



## **- FINANCIAL DOCUMENTATION -**

**A: Overall Information**

**B: Monthly and Yearly Income Statement**

**C: Graphs**

## **A. OVERALL INFORMATION**

# PICKAPP, Inc.

## 1) Company Valuation

**Net present value of cash flows (8 yrs, i.r.: 15%): \$ 978,843**

## 2) Breakeven point

Month 18 (June 2017)

## 3) Financing proposition

**\$250,000 for 33% equity** (Valuation of Company: \$750.000)

This amount will cover:

- (i) Start Up Costs (Year 1)
  - Software Development & Maintenance (20%)
  - Marketing Expenditures (36%)
  - General & Administration Costs (16%)
  - Salaries (28%)
- (ii) Cover losses from Year 1 (before Breakeven)
- (iii) Uncertain Costs

## **B. MONTHLY AND YEARLY INCOME STATEMENT**

## PICKAPP, Inc.

### Monthly Operating Plan: 2016

#### Income Statement

	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
<b>Stores</b>													
Number of stores (cumulative)	0	0	0	3	4	5	8	10	12	13	14	16	16
Orders sold per store	0	0	0	200	300	450	575	700	750	700	750	750	
Total number of orders sold	0	0	0	600	1,200	2,250	4,600	7,000	9,000	9,100	10,500	12,000	56,250
<b>Sales</b>													
Average size per order	-	-	-	\$10	\$10	\$10	\$11	\$11	\$10	\$10	\$10	\$11	
Total \$ Sales	-	-	-	\$6,000	\$12,000	\$22,500	\$50,600	\$77,000	\$90,000	\$91,000	\$105,000	\$132,000	\$586,100
<b>Revenues</b>													
11% Commission per sale	-	-	-	\$660	\$1,320	\$2,475	\$5,566	\$8,470	\$9,900	\$10,010	\$11,550	\$14,520	\$64,471
Net Revenues	-	-	-	\$660	\$1,320	\$2,475	\$5,566	\$8,470	\$9,900	\$10,010	\$11,550	\$14,520	\$64,471
<b>Cost of Sales</b>													
Variable Costs	-	-	-	\$54.00	\$108.00	\$202.50	\$414.00	\$630.00	\$810.00	\$819.00	\$945.00	\$1,080.00	\$5,063
Variable Cost per order	-	-	-	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Fixed Overhead	\$9,000	\$9,000	\$14,000	\$5,360	\$5,120	\$5,120	\$5,360	\$5,240	\$5,240	\$5,120	\$5,120	\$5,240	\$78,920
Software Development	\$5,000	\$5,000	\$10,000	-	-	-	-	-	-	-	-	-	\$20,000
Software Maintenance	-	-	-	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$9,000
Salaries	\$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
Display Cost	-	-	-	\$360	\$120	\$120	\$360	\$240	\$240	\$120	\$120	\$240	\$1,920
Total Cost of sales	\$9,000	\$9,000	\$14,000	\$5,414	\$5,228	\$5,323	\$5,774	\$5,870	\$6,050	\$5,939	\$6,065	\$6,320	\$83,983
<b>Gross Profit</b>	-9,000	-9,000	-14,000	-4,754	-3,908	-2,848	-208	2,600	3,850	4,071	5,485	8,200	-19,512
Margin	-	-	-	-720%	-296%	-115%	-4%	31%	39%	41%	47%	56%	
<b>Operating Expenses</b>													
<b>Marketing</b>	-	-	\$4,325	\$3,645	\$3,690	\$3,735	\$4,460	\$4,520	\$4,520	\$3,765	\$4,990	\$7,465	\$45,115
New sign ups	\$0	\$0	\$0	\$90	\$120	\$150	\$150	\$210	\$210	\$180	\$180	\$240	\$1,530
Friend referral	\$0	\$0	\$0	\$30	\$45	\$60	\$60	\$60	\$60	\$60	\$60	\$150	\$585
Social Media Marketing	\$0	\$0	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$2,200	\$12,100
Magazines and Blogs	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$1,000	\$1,500	\$6,500
Brand Ambassador	\$0	\$0	\$2,000	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$12,800
Banner Ads	\$0	\$0	\$725	\$725	\$725	\$725	\$1,450	\$1,450	\$1,450	\$725	\$1,450	\$2,175	\$11,600
<b>General/ Administrative</b>	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$24,960
Rent	\$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
Electricity	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Gas	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Telephone	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$960
Supplies	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Legal fees	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
<b>Total Operating Expenses</b>	\$2,080	\$2,080	\$6,405	\$5,725	\$5,770	\$5,815	\$6,540	\$6,600	\$6,600	\$5,845	\$7,070	\$9,545	\$70,075
<b>Operating Income</b>	-\$11,080	-\$11,080	-\$20,405	-\$10,479	-\$9,678	-\$8,663	-\$6,748	-\$4,000	-\$2,750	-\$1,774	-\$1,585	-\$1,345	-\$89,587
Margin (OI / Revenues)	-	-	-	-1588%	-733%	-350%	-121%	-47%	-28%	-18%	-14%	-9%	

#### Monthly Customer metrics

New Customers	0	0	0	30	40	50	50	70	70	60	60	80	510
Dropped off Customers (Retention rate 40%)	0	0	0	0	18	31	42	47	61	66	63	61	389
Cumulative number of customers	0	0	0	30	52	71	78	101	111	104	102	121	121
Revenue per customer (per month)	\$0	\$0	\$0	\$22	\$25	\$35	\$71	\$84	\$90	\$96	\$114	\$120	
Revenue per customer (per day)	\$0	\$0	\$0	\$1	\$1	\$1	\$2	\$3	\$3	\$3	\$4	\$4	

#### Metrics 2016

Total number of new customers	510
Revenue per new customer	126
Variable Cost per new customer	10
Average customer life (years)	2
Customer Lifetime Value (CLTV)	160
Total Marketing Costs	45,115
Cost of acquiring a customer (CAC)	144
CLTV / CAC	1.11

## PICKAPP, Inc.

### Monthly Operating Plan: 2017

#### Income Statement

	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>Stores</b>													
Number of stores (cumulative)	16	16	16	17	18	20	22	24	25	25	25	26	26
Orders sold per store	750	750	750	750	800	850	950	1,100	1,000	1,000	1,000	1,100	10,800
Total number of orders sold	12,000	12,000	12,000	12,750	14,400	17,000	20,900	26,400	25,000	25,000	25,000	28,600	231,050
<b>Sales</b>													
Average size per order	\$11	\$10	\$10	\$10	\$11	\$11	\$12	\$12	\$11	\$10	\$11	\$11	
Total \$ Sales	\$132,000	\$120,000	\$120,000	\$127,500	\$158,400	\$187,000	\$250,800	\$316,800	\$275,000	\$250,000	\$275,000	\$314,600	\$2,527,100
<b>Revenues</b>													
11% Commission per sale	\$14,520	\$13,200	\$13,200	\$14,025	\$17,424	\$20,570	\$27,588	\$34,848	\$30,250	\$27,500	\$30,250	\$34,606	\$277,981
Net Revenues	\$14,520	\$13,200	\$13,200	\$14,025	\$17,424	\$20,570	\$27,588	\$34,848	\$30,250	\$27,500	\$30,250	\$34,606	\$277,981
<b>Cost of Sales</b>													
Variable Costs	\$1,200	\$1,200	\$1,200	\$1,275	\$1,440	\$1,870	\$2,299	\$2,904	\$2,750	\$2,750	\$2,750	\$3,146	\$24,784
Variable Cost per order	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	
Fixed Overhead	\$12,000	\$12,000	\$12,000	\$12,100	\$12,100	\$12,200	\$12,200	\$12,200	\$12,100	\$12,000	\$12,000	\$12,100	\$145,000
Software Development	-	-	-	-	-	-	-	-	-	-	-	-	
Software Maintenance	\$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
Salaries	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$126,000
Display Cost	\$0	\$0	\$0	\$100	\$100	\$200	\$200	\$200	\$100	\$0	\$0	\$100	\$1,000
Total Cost of sales	\$13,200	\$13,200	\$13,200	\$13,375	\$13,540	\$14,070	\$14,499	\$15,104	\$14,850	\$14,750	\$14,750	\$15,246	\$169,784
<b>Gross Profit</b>	\$1,320	\$0	\$0	\$650	\$3,884	\$6,500	\$13,089	\$19,744	\$15,400	\$12,750	\$15,500	\$19,360	\$108,197
Margin	9%	0%	0%	5%	22%	32%	47%	57%	51%	46%	51%	56%	
<b>Operating Expenses</b>													
<b>Marketing</b>	\$6,095	\$6,065	\$6,065	\$6,110	\$6,110	\$6,155	\$6,910	\$6,910	\$6,970	\$6,185	\$6,185	\$6,215	\$75,975
New sign ups	\$180	\$180	\$180	\$195	\$195	\$210	\$240	\$240	\$270	\$240	\$240	\$270	\$2,640
Friend referral	\$90	\$60	\$60	\$90	\$90	\$120	\$120	\$120	\$150	\$120	\$120	\$120	\$1,260
Social Media Marketing	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$26,400
Magazines and Blogs	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Brand Ambassador	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800
Banner Ads	\$725	\$725	\$725	\$725	\$725	\$725	\$1,450	\$1,450	\$1,450	\$725	\$725	\$725	\$10,875
<b>General/ Administrative</b>	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$30,960
Rent	\$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
Electricity	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Gas	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Telephone	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$960
Supplies	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Legal fees	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
<b>Total Operating Expenses</b>	\$8,675	\$8,645	\$8,645	\$8,690	\$8,690	\$8,735	\$9,490	\$9,490	\$9,550	\$8,765	\$8,765	\$8,795	\$106,935
<b>Operating Income</b>	<b>-\$7,355</b>	<b>-\$8,645</b>	<b>-\$8,645</b>	<b>-\$8,040</b>	<b>-\$4,806</b>	<b>-\$2,235</b>	<b>\$3,599</b>	<b>\$10,254</b>	<b>\$5,850</b>	<b>\$3,985</b>	<b>\$6,735</b>	<b>\$10,565</b>	<b>\$1,262</b>
Margin (OI / Revenues)	-51%	-65%	-65%	-57%	-28%	-11%	13%	29%	19%	14%	22%	31%	

#### Monthly Customer metrics

New Customers	60	60	60	65	65	70	80	80	90	80	80	90	880
Dropped off Customers (Retention rate 50%)	60	60	60	60	63	64	67	73	77	83	82	81	85
Cumulative number of customers	120	120	120	125	128	134	147	153	167	163	162	171	171
Revenue per customer (per month)	121	110	110	112	137	154	188	227	181	168	187	203	
Revenue per customer (per day)	4	4	4	4	5	5	6	8	6	6	6	7	

#### Metrics 2017

Total number of new customers	880
Revenue per new customer	316
Variable Cost per new customer	28
Average customer life (years)	2
Customer Lifetime Value (CLTV)	468
Total Marketing Costs	75,975
Cost of acquiring a customer (CAC)	143
CLTV / CAC	3.28

## PICKAPP, Inc.

### Annual Plan: 2016-2023

	2016	2017	2018	2019	2020	2021	2022	2023	Total (8 years)
<b>Stores</b>									
Number of stores (cumulative)	16	26	40	70	115	180	290	400	
Total number of orders sold	56,250	231,050	277,260	360,438	504,613	807,381	1,372,548	2,333,331	
<b>Sales</b>									
Average selling price (per order)	\$10.33	\$10.83	\$12.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	
Total \$ Sales	\$581,250	\$2,503,042	\$3,327,120	\$4,685,694	\$6,559,972	\$10,495,955	\$17,843,123	\$30,333,309	\$76,329,463
<b>Revenues</b>									
Average revenue per order (% Comission)	\$1.137	\$1.192	\$1.440	\$1.560	\$1.560	\$1.560	\$1.560	\$1.560	
Net Revenues	\$64,471	\$277,981	\$399,254	\$562,283	\$787,197	\$1,259,515	\$2,141,175	\$3,639,997	\$9,131,873
<b>Cost of Sales</b>									
Variable Costs	\$5,063	\$24,784	\$83,178	\$117,142	\$176,615	\$242,214	\$343,137	\$583,333	\$24,784
Fixed Overhead	\$78,920	\$145,000	\$152,250	\$167,475	\$184,223	\$202,645	\$222,909	\$245,200	\$145,000
Total Cost of sales	\$83,983	\$169,784	\$235,428	\$284,617	\$360,837	\$444,859	\$566,046	\$828,533	\$2,974,087
<b>Gross Profit</b>									
Margin	-19,512	\$108,197	\$163,826	\$277,666	\$426,359	\$814,655	\$1,575,129	\$2,811,464	\$6,157,785
	-30%	39%	41%	49%	54%	65%	74%	77%	
<b>Operating Expenses</b>									
<b>Marketing</b>									
	\$45,115	\$75,975	\$91,170	\$104,846	\$120,572	\$168,801	\$253,202	\$354,483	\$75,975
<b>General/ Administrative</b>									
	\$24,960	\$30,960	\$35,604	\$39,164	\$43,081	\$60,313	\$60,313	\$90,470	\$30,960
<b>Total Operating Expenses</b>									
	\$70,075	\$106,935	\$126,774	\$144,010	\$163,653	\$229,114	\$313,515	\$444,952	\$1,599,029
<b>Operating Income</b>									
	-\$89,587	\$1,262	\$37,052	\$133,656	\$262,706	\$585,541	\$1,261,613	\$2,366,512	\$4,558,756

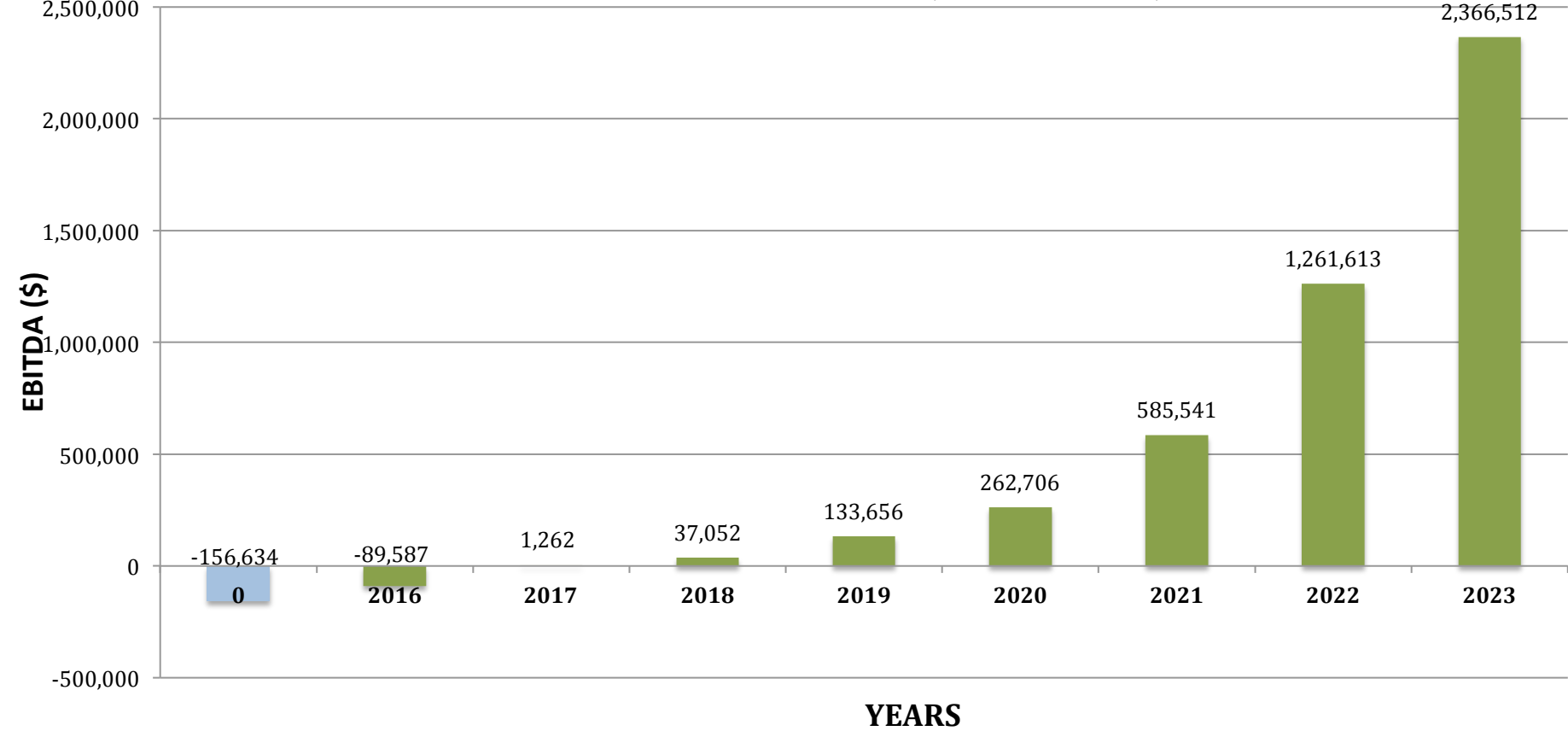
### NET PRESENT VALUE CASH FLOWS

	0	2016 1	2017 2	2018 3	2019 4	2020 5	2021 6	2022 7	2023 8
<b>Key Assumptions</b>									
Net investment outlay & recovery	-156,634								
Tax rate		30%	30%	30%	30%	30%	30%	30%	30%
PV Factor	15%								
<b>NPV Calculations</b>									
<b>EBITDA</b>		-\$89,587	\$1,262	\$37,052	\$133,656	\$262,706	\$585,541	\$1,261,613	\$2,366,512
After tax benefits		-\$89,587	\$883	\$25,937	\$93,559	\$183,894	\$409,879	\$883,129	\$1,656,558
Total Project Cashflows	-156,634	-\$89,587	\$883	\$25,937	\$93,559	\$183,894	\$409,879	\$883,129	\$1,656,558
PV Factor (i.r: 15%)	1.00	0.87	0.76	0.66	0.57	0.50	0.43	0.38	0.33
Present value of investment cash flows	-156,634								
		-\$77,901	\$668	\$17,054	\$53,493	\$91,428	\$177,202	\$332,001	\$541,532
Present value of total cash flows									
		-\$156,634	-\$234,535	-\$233,867	-\$216,813	-\$163,320	-\$71,892	\$105,310	\$437,311
Cumulative present value									
<b>NPV Metrics PICKAPP, Inc</b>									
Net Present Value (i.r: 15%)	\$978,843								
Internal rate of return	48%								
Present Value Payback (years)	6								

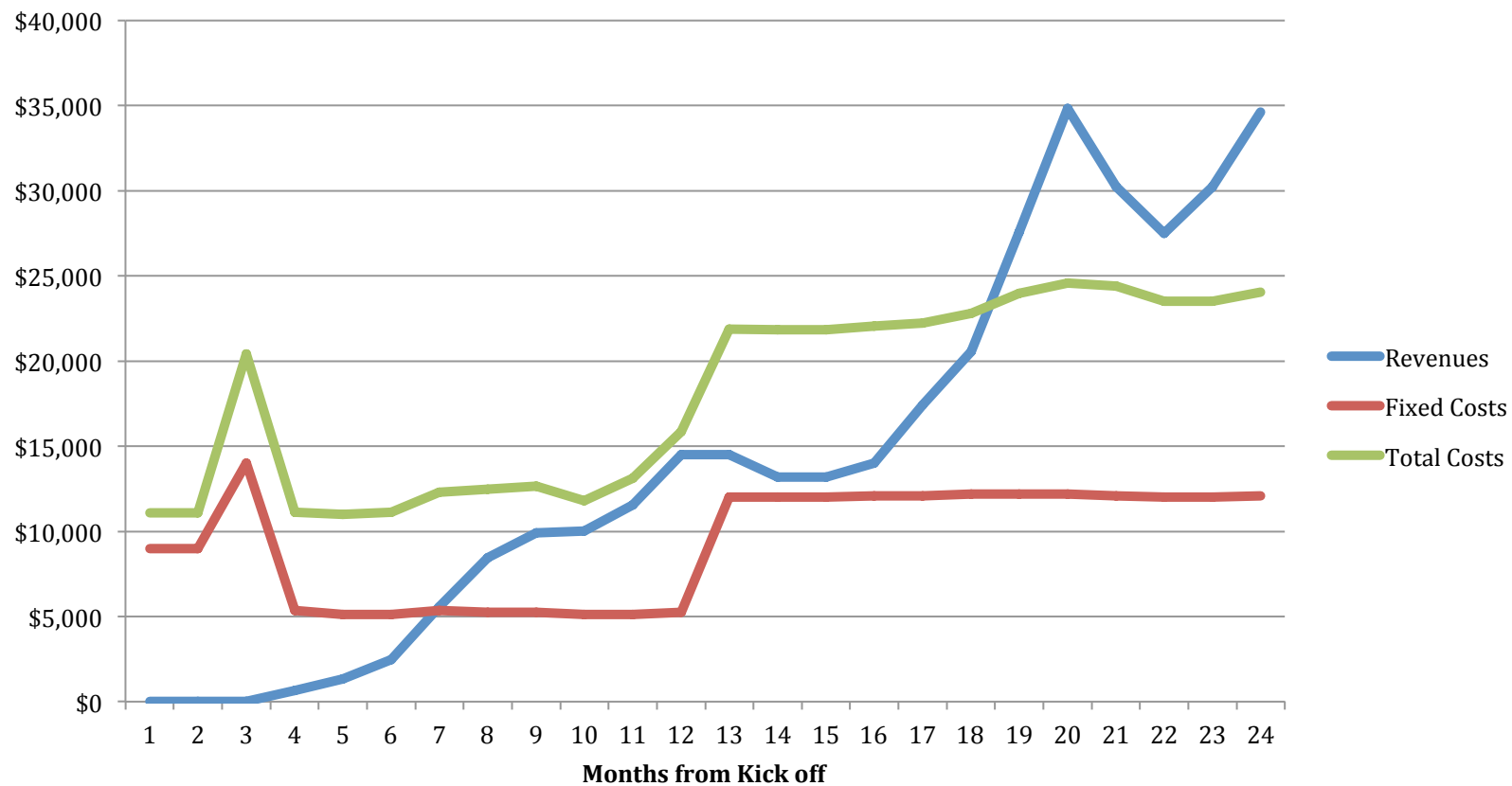
## **C. GRAPHS**



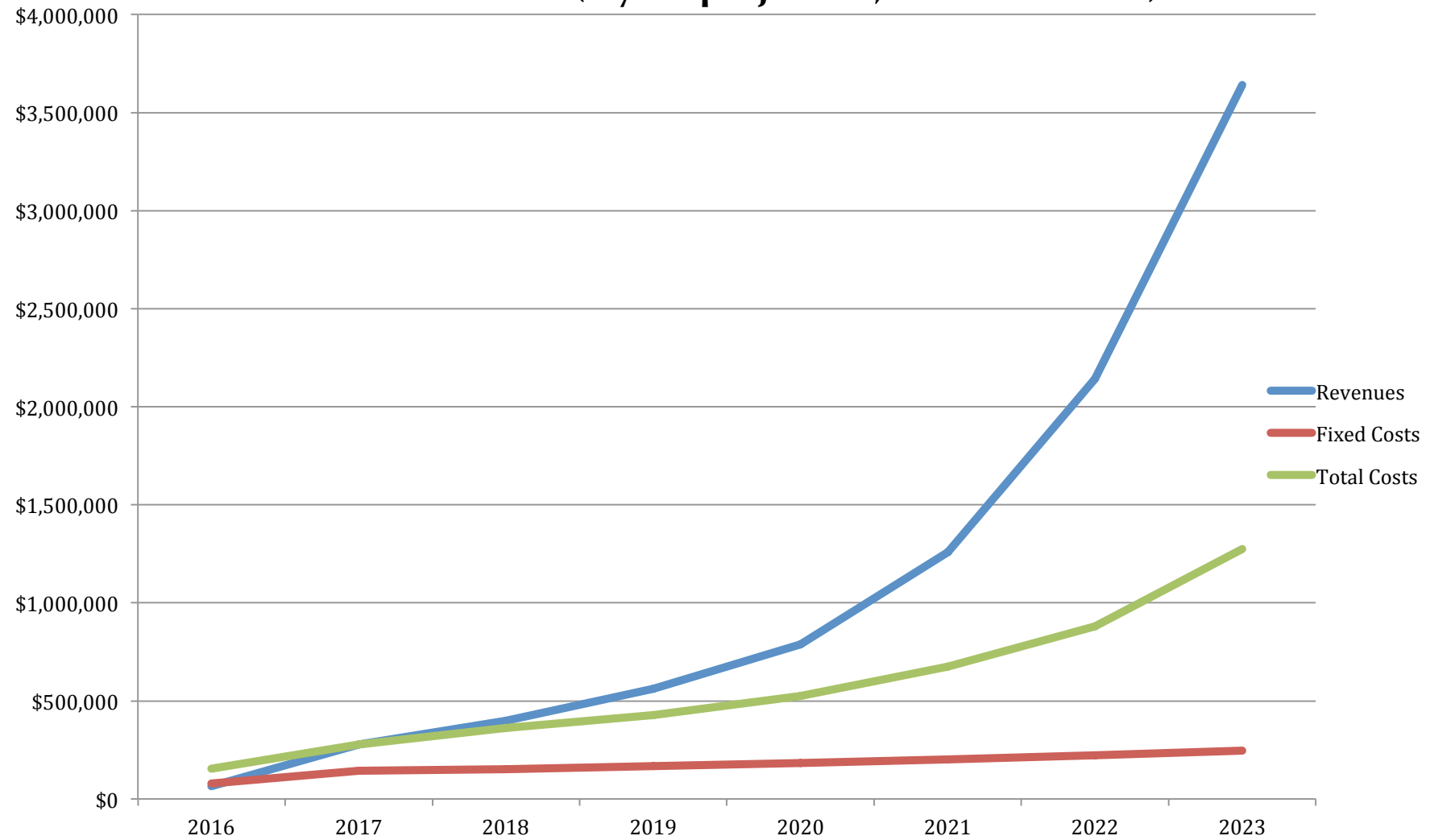
# Cash Flow Evolution (2016-2023)



## Revenue/Cost (monthly, not cumulative)



## Revenue/Cost (8 year projection, not cumulative)



## Number of partner stores (cumulative)

