Pro Forma Income Statement (V&V Toolkit)

RNET Technologies, Inc.
For years 2019 to 2023

Market	Phase II (2019)	Phase II (2020)	2021	2022	2023
CAE and Simulation Market Size	$7,000,000,000	$ 7,770,000,000	$ 8,624,700,000	$9,573,417,000	$10,626,492,870
Rate Market growth (average)	11%	11%	11%	11%	11%
Sales (Revenue)	$ -	$ 100,000	$ 637,500	$ 1,425,000	$ 3,875,000
% market share	0.00%	0.00%	0.01%	0.01%	0.04%

Revenues					
Integration Contracts ($500,000)	$ -	$ 250,000	$ 250,000	$ 500,000	$ 500,000
Third Party User Royalty ($1,500/user)	$ -	$ -	$ 37,500	$ 300,000	$ 2,250,000
User Support Contracts ($5,000/user)	$ -	$ -	$ 50,000	$ 250,000	$ 750,000
Commercial Licences ($75,000 each)	$ -	$ -	$ 75,000	$ 150,000	$ 150,000
R&D Contracts ($225,000 each)	$ -	$ -	$ 225,000	$ 225,000	$ 225,000
SBIR/STTR Contract R&D	$ 500,000	$ 500,000	$ -	$ -	$ -
Total Revenue	**$500,000**	**$750,000**	**$637,500**	**$1,425,000**	**$3,875,000**

Expenses					
Licensing & Royalties	$0.00	$0.00	$0.00	$0.00	$0.00
Sales & Marketing	$0.00	$92,400.00	$184,800.00	$369,600.00	$369,600.00
Cost of services (technical support)	$0.00	$61,600.00	$123,200.00	$246,400.00	$246,400.00
Administrative (G&A) - 7%	$0.00	$7,168.00	$30,072.00	$56,476.00	$308,000.00
SBIR R&D	$465,000.00	$465,000.00			
Internal R&D	$0.00	$0.00	$184,800.00	$277,200.00	$346,500.00
Legal	$0.00	$0.00	$50,000.00	$150,000.00	$300,000.00
Facilities	$0.00	$10,000.00	$10,000.00	$10,000.00	$20,000.00
Total Expenses	**$465,000**	**$636,168**	**$582,872**	**$1,109,676**	**$1,590,500**

Operating Earnings (EBIT)					
Operating Earnings (EBIT)	$35,000	$113,832	$54,628	$315,324	$2,284,500
Operating Margin %	7.0%	15.2%	8.6%	22.1%	59.0%

Income					
Income Before Tax	$35,000	$113,832	$54,628	$315,324	$2,284,500
Tax rate	35%	35%	35%	35%	35%
Taxes	$12,250	$39,841	$19,120	$110,363	$799,575
Net Income	**$22,750**	**$73,991**	**$35,508**	**$204,961**	**$1,484,925**
Net income as %/sales	4.6%	9.9%	5.6%	14.4%	38.3%