828.28
1. Land and Buildings	0.00
2. Technical installations and other items	18,828.28
3. Under construction and advances	0.00
III. Investment property	0.00
1. Lands	0.00
2. Buildings	0.00
IV. Non-current investments in group companies and associates	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
V. Non-current investments	3,750.00
1. Equity instruments	0.00
2. Loans to third parties	0.00
3. Debt securities	0.00
4. Derivatives	0.00
5. Other financial assets	3,750.00
6. Other investments	0.00
VI. Deferred tax assets	0.00
B) CURRENT ASSETS	**294,486.04**
I. Non-current assets held-for-sale	0.00
II. Inventories	26,435.16
1. Gooods for resale	26,435.16
2. Raw materials and other supplies	0.00
3. Work in progress	0.00
4. Finished goods	0.00
5. By-products, waste and recovered materials	0.00
6. Advances to suppliers	0.00
III. Trade and other receivables	0.00
1. Trade receivables	0.00
2. Trade receivables from group companies and associates	0.00
3. Other receivables	0.00
4. Employees benefits	0.00
5. Current (income) tax assets	0.00
6. Public entities, other	0.00
7. Receivable on called-up capital from partners or equity holders	0.00
IV. Current investments in group companies and associates	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
4. Other financial assets	0.00
V. Current investments	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
4. Derivatives	0.00
5. Other financial assets	0.00
VI. Prepayments for current assets	0.00
VII. Cash and cash equivalents	268,050.88
1. Cashs	268,050.88
2. Cash equivalents	0.00
TOTAL ASSETS (A+B)	**317,064.32**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) - Normal model - 31/12/2022	
EQUITY AND LIABILITIES	**2022**
A) EQUITY	**266,258.27**
A-1 Equity attributable to owners of the company	**266,258.27**
I. Capital	100,000.00
1. Registered capital	100,000.00
2. (Uncalled capital)	0.00
II. Share Premium	0.00
III. Reserves	86,874.39
1. Legal and statutory reserves	0.00
2. Other reserves	86,874.39
IV. (Treasury shares and own equity holdings)	0.00
V. Retained earning (losses)	-23,034.30
1. Retained earning	0.00
2. (Retained losses)	-23,034.30
VI. Other owners/equity holders' contributions	0.00
VII. Profit (loss) for the year	102,418.18
VIII. (Interim dividend)	0.00
IX. Other equity instruments	0.00
A-2) Valuation adjustments	**0.00**
I. Financial assets at fair value» with changes in equity	0.00
II. Hedging transactions	0.00
III. Non-current assets and liabilities associated held for sale	0.00
IV. Translation differences	0.00
V. Other transfers	0.00
A-3) Grants, donations and bequests received	**0.00**
B) NON-CURRENT LIABILITIES	**16,666.65**
I. Non-current provisions	0.00
1. Long-term employee benefits obligations	0.00
2. Provision for environmental costs	0.00
3. Reestructuring provision	0.00
4. Other provisions	0.00
II. Non-current payables	16,666.65
1. Bonds and other marketable securities	0.00
2. Bank borrowings	16,666.65
3. Non-current obligations under finance leases	0.00
4. Derivatives	0.00
5. Other financial liabilities	0.00
III. Non-current payables to group companies and associates	0.00
IV. Deferred tax liabilities	0.00
V. Non-current deferred income/revenue	0.00
VI. Non-current payables with special features	0.00
C) CURRENT LIABILITIES	**34,139.40**
I. Liabilities associated to non-current assets held for sale	0.00
II. Current provisions	0.00
III. Bonds and other marketable securities	0.00
1. Bonds and other marketable securities	0.00
2. Bank borrowings	0.00
3. Current obligations under finance leases	0.00
4. Derivatives	0.00
5. Other financial liabilities	0.00
IV. Current payables to group companies and associates	0.00
V. Trade and other payables	34,139.40
1. Trade payables	0.00
2. Trade payables, group companies and associates	0.00
3. Other payables	0.00
4. Employee benefits payable	0.00
5. Current tax liabilities	34,139.40
6. Other payables to Public Entities	0.00
7. Customer advances	0.00
VI. Current deferred income/revenue	0.00
VII. Current payables with special features	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**317,064.32**

APPENDIX 4 - INCOME STATEMENT PESSIMISTIC FORECAST Y 1 TO 5.

STANDARD INCOME STATEMENT 31/12/2019		
Items	2019	2018
A) CONTINUING OPERATIONS		
1. Revenue	**150,000.00**	**120,000.00**
a) Sales	150,000.00	120,000.00
b) Services rendered	0.00	0.00
2. Changes in finished goods and work in progress inventories	**0.00**	**0.00**
3. Work carried out by the company for assets	**0.00**	**0.00**
4. Supplies	**-41,673.38**	**-38,895.16**
a) Merchandise used	-41,673.38	-38,895.16
b) Raw materials and other consumables used	0.00	0.00
c) Subcontracted work	0.00	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00	0.00
5. Other operating income	**0.00**	**0.00**
a) Non-trading and other operating income	0.00	0.00
b) Income-related grants transferred to profit and loss	0.00	0.00
6. Personnel expenses	**-69,639.00**	**-69,639.00**
a) Salaries and wages	-53,200.00	-53,200.00
b) Employee benefits costs	-16,439.00	-16,439.00
c) Provisions	0.00	0.00
7. Other operating expenses	**-21,110.35**	**-27,478.10**
a) External services	-21,110.35	-27,478.10
b) Taxes other than income tax	0.00	0.00
c) Losses, impairment and changes in trade provisions	0.00	0.00
d) Other current operating expenses	0.00	0.00
8. Amortization and depreciation charges on non-current assets	**-3,405.93**	**-3,555.37**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**	**0.00**
10. Provision surpluses	**0.00**	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**	**0.00**
a) Impairment and losses	0.00	0.00
b) Gains /(losses) on disposal and other	0.00	0.00
12. Losses on business combinations	**0.00**	**0.00**
13. Other gains/(losses)	**0.00**	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**14,171.34**	**-19,567.63**
14. Finance income	**0.00**	**0.00**
a) From investments in equity instruments (dividends)	0.00	0.00
a_1) En empreses del grupo y asociadas	0.00	0.00
a_2) En terceros	0.00	0.00
b) From marketable securities and other financial instruments	0.00	0.00
b_1) D'empreses del grup i associades	0.00	0.00
b_2) De tercers	0.00	0.00
15. Finance costs	**-466.67**	
a) Of debts to group companies and associates	0.00	-3,466.67
b) Of debts to third parties	-466.67	-3,466.67
c) Change in fair value of financial instruments	0.00	0.00
16. Change in fair value of financial instruments	**0.00**	**0.00**
a) Fair value through the income statement / profit (lost)	0.00	0.00
b) Transfer of fair value adjustments with changes in equity	0.00	0.00
17. Exchange gains/ (losses) differences	**0.00**	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**	**0.00**
a) Impairments and losses	0.00	0.00
b) Gains/(losses) on disposal and other	0.00	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**	**-3,466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**13,704.67**	**-23,034.30**
19. Income tax	**-2,055.70**	**0.00**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)		
B) DISCONTINUED OPERATIONS	**0.00**	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**11,648.97**	**-23,034.30**

STANDARD INCOME STATEMENT 31/12/2021		
Items	2021	2020
A) CONTINUING OPERATIONS		
1. Revenue	**234,380.00**	**187,500.00**
a) Sales	234,380.00	187,500.00
b) Services rendered	0.00	0.00
2. Changes in finished goods and work in progress inventories	**0.00**	**0.00**
3. Work carried out by the company for assets	**0.00**	**0.00**
4. Supplies	**-85,191.53**	**-52,091.73**
a) Merchandise used	-85,191.53	-52,091.73
b) Raw materials and other consumables used	0.00	0.00
c) Subcontracted work	0.00	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00	0.00
5. Other operating income	**0.00**	**0.00**
a) Non-trading and other operating income	0.00	0.00
b) Income-related grants transferred to profit and loss	0.00	0.00
6. Personnel expenses	**-69,639.00**	**-69,639.00**
a) Salaries and wages	-53,200.00	-53,200.00
b) Employee benefits costs	-16,439.00	-16,439.00
c) Provisions	0.00	0.00
7. Other operating expenses	**-22,145.03**	**-21,600.94**
a) External services	-22,145.03	-21,600.94
b) Taxes other than income tax	0.00	0.00
c) Losses, impairment and changes in trade provisions	0.00	0.00
d) Other current operating expenses	0.00	0.00
8. Amortization and depreciation charges on non-current assets	**-2,726.22**	**-3,034.88**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**	**0.00**
10. Provision surpluses	**0.00**	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**	**0.00**
a) Impairment and losses	0.00	0.00
b) Gains /(losses) on disposal and other	0.00	0.00
12. Losses on business combinations	**0.00**	**0.00**
13. Other gains/(losses)	**0.00**	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**54,678.22**	**41,133.45**
14. Finance income	**0.00**	**0.00**
a) From investments in equity instruments (dividends)	0.00	0.00
a_1) En empreses del grupo y asociadas	0.00	0.00
a_2) En terceros	0.00	0.00
b) From marketable securities and other financial instruments	0.00	0.00
b_1) D'empreses del grup i associades	0.00	0.00
b_2) De tercers	0.00	0.00
15. Finance costs	**-466.67**	
a) Of debts to group companies and associates	0.00	-466.67
b) Of debts to third parties	-466.67	-466.67
c) Change in fair value of financial instruments	0.00	0.00
16. Change in fair value of financial instruments	**0.00**	**0.00**
a) Fair value through the income statement / profit (lost)	0.00	0.00
b) Transfer of fair value adjustments with changes in equity	0.00	0.00
17. Exchange gains/ (losses) differences	**0.00**	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**	**0.00**
a) Impairments and losses	0.00	0.00
b) Gains/(losses) on disposal and other	0.00	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**	**-466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**54,211.55**	**40,666.78**
19. Income tax	**-13,552.89**	**-6,100.02**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)		
B) DISCONTINUED OPERATIONS	**0.00**	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**40,658.66**	**34,566.76**

STANDARD INCOME STATEMENT 31/12/2022	
Items	2022
A) CONTINUING OPERATIONS	
1. Revenue	**292,968.75**
a) Sales	292,968.75
b) Services rendered	0.00
2. Changes in finished goods and work in progress inventories	**0.00**
3. Work carried out by the company for assets	**0.00**
4. Supplies	**-61,317.86**
a) Merchandise used	-61,317.86
b) Raw materials and other consumables used	0.00
c) Subcontracted work	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00
5. Other operating income	**0.00**
a) Non-trading and other operating income	0.00
b) Income-related grants transferred to profit and loss	0.00
6. Personnel expenses	**-69,639.00**
a) Salaries and wages	-53,200.00
b) Employee benefits costs	-16,439.00
c) Provisions	0.00
7. Other operating expenses	**-22,748.54**
a) External services	-22,748.54
b) Taxes other than income tax	0.00
c) Losses, impairment and changes in trade provisions	0.00
d) Other current operating expenses	0.00
8. Amortization and depreciation charges on non-current assets	**-2,239.10**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**
10. Provision surpluses	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**
a) Impairment and losses	0.00
b) Gains /(losses) on disposal and other	0.00
12. Losses on business combinations	**0.00**
13. Other gains/(losses)	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**137,024.25**
14. Finance income	**0.00**
a) From investments in equity instruments (dividends)	0.00
a_1) Group companies and associates	0.00
a_2) Third parties	0.00
b) From marketable securities and other financial instruments	0.00
b_1) Group companies and associates	0.00
b_2) Third parties	0.00
15. Finance costs	**-466.67**
a) Of debts to group companies and associates	0.00
b) Of debts to third parties	-466.67
c) Change in fair value of financial instruments	0.00
16. Change in fair value of financial instruments	**0.00**
a) Fair value through the income statement / profit (loss)	0.00
b) Transfer of fair value adjustments with changes in equity	0.00
17. Exchange gains/ (losses) differences	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**
a) Fair value through the income statement / profit (loss)	0.00
b) Transfer of fair value adjustments with changes in equity	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**136,557.58**
19. Income tax	**-34,139.40**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)	
B) DISCONTINUED OPERATIONS	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**102,418.18**

APPENDIX 5 – BALANCE SHEET OPTIMISTIC FORECAST Y 1 TO 5.

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2019		
A S S E T S	**2019**	**2018**
A) NON-CURRENT ASSETS	**33,023.01**	**33,984.44**
I. Intangible assets	0.00	0.00
1. Development	0.00	
2. Administrative concessions	0.00	
3. Patents, licences, trade marks and similar rights	0.00	
4. Goodwill	0.00	
5. Computer software	0.00	
6. Research	0.00	
7. Other intangible assets	0.00	
II. Property, plant and equipment	29,273.01	30,234.44
1. Land and Buildings	0.00	
2. Technical installations and other items	29,273.01	
3. Under construction and advances	0.00	
III. Investment property	0.00	0.00
1. Lands	0.00	
2. Buildings	0.00	
IV. Non-current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
V. Non-current investments	3,750.00	3,750.00
1. Equity instruments	0.00	
2. Loans to third parties	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	3,750.00	
6. Other investments	0.00	
VI. Deferred tax assets	0.00	0.00
B) CURRENT ASSETS	**231,699.54**	**169,645.27**
I. Non-current assets held-for-sale	0.00	0.00
II. Inventories	15,835.89	0.00
1. Gooods for resale	15,835.89	
2. Raw materials and other supplies	0.00	
3. Work in progress	0.00	
4. Finished goods	0.00	
5. By-products, waste and recovered materials	0.00	
6. Advances to suppliers	0.00	
III. Trade and other receivables	0.00	0.00
1. Trade receivables	0.00	0.00
2. Trade receivables from group companies and associates	0.00	0.00
3. Other receivables	0.00	0.00
4. Employees benefits	0.00	
5. Current (income) tax assets	0.00	
6. Public entities, other	0.00	
7. Receivable on called-up capital from partners or equity holders	0.00	
IV. Current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Other financial assets	0.00	
V. Current investments	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	0.00	
VI. Prepayments for current assets	0.00	0.00
VII. Cash and cash equivalents	215,863.65	169,645.27
1. Cashs	215,863.65	
2. Cash equivalents	0.00	
TOTAL ASSETS (A+B)	**264,722.55**	**203,629.71**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2019

EQUITY AND LIABILITIES	2019	2018
A) EQUITY	**185,935.30**	**117,251.92**
A-1 Equity attributable to owners of the company	**185,935.30**	**117,251.92**
I. Capital	100,000.00	100,000.00
1. Registered capital	100,000.00	100,000.00
2. (Uncalled capital)	0.00	0.00
II. Share Premium	0.00	0.00
III. Reserves	17,251.92	0.00
1. Legal and statutory reserves	0.00	
2. Other reserves	17,251.92	
IV. (Treasury shares and own equity holdings)	0.00	0.00
V. Retained earning (losses)	0.00	0.00
1. Retained earning	0.00	
2. (Retained losses)	0.00	
VI. Other owners/equity holders' contributions	0.00	0.00
VII. Profit (loss) for the year	68,683.38	17,251.92
VIII. (Interim dividend)	0.00	0.00
IX. Other equity instruments	0.00	0.00
A-2) Valuation adjustments	**0.00**	**0.00**
I. Financial assets at fair value with changes in equity	0.00	
II. Hedging transactions	0.00	
III. Non-current assets and liabilities associated held for sale	0.00	
IV. Translation differences	0.00	
V. Other transfers	0.00	
A-3) Grants, donations and bequests received	**0.00**	**0.00**
B) NON-CURRENT LIABILITIES	**66,666.66**	**83,333.33**
I. Non-current provisions	0.00	0.00
1. Long-term employee benefits obligations	0.00	
2. Provision for environmental costs	0.00	
3. Reestructuring provision	0.00	
4. Other provisions	0.00	
II. Non-current payables	66,666.66	83,333.33
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	66,666.66	83,333.33
3. Non-current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
III. Non-current payables to group companies and associates	0.00	0.00
IV. Deferred tax liabilities	0.00	0.00
V. Non-current deferred income/revenue	0.00	0.00
VI. Non-current payables with special features	0.00	0.00
C) CURRENT LIABILITIES	**12,120.59**	**3,044.46**
I. Liabilities associated to non-current assets held for sale	0.00	0.00
II. Current provisions	0.00	0.00
III. Bonds and other marketable securities	0.00	0.00
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	0.00	0.00
3. Current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
IV. Current payables to group companies and associates	0.00	0.00
V. Trade and other payables	12,120.59	3,044.46
1. Trade payables	0.00	0.00
2. Trade payables, group companies and associates	0.00	0.00
3. Other payables	0.00	
4. Employee benefits payable	0.00	
5. Current tax liabilities	12,120.59	
6. Other payables to Public Entities	0.00	
7. Customer advances	0.00	
VI. Current deferred income/revenue	0.00	0.00
VII. Current payables with special features	0.00	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**264,722.55**	**203,629.71**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model - 31/12/2020	
A S S E T S	**2020**
A) NON-CURRENT ASSETS	**29,988.13**
I. Intangible assets	0.00
1. Development	0.00
2. Administrative concessions	0.00
3. Patents, licences, trade marks and similar rights	0.00
4. Goodwill	0.00
5. Computer software	0.00
6. Research	0.00
7. Other intangible assets	0.00
II. Property, plant and equipment	26,238.13
1. Land and Buildings	0.00
2. Technical installations and other items	26,238.13
3. Under construction and advances	0.00
III. Investment property	0.00
1. Lands	0.00
2. Buildings	0.00
IV. Non-current investments in group companies and associates	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
V. Non-current investments	3,750.00
1. Equity instruments	0.00
2. Loans to third parties	0.00
3. Debt securities	0.00
4. Derivatives	0.00
5. Other financial assets	3,750.00
6. Other investments	0.00
VI. Deferred tax assets	0.00
B) CURRENT ASSETS	**347,970.61**
I. Non-current assets held-for-sale	0.00
II. Inventories	8,042.96
1. Gooods for resale	8,042.96
2. Raw materials and other supplies	0.00
3. Work in progress	0.00
4. Finished goods	0.00
5. By-products, waste and recovered materials	0.00
6. Advances to suppliers	0.00
III. Trade and other receivables	0.00
1. Trade receivables	0.00
2. Trade receivables from group companies and associates	0.00
3. Other receivables	0.00
4. Employees benefits	0.00
5. Current (income) tax assets	0.00
6. Public entities, other	0.00
7. Receivable on called-up capital from partners or equity holders	0.00
IV. Current investments in group companies and associates	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
4. Other financial assets	0.00
V. Current investments	0.00
1. Equity instruments	0.00
2. Loans to companies	0.00
3. Debt securities	0.00
4. Derivatives	0.00
5. Other financial assets	0.00
VI. Prepayments for current assets	0.00
VII. Cash and cash equivalents	339,927.65
1. Cashs	339,927.65
2. Cash equivalents	0.00
TOTAL ASSETS (A+B)	**377,958.74**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) - Normal model - 31/12/2020	
EQUITY AND LIABILITIES	**2020**
A) EQUITY	**292,452.89**
A-1 Equity attributable to owners of the company	**292,452.89**
I. Capital	100,000.00
1. Registered capital	100,000.00
2. (Uncalled capital)	0.00
II. Share Premium	0.00
III. Reserves	85,935.30
1. Legal and statutory reserves	0.00
2. Other reserves	85,935.30
IV. (Treasury shares and own equity holdings)	0.00
V. Retained earning (losses)	0.00
1. Retained earning	0.00
2. (Retained losses)	0.00
VI. Other owners/equity holders' contributions	0.00
VII. Profit (loss) for the year	106,517.59
VIII. (Interim dividend)	0.00
IX. Other equity instruments	0.00
A-2) Valuation adjustments	**0.00**
I. Financial assets at fair value» with changes in equity	0.00
II. Hedging transactions	0.00
III. Non-current assets and liabilities associated held for sale	0.00
IV. Translation differences	0.00
V. Other transfers	0.00
A-3) Grants, donations and bequests received	**0.00**
B) NON-CURRENT LIABILITIES	**49,999.99**
I. Non-current provisions	0.00
1. Long-term employee benefits obligations	0.00
2. Provision for environmental costs	0.00
3. Reestructuring provision	0.00
4. Other provisions	0.00
II. Non-current payables	49,999.99
1. Bonds and other marketable securities	0.00
2. Bank borrowings	49,999.99
3. Non-current obligations under finance leases	0.00
4. Derivatives	0.00
5. Other financial liabilities	0.00
III. Non-current payables to group companies and associates	0.00
IV. Deferred tax liabilities	0.00
V. Non-current deferred income/revenue	0.00
VI. Non-current payables with special features	0.00
C) CURRENT LIABILITIES	**35,505.86**
I. Liabilities associated to non-current assets held for sale	0.00
II. Current provisions	0.00
III. Bonds and other marketable securities	0.00
1. Bonds and other marketable securities	0.00
2. Bank borrowings	0.00
3. Current obligations under finance leases	0.00
4. Derivatives	0.00
5. Other financial liabilities	0.00
IV. Current payables to group companies and associates	0.00
V. Trade and other payables	35,505.86
1. Trade payables	0.00
2. Trade payables, group companies and associates	0.00
3. Other payables	0.00
4. Employee benefits payable	0.00
5. Current tax liabilities	35,505.86
6. Other payables to Public Entities	0.00
7. Customer advances	0.00
VI. Current deferred income/revenue	0.00
VII. Current payables with special features	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**377,958.74**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2022		
A S S E T S	**2022**	**2021**
A) NON-CURRENT ASSETS	**25,022.81**	**27,261.91**
I. Intangible assets	0.00	0.00
1. Development	0.00	
2. Administrative concessions	0.00	
3. Patents, licences, trade marks and similar rights	0.00	
4. Goodwill	0.00	
5. Computer software	0.00	
6. Research	0.00	
7. Other intangible assets	0.00	
II. Property, plant and equipment	21,272.81	23,511.91
1. Land and Buildings	0.00	
2. Technical installations and other items	21,272.81	
3. Under construction and advances	0.00	
III. Investment property	0.00	0.00
1. Lands	0.00	
2. Buildings	0.00	
IV. Non-current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
V. Non-current investments	3,750.00	3,750.00
1. Equity instruments	0.00	
2. Loans to third parties	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	3,750.00	
6. Other investments	0.00	
VI. Deferred tax assets	0.00	0.00
B) CURRENT ASSETS	**973,816.22**	**577,470.57**
I. Non-current assets held-for-sale	0.00	0.00
II. Inventories	140,601.14	85,036.63
1. Gooods for resale	140,601.14	
2. Raw materials and other supplies	0.00	
3. Work in progress	0.00	
4. Finished goods	0.00	
5. By-products, waste and recovered materials	0.00	
6. Advances to suppliers	0.00	
III. Trade and other receivables	0.00	0.00
1. Trade receivables	0.00	0.00
2. Trade receivables from group companies and associates	0.00	0.00
3. Other receivables	0.00	0.00
4. Employees benefits	0.00	
5. Current (income) tax assets	0.00	
6. Public entities, other	0.00	
7. Receivable on called-up capital from partners or equity holders	0.00	
IV. Current investments in group companies and associates	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Other financial assets	0.00	
V. Current investments	0.00	0.00
1. Equity instruments	0.00	
2. Loans to companies	0.00	
3. Debt securities	0.00	
4. Derivatives	0.00	
5. Other financial assets	0.00	
VI. Prepayments for current assets	0.00	0.00
VII. Cash and cash equivalents	833,215.08	492,433.94
1. Cashs	833,215.08	
2. Cash equivalents	0.00	
TOTAL ASSETS (A+B)	**998,839.03**	**604,732.48**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) – Standard model – 31/12/2022

EQUITY AND LIABILITIES	2022	2021
A) EQUITY	**862,134.93**	**502,022.59**
A-1 Equity attributable to owners of the company	**862,134.93**	**502,022.59**
I. Capital	100,000.00	100,000.00
1. Registered capital	100,000.00	100,000.00
2. (Uncalled capital)	0.00	0.00
II. Share Premium	0.00	0.00
III. Reserves	402,022.59	192,614.64
1. Legal and statutory reserves	0.00	
2. Other reserves	402,022.59	
IV. (Treasury shares and own equity holdings)	0.00	0.00
V. Retained earning (losses)	0.00	0.00
1. Retained earning	0.00	
2. (Retained losses)	0.00	
VI. Other owners/equity holders' contributions	0.00	0.00
VII. Profit (loss) for the year	360,112.34	209,407.95
VIII. (Interim dividend)	0.00	0.00
IX. Other equity instruments	0.00	0.00
A-2) Valuation adjustments	**0.00**	**0.00**
I. Financial assets at fair value with changes in equity	0.00	
II. Hedging transactions	0.00	
III. Non-current assets and liabilities associated held for sale	0.00	
IV. Translation differences	0.00	
V. Other transfers	0.00	
A-3) Grants, donations and bequests received	**0.00**	**0.00**
B) NON-CURRENT LIABILITIES	**16,666.65**	**33,333.32**
I. Non-current provisions	0.00	0.00
1. Long-term employee benefits obligations	0.00	
2. Provision for environmental costs	0.00	
3. Reestructuring provision	0.00	
4. Other provisions	0.00	
II. Non-current payables	16,666.65	33,333.32
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	16,666.65	33,333.32
3. Non-current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
III. Non-current payables to group companies and associates	0.00	0.00
IV. Deferred tax liabilities	0.00	0.00
V. Non-current deferred income/revenue	0.00	0.00
VI. Non-current payables with special features	0.00	0.00
C) CURRENT LIABILITIES	**120,037.45**	**69,376.57**
I. Liabilities associated to non-current assets held for sale	0.00	0.00
II. Current provisions	0.00	0.00
III. Bonds and other marketable securities	0.00	0.00
1. Bonds and other marketable securities	0.00	0.00
2. Bank borrowings	0.00	0.00
3. Current obligations under finance leases	0.00	0.00
4. Derivatives	0.00	
5. Other financial liabilities	0.00	
IV. Current payables to group companies and associates	0.00	0.00
V. Trade and other payables	120,037.45	69,376.57
1. Trade payables	0.00	0.00
2. Trade payables, group companies and associates	0.00	0.00
3. Other payables	0.00	
4. Employee benefits payable	0.00	
5. Current tax liabilities	120,037.45	
6. Other payables to Public Entities	0.00	
7. Customer advances	0.00	
VI. Current deferred income/revenue	0.00	0.00
VII. Current payables with special features	0.00	0.00
TOTAL EQUITY AND LIABILITIES (A+B+C)	**998,839.03**	**604,732.48**

APPENDIX 6 - INCOME STATEMENT OPTIMISTIC FORECAST Y 1 TO 5.

STANDARD INCOME STATEMENT 31/12/2019		
Items	2019	2018
A) CONTINUING OPERATIONS		
1. Revenue	**243,000.00**	**180,000.00**
a) Sales	243,000.00	180,000.00
b) Services rendered	0.00	0.00
2. Changes in finished goods and work in progress inventories	**0.00**	**0.00**
3. Work carried out by the company for assets	**0.00**	**0.00**
4. Supplies	**-67,510.88**	**-55,564.51**
a) Merchandise used	-67,510.88	-55,564.51
b) Raw materials and other consumables used	0.00	0.00
c) Subcontracted work	0.00	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00	0.00
5. Other operating income	**0.00**	**0.00**
a) Non-trading and other operating income	0.00	0.00
b) Income-related grants transferred to profit and loss	0.00	0.00
6. Personnel expenses	**-69,639.00**	**-69,639.00**
a) Salaries and wages	-53,200.00	-53,200.00
b) Employee benefits costs	-16,439.00	-16,439.00
c) Provisions	0.00	0.00
7. Other operating expenses	**-21,173.55**	**-27,478.10**
a) External services	-21,173.55	-27,478.10
b) Taxes other than income tax	0.00	0.00
c) Losses, impairment and changes in trade provisions	0.00	0.00
d) Other current operating expenses	0.00	0.00
8. Amortization and depreciation charges on non-current assets	**-3,405.93**	**-3,555.34**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**	**0.00**
10. Provision surpluses	**0.00**	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**	**0.00**
a) Impairment and losses	0.00	0.00
b) Gains /(losses) on disposal and other	0.00	0.00
12. Losses on business combinations	**0.00**	**0.00**
13. Other gains/(losses)	**0.00**	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**81,270.64**	**23,763.05**
14. Finance income	**0.00**	**0.00**
a) From investments in equity instruments (dividends)	0.00	0.00
a_1) En empreses del grupo y asociadas	0.00	0.00
a_2) En terceros	0.00	0.00
b) From marketable securities and other financial instruments	0.00	0.00
b_1) D'empreses del grup i associades	0.00	0.00
b_2) De tercers	0.00	0.00
15. Finance costs	**-466.67**	
a) Of debts to group companies and associates	0.00	-3,466.67
b) Of debts to third parties	-466.67	-3,466.67
c) Change in fair value of financial instruments	0.00	0.00
16. Change in fair value of financial instruments	**0.00**	**0.00**
a) Fair value through the income statement / profit (lost)	0.00	0.00
b) Transfer of fair value adjustments with changes in equity	0.00	0.00
17. Exchange gains/ (losses) differences	**0.00**	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**	**0.00**
a) Impairments and losses	0.00	0.00
b) Gains/(losses) on disposal and other	0.00	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**	**-3,466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**80,803.97**	**20,296.38**
19. Income tax	**-12,120.59**	**-3,044.46**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)		
B) DISCONTINUED OPERATIONS	**0.00**	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**68,683.38**	**17,251.92**

STANDARD INCOME STATEMENT 31/12/2020	
Items	2020
A) CONTINUING OPERATIONS	
1. Revenue	**328,050.00**
a) Sales	328,050.00
b) Services rendered	0.00
2. Changes in finished goods and work in progress inventories	**0.00**
3. Work carried out by the company for assets	**0.00**
4. Supplies	**-91,139.70**
a) Merchandise used	-91,139.70
b) Raw materials and other consumables used	0.00
c) Subcontracted work	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00
5. Other operating income	**0.00**
a) Non-trading and other operating income	0.00
b) Income-related grants transferred to profit and loss	0.00
6. Personnel expenses	**-69,639.00**
a) Salaries and wages	-53,200.00
b) Employee benefits costs	-16,439.00
c) Provisions	0.00
7. Other operating expenses	**-21,746.30**
a) External services	-21,746.30
b) Taxes other than income tax	0.00
c) Losses, impairment and changes in trade provisions	0.00
d) Other current operating expenses	0.00
8. Amortization and depreciation charges on non-current assets	**-3,034.88**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**
10. Provision surpluses	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**
a) Impairment and losses	0.00
b) Gains /(losses) on disposal and other	0.00
12. Losses on business combinations	**0.00**
13. Other gains/(losses)	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**142,490.12**
14. Finance income	**0.00**
a) From investments in equity instruments (dividends)	0.00
a_1) Group companies and associates	0.00
a_2) Third parties	0.00
b) From marketable securities and other financial instruments	0.00
b_1) Group companies and associates	0.00
b_2) Third parties	0.00
15. Finance costs	**-466.67**
a) Of debts to group companies and associates	0.00
b) Of debts to third parties	-466.67
c) Change in fair value of financial instruments	0.00
16. Change in fair value of financial instruments	**0.00**
a) Fair value through the income statement / profit (loss)	0.00
b) Transfer of fair value adjustments with changes in equity	0.00
17. Exchange gains/ (losses) differences	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**
a) Fair value through the income statement / profit (loss)	0.00
b) Transfer of fair value adjustments with changes in equity	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**142,023.45**
19. Income tax	**-35,505.86**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)	
B) DISCONTINUED OPERATIONS	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**106,517.59**

STANDARD INCOME STATEMENT 31/12/2022		
Items	**2022**	**2021**
A) CONTINUING OPERATIONS		
1. Revenue	**575,727.75**	**442,867.50**
a) Sales	575,727.75	442,867.50
b) Services rendered	0.00	0.00
2. Changes in finished goods and work in progress inventories	**0.00**	**0.00**
3. Work carried out by the company for assets	**0.00**	**0.00**
4. Supplies	**0.00**	**-68,593.53**
a) Merchandise used	0.00	-68,593.53
b) Raw materials and other consumables used	0.00	0.00
c) Subcontracted work	0.00	0.00
d) Impairment of merchandise, raw materials and other supplies	0.00	0.00
5. Other operating income	**0.00**	**0.00**
a) Non-trading and other operating income	0.00	0.00
b) Income-related grants transferred to profit and loss	0.00	0.00
6. Personnel expenses	**-69,639.00**	**-69,639.00**
a) Salaries and wages	-53,200.00	-53,200.00
b) Employee benefits costs	-16,439.00	-16,439.00
c) Provisions	0.00	0.00
7. Other operating expenses	**-23,233.19**	**-22,495.81**
a) External services	-23,233.19	-22,495.81
b) Taxes other than income tax	0.00	0.00
c) Losses, impairment and changes in trade provisions	0.00	0.00
d) Other current operating expenses	0.00	0.00
8. Amortization and depreciation charges on non-current assets	**-2,239.10**	**-2,726.22**
9. Allocation to profit (loss) of grants related to non-financial non current assets and other grants	**0.00**	**0.00**
10. Provision surpluses	**0.00**	**0.00**
11. Impairment and gains/(losses) on disposal of non-current assets	**0.00**	**0.00**
a) Impairment and losses	0.00	0.00
b) Gains /(losses) on disposal and other	0.00	0.00
12. Losses on business combinations	**0.00**	**0.00**
13. Other gains/(losses)	**0.00**	**0.00**
A.1) PROFIT (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**480,616.46**	**279,412.94**
14. Finance income	**0.00**	**0.00**
a) From investments in equity instruments (dividends)	0.00	0.00
a_1) En empreses del grupo y asociadas	0.00	0.00
a_2) En terceros	0.00	0.00
b) From marketable securities and other financial instruments	0.00	0.00
b_1) D'empreses del grup i associades	0.00	0.00
b_2) De tercers	0.00	0.00
15. Finance costs	**-466.67**	
a) Of debts to group companies and associates	0.00	-466.67
b) Of debts to third parties	-466.67	-466.67
c) Change in fair value of financial instruments	0.00	0.00
16. Change in fair value of financial instruments	**0.00**	**0.00**
a) Fair value through the income statement / profit (lost)	0.00	0.00
b) Transfer of fair value adjustments with changes in equity	0.00	0.00
17. Exchange gains/ (losses) differences	**0.00**	**0.00**
18. Impairment and gains/(losses) on financial instrument disposal	**0.00**	**0.00**
a) Impairments and losses	0.00	0.00
b) Gains/(losses) on disposal and other	0.00	0.00
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)	**-466.67**	**-466.67**
A.3) PROFIT/(LOSS) BEFORE TAX (A + B)	**480,149.79**	**278,946.27**
19. Income tax	**-120,037.45**	**-69,376.57**
A.4) PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+19)		
B) DISCONTINUED OPERATIONS	**0.00**	**0.00**
20. Profit/(loss) from discontinued operations, net of income tax	**0.00**	**0.00**
A.5) PROFIT /(LOSS) FOR THE YEAR (A.4+20)	**360,112.34**	**209,569.70**