

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	\$7,300,000,000	\$ 8,015,400,000	\$ 8,800,909,200	\$9,663,398,302	\$10,610,411,335
Rate Market growth (average)	9.8%	9.8%	9.8%	9.8%	9.8%
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					
<i>Integration Contracts</i>	\$ -	\$ 250,000	\$ 250,000	\$ 500,000	\$ 500,000
<i>Third Party User Royalty</i>	\$ -	\$ -	\$ 37,500	\$ 300,000	\$ 2,250,000
<i>User Support Contracts</i>	\$ -	\$ -	\$ 50,000	\$ 250,000	\$ 750,000
<i>Commercial Licences</i>	\$ -	\$ -	\$ 75,000	\$ 150,000	\$ 150,000
<i>R&D Contracts</i>	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 225,000
<i>SBIR/STTR Contract R&D</i>	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -
Total Revenue	\$500,000	\$750,000	\$637,500	\$1,425,000	\$3,875,000
Expenses					
<i>Licensing & Royalties</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Sales & Marketing</i>	\$0.00	\$92,400.00	\$184,800.00	\$369,600.00	\$369,600.00
<i>Cost of services (technical support)</i>	\$0.00	\$61,600.00	\$123,200.00	\$246,400.00	\$246,400.00
<i>Administrative (G&A) - 7%</i>	\$0.00	\$7,168.00	\$30,072.00	\$56,476.00	\$308,000.00
<i>SBIR R&D</i>	\$465,000.00	\$465,000.00			
<i>Internal R&D</i>	\$0.00	\$0.00	\$184,800.00	\$277,200.00	\$346,500.00
<i>Legal</i>	\$0.00	\$0.00	\$50,000.00	\$150,000.00	\$300,000.00
<i>Facilities</i>	\$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					
<i>Income Before Tax</i>	\$35,000	\$113,832	\$54,628	\$315,324	\$2,284,500
<i>Tax rate</i>	35%	35%	35%	35%	35%
<i>Taxes</i>	\$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%