

SUGAR RAYS



PRIVATE EQUITY INVESTMENT BOOK • OCTOBER 2026

Culture-driven premium ice cream, coffee & desserts built to scale.

Sugar Rays is a culture-driven premium ice cream, coffee, and dessert brand built to win by pairing visible value with superior product. We are designed to undercut premium competitors on key items while scaling through a Harlem hub-and-spoke platform that combines retail, production, DTC, restaurant placements, and future regional spokes. Our product story is anchored by organic grass-fed dairy, directly sourced Ethiopian coffee, and elevated dessert offerings made with high-quality organic and fair-trade ingredients.

NYC-first growth • Value-led pricing • Vertical integration optionality



PREMIUM INPUTS

- Organic Grass-Fed Dairy
- Direct Ethiopian Coffee
- Organic & Fair-Trade Dessert Ingredients



WHY WE WIN

Founders, operators, sourcing depth and a capital-efficient growth model combine to create a differentiated consumer platform.

1) Brand + growth engine

Culture-driven demand: Flavor drops, collaborations, events and storytelling act as measurable distribution, not just brand decoration.

Visible value: Sugar Rays is designed to undercut premium competitors on the most visible items while maintaining attractive gross margins.

Hub-and-spoke model: Harlem centralizes production, DTC fulfillment, restaurant support and future spoke supply, creating better unit economics as the network scales.

2) Premium inputs + control

Ice cream: Premium organic grass-fed dairy sourced from regional partners, with long-term optionality to control dairy production after scale.

Coffee: Direct sourcing relationships in Ethiopia support a differentiated quality story today and a future roastery strategy after scale.

Desserts: Cookies and dessert offerings are built around elevated organic and fair-trade ingredients, reinforcing premium quality across every daypart.

3) Experienced team

Rameen Aminzadeh, CEO: 30+ years across filmmaking, storytelling, brand building, nonprofit leadership and culture-driven community programming.

Jason Martinello, COO & Head Chef: 30+ years in premium ice cream, pastry development and production execution.

Grandmaster DXT, Director of Cultural Outreach: Hip Hop pioneer and Grammy-winning artist with decades of trusted cultural relationships.

Additional operating depth: Coffee sourcing/roasting leadership and seasoned hospitality operators strengthen execution beyond the founders.



TRANSACTION OVERVIEW

A \$4M minority growth-equity round to prove the NYC system

The Series A funds Harlem + production + DTC + one truck; Series B is expansion capital, not rescue capital.



Item	Underwriting case	Investor interpretation
Series A ask	\$4.0M	Preferred dilution: 15%-20%; midpoint underwriting at 17.5%
Series A purpose	NYC proof capital	Harlem hub, production, DTC, one truck, pre-launch placements and working capital
Protected contingency	\$0.60M	15% of the round held as a contingency bank, not planned spend
Runway target	24-36 months	Base cash model keeps contingency intact and avoids Series-A-funded Times Square capex
Harlem soft launch	March 2027	Production hub + DTC infrastructure + food truck
Flagship grand opening	July 2027	Counter service + seating; 7am-midnight daypart model
Series B	\$16M	Regional expansion after NYC proof; timing tied to operating gates

Core PE framing

Sugar Rays is not asking investors to underwrite global expansion on day one. Series A funds a measurable NYC proof case. Series B is intended to accelerate a demonstrated hub-and-spoke model into selective U.S. regional markets.



INVESTMENT THESIS

Why this can become a premium consumer platform - not simply a dessert shop

Five underwriting pillars

- Premium product + visible value: target pricing \$1-\$2 below premium competitors on comparable store/delivery SKUs where economics allow.
- Daypart frequency: coffee drives mornings; ice cream, cookies and desserts extend afternoon and late-night demand.
- Hub-and-spoke capital efficiency: Harlem centralizes production, DTC and supply for smaller high-traffic spokes.
- Culture as measurable distribution: flavor drops, events and partnerships are evaluated on sell-through, earned reach and repeat purchase.
- Vertical-integration optionality: packaging now; dairy/roastery/co-packing after scale, creating margin control and potential B2B revenue.

Source: Sugar Rays management strategy; prior SR VC/IC and integrated Series A materials.

What the investor is paying to prove

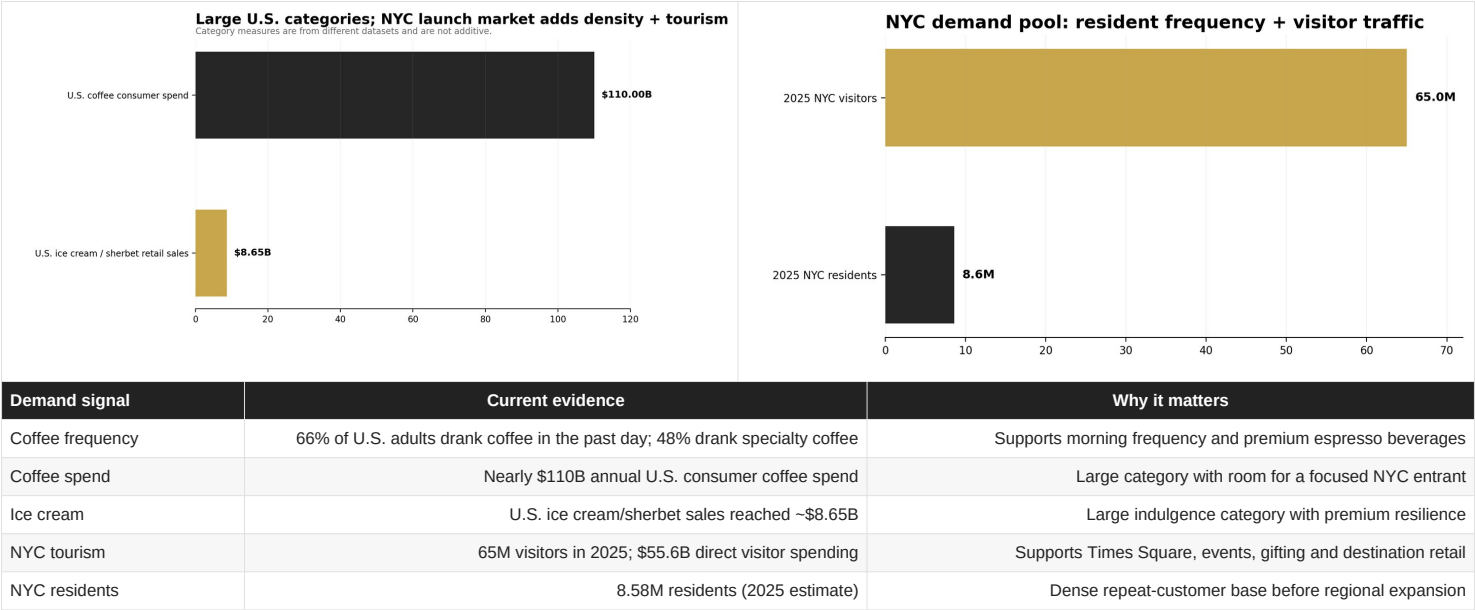
- ✓ Harlem demand and stabilized contribution margin
- ✓ Restaurant placement conversion and reorder behavior
- ✓ DTC frozen-shipping contribution margin
- ✓ Truck/event CAC and customer conversion
- ✓ Times Square spoke economics without duplicate production
- ✓ A repeatable playbook before regional expansion

Series A should produce a higher-quality Series B, not a dependency on Series B.



MARKET OPPORTUNITY

Large categories; NYC provides density, frequency and tourism without requiring heroic market share



Source: NCA (Sep 2026); Dairy Foods/Circana; NYC Tourism + Conventions (Mar 2026); U.S. Census Bureau Vintage 2025.



GROWTH STRATEGY

NYC first for three years; regional U.S. replication before global expansion

Year	Footprint strategy	Underwriting objective
FY1	Harlem hub + production + DTC + 1 truck	Prove demand, unit economics, operating cadence and pre-launch partnerships
FY2	Times Square 1,000-2,000 SF spoke	Prove the asset-light spoke; Harlem supplies all production
FY3	NYC density + second high-traffic spoke if KPI gates are met	Demonstrate repeatability across more than one demand environment
FY4	First selective high-value U.S. regional hub	Stage one regional entry, supported by high-profile local cultural venture(s)
FY5	2-3 total regional markets in operation/development; global exploration begins	Prove domestic replication before committing capital internationally



Source: Sugar Rays management assumptions. Global revenue is not included in the five-year base case.



PRODUCT + DAYPART ARCHITECTURE

One premium brand spanning morning frequency, afternoon indulgence and late-night dessert

Daypart	Labor posture	Primary demand
7am-noon	Coffee-led / minimal staffing	Espresso, latte, cappuccino, cold brew, tea/matcha, cookies, affogato, grab-and-go pints
Noon-6pm	Full staffing	Scoops, cones, sundaes, shakes, cookies, ice cream sandwiches, coffee, desserts, restaurant/DTC production
6pm-midnight	Lean dessert crew	Scoops, pints, shakes, cookies, sundaes, affogato, coffee/cold brew, late-night delivery
Core product tracks - Ice cream: scoops, pints, shakes, sundaes, sandwiches, cakes/mochi/waffle formats - Coffee + tea: espresso, lattes, cappuccino, cold brew, matcha, packaged beans - Cookies + desserts: classic and signature cookies, brownies/pastry, ice-cream pairings - Coffee + ice cream: affogato, cold-brew floats, coffee/dessert bundles		Drop architecture - Core flavors provide repeatability and operational discipline - Specialty flavor drops create launch moments without bloating the permanent menu - Restaurant, chef, artist and brand collaborations are tracked by units, GP, repeat purchase and earned reach - Harlem in-house short-run packaging enables fast collab versioning

Source: Sugar Rays management product strategy.



PRICING STRATEGY

Premium product without the premium tax

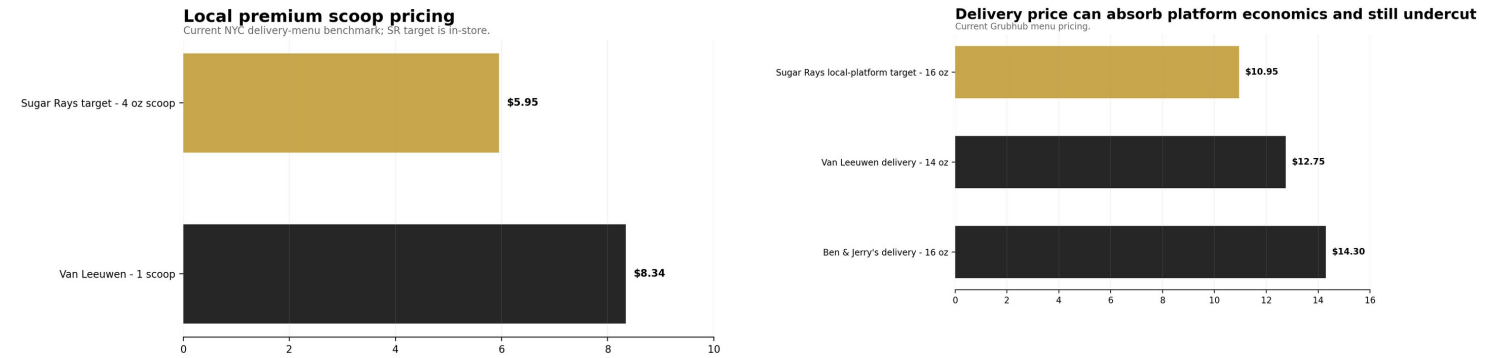
Undercut comparable premium experiences while refusing to chase temporary mass-retail promotions that destroy wholesale economics.

SKU	SR working price	Value position
4 oz scoop	\$5.95	~\$2.39 below Van Leeuwen delivery 1-scoop benchmark
16 oz grocery pint	\$7.99 working MSRP	Below NYC regular/list prices for B&J and Häagen-Dazs; full 16 oz format
Local-platform pint	\$10.95 working price	Below Van Leeuwen 14 oz and B&J 16 oz delivery pricing
Hot latte	\$4.95	~\$1.40 below Starbucks NYC delivery latte
Iced latte	\$5.25	~\$1.70-\$2.24 below Starbucks/Dunkin NYC delivery benchmarks
Cold brew	\$4.49	~\$1.36-\$2.37 below Starbucks/Dunkin NYC delivery benchmarks
Classic cookie	\$2.75	Below implied Harlem Insomnia 3-pack per-cookie price
Signature cookie	\$4.95	Below Insomnia Deluxe Harlem price
Important CPG discipline Grocery pricing is benchmarked to NYC everyday/list pricing and value per ounce. Temporary promotions are shown separately and are not the price floor for Sugar Rays.		



COMPARABLE PRICING - ICE CREAM

The value proposition is visible on the most shopped premium SKUs



Investor takeaway

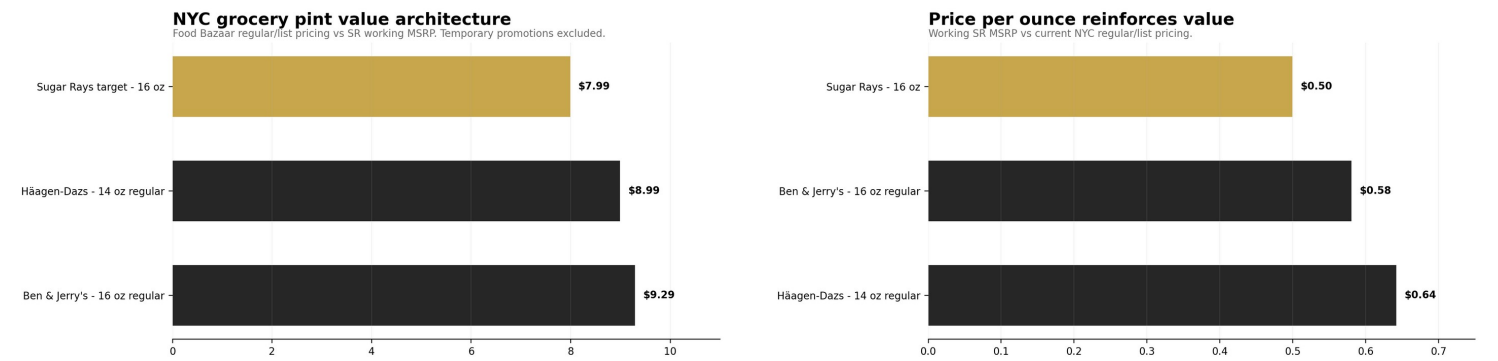
Sugar Rays can price below premium scoop-shop delivery menus while retaining room for marketplace fees. In-store pricing remains lower than delivery pricing to preserve the owned-channel advantage.

Source: Current Grubhub menu observations: Van Leeuwen (1250 6th Ave / 81 Bergen St); Ben & Jerry's Hell's Kitchen. Prices may differ in-store and by location.



COMPARABLE PRICING - GROCERY PINTS

A true 16 oz pint can offer better NYC everyday value without becoming a discount brand



Working MSRP sensitivity

\$6.99 / \$7.49 / \$7.99 should be tested against final wholesale COGS, retailer margin, distributor/broker terms and trade spend. The base PE model uses \$7.99 until RFQs are complete.

Source: Food Bazaar current/list pricing: Ben & Jerry's 16 oz \$6.49 current / \$9.29 original; Häagen-Dazs 14 oz \$7.99 current / \$8.99 original. Temporary promotions excluded from main benchmark.

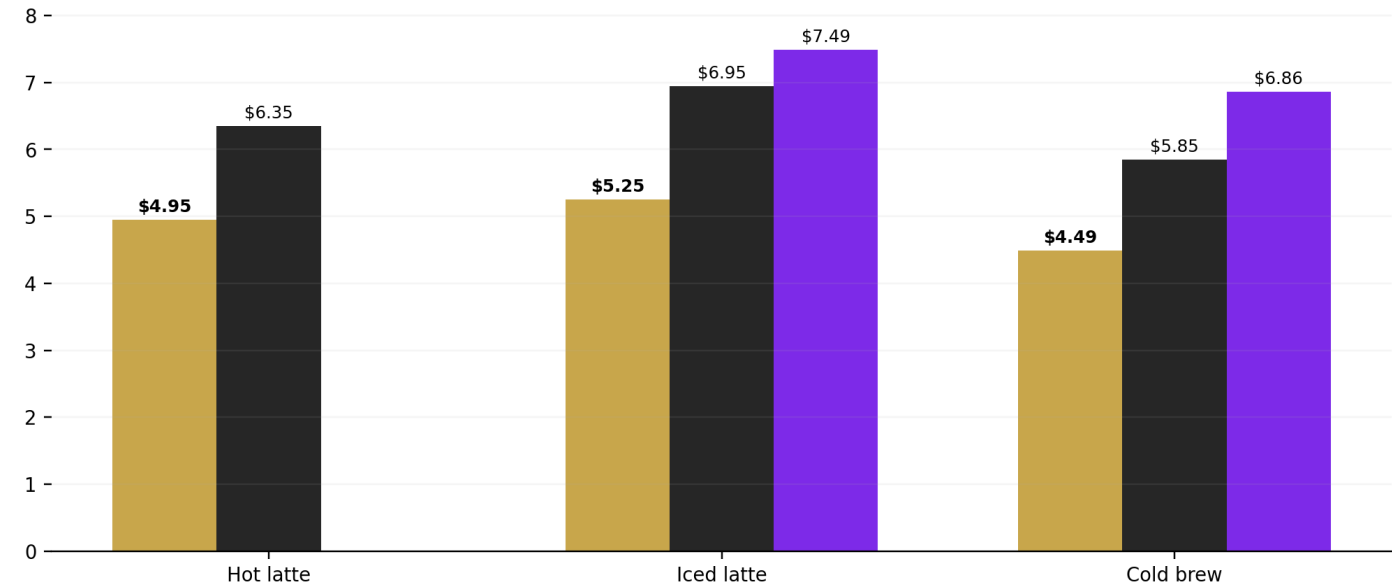


COMPARABLE PRICING - COFFEE

Direct Ethiopian sourcing supports a quality story; pricing remains visibly below NYC chains

Coffee value gap: premium positioning below major NYC chains

■ Sugar Rays target ■ Starbucks NYC delivery ■ Dunkin Harlem delivery



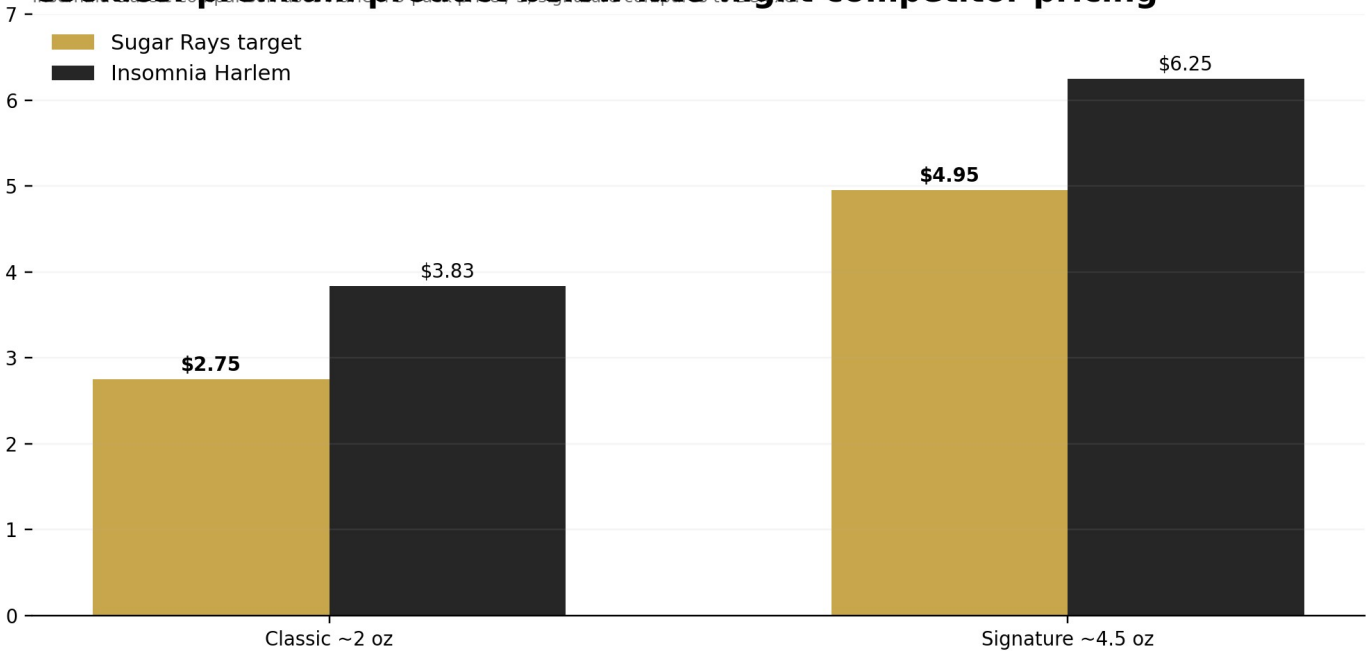
SKU	SR target	Starbucks NYC	Dunkin Harlem	SR advantage
Hot latte	\$4.95	\$6.35	n/a public comp	~\$1.40 vs Starbucks
Iced latte	\$5.25	\$6.95	\$7.49	~\$1.70-\$2.24
Cold brew	\$4.49	\$5.85	\$6.86	~\$1.36-\$2.37

Source: Current Grubhub menu observations: Starbucks 591 1st Ave / 325 W 49th St; Dunkin 57 E 125th St. Delivery pricing may exceed in-store pricing.



Sugar Rays uses cookies to extend frequency and create high-margin ice-cream pairings

Cookies: premium product below late-night competitor pricing



Format	Working size / price	Competitive anchor	Role in basket
Classic cookie	~2 oz / \$2.75	Insomnia Harlem 3-pack \$11.50 (~\$3.83 each)	Entry add-on + coffee bundle
Signature cookie	~4.5 oz / \$4.95	Insomnia Deluxe \$6.25; Levain flagship cookie 6 oz	Premium standalone + drop format
Cookie + scoop	\$7.95	Comparable late-night cookie/ice cream combos ~\$9+	Higher AOV with limited extra labor
Ice cream sandwich	\$8.95	Premium sandwich / Cookie'wich benchmarks ~\$10+	Portable signature SKU
Shake	16 oz \$8.95 / 20 oz \$10.95	Premium ice cream shop shakes ~\$11-\$15	High-ticket dessert beverage

Source: Insomnia Cookies Harlem (17 W 125th) Seamless; Levain official cookie size. Sizes/prices are working Sugar Rays architecture pending recipe COGS.



PRE-LAUNCH TRACTION

Restaurant placements create revenue and validation before the July flagship grand opening

Partner status	Commercial structure	Investor treatment
YingTao - confirmed	SR ice cream paired with restaurant dessert; \$25 combination; 50/50 split; SR supplies one 4 oz scoop	Include as confirmed pre-launch placement; track units, GP, reorder rate and downstream conversion
Miss Lily's - verbal agreement	Similar placement model targeted; final logistics pending	Do not present as signed until final agreement is executed
Steak Frites - verbal agreement	Similar placement model targeted; final logistics pending	Do not present as signed until final agreement is executed
Two additional high-caliber restaurants	In discussions; unnamed in the book	Pipeline only; no base-case dependency
YingTao unit economics \$25 dessert combination Sugar Rays share: \$12.50 Illustrative scoop COGS: \$1.50 Illustrative GP: \$11.00 Illustrative variable GM: 88%		Volume sensitivity 10/day × 300 days = \$37.5K SR revenue 20/day × 300 days = \$75.0K SR revenue 30/day × 300 days = \$112.5K SR revenue Five placements at 20/day = ~\$375K annual SR revenue before ramp / seasonality

Source: YingTao official menu; \$150 tasting menu; MICHELIN Guide lists YingTao at 805 9th Ave as Contemporary Chinese. Collaboration economics supplied by Sugar Rays management.



Culture becomes a measurable customer-acquisition channel, not a celebrity slide



COLLABORATION

Sugar Rays brings a rare, execution-ready advantage: long-standing, trust-based relationships across music, art, sports, fashion, technology digital ecosystems that have been built over years — not brokered opportunistically — enabling activating authentic collaborations that cut across multiple demographics simultaneously. Embedding the brand into moments, platforms, and communities where consumers already spend time and signal identity. Sugar Rays will drive outsized earned media, accelerate customer acquisition while reducing reliance on paid marketing. The result is an additional lifestyle brand with compounding reach, higher frequency of engagement, and a loyal customer base that converts cultural relevance into durable revenue growth and long-term brand equity.

Previous Ice Cream & Brand Collabs

Ice T | Eric B & Rakim | Benny the Butcher | Rick Ross | Smoke Diza | Meg the Stallion | Fatman Scoop | Luis Guzman | Desus & Mero





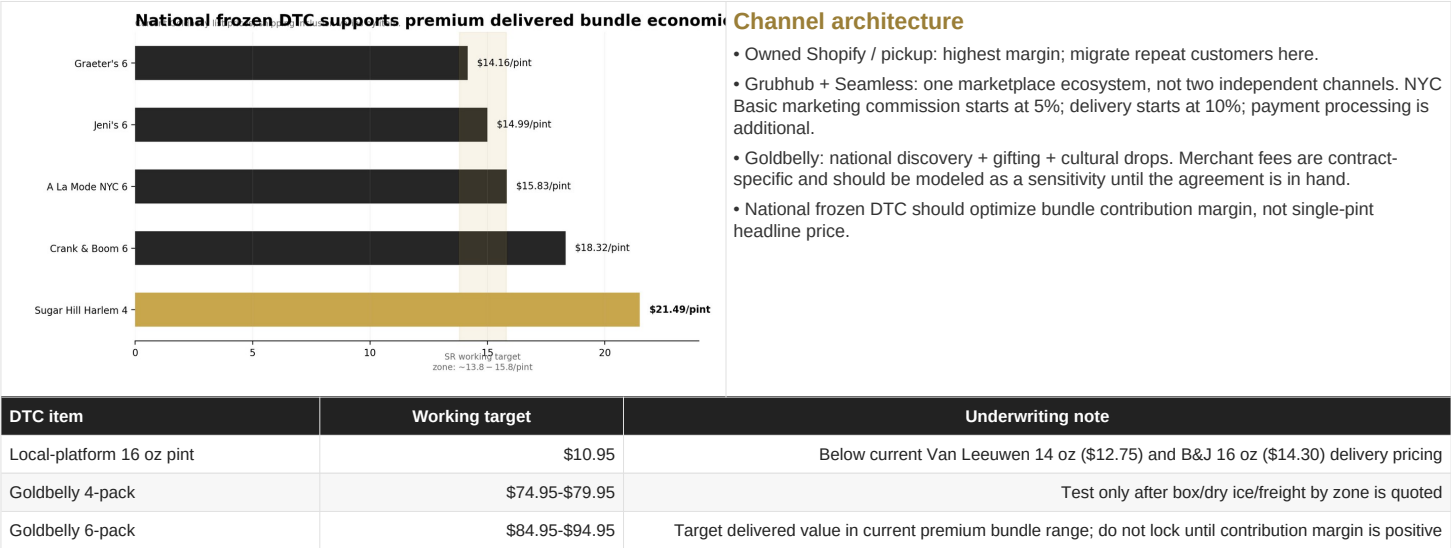
Step	What Sugar Rays does	KPI
1. Partner	Choose high-relevance chef / artist / brand / event partner	Audience fit + commercial terms
2. Drop	Create limited flavor / dessert / package / event	Units available, margin, inventory risk
3. Content + event	Launch through partner and Sugar Rays channels	Earned reach, RSVP, CAC proxy
4. Conversion	Drive store, truck, restaurant and DTC orders	AOV, conversion, GP
5. Retention	Retarget into core products / owned DTC	30/60-day repeat + email/SMS capture

Source: Sugar Rays management collaboration strategy; no speculative partner names are used in underwriting projections.



DTC + LOCAL DELIVERY

Three distinct economics: owned DTC, Grubhub/Seamless and national frozen shipping



Source: Grubhub NYC merchant pricing; current Goldbelly pint listings; current Grubhub competitor menus. Merchant/customer fees and menu pricing are subject to change.



SOURCING MOAT

Premium organic grass-fed dairy + direct Ethiopian coffee are designed into the brand from launch

Regional organic / grass-fed dairy

- Source premium organic, verified grass-fed milk/cream from regional dairies where commercially available.
- Document supplier certification and chain of custody before using 100%-grass-fed or organic claims in investor/consumer materials.
- USDA Organic is not identical to 100% grass-fed: organic ruminants must graze at least 120 days and receive at least 30% DMI from pasture.
- Regional 100% grass-fed organic supply exists: Maple Hill reports 130+ small family farms, mostly in New York, with expansion into Pennsylvania.

Direct Ethiopian green-bean sourcing

- Build direct exporter/producer relationships in Ethiopia for premium green coffee, quality traceability and a differentiated origin story.
- More than 99% of U.S. coffee is imported; Ethiopia is a major global origin with a mature export framework.
- Ethiopia reported ~470K tons of coffee exports and ~\$2.6B of export revenue in the last fiscal year; reforms allow farmers to export directly.
- Specific farms/exporters, grades, landed cost and contracts remain diligence items before final investor claims.

Margin discipline

The book treats premium sourcing as a cost input that must still support the price-value thesis. Supplier RFQs will replace modeled dairy and green-bean costs before the final financing close.

Source: USDA AMS organic standards; Maple Hill; National Coffee Association; Ethiopian Coffee and Tea Authority / ENA.



VERTICAL INTEGRATION ROADMAP

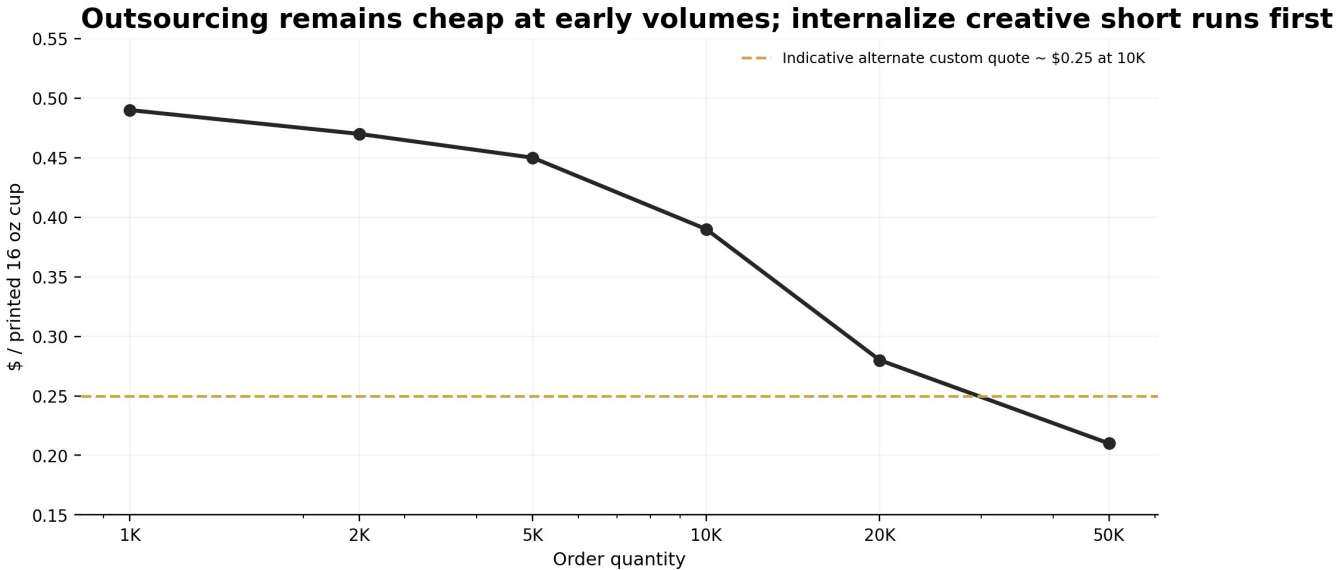
Own more of the margin only after the demand base justifies the assets

Stage	Timing	Asset / capability	Potential economics
1. Control the customer	FY1-FY3	Harlem production, DTC, packaging decoration, NYC spokes	Brand margin + customer data + faster collaboration drops
2. Control more production	FY3-FY5	Expanded frozen production / selective co-packing / regional hub production	Lower unit cost + third-party manufacturing option
3. Dairy platform	Year 5+	Acquire / JV / control organic dairy + processing	Milk/cream supply, butter, cheese, cultured dairy, B2B regional supply, private label
4. Coffee platform	Year 5+	Acquire / partner with / control a roastery	Roasting margin, wholesale beans, private label, contract roasting, quality control
5. National co-packing	Year 5+	Owned or controlled frozen/dairy co-packer facility	Sugar Rays production + third-party revenue + manufacturing asset value
Accounting treatment No owned-farm, roastery or national co-packer revenue is included in the core five-year base-case P&L. These are post-Year-5 strategic options to be underwritten separately.			



PACKAGING VERTICAL INTEGRATION

Internalize short-run creative flexibility now; manufacture the cup only when volume supports the equipment



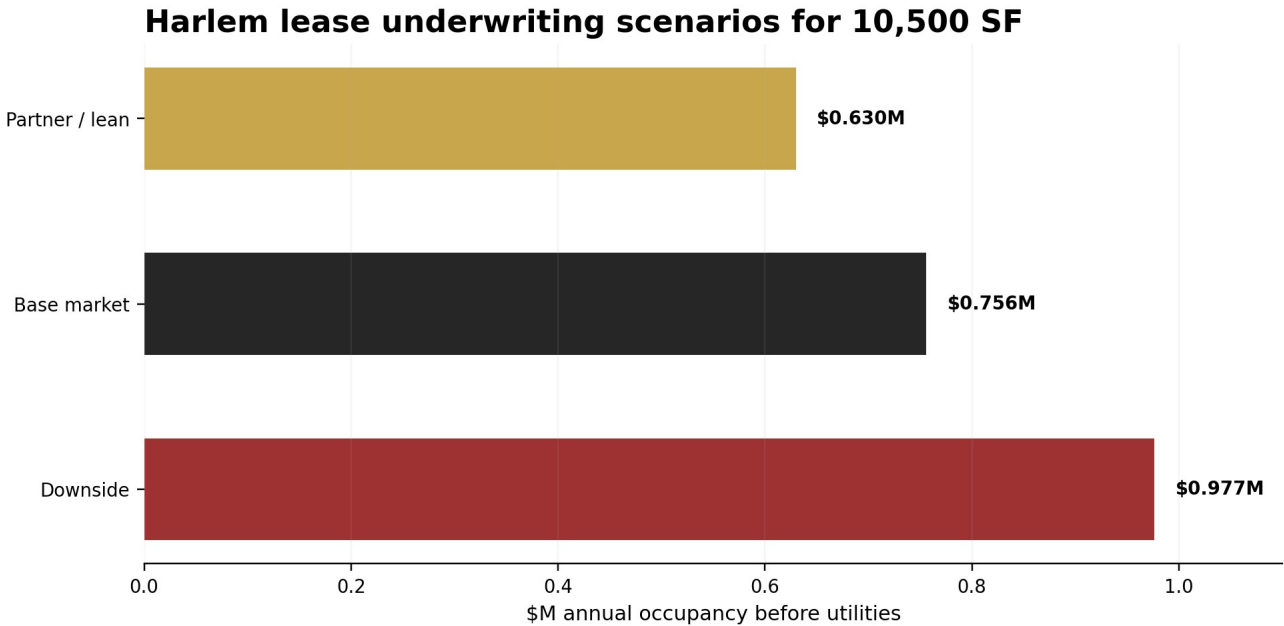
Phase	Capex / cost reference	Recommendation
FY1 collaboration print cell	Gold-capable UV-DTF printer reference ~\$12.4K; total cell planning allowance \$25K	Buy certified food-grade blank/black cups and decorate exteriors in Harlem for drops and restaurant partnerships
Outsourced core pints	Current custom 16 oz cup example: ~\$0.39 at 10K; ~\$0.28 at 20K; ~\$0.21 at 50K	Use outsourced full-wrap core packaging while volumes are below industrial-manufacturing scale
Later cup forming	\$20K-\$40K+ installed middle-ground using preprinted/precut stock (planning range)	Evaluate once volume supports payback and food-contact QA burden
Full packaging line	\$75K-\$250K+ planning range	Only after annual volume reaches hundreds of thousands / millions of containers

Source: Sunika SK-60D Gold UV DTF current list price; Hammond 16 oz custom container price ladder; Sugar Rays planning assumptions for installation/consumables.



HARLEM REAL ESTATE UNDERWRITING

Use a market-based lease case until owner terms are documented; negotiate equity only against measurable concessions



Scenario	Base rent	Addl rent	Free rent	TI target	Security target
Partner / lean	\$50/SF	\$10/SF	9-12 mo	\$75-\$125+/SF	2-3 mo / burn-down
Base market	\$60/SF	\$12/SF	4-6 mo	\$60-\$100/SF	4-6 mo
Downside	\$75/SF	\$18/SF	0-3 mo	\$30-\$60/SF	6-8+ mo

Why the 3% landlord partnership must be structured

Use up to ~3% equity only if it vests against a defined economic package: below-market rent, TI/landlord work, true rent abatement, reduced security and/or other quantified value. Do not grant 3% upfront for vague support.

Source: 125th Street references: 10,500 SF at 100 W 125th asked \$65/SF in 2022; current 113 E 125th listing asks \$54/SF modified gross. NYC 10-year TI/free-rent benchmarks from current brokerage guidance.



OPERATING MODEL

Counter service and daypart labor discipline keep a large hub from carrying full restaurant payroll

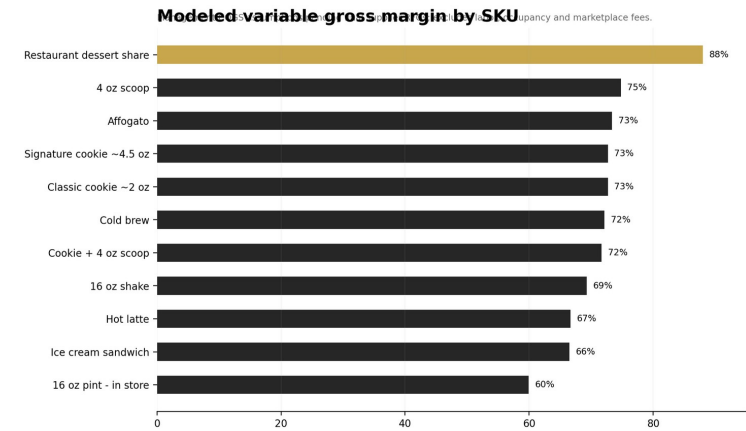
Daypart	Front-of-house posture	Indicative staffing	Primary work
7am-noon	Lean	~2 counter/barista roles + production as scheduled	Coffee, breakfast add-ons, pickup, prep
Noon-6pm	Full	~4-5 front-of-house + production / fulfillment	Core retail rush, DTC, production, truck/restaurant fulfillment
6pm-midnight	Lean	~2-3 front-of-house + close	Dessert, late-night coffee, delivery, close
Founder payroll plan Rameen: \$150K Chef Jason: \$150K DXT: \$50K Cash salary total: \$350K before payroll burden		Hourly underwriting NYC minimum wage: \$17/hr (2026/27) Model front counter/barista: ~\$19-\$20/hr Production/pastry: ~\$21-\$23/hr Shift leads: ~\$23-\$27/hr Production labor is shared infrastructure across Harlem, DTC, truck, restaurants and future spokes	

Source: New York State minimum wage; Sugar Rays management staffing assumptions. Final schedule to be rebuilt from POS demand after soft launch.



SKU ECONOMICS

The pricing strategy is only investable if premium inputs still leave strong contribution before labor and occupancy



Selected working economics

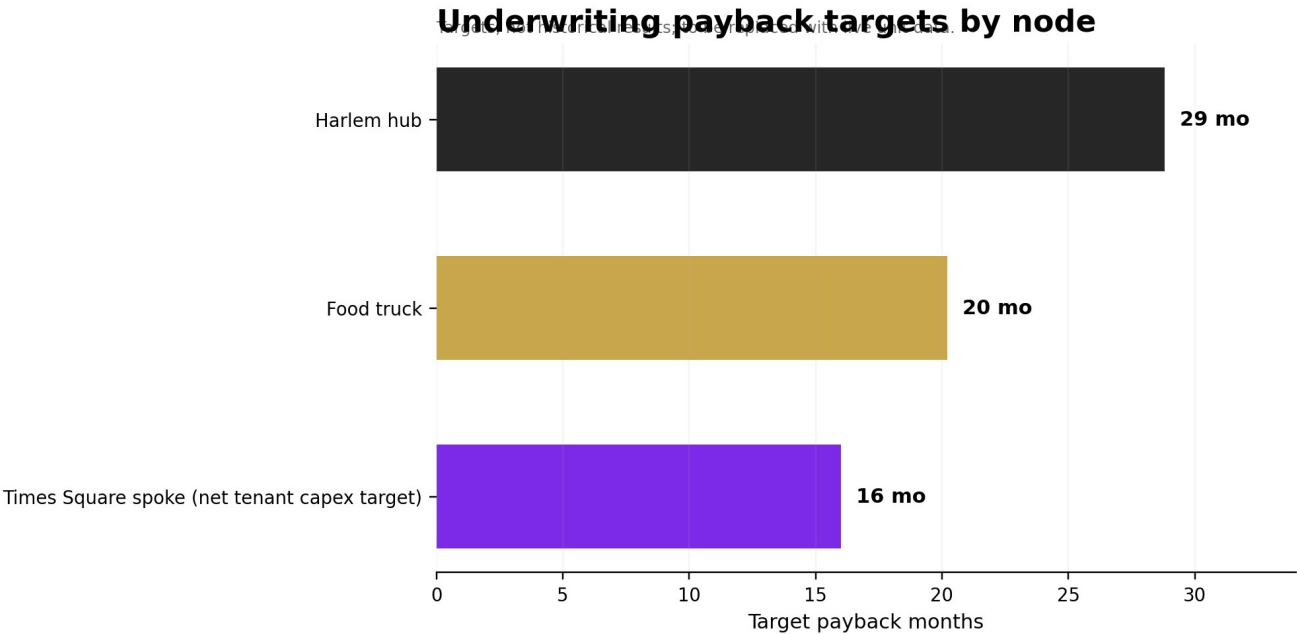
- 4 oz scoop: \$5.95 price / \$1.50 COGS / 75% variable GM
- 16 oz pint - in store: \$7.99 price / \$3.20 COGS / 60% variable GM
- Hot latte: \$4.95 price / \$1.65 COGS / 67% variable GM
- Classic cookie ~2 oz: \$2.75 price / \$0.75 COGS / 73% variable GM
- 16 oz shake: \$8.95 price / \$2.75 COGS / 69% variable GM
- Restaurant dessert share: \$12.50 price / \$1.50 COGS / 88% variable GM

Diligence rule

These are management underwriting assumptions, not verified historical margins. Final book should replace milk/cream, coffee, cookie, packaging and freight inputs with supplier quotes before financing close.



Every new spoke should be opened against a payback threshold, not growth for growth's sake



Node	Capital logic	Target threshold
Harlem hub	~\$1.2M gross buildout planning case; produces for multiple channels	Target 24-32 month payback after stabilized contribution
Food truck	~\$160K all-in planning capex	Target 18-24 month payback + measurable CAC/brand value
Times Square spoke	1,000-2,000 SF; no production kitchen; seek TI/free rent/equipment finance	Target net tenant capital ~\$300-\$500K and 14-24 month payback

Source: Underwriting targets only; live unit data will replace target payback metrics after launch.



FIVE-YEAR OPERATING ROADMAP

A disciplined domestic proof sequence replaces the previous global-first plan

FY	Revenue	EBITDA	Footprint / milestone
FY1	\$2.60M	(\$0.62M)	Harlem soft launch + July grand opening; DTC; 1 truck; restaurant placements
FY2	\$5.55M	(\$0.05M)	Stabilize Harlem; open asset-light Times Square spoke; protect Series-A cash
FY3	\$9.60M	\$0.75M	NYC density; second high-traffic spoke only if KPI gates are met; CPG/DTC scale
FY4	\$14.60M	\$1.90M	Stage first U.S. regional hub in a high-value market with local cultural venture support
FY5	\$22.60M	\$3.75M	2-3 total regional markets operating/in development; begin global exploration only

No global revenue in base case

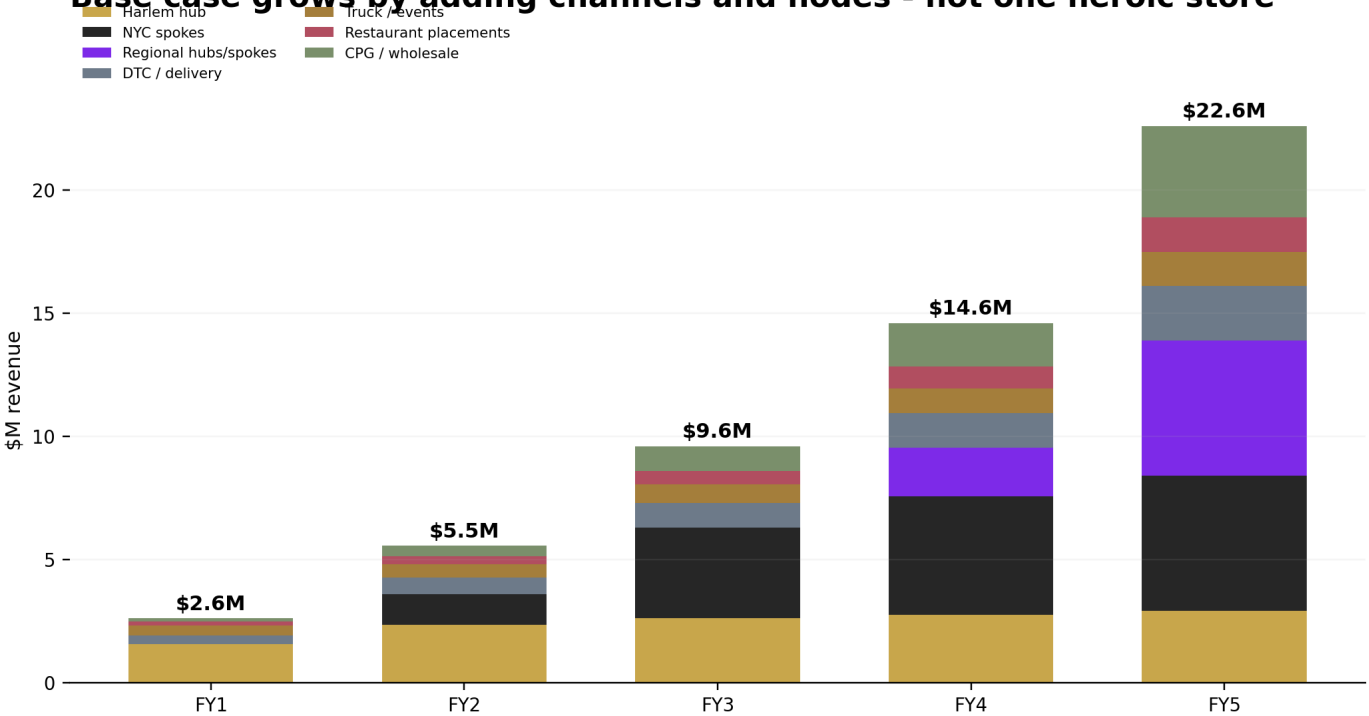
Year 5 is the point at which Sugar Rays begins evaluating international expansion. The five-year underwriting case does not require overseas openings to reach its projected revenue or EBITDA.



FINANCIAL OUTLOOK - REVENUE MIX

Growth comes from replicating a proven system and adding higher-scale channels

Base case grows by adding channels and nodes - not one heroic store

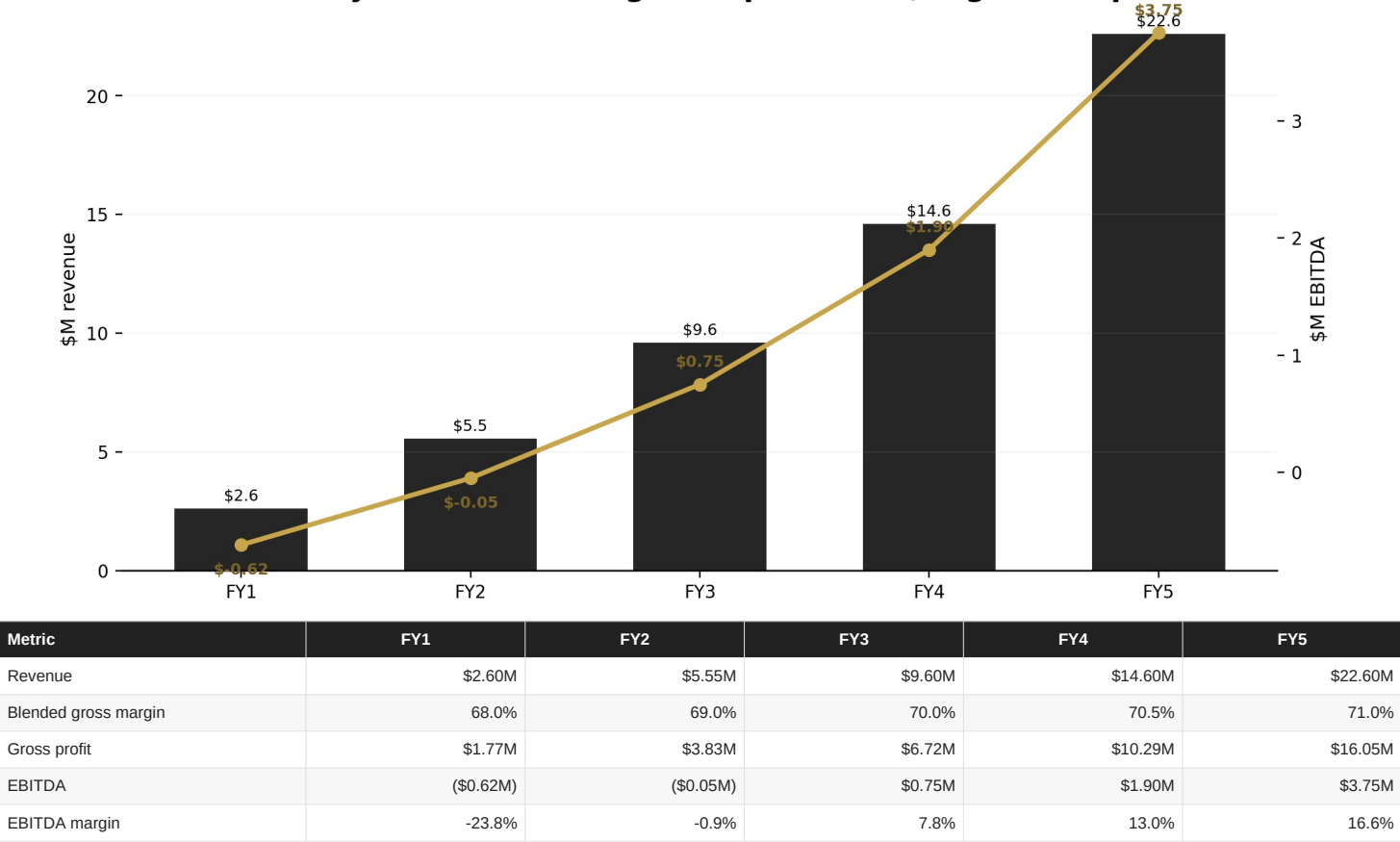


Source: Sugar Rays management underwriting case; figures are unaudited projections in \$ millions.



Base case approaches breakeven in FY2 and scales to a mid-teens EBITDA margin by FY5

Practical five-year underwriting: NYC proof first, regional replication later

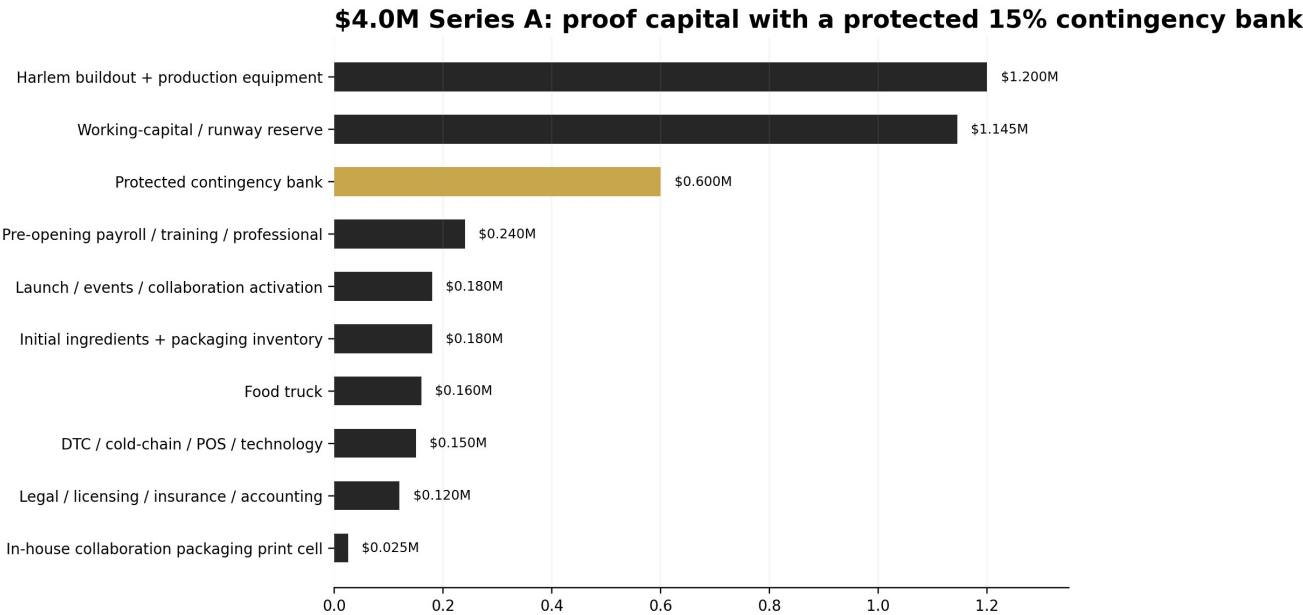


Source: Management underwriting estimates; excludes owned dairy/roastery/co-packer revenue and assumes no global revenue during FY1-FY5.



SERIES A USE OF FUNDS

15% stays in a protected contingency bank; Times Square is not a planned Series-A capital draw



Capital bucket	\$M	Treatment
Planned operating / launch deployment	\$3.400M	Includes buildout, launch infrastructure and working-capital reserve
Protected contingency bank	\$0.600M	15% of Series A; not planned spend in base case
Total Series A	\$4.000M	Times Square buildout is not a planned draw on this round

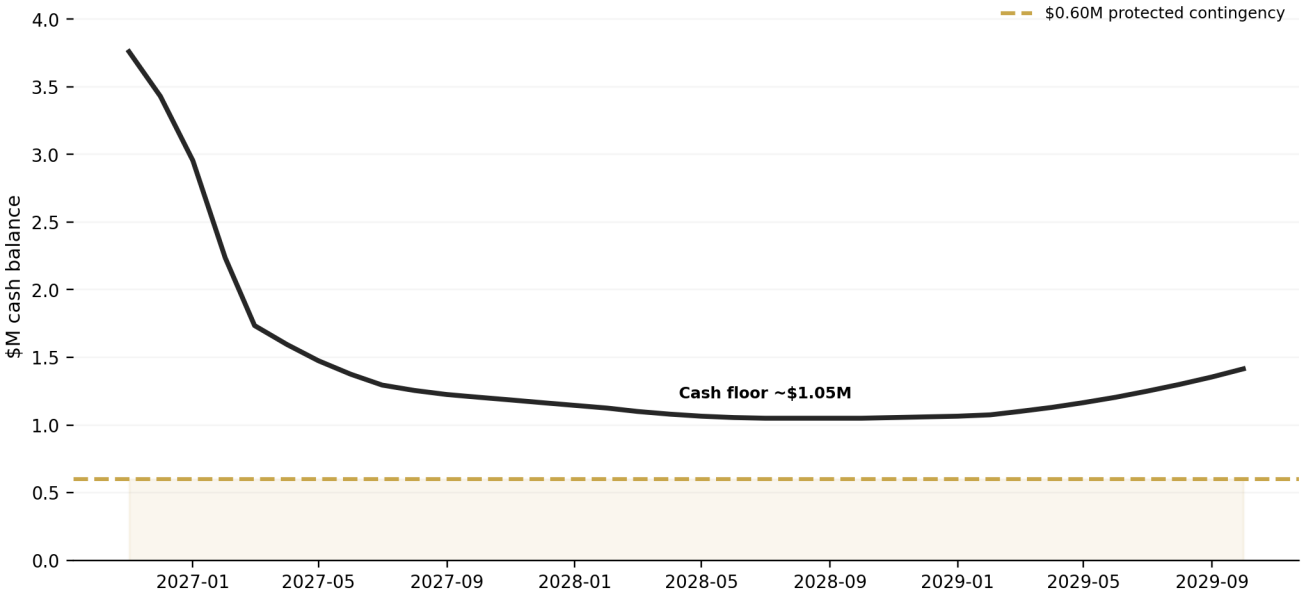
Source: Sugar Rays management capital plan. Landlord TI/rent abatement would reduce cash draw and extend runway; it is not assumed as free money in the base use-of-funds total.



RUNWAY + BURN RATE

The model protects the \$600K contingency while moving from pre-opening burn to operating self-funding

Base cash runway: Series A is not required to fund Times Square buildout



Phase	Base cash implication	Investor read-through
Pre-open + FY1	Front-loaded setup; FY1 EBITDA loss ~(\$0.62M)	Contingency remains separated from planned deployment
FY2	Near breakeven EBITDA ~(\$0.05M)	Times Square capital sourced outside the original Series-A buildout budget
FY3	Base EBITDA turns positive (~\$0.75M)	Liquidity begins rebuilding before regional scale

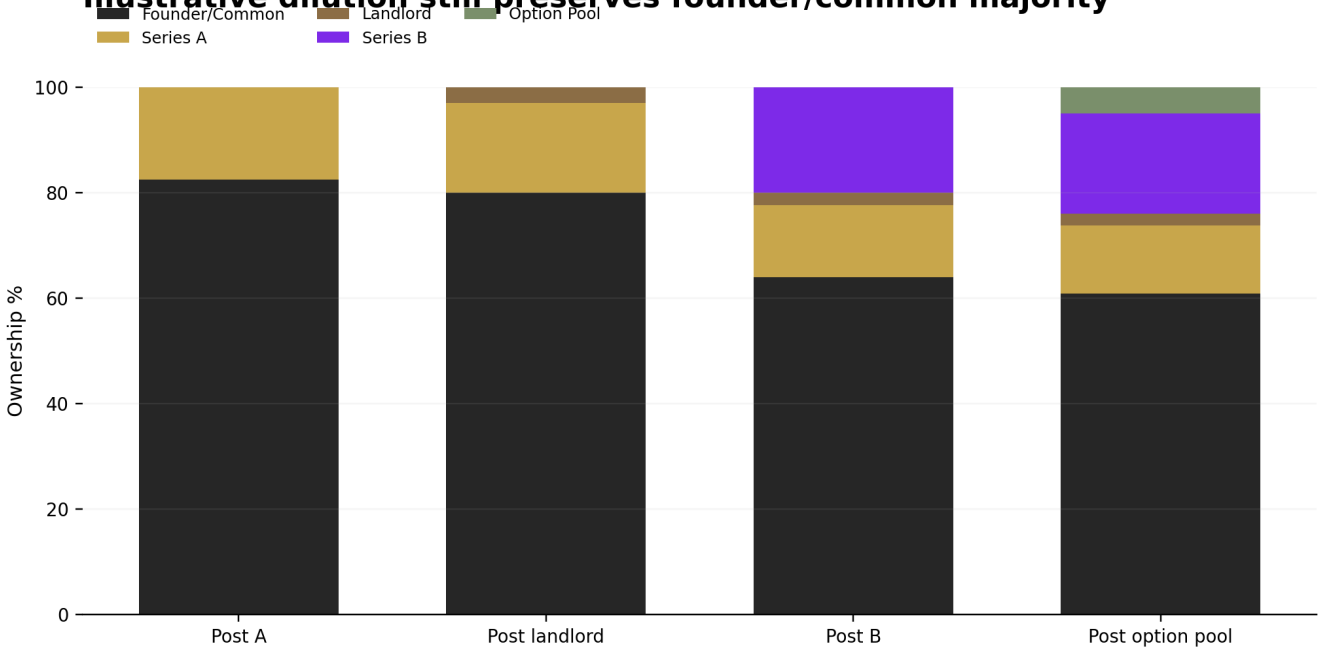
Source: Base cash model is illustrative and pending executed lease, GC payment schedule and supplier terms. It is designed to test survival, not promise exact monthly cash balances.



CAPITALIZATION + CONTROL

A 15%-20% Series A keeps meaningful founder/common control while creating room for later institutional capital

Illustrative dilution still preserves founder/common majority



Series A dilution	\$4M pre-money		\$4M post-money	
15.0%		\$22.67M		\$26.67M
17.5% midpoint		\$18.86M		\$22.86M
20.0%		\$16.00M		\$20.00M

Source: Illustrative cap table assumes midpoint Series A, max 3% landlord equity, a later 20% Series B, and a later 5% option pool. Actual financing documents control.



PE RETURN SENSITIVITY

Underwrite operating proof first; use exit values as a sensitivity, not a promised valuation

Illustrative exit equity value	Series A proceeds	MOIC	5-year IRR	7-year IRR
\$150M	\$19.4M	4.84x	37.1%	25.3%
\$300M	\$38.7M	9.68x	57.4%	38.3%
\$500M	\$64.5M	16.13x	74.4%	48.8%
Primary exit paths • Strategic sale to a global food/beverage or consumer platform • Growth-equity / sponsor secondary or recapitalization • PE-backed continuation / roll-up platform if manufacturing becomes material • IPO only as long-duration upside, not base-case underwriting		What creates exit quality • Repeatable node-level payback • Owned customer data + DTC repeat • CPG velocity / wholesale pull • Gross margin and EBITDA visibility • Supply-chain control + manufacturing optionality • A domestic regional playbook before international expansion		

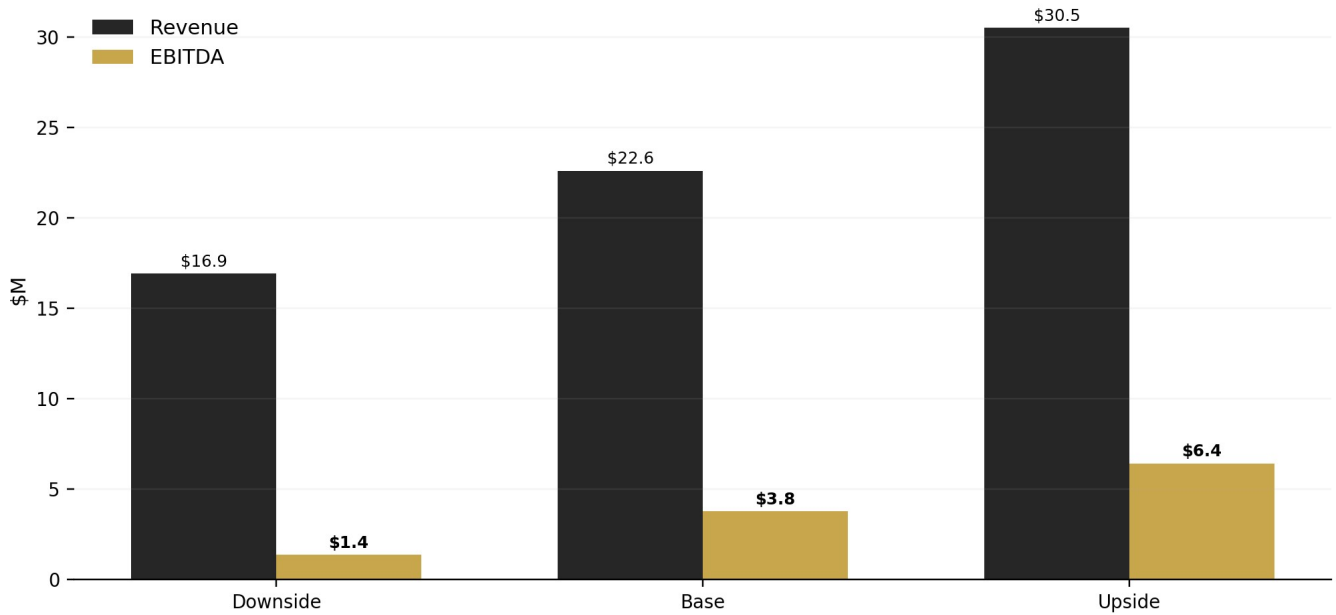
Source: Illustrative return sensitivity assumes 12.901% fully diluted Series A ownership at exit, no net debt, no preference stack, no taxes, no transaction costs. It is not a valuation forecast.



DOWNSIDE / BASE / UPSIDE

The model should be judged on how it behaves when openings, sales and costs move against plan

FY5 sensitivity: model still separates proof from acceleration



Driver	Downside case	Base case	Upside case
Demand / AUV	~20% lower than base; slower repeat and CPG velocity	Current underwriting ramp	Faster conversion + stronger drops / DTC
Occupancy	Higher effective rent; weaker concessions	~\$60/SF base + modeled additional rent	Partner lease / stronger TI + rent abatement
Labor	+3 pts labor pressure	Lean daypart staffing	Automation/productivity offsets growth
COGS	+5% commodity / packaging pressure	Premium sourcing with modeled COGS	Volume purchasing + vertical integration benefits
Expansion	Regional opening delayed	One staged FY4 entry	Faster regional replication after proof

Source: Management scenario analysis. Specific downside P&L detail should be refreshed when the lease, GC bids and supplier RFQs are final.



SERIES B GATES

The \$16M round should be earned by metrics, not scheduled by calendar

Gate	What should be true before Series B	Evidence
Harlem economics	Stable contribution margin and credible payback trajectory	POS cohorts, labor %, occupancy %, waste, product GM
Times Square replication	Spoke works without duplicate production kitchen	AUV, net tenant capex, labor, transfer logistics, payback
DTC	Frozen shipping produces positive contribution margin and repeat demand	AOV, shipping cost/zone, repeat rate, marketplace-to-owned migration
Restaurant channel	Placements reorder and produce high-margin revenue	Units/day, gross profit, renewal/expansion
CPG	Local doors show velocity before distributor scale	Units/store/week, returns, promo lift, retailer margin
Culture engine	Collabs convert to revenue, not just impressions	CAC proxy, conversion, repeat, earned reach
Series B purpose \$16M is intended to finance staged regional replication, larger production/CPG capacity and broader growth - after NYC proves the economics. The base case does not require Series B to keep Harlem solvent.		



KEY RISKS + MITIGANTS

PE investors will underwrite the risks explicitly; the book should not hide them

Risk	Why it matters	Primary mitigation
Large flagship occupancy	10,500 SF can become a fixed-cost burden if retail is treated as the only revenue source	Treat Harlem as production + DTC + truck + restaurant + spoke supply hub; negotiate TI/free rent
Opening / permitting delay	Burn before revenue	15% contingency bank, phased buildout, landlord-work documentation, milestone payments
Premium input inflation	Grass-fed organic dairy and specialty coffee can compress margin	Multiple qualified suppliers, menu pricing architecture, purchasing scale, post-Year-5 vertical integration
Marketplace fees	Delivery can erode gross profit	Higher platform pricing, owned DTC migration, low-cost Grubhub tier first
Seasonality	Ice cream alone can be summer-heavy	Coffee, cookies, late-night dessert, DTC gifting, events and packaged products
Collaboration dependency	Celebrity/partner hype may not convert	Track every drop by contribution, CAC proxy and repeat; core product must stand alone
Regional overexpansion	Premature growth can consume capital	One market at a time; open only after KPI/payback gates



DILIGENCE WORKPLAN

What must move from management assumption to verified evidence before final financing

Priority	Open diligence item	Required output
1	Harlem landlord economics	Executed LOI/lease: base rent, tax/CAM, escalation, security, free rent, TI/landlord work, 3% equity vesting terms
2	GC + equipment	Bid package validating \$1.2M buildout and equipment schedule
3	Dairy sourcing	Regional organic + verified grass-fed milk/cream RFQs, certification documents, landed cost
4	Ethiopian coffee	Exporter/producer LOIs, grades, landed green-bean cost, freight/import and quality specs
5	DTC shipping	Insulated packaging, dry ice, pick/pack and carrier cost by zone; Goldbelly merchant agreement
6	Restaurant placements	Final agreements / logistics for verbal partners; live YingTao sell-through
7	Labor	Shift-by-shift staffing model tied to POS transaction assumptions
8	Grocery	Retailer margin, distributor/broker economics, trade-spend and velocity assumptions
9	Times Square	Site shortlist + TI/free-rent / equipment-financing package; net tenant capex <= target
Investor-ready principle Every assumption in this draft is tagged internally as either management-approved, current public comparable, or diligence item. The final financing book should replace diligence items with signed terms or quoted costs as they become available.		



Public benchmarks used in the underwriting draft

Current as of October 2026 where noted. URLs are included for diligence reproduction.

Source	URL
National Coffee Association - 2026 coffee consumption / specialty	https://www.ncausa.org/Newsroom/NCA-Coffee-tops-beverage-charts-again-specialty-coffee-hits-new-high
NCA - coffee trade and ~\$110B consumer spend	https://www.ncausa.org/Advocacy/Coffee-and-Trade
Dairy Foods / Circana - U.S. ice cream/sherbet sales	https://www.dairyfoods.com/articles/97861-snoop-dogg-ice-cream-brand-sees-impressive-sales-results
NYC Tourism + Conventions - 2025 visitation / spending	https://www.business.nyctourism.com/es/press-media/press-releases/NYC-Tourism-Annual-Report-March-2026
U.S. Census - NYC 2025 population estimate	https://www.census.gov/quickfacts/fact/table/newyorkcitynewyork/BZA115222
Van Leeuwen NYC Grubhub menu	https://www.grubhub.com/restaurant/van-leeuwen-1250-6th-ave-new-york/2191775
Ben & Jerry's Hell's Kitchen Grubhub menu	https://www.grubhub.com/restaurant/ben-jerrys-403-west-51st-street-new-york/6835888
Starbucks NYC Grubhub menu	https://www.grubhub.com/restaurant/starbucks-591-1st-ave-new-york/11514072
Dunkin Harlem Grubhub menu	https://www.grubhub.com/restaurant/dunkin-57-e-125th-st-new-york/1169390
Insomnia Cookies Harlem Seamless menu	https://www.seamless.com/menu/insomnia-cookies-17-w-125th-st-new-york/1162097
Food Bazaar B&J pint current/original price	https://shop.foodbazaar.com/store/food-bazaar/products/16292384-ben-jerry-s-ice-cream-vanilla-1-pt
Food Bazaar Häagen-Dazs pint current/original price	https://shop.foodbazaar.com/store/food-bazaar/products/26256-haagen-dazs-vanilla-ice-cream-14-fl-oz
Goldbelly ice cream pint marketplace	https://www.goldbelly.com/foods/ice-cream-pints
Grubhub NYC merchant pricing	https://get.grubhub.com/grubhub-pricing-and-fees-new-york/
YingTao official menu	https://www.yingtaonyc.com/menu



SOURCES + METHODOLOGY

Additional sources and projection definitions

Source	URL
MICHELIN Guide - YingTao	https://guide.michelin.com/us/en/new-york-state/new-york/restaurant/yingtao
USDA AMS organic standards	https://www.ams.usda.gov/grades-standards/organic-standards
Maple Hill - 100% grass-fed organic dairy / farm network	https://www.maplehill.com/post/how-100-grass-fed-organic-dairy-farming-works
Organic Valley Grassmilk	https://www.organicvalley.coop/grassmilk
Ethiopian Coffee and Tea Authority / ENA export data	https://www.ena.et/web/eng/w/eng_6920963
Ethiopian coffee marketing / quality directives	https://justice.gov.et/en/entity/ethiopian-coffee-and-tea-authority/
Harlem 10,500 SF \$65/SF historical asking rent	https://commercialobserver.com/2022/03/krab-queenz-seafood-to-make-nyc-debut-in-harlem/
Current 113 E 125th retail listing - \$54/SF modified gross	https://www.loopnet.com/Listing/113-E-125th-St-New-York-NY/41493650/
NYC 10-year retail TI / free-rent benchmark	https://gravitycre.com/blog/what-tenants-need-to-know-nyc-retail-lease/
Dunkin FY2025 AUV benchmark via 2026 FDD summary	https://franchiseevidence.com/franchise/dunkin/
Crumb! 2025 average gross sales	https://www.qsmagazine.com/story/crumbis-sales-dipped-in-2025-as-footprint-continues-to-grow/
Starbucks FY2025 Form 10-K	https://www.sec.gov/Archives/edgar/data/829224/000082922425000114/sbux-20250928.htm
Hammond 16 oz custom pint container price ladder	https://www.hammond.com/p/product/86e5067b-eae7-47aa-a73b-e4b3ccfb0188/16oz-pint-cold-paper-cups-containers
Sunika Gold UV-DTF printer	https://sunikaprinter.com/products/sk-60d-gold-uv-dtf-printer
Projection definitions Revenue and EBITDA are management underwriting estimates, not audited results. Variable gross margins exclude labor, occupancy and channel fees. Exit values are illustrative equity-value sensitivities, not forecasts. Historical/menu prices may vary by location, channel and promotion. All supplier and landlord terms must be validated before final investor circulation.	

Internal source base: Sugar Rays prior VC/IC book, integrated Series A deck, management-approved assumptions in SR 01, and current pricing / sourcing / rollout decisions.