

Core State Holdings (CSH) USA

2019-20 Financial Forecast and Forecast Valuation

4/28/2019 10:21

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Budget May 1, 2019/April 31, 2020 Summary

(USD\$ in \$, unless specified)

Calendar 2019-20

| | May | June | July | August | September | October | November | December | January | February | March | April | 2019-20 |
|--------------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|------------------|
| Revenue | | | | | | | | | | | | | |
| Advertising Sales | 2,500 | 5,000 | 12,000 | 24,000 | 50,000 | 60,000 | 84,000 | 96,000 | 135,000 | 150,000 | 165,000 | 180,000 | 963,500 |
| Monthly Memberships | 1,350 | 4,499 | 9,448 | 16,196 | 25,194 | 36,442 | 49,939 | 65,685 | 83,681 | 101,677 | 121,923 | 142,168 | 658,204 |
| Sponsored Articles | 500 | 2,500 | 5,000 | 7,500 | 7,500 | 10,000 | 12,500 | 12,500 | 21,250 | 25,500 | 25,500 | 25,500 | 155,750 |
| Total Transaction Fee Collected | 250 | 2,500 | 7,500 | 12,500 | 17,500 | 25,000 | 37,500 | 50,000 | 37,500 | 50,000 | 62,500 | 75,000 | 377,750 |
| PTPWallet Gems Sales | 344 | 574 | 1,148 | 1,722 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 26,748 |
| Merchant API Transaction Fee Collect | 25 | 70 | 250 | 800 | 2,000 | 7,800 | 12,800 | 19,000 | 26,400 | 30,000 | 42,000 | 55,800 | 196,945 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 4,969 | 15,143 | 35,346 | 62,718 | 105,064 | 142,112 | 199,609 | 246,055 | 306,701 | 360,047 | 419,793 | 481,338 | 2,378,897 |
| COGS | | | | | | | | | | | | | |
| Network Cost | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,575 | 2,575 | 2,575 | 2,575 | 26,900 |
| Marketing Cost | 42,125 | 52,286 | 62,114 | 60,395 | 61,731 | 64,306 | 108,963 | 114,219 | 134,445 | 156,117 | 181,028 | 198,568 | 1,236,297 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SG&A_Labour Expenses | | | | | | | | | | | | | |
| Sales/Marketing Expense | 8,649 | 10,814 | 14,002 | 19,926 | 30,411 | 36,964 | 47,363 | 55,796 | 71,821 | 68,079 | 74,353 | 82,717 | 520,896 |
| Office and Development Department | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| Executive G&A | 63,647 | 6,014 | 8,035 | 11,272 | 15,506 | 12,106 | 14,980 | 18,303 | 21,335 | 24,002 | 26,990 | 30,067 | 252,257 |
| Security and Monitoring Department | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| Labour Expense | 21,000 | 31,500 | 36,500 | 47,000 | 51,000 | 63,000 | 58,500 | 58,500 | 62,000 | 63,500 | 63,500 | 71,500 | 627,500 |
| Total | 145,496 | 110,689 | 130,725 | 148,668 | 168,723 | 186,451 | 239,882 | 256,893 | 300,177 | 322,273 | 356,445 | 393,428 | 2,759,850 |
| Operating Margin | (140,527) | (95,546) | (95,380) | (85,950) | (63,659) | (44,339) | (40,273) | (10,838) | 6,524 | 37,774 | 63,348 | 87,911 | 380,953 |
| <i>Operating Margin</i> | -2828.0% | -631.0% | -269.8% | -137.0% | -60.6% | -31.2% | -20.2% | -4.4% | 2.1% | 10.5% | 15.1% | 18.3% | -16.0% |
| S,G & A | 77 | 22 | 27 | 36 | 51 | 54 | 67 | 79 | 98 | 97 | 106 | 118 | 833 |
| EBITDA | (140,604) | (95,568) | (95,407) | (85,986) | (63,710) | (44,393) | (40,340) | (10,917) | 6,426 | 37,677 | 63,241 | 87,793 | (381,786) |
| <i>EBITDA Margin</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | 2% | 10% | 15% | 18% | <i>nm</i> |

Budget 2019-20 - Year-over-Year (YOY) Comparison

(USD\$ in \$, unless specified)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Advertising Sales | - | 963,500 | 1,300,725 | 1,690,943 | 2,113,678 | 2,536,414 | 2,916,876 |
| Monthly Memberships | - | 658,204 | 1,184,767 | 1,658,673 | 2,239,209 | 2,575,090 | 2,961,354 |
| Sponsored Articles | - | 155,750 | 163,538 | 171,714 | 180,300 | 189,315 | 198,781 |
| Total Transaction Fee Collected | - | 377,750 | 944,375 | 1,699,875 | 2,549,813 | 3,442,247 | 4,130,696 |
| PTPWallet Gems Sales | - | 26,748 | 30,761 | 35,375 | 40,681 | 46,783 | 53,801 |
| Merchant API Transaction Fee Collected | - | 196,945 | 256,029 | 345,638 | 483,894 | 725,841 | 1,052,469 |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total Revenue | - | 2,378,897 | 3,880,193 | 5,602,218 | 7,607,575 | 9,515,690 | 11,313,977 |
| Percentage Increase | nm | #DIV/0! | 63% | 44% | 36% | 25% | 19% |
| Total COGS | - | 1,263,197 | 1,326,357 | 1,458,993 | 1,604,892 | 1,765,381 | 1,941,919 |
| Operating Margin | - | 1,115,700 | 2,553,836 | 4,143,226 | 6,002,682 | 7,750,309 | 9,372,057 |
| Margin Percentage | #DIV/0! | 47% | 66% | 74% | 79% | 81% | 83% |
| SG&A | | | | | | | |
| Sales/Marketing Expense | - | 520,896 | 703,210 | 879,012 | 1,098,765 | 1,318,518 | 1,516,296 |
| Executive G&A | - | 252,257 | 378,385 | 567,578 | 709,473 | 886,841 | 975,525 |
| Office/Development Department | - | 60,000 | 72,000 | 108,000 | 151,200 | 181,440 | 199,584 |
| Labor Expense | - | 627,500 | 784,375 | 980,469 | 1,176,563 | 1,411,875 | 1,694,250 |
| | - | - | - | - | - | - | - |
| Total SG&A | - | 1,460,653 | 1,937,970 | 2,535,059 | 3,136,000 | 3,798,674 | 4,385,655 |
| EBITDA | - | (344,953) | 615,866 | 1,608,167 | 2,866,682 | 3,951,635 | 4,986,402 |

Budget 2019-20 - Profit & Loss Statement

(USD\$ in \$, unless specified)

| | May | June | July | August | September | October | November | December | January | February | March | April | 2019-20 |
|------------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|------------------|
| Revenues by Segment | | | | | | | | | | | | | |
| CSH Product and Services | 4,969 | 15,143 | 35,346 | 62,718 | 105,064 | 142,112 | 199,609 | 246,055 | 306,701 | 360,047 | 419,793 | 481,338 | 2,378,897 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 4,969 | 15,143 | 35,346 | 62,718 | 105,064 | 142,112 | 199,609 | 246,055 | 306,701 | 360,047 | 419,793 | 481,338 | 2,378,897 |
| COGS | | | | | | | | | | | | | |
| Network Cost | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 | 2,575 | 2,575 | 2,575 | 2,575 | 26,900 |
| Marketing Cost | 42,125 | 52,286 | 62,114 | 60,395 | 61,731 | 64,306 | 108,963 | 114,219 | 134,445 | 156,117 | 181,028 | 198,568 | 1,236,297 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total COGS | 44,200 | 54,361 | 64,189 | 62,470 | 63,806 | 66,381 | 111,038 | 116,294 | 137,020 | 158,692 | 183,603 | 201,143 | 1,263,197 |
| Operating Margin | (39,231) | (39,218) | (28,843) | 249 | 41,258 | 75,731 | 88,571 | 129,761 | 169,681 | 201,356 | 236,190 | 280,195 | 1,115,700 |
| Operating Margin Percentage | -789.5% | -259.0% | -81.6% | 0.4% | 39.3% | 53.3% | 44.4% | 52.7% | 55.3% | 55.9% | 56.3% | 58.2% | 46.9% |
| SG&A_Labour Expenses | | | | | | | | | | | | | |
| Sales/Marketing Expense | 8,649 | 10,814 | 14,002 | 19,926 | 30,411 | 36,964 | 47,363 | 55,796 | 71,821 | 68,079 | 74,353 | 82,717 | 520,896 |
| Office and Development Department | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| Executive G&A | 63,647 | 6,014 | 8,035 | 11,272 | 15,506 | 12,106 | 14,980 | 18,303 | 21,335 | 24,002 | 26,990 | 30,067 | 252,257 |
| Security and Monitoring Department | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| Labour Expense | 21,000 | 31,500 | 36,500 | 47,000 | 51,000 | 63,000 | 58,500 | 58,500 | 62,000 | 63,500 | 63,500 | 71,500 | 627,500 |
| Total SG&A | 101,296 | 56,328 | 66,536 | 86,198 | 104,917 | 120,070 | 128,844 | 140,599 | 163,156 | 163,581 | 172,843 | 192,284 | 1,496,653 |
| EBITDA | (140,527) | (95,546) | (95,380) | (85,950) | (63,659) | (44,339) | (40,273) | (10,838) | 6,524 | 37,774 | 63,348 | 87,911 | (380,953) |
| Interest Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Income | (140,527) | (95,546) | (95,380) | (85,950) | (63,659) | (44,339) | (40,273) | (10,838) | 6,524 | 37,774 | 63,348 | 87,911 | (380,953) |

Budget 2019-2020 Cash Flow Statement

(USD\$ in \$, unless specified)

| | May | June | July | August | September | October | November | December | January | February | March | April |
|--|----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|---------------|---------------|---------------|
| Cash Flow from Operations | | | | | | | | | | | | |
| Net Income | (140,527) | (95,546) | (95,380) | (85,950) | (63,659) | (44,339) | (40,273) | (10,838) | 6,524 | 37,774 | 63,348 | 87,911 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Flow from Operations | (140,527) | (95,546) | (95,380) | (85,950) | (63,659) | (44,339) | (40,273) | (10,838) | 6,524 | 37,774 | 63,348 | 87,911 |
| Cash Flow from Investing | | | | | | | | | | | | |
| Capital Expenditures | 924,600 | (401,022) | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Flow from Investing | 924,600 | (401,022) | - | - | - | - | - | - | - | - | - | - |
| Cash Flow from Financing | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Flow from Financing | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Flow | 784,073 | (496,568) | (95,380) | (85,950) | (63,659) | (44,339) | (40,273) | (10,838) | 6,524 | 37,774 | 63,348 | 87,911 |
| Cash at Beginning of Period | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash at End of Period | 784,073 | (496,568) | (95,380) | (85,950) | (63,659) | (44,339) | (40,273) | (10,838) | 6,524 | 37,774 | 63,348 | 87,911 |

2019-2020 Budget - Revenue Buildup

(USD\$ in \$, unless specified)

| | May | June | July | August | September | October | November | December | January | February | March | April | 2019-20 | | |
|---|---|-----------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|---------|
| CannaSOS/PTPWallet Products | | | | | | | | | | | | | | | |
| Sales Volume in Units | | | | | | | | | | | | | Volume | | |
| Sales Volume in Units | Advertising Sales Volume | 5 | 10 | 15 | 30 | 50 | 60 | 70 | 80 | 90 | 100 | 110 | 120 | 740 | |
| | Monthly Membership for Businesses | 15 | 35 | 55 | 75 | 100 | 125 | 150 | 175 | 200 | 200 | 225 | 225 | 1,580 | |
| | Sponsored Articles | 1 | 5 | 10 | 15 | 15 | 20 | 25 | 25 | 25 | 30 | 30 | 30 | 231 | |
| | PTPWallet Transaction Volume | 1000 | 10000 | 30000 | 50000 | 70000 | 100000 | 150000 | 200000 | 150000 | 200000 | 250000 | 300000 | | |
| | PTPWallet Gems Sales Volume | 300 | 500 | 1,000 | 1,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 23,300 | |
| | Merchant API Accounts | 10 | 20 | 50 | 80 | 100 | 130 | 160 | 190 | 220 | 250 | 280 | 310 | 1,800 | |
| | Merchant API Transaction Volume per Store | 20 | 20 | 20 | 20 | 20 | 40 | 40 | 40 | 60 | 60 | 60 | 60 | | |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Unit Pricing | | | | | | | | | | | | | | | |
| Unit Pricing | Advertising Price | \$ Average Cost | 500.00 | 500.00 | 800.00 | 800.00 | 1,000.00 | 1,200.00 | 1,200.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | | |
| | Monthly Memberships | \$ Average Cost | 89.98 | 89.98 | 89.98 | 89.98 | 89.98 | 89.98 | 89.98 | 89.98 | 89.98 | 89.98 | 89.98 | | |
| | Sponsored Articles | \$ Average Cost | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 850.00 | 850.00 | 850.00 | 850.00 | | |
| | Transaction Fee in Wallet | % | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | | |
| | Withdraw Transaction Fee | % | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | | |
| | Average Usage per User/month | | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | | |
| | PTPWallet Gem | \$ | 1.64 | 1.64 | 1.64 | 1.64 | 1.64 | 1.64 | 1.64 | 1.64 | 1.64 | 1.64 | 1.64 | | |
| | Merchant API fee | % | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | | |
| Merchant Average Purchasing | \$ | 25.00 | 35.00 | 50.00 | 100.00 | 200.00 | 300.00 | 400.00 | 500.00 | 400.00 | 400.00 | 500.00 | 600.00 | | |
| Sales | | | | | | | | | | | | | Sales | | |
| Sales | Advertising Sales | | 2,500 | 5,000 | 12,000 | 24,000 | 50,000 | 60,000 | 84,000 | 96,000 | 135,000 | 150,000 | 165,000 | 180,000 | 963,500 |
| | Monthly Memberships | | 1,350 | 4,499 | 9,448 | 16,196 | 25,194 | 36,442 | 49,939 | 65,685 | 83,681 | 101,677 | 121,923 | 142,168 | 658,204 |
| | Sponsored Articles | | 500 | 2,500 | 5,000 | 7,500 | 7,500 | 10,000 | 12,500 | 12,500 | 21,250 | 25,500 | 25,500 | 25,500 | 155,750 |
| | Total Transaction Fee Collected | | 250 | 2,500 | 7,500 | 12,500 | 17,500 | 25,000 | 37,500 | 50,000 | 37,500 | 50,000 | 62,500 | 75,000 | 377,750 |
| | PTPWallet Gems Sales | | 344 | 574 | 1,148 | 1,722 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 26,748 |
| | Merchant API Transaction Fee Collected | | 25 | 70 | 250 | 800 | 2,000 | 7,800 | 12,800 | 19,000 | 26,400 | 30,000 | 42,000 | 55,800 | 196,945 |
| | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Core State Holdings Revenues | | 4,969 | 15,143 | 35,346 | 62,718 | 105,064 | 142,112 | 199,609 | 246,055 | 306,701 | 360,047 | 419,793 | 481,338 | 2,378,897 | |
| Other Revenue | | | | | | | | | | | | | | | |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Other Revenues | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Revenue - Grand Total | | 4,969 | 15,143 | 35,346 | 62,718 | 105,064 | 142,112 | 199,609 | 246,055 | 306,701 | 360,047 | 419,793 | 481,338 | 2,378,897 | |

2019-2020 Budget - COGS Buildup

(USD\$ in \$, unless specified)

| | May | June | July | August | September | October | November | December | January | February | March | April | 2019-20 | |
|---------------------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Core State Holdings COGS | | | | | | | | | | | | | | |
| Network Cost | Cloud Network Cost | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,500.0 | 1,500.0 | 1,500.0 | 1,500.0 | 14,000.0 | |
| | License fee for CRM Sales force | 825.0 | 825.0 | 825.0 | 825.0 | 825.0 | 825.0 | 825.0 | 825.0 | 825.0 | 825.0 | 825.0 | 9,900.0 | |
| | License fee for software | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 3,000.0 | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cost | 2,075.0 | 2,075.0 | 2,075.0 | 2,075.0 | 2,075.0 | 2,075.0 | 2,075.0 | 2,075.0 | 2,575.0 | 2,575.0 | 2,575.0 | 2,575.0 | 26,900.0 | |
| Marketing Cost | Paid Articles | 15,000 | 15,000 | 15,000 | 15,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 100,000 | |
| | Press Release Distribution | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 19,200 | |
| | Local Newspaper Ad | - | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 55,000 | |
| | Social Network Ad (FB, Twitter, LinkedIn) | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | - | - | - | - | 40,000 | |
| | Expo | - | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | - | - | 7,000 | 7,000 | 63,000 | |
| | Newspapers Interview | 4,000 | - | 4,000 | - | 4,000 | - | 4,000 | - | 4,000 | - | 4,000 | - | 24,000 |
| | Stimulation of the client base | 500 | 500 | 500 | 500 | 500 | 500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 12,000 |
| | Paid Advertising Banners (CPC, CPM, CPA) | 10,000 | 10,000 | 10,000 | 8,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 78,000 |
| | Apple Advertising | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| | Printing and Mail Cost | - | - | 1,500 | - | 1,500 | - | - | - | - | - | - | - | 3,000 |
| | License fee for PTPWallet software | 155 | 786 | 2,225 | 3,756 | 5,593 | 8,918 | 18,610 | 25,155 | 23,370 | 29,005 | 37,580 | 46,785 | 201,933 |
| | License fee for CanvaSOS software | 870 | 2,400 | 5,290 | 9,539 | 16,539 | 21,288 | 51,254 | 60,965 | 83,976 | 97,012 | 109,348 | 121,684 | 580,164 |
| | Total Marketing Costs | 42,125 | 52,286 | 62,114 | 60,395 | 61,731 | 64,306 | 108,963 | 114,219 | 134,445 | 156,117 | 181,028 | 198,568 | 1,236,297 |
| COGS - Grand Total | 44,200 | 54,361 | 64,189 | 62,470 | 63,806 | 66,381 | 111,038 | 116,294 | 137,020 | 158,692 | 183,603 | 201,143 | 1,263,197 | |

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2019-2020 Budget - SG&A Build-up

(USD\$ in \$, unless specified)

| | May | June | July | August | September | October | November | December | January | February | March | April | 2019-20 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Executive Package | | | | | | | | | | | | | |
| Sales Management Commission | 497 | 1,514 | 3,535 | 6,272 | 10,506 | 7,106 | 9,980 | 12,303 | 15,335 | 18,002 | 20,990 | 24,067 | 130,107 |
| Travel/Expense | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 30,000 |
| Legal Fees | 30,000 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 46,500 |
| Entertainment | 500 | 500 | 500 | 1,000 | 1,000 | 1,000 | 1,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 15,500 |
| Escrow Service | 30,150 | - | - | - | - | - | - | - | - | - | - | - | 30,150 |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Executive | 63,647 | 6,014 | 8,035 | 11,272 | 15,506 | 12,106 | 14,980 | 18,303 | 21,335 | 24,002 | 26,990 | 30,067 | 252,257 |
| Sales & Marketing | | | | | | | | | | | | | |
| Sales Commission Cost | 1,149 | 3,314 | 7,502 | 13,426 | 22,911 | 29,464 | 40,863 | 49,296 | 63,321 | 59,579 | 67,853 | 76,217 | 434,896 |
| SEO Specialist | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| Designer | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 18,000 |
| Video Creator | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| Translated Services | 1,000 | 1,000 | - | - | 1,000 | 1,000 | - | - | 2,000 | 2,000 | - | - | 8,000 |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Sales & Marketing | 8,649 | 10,814 | 14,002 | 19,926 | 30,411 | 36,964 | 47,363 | 55,796 | 71,821 | 68,079 | 74,353 | 82,717 | 520,896 |
| Security and Monitoring Department | | | | | | | | | | | | | |
| Monitoring Cost | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| Security Cost | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Office | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| Total SG&A | 77,296 | 21,828 | 27,036 | 36,198 | 50,917 | 54,070 | 67,344 | 79,099 | 98,156 | 97,081 | 106,343 | 117,784 | 833,153 |

2019-20 Budget - Labor Build-up

(USD\$ in \$, unless specified)

| | May | June | July | August | September | October | November | December | January | February | March | April | 2019-20 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Executive Payroll | | | | | | | | | | | | | |
| President | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 84,000 |
| CFO | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 7,000 | 7,000 | 7,000 | 7,000 | 68,000 |
| VP of Business Development | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 44,000 |
| VP of Sales | - | - | - | 4,000 | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 36,000 |
| VP of Marketing | - | - | - | - | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 28,000 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Executive Payroll | 11,000 | 15,000 | 15,000 | 19,000 | 19,000 | 23,000 | 25,000 | 25,000 | 27,000 | 27,000 | 27,000 | 27,000 | 260,000 |
| Sales Payroll | | | | | | | | | | | | | |
| Sales Mgr. East Cost USA | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 39,000 |
| Sales Mgr. West Cost USA | - | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 4,000 | 4,000 | 4,000 | 4,000 | 33,500 |
| Sales Mgr. Central Cost USA | - | - | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 4,000 | 4,000 | 4,000 | 29,500 |
| Sales Agent | - | - | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 25,000 |
| Sales Agent | - | - | - | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 22,500 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Sales Payroll | 2,500 | 5,000 | 10,000 | 12,500 | 12,500 | 12,500 | 14,000 | 14,000 | 15,500 | 17,000 | 17,000 | 17,000 | 149,500 |
| Marketing Department | | | | | | | | | | | | | |
| Marketing Mgr. East Cost USA | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 48,000 |
| Marketing Mgr. West Cost USA | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 44,000 |
| Marketing Mgr. Central Cost USA | - | - | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 36,000 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Marketing Department | 4,000 | 8,000 | 8,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 128,000 |
| Developing Department | | | | | | | | | | | | | |
| UI/UX Specialist for USA Market | - | - | - | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 32,000 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Development Department by Cash | - | - | - | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 32,000 |
| Administration Payroll | | | | | | | | | | | | | |
| Accounting | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 42,000 |
| Audit | - | - | - | - | - | 8,000 | - | - | - | - | - | 8,000 | 16,000 |
| Total Administrator Payroll | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 11,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 11,500 | 58,000 |
| Subtotal Costs | 21,000 | 31,500 | 36,500 | 47,000 | 51,000 | 63,000 | 58,500 | 58,500 | 62,000 | 63,500 | 63,500 | 71,500 | 627,500 |
| Total Costs | 21,000 | 31,500 | 36,500 | 47,000 | 51,000 | 63,000 | 58,500 | 58,500 | 62,000 | 63,500 | 63,500 | 71,500 | 627,500 |

2019-2020 Budget - Equity & Debt

(USD\$ in \$, unless specified)

| | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2020 | 2020 | 2020 | 2020 | 2019-20 |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | May | June | July | August | September | October | November | December | January | February | March | April | | |
| Crowdfunding | 1,005,000 | - | - | - | - | - | - | - | - | - | - | - | - | 1,005,000 |
| Offering Expenses (FP Fees) | (80,400) | - | - | - | - | - | - | - | - | - | - | - | - | (80,400) |
| Expenses for IPO Company, Marketing, Capital Reserve | - | (401,022) | - | - | - | - | - | - | - | - | - | - | - | (401,022) |
| Equity Raise | 924,600 | 401,022 | - | - | - | - | - | - | - | - | - | - | - | 523,578 |
| Negative Net Income | - 140,527 | - 95,546 | - 95,380 | - 85,950 | - 63,659 | - 44,339 | - 40,273 | - 10,838 | 6,524 | 37,774 | 63,348 | 87,911 | | |
| Total Negative Net Income | - 140,527 | - 95,546 | - 95,380 | - 85,950 | - 63,659 | - 44,339 | - 40,273 | - 10,838 | - | - | - | - | - | 576,511 |
| Positive Net Income | - | - | - | - | - | - | - | - | 6,524 | 37,774 | 63,348 | 87,911 | - | 195,557 |
| Debit | 784,073 | 496,568 | 95,380 | 85,950 | 63,659 | 44,339 | 40,273 | 10,838 | 6,524 | 37,774 | 63,348 | 87,911 | - | 142,625 |
| Purchasing Shares Class B | | | | | | | | | | | | | | |
| Capital Stock Shares Class B (Qty) New Investor | 150,000 | - | - | - | - | - | - | - | - | - | - | - | - | 150,000 |
| Capital Cost per Share Class B | \$ 6.70 | \$ 6.70 | \$ 6.70 | \$ 6.70 | \$ 6.70 | \$ 6.70 | \$ 6.70 | \$ 6.70 | \$ 7.71 | \$ 8.48 | \$ 9.32 | \$ 10.26 | | |
| Capital Stock Shares Class B (Qty) Old Investor | 150,000 | - | - | - | - | - | - | - | - | - | - | - | - | 150,000 |
| Total Capital Stock of Shares Class B | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | |
| ROI | | | | | | | | | | | | | | |
| Interest (cash pay) dividend | - | - | - | - | - | - | - | - | 1,957 | 11,332 | 19,004 | 26,373 | | |
| Dividend per Share | | | | | | | | | 0.01 | 0.04 | 0.06 | 0.09 | | |

| | |
|-----------------|-------|
| From Net Income | Rate |
| Dividend Rate | 30.0% |

Table of Contents: 2019-2020 Investment Core State Holdings

2019-2020 Investment Analysis Page 11

Total Shares: 300000 Preferred Shares Class B
Purchase Price per Share: \$ 6.70
Total Equity Amount: \$ 2,010,000.00

| ROI | 2019-20 | | | | | | | | | | | | Total |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | May | June | July | August | September | October | November | December | January | February | March | April | |
| Dividend payout | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,957.35 | \$ 11,332.34 | \$ 19,004.30 | \$ 26,373.26 | \$ 58,667.24 |
| Cost of Equity | \$ 2,010,000.00 | \$ 2,010,000.00 | \$ 2,010,000.00 | \$ 2,010,000.00 | \$ 2,010,000.00 | \$ 2,010,000.00 | \$ 2,010,000.00 | \$ 2,010,000.00 | \$ 2,311,500.00 | \$ 2,542,650.00 | \$ 2,796,915.00 | \$ 3,076,606.50 | \$ 3,076,606.50 |
| Total ROI for 2019-2020 | | | | | | | | | | | | | \$ 3,135,273.74 |

| ROI by Years | 2019/2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|-------------------------------|-----------|--------------|--------------|--------------|--------------|--------------|------------------|
| Total Revenue | 2,378,897 | 3,880,193 | 5,602,218 | 7,607,575 | 9,515,690 | 11,313,977 | |
| Total COGS | 1,263,197 | 1,326,357 | 1,458,993 | 1,604,892 | 1,765,381 | 1,941,919 | |
| Sales/Marketing Expense | 520,896 | 703,210 | 879,012 | 1,098,765 | 1,318,518 | 1,516,296 | |
| Executive G&A | 252,257 | 378,385 | 567,578 | 709,473 | 886,841 | 975,525 | |
| Office/Development Department | 60,000 | 72,000 | 108,000 | 151,200 | 181,440 | 199,584 | |
| Labour Expense | 627,500 | 784,375 | 980,469 | 1,176,563 | 1,411,875 | 1,694,250 | |
| Net Profit - | 344,953 | 615,866 | 1,608,167 | 2,866,682 | 3,951,635 | 4,986,402 | |
| Dividends payout | 58,667 | 184,759.83 | 482,449.99 | 860,004.64 | 1,185,490.40 | 1,495,920.69 | \$ 4,267,292.80 |
| Cost of Equity | 3,076,607 | 3,691,927.80 | 4,430,313.36 | 5,316,376.03 | 6,379,651.24 | 7,655,581.49 | |
| Total ROI for 2019-25 | | | | | | | \$ 11,922,874.28 |

Table of Contents: 2019-25 Financial Forecast Valuation

2019-25 Valuation Analysis

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Total Shares:

300000 Preferred Shares Class B

2019-25 Valuation Analysis

| Valuation by Years | 2019/2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Market Capitalization of Equity | 3,076,607 | 3,691,928 | 4,430,313 | 5,316,376 | 6,379,651 | 7,655,581 |
| Income Approach | 1,585,882 | 2,712,705 | 4,023,866 | 4,345,775 | 4,693,437 | 5,068,912 |
| Reproduction Cost | 7,500,000 | 7,875,000 | 8,268,750 | 8,682,188 | 9,116,297 | 9,572,112 |
| Average Equity Valuation Price | 4,054,163 | 4,759,878 | 5,574,310 | 6,114,780 | 6,729,795 | 7,432,202 |

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