

NOMAD PLASTIC



Business Plan

Private and Confidential

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I. Executive summary

- Business Opportunity

Indonesia is one of the most beautiful country. It contains **the richest and most dense natural ecosystem** the world can offer. In fact, it is the second country with the most endemic species. The country's 80,000 km coastline is encompassed with tropical seas that support the development of the country's high level of biodiversity. These characteristics of Indonesia make the country a true paradise to explore and witness.

Therefore, due to the country's natural beauty, more and more tourists choose Indonesia as their holiday destination. The number of incoming tourists **grows at an average of 12% year on year** in the country, welcoming an estimated total of 20 million visitors in 2020. This trend can be observed globally, as the tourism industry is expanding exponentially.

However, Indonesia is the second biggest plastic polluter, after China, and is now facing **urgent problems of plastic processing**. Plastic waste is now present in every water banks of the country, and reaches isolated islands by the sea. Over the last 10 years, we have produced more plastic than during the last century. In fact, 50% of the manufactured plastic is only used once and thrown away. Single use plastics are now dramatically affecting our ecosystem in irreversible ways, by either polluting our soil or by killing seabirds and marine animals. Solutions need to be implemented in order to prevent the situation from getting worse.

Nomad Plastic is the merger of these **three market pillars**. Firstly, we offer the exploration of the most beautiful and natural jewels of Indonesia owing to our unique boat experience. Secondly, we participate in the growing trend of tourism, and of the experience economy by offering a unique array of services never seen before in Indonesia. Finally, we answer to the ever-expanding crisis of plastic pollution by processing stranded waste and by having a low impact on the environment.

- Business Model

Nomad Plastic is a **social business** and an **ecotourism tour operator**, where participants will get to explore the hidden jewels of Komodo, Flores and Sulawesi aboard a remodeled traditional boat specifically built to access remote locations. During the week aboard the Nomad Plastic boats, participants will witness the most beautiful and natural ecosystem in the world, one of the last paradise of earth. Throughout this journey, the participant will have the possibility to engage in various leisure activities such as kayaking, snorkeling, hiking etc, all of which harmless to the environment. In addition to being a rich and rejuvenating experience, the experience incorporates a cultural and environmental dimension through the visits of local communities and occasional beach clean-ups. The plastic waste will then be stored, sorted and sold by Nomad Plastic to a partner in Surabaya who will recycle it sustainably.

- Objectives

The ultimate goal of the project is to set up a circular economy model (Annex 1) based on feedstock of plastic located on isolated islands in the Indonesian archipelago, which will ultimately clean beaches of waste, create many job opportunities for locals, and improve their life conditions.

Our end objectives are:

- Provide participants with an unparalleled, single-use plastic-free experience, filled with breathtaking sights
- Restore the natural charm of Indonesian beaches by removing plastic from its ecosystems
- Sensitize locals on the damaging nature of plastic, and set up a value chain in which we will purchase plastic waste from communities, and sell that waste to our partner for recycling.

- Marketing and Sales Strategy

In order to promote our social business, we have partnered with globally-established foundations with extensive target market reach. Indeed, we work alongside Plastic Oceans to find solutions on plastic pollution, and will seek the support of others, such as the Ellen MacArthur Foundation and Solar Impulse Foundation. Our business will be advertised on their respective websites. This exposure will help us get initial traction for our service offering. In addition, we will also promote our brand through promotional videos that will be posted on our Facebook page, our website, online travel agencies, and in news outlets.

- Financial Analysis

In order to launch operations, two boats are needed. Therefore, in year 0, pre-operating expenses rise up to a total of US\$282,000. During the first 6 months of operations, fixed costs reach to \$120,000 and variable expenses \$50,000.

The required funding aims to cover the pre-operational costs as well as the first 6 months of operational expenses. Therefore, we require a total funding of \$480,000. In order to be sure to have enough funds to operate, we will aim to raise a total of \$400,000 for the ecotourism project. \$120,000 is already raised by the founders to start the company.

During the first year of operations (2019), we safely expect to fill our boats to 30% of their capacity, as our brand awareness begins to grow. Net revenues will reach \$222,000, and we will generate a net loss of \$135,000. Depending on the percentage capacity we reach, we will generate the following income in the operating year 2020:

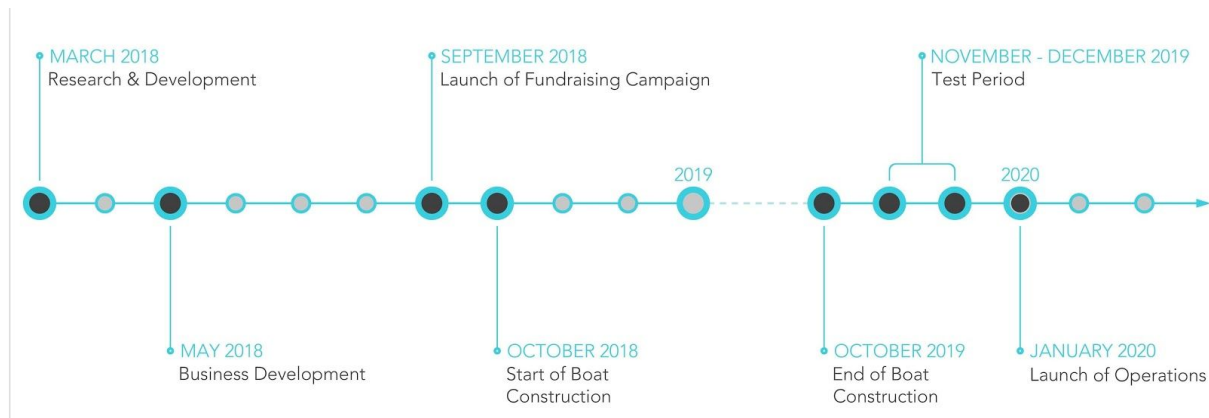
Capacity	30%	60%	80%	100%
Net Income	(140,000)	30,000	140,000	255,000

- Implementation Plan

The first step to launch our tourism business is to build the boats. We will start constructing the two first boats in the fourth quarter of 2018. This will take approximately 10 months. A year later, we will test and furnish the boats with all the necessary equipments. Commercial operations will start from January 2020. Owing to the funding that covers Year 0 and Year 1's costs, we will only have to consider the amortization costs of the boats, meaning that we will generate earnings of \$200,000.

Concerning the plastic side of our project, due to the small volume of feedstock that we are going to collect, we will store it in our warehouse in Labuan Bajo, and transporting it from the our facility to our partner's plant a few times a year. To transport the collected plastic from the villages to Labuan Bajo, we use an "eco-jukung" from Azura Marine called the e-Nemo, which will work

alongside the tourists' boats. The e-Nemo is a traditional fishing boat, equipped with solar panels, which makes it a 100% solar-powered boat with an reliable electrical engine.



II. Business Description

1. Overview

The plastic crisis is more urgent than predicted. In fact, plastic waste can now be found on beaches of the most remote, inhabited islands around the globe. This waste disturbs the ecosystem, and destroys the natural beauty of heavenly beaches like those in Indonesia. To address this problem, we, at Nomad Plastic, came up with a unique and innovative solution.

Nomad Plastic Ltd is a new social enterprise, created to offer tourists boat tours across the islands of the Sulawesi Island area down to Komodo Island area. The areas Nomad Plastic will operate in are known to be home to the biggest raw ecosystems on the planet, “the last paradises on earth”. However, as ocean currents transport waste from the continents to these islands, this ecosystem can quickly transform itself into natural landfills, which will ultimately destroy the natural beauty of these areas, as well as its living organisms. The aim is to provide tourists with an unforgettable experience, while having a positive environmental and social impact on the area. They would travel on our own-made low-impact wooden boats and would experience a completely “plastic-free” week and dedicate a few hours a day picking up plastic waste from beaches. They would also take part in other activities such as weighing and sorting the plastic.

The exploration trip would be coupled with a sensitization program, in order to raise awareness on environmental pollution and degradation with the local populations and with the tourists. A true exchange of knowledge between locals and foreigners is core to the project, so both can create the sense of responsibility that will lead them to take more sustainable choices and actions thereafter. Raising awareness on the plastic crisis in the local communities is paramount to the project so they can take over the plastic collection once tourists and guides have left. We aim to set up a local circular economy based around the collection, the sorting, and the processing of plastic feedstocks. As a reward for helping us collect the plastic, locals could benefit from school supplies, fishing tools and amenities, all made from recycled plastic. Owing to the beach clean-ups, jobs will be created through this local community engagement and local life conditions will therefore improve as we launch our operations.

In order to prevent the government from installing quotas of the number of incoming tourists, we want to introduce a new, sustainable way of doing tourism. Nomad Plastic is one of the first of its kind. It couples a unique eco-friendly journey with environmental and societal protection.

2. Mission and Problem Statement

2.1. Plastic problem in Indonesia

The accumulation of plastic waste in rivers and seas of Indonesia has become a major problem that must be tackled with urgency. While 8 million tons of plastic waste ends up in the ocean every year, the production of single use plastic continues to rise. If this trend is not reversed, there will be more plastic than fish in the oceans by 2050.

The plastic problem in Indonesia is intimately linked with the overconsumption of single-use plastics, and the scarcity of infrastructure allowing proper waste management in South East Asia. To this day, Indonesia is the second largest plastic polluter in the world, and the crisis of plastic is such that the government has engaged in a major initiative to reduce its waste consumption by 2025. Local authorities are trying to provide waste collection solutions, but the scale of the problem remains immense. The most significant plastic waste solutions and initiatives are mainly concentrated in major cities such as Jakarta or Makassar, and main tourism spots like Bali. Meanwhile, in the rest of this extended country, the accumulation of plastic is causing severe damages to natural environments, but also to the health of local populations.

2.2. The region of Flores and Komodo

The island of Flores in Eastern Indonesia currently experiences a massive development in tourism with numbers of tourists rising rapidly each year. Most tourists visit the western end of the island, which is the gateway to the Komodo National Park with its famous Komodo dragons and world class sites for scuba diving.

However, the development of tourism also brings a significant increase of waste and a need to find waste management solutions. According to Flores Tourism, tourists alone throw away 2.5 million single-use plastic bottles per year on the island. The problem has been recognized locally and the number of initiatives promoting sustainable alternatives to plastic has indeed increased, yet the problem remains.

2.3. The plastic crisis getting an increasing amount of attention from the international community

Plastic waste and ocean pollution is a trending topic on all kind of social media. Popular organisations such as Plastic Ocean and Ocean Conservancy are pioneers in attracting the attention of the general public through social media campaigns. Our partnership with **Plastic Ocean** and **ADM Capital Foundation** will heavily contribute to our brand awareness, which translates into a great business opportunity for us, as we will attract a larger array of customers.

2.4. Mission

It is commonly said that the only real solution to the plastic pollution is to "close the tap" that allows it to leak into our environment. While this solution requires large scale, cross-sector initiatives,

Nomad Plastic is a smaller solution that tackles the problem from its other end. Immense amounts of plastic are already present in the environment and will stay there forever. Thus the goal of Nomad Plastic is to clean up and preserve the coastal ecosystems by creating a sustainable circular economy and eradicate the plastic from the environment. However, we also aim to raise awareness of the damaging impacts of plastic while presenting substitutes for single use plastics, which we believe will reduce the downstream consumption of plastic.

3. Business model

3.1. Value propositions

Commercial Value Proposition: The value proposition of Nomad Plastic lies in its never seen before two-folded approach of the boat tour. Tourists will be able to discover remote and hidden paradisiac islands of Indonesia in a very exclusive tour while being part of a completely sustainable experience.

Social Value Proposition: Nomad Plastic is also driven by its willingness to create value, through its impactful business model that was designed based on the model of a circular economy. A circular economy is a regenerative system that focuses to design out waste of the economy, replacing end-of-life resources with restoration, extracting the maximum value from them whilst in use, then recovering and regenerating products at the end of each service life (See Appendix 1). It also aspires to generate business and economic opportunities for the local populations and provide positive environmental and societal benefits. Nomad Plastic aims to create a closed-loop system by creating demand for plastic waste of which local communities of Indonesia can take advantage, by collecting the plastic and being compensated for it with some form of money, credit (internet or telephonic) or other scarce commodity in the remote villages they live in.

3.2. Consumer base

Its consumer base is composed of young adults or families of foreign tourists, who appreciate travelling through the wild and seek to increase their knowledge about the natural environment. Due to the prices of our services, aligned with the top-end of the market, we aim to attract medium to high income earners, who have the time and the resources to travel to and participate in such an experience in Indonesia. Foremost, they would already have an environmental consciousness and responsibility, and would be looking to take the next step in their sustainable engagement. Tourists will benefit by seeing a positive increase in their environmental impact, knowing that there are conscientiously "traveling for good". Most conspicuously, the participants will choose Nomad Plastic for its unique location and service offering in the last paradise on Earth. Therefore, our consumers seek to escape the typical destinations overrun by tourists, and to explore landscapes that they have never seen before.

In addition, Nomad Plastic will target corporate groups seeking for engaging in team building experiences, in the context of incentive travel in Indonesia. As a matter of fact, incentive travels incorporate more and more CSR components in their planning, and Nomad Plastic's value proposition meets this trends thoroughly. The Nomad Plastic Tour involving corporate groups would experience a true journey mapping, based on the fight against plastic pollution and the discovery of off-the-beaten tracks places in the last paradise on Earth. The experience of the "waste-free week" aboard the Nomad

or Geronimo is a real opportunity to engage participants in sustainable behaviours and the daily clean-ups is an ideal way to develop team building skills.

Last year, 70% of incentive trips organized by US companies incorporated a CSR element. Programs' designs are focused on sustainability, conservation, global giving or a positive footprint, and destination choices are based on eco-friendly environments. People and corporations are more conscious and aware of being good stewards in the world. Attendees not only want to have a great experience themselves, but want to leave a destination knowing they made an impact in the community and world. Through its proposal of environmental restoration and social value, the offer delivered by Nomad Plastic could easily be incorporated to the CSR program of enterprises, especially in the context of their incentive travels.

3.3. Beneficiaries

As a social enterprise, Nomad Plastic expects to serve and improve the lives of the local communities that live in villages on the remote islands in the target area described below. They will be involved in an awareness program and beach cleanups. Hopefully, these, in addition to the promised compensation, will incentivize them to autonomously collect the plastic from shores of ocean and rivers. This way, the goal is to create job opportunities and create socio-economical value out of a closed-loop economy that will eventually result in the total clean-up of the islands and the alleviation of poverty in the area.

3.4. Target Area

The initial target area will be based around the Komodo Island. It represents a strategic position in the area as it benefits from a nearby domestic airport and is already a well-known tourist attraction.

Nonetheless, Nomad Plastic aims to travel across diverse islands and cover a larger area once it will have gained stability and traction. Thus, the initial tours will depart from Komodo Island, navigate to Flores Island, up to the Sulawesi Island. In fact, Komodo, Flores and Sulawesi are among the top 10 Priority Tourist Destinations of the Indonesian Government, which should increase the visibility of Nomad Plastic. (*See Figure 1*)

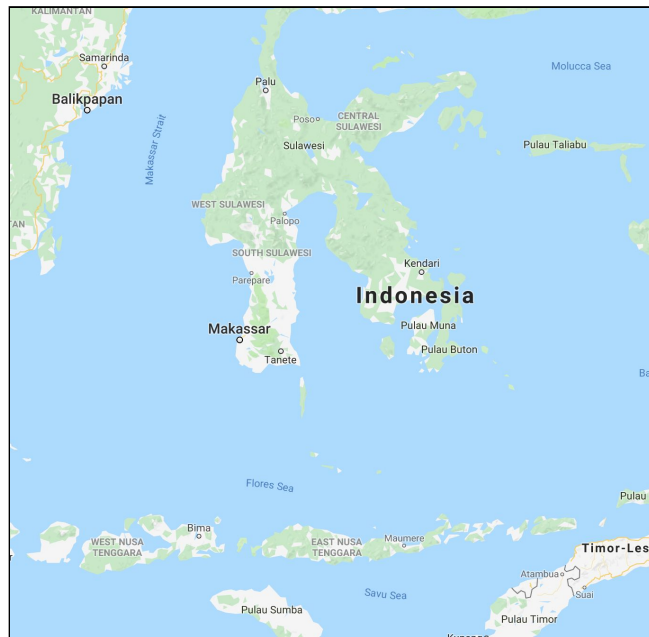
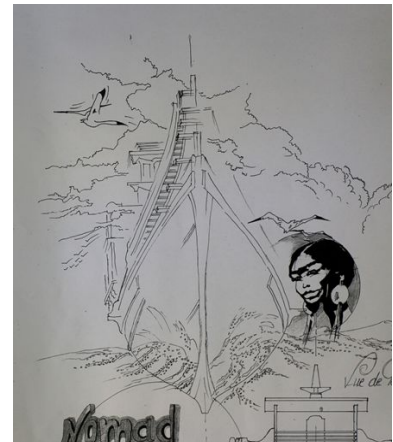
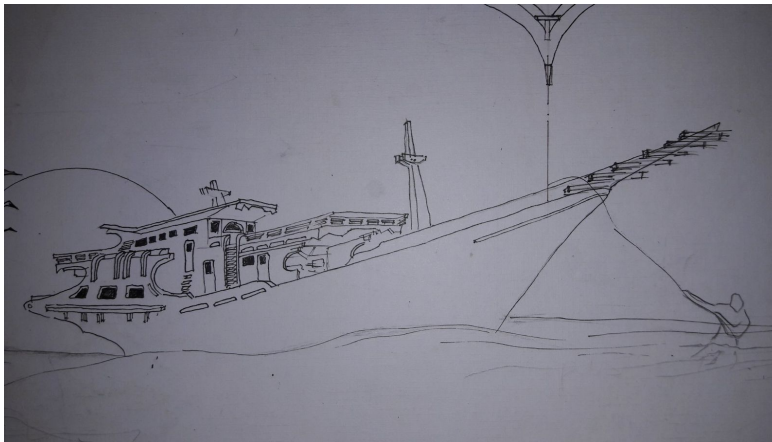


Figure 1. Nomad Plastic's main target area (Source: Google Maps)

3.5. Products and Services

- A breathtaking journey

First and foremost, we wish to offer participants a unique touristic experience from start to finish. Groups of 8 to 10 people will travel on a traditional Indonesian fishing boat, specifically designed to access remote locations and travel through shallow waters. We will have two boats in operations, the Nomad and the Geronimo. Participants will get to enjoy the comfort of private rooms accommodated with a bunk bed, providing a mix of privacy and conviviality. Four rooms will offer bunk-beds, while one room will be accommodated with a double bed for ultimate comfort and privacy. There will be two showers along with two comfortable restrooms. In addition, a leisure area will be present at the front of the boat where tourists can sunbathe and relax on spacious sofas. The back of the boat will hold a BBQ and a kitchen area where fresh and local cuisine will be cooked daily by our on-board chef, and where the tourists can meet up and exchange on their day. We will equip the boats with hybrid engine, in order to ensure safety and reliability, while dampening the negative effects on the ecosystem. In addition, the boat will carry 8 solar panels along with a wind turbine to power the outlets, as well as the lighting and every other electrical components on board. The boat itself will be built from Indonesian wood coming from sustainable plantation farms. The construction will involve local expert builders (See sketches below).



The on-board crew will account 6 people: a cruise director fluent in English and Bahasa, a captain, a cook, two technicians, and an handyman. During the first year of operations, Jean-Michel Chaland will be in charge of supervising the operations on the boats. However, once the concept has been finalized, the crew members will all be Indonesian locals. Creating local employment and fueling the local economy is one of our project's goals. The crew will be properly formed prior to the beginning of operation, in order to be able to provide a higher-end service to tourists.

Services will not include booking plane tickets to get to the location, but transport from the domestic airport to the boat will be provided.

The tour will be 6 days, 5 nights long. However, the duration of the trip is flexible, and owing to our two boats, we will be able to tailor our service to the tourists' desire, where one boat will offer long trips (6 days) and the second boat will serve shorter stays (3 days) to attend different kind of demands. The itinerary is to be designed by the guides and the company's chief of operations, Jean-Michel Chaland. It will most likely depend on the spot of concentration of plastic and beauty of landscapes. However, during the first year, the itineraries will be contained to the area of the National

Park of Komodo and its surroundings, in order to gain traction through the touristic attractiveness of the area. During the first few days of each tour, participants will have the opportunity to discover the Komodo Dragons, one of Indonesia's most famous touristic activity.

Throughout the week, tourists will enjoy the amazing scenery of the remote islands of Indonesia. We will introduce them to the concept of "slow tourism". Despite having a proposed itinerary, tourists will get to decide how much time they want to spend on a specific island, depending on the proposed activity and the exquisiteness of the landscape. We wish to create the most relaxing experience for our participants, especially after the morning beach cleaning. Therefore, in the afternoon, we offer exciting activities such as kayaking, snorkeling, and surfing. For on-land activities, treks and hikes will be organised if the island landscape allows it. In the morning, occasional beach clean-ups will be organized along with the local communities. This activity will be explained in further details in the following paragraph. Finally, at night, if located outside the natural park, tourists can enjoy a warmful campfire on the sand beaches, surrounded by the sole sound of the wood cracking, while admiring the millions of bright dots on the black canvas of night. They will sleep in their respective bed on the boats, rocked by the waves and calmed by the music of the quiet night. In fact, at night time, no generator will be turned on, meaning that only the sound the participants will hear is the sound of waves crashing under the boat's shaft, which creates a true relaxing experience.

- Coupled with community engagement

Nomad Plastic's second core mission is to have a local, long-term impact on the environment and on communities. To do so, our clients will have the possibility to participate in a beach cleanup, alongside the local population, for approximately 1 to 2 hours. We value the importance of tourists being with the locals on the beach, as it creates trust between both parties, as well as a cultural exchange. While it may seem improbable that tourists would want to pick up waste on vacations, our market study showed that 70% of all of our survey respondents are willing to participate in such activity for 2 hours or more per day. Travellers are now becoming more self-aware of the impact waste has on our ecosystem, and seek opportunities to act sustainably and responsibly. Still, the crew will not force anyone to pick up waste. Nevertheless, the interested parties who will book this trip are conscious of the damaging nature of waste on our ecosystem. Therefore we believe that the tourists will volunteer and collect plastic waste upon seeing how dramatic the situation is.

It's also important for us to create interactions between tourists and the local population. Therefore, we will organise casual meet-ups between the two parties. By doing so, participants will discover the local culture, and villagers will learn about foreigners' lifestyle. A true and enriching cultural exchange will be set up, where tourists can witness the simple living conditions of these local communities, and reflect on the damaging effects of over-consumption.

During the entire week, tourists will get to experience a journey where single use plastics are completely outed from the experience. A composting bin will also be present on board. Indeed, as part of our sensitization campaign, we want to show that a life without waste is achievable. We will use our service offering as a platform to advertise products that are alternatives to single use plastic. In order to do so, we will bring sustainable products on-board, such as biodegradable soap, metal straws, reusable water bottles etc.

- Post-experience communications

After the tour, tourists will be get access to a web-page to follow the progress of the cleaning process, and get data on the positive impact of their trip and plastic collection. If they agree, the participants will receive communicative emails after their journey with information regarding the impact they had on the environment and on local communities, as well as data on the volume of waste they helped collect. We believe that it is important to incorporate a post-experience participation from the visitors, as it will remind them of the impact they had, and encourage them to share their experience with their entourage, boosting our brand awareness. To understand the willingness of individuals to receive follow-up emails, we shared an online survey, and our results showed that north to 70% of respondents were in fact willing hear about the impact they had after participating in our experience. In addition, we wish to perform a post-experience survey, where participants will get to share the key takeaways that they have learned from the experience, and which changes they are willing to make to have to more sustainable lifestyle.

- Awareness program

In order to have a long-term impact in the area, it will be necessary to raise awareness on the plastic pollution and environmental degradation in the local communities. Therefore, an awareness program will complement the plastic collection and treatment, that will be crafted to develop a sense of urgency on the issue and create momentum for a behavioral change in the participants of the program. The program will include workshops, seminars, activities and discussions around the theme of plastic pollution and its potential solutions, but also local development, health, and sanitation. Thanks to its valuable partnership with Plastic Oceans Foundation, a screening of the 20 minutes version, of the movie *A Plastic Ocean*, translated in Indonesian Bahasa, will be incorporated to the program. Nomad Plastic aspires to empower locals in developing the productive potential of their communities, and finding their own, locally-tailored solution to the plastic crisis through micro-businesses. By creating their own sustainable micro-businesses, local communities will be able to distance themselves from customs damaging such as dynamite fishing, turtle hunting, and others, that severely harm the ecosystem.

The awareness program will be structured and led by a local, partnering NGO (still TBD). The purpose of the partnership is to benefit from this NGO's expertise and experience and which guarantee a complete respect of the local culture, norms and values. This is important as it will help with the receptiveness of the local community to our awareness program.

III. Market Analysis

1. Tourism in Indonesia

Tourism in Indonesia is a rapidly growing market. While Travel & Tourism accounted for approximately 6.5% of country's GDP in 2017 (60.4bn), it is expected to rise further in the next years to a total contribution of projected US\$110.1bn in 2027 (World Travel and Tourism Council). In addition, the Indonesian government had set a target to 20 million tourists by 2020, which could play to Nomad Plastic's advantage (see Figure 3). According to the World Tourism Organization and the WTTC, Indonesia has accounted over 14 million tourists last year and an average receipt per arrival of USD \$1,034.

More broadly, in the APAC area, 53% of travelers report travelling for the purpose of "leisure, recreation and holidays" (Global Tourism Economy Research Center). It is the second most visited region in the world and accounts for 30% of the world's total tourism market. Among the top destinations of the APAC region, Indonesia ranks 10th behind China, Thailand, Malaysia, Hong Kong and Japan.

Macro trends of the APAC region and more specifically Indonesia will present advantages for the installment of an ecotourism business. Indonesia itself is expected to become one of the five largest economies in the world, and with a steady annual growth, the government expects to increase investment in infrastructure in various parts of the country, which will impact Nomad Plastic's business plan as will be mentioned further on.

Finally, tourism in Indonesia has little variance over the year, as it benefits from the climate that is very little affected by the seasons, with the exception of the rainy season from November to April (Figure 3).

Country	2012	2013	2014	2015	2016	2017
China	726,088	858,140	1,052,705	1,249,091	1,452,971	1,972,405
Singapore	1,324,706	1,432,060	1,559,044	1,594,102	1,472,767	1,512,813
Malaysia	1,269,089	1,380,686	1,418,256	1,431,728	1,225,458	1,238,276
Australia	952,717	983,911	1,145,576	1,090,025	1,198,033	1,188,449
Japan	463,486	497,399	505,175	528,606	513,297	538,334
India	196,983	231,266	267,082	306,960	376,802	485,314
South Korea	328,989	351,154	352,004	375,586	343,887	378,769
United Kingdom	219,726	236,794	244,594	286,806	328,882	361,197

Figure 2: Number of incoming tourists in Indonesia, based on their nationality

	Realised	Projected						
	2013	2014	2015	2016	2017	2018	2019	2020
Jan	614,328	753,079	723,039	814,303	1,107,968	1,100,677	1,238,262	1,375,846
		22.6%	-4.0%	12.6%	36.1%	-0.7%	12.5%	11.1%
Feb	678,415	702,666	786,653	888,309	1,023,388	1,201,059	1,351,191	1,501,324
		3.6%	12.0%	12.9%	15.2%	17.4%	12.5%	11.1%
Mar	725,316	765,607	789,596	915,019	1,066,588	1,227,960	1,381,455	1,534,949
		5.6%	3.1%	15.9%	16.6%	15.1%	12.5%	11.1%
Apr	646,117	726,332	749,882	901,095	1,142,180	1,314,988	1,479,362	1,643,735
		12.4%	3.2%	20.2%	26.8%	15.1%	12.5%	11.1%
May	700,708	752,363	793,499	915,206	1,150,067	1,324,069	1,489,577	1,655,086
		7.4%	5.5%	15.3%	25.7%	15.1%	12.5%	11.1%
Jun	789,594	851,475	815,148	857,651	1,111,616	1,279,800	1,439,775	1,599,750
		7.8%	-4.3%	5.2%	29.6%	15.1%	12.5%	11.1%
Jul	717,784	777,210	814,233	1,032,714	1,379,961	1,588,745	1,787,338	1,985,931
		8.3%	4.8%	26.8%	33.6%	15.1%	12.5%	11.1%
Aug	771,009	826,821	850,542	1,031,986	1,404,664	1,617,185	1,819,334	2,021,482
		7.2%	2.9%	21.3%	36.1%	15.1%	12.5%	11.1%
Sep	770,878	791,296	869,179	1,006,653	1,213,640	1,397,260	1,571,918	1,746,575
		2.6%	9.8%	15.8%	20.6%	15.1%	12.5%	11.1%
Oct	719,900	808,767	825,818	1,040,651	1,158,599	1,333,892	1,500,628	1,667,364
		12.3%	2.1%	26.0%	11.3%	15.1%	12.5%	11.1%
Nov	807,422	764,461	777,976	1,002,333	1,062,030	1,222,712	1,375,551	1,528,390
		-5.3%	1.8%	28.8%	6.0%	15.1%	12.5%	11.1%
Dec	766,966	915,334	913,828	1,113,328	1,147,031	1,320,573	1,485,645	1,650,717
		19.3%	-0.2%	21.8%	3.0%	15.1%	12.5%	11.1%
Projections						15,928,920	17,920,035	19,911,150
TOTAL	8,802,129	9,435,411	9,729,350	11,519,275	14,039,799	16,000,000	18,000,000	20,000,000
Growth Rate		7.2%	3.1%	18.4%	21.9%	14.0%	12.5%	11.1%

Figure 3: Monthly forecast of the number of tourists incoming in Indonesia

2. Growing Global Tourism Market Trends for 2018-2019

Tourism and Travel reports for 2018-2019 present a number of growing trends of which Nomad Plastic will take advantage. Among them, ecotourism and sustainable travel continues to gain importance in global tourism, while incentive travels are increasingly approaching destinations with a strong environmental responsibility component.

2.1. Ecotourism in Indonesia

With its strong environmental commitment, its goal to positively impact communities, and its unique and remote location, the Nomad Plastic's experience falls in the category of ecotourism. Ecotourism can be understood as a type of tourism that promotes the conservation of the environment and enables the socio-economic involvement of local people. It emphasises education, conservation and traveler's responsibility.

In terms of the ecotourism market, it is a rising global trends that effectively impacts Indonesia as well, rising around 4% a year since 2009 (*Center for Responsible Travel*). We, at Nomad Plastic, answer to this global desire, by offering an environmentally responsible experience across the most beautiful landscapes nature has to offer. While it is still a niche market, it is anticipated to gain momentum during the course of the forecast period presented above. In fact, 87% of global travelers state that they aim to travel sustainably. According to *Indonesia Investment*, the lack of emphasis on

environmental sustainability is one of the main barrier to a steep rise of tourism in the country. In addition, according to the Center for Responsible Travel, the demand for cruise ship travel and greener travel are projected to grow around 5% from 2017.

Although ecotourism has greatly evolved and grown significantly over the years, the customer profile associated with this industry remains consistent. Ecotourists travel to appreciate and learn about wild environments, seeking to increase their knowledge about the natural environment. They represent all ages and both sexes participate equally. They usually possess higher income levels, associated with high levels of formal education. They are thus more attentive and informed on environmental issues and seek to reduce their impact while traveling. Nonetheless, they are still concerned about enjoying their vacations. According to surveys, among the main reasons that inspire ecotourism travel, the natural sights and the positive environmental impact rank the highest for 60% of respondents (see Table 1 below). Nomad Plastic's value proposition encompasses both the requirements of reduced environmental impact and of quality sightseeing of these tourists, which is believed to contribute greatly to the definition of its competitive advantage.

The factors that inspire ecotourism travel	% global travelers who found this inspiring
Being impressed by natural sights during their own travels (e.g. coral reefs, rainforest)	60%
Noticing a visible impact of tourism at the destinations they have visited	54%
Seeing the positive effect that sustainable tourism can have on the local people	47%

Table 1. Main factors inspiring ecotourism travels according to a study conducted (source: Booking.com)

2.2. Incentive travel

Incentive travels are business-oriented trips that are designed to increase motivation, enhance productivity and achieve business objectives. According to the latest report of Incentive Research Foundation (IRF) and the Global Incentive Services, incentive travel will be heavily influenced by a number of trends. Among them, two main ones are specifically interesting for Nomad Plastic. Groups traveling in such trips are inter-generationals and usually seek for pro-active experiences, focusing on well-being and adventurous destinations.

- "Experience is everything": All generations mingled, people are craving unique and engaging experiences. Incentive programmers are seeing an increase in demand for experiential components of service offerings, particularly in how participants discover and interact with a destination. Indeed, living an unforgettable experience along with colleagues promotes bonding, motivation and eventually efficiency. By participating to a Nomad Plastic Tour, corporate groups would experience a true journey mapping, based on the fight against plastic pollution and the discovery of off-the-beaten-track places in the last paradise on Earth. The experience of the "no single use plastic week" aboard the Nomad or Geronimo is a real opportunity to engage participants in sustainable behaviours and the daily clean-ups is an ideal way to develop team building skills.

- Greater emphasis on CSR and sustainability: Last year, 70% of incentive trips organized by US companies incorporated a CSR element. Programs designs are focused on sustainability, conservation, global giving or a positive footprint, and destination choices are based on eco-friendly environments. People and corporations are more conscious and aware of being good stewards in the world. Attendees not only want to have a great experience themselves, but want to leave a destination knowing they made an impact in the community and world. Through its proposal of environmental restoration and social value, the offer delivered by Nomad Plastic could easily be incorporated to the CSR program of enterprises, especially in the context of their incentive travels.

2.3. Komodo and South Sulawesi

As mentioned, Nomad Plastic will initially operate in the area of Komodo and South Sulawesi. Komodo is a small island of 280 square feet between the islands of Flores and Sumbawa. It is famous for hosting the famous Komodo dragons and has gained global reputations for its crystal clear waters and paradisiac beaches. The small city of Labuan Bajo is the closest urban area and main point of access to the Komodo National Park. This proximity island of Komodo make of it a very attractive spot, and last year, around 278,000 tourists visited Labuan Bajo as compared to 54,000 in 2013. In addition, the government has ramped up efforts to promote the island internationally in order to increase visitor numbers to 500,000 tourists by 2019, and enhance local economic development through entrance fees charged at the park. Thus, the city received a significant amount of investment in order to improve its infrastructure and its capacity of tourist hosting.

The strategic choice of the city of Labuan Bajo is based on the steep growth in tourism of the city and area but also on its international visibility. In 2017, most of the tourists visiting Labuan Bajo were from Java, Europe and America but projections expect an influx of tourists from mainland China for 2019. Europeans and Americans are especially interested in longer boat tours, as they take longer vacations and prefer more exclusive trips, away from mass tourism.

3. Plastic Industry in Indonesia

As mentioned previously, the plastic litter crisis has become an important concern of the international community, and eyes are now focused on China and Indonesia, the two largest contributors of plastic waste to the world's waters.

The problem of waste in Indonesia is heavily affecting the tourism industry. The most remarkable example is Bali, Indonesia's first tourism destination, where they declared rubbish emergency. The accumulation of marine litter in on and off shore is ruining local beaches and diving sites.

3.1. Government initiatives

In response to pressure imposed by such exposure, the Indonesian government has joined the UN #CleanSeas campaign in 2017, and has committed to reduce plastic waste in 25 coastal cities and reduce marine litter by 70% by 2025 by spending \$1 billion a year to clean up its seas. The government has proposed a few measures to contribute to this reduction, such as the development

industries that use biodegradable materials to make plastic substitutes, taxing of plastic bags and initiating a sustainable public education campaign.

In February 2017, Indonesia ratified the Presidential Decree, No.16 of 2017 on Indonesia Ocean Policy. In addition, eleven ministries of the Indonesian government have agreed to a National Action Plan to tackle marine plastic. As part of this plan, the government has been supporting many private initiatives that fight to alleviate the plastic crisis. The Ministry of Forestry and Environment has been promoting alternatives to single-use plastic and conducting activities to change behaviour through community education and awareness-raising, limiting plastic consumption, better waste management and financing mechanisms. Plastic waste reduction is under domain of Coordinating Ministry of Maritime, and among their objectives is a reduction of 30 to 100% of waste to landfill through waste-to-energy and recycling programs. Thus, it has worked in contribution with the Universitas Udayana in a project to convert plastic waste into asphalt road materials, a pilot project that took place in Bali in July 2017. Many construction projects are being implemented across the country, especially for the development of its eastern regions. In addition, it has coordinated a few clean-ups around the country, including Labuan Bajo and Makassar in late 2017. Finally, in 2016, the Ministry of Finance tried to implement a plastic tax but this attempt was terminated in 2017 due to difficulties in implementation and supervision in the retail sector. Recent reports announce that the government plans to re-apply the tax, and that it will be ratified by July 2018 as part of the National Action Plan.

The World Bank in Indonesia, along with the Indonesian government, in their search to improve solid waste management, have been promoting and scaling up ‘waste banks’. The Waste Bank program has been running since 2011, and is now spread in more than 1,000 waste banks in Indonesia. A waste bank, or “bank sampah”, is a collection point for trash, in which residents can drop their pre-sorted household waste in return for a monetary value, based on rates set by waste collector. The monetary value is saved in an account from which, like a regular bank, Indonesians can withdraw. The waste deposited is then divided into organic and non-organic items. Organic waste gets turned into compost, while non-organic waste is divided further into three categories: plastic, paper, and bottles and metal. Waste banks act not only as points of collect of plastic and recyclers, but as community-based governance that have establish self-reliance in a community. They have proven to be a real incentive and a key educational tool to fuel some behavioral change in the Indonesian communities.

Having said that, many scholars and environmentalists are skeptical about the effectiveness of current government efforts. This has to do with the fact that Indonesia’s Waste Management Law of 2008 (No. 18/2008) divides waste into three categories: household waste, household-like waste and specific waste, and does not contain anything specific relative to plastic waste. In addition, Article 6 states that national and regional governments share responsibility for waste management, without indicating their respective tasks. While the national government has the authority to set national policy and strategy by setting “norms, standards, procedure and criteria” (Article 7) and by giving incentives for reducing rubbish (Article 21), it is unclear whether local governments can do the same. This results in great confusion about which level of government should act first in taking actions.

There is a urgent need for Indonesian central and regional governments to strengthen their legal framework in order to clarify the responsibility at each level of government and the creation of new norms, standards, procedures and criteria, coherent with the reality of the plastic waste crisis. Meanwhile, it is important to keep raising awareness on environmental degradation and pollution, for these policies to be accepted and applied effectively by the Indonesian population. Nomad Plastic

aims to contribute a great deal in raising awareness and inspiring action in the most isolated yet affected communities, and encourage them to see plastic as a valuable resource.

3.2. Other initiatives

A number of NGOs, individuals, and private and public organisations are already working to reduce plastic pollution across Indonesia, by educating communities, organizing beach clean-ups and advocating for better waste management. However, they are unevenly spread across Indonesia, and heavily concentrated in Bali and in the island of Java. For both islands, the administrations are expected to engage in controlling plastic waste, but are failing to do so in an rapid and effective way.

In terms of initiatives, we account a important number of them. They can be generally divided into a three categories:

- Non-governmental organizations
 - For-profit Companies
 - Corporate Social Responsibility projects
-
- **NGOs**

Countless number of NGOs are promoting initiatives to fight against the plastic crisis in Indonesia. To fight this, non-for profit organizations have developed different action plans. Some, such as *Trash Free Seas*, *OIOV*, *Bye Bye Plastic Bags* seek to raise awareness about waste management and recycling by visiting local schools to teach children about importance of the coastal ecosystem and environmental protection. They work together with the local communities to clean-up cities, rivers and beaches. Others, such as *FOCIL Foundation* try to promote sustainable waste management and create jobs around it. *Systemiq* is an initiative that works to design, implement and scale circular economy solutions to marine plastic pollution. Globally famous NGOs and public organizations such as WWF conduct regular projects in Indonesia to improve recycling and waste management for thousands of households across the country. Still, most of these initiatives are concentrated in the islands of Bali, Java and Sumatra. Bali specifically is considered to be the epicenters of the plastic crisis as it gathers the largest number of projects on the islands. This is in part because of the touristic attractiveness of the island and its resultant high global visibility.

- **For-profit Companies**

It is important to distinguish among for-profit companies, as they encompass both social enterprises and other large-scale industrial companies such as recycling companies, chemical recycling of end-of-life plastic waste, and others.

Among social enterprises, some aim to benefit from the lack of proper public waste management system in parallel to the creation socio-economical value by having free educational programs and creation of jobs for local population. For example, *Waste4Change* is a social business that provides waste management solutions from up to downstream, in addition to free training for households and companies that can be tailored to specific population/need. On the other hand, *Eco Bali Recycling* is a company that provides waste management solutions, alternative products to reduce waste, consulting and educational programs that encourage practical actions by providing sustainable tools and solutions made in collaboration with businesses, NGOs, and community volunteer groups.

Gringgo is an Indonesian social startup that develops trash-tech solutions for places where waste managements is still inadequate and finding basic information and services on recycling is difficult.

Others, such as travel agencies (for example *Flores Tourism*) and eco-resorts try to implement their own small, local solution in order to preserve the environment that is vital for the well-being of their businesses.

On a larger scale, it exist an important number of waste and plastic recycling companies that treat end-of-life plastic that operate in Java and Sumatra, able to process any kind of plastic and opened to buy or sell material parties interested. Some plastic manufacturers, such as *GBG Indonesia*, *Polindo Utuma*, are committed to recycle their products to produce plastic premium quality recycled PET flakes. Smaller *Plastic Recycling Centres* are better spread across the country, but struggle facing the overwhelming amount of plastic that needs to be processed.

Other companies have been championing efforts to recover the captured energy in plastics through waste-to-energy technologies. For example, *INAPLAS* (Association of Indonesian Petrochemical Companies) have developed small pyrolysis units in rural areas, with the technology made locally by one of the universities. In addition, *Plastic Energy*, global leaders in plastic-to-fuel technologies, is soon to be operating in Indonesia, with an industrial-scale pyrolysis plant.

- **Corporate Social Responsibility projects**

Among corporate initiatives, corporate social responsibility projects are non-negligeable. In this context, corporations such as *P&G*, *Coca-Cola* or *Unilever*, are engaging in the fight against plastic pollution. *Unilever*, for example, has committed to collect and recycle sachets of commodities (shampoo, soap, toothpaste, etc) in Indonesia that constitute a significant amount of plastic waste in South-East Asia. Thanks to a chemical process called CreaSolv®, *Unilever* will recycle sachets and turn them into safe, high-quality polymers suitable for use. *Coca-Cola*, *Amatil* and *Quiksilver Indonesia (QS)* are working on minimising the impact of plastic waste in Bali and supporting Bali's government's program in creating a "Clean and Green Bali", by creating the Bali Beach Clean Up (BBCU) program. This will strengthen the tourism industry which will help improve the welfare of local people.

4. Competitive analysis

4.1. Competitors in Ecotourism

Competitors	Package/Service	Operating area	Pricing Strategy in US dollar	Environmental concern
Flores Indo Tour	6D/5N, liveaboard trip, boat and in land tours, 10 guests, medium service	Wae Reno & Komodo	≈ \$93/night/person	Low
Kelana	12D/11N, all included, liveaboard trip, 6 guests, high end service	West Flores, Komodo	≈ \$260/night/person	Low
Blue Marlin Komodo	Resort based agency a la carte package, diving trip with environmental conservation, medium service	West Flores, Komodo Island	≈ \$260/night/person	High
Kurabesie Explorer* (closest to NP's business model)	7N, liveaboard traditional wooden boat, 14 guests, all included + diving	East Indonesia, West Papua	≈ 325/night/person	High
Sunshine Liveaboard	7D/6N - 10 guests, 4 cabins, private bathrooms, medium luxury service, meals included	South Sulawesi (high mobility across Indonesia)	≈ \$170/night/person	Low
Remote Islands	7D/6N, liveaboard trip, very high luxury boat and service, 10 guests	Komodo Island	≈ \$2,420/night/person	Low
Tiare Cruise Liveaboard	8D/7N, high luxury service, all included, 12 guests	North Komodo, East Flores	≈ \$500/night/person	Low
Mutiaralaut Liveaboard	Various itineraries, around 10 days - Very luxurious boat and service, all included, 14 guests	South Sulawesi (high mobility across Indonesia)	≈ \$560/ night/person	Low

*Table 2. List of competitors**

(: the list is non-exhaustive, and based on the top results on TripAdvisor.com and Liveaboard.com for tours in the areas of Sulawesi, Flores and Komodo.*

A multitude of tours agencies is present in the area of Flores, Komodo and South Sulawesi, promoting tour packages for tourists willing to explore its beautiful landscapes. The competition in the area is highly fragmented. With a few exceptions, differentiation is exclusively based on the quality of the service and the luxury of the boat. Although the number and the market share of all these competitors are difficult to evaluate, it is safe to say that Nomad Plastic's advantage over them is its special combination of authenticity and environmental consciousness.

Barriers to entry are estimated to be low, and incentives are high since the government is promoting the blooming of the touristic industry in the area. It expects to turn the city of Labuan Bajo, main point of access to the National Park of Komodo, into "the next Bali". According to *Indonesia Investment*, it is the third priority in terms of tourist destinations of the Indonesian government, with a tourist target of 500,000 people in 2019, compared to only 54,000 in 2013. The city received a significant amount of investment in order to improve its infrastructure and its capacity of tourist hosting. While this could benefit Nomad Plastic, it is to be expected that the number of competitors will increase substantially as well.

4.2. Competitors in the plastic market

A number of organizations, such as *FOCIL Indonesia*, *Trash Hero*, *Plasticman Institute*, *Systemiq*, *Caritas Keuskupan Maumere*, among others, are promoting initiatives to fight against the plastic crisis in the area of Komodo, West Flores and South Sulawesi.

A lack of disclosed information of these organizations and of official reports in English makes the establishment of a competitor analysis difficult. Most of these share a common mission with Nomad Plastic: raise awareness and educate local communities, especially children and teenagers, on environmental degradation and waste management. Some of them organize clean-up events with the local community. Nonetheless, very few of them take care of the sorting of the waste collected. Having organic and non-organic waste altogether makes it difficult to send the recyclable materials to recycling facilities, and most of the trash collected is sent to landfills or given to plastic banks.

For the ones that disclose the information, most of the local initiatives are relatively small scale, and do not exceed more than 30 volunteer staffs. They mostly are non-profit, non-governmental organizations that are funded through donations and corporate support. For the specificities of each initiative present in Labuan Bajo and South Sulawesi, please refer to Table 3 below. With the exception of WWF and Trash Hero, that are chapter are large international NGOs, most of these initiatives are so local that they do not possess an official website. Most of them are present on social media such as Facebook and LinkedIn, but very few post any information in English, and do not benefit from any significant media coverage. This results in a limited capacity and opportunity of growth and a lack of transparency. Through its sales strategy and social media presence, Nomad Plastic can expect to capture a more significant audience.

However, most of these initiatives take place in the city and suburbs of Labuan Bajo and Komodo, and work with the local populations there. Not one is working with the surroundings islands and more isolated communities. Because of its advantage of great mobility, Nomad Plastic will be able to access the most remote islands and communities that are also affected by plastic marine pollution. Still, the presence of a number of initiatives is just confirming the need for immediate action in the area regarding waste management solutions and community awareness. The rapid growth of tourism in Labuan Bajo and the area around the Komodo National Park is a promise a improvement of the local infrastructure that will introduce substantial disruption in the local market.

Name	Location	Year	Type	Mission	Primary audience	Funding	Staff
FOCIL Indonesia (NGO)	South Sulawesi	2005	Local NGO	Integrate the environmental, social and economic aspects of the urban, coastal regions and small islands of Sulawesi within the education pyramid.	Children and Teenagers	FOCIL has some business units to provide income for the NGO	22
Trash Hero	Komodo and South Sulawesi	2010 /2018	Foreign supportive NGO	Arrange weekly beach and town clean up and educational programs involving local communities.	Mostly children, but also any member of the local community	Donations, Revenue from items sales, crowdfunding campaign	-.**
Plasticman Institute	Labuan Bajo	2010	Local NGO	Raise awareness about waste management, recycling. Visit local schools to teach children about importance of the coastal ecosystem and environmental protection. Organize clean-up events with the local community.	School students, any member of the local community	Supported by Persada	-
Bank Sampah Sahabat	Labuan Bajo	-	Government affiliation	The Bank Sampah Sahabat supports the waste management plans of the local government in Ende, provides a source of income generation for poor families; encouraging residents to exchange their recyclable material for money which they can save in an account,	Local families	Supported by Bappeda Ende	-
WWF Indonesia	Labuan Bajo	1998	Supporting foreign NGO	WWF-Indonesia developed a series of projects, such as the <i>Koperasi Bank Sampah Komodo</i> (KBSK), and the Komodo Business Cooperative (KSU), to empower communities to take their own action in reducing waste, and mostly create value around waste, which can be transformed into a valuable thing.	Local community adults	Donations, Government grants, others	60 (min)
Caritas Keuskupan Maumere	Labuan Bajo	2006	Local NGO	Empowering citizens with projects such as the MSK Program (Waste Management by Community), that aims to increase citizens' awareness of a clean and healthy environment; develop good waste management; reduce and recycle plastic waste; developing the composting process from organic waste.	School students, family members, Religious community	Supported by Caritas Belgium	25
PERSADA	Flores	-	NGO, part of Unilever's CSR program	DIY (Yogyakarta Province)-Green & Clean program. The program aims to improve environmental awareness which covers community-based solid waste management starting from the households.	Women, Children	Supported by Unilever Indonesia Corporation	-

Table 3. List of similar initiatives in the target area*

(*: the list is non-exhaustive)

(**. The information was not disclosed and/or could not be found from a reliable source).

4.3. Differentiation strategy

Not only does Nomad Plastic provides a broad variety of fulfilling activities (kayaking, snorkeling, visiting local villages, hiking, etc) in the most beautiful areas of Indonesia, but it also accommodates its customers on a reinvented local fishing boat, perfect for a comfortable and picturesque stay. While the accomodations remains simple, the service provided on board will be of premium quality and all-inclusive. Thus, the charm of the Nomad liveaboard tour will rest in its simplicity, authenticity and conviviality. In addition, one of the main objective of this journey is to raise awareness on the harmful nature of plastic on the fauna and flora. Therefore, visitors will have the opportunity to act responsibly by helping the local community to clean the most beautiful beaches on Earth.

Thus, by leveraging its “net zero impact trip” offering, Nomad Plastic will be able to create a real competitive advantage in the area. The remoteness of our service offering provides a unique journey in the heart of the Indonesian beauty. We will transport tourists to remote islands, untouched by damaging hand of society, where they can explore and observe the raw exquisiteness of landscapes.

Most conspicuously, Nomad Plastic differentiates itself through its logistical advantage, that allows it to centralize a very fragmented collection of plastic in the multiple islands of its target area. This “last-mile” advantage is owed to our knowledge of our geographical location as well as to our uniquely designed boats. Our two boats, the Nomad and Geronimo, were specifically designed to access remote locations and travel through shallow waters. Their hull was conceived in order to accost in any shore, that allows it to attain any island. These plastic feedstocks are, as of today, inaccessible to corporations, since it is not economically viable for them to reach these remote islands. Companies, especially in the plastic industry, are increasingly looking for ways to manage responsibly the waste generated through their activity and to collect back the plastic and recycle it in their new generation of products. With an intensified mediatic coverage of the environmental damage caused by plastic, consumers’ decision making process are getting driven by the wish to act sustainably. For companies seeking to access the marine plastic feedstocks located in such remote areas, Nomad Plastic could become the last link of a supply chain of plastic collection, reuse and recycling and an ideal solution for corporates to integrate the circular economy in their responsible initiatives.

4.4. SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">- Tailored service proposal- Uniqueness of itinerary- Positive environmental impact- High quality service- Higher level of expertise of the staff- Advantageous partnerships : Supranational collaboration	<ul style="list-style-type: none">- Small access to economies of scale- Remoteness of sites- Limited material resources- Above-market pricing- Discrepancy between comfortable boat and picking up waste on a beach

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - Rise of sustainable/eco tourism - Consumer's sensibility to environmental degradation - Incentives given by government to increase tourism in the area + improvement of infrastructure 	<ul style="list-style-type: none"> - Safety, Health, Hygiene, Remoteness, Terrorism - Political instability/regulations - Low barrier of entry - Incentives given by government to increase tourism in the area

5. Target Market

In order to better understand which customer profile might be interested in our service offering, we created and shared an online survey (Annex 2). The latter was created and shared during the first week of June 2018. As of now, we accumulated a total of 168 respondents, where 55% originate from Western Europe, 27% from Asia and 8% from Northern America. We tried to reach as many Chinese nationals as possible, as China is the first nation to visit Indonesia in terms number of incoming tourists. Concerning the gender of the survey takers, it was evenly divided between Male and Female, 49% versus 51% respectively. We tried to reach a variety of demographics to increase representativeness of our sample. As a result, we managed to obtain responses from multiple age range: 37% fall into the 18-24 range, 12% in the 25-34, 22% in the 35-44, 26% in the 45-64. We reached a multiple of people from all income range, where most of the respondents (31%) were students earning less than \$10,000 per year.

The responses that we accumulated allowed us to have an insight on the market's expectations, as well as how much potential customers were willing to spend for an expedition like ours.

One of the first questions we asked was the ideal travel destination of the respondents, as we wanted to see whether people were actually interested in travelling to Indonesia for their holidays. Indeed, not only do we compete with local enterprises that offer similar services in Indonesia, but we also compete against any other touristic service offering around the globe, as it is becoming more and more practical and economical to travel anywhere around the world. To our delight, the most wished travel destination was Asia, with 44% of votes, followed by South America with 16% and Europe with 15%. We then asked to rank South-East Asian countries in terms of attractiveness to travel. While Thailand was the first one with 91 votes, Indonesia came second with 83 votes, followed by Vietnam with 65 votes.. We concluded that Indonesia was in fact a well sought destination, and Nomad Plastic is right in the center of this zone of interest, which boosts the attractiveness of our service offering.

Secondly, to have an insight on which factors are most valued by tourists when they travel, we asked the respondents to rank from "Not at all important" to "Extremely important" the following factors: Geographical distance to your current location, Budget, Climate, Cultural Heritage, Safety and Picturesque landscape. As expected, due to the technological advances in the transportation industry, geographical distance was not an important factor for our respondents. However, the most important factor considered when travelling is of course safety. This follows Maslow's hierarchy of needs. The second most important factor is the beautifulness of the landscape. This is very insightful for us as we will be offering a unique sightseeing experience far from beaten tracks and already seen locations. Finally, cultural heritage and climate are very closely ranked. The participants taking part in

the Nomad Plastic experience will get to witness a unique cultural exchange directly with remote villages. We value this cultural immersion to be much more impactful than simply visiting museums.

Thirdly, before describing what Nomad Plastic offers, we asked our participants to tell us what activities they prefer doing on vacation, in order for us to tailor our service offering to be as attractive as possible for our target market. The most preferred activities (and their number of votes), according to our survey, are: “Going to the beach” (104), “Take photographs” (98), “Swim in the ocean” (95) and “Exchange with local communities” (89). Nomad Plastic’s experience encompasses all these activities, and much more. People are more and more looking for destinations where they can enjoy their time, without feeling rushed by tour guides and strict timetables. We, at Nomad Plastic, agree with this philosophy, and offer a relaxing and impactful experience of ‘slow tourism’.

We observed that nearly most of our survey respondents (up to 90%) recycle. It is important to note that we did not specify beforehand that our survey was related to positively impacting our ecosystem. Therefore, not only environmentally-aware individuals answered our survey, meaning that our sample is not biased towards this kind of behavioral profile. We saw from our questionnaire that from the ones who recycle daily, they do it as “recycling preserves our resources and protects wildlife.” and “recycling helps our climate problems”. We, at Nomad Plastic, fall directly into these categories and these rationales behind recycling. Therefore, a lot of these behavioral profiles will be directly interested in travelling with Nomad Plastic (Appendix 2).

According to our survey results, a wide array of demographics are interested in our service offering. From students travelling with their friends to families travelling with their children, all seem to be enthusiastic to try Nomad Plastic (Appendix 3). In fact, 86% of all survey respondents wish to participate, demonstrating the attractiveness of our business model. Out of all the western Europeans that completed our survey, 83% wish to visit Nomad Plastic. In addition, 92% of North American are willing to participate on our trip. However, even if our market study demonstrated that Chinese nationals are the ones visiting Indonesia the most, only 75% of Central Asian wish to come on our boats. While this number is still important, it is below the average. In conclusion, we will concentrate our efforts in targeting Europeans and North Americans.

Moreover, our pricing strategy seems to be in accordance with the market’s expectations. 45% of respondents are willing to pay between \$150-250 per night, while only 28% wish to spend lower than \$150. Therefore, we believe that a price of \$225 per night is very reasonable for the quality and the experience we provide.

To conclude, our service offering does not fall into a niche market. According to our market study, a large variety of people, different in sex, age and occupation, are willing to experience a week on the Nomad and Geronimo. However, the three main groups of people targeted and expected are young adults, flashpackers and corporate groups. We believe that the interest will keep increasing over the years due to the recent increase in environmental awareness by the general public. People tend to recycle more and more, and wish to further expand their participation in eco-friendly activities. For a complete report of our survey findings, please refer to the Annex.

IV. Organizational Management

Management

Pierre Rousseau - Co-Founder

Senior Strategic Advisor for Sustainability at BNP Paribas

Pierre has lived for more than 20 years in Asia, working for global banking enterprises. Over the years, he has become extremely knowledgeable in business strategy and in sustainability. Pierre is very familiar with Indonesia as he travelled to the country every year since he arrived in Asia. He rapidly fell in love with the picturesque landscape as well as the cultural diversity the country has to offer. He currently acts as the Senior Strategic Advisor for Sustainability at BNP Paribas.

Jean-Michel Chalant - Co-Founder and CEO

Supervisor and Cruise Director

Jean-Michel has been living in Indonesia for 15 years. He has worked for many years in the boat tourism business for a separate company. He has become an expert in the local customs, and shares a trustworthy relationship with remote communities. He will be in charge of managing the operations from Indonesia, as well as guiding the first participants on the Nomad.

Alex Rosay - Managing Director and Secretary of Board of Directors

Bachelor of Commerce, with concentrations in Finance and Marketing

Alex has lived the major part of his life abroad, notably in Shanghai and Hong Kong. Having had the opportunity to visit many countries in South-East Asia, Alex has developed a rich taste for travelling around the world, which is why he chose to study for his Bachelor of Commerce in Canada. Owing to his extra curricular activities and his professional experiences, Alex has acquired extensive business insights and knowledge, most conspicuously in the fields of Consulting and Corporate Finance.

Denis Lejeune - Head of Operations

Before coming to Indonesia, Denis lived in Cambodia as a hotel owner and manager. His hands-on knowledge in corporate accounting and his background in mechanical and electrical engineering makes him perfect to manage the local operations.

Advisory Board

Robert Barker - Sponsor and Advisor

Head of Sustainability BNP Paribas APAC, Sustainability advisor

Rob is responsible for developing client solutions for financial institutions and corporates looking to raise and allocate capital to fund economic development with positive environmental and social impact, and financial benefit. His unquestionable expertise and constructive guidance in Sustainable solutions is crucial to Nomad Plastic.

Xavier Arnaudo - Incubator and Advisor

Co-Founder of NuCap Sustainable Investment Solutions

Xavier was in charge of prime brokerage and equity finance sales at BNP Paribas. In 2014 he joined Evolution Financial group in Tokyo to help launch impact investment products and initiatives. In the

summer of 2015, he founded C4 Capital for New Commons, a non-profit impact investment advisory platform.

Lisa Genasci - Sponsor and Advisor

CEO of ADM Capital Foundation (ADMCF) - CSR, Sustainability and Impact investing specialist

Lisa advises ADM Capital to shape its investment principles and provides ESG advisory services to ADM Capital funds. Lisa holds a BA degree with High Honors from Smith College and an LLM in Human Rights Law from HKU.

Craig Leeson - Sponsor and Advisor

Director of "A Plastic Ocean", Global Ambassador of Plastic Oceans Foundation.

Award-winning director Craig Leeson travels the world to document and research solutions for the rising crisis of plastic waste. Craig advises Nomad Plastic in finding suitable and novel ideas to collect and sustainably process the plastic that we are going to find on remote islands in Indonesia. As a global evangelist of the Plastic Oceans Foundation, he will help promote our project on global partforms in order to reach a maximum of potential customers to participate in our green initiative.

Vincent Kientz - Advisor

Founder and Partner of ENEA Consulting

Vincent is in charge of the ENEA division in Hong Kong. He provides strategy and technology consulting in energy transition and sustainability. ENEA delivers forward looking analysis, strategy consulting, business modelling, innovation consulting, technical and economical studies as well as asset management services and technological expertise (incl. data analytics) on energy-related assets.

Business Development team

Ethel Berdugo - Business Developer

McGill University undergraduate, specializes in International Business and Entrepreneurship

Raised between Paris and Sao Paulo, Ethel is a third-year management student, passionate about social entrepreneurship and innovation. Her mixed Brazilian and French background has helped her build a wider perspective on social and environmental issues. Through the course of her degree, she became particularly interested in how new business tools can help tackle these issues in a large scale.

Mathieu Njoo - Business Developer

McGill University undergraduate, specializes in Civil and Environmental Engineering

Mathieu's half-Canadian, half-Chinese heritage provided him with a wide cultural curiosity. His many travels to Europe and South-East Asia have also allowed him to gain new perspectives. Mathieu currently studies Civil Engineering in Canada and developed a considerable interest for Environmental Engineering, water treatment and pollution control.

Alex Rosay - Business Developer

Bachelor of Commerce, specializes in Finance and Marketing

Alex has lived the major part of his life abroad, notably in Shanghai and Hong Kong. Having had the opportunity to visit many countries in South-East Asia, Alex has developed a rich taste for travelling around the world, which is why he chose to study for his Bachelor of Commerce in Canada. Owing to

his extra curricular activities and his professional experiences, Alex has acquired extensive business insights and knowledge, most conspicuously in the fields of Consulting and Corporate Finance.

François-Eliott Rousseau - Business Developer, Team Manager

McGill University undergraduate, specializes in Electrical Engineering and Technological Entrepreneurship

François-Eliott has lived all his life in Asia, especially in Hong Kong. Growing up, he had the opportunity to visit multiple countries throughout the world. He currently studies in Montreal to obtain an Engineering Degree in Electrical Engineering and Technological Entrepreneurship. Indonesia isn't new to him: he already travelled to Bali, Java and the Komodo National Park. His knowledge about the Indonesian way of life and culture makes him a great asset to the team.

V. Sales Strategies

1. Revenue Stream

The company will generate profits through the booking fee. A flexible fee of \$225 for the standard room is considered, per night, for a week on the Nomad, totaling to a week costing \$1,125 per voyager. However, a naturally higher fee of \$275 will be offered for the private double bed room. Plastic Oceans will receive a small part of the fee (1%). Moreover, the revenue generated by Nomad Plastic will be used to finance the local jobs that were created following the setup of the circular economy. Therefore, tourists will directly contribute to the improvement of living conditions as they will be paying the locals' salaries.

2. Pricing Strategy

Due to the comfortable, medium-to-high-end service and all-inclusive we offer on-board, we will implement a premium pricing strategy as compared to local competitors. In addition, wellness tourists spend 130% more than the average tourist, which can be leveraged in our premium pricing strategy (NP Nickerson, 2016). The market price for a standard expedition in Indonesia on a boat, with basic comfort, is around \$175. Therefore, we aim to price our service offering at around \$225/\$275 per night as our private suites offer privacy and comfort, which is lacking in our competitors' experience.

3. Sales Strategy

The \$225/\$275 fee will firstly be used to cover our costs of approximately \$140 per person, per night. As mentioned before, due to the above average comfort on board and the all-inclusive package we offer, we implement a premium pricing strategy. Our service will be more expensive than what offers our direct competitors, also due to the fact that people are willing to pay more for sustainable trips.

The first step to promoting our business is to create a website, where interested parties can book their trip on the Nomad. This website will not only play a commercial role, but will also act as an informative guide to our NGO initiative, which echoes our core values. Visitors on our website can also send you direct messages for any kind of enquiries. Moreover, we will have sensibilizing information about plastic pollution, as well as tips that individuals can undertake to reduce their plastic waste.

Through the raising awareness of our NGO initiative to treat the project, an indirect spotlight will be shed onto our social business as both projects are closely related.

Social media pages (Facebook, Twitter, Instagram) will also be created to share promotional videos of the Nomad, pictures of the experience, and potentially interesting testimonies from participants. We will use these pages to highlight the impact we have locally, boosting the attractiveness of our service offering to our target market. Moreover, Facebook pages also allow for customer to score our brand out of 5. By having good reviews, people will be more interested in participating in our service offering, or will simply follow our social media to have updates on the impact we have, environmentally and socially. We have already launched our Facebook page, where we manage to acquire 200 followers in less than 10 days, which directly shows the interest individuals communicate for our initiative.

Moreover, we will share and place our logo on all of our social media pages, as well as on our website and on our partners' websites. This will act as a memorable cue that will directly be associated with our brand and our business model. See sketches below:



We chose not to advertise our business through traditional offline travel agencies for multiple reasons. Even though offline sales are still quite important, we want to maximize our efforts and resources for online bookings as it is clear that online channels (business website or online travel agents) are becoming extremely important. In fact, 9 out of 10 travellers read online reviews before booking trips. People tend to trust more online reviews from strangers than from corporations and travel agents. For these reasons, and in order to get preliminary traction on our website, we will promote our services on online travel agents such as Tripadvisor or Booking.com. Tripadvisor is the largest travel website in the world, an early adopter of user-generated content, that regroups more than 455 million visitors worldwide and 600 reviews. Even though websites like these charge a base fee of 20% per booking, they are the best mean of boosting our brand awareness during the first months of operations. Moreover, as mentioned previously, reviews are extremely important in the customer decision making process as they enable trust between the participants and the company. Therefore, we will use these online agents, and we expect for them to account for 60% of our revenue generation.

Our direct competitors, meaning boat services near Komodo and Sulawesi, are all present on Tripadvisor. Thus, by also being present on these platforms, we would be directly competing with them, and stealing their potential customers as we offer a superior experience.

Finally, we presented our initiative to Spark News' Managing Director and she immediately became fond of it. She therefore accepted to advertise our project on their website and throughout the company's 35 partners, which are located across the globe. This will act as a huge boost in our brand awareness, and will surely increase the interest in our business proposal.

VI. Resources requirements

1. Funding Requirements

1.1. Setting up the company

Starting from October 2018, we will start to build the boats and to invest in setting up the company. The capital expenditure needed to build a fully-equipped boat is around \$120,000. This includes the raw material, the engine, the machinery and the equipment. Moreover, the pre-operational costs, that is the initial investment required to set up the company, pay the architect as well as all the travel expenses in year 0, accumulate to a total sum of \$42,000.

In order to launch operations, two boats are needed. Therefore, in year 0, pre-operating expenses rise up to a total of \$282,000.

1.2. Commencing operations

Thereafter, commercial operations are expected to start in January 2020. During the first 6 months of operations, fixed costs (salaries, licenses, office expenses etc) account for a total of \$120,000.

With 35 cruises per boat, meaning a total of 70 cruises per year, where each cruise last for 5 nights and accommodate 10 participants, variable expenses (F&B, fuel, guest transfer) cost \$50,000 in the first 6 months of operations.

We are looking to raise enough capital to cover all the pre-operating costs in Year 0, and to operate during the first 6 months of commercial operations. Therefore, the total funding that we require accumulate to a sum of \$400,000, which includes a safety margin. An additional \$120,000 are already invested by the founders to start the company.

In the best case scenario, meaning that we realise 100% of the expected revenue, we will generate an annual revenue of \$840,000 with a price of \$225 per night in the dormitory, and \$275 per night per person in the private bedroom. This is under the conditions that we have 2 boats in operation, with 10 customers per boat, participating in a 5 night journey, with a total of 70 cruises per year. This number accounts for the 1% partner fee donated to Plastic Ocean, and the indirect sales commission. The net income Nomad Plastic would gain is \$255,000.

However, during the first year of operations, we only expect that our boats will fill up to 30% of total capacity, as we would be brand new on the market. We would accumulate a net loss of \$135,000. However, our costs will be covered by the raised funds. Therefore, our net earnings will be of \$200,000. In 2021, we believe that, as traction starts to build, we will have a 60% completion. Net revenues will reach \$456,000 and net income will be of \$30,000.

1.3. Return on Investment

We plan to fund the major part of our project with the help of private investors coming from within our network, as well as partnered sponsors. The partnered sponsors will most likely be companies looking for a CSR opportunity. In addition, we will reach out on social media and set up a public donation system, available on our website, to generate extra capital.

In order to give back to our investors, we chose to offer an alternative to issuing equity. Our idea is to offer an all-included experience on our boat at a discounted price. We value this return on

investment to be as, if not more, meaningful than a monetary incentive. Investors will receive an extensive taste of the great initiative that they helped build, along with their family or friends.

Therefore, out of the \$800,000 required funding overall, we aim to raise \$550,000 from Private Investors, Public Institutions, Environmental and Social Associations, Public Sponsorship and Donations for the ecotourism project, and \$250,000 from the CSR program for Corporations to finance the plastic treatment project.

During the operations, we value our boats at \$200,000 each. Therefore, to collect the \$400,000, we will issue tickets of \$10,000 and of \$25,000. Individuals investing \$10,000 will be offered 3 one-week cruises aboard our boats at a reduced price equal to the variable costs of the cruises. This reduction accounts for an approximate 60% discount off the market price. However, the \$25,000 investors will receive the same discount, but an unlimited amount of cruises during the company's lifetime. The only limit to this perk is that the investor, or anyone they wish to share their discount with, must reach a minimum number of 6 people per cruise. In the event where the company was to fail, we will implement a money-back guarantee with specific conditions to reimburse the ones who invested time and money in us. Nevertheless, we are firstly looking to receive grants from Supranational Organizations and appropriate associations in order to boost our funding without having to dampen our revenues because of return of investments.

2. Legal Status

Nomad Plastic will be a foreign company also called a PT PMA. The company will have to register through the Indonesia Investment Coordinating Board (BKPM). A licence will also be required to operate as an ecotourism company. This license will have to be obtained through the minister of Tourism. The boat licence will have to be procured by the minister of Maritime Affairs. No license is needed to collect the plastic since it isn't a natural resource. To be able to operate in a national park, a permit is required and must be obtain through the regional government.

At least two shareholders are required to be able to create a PT PMA (President Director and President Commissioner). The Director needs to reside in Indonesia. He needs to have a tax number (NPWP) and a work permit (KITAS).

Concerning the investments, the capital investments must be a minimum of 715 000 usd. However, only 300 000 usd must be invested up front. While we will own 55% of its equity, a local entity is needed to invest 45% of our initial funding at the launch of the project to set up the business.

3. Certifications

Acquiring certificates in sustainable tourism, net zero impact and creation of social value will add credibility and echo to Nomad Plastic. Consumers and shareholders are today increasingly selective and third-party certification can help communicate our values and mission. Having certificates will clearly demonstrate Nomad Plastic's environmental and social dedication and provide confidence to our consumers. It will strengthen our competitive advantage and reinforce our brand positioning as a sustainable position.

In addition, ministerial regulation for Indonesian tourism make obligatory for all sectors of the Tourism Industry in Indonesia to possess a Certificate for Tourism Industry. Based on Law No. 10 of 2009 on Tourism Development, all products, services and management of the tourist industry must follow approved standards. Additionally, Government Regulation PP 52 of 2012 on Standard

Competencies and Tourism Industries Certification, also regulates the establishments of Certification Institutes, implementation of Certification and their supervision.

Among recognized certification in Indonesia we find the Green Globe Asia Pacific Certification. Green Globe Asia Pacific Pty Ltd (GGAP) holds a license to the Green Globe brand exclusively in a defined Asia Pacific Region, including Indonesia and non- exclusively throughout the rest of the world.

Green Globe Asia Pacific products and services include consulting, auditing, consulting, benchmarking among others, and provides certification for tourism business according to the Green Globe Standard. The GGS is a structured assessment of the sustainability performance of travel and tourism businesses and their supply chain partners. It has three different certificate levels with different recognition status, and all the assessments are powered by EarthCheck science. EarthCheck is a benchmarking certification and advisory group for travel and tourism that is part of the Green Globe Asia Pacific Group. EarthCheck products and services are built on the Agenda 21 principles for Sustainable Development endorsed by 182 Heads of State at the United Nations Rio De Janeiro Earth Summit in 1992. EarthCheck Certified is itself certified ed by the Global Sustainable Tourism Council (GSTC) and has been approved by the CDP.

Other certifications such as the **B Corp Certification** could be sought once the company has reached a relative financial and operational stability. “B Corps” are for-profit companies certified by the nonprofit B Lab for meeting rigorous standards of social and environmental performance, accountability, and transparency. However, startups can only receive a pending certification from the B Lab. Full certification requires minimum performance on the B Impact Assessment, that measures the practices and policies of a company over the past year as opposed to what it intends to do in the future. In addition, it requires a substantial effort from the management team to meet the demanded standards and often demands changes within the organization that are preferable after a few years following the beginning of operations.

VII. Financial Projections

The following financial statements are simplified and are made with the following assumptions:

- 2 boats in Operation
- Price of \$225 and \$275
- 10 tourists present per boat
- 35 cruises are completed per year by each boat, with a duration of 6 days and 5 nights

In order to consider all kinds of scenarios, we performed a sensitivity analysis, depending on how many cruises each boat performs per year. The findings can be found in the *Annex*. This sensitivity analysis includes **one year of total operating expenses**. However, we will only be funding 6 months of operating costs because we will generate cash flow during the first year of operations.

Income Statement		Inflation (Variable 3.23%)		Inflation (Fixed) 2.5%			
Corp tax 12.5%		Total journey Price /head		\$ 1,125	\$ 1,375		
Capacity pax	100%	30%	60%	70%	80%	80%	100%
Agent Sales %		60%	60%	60%	60%	60%	60%
Pax / year (Dormitory)	560	168	336	392	448	448	560
Pax / year (Private)	140	42	84	98	112	112	140
Cruises / year:	70	70	70	70	70	70	70
Year	2019	2020	2021	2022	2023	2024	2025
Years in Operation		1	2	3	4	5	6
Gross Revenue		252,919	518,483	620,020	726,309	744,467	953,848
Net Revenue (Indirect Sales	20%	222,569	456,265	545,617	639,152	655,131	839,386
Partners Fees (1%)	1%	(2,529)	(5,185)	(6,200)	(7,263)	(7,445)	(9,538)
Total Revenues		220,039	451,081	539,417	631,889	647,686	829,848
Fixed Costs		237,710	243,653	249,744	255,988	262,387	268,947
Variable Costs:							
F&B Costs		29,971	61,879	74,524	87,921	90,761	117,116
National Park Fee		20,548	42,124	50,373	59,009	60,484	77,495
Fuel & Clearance Costs		42,816	44,199	45,627	47,101	48,622	50,193
Total Variable Costs		93,336	148,202	170,524	194,031	199,867	244,803
Total Operating Costs		331,046	391,855	420,268	450,018	462,254	513,750
Set up company	38,893						
Boat costs	240,000						
Pre operative expenses	278,893						
EBIDTA	(278,893)	(111,007)	59,226	119,149	181,871	185,432	316,097
Commercial Boat depreciation		24,000	24,000	24,000	24,000	24,000	24,000
Total Depreciation		24,000	24,000	24,000	24,000	24,000	24,000
EBIT	(278,893)	(135,007)	35,226	95,149	157,871	161,432	292,097
Tax (12.5%)	-	-	4,403	11,894	19,734	20,179	36,512
Net Income	(278,893)	(135,007)	30,822	83,255	138,137	141,253	255,585
Funding Required	609,938.59						
Funding Used	278,892.60	331,045.99					
Cumulative Earnings	-	196,039	226,862	310,117	448,254	589,507	845,092

Revenues are expected to follow a S-Curve as we expect to have fuller boats over the years. With the experience our board of directors has in the cruise market, we will typically achieve a 30% capacity during the first years of operations. During the following years, this number will increase to 60% and keep increasing over the years. According to our calculation, we need approximately 55% of our capacity booked per trip to break even with our costs (Appendix 6).

VIII. Risk Analysis

- **Financial Risk**

When booking a spot on a Nomad Plastic boat, the tourist will directly pay, without any credit allowances. Therefore, we will not accumulate any account receivables and our income will not be at risk, in that perspective.

Even though we believe that it is highly improbable, Nomad Plastic might run out of cash. Firstly, the funding that we have to launch the project accounts for a full year of expenses. Thus, all cash outflows are accounted for, so we will have enough funds to survive even if Nomad Plastic does not generate any revenue during the first year of operations. Moreover, if the Nomad remains empty, we will face zero variable costs. This is an extremely unlikely scenario as we already have interested parties that wish to participate in the first journeys organised by Nomad Plastic. These individuals are early adopters to our experience offering, and are willing to pay above our current price offering.

Moreover, currency risk is to be accounted for. Indeed, the booking fees are going to be in US dollar (USD), as most of our participants will come from overseas countries. Nevertheless, our operational expenses are going to be in Indonesian Rupiah (IDR). Since 2014, the IDR has depreciated against the USD, meaning that, if the trend continues, our costs will be relatively less expensive than our generated income (Appendix 5).

- **Market Risk**

Komodo is a popular region for tourism. The risk of not having enough clients is a possibility but it's very unlikely. We can see in the market study that tourism in Indonesia is growing especially in the region of Komodo. After a few years of operating the business, interest of joining a cruise might dissipate. This is why we are planning on moving our geographic location and discover new areas.

On the business side of the project, there is always a risk that our business model will be copied. However, the ultimate goal of the project is to improve the living conditions of local communities, by setting up a circular economy around plastic waste. Moreover, if our business model gets copied, it will mean that more plastic is going to be collected and properly recycled, which is something we value to be good and right. The bitter reality is that there is too much plastic in the sea for us to handle alone.

- **Operational Risk**

Nomad Plastic is operating in remote locations. If an injury occurs on board, an evacuation plan will be activated. However, access to any hospital or clinic is complicated and may take a few hours. If the injury is serious and life threatening, the boat is equipped with a satellite phone and the crew will immediately contact a rescue team.

Even if Indonesia is considered a safe country for tourists, there is always a very narrow risk of terrorism or theft. To ensure the safety of our clients and our personnel, we will only operate in regions where the political context is stable.

In case of a shipwreck, Nomad Plastic has the necessary equipment to safely take the tourists in charge. The equipment follows the international safety requirements.

- **Community Risk**

Nomad Plastic will bring tourists to remote places in Indonesia. Locals might see this as unwelcomed help, with “foreigners” on vacation passing by for a few days. However, Nomad Plastic will hire Indonesians to work on the boats and the Cruise Director and CEO of the company has lived in Indonesia for over 15 years. Nomad Plastic will only benefit the communities living in the region and doesn’t aim to disrupt any local activities or economies.

IX. Appendix

Appendix 1: Circular Economy System Diagram by Ellen Macarthur Foundation

OUTLINE OF A CIRCULAR ECONOMY

PRINCIPLE 1

1

Preserve and enhance natural capital by controlling finite stocks and balancing renewable resource flows
ReSOLVE levers: regenerate, virtualise, exchange

PRINCIPLE 2

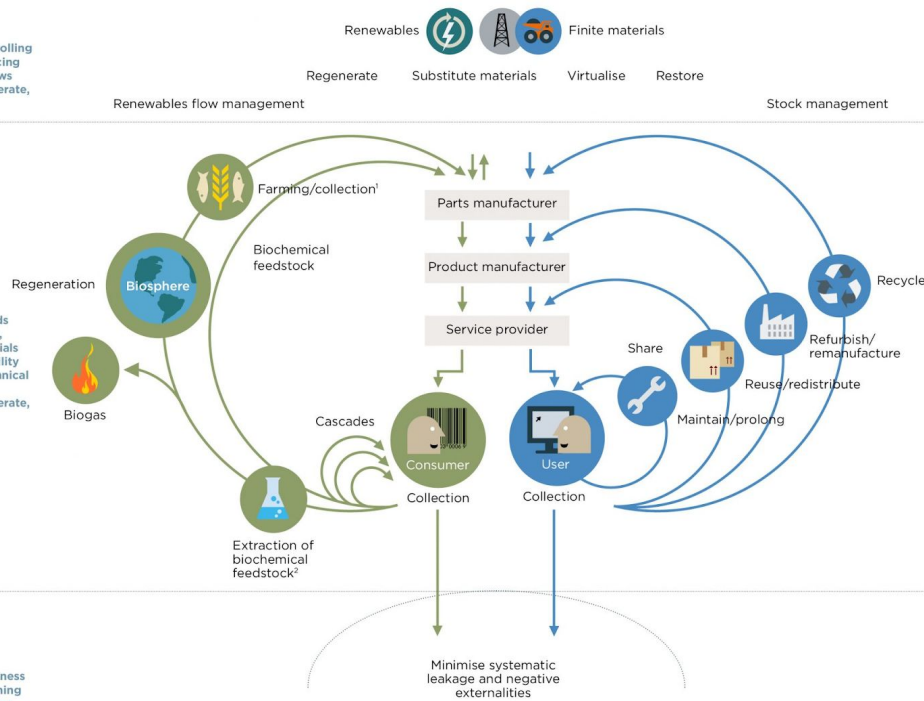
2

Optimise resource yields by circulating products, components and materials in use at the highest utility at all times in both technical and biological cycles
ReSOLVE levers: regenerate, share, optimise, loop

PRINCIPLE 3

3

Foster system effectiveness by revealing and designing out negative externalities
All ReSOLVE levers



1. Hunting and fishing
2. Can take both post-harvest and post-consumer waste as an input
Source: Ellen MacArthur Foundation, SUN, and McKinsey Center for Business and Environment; Drawing from Braungart & McDonough, Cradle to Cradle (C2C).

Appendix 2: Reasons for recycling

		Are you a Male or a Female?			What is your age range?						
		Male	Female	Total	Under 18	18 - 24	25 - 34	35 - 44	45 - 64	65 or older	Total
Why do you recycle?	"Recycling saves energy."	28	21	49	0	15	8	16	15	1	55
	"Recycling reduces landfills."	31	38	69	0	30	9	16	18	2	75
	"Recycling preserves our resources and protects wildlife."	44	46	90	1	37	11	21	26	1	97
	"Recycling is good for the economy."	18	13	31	0	10	4	13	9	1	37
	"Recycling helps our climate problems."	38	39	77	1	34	7	17	24	1	84
	Other:	3	2	5	0	2	1	1	1	0	5
	Total	55	61	116	1	44	15	28	34	2	124

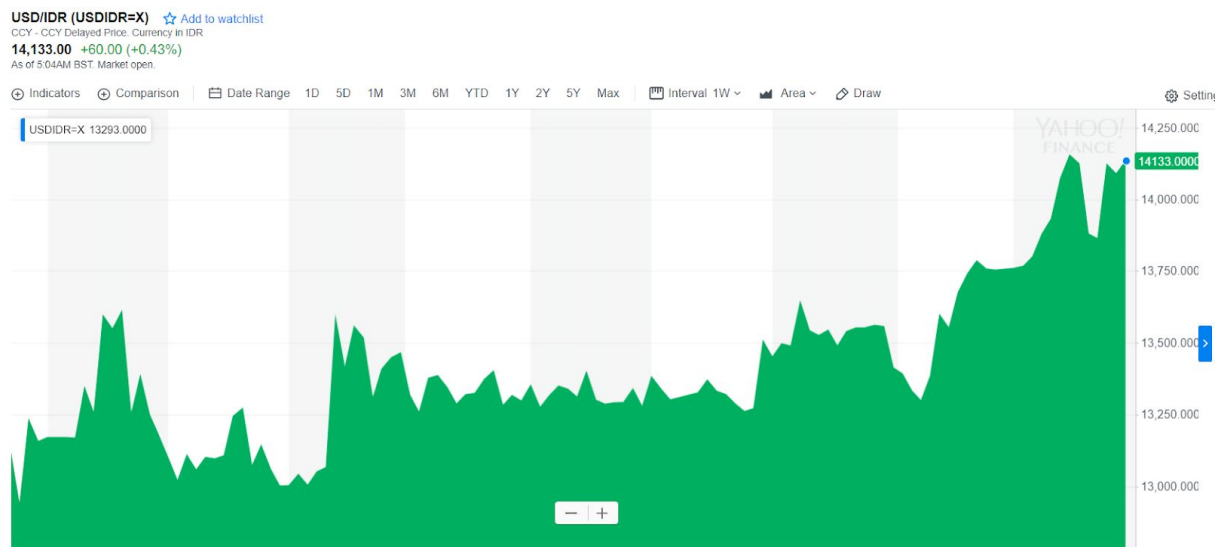
Appendix 3: Segments who are willing to travel with us

		Are you a Male or a Female?			What is your age range?							How often do you recycle?						
		Male	Female	Total	Under 16	16 - 24	25 - 34	35 - 44	45 - 64	65 or older	Total	Always	Daily	Weekly	Monthly	Not sure	Total	
Would you be willing to participate in the experience we offer?	Yes	53 82.61%	59 84.29%	112 83.58%	2 100.00%	49 94.23%	13 72.22%	25 78.13%	30 81.08%	0 0.00%	119 83.22%	40 81.63%	32 91.43%	19 90.48%	5 83.33%	9 64.29%	105 84.00%	
	No	11 17.19%	11 15.71%	22 16.42%	0 0.00%	3 5.77%	5 27.78%	7 21.88%	7 18.92%	2 100.00%	24 16.78%	9 18.37%	3 6.57%	2 9.52%	1 16.67%	5 35.71%	20 16.00%	
	Total	64 100.00%	70 100.00%	134 100.00%	2 100.00%	52 100.00%	18 100.00%	32 100.00%	37 100.00%	2 100.00%	143 100.00%	49 100.00%	35 100.00%	21 100.00%	6 100.00%	14 100.00%	125 100.00%	

Appendix 4: Price per night

		Are you a Male or a Female?		
		Male	Female	Total
If you were able to visit the most remote and beautiful islands of Indonesia, participate in spor...	Less than \$ 150	20 30.77%	19 27.14%	39 28.89%
	\$ 150 - \$ 250	33 50.77%	27 38.57%	60 44.44%
	\$ 251 - \$ 350	8 12.31%	18 25.71%	26 19.26%
	\$ 351 - \$ 450	3 4.62%	4 5.71%	7 5.19%
	More than \$ 450	1 1.54%	2 2.86%	3 2.22%
	Total	65 100.00%	70 100.00%	135 100.00%

Appendix 5: USD to IDR since July 2016



Appendix 6: Sensitivity analysis

What is the price to break even with 60% capacity?*				How much capacity to break-even (\$225 & \$275 /night)?*			
Cruises per Year	70			Cruises per Year	70		
Price Per Night	Dormitory \$	Private \$		Price Per Night	225	275	
	196	255		Revenue (100%)	1,584	484	10,340
Revenue (100%)	1,571	511	10,410	Pax	8	2	100%
Net Revenue (agent fee	1,383	449	9,161				
Variable Cost (10 pax)	2,337	593	\$ 2,930	Variable Cost (10 pax)	2,337.18	593	\$ 2,930
Income (60%)	60%		3,739	Income (X% Capacity)	50%		3,739
Fixed Cost per Cruise (with depreciation)			\$ 3,739	Fixed Cost per Cruise (with depreciation)			\$ 3,739
Break Even (Set to 0)			0.000	Break Even (Set to 0)			-

Appendix 7: Profits and Losses Forecast

