



ChampTrax Technologies, Inc.

Positioned for Excellence

Business plan
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Executive Summary

Opportunity

Problem

Big data has rapidly become an integral part of the sports industry, within which player trackers are increasingly being utilized by leagues, teams, and players. Used by professional athletes and college stars on a daily basis, these data platforms give vast rewards to the teams that employ and learn from them. However, this beneficial new technology comes at a steep price and is far too expensive for many segments of the sports market to utilize.

Solution

Utilizing new technology, we are able to bring player tracking to serious and competitive athletes at a significantly lower price while improving on previous data platforms. Our system relies on time of arrival rather than angle of arrival. This and similar changes to production have helped cut costs by as much as 94% from our competitors. This opens our platform to a segment of the market that has been previously left out.

Market

Big data is reshaping decision making and redefining training programs for athletes. Due to these huge technological breakthroughs, the sports analytics market is growing quickly and is expected to continue to do so. Analysts expect the market to grow by 40% CAGR through 2022 to a market size of \$3.97 billion.

Despite these gains, the youth and college markets have largely been left untouched. The \$15.3 billion youth sports market is growing quickly and has doubled in size over the last 10 years (Statista). Combined with another \$8 billion in the college market, this segment presents significant opportunity.

Competition

The market is relatively consolidated but primarily due to recent acquisitions by larger companies like IBM. With that said, the market is rapidly fragmenting as new competitors are looking to professional sports for huge profits. With the professional

market crowded, the amateur market is next to see large gains. Several small companies have recently entered the market without gaining any significant market share.

Why Us?

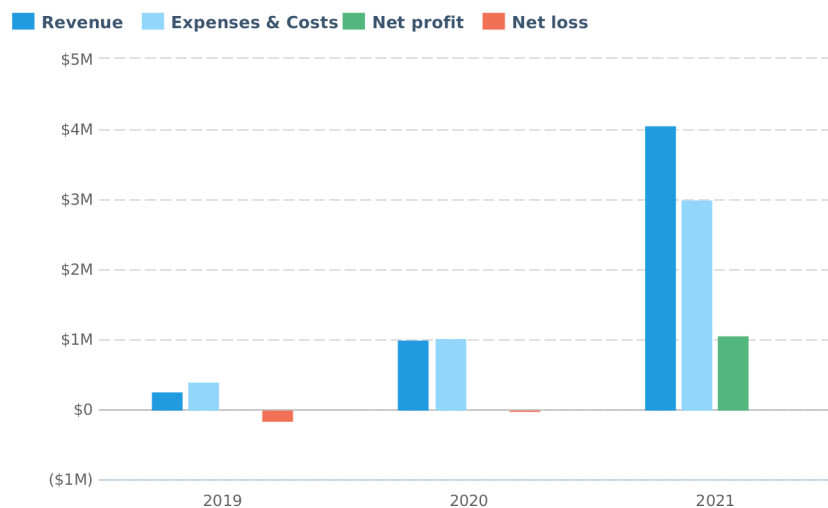
Working with experienced sports analytics professionals, we've redesigned a platform that offers superior insight to our competitors. Along with this, we've redesigned our instruments to bring costs low enough to offer our products to a wider market and high enough that we can be extremely profitable. This, combined with a growing trend in an unrepresented market, positions us perfectly to take advantage of the current sports data landscape.

Expectations

Forecast

Our forecast is based on 12% monthly growth through our first 3 years. This allows for steady growth while bringing our manufacturing costs lower. After 3 years, we anticipate our Gross Margin to be above 68%. Our forecast assumes a Series A round of financing in the first quarter of 2019.

Financial Highlights by Year



Financing Needed

We are currently selling 100 shares or 10% of our company for \$120,000 in Seed financing.

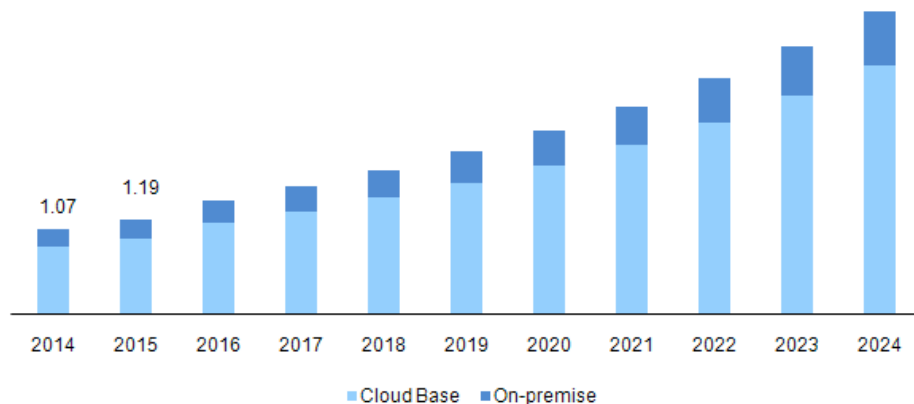
Opportunity

Problem & Solution

Problem Worth Solving

Sports technology is rapidly changing the competitive landscape for elite pro and college athletes. Starting with sports that can benefit most from data like cycling and golf, the market has spread rapidly infiltrating nearly every professional organization. Pro sports is an ideal market with nearly \$90 billion in revenue (Dataconomy) and huge rewards for winning. It also has the benefit of producing huge amounts of data that can generate actionable results.

These benefits are starting to produce real market gains - the sports technology market is projected to grow to \$10.3 billion by 2024, representing a CAGR of 13.1% annually (HEX Research). The analytics segment is anticipated to grow even quicker - at a rate 40% annually through 2022 to \$3.97 billion in sales (Reuters).



As this market matures, player tracking is becoming the tool of the future allowing coaches, trainers, and data technicians to measure athlete outputs everywhere on the field and in real time. Many industry leaders believe this technology will be used ubiquitously across all sports in the near future.

Far from beneficial for elite athletes only, these technologies have significant value to youth sports and amateur athletes. That said, there's a fundamental problem - this

technology has been extremely expensive, costing as much as \$40,000 to outfit a team. This is well outside of the budget of most youth leagues and colleges.

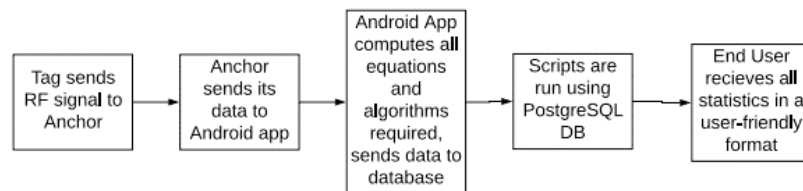
Our Solution and Product

ChampTrax utilizes Radio Frequency and Bluetooth Low Energy chips in order to extract location data from player tags (that are set up on each player) based on their position relative to the position of each of the anchors that are set up around the field. Using time of arrival rather than angle of arrival, as well as other manufacturing benefits, reduces costs and opens the market up to teams of all kinds instead of just pros. This method also ensures more accurate readings giving teams better data for decision makers to make more informed decisions.

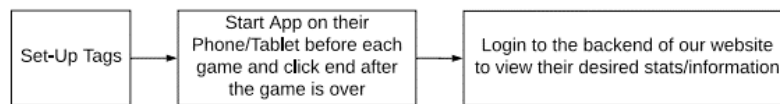
The mesh system has each athlete's jersey tagged with a Bluetooth low energy beacon. Each beacon weighs 4 grams so the system can work without interrupting play. These beacons send distance data to the eight Bluetooth receivers that are placed around the playing surface. These receivers send the distance data to the Android application that takes in these distances and triangulates the exact location of each beacon on the playing surface. This data is recorded and used to calculate statistics including but not limited to acceleration and top speed.

While other similar products exist, current market leaders fall short of ChampTrax in many key areas including accuracy, range, and physical measurements. Given the high price charged by current data providers, 99% of sports teams are excluded from access to data on their players. While location-tracking data has established its presence in major sports already, ChampTrax provides similar insights that, until now, have been limited to the highest-level organizations. Aside from data quality, which will be elaborated on further, a specially designed and digestible user interface was developed that enables clients to extract maximum value from the data Champtrax provides. This experience allows athletes of all backgrounds to benefit from our platform.

Data Flow Chart



End User Flow Chart



Target Market

Market Size and Growth

The youth sports market accounts for 21.5 million athletes in the United States every year with more than 65% of children under 18 playing at least 1 sport prior to adulthood. To put that into relation, the Bureau of Labor and Statistics estimates there are less than 11,800 professional athletes in the country. Youth sports recorded \$15.3 billion in revenue in 2017, up 55% since 2010, making it larger than the NFL. A study by the University of Utah saw some parents spending as much as 10% of their income on their kids' sports with the average parent spending \$2,292 on sports every year.

These numbers are even larger when addressing suburban neighborhoods with higher levels of income. With ever growing competition in youth leagues, parents are paying more and more to ensure their children are working with the best coaches and trainers. Male suburban boys are a growing category within this market - nearly 51% of athletes in this category between the 3rd and 5th grade play 3 sports a year or more.

The NCAA accounts for another 480,000 athletes. Despite giving out \$3 billion in athletic scholarships in 2017, many schools still lack the resources necessary to bring data analytic improvements to their teams. Most D1 schools still can't afford this with budgets spread thin between scholarships, facilities, travel, coaching staff, etc.

Market Segments

ChampTrax player trackers work for a variety of sports, making our products marketable to a wide array of athletes. Given the current pricing market for location tracking data, only the largest and most financially gifted leagues / teams can afford access. However, we have found that the cost of production is far lower than current prices would indicate and we plan to bring this data to the public, with an array of products that will forever change how sports are experienced.

We aim to break into the following market segments -

- Hockey - Amateur hockey in Canada, via partnerships with existing companies that have hundreds of clients already. We will develop a puck with built-in tags that will enable users to view and learn from data in practice sessions, games, etc. at a reasonable price. This will be our first public product offering. Youth hockey participants between the US and Canada total 1.19 million (Statista).
- Basketball - Develop a partnership with AAU basketball to integrate ChampTrax technology for tournaments and high profile games. We will then sell this data to high-level college basketball programs as well as NBA teams that hope to have more information on eventual draft-eligible players. Currently, youth basketball participation totals 7.9 million.
- Baseball - Leverage significant connections within baseball to implement technology for MLB organizations with their Minor League and lower-level affiliates. Currently, a camera-based system is used for MLB level only, but there is value to be had at the minor league level. We will work with Perfect Game to integrate technology at their showcases and tournaments. They currently integrate TrackMan technology for ball-related metrics and have shown a willingness to gain value from cutting-edge technology. Baseball participation is just under 14 million annually.
- Football - Work with teams throughout collegiate and high school football to provide data to coaches and players. Data can also be used and sold to NFL scouts about potential draft picks further validating their skill level. Participation in football is at 1.1 million.

Outside of these sports, our platform can be applied to virtually any physical activity. We will continue to move into new segments as needed.

Competition

Current alternatives

The major players in the sports analytics market are Stats LLC, Catapult Sports, SportRadar, SAP SE, IBM, SAS Institute Inc., Tableau and Accenture. Despite the fact that sports analytics had risen in popularity, few global technology vendors such as IBM or SAP entered the market in early 2010. Only the core players (such as Stats LLC and Opta Sports who were into sports technologies, data and services) started adding analytics to their portfolio. Our direct competitors are -

- **Shot Tracker** captures stats and analytics virtually and in real-time. The app operates exclusively in the basketball segment with no immediate plans for horizontal expansion. Though the company has big funding, the analytics are primitive and lack any real depth even in the basketball market. The cost for the tracker is \$149 for the individual player version. Outfitting a 15 man roster would come to over \$2,000.
- **Catapult Sports** provides performance technology to over 1500 teams across 35 sports worldwide. They are based in Australia and primarily market to pro teams in a variety of different sports markets. The company has an array of products averaging \$30,000 for 15 devices. Catapult's main market is indoor sports developing the first GPS tracker that could be used indoors.
- **PlayerTek** is a GPS player tracking system that analyses and improves the performance of teams and individual players. Individual packages start at \$235 while team packages start at \$279 per athlete or \$6,975 for a 25 man roster. The company primarily focuses on outdoor sports with an emphasis on rugby and lacrosse.
- **GPSports** is a sports science company that has developed performance monitoring devices, incorporating GPS tracking with heart rate and accelerometer monitoring. Their focus is on physical training but also provide sufficient data on technique. A single vest runs over \$1,000.
- **STATS LLC** is the world's leading provider of GPS player tracking and analysis solutions for elite sports teams and is worn by athletes during practice games and matches to collect intricate data on their performance and physical wellbeing.

The market is concentrated amongst large technology companies as they continue to buy new startups with beneficial technology.

Our advantages

1. Our mechanism framework works to dramatically reduce costs allowing us to charge more affordable rates for our products. This opens up a market previously left untouched.
2. Despite lower costs, the platform is an equal (if not superior) product from a quality and data perspective.
3. Our team of top rate executives have experience and knowledgeable insight into this market. With backgrounds working for large sports analytic firms, we are well versed in the challenges associated with building, maintaining, and growing this type of platform. This experience will allow for streamlined decision making and a superior product.
4. Our user interface, which many leading companies have not dedicated enough resources to, allows us to be a primary option and create value for players/teams/leagues that do not employ full time analysts.

Execution

Marketing & Sales

Marketing Plan

Our strategy is to market to the underserved youth and college sports industry. Our lower prices will assist us in quick market penetration in a community with few options. Working with both leagues and teams, we can tailor our product to meet the needs of bigger consumers ensuring a unique and beneficial experience. As an early dominant player, we will also see significant benefits in word of mouth marketing as the community is closely connected.

In addition to working directly with consumers, we are also developing relationships with data providers to better their platforms. Working with them lowers our costs and brings more of our products to market.

Our marketing strategy primarily focuses on sales and business development. Outside of that, we will also build our brand through a number of other channels often targeted by software companies. These include:

Content Marketing - Businesses around the globe are leveraging content marketing to build their brand, attract visitors to their website and generate leads. A key advantage of content marketing is that it has a compounding return, meaning that just like a smart investment, it increases in value over time. Importantly, content continues to drive leads, whereas other forms of marketing, like pay-per-click (PPC) advertising will only do so for as long as you continue spending. It's for this reason we think of content as an asset that businesses own, whereas online advertising is rented.

Referral Marketing - There's a growing body of research that shows referrals are one of the most effective types of leads. Although referrals are typically low cost and close relatively quickly, there's a referrals mismatch among sales and marketing, with 56% of sales reps calling referrals "very important", yet only one-third of businesses having a program in place.

Sales Plan

We are primarily focused on a B2B sales strategy initially focusing on team sports. Selling to teams lowers our acquisition costs by onboarding large numbers of athletes at

one time. It also has the added advantage of managing fewer accounts and always having a point of contact.

Core Market

Colleges and High Schools - Initially, our plan will focus on segments that are left out of the rest of the industries sales plan. These schools have competitive athletic programs but cannot afford the significant investment of the more expensive equipment. Primarily, we believe these will be private high schools and lower division colleges or lesser known D1 schools.

With affordable pricing and an intuitive platform, our sales team has a distinct advantage in addressing the needs of these programs. Coaches can streamline their decision making and athletes will better themselves through a greater understanding of their performance. Athletes will also move into more competitive programs with an understanding of these sophisticated platforms.

We aim to identify schools with multiple athletic programs that can and will benefit from our technology, greatly reducing the difficulty of referral marketing. This holds especially true with high schools where the majority of sales will be through the Director of Athletics.

Co-Marketing - There are several companies that have expressed interest in using our technology to improve their own offerings.

- Coplays is an app allowing coaches to map out plays and exercises streamlining practices. They have expressed an interest in using our platform to extend their own offering. Currently they have 1597 teams that use their service with more than 32,000 plays and exercises created.
- STATSTrack combines the best in hockey knowledge, statistics, and leading technology. They are the first cost-effective analytics software empowering hockey teams at all levels to easily track, and quickly manage and measure game performance in real-time. They would like to partner with us to use our trackers to better their current platform.

Both StatsTrack and CoPlays have tentatively agreed to incorporate our technology into their platform. The deal is contingent on proof of a working model which this funding will allow us to demonstrate.

Tools

Demonstrations and Guides - Our goal is always for our software to have as great of an impact as possible. This starts with informative demonstrations during the sales process and guides to ensure the software is being used correctly. This will not only help us keep our churn rates low, it will also serve as a great sales tool.

Monitoring Customers - Seeing how our customers use our platform will give us valuable insight in both the sales process and future builds. Using products like Kissmetrics, we can create ideal profiles for the average client by seeing which portion of our software is most valuable to them.

Onboarding - To reduce the difficulty of new teams implementing our software, we are working hard to ensure the onboarding process is as streamlined as possible.

Pricing

Our products consist of 3 parts: tags each player wears in order to gauge their activity, anchors that measure them, and software to analyze the data.

Estimated Pricing -

Anchors - Consumer costs are \$50 per unit with most teams needing 8 on the field / court / rink. Our own manufacturing costs are approximately \$25 per unit.

Tags - Consumer costs are \$50 per tag with each player needing 1. On average, we plan to sell 25 units to each team as that is the typical roster. Our own manufacturing costs are approximately \$25 per unit.

Software - Customer costs are \$1,000 annually to use our analytics software for in-depth analysis. This charge is billed annually and on a recurring basis and can be canceled at anytime. Our own costs are estimated at less than 10% of the price.

Altogether, this puts the initial cost of each team at approximately \$2,650. We envision a long lifetime of our product bringing the cost per player down over a period of time. Over 3 years of use and software fees, the cost per player is \$62 each year (totaling \$186 for 3 years) assuming a 25 man roster.

Operations

ChampTrax is based in Toronto, Canada. Our sales plan includes both the United States and Canada.

Milestones & Metrics

Milestones Table

| Milestone | Due Date | Details |
|----------------------------------|-------------------|--|
| First Shipment from Manufacturer | December 10, 2018 | Our first order is received from the manufacturer. |
| Series A Financing Round | January 15, 2019 | Series A |

Key metrics

Gross Margin - With a hardware aspect to our business, watching our gross margin will be crucial. Keeping the COGS down for the hardware components will be key to long term success. Our anticipated Gross Margin is 68% after 3 years.

LifeTime Value (LTV) and Acquisition Costs - Acquisition costs will be the single largest variable cost. Our software fees will make up the bulk of our revenue, making it easier to track customer LTV. Measuring our LTV against our acquisition costs will help ensure our marketing is effective relative to revenue.

Retention and Churn Rates - As an SaaS company, recurring revenue is our most vital financial figure. Ensuring that our churn rates stay low can mean longer term profitability. We aim to keep our retention rate above 90% over the first three years of product use.

% Attainment - Our largest acquisition costs are associated with our sales staff. Tracking this metric allows us to benchmark sales and determine the efficiency of our team.

Company

Overview

Champtrax is an S corp registered in Canada. Equity is split between the 3 founders of the company. Elias Andersen owns 70%; Jason Rubenstein and Martin Donnell's own 15% each. No outside investment has been made at this point.

The company currently has 1000 outstanding shares of common stock. Each share carries equal voting rights.

Team

Our team currently consists of 3 founders and 3 interns. Each founder plays a role in day-to-day operations with Elias serving as our manager.

Elias Andersen - Founder and CEO

Elias is an engineering professional from Toronto, who has 5 years of experience working with sports innovations. In 2017, Elias travelled to Los Angeles as part of Team Canada ISEF. Out of the 500,000 science fair projects that are made in Canada each year, Elias' project was picked as one of the top seven and selected to go to Los Angeles. While in LA, he won two awards which was the most out of any Team Canada member.

Elias created an electronic baseball umpire that used sound to identify players as they competed and was able to successfully track players in order to make the correct safe or out call 98% of the time.

Elias developed ChampTrax after he realized the void in the market for minor sports teams to view data on their players. He is an avid sports fan and uses that knowledge daily to improve the efforts of the company and the direction the company takes.

Elias will be attending the University of Toronto for Electrical Engineering starting in the fall of 2018 where he hopes to improve his knowledge and build on his vast skill set in the electrical engineering field. Elias uses his knowledge of sports and engineering to improve the company as it moves forward.

Martin Donnells - CTO

Martin is a data analytics professional from Upstate New York. He has 6 years of experience in managing databases and creating interactive data visualizations. He is currently a Senior Website Analyst for a travel technology company.

In 2016, Martin participated in the District Data Labs Incubator program where his team earned first place for building a tool to visualize the similarity between company patents. He was later invited to participate in the District Data Labs Research Lab on Dynamic Graph Visualization, where they evaluated techniques for visualizing time series graph data.

Martin has a passion for sports data that started with the 1998 MLB home run race. More recently, he has focused his free time on creating tools to evaluate athletic performance using measures beyond the traditional stat sheet.

Jason Rubenstein - COO

Jason is an experienced sport industry and data professional. Currently he works for Apple as a data analyst within the Maps division focusing on public transportation data. At this time Jason also serves as the Vice President of Collegiate Baseball Scouting Network, a startup that provides amateur baseball data to MLB teams. He has multiple years experience working for sport-technology leader TrackMan within their baseball analytics department.

Financial Plan

Financing

Use of funds

Funds will be used to develop and manufacturer the hardware needed.

FCC Costs and Design - FCC Approval is necessary to manufacture our products. Additionally, we are working with product engineers to best design our hardware. We are estimating regulatory fees and design costs of \$70,000.

Inventory and Testing - We anticipate costs of \$20,000 for manufacturing purposes and an additional \$10,000 for further testing of our products.

- Ciholas - Ciholas will design and manufacture our hardware. Ciholas is a world leader in the research, development, and implementation of ultra wideband based real time location systems (UWB). Much like GPS has transformed wide area outdoor location, UWB has the potential to radically transform precision local and indoor location applications. We help clients all over the world create viable UWB based products that make them leaders in their markets. Ciholas has an ever-increasing portfolio of UWB algorithms and software available to be licensed in client specific products.

The additional \$20,000 is for discretionary cash flow associated with marketing and sales, etc.

Sources of Funds

ChampTrax is currently raising seed capital of \$120,000 in exchange for 10% stake or 100 shares of common stock. All shares have equal voting rights.

The company's founders are bootstrapping funds exclusively compensated via sweat equity. The company will reinvest all profits of sales in order to grow as efficiently as possible. The founders will take limited salaries following a Series A round of financing.

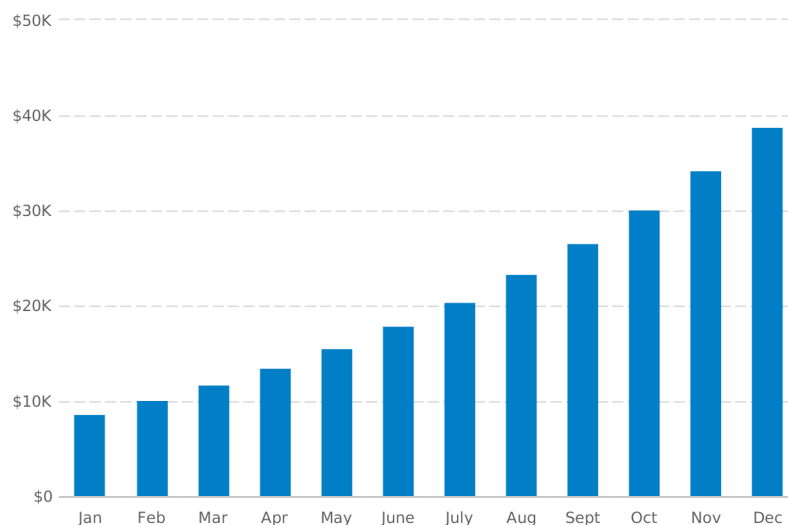
Forecast

Key assumptions

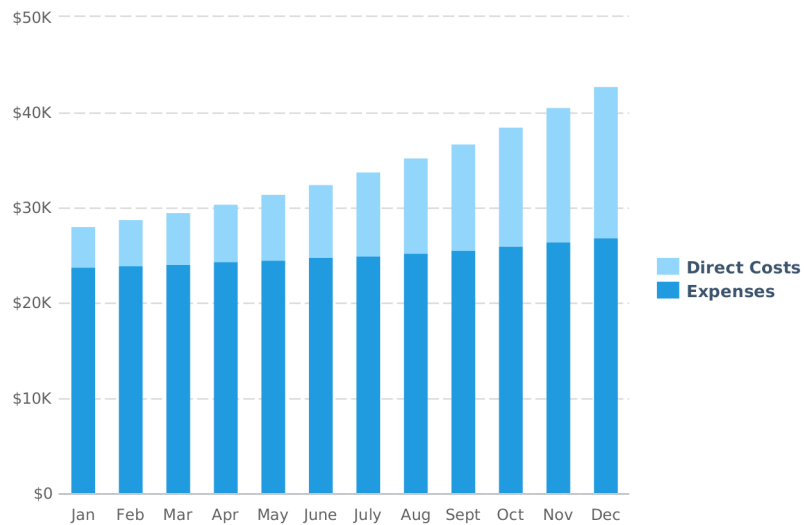
Our financial projections are based on the following assumptions -

1. Our cost of manufacturing tags and anchors start at \$25 / per unit and drop by 10% the following two years
2. The churn rate over this period stays below 10% annually
3. Growth is projected at 12% / month for all 3 years
4. Further financings is obtained in the first quarter of 2019
5. Yearly software fees are paid in full at the beginning of each year.

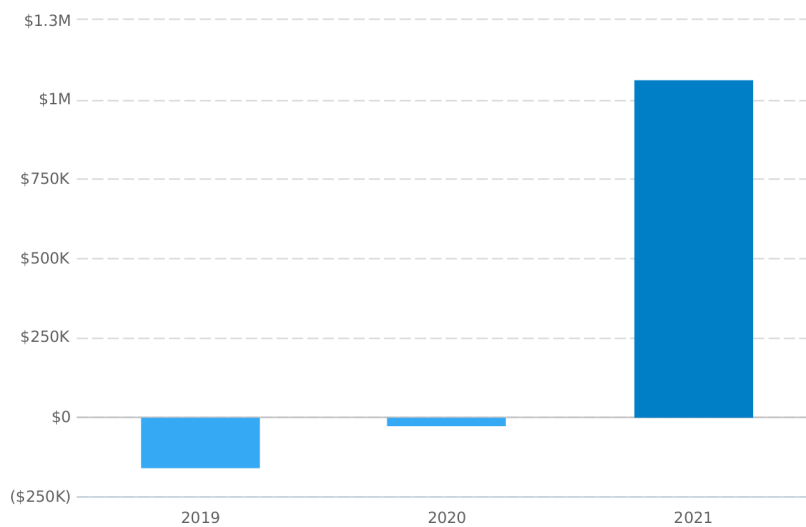
Revenue by Month



Expenses by Month



Net Profit (or Loss) by Year



Statements

Projected Profit and Loss

| | 2019 | 2020 | 2021 |
|---------------------------------|--------------------|--------------------|--------------------|
| Revenue | \$251,394 | \$997,550 | \$4,068,325 |
| Direct Costs | \$107,322 | \$348,773 | \$1,298,289 |
| Gross Margin | \$144,072 | \$648,778 | \$2,770,035 |
| Gross Margin % | 57% | 65% | 68% |
| Operating Expenses | | | |
| Salaries & Wages | \$200,004 | \$400,000 | \$600,000 |
| Employee Related Expenses | \$40,001 | \$80,000 | \$120,000 |
| Marketing / Sales | \$25,139 | \$99,755 | \$406,833 |
| Office Space | \$36,000 | \$96,000 | \$200,000 |
| Total Operating Expenses | \$301,144 | \$675,755 | \$1,326,833 |
| Operating Income | (\$157,072) | (\$26,978) | \$1,443,203 |
| Interest Incurred | | | |
| Depreciation and Amortization | | | |
| Income Taxes | \$0 | \$0 | \$377,746 |
| Total Expenses | \$408,466 | \$1,024,528 | \$3,002,868 |
| Net Profit | (\$157,072) | (\$26,978) | \$1,065,457 |
| Net Profit / Sales | (62%) | (3%) | 26% |

Projected Balance Sheet

| | 2019 | 2020 | 2021 |
|---------------------------------------|-------------------|-------------------|--------------------|
| Cash | \$31,428 | \$181,600 | \$2,113,368 |
| Accounts Receivable | \$0 | \$0 | \$0 |
| Inventory | | | |
| Other Current Assets | | | |
| Total Current Assets | \$31,428 | \$181,600 | \$2,113,368 |
| Long-Term Assets | | | |
| Accumulated Depreciation | | | |
| Total Long-Term Assets | | | |
| Total Assets | \$31,428 | \$181,600 | \$2,113,368 |
| Accounts Payable | \$0 | \$0 | \$0 |
| Income Taxes Payable | \$0 | \$0 | \$141,626 |
| Sales Taxes Payable | | | |
| Short-Term Debt | | | |
| Prepaid Revenue | \$68,500 | \$245,650 | \$970,335 |
| Total Current Liabilities | \$68,500 | \$245,650 | \$1,111,961 |
| Long-Term Debt | | | |
| Total Liabilities | \$68,500 | \$245,650 | \$1,111,961 |
| Paid-In Capital | \$120,000 | \$120,000 | \$120,000 |
| Retained Earnings | | (\$157,072) | (\$184,050) |
| Earnings | (\$157,072) | (\$26,978) | \$1,065,457 |
| Total Owner's Equity | (\$37,072) | (\$64,050) | \$1,001,407 |
| Total Liabilities & Equity | \$31,428 | \$181,600 | \$2,113,368 |

Projected Cash Flow Statement

| | 2019 | 2020 | 2021 |
|---|-------------------|------------------|--------------------|
| Net Cash Flow from Operations | | | |
| Net Profit | (\$157,072) | (\$26,978) | \$1,065,457 |
| Depreciation & Amortization | | | |
| Change in Accounts Receivable | \$0 | \$0 | \$0 |
| Change in Inventory | | | |
| Change in Accounts Payable | \$0 | \$0 | \$0 |
| Change in Income Tax Payable | \$0 | \$0 | \$141,626 |
| Change in Sales Tax Payable | | | |
| Change in Prepaid Revenue | \$68,500 | \$177,150 | \$724,685 |
| Net Cash Flow from Operations | (\$88,572) | \$150,172 | \$1,931,768 |
| Investing & Financing | | | |
| Assets Purchased or Sold | | | |
| Investments Received | \$120,000 | | |
| Change in Long-Term Debt | | | |
| Change in Short-Term Debt | | | |
| Dividends & Distributions | | | |
| Net Cash Flow from Investing & Financing | \$120,000 | | |
| Cash at Beginning of Period | \$0 | \$31,428 | \$181,600 |
| Net Change in Cash | \$31,428 | \$150,172 | \$1,931,768 |
| Cash at End of Period | \$31,428 | \$181,600 | \$2,113,368 |

Appendix

Profit and Loss Statement (With monthly detail)

| 2019 | Jan '19 | Feb '19 | Mar '19 | Apr '19 | May '19 | June '19 | July '19 | Aug '19 | Sept '19 | Oct '19 | Nov '19 | Dec '19 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| Total Revenue | \$8,667 | \$10,156 | \$11,766 | \$13,589 | \$15,612 | \$17,941 | \$20,497 | \$23,388 | \$26,567 | \$30,179 | \$34,278 | \$38,754 |
| Total Direct Costs | \$4,188 | \$4,757 | \$5,387 | \$6,095 | \$6,872 | \$7,775 | \$8,761 | \$9,886 | \$11,125 | \$12,523 | \$14,105 | \$15,848 |
| Gross Margin | \$4,479 | \$5,399 | \$6,378 | \$7,495 | \$8,739 | \$10,166 | \$11,736 | \$13,502 | \$15,442 | \$17,656 | \$20,172 | \$22,906 |
| Gross Margin % | 52% | 53% | 54% | 55% | 56% | 57% | 57% | 58% | 58% | 59% | 59% | 59% |
| Operating Expenses | | | | | | | | | | | | |
| Salaries and Wages | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 | \$16,667 |
| Employee Related Expenses | \$3,333 | \$3,334 | \$3,333 | \$3,334 | \$3,333 | \$3,333 | \$3,334 | \$3,333 | \$3,334 | \$3,333 | \$3,333 | \$3,334 |
| Marketing / Sales | \$867 | \$1,015 | \$1,177 | \$1,359 | \$1,561 | \$1,794 | \$2,050 | \$2,339 | \$2,656 | \$3,018 | \$3,428 | \$3,875 |
| Office Space | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Total Operating Expenses | \$23,867 | \$24,016 | \$24,177 | \$24,359 | \$24,562 | \$24,794 | \$25,051 | \$25,339 | \$25,657 | \$26,018 | \$26,428 | \$26,876 |
| Operating Income | (\$19,388) | (\$18,617) | (\$17,798) | (\$16,865) | (\$15,822) | (\$14,628) | (\$13,314) | (\$11,837) | (\$10,216) | (\$8,362) | (\$6,256) | (\$3,969) |
| Interest Incurred | | | | | | | | | | | | |
| Depreciation and Amortization | | | | | | | | | | | | |
| Income Taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| | | | | | | | | | | | | |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|
| Total Expenses | \$28,055 | \$28,773 | \$29,564 | \$30,454 | \$31,434 | \$32,569 | \$33,812 | \$35,224 | \$36,782 | \$38,542 | \$40,534 | \$42,723 |
| Net Profit | (\$19,388) | (\$18,617) | (\$17,798) | (\$16,865) | (\$15,822) | (\$14,628) | (\$13,314) | (\$11,837) | (\$10,216) | (\$8,362) | (\$6,256) | (\$3,969) |
| Net Profit / Sales | (224%) | (183%) | (151%) | (124%) | (101%) | (82%) | (65%) | (51%) | (38%) | (28%) | (18%) | (10%) |

| | 2019 | 2020 | 2021 |
|---------------------------------|--------------------|--------------------|--------------------|
| Total Revenue | \$251,394 | \$997,550 | \$4,068,325 |
| Total Direct Costs | \$107,322 | \$348,773 | \$1,298,289 |
| Gross Margin | \$144,072 | \$648,778 | \$2,770,035 |
| Gross Margin % | 57% | 65% | 68% |
| Operating Expenses | | | |
| Salaries and Wages | \$200,004 | \$400,000 | \$600,000 |
| Employee Related Expenses | \$40,001 | \$80,000 | \$120,000 |
| Marketing / Sales | \$25,139 | \$99,755 | \$406,833 |
| Office Space | \$36,000 | \$96,000 | \$200,000 |
| Total Operating Expenses | \$301,144 | \$675,755 | \$1,326,833 |
| Operating Income | (\$157,072) | (\$26,978) | \$1,443,203 |
| Interest Incurred | | | |
| Depreciation and Amortization | | | |
| Income Taxes | \$0 | \$0 | \$377,746 |
| Total Expenses | \$408,466 | \$1,024,528 | \$3,002,868 |
| Net Profit | (\$157,072) | (\$26,978) | \$1,065,457 |
| Net Profit / Sales | (62%) | (3%) | 26% |

Balance Sheet (With Monthly Detail)

| 2019 | Jan '19 | Feb '19 | Mar '19 | Apr '19 | May '19 | June '19 | July '19 | Aug '19 | Sept '19 | Oct '19 | Nov '19 | Dec '19 |
|----------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash | \$105,195 | \$91,662 | \$78,447 | \$66,582 | \$56,093 | \$47,048 | \$39,484 | \$33,481 | \$29,099 | \$27,403 | \$28,481 | \$31,428 |
| Accounts Receivable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Inventory | | | | | | | | | | | | |
| Other Current Assets | | | | | | | | | | | | |
| Total Current Assets | \$105,195 | \$91,662 | \$78,447 | \$66,582 | \$56,093 | \$47,048 | \$39,484 | \$33,481 | \$29,099 | \$27,403 | \$28,481 | \$31,428 |
| Long-Term Assets | | | | | | | | | | | | |
| Accumulated Depreciation | | | | | | | | | | | | |
| Total Long-Term Assets | | | | | | | | | | | | |
| Total Assets | \$105,195 | \$91,662 | \$78,447 | \$66,582 | \$56,093 | \$47,048 | \$39,484 | \$33,481 | \$29,099 | \$27,403 | \$28,481 | \$31,428 |
| Accounts Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Income Taxes Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Taxes Payable | | | | | | | | | | | | |
| Short-Term Debt | | | | | | | | | | | | |
| Prepaid Revenue | \$4,583 | \$9,667 | \$14,250 | \$19,250 | \$24,583 | \$30,167 | \$35,917 | \$41,750 | \$47,583 | \$54,250 | \$61,583 | \$68,500 |
| Total Current Liabilities | \$4,583 | \$9,667 | \$14,250 | \$19,250 | \$24,583 | \$30,167 | \$35,917 | \$41,750 | \$47,583 | \$54,250 | \$61,583 | \$68,500 |
| Long-Term Debt | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---------------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Total Liabilities | \$4,583 | \$9,667 | \$14,250 | \$19,250 | \$24,583 | \$30,167 | \$35,917 | \$41,750 | \$47,583 | \$54,250 | \$61,583 | \$68,500 |
| Paid-In Capital | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 |
| Retained Earnings | | | | | | | | | | | | |
| Earnings | (\$19,388) | (\$38,005) | (\$55,803) | (\$72,668) | (\$88,490) | (\$103,118) | (\$116,432) | (\$128,269) | (\$138,485) | (\$146,847) | (\$153,103) | (\$157,072) |
| Total Owner's Equity | \$100,612 | \$81,995 | \$64,197 | \$47,332 | \$31,510 | \$16,882 | \$3,568 | (\$8,269) | (\$18,485) | (\$26,847) | (\$33,103) | (\$37,072) |
| Total Liabilities & Equity | \$105,195 | \$91,662 | \$78,447 | \$66,582 | \$56,093 | \$47,048 | \$39,484 | \$33,481 | \$29,099 | \$27,403 | \$28,481 | \$31,428 |

| | 2019 | 2020 | 2021 |
|----------------------------------|-------------------|-------------------|--------------------|
| Cash | \$31,428 | \$181,600 | \$2,113,368 |
| Accounts Receivable | \$0 | \$0 | \$0 |
| Inventory | | | |
| Other Current Assets | | | |
| Total Current Assets | \$31,428 | \$181,600 | \$2,113,368 |
| Long-Term Assets | | | |
| Accumulated Depreciation | | | |
| Total Long-Term Assets | | | |
| Total Assets | \$31,428 | \$181,600 | \$2,113,368 |
| Accounts Payable | \$0 | \$0 | \$0 |
| Income Taxes Payable | \$0 | \$0 | \$141,626 |
| Sales Taxes Payable | | | |
| Short-Term Debt | | | |
| Prepaid Revenue | \$68,500 | \$245,650 | \$970,335 |
| Total Current Liabilities | \$68,500 | \$245,650 | \$1,111,961 |
| Long-Term Debt | | | |
| Total Liabilities | \$68,500 | \$245,650 | \$1,111,961 |
| Paid-In Capital | \$120,000 | \$120,000 | \$120,000 |
| Retained Earnings | | (\$157,072) | (\$184,050) |
| Earnings | (\$157,072) | (\$26,978) | \$1,065,457 |
| Total Owner's Equity | (\$37,072) | (\$64,050) | \$1,001,407 |

| | | | | | | | | | | | | |
|----------------------------|--|--|--|--|--|----------|--|--|-----------|--|--|-------------|
| Total Liabilities & Equity | | | | | | \$31,428 | | | \$181,600 | | | \$2,113,368 |
|----------------------------|--|--|--|--|--|----------|--|--|-----------|--|--|-------------|

Cash Flow Statement (With Monthly Detail)

| 2019 | Jan '19 | Feb '19 | Mar '19 | Apr '19 | May '19 | June '19 | July '19 | Aug '19 | Sept '19 | Oct '19 | Nov '19 | Dec '19 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Net Cash Flow from Operations | | | | | | | | | | | | |
| Net Profit | (\$19,388) | (\$18,617) | (\$17,798) | (\$16,865) | (\$15,822) | (\$14,628) | (\$13,314) | (\$11,837) | (\$10,216) | (\$8,362) | (\$6,256) | (\$3,969) |
| Depreciation & Amortization | | | | | | | | | | | | |
| Change in Accounts Receivable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Change in Inventory | | | | | | | | | | | | |
| Change in Accounts Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Change in Income Tax Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Change in Sales Tax Payable | | | | | | | | | | | | |
| Change in Prepaid Revenue | \$4,583 | \$5,083 | \$4,583 | \$5,000 | \$5,333 | \$5,583 | \$5,750 | \$5,833 | \$5,833 | \$6,667 | \$7,333 | \$6,917 |
| Net Cash Flow from Operations | (\$14,805) | (\$13,534) | (\$13,215) | (\$11,865) | (\$10,489) | (\$9,045) | (\$7,564) | (\$6,004) | (\$4,382) | (\$1,695) | \$1,078 | \$2,947 |
| Investing & Financing | | | | | | | | | | | | |
| Assets Purchased or Sold | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Investments Received | \$120,000 | | | | | | | | | | | |
| Change in Long-Term Debt | | | | | | | | | | | | |
| Change in Short-Term Debt | | | | | | | | | | | | |
| Dividends & Distributions | | | | | | | | | | | | |
| Net Cash Flow from Investing & Financing | \$120,000 | | | | | | | | | | | |
| Cash at Beginning of Period | \$0 | \$105,195 | \$91,662 | \$78,447 | \$66,582 | \$56,093 | \$47,048 | \$39,484 | \$33,481 | \$29,099 | \$27,403 | \$28,481 |
| Net Change in Cash | \$105,195 | (\$13,534) | (\$13,215) | (\$11,865) | (\$10,489) | (\$9,045) | (\$7,564) | (\$6,004) | (\$4,382) | (\$1,695) | \$1,078 | \$2,947 |
| Cash at End of Period | \$105,195 | \$91,662 | \$78,447 | \$66,582 | \$56,093 | \$47,048 | \$39,484 | \$33,481 | \$29,099 | \$27,403 | \$28,481 | \$31,428 |

| | 2019 | 2020 | 2021 |
|---|-------------------|------------------|--------------------|
| Net Cash Flow from Operations | | | |
| Net Profit | (\$157,072) | (\$26,978) | \$1,065,457 |
| Depreciation & Amortization | | | |
| Change in Accounts Receivable | \$0 | \$0 | \$0 |
| Change in Inventory | | | |
| Change in Accounts Payable | \$0 | \$0 | \$0 |
| Change in Income Tax Payable | \$0 | \$0 | \$141,626 |
| Change in Sales Tax Payable | | | |
| Change in Prepaid Revenue | \$68,500 | \$177,150 | \$724,685 |
| Net Cash Flow from Operations | (\$88,572) | \$150,172 | \$1,931,768 |
| Investing & Financing | | | |
| Assets Purchased or Sold | | | |
| Investments Received | \$120,000 | | |
| Change in Long-Term Debt | | | |
| Change in Short-Term Debt | | | |
| Dividends & Distributions | | | |
| Net Cash Flow from Investing & Financing | \$120,000 | | |
| Cash at Beginning of Period | \$0 | \$31,428 | \$181,600 |
| Net Change in Cash | \$31,428 | \$150,172 | \$1,931,768 |
| Cash at End of Period | \$31,428 | \$181,600 | \$2,113,368 |