Operational Strategy & Financial Roadmap: 2026–2030

A Stress-Test of the Business Model, Revenue Assumptions, and Capital Requirements

October 2025 | Prepared for Stakeholders & Investors

Operational Viability Snapshot

This roadmap validates the transition from a capital-intensive launch to a sustainable, high-margin operation. Success relies on a pivot from OTA dependency to direct bookings and strict adherence to labour efficiency.

Breakeven Horizon

Janiuaary 2027

13 months post-launch

Total Funding Requirement

$574,000

$378k Initial CAPEX + $196k Working Capital Buffer

Peak Cash Burn

Deccember 2027

Lowest cash position before recovery

Strategic Core

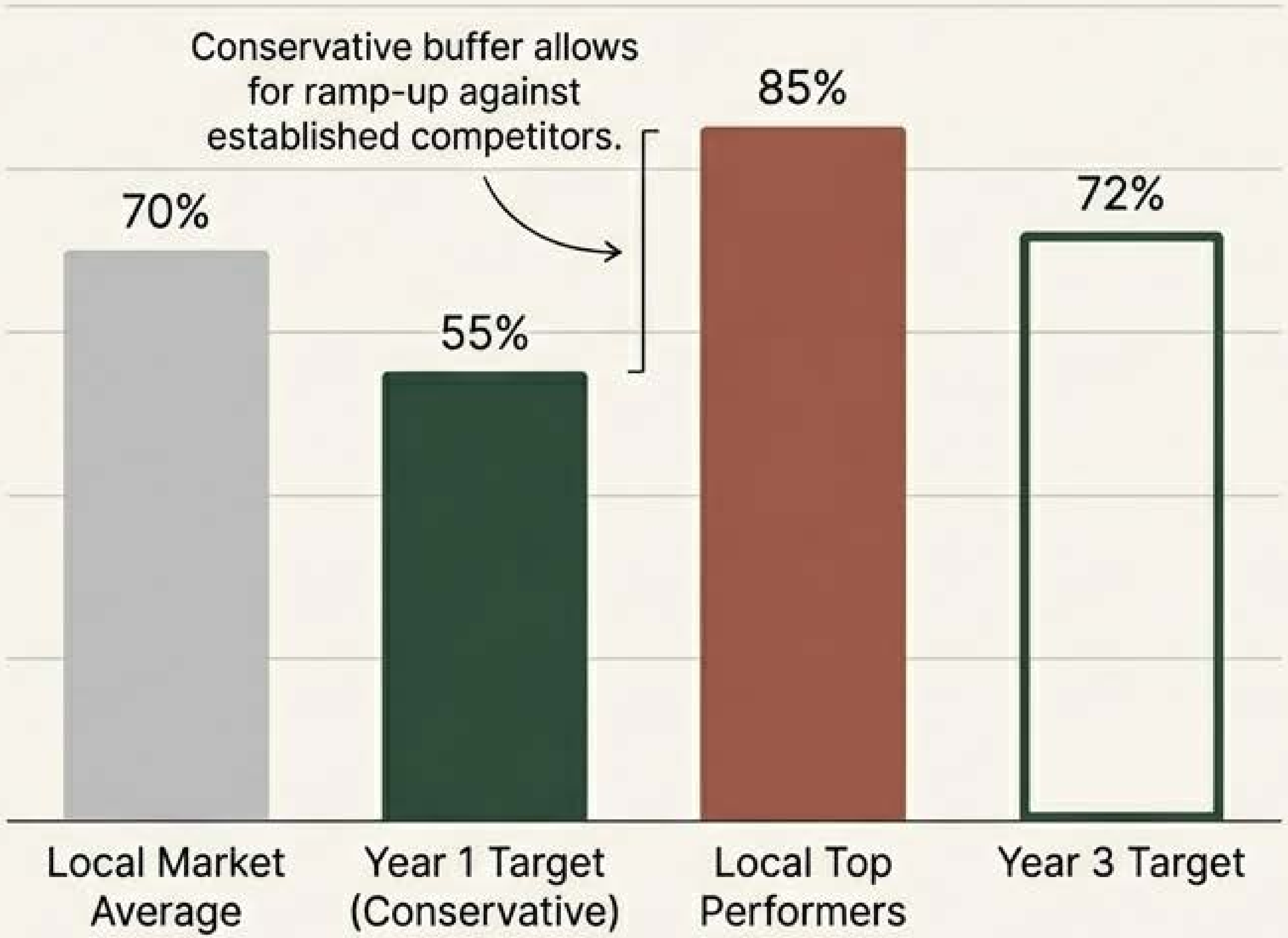
OTA to Direct

Shift from 40% Commission to 60% Direct Bookings

Market Validation & Occupancy Targets

Our Year 1 target of 55% occupancy is grounded in granular data from comparable independent properties within a f five-mile radius, rather than generic hotel averages.

Occupancy Reality Check



Inventory:	8 Rooms
Year 1 (2026) Target:	1,606 occupied room nights

Pricing Leverage: The Weekday/Weekend Spread

Achieving a $285 blended ADR requires aggressive yield management.

Profitability hinges on leverage. We utilise high weekend demand to absorb lower midweek volume, preventing underpricing during peaks while maintaining volume during troughs.

Revenue Expansion: **The Cottage Unit (Phase 2)**

Strategic capital injection in Q2 2028 unlocks capacity. This unit is treated as a distinct CAPEX project with a 7-year amortisation schedule.

+14.3%
Total Capacity

+4
Point Increase in Year 3 Occupancy

75%
Target ADR Capture in Year 1 of Ops

Construction ($45,000 CAPEX)

Launch

Ramp-up & Revenue Realisation

Q1 2028

Q2 2028

Q4 2028

The High-Touch Labour Model

We are not selling sleep; we are selling service. A headcount of 40 ensures personalised guest interactions.

Workload Analysis

Sustainability Check:
1,606 Room Nights / 15 Housekeepers = 107 Turns per FTE/Year.

Status: Light Load (Industry Std ~150). Allows for deep cleaning and high detail.

Ancillary Revenue & Margin Protection

Ancillary streams act as a hedge against occupancy dips. Target: >20% of total revenue from non-room sources.

Gourmet Breakfast

Chef-driven differentiator included in wage bill.

Bar Sales

Projected $6,000/year.

Growth target: Increase spend from $10 to $15 per guest.

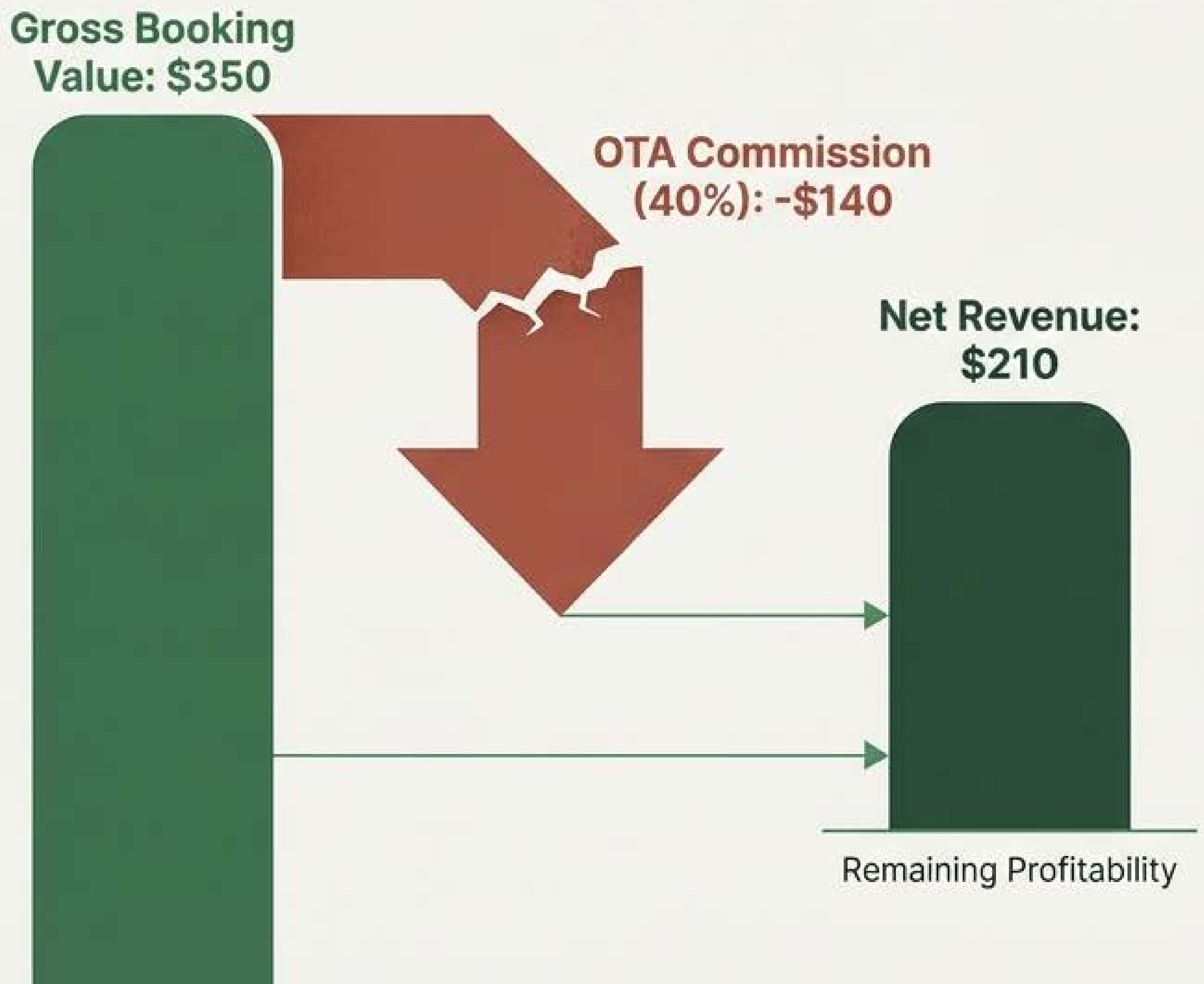
Events & Retreats

Projected $12,000/year base.

Targeting 4 corporate retreats per quarter to stabilise Q1/Q2

The OTA Tax: Channel Cost Analysis

Reliance on third-party booking platforms is the single largest leak in profitability. A 40% commission structure effectively taxes our top line.



Strategic Goal: Reduce blended commission to 30% by 2030.

Impact: Every 1% reduction is pure profit retention.

Channel Strategy: The Direct Booking Solution

Converting guests to direct channels funds our operational upgrades.

Targets

- **2026 Goal:** 60% of bookings via direct channels.
- **Financial Lift:** 33% increase in retained revenue by shifting mix.

Tactics

$25 Bar Credit or Upgrade for direct bookers.

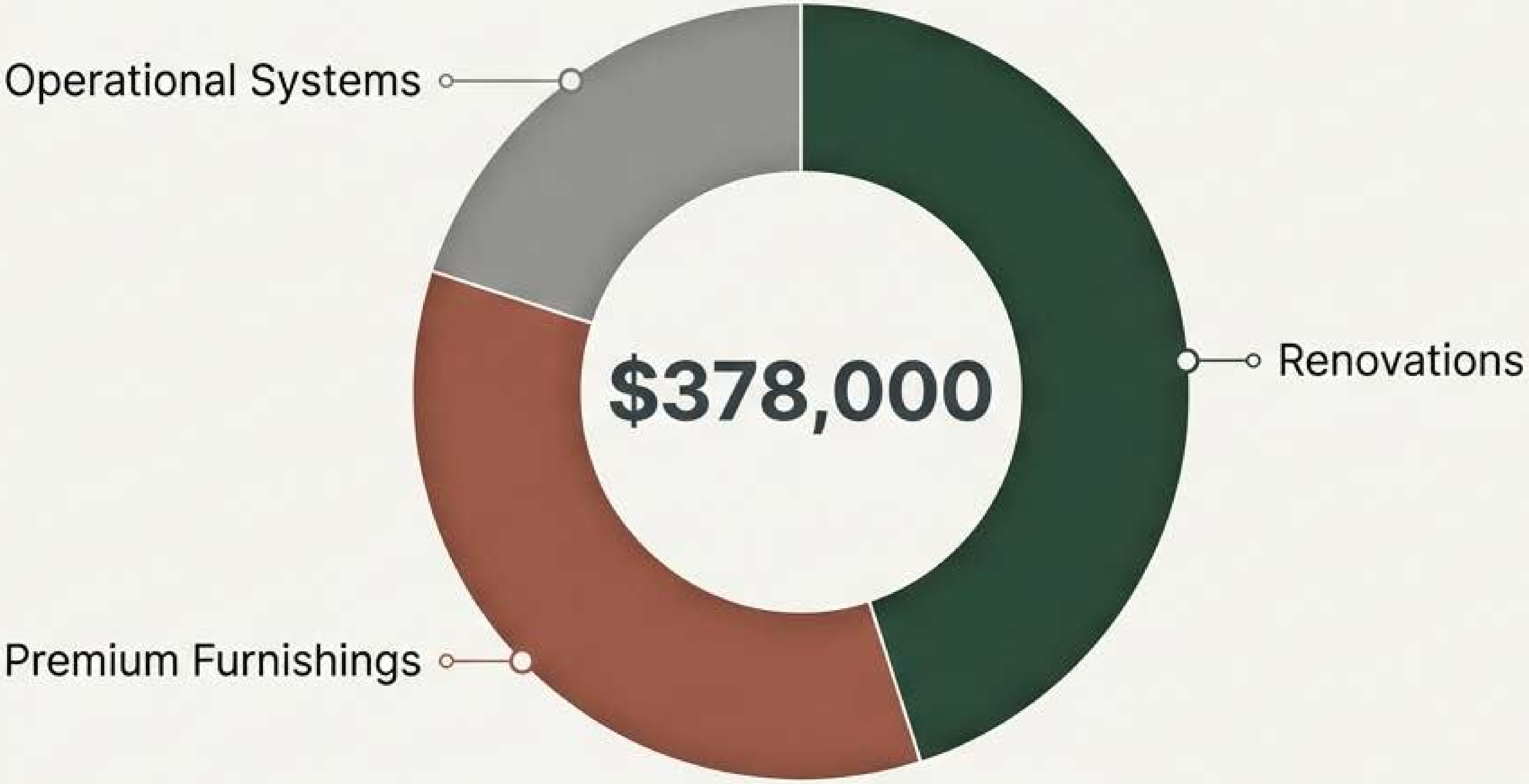
Cost of incentive is lower than OTA Customer Acquisition Cost.

Local Tour Partnerships.

Invest retained funds to drive organic traffic.

Startup Capital Structure (CAPEX)

A $378,000 investment creates the physical foundation for the 2026 launch. This covers all renovations, furnishings, and systems required to bring 8 rooms to market.



Note: This expenditure is distinct from the working capital buffer required for the first year of operations.

Operating Expenses: Wages & Fixed Overheads

Strict control of fixed costs is required until revenue stabilises. Expansion roles are delayed until breakeven.

The 2026 Launch Team & Costs

•	Total Wage Target	$172,500
•	Key Hire: Innkeeper	$70,000 (Critical for guest experience)
•	Fixed OpEx	$92,400 (Lease, Taxes, Utilities)

Scaling Trigger

Marketing/Events Coordinator Role
Status: PAUSED
Trigger: January 2027 Profitability Confirmation

Cash Flow & Runway Analysis

Solvency requires a buffer of $196,000 above CAPEX to navigate the ramp-up period.

Total Cash Requirement:
$574,000

Risk Buffer:
A 10% revenue shortfall in Q1 2027 would require +$20k reserves.

Risk Assessment & Mitigation

We have identified friction points in the model and engineered operational buffers.

Risk	Assessment	Mitigation
Staffing Ratios	High headcount costs	Ancillary revenue focus (20% target). Housekeeping loads kept light (107 turns) to ensure quality.
Market Data Gaps	Lack of direct comps	Conservative 55% Year 1 occupancy target (vs 85% competitor max).
OTA Dependency	High commission costs	Aggressive direct booking incentives ($25 credit) and roadmap to 30% commission.

The Strategic Roadmap

2026
Launch (8 Rooms)
55% Occupancy | 60% Direct Booking

Jan 2027
Breakeven
Operational Cash Flow Positive

Dec 2027
Peak Cash Need
$574k Total Deployment

Q2 2028
Expansion Phase
Cottage Unit (+14.3% Capacity)

2030
Stabilisation
OTA Commission Reduced to 30%

A Model Built for Resilience

This strategy delivers a high-touch, high-margin hospitality product built on conservative ramp-up assumptions. By aggressively managing channel costs and leveraging ancillary revenue streams, we secure profitability while maintaining the premium service levels required to command market-leading ADRs.