

TRANSFORMATIONAL EPICENTER

Riviera Maya Jungle Estate

Unit Economics Model

Document 07 | Data Room - Financial

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This document details the per-guest revenue and cost structure that underpins the Transformational Epicenter financial model. All figures reflect the weighted average guest profile based on the current program mix.

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1. Executive Summary

The Transformational Epicenter unit economics model demonstrates a highly attractive per-guest margin structure that provides significant operating leverage as occupancy scales. At the weighted average revenue per guest of \$26,600 and direct cost of \$4,629, each guest generates \$21,971 in gross profit at an 83% margin.

METRIC	AMOUNT
Average Revenue Per Guest	\$26,600
Direct Cost Per Guest	\$4,629
Gross Profit Per Guest	\$21,971
Gross Margin	83%

This margin profile is among the highest in the luxury wellness and medical tourism sectors, driven by the premium pricing tier (\$2,000/day), the high value-to-cost ratio of the core treatment modalities, and the capital-light nature of service delivery once facility infrastructure is in place.

Why These Economics Work

The Transformational Epicenter's unit economics benefit from three structural advantages:

- Premium pricing power** -- Guests seeking medically supervised plant medicine treatment in a luxury setting have limited alternatives, supporting \$2,000/day pricing that is competitive within the category while generating substantial margins
- Low variable cost base** -- The primary cost inputs (medical oversight, facilitators, plant medicine materials, food) scale modestly per guest compared to revenue, maintaining gross margins above 80% across all occupancy levels
- High fixed-cost leverage** -- The fixed cost base (management, facilities, insurance) is spread across more guests as occupancy increases, driving EBITDA margin expansion from 47% at 50% occupancy to over 60% at 80% occupancy

2. Revenue Per Guest

Revenue per guest is calculated as the weighted average across all program offerings based on the expected program mix. In the base model, bio-optimization add-ons are not included in per-guest revenue, representing future upside potential.

REVENUE COMPONENT	AMOUNT	% OF TOTAL	NOTES
Base Program Fee (Weighted Avg)	\$26,600	100%	Weighted across 7/14/21/28-day programs

Bio-optimization Add-ons	\$0	0%	Not modeled in base case; future upside
TOTAL Revenue Per Guest	\$26,600	100%	

Revenue Per Guest Commentary

The \$26,600 weighted average reflects the current program mix skewed toward shorter-duration programs (45% of guests selecting the 7-Day Reset). As brand awareness grows and guests increasingly seek deeper transformational experiences, the mix may shift toward longer programs, which would increase the weighted average revenue per guest.

Bio-optimization add-on services (IV therapy, hyperbaric oxygen, advanced diagnostics, neurofeedback) represent a meaningful revenue opportunity not captured in the base model. Comparable luxury medical facilities report add-on revenue of 10-20% of base program fees, which would add \$2,660-\$5,320 per guest. This upside is intentionally excluded to maintain conservative projections.

3. Program Pricing

All programs are priced at a flat rate of \$2,000 per day. The weighted average revenue per guest of \$26,600 reflects the mix of program durations, with shorter programs representing a larger share of guest volume.

PROGRAM	DURATION	DAILY RATE	TOTAL PRICE	MIX %	REVENUE CONTRIBUTION
7-Day Reset	7 days	\$2,000/day	\$14,000	45%	\$6,300
14-Day Program	14 days	\$2,000/day	\$28,000	30%	\$8,400
21-Day Program	21 days	\$2,000/day	\$42,000	15%	\$6,300
28-Day Transformation	28 days	\$2,000/day	\$56,000	10%	\$5,600
Weighted Average	13 days	\$2,000/day	\$26,600	100%	\$26,600

Program Mix Rationale

7-Day Reset (45%) -- The entry-level program is expected to attract the largest share of first-time guests. Seven days provides sufficient duration for an initial ibogaine or psilocybin treatment with basic integration. Many 7-day guests are expected to return for longer programs, creating a natural upsell pathway.

14-Day Program (30%) -- The 14-day program is the core offering, providing two weeks of medical supervision, plant medicine ceremony, bio-optimization protocols, and structured integration. This duration aligns with the typical treatment arc for ibogaine-assisted therapy.

21-Day Program (15%) -- The extended program serves guests requiring deeper intervention, including those with complex trauma histories or multiple treatment objectives. Three weeks allows for multiple ceremony sessions with extended integration periods between treatments.

28-Day Transformation (10%) -- The full transformation program is the premium offering, providing a comprehensive month-long arc from preparation through deep treatment to early integration. This program is expected to attract the most committed guests with the highest lifetime value.

Weighted Average Calculation

$\text{Weighted Avg Price} = (0.45 \times \$14,000) + (0.30 \times \$28,000) + (0.15 \times \$42,000) + (0.10 \times \$56,000) = \$26,600$

$\text{Weighted Avg Duration} = (0.45 \times 7) + (0.30 \times 14) + (0.15 \times 21) + (0.10 \times 28) = 13.3 \text{ (approx 13 days)}$

4. Direct Costs Per Guest

Direct costs represent variable expenses that are incurred on a per-guest basis. These costs scale with guest volume and are the primary determinant of gross margin. Total direct cost per guest is \$4,629, representing 17% of revenue.

COST CATEGORY	AMOUNT	% OF REVENUE	NOTES
Medical Staff & Oversight	\$1,320	5%	24/7 physician coverage, nurse allocation, monitoring
Facilitators & Therapy	\$640	2%	Ceremony facilitation, integration sessions, somatic therapy
Food & Hospitality	\$560	2%	Premium organic meals, functional cuisine, dietary protocols
Bio-optimization Supplies	\$160	1%	IV supplies, biologics, supplement protocols
Plant Medicine Materials	\$640	2%	Ibogaine, psilocybin, preparation materials
Guest Amenities	\$500	2%	Welcome kit, excursions, therapeutic massage, personal items
Medical Evacuation Reserve	\$809	3%	Emergency fund allocation per guest
TOTAL Direct Cost	\$4,629	17%	

Cost Category Detail

Medical Staff & Oversight (\$1,320 / 5%) -- This allocation covers the per-guest share of 24/7 physician coverage, nursing staff dedicated to guest monitoring, and medical team coordination. The cost is calculated by dividing total medical staff compensation by expected guest volume, with adjustments for intensity of monitoring during treatment phases versus recovery phases.

Facilitators & Therapy (\$640 / 2%) -- Includes ceremony facilitation fees, integration therapy sessions (typically 1-2 per day during active treatment), somatic experiencing practitioners, and group facilitation costs. The cost reflects a blend of in-house staff and specialized contract practitioners for specific modalities.

Food & Hospitality (\$560 / 2%) -- Covers premium organic food service (three meals plus snacks), functional beverage programs, specialized dietary protocols (pre-ceremony fasting, post-ceremony nourishment), and kitchen staff allocation. The \$43/day food cost per guest is competitive with luxury resort food and beverage operations while supporting the "food as medicine" program philosophy.

Bio-optimization Supplies (\$160 / 1%) -- Consumable supplies for IV therapy (NAD+, vitamin infusions, glutathione), biological materials for regenerative treatments, and supplement protocols. This cost does not include durable equipment, which is capitalized in the project budget.

Plant Medicine Materials (\$640 / 2%) -- Ethically sourced ibogaine hydrochloride, psilocybin preparations, and supporting ceremonial materials. Ibogaine cost reflects medical-grade sourcing with full chain-of-custody documentation. This line item also includes laboratory testing and quality assurance for each batch.

Guest Amenities (\$500 / 2%) -- Welcome kit (journal, ceremonial blanket, personal items), curated excursions (cenote visits, jungle walks, beach outings), daily therapeutic massage, and personal care items. These amenities reinforce the luxury positioning and contribute to guest satisfaction and referral rates.

Medical Evacuation Reserve (\$809 / 3%) -- A per-guest reserve fund for emergency medical evacuation. While serious adverse events are rare with proper screening and monitoring (industry data suggests less than 1% incidence rate for ibogaine-assisted therapy with full medical protocols), the reserve provides a financial buffer for emergency airlift, hospital transfer, and extended medical care costs. Unused reserves accumulate as a safety fund.

5. Contribution Margin Analysis

The contribution margin represents the profit available from each guest to cover fixed operating expenses and generate net income. At \$21,971 per guest, the contribution margin provides substantial operating leverage.

LINE ITEM	AMOUNT	% OF REVENUE
Revenue Per Guest	\$26,600	100%
Less: Direct Costs	(\$4,629)	(17%)

Gross Profit Per Guest	\$21,971	83%
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Margin Context

An 83% gross margin positions Transformational Epicenter in the upper tier of hospitality and medical services businesses.

INDUSTRY BENCHMARK	TYPICAL GROSS MARGIN
Luxury Hotels	65-75%
Medical Clinics	55-70%
Spa & Wellness Resorts	60-75%
Addiction Treatment Centers	70-80%
Transformational Epicenter	83%

The margin advantage reflects the premium pricing tier (\$2,000/day vs. \$500-\$1,200/day for most luxury wellness competitors) combined with a cost structure that does not scale proportionally. A guest paying \$2,000/day requires similar medical oversight, facilitator time, and food cost as a guest paying \$1,000/day at a lower-tier facility -- but generates twice the revenue.

6. Fixed Cost Allocation Per Guest

Fixed operating expenses are allocated across guests on a per-capita basis. As occupancy increases, the fixed cost burden per guest decreases, driving significant EBITDA margin expansion. The table below illustrates this dynamic using Year 1 fixed operating expenses of \$3,015,000.

OCCUPANCY	GUESTS	FIXED COST/GUEST	TOTAL COST/GUEST	EBITDA/GUEST	EBITDA MARGIN
40%	329	\$9,164	\$13,793	\$12,807	48%
50%	412	\$7,318	\$11,947	\$14,653	55%
60% (Y1 Base)	494	\$6,103	\$10,732	\$15,868	60%
70%	576	\$5,234	\$9,863	\$16,737	63%
75% (Y2 Base)	617	\$4,886	\$9,515	\$17,085	64%
80% (Y3+ Base)	659	\$4,575	\$9,204	\$17,396	65%

90%	741	\$4,069	\$8,698	\$17,902	67%
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Key Insight

Every 10-percentage-point increase in occupancy reduces the fixed cost per guest by approximately \$1,000-\$1,500, directly increasing EBITDA per guest. At 80% occupancy, fixed cost allocation falls to \$4,575 per guest, and EBITDA per guest reaches \$17,396 -- representing a 65% EBITDA margin on a per-unit basis.

This demonstrates that the path to profitability improvement is primarily through occupancy growth, not pricing increases. The operating model generates attractive returns even at moderate occupancy levels and becomes highly profitable as utilization scales.

7. Breakeven Analysis

Guest-Level Breakeven

At the per-guest level, every guest is profitable from the first booking. Direct costs of \$4,629 are well below the \$26,600 revenue per guest, meaning each guest contributes \$21,971 to fixed cost coverage and profit.

Facility-Level Breakeven

The facility-level breakeven considers total operating costs (direct costs plus fixed operating expenses). Using Year 1 figures:

COMPONENT	AMOUNT
Annual Fixed Operating Expenses	\$3,015,000
Contribution Margin Per Guest	\$21,971
Breakeven Guest Volume	138 guests/year
Breakeven Occupancy	~17%

Breakeven Sensitivity

COST SCENARIO	FIXED COSTS	BREAKEVEN GUESTS	BREAKEVEN OCCUPANCY
Lean Operations	\$2,500,000	114	~14%
Base Case (Y1)	\$3,015,000	138	~17%

Expanded Team	\$3,500,000	160	~19%
Full Overhead	\$4,000,000	182	~22%

Breakeven Commentary

The facility-level breakeven at approximately 138 guests per year (17% occupancy) represents an extraordinarily wide safety margin relative to projected operating occupancy of 60-80%. This means the facility needs fewer than 3 guests per week to cover all operating costs -- providing substantial downside protection against slower-than-expected ramp, seasonal fluctuations, or temporary demand disruptions.

At the projected Year 1 volume of 494 guests, the facility operates at 3.6x its breakeven point. This cushion provides confidence that the operation can weather significant demand variability while remaining profitable.

8. Scalability & Margin Expansion

Revenue Scalability

The unit economics model supports significant revenue scalability through multiple levers:

Occupancy Growth -- Moving from 60% to 80% occupancy increases annual revenue by \$4.4M with minimal incremental fixed cost, as the facility infrastructure and core staffing are already in place. This is the primary near-term growth lever.

Program Mix Shift -- As brand reputation strengthens and return guests seek deeper experiences, the program mix is expected to shift toward longer-duration programs. A 5-point shift from 7-day to 14-day programs would increase weighted average revenue per guest by approximately \$2,100 (8%).

Bio-optimization Add-ons -- Add-on services represent the largest unmodeled revenue opportunity. At a conservative 15% attach rate with \$3,000 average add-on spend, this would add approximately \$450 per guest to the weighted average -- or \$296K in annual revenue at 659 guests.

Price Escalation -- The base model assumes flat \$2,000/day pricing over five years. Even modest annual price increases of 3-5% would compound to \$2,319-\$2,432/day by Year 5, adding \$2.1M-\$2.8M in incremental annual revenue at stabilized occupancy.

Cost Scalability

Direct Costs -- Direct costs scale linearly with guest volume at approximately \$4,629 per guest. While individual cost components may experience inflation (medical supplies, food costs), the overall cost per guest is expected to grow at 3-4% annually, below revenue growth rates.

Fixed Costs -- Fixed operating expenses grow at approximately 4% annually regardless of guest volume, providing significant operating leverage. The key fixed cost components are:

FIXED COST CATEGORY	YEAR 1	GROWTH RATE	NATURE
Management & Admin	\$1,200,000	4%	Salaries, benefits, professional services
Facilities & Maintenance	\$600,000	4%	Property upkeep, utilities, groundskeeping
Insurance	\$450,000	5%	Medical malpractice, general liability, property
Marketing & Sales	\$500,000	3%	Digital marketing, referral programs, PR
General & Administrative	\$265,000	4%	Legal, accounting, compliance, office
Total Fixed OpEx	\$3,015,000	~4%	

Margin Expansion Trajectory

METRIC	YEAR 1 (60% OCC)	YEAR 3 (80% OCC)	POTENTIAL (80% + ADD-ONS)
Revenue/Guest	\$26,600	\$26,600	\$29,600+
Direct Cost/Guest	\$4,629	\$4,629	\$5,100
Gross Margin	83%	83%	83%
Fixed Cost/Guest	\$6,103	\$4,575	\$4,575
EBITDA Margin	60%	63%	65%+

Long-Term Unit Economics Potential

At full operational maturity with bio-optimization add-ons, a favorable program mix shift, and modest pricing power, the unit economics profile strengthens further:

MATURE STATE METRIC	CURRENT MODEL	POTENTIAL
Revenue Per Guest	\$26,600	\$32,000-\$35,000
Direct Cost Per Guest	\$4,629	\$5,200-\$5,500
Gross Profit Per Guest	\$21,971	\$26,800-\$29,500
Gross Margin	83%	84-85%
EBITDA Per Guest	\$15,868	\$22,000-\$25,000

These potential improvements are not included in the financial projections (Document 06) and represent upside that could materially enhance investor returns if realized.

Cross-References

DOCUMENT	RELATIONSHIP
Doc 06: Financial Projections	Uses this unit economics model as the foundation for 5-year P&L
Doc 08: Sensitivity Analysis	Tests unit economics assumptions under stress scenarios
Doc 09: Capitalization Table	Details equity structure for returns generated by these economics

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