

Q: How do your costs grow?

A: We've modeled out our costs in the Income Statement at right. Storage, staff and box costs all grow with customer acquisition.

<i>in thousands</i>	2017	2018	2019	2020
INCOME				
Product Sales Revenue				
New Customer Boxes	\$4.8	\$43.6	\$287.0	\$1,888.8
Storage Revenue	\$3.2	\$170.1	\$1,119.4	\$7,366.3
Delivery Revenue	\$6.6	\$353.8	\$2,328.4	\$15,322.0
Total Revenue	\$14.6	\$567.5	\$3,734.9	\$24,577.1
Accumulated Revenue	\$14.6	\$582.1	\$4,316.9	\$28,894.0
COSTS				
Fixed Costs				
Marketing	\$3.3	\$29.9	\$196.8	\$1,295.2
Leadership Team	\$402.5	\$1,080.0	\$1,355.0	\$1,355.0
Total Fixed Costs	\$405.8	\$1,109.9	\$1,551.8	\$2,650.2
Variable Costs				
Box	\$3.0	\$27.2	\$179.2	\$1,179.2
Storage	\$5.7	\$52.0	\$342.5	\$2,254.1
Pickups/Drops	\$33.6	\$306.1	\$2,015.0	\$13,259.4
Warehouse Team	\$1.6	\$63.3	\$416.4	\$2,739.8
Total Variable Costs	\$44.0	\$448.7	\$2,953.1	\$19,432.5
Total Costs	\$449.8	\$1,558.6	\$4,504.9	\$22,082.7
Accumulated Costs	\$449.8	\$2,008.4	\$6,513.3	\$28,596.0
PROFIT				
Gross Profit	-\$29.4	\$118.8	\$781.8	\$5,144.5
Gross Margin	-	-403%	-181%	42%
Net Income	-\$435.2	-\$991.1	-\$770.0	\$2,494.4
Net Margin	-2983%	-175%	-21%	10%
Accumulated Net Income	-\$435.2	-\$1,426.3	-\$2,196.3	\$298.0



Q: How did you source pricing for your physical box?

A: We contacted a variety of suppliers via AliBaba to obtain quotes by sharing our technical drawings with them. Based on their quotes, we used a weighted matrix to assess who fit our needs best. The winning supplier's pricing was worked into our pricing model.

