Q: Where are your margins? How are you getting to 21% Gross

Margin?

A: This is a blended margin, based on usage assumptions for different box sizes, delivery frequencies and storage use scenarios. We project adoption rates based on user feedback around how people anticipated using Stash, although we also expect to learn even more about usage based on the Stash launch, and can easily tweak the model based on this.

	Cost	Selling Price	Margin
PHYSICAL BOX			
Small Box	\$8.57	\$12.00	29%
Standard Box	\$10.16	\$18.00	44%
STORAGE			
Small Box	\$2.04	\$8.00	75%
Standard Box	\$4.08	\$12.00	66%
DELIVERY			
A La Carte Delivery	\$21.00	\$25.00	16%
2 Deliveries	\$42.00	\$48.00	13%
5 Deliveries	\$105.00	\$115.00	9%
3 Deliveries	\$105.00	\$115.00	270

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.

New Customer Boxes					
New Customer Boxes	in thousands	2017	2018	2019	2020
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 \$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 Costs \$449.8 \$1,558.6 \$4,504.9 \$22,082.7 <td< td=""><td>INCOME</td><td></td><td></td><td></td><td></td></td<>	INCOME				
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 \$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	Product Sales Revenue				
Delivery Revenue	New Customer Boxes	\$4.8	\$43.6	\$287.0	\$1,888.8
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 Box \$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 \$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 \$1,858.6 \$4,504.9 \$22,082.7 PROFIT Gross Profit \$29.4 \$118.8 \$781.8 \$5,144.5 <t< td=""><td>Storage Revenue</td><td>\$3.2</td><td>\$170.1</td><td>\$1,119.4</td><td>\$7,366.3</td></t<>	Storage Revenue	\$3.2	\$170.1	\$1,119.4	\$7,366.3
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 -\$29.4 \$118.8 \$781.8 \$5,144.5 Gross Profit -\$29.4 \$118.8 \$781.8 \$5,144.5	Delivery Revenue	\$6.6	\$353.8	\$2,328.4	\$15,322.0
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%	Total Revenue	\$14.6	\$567.5	\$3,734.9	\$24,577.1
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 -\$29.4 \$118.8 \$781.8 \$5,144.5 Gross Profit -\$29.4 \$118.8 \$781.8 \$5,144.5 Gross Margin - -403% -181% 42% Net Income -\$435.2	Accumulated Revenue	\$14.6	\$582.1	\$4,316.9	\$28,894.0
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 -\$29.4 \$118.8 \$781.8 \$5,144.5 Gross Profit -\$29.4 \$118.8 \$781.8 \$5,144.5 Gross Margin - -403% -181% 42% Net Income -\$435.2 -\$991.1 <td>COSTS</td> <td></td> <td></td> <td></td> <td></td>	COSTS				
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%	Fixed Costs				
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%	Marketing	\$3.3	\$29.9	\$196.8	\$1,295.2
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 Margin403% -181% 42% Net Income -\$435.2 -\$991.1 -\$770.0 \$2,494.4 Net Margin -2983% -175% -21% 10%	Leadership Team	\$402.5	\$1,080.0	\$1,355.0	\$1,355.0
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%	Total Fixed Costs	\$405.8	\$1,109.9	\$1,551.8	\$2,650.2
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%	Variable Costs				
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%	Box	\$3.0	\$27.2	\$179.2	\$1,179.2
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%	Storage	\$5.7	\$52.0	\$342.5	\$2,254.1
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%	Pickups/Drops	\$33.6	\$306.1	\$2,015.0	\$13,259.4
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%	Warehouse Team	\$1.6	\$63.3	\$416.4	\$2,739.8
Accumulated Costs \$449.8 \$2,008.4 \$6,513.3 \$28,596.0 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%	Total Variable Costs	\$44.0	\$448.7	\$2,953.1	\$19,432.5
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%	Total Costs	\$449.8	\$1,558.6	\$4,504.9	\$22,082.7
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 Costs	\$449.8	\$2,008.4	\$6,513.3	\$28,596.0
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%	PROFIT				
Gross Margin - -403% -181% 42% Net Income -\$435.2 -\$991.1 -\$770.0 \$2,494.4 Net Margin -2983% -175% -21% 10%	Gross Profit	-\$29.4	\$118.8	\$781.8	\$5,144.5
Net Margin -2983% -175% -21% 10%	Gross Margin	-			
Net Margin -2983% -175% -21% 10%	Net Income	-\$435.2	-\$991.1	-\$770.0	\$2,494.4
	Net Margin				
,	Accumuluated Net Income	-\$435.2	-\$1,426.3	-\$2,196.3	\$298.0