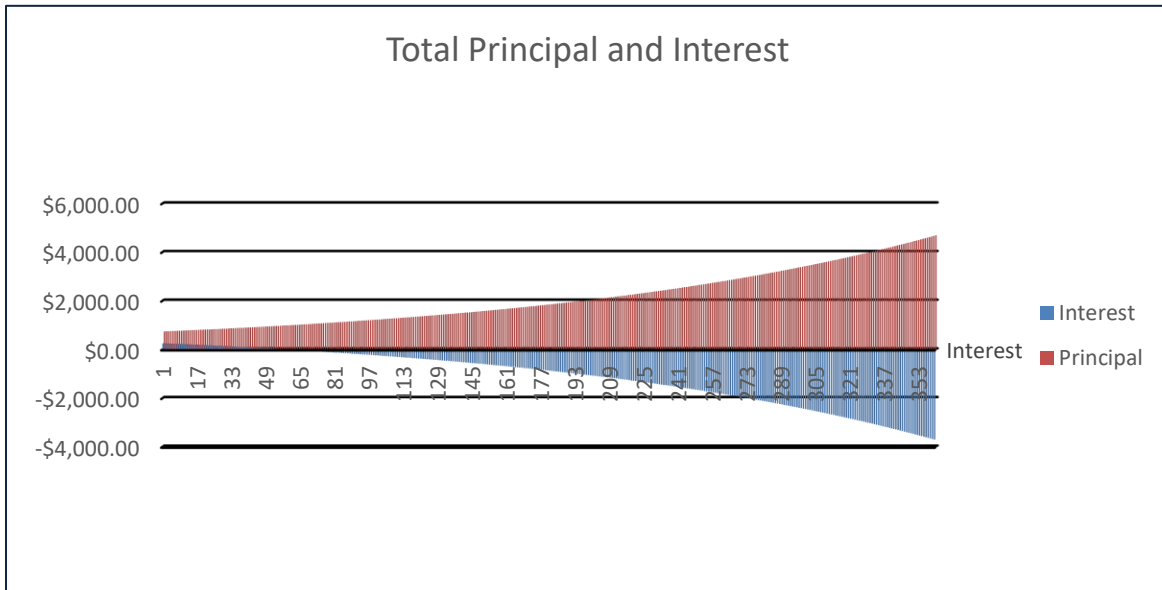


1.2 The Financing

██████████ is applying for a small business loan through the ██████████ in which \$5,000 - \$75,000 in funding can be acquired for working capital in order to grow ██████████.

The influx of working capital will make it possible to create effective marketing & advertising campaigns, as well as purchase office essentials and payroll for additional hires. The goal is to expand influence within the company’s market region to which other resources such as funding avenues through Service Core of Retired Executives (SCORE), or the Small Business Association (SBA).

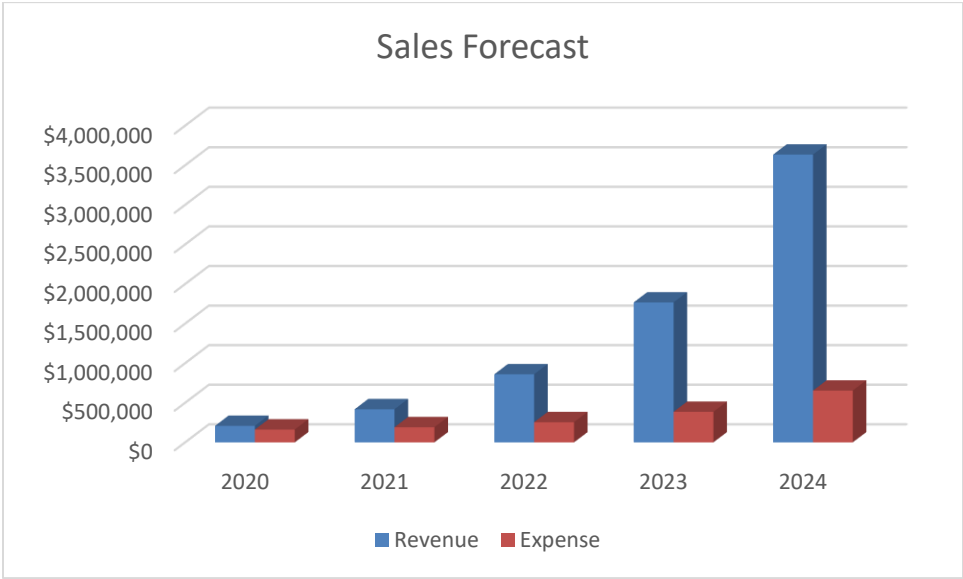
Up to this point over \$100k in personal funds has been invested into the development of ██████████ but \$50,000 would give the ability to expand its sphere of influence. An interest rate of 6.3% for 5 years would be the optimum recoupment plan that the company could acquire. This would come to 60 monthly payments of \$973.63, a compound interest of \$94.50, and a total of \$58,512.30 repaid.



1.5 Sales Forecasts

The rate of growth as set by industry standards predicts the rate of growth over the next five years to remain on a plane of 3.39%. The following Year over Year estimates are as follows respectively:

Sales Forecast					
	2020	2021	2022	2023	2024
Revenue	\$208,964	\$418,282	\$859,949	\$1,767,976	\$3,634,794
Expense	\$162,431	\$191,245	\$254,888	\$385,489	\$653,745



4.3 Cost of Customer Acquisition

The first year of operations is segmented into four quarters that show customer purchases and cost of sales for [REDACTED]. Quarters one through four show a cost of \$598 Q1, \$716 Q2, \$857 Q3, and \$1,027 Q4 respectively as there is a consistent budget towards the company’s marketing campaign. The overall expense from expenses stemming from e-commerce software, customer service employees, and miscellaneous items such as pay-per click advertising are compiled to give actual cost expended towards marketing. The total cost of marketing against the set budget brings the cost of customer acquisition to \$3.51 per customer in the 1st quarter, \$3.32 in the 2nd, \$3.16 in the 3rd, and \$3.02 in the 4th. The cause for the increased cost of acquisition is due to the increased spending on ad campaigns needed to expand the reach of [REDACTED] outside of its local market which is expected.

Estimates place common purchases between \$100-\$150 which balanced against the cost of customer acquisition places customer cost ratio at 1 customers acquired per budget targeting 1. This indicates that [REDACTED] is maintaining a ratio of 43:1 in the 1st quarter, 45:1 in the 2nd, 48:1 in the 3rd, and 50:1 in the 4th which is above the minimal standard of 1:1.

Cost of Customer Acquisition				
	1st QTR	2nd QTR	3rd QTR	4th QTR
Total Marketing Campaign	\$598	\$716	\$857	\$1,027
Cost of Sales	\$797	\$955	\$1,143	\$1,369
Marketing & Sales Software	\$0	\$0	\$0	\$0

Additional Professional Services	\$0	\$0	\$0	\$0
Other Marketing Overhead	\$705	\$705	\$705	\$705
Total Cost	\$2,100	\$2,376	\$2,706	\$3,101
Total Customers Acquired	266	318	381	456
Cost of Customer Acquisition	\$3.51	\$3.32	\$3.16	\$3.02
Ratios	43	45	48	50

5.2 Campaign Effectiveness

marketing campaign success depends on its ability to keep its total expense towards marketing in-line with its set marketing budget. At this time, the company's expenses are not exceeding the budget by a large margin, but efforts can be made to reduce ad costs by utilizing cheaper outlets such as printed ads in circulars vs. pay-per-click ads each month. This will help reduce cost and bring up campaign effectiveness.

Campaign Effectiveness				
	1st QTR	2nd QTR	3rd QTR	4th QTR
Marketing Budget	\$598	\$716	\$857	\$1,027
Funds Spent on Marketing	\$705	\$705	\$705	\$705
Percentage Effective	118%	98%	82%	69%

6.2 Personnel Plan

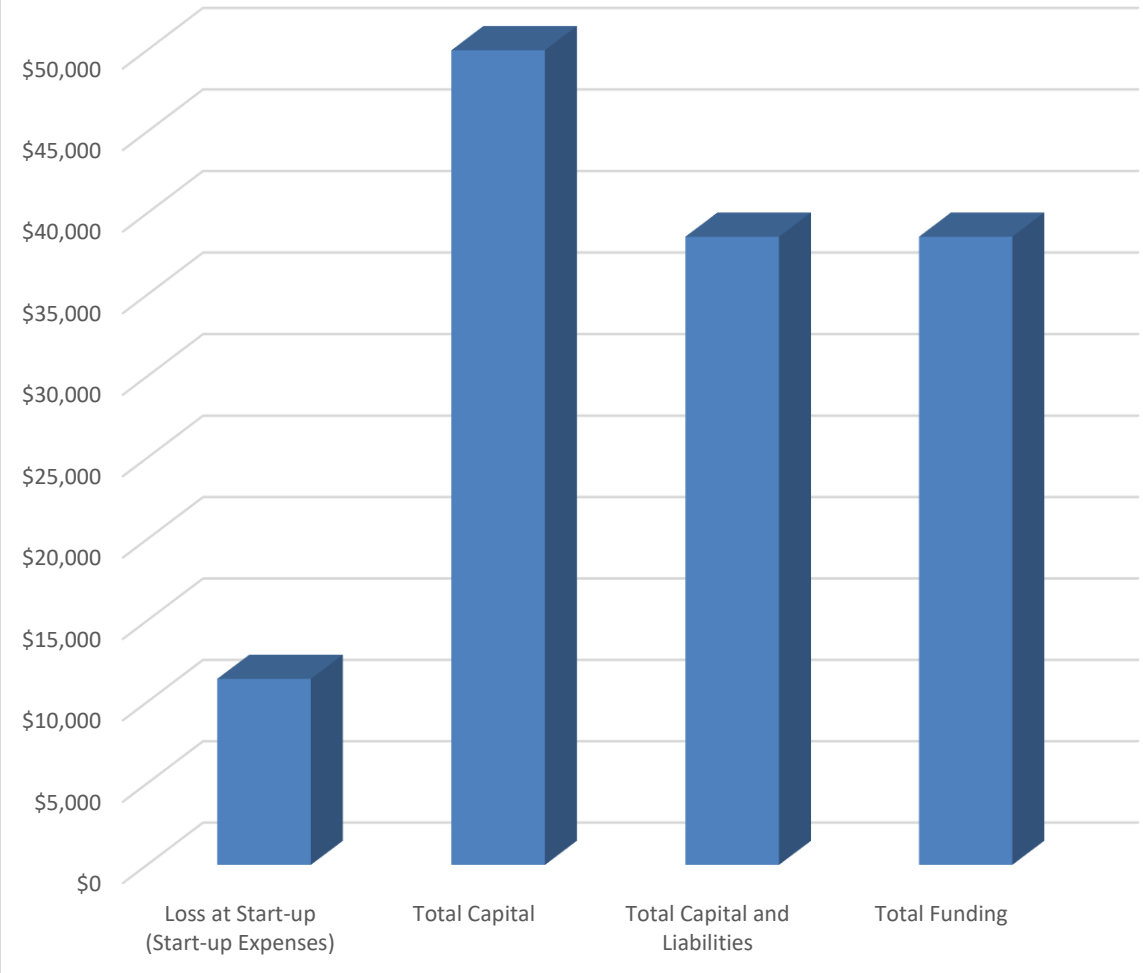
	2020	2021	2022	2023	2024
Owner #1	\$34,117	\$60,051	\$123,459	\$253,820	\$521,831
Owner #2	\$0	\$0	\$0	\$0	\$0
Owner #3	\$0	\$0	\$0	\$0	\$0
Investor	1	1	1	1	1
Staff	\$71,040	\$71,040	\$71,040	\$71,040	\$71,040
Total People	3	3	3	3	3
Total Payroll	\$105,157	\$131,091	\$194,499	\$324,860	\$592,871

7.3 Start-up Funding

start-up costs are detailed below in the Start-up Table.

Start-Up Funding	
Start-up Expenses to Fund	\$11,430
Start-up Assets to Fund	\$0
Total Funding Required	\$11,430
Assets	
Non-cash Assets from Start-up	\$0
Cash Requirements from Stat-up	\$0
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$0
Total Assets	\$0
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Investor Provided	\$50,000
Owner Provided	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$50,000
Loss at Start-up (Start-up Expenses)	\$11,430
Total Capital	\$50,000
Total Capital and Liabilities	\$38,570
Total Funding	\$38,570

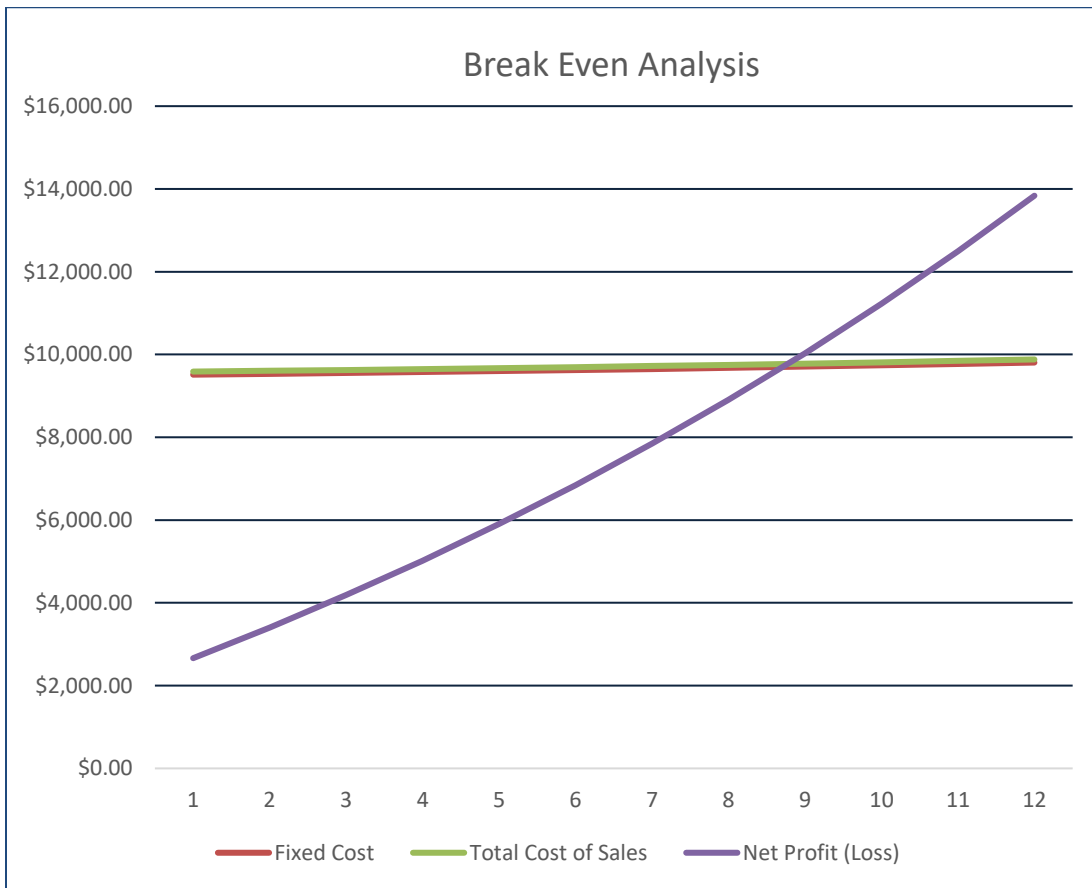
Startup Funding



7.4 Break Even Analysis

With the current expenses and cost of sale, [REDACTED] averages 113 sales a month (6 units a day on a 5 day week) in its first year at a median average of \$150 per unit. Median fixed cost of overhead averages \$13,535.90 per month, including payroll, inventory, and investor compensation.

Break Even Analysis	
Monthly Revenue Break Even	\$7,242.59
Break Even Point: Units Sold	143
Average Percent Variable Cost	1.22
Estimated Annual Fixed Cost	\$162,430.81



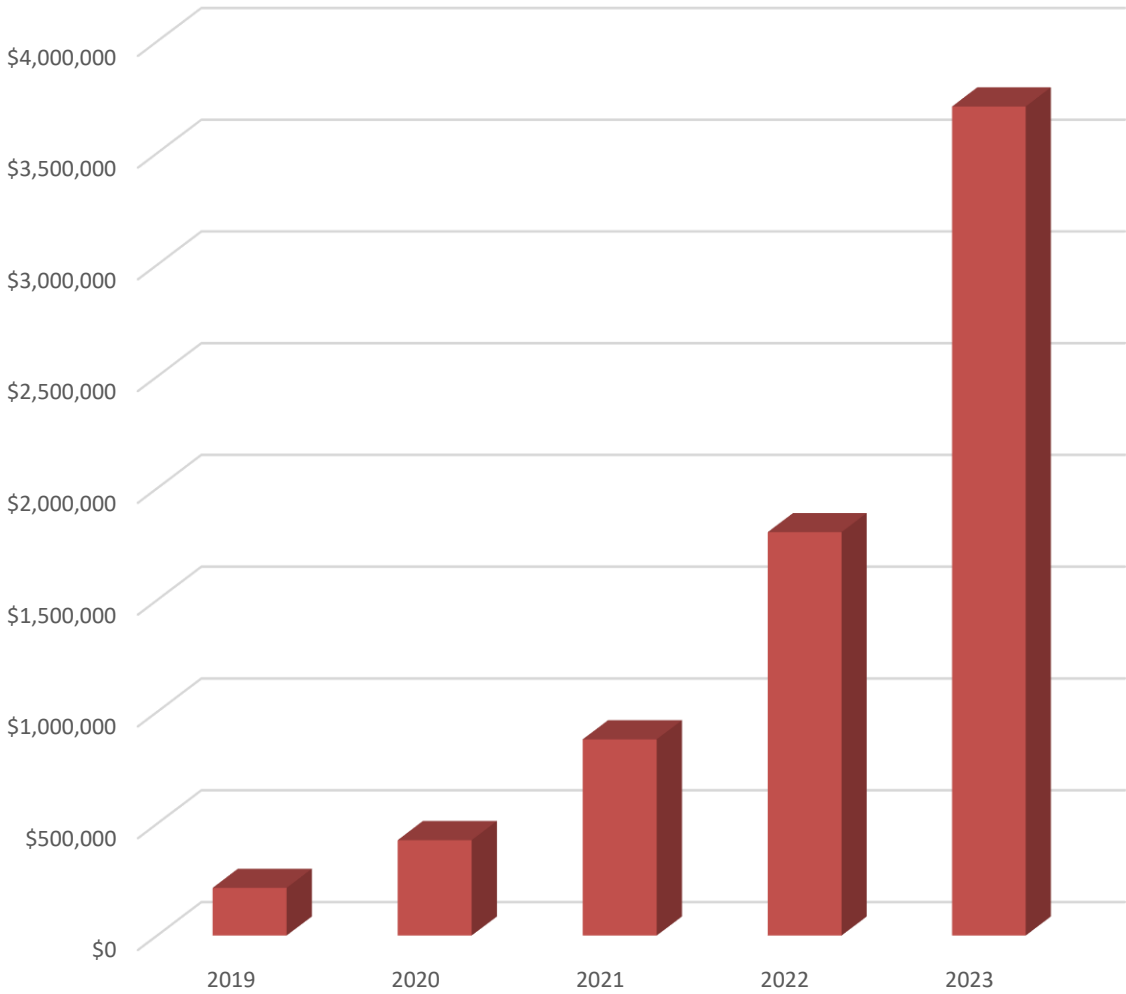
7.5 Projected Profit and Loss

The Profit and Loss projections in the chart and table below present the key increase in sales, profits, and gross margin.

Management estimates [REDACTED] will achieve profitability in the first year.

Pro forma Profit/Loss					
	2020	2021	2022	2023	2024
Funding	\$213,228	\$426,819	\$877,499	\$1,804,057	\$3,708,973
Direct Cost	\$11,430	\$0	\$0	\$0	\$0
Capital Paid	\$50,000	\$0	\$0	\$0	\$0
Other Production Costs	\$4,265	\$8,536	\$17,550	\$36,081	\$74,179
Total Direct Cost	\$38,570	\$8,536	\$17,550	\$36,081	\$74,179
Gross Surplus	\$258,964	\$418,282	\$859,949	\$1,767,976	\$3,634,794
Gross Surplus %	121	98	98	98	98
Expenses					
Payroll	\$71,040	\$71,040	\$71,040	\$71,040	\$71,040
Sales and Marketing and Other Expenses	\$21,274	\$23,434	\$23,669	\$23,909	\$24,153
Depreciation	\$0	\$0	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0
Interest Paid	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$92,314	\$94,474	\$94,709	\$94,949	\$95,193
Surplus Before Interest and Taxes	\$258,964	\$418,282	\$859,949	\$1,767,976	\$3,634,794
EBITDA	\$46,533	\$227,037	\$605,061	\$1,382,487	\$2,981,049
Interest Expense	\$4,179	\$8,366	\$17,199	\$35,360	\$72,696
Taxes Incurred	\$44,778	\$89,632	\$184,275	\$378,852	\$778,884
Sales	\$258,964	\$418,282	\$859,949	\$1,767,976	\$3,634,794
Expenses	\$141,272	\$192,472	\$296,183	\$509,160	\$946,774
Net Surplus	\$117,692	\$225,810	\$563,766	\$1,258,815	\$2,688,020
Net Surplus/Funding %	45	54	66	71	74

Total Revenue

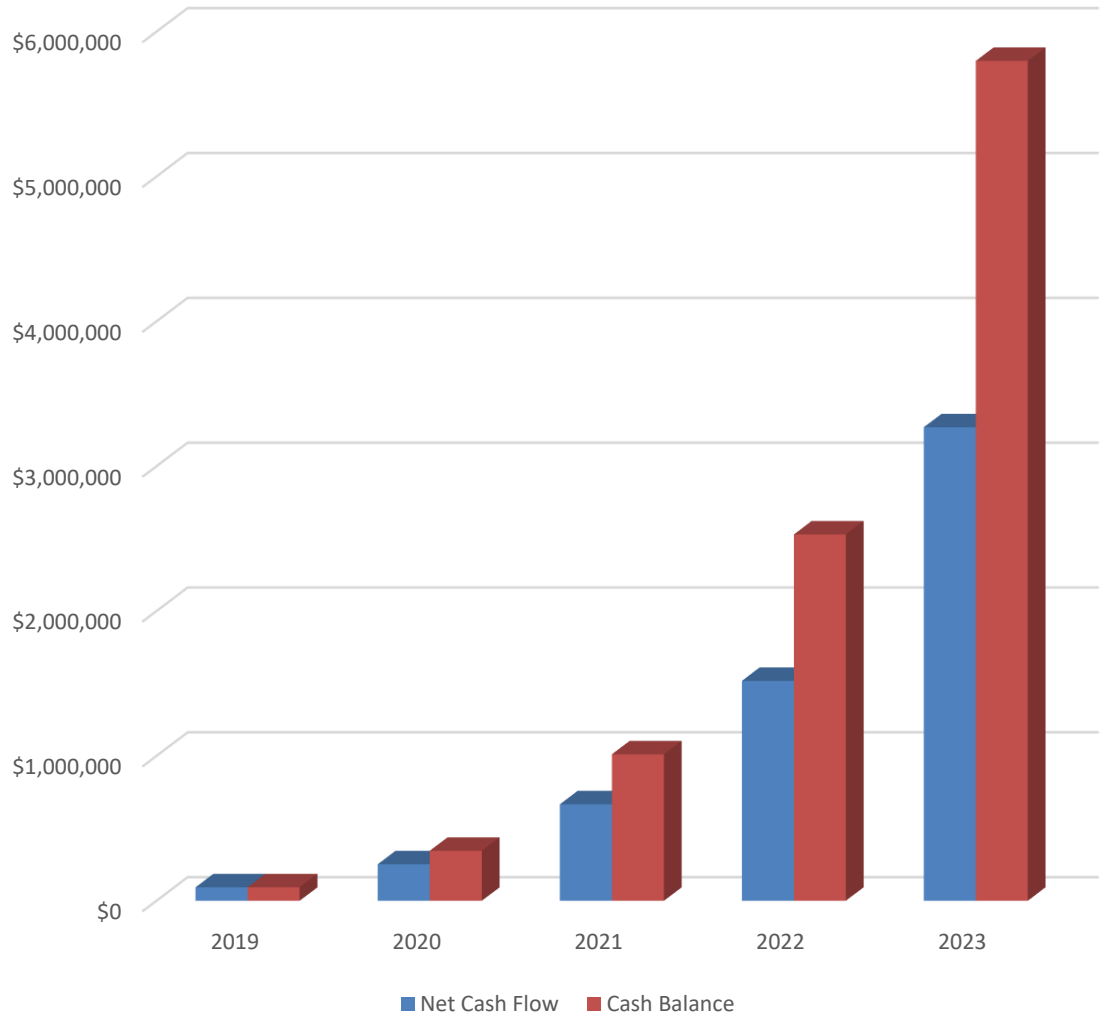


7.6 Projected Cash Flow

Current taxation produces substantial gains to our sales revenue which eliminates the additional costs spent on our material inventory. The current purchase-to-sale process allows us to gain 17.63% in additional revenue.

Pro Forma Cash Flow					
	2020	2021	2022	2023	2024
Cash Received					
Cash from Operations					
Cash Funding	\$213,228	\$426,819	\$877,499	\$1,804,057	\$3,708,973
Subtotal Cash from Operations	\$213,228	\$426,819	\$877,499	\$1,804,057	\$3,708,973
Additional Cash Received					
Sales Tax, VAT, HST, GST Received	\$14,926	\$29,877	\$61,425	\$126,284	\$259,628
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-Term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$50,000	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$64,926	\$29,877	\$61,425	\$126,284	\$259,628
Expenditures					
Expenditures from Operations					
Cash Spending	\$11,430	\$0	\$0	\$0	\$0
Bill Payments	\$162,431	\$191,245	\$254,888	\$385,489	\$653,745
Subtotal Spent on Operations	\$173,861	\$191,245	\$254,888	\$385,489	\$653,745
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	\$11,370	\$13,387	\$17,842	\$26,984	\$45,762
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$11,370	\$13,387	\$17,842	\$26,984	\$45,762
Net Cash Flow	\$92,923	\$252,064	\$666,194	\$1,517,867	\$3,269,095
Cash Balance	\$92,923	\$344,987	\$1,011,181	\$2,529,048	\$5,798,143

Yearly Cash Flow



7.7 Projected Balance Sheet

The following Balance Sheet outlines the key assets and liabilities for [REDACTED].

Pro Forma Balance Sheet					
	2020	2021	2022	2023	2024
Assets					
Current Assets					
Cash	\$213,228	\$426,819	\$877,499	\$1,804,057	\$3,708,973
Other Current Assets	\$4,265	\$8,536	\$17,550	\$36,081	\$74,179
Total Current Assets	\$217,493	\$435,355	\$895,049	\$1,840,138	\$3,783,153
Long-term Assets					
Long-term Assets	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667
Total Assets	\$219,160	\$437,022	\$896,716	\$1,841,805	\$3,784,820
Liabilities and Capital					
Current Liabilities					
Accounts Payable	\$3,417	\$3,417	\$3,417	\$3,417	\$3,417
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$3,417	\$3,417	\$3,417	\$3,417	\$3,417
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$3,417	\$3,417	\$3,417	\$3,417	\$3,417
Paid-in Capital	\$50,000	\$0	\$0	\$0	\$0
Accumulated Surplus/Deficit	\$11,430	\$0	\$0	\$0	\$0
Surplus/Deficit	\$162,431	\$191,245	\$254,888	\$385,489	\$653,745
Total Capital	\$269,160	\$437,022	\$896,716	\$1,841,805	\$3,784,820
Cash Balance	\$91,882	\$242,360	\$638,411	\$1,452,899	\$3,127,658
Net Worth	\$91,882	\$334,242	\$972,653	\$2,425,552	\$5,553,210

Yearly Total Assets

