

ICONYCS

(Year 1 Startup Phase P & L)
(Scenario #1 - Base Case)

Red = Projected Black = Actuals

Operating Revenues (Yr. 1)	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	12 Mos.	Monthly Avg
Clients:	2	2	5	5	7	7	10	10	15	15	20	20	118	10
Published Reports:	1000	1000	2500	2500	3500	3500	5000	5000	7500	7500	10000	10000	59,000	4,917
Subscription Fees:	1000	1000	2500	2500	3500	3500	5000	5000	7500	7500	10000	10000	59,000	4,917
Data Updates:	1667	1667	4167	4167	5833	5833	8333	8333	12500	12500	16667	16667	98,333	8,194
Direct Marketing Fees:	1250	1250	3125	3125	4375	4375	6250	6250	9375	9375	12500	12500	73,750	6,146
Total Report and Data Fees:	\$4,917	\$4,917	\$12,292	\$12,292	\$17,208	\$17,208	\$24,583	\$24,583	\$36,875	\$36,875	\$49,167	\$49,167	\$290,083	\$24,174
Non-Collectable Fees:	(\$246)	(\$246)	(\$615)	(\$615)	(\$860)	(\$860)	(\$1,229)	(\$1,229)	(\$1,844)	(\$1,844)	(\$2,458)	(\$2,458)	(\$14,504)	(\$1,209)
Net Service Fees:	\$4,671	\$4,671	\$11,677	\$11,677	\$16,348	\$16,348	\$23,354	\$23,354	\$35,031	\$35,031	\$46,708	\$46,708	\$275,579	\$22,965
Refunds and Discounts:	(\$234)	\$234	\$584	\$584	\$817	\$817	\$1,168	\$1,168	\$1,752	\$1,752	\$2,335	\$2,335	\$13,312	\$1,109
Total Revenue From Operations:	\$4,437	\$4,904	\$12,261	\$12,261	\$17,165	\$17,165	\$24,522	\$24,522	\$36,783	\$36,783	\$49,044	\$49,044	\$288,891	\$24,074
II. OPERATING EXPENSES	FTE:	1	1	1	3	3	3	3	3	3	3	3	3	3
President / CEO:	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000	3750
Operations Manager:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Analysts(1):	0	0	0	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	40,500	3375
Programmers (1):	0	0	0	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	58,500	4,875
Administrative Support(0):	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonus Pool:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits (.20%):	0	0	0	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	28,800	2,400
Total Employee Expense:	\$0	\$0	\$0	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$172,800	\$14,400
Rent Expense:	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	2,500
Office Utilities:	500	500	500	500	500	500	500	500	500	500	500	500	6,000	500
Phones:	500	500	500	500	500	500	500	500	500	500	500	500	6,000	500
Furniture & Equipment:	500	500	500	500	500	500	500	500	500	500	500	500	6,000	500
Computing Equipment/Programming:	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	2,000
Supplies & Postage:	100	100	100	100	100	100	200	200	200	200	200	200	1,800	150
Marketing Expense:	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000	1,500
Bus. Development / Ent. & Travel:	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	1,000
Legal / Accounting:	100	100	100	100	100	100	100	100	100	100	100	100	1,200	100
Data Costs:	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000
Total Non-Employee Exps:	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$14,300	\$14,300	\$14,300	\$14,300	\$14,300	\$14,300	\$165,000	\$13,750
TOTAL OPERATING EXPENSES:	\$13,200	\$13,200	\$13,200	\$32,400	\$32,400	\$32,400	\$33,500	\$33,500	\$33,500	\$33,500	\$33,500	\$33,500	\$337,800	\$28,150
DEBT INTEREST EXPENSE	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000	\$1,667
DEPRECIATION EXPENSE:	\$555	\$555	\$555	\$555	\$555	\$555	\$555	\$555	\$555	\$555	\$555	\$555	\$6,660	\$555
PRE-TAX OPERATING INCOME:	(\$10,984)	(\$10,517)	(\$3,161)	(\$22,361)	(\$17,456)	(\$17,456)	(\$11,200)	(\$11,200)	\$1,061	\$1,061	\$13,322	\$13,322	(\$75,569)	(\$6,297)
Pre-Tax Profit (100%):	(\$10,984)	(\$10,517)	(\$3,161)	(\$22,361)	(\$17,456)	(\$17,456)	(\$11,200)	(\$11,200)	\$1,061	\$1,061	\$13,322	\$13,322	(\$75,569)	(\$6,297)
Pre-Tax Profit % of Revenue:	-247.5%	-214.4%	-25.8%	-182.4%	-101.7%	-101.7%	-45.7%	-45.7%	2.9%	2.9%	27.2%	27.2%	-26.2%	-26.2%

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Year 2 Pro-forma P & L
(Scenario #1 - Base Case)

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03/26/21

ICONYCS- 3yr P & L

Operating Revenues (Yr. 2)	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	12 Mos.	Monthly Avg
Clients:	20	25	30	35	40	45	50	50	50	50	50	50	495	41
Published Reports:	10000	12500	15000	17500	20000	22500	25000	25000	25000	25000	25000	25000	247,500	20,625
Subscription Fees:	10000	12500	15000	17500	20000	22500	25000	25000	25000	25000	25000	25000	247,500	20,625
Data Updates:	16667	20833	25000	29167	33333	37500	41667	41667	41667	41667	41667	41667	412,500	34,375
Direct Marketing Fees:	25000	31250	37500	43750	50000	56250	62500	62500	62500	62500	62500	62500	618,750	51,563
Total Report and Data Fees:	\$61,667	\$77,083	\$92,500	\$107,917	\$123,333	\$138,750	\$154,167	\$154,167	\$154,167	\$154,167	\$154,167	\$154,167	\$1,526,250	\$127,188
Non-Collectable Fees:	(\$3,083)	(\$3,854)	(\$4,625)	(\$5,396)	(\$6,167)	(\$6,938)	(\$7,708)	(\$7,708)	(\$7,708)	(\$7,708)	(\$7,708)	(\$7,708)	(\$76,313)	(\$6,359)
Net Service Fees:	\$58,583	\$73,229	\$87,875	\$102,521	\$117,167	\$131,813	\$146,458	\$146,458	\$146,458	\$146,458	\$146,458	\$146,458	\$1,449,938	\$120,828
Refunds and Discounts:	(\$2,929)	\$3,661	\$4,394	\$5,126	\$5,858	\$6,591	\$7,323	\$7,323	\$7,323	\$7,323	\$7,323	\$7,323	\$66,639	\$5,553
Total Revenue From Operations:	\$55,654	\$76,891	\$92,269	\$107,647	\$123,025	\$138,403	\$153,781	\$153,781	\$153,781	\$153,781	\$153,781	\$153,781	\$1,516,576	\$126,381
II. OPERATING EXPENSES														
FTE:	10	10	10	10	10	10	10	10	10	10	10	10	10	10
President / CEO:	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	10000
Operations Manager(1):	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000	6500
Analyst(4):	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	216,000	18000
Programmers (2):	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000	6,500
Administrative Support(2):	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	60,000
Bonus Pool:	0	0	105	1,503	2,901	4,299	5,697	5,697	5,697	5,697	5,697	5,697	42,988	3,582
Employee Benefits (.20%):	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	110,400	9,200
Total Employee Expense:	\$55,200	\$55,200	\$55,305	\$56,703	\$58,101	\$59,499	\$60,897	\$60,897	\$60,897	\$60,897	\$60,897	\$60,897	\$705,388	\$58,782
Rent Expense:	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000
Office Utilities	500	500	500	500	500	500	500	500	500	500	500	500	6,000	500
Phones:	500	500	500	500	500	500	500	500	500	500	500	500	6,000	500
Furniture & Equipment:	500	500	500	500	500	500	500	500	500	500	500	500	6,000	500
Computing and Data:	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	3,000
Supplies & Postage:	500	500	500	500	500	500	500	500	500	500	500	500	6,000	500
Marketing Expense:	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000
Bus. Development / Ent. & Travel:	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	2,500
Legal / Accounting:	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	2,000
Data Costs:	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	10,000
Total Non-Employee Exps:	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$354,000	\$29,500
TOTAL OPERATING EXPENSES:	\$84,700	\$84,700	\$84,805	\$86,203	\$87,601	\$88,999	\$90,397	\$90,397	\$90,397	\$90,397	\$90,397	\$90,397	\$1,059,388	\$88,282
INTEREST EXPENSE	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$70,000	\$5,833
DEPRECIATION EXPENSE:	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$6,990	\$583
PRE-TAX OPERATING INCOME:	(\$35,462)	(\$14,225)	\$1,048	\$15,028	\$29,008	\$42,988	\$56,969	\$56,969	\$56,969	\$56,969	\$56,969	\$56,969	\$380,198	\$31,683
Pre-Tax Profit (100%):	(\$35,462)	(\$14,225)	\$1,048	\$15,028	\$29,008	\$42,988	\$56,969	\$56,969	\$56,969	\$56,969	\$56,969	\$56,969	\$380,198	\$31,683
Pre-Tax Profit % of Revenue:	-63.7%	-18.5%	1.1%	14.0%	23.6%	31.1%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	25.1%	25.1%

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Year3 Pro-forma P & L
(Scenario #1 - Base Case)

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ICONYCS- 3yr P & L

Operating Revenues (Yr. 3)	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-21	Jan-23	Feb-23	Apr-23	May-23	12 Mos.	Monthly Avg
Clients:	50	50	55	55	60	60	65	65	70	70	75	75	750	63
Published:	7000	7000	17500	17500	24500	24500	35000	35000	52500	52500	70000	70000	413,000	34,417
Subscription:	7000	7000	17500	17500	24500	24500	35000	35000	52500	52500	70000	70000	413,000	34,417
Data Updates:	10000	10000	25000	25000	35000	35000	50000	50000	75000	75000	100000	100000	590,000	49,167
Direct Marketing Fees:	150000	150000	165000	165000	180000	180000	195000	195000	210000	210000	225000	225000	2,250,000	187,500
Total Report and Data Fees:	\$174,000	\$174,000	\$225,000	\$225,000	\$264,000	\$264,000	\$315,000	\$315,000	\$390,000	\$390,000	\$465,000	\$465,000	\$3,666,000	\$305,500
Non-Collectable Fees:	(\$8,700)	(\$8,700)	(\$11,250)	(\$11,250)	(\$13,200)	(\$13,200)	(\$15,750)	(\$15,750)	(\$19,500)	(\$19,500)	(\$23,250)	(\$23,250)	(\$183,300)	(\$15,275)
Net Service Fees:	\$165,300	\$165,300	\$213,750	\$213,750	\$250,800	\$250,800	\$299,250	\$299,250	\$370,500	\$370,500	\$441,750	\$441,750	\$3,482,700	\$290,225
Refunds and Discounts:	(\$156)	(\$313)	(\$344)	(\$344)	(\$375)	(\$375)	(\$406)	(\$406)	(\$438)	(\$438)	(\$469)	(\$469)	(\$4,531)	(\$378)
Total Revenue From Operations:	\$165,144	\$164,988	\$213,406	\$213,406	\$250,425	\$250,425	\$298,844	\$298,844	\$370,063	\$370,063	\$441,281	\$441,281	\$3,478,169	\$289,847
II. OPERATING EXPENSES														
FTE:	14	14	14	14	14	14	14	14	14	14	14	14	14	14
President / CEO:	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000	20000
Operations Manager(1):	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000	8000
Analysts (6):	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000	30000
Programmers (2):	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	156,000	13,000
Administrative Support(2):	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000	84,000
Bonus Pool:	510	489	6,805	6,805	11,633	11,633	17,949	17,949	27,238	27,238	36,527	36,527	201,302	16,775
Employee Benefits (.20%):	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	187,200	15,600
Total Employee Expense:	\$94,110	\$94,089	\$100,405	\$100,405	\$105,233	\$105,233	\$111,549	\$111,549	\$120,838	\$120,838	\$130,127	\$130,127	\$1,324,502	\$110,375
Rent Expense:	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000
Office Utilities	750	750	750	750	750	750	750	750	750	750	750	750	9,000	750
Phones:	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	2,000
Furniture & Equipment:	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	2,000
Computing and Data:	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000
Supplies & Postage:	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	2,000
Marketing Expense:	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000
Bus. Development / Ent. & Travel:	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000
Legal / Accounting:	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	2,500
Data Cost:	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000	30,000
Total Non-Employee Exps:	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$59,250	\$711,000	\$59,250
TOTAL OPERATING EXPENSES:	\$153,360	\$153,339	\$159,655	\$159,655	\$164,483	\$164,483	\$170,799	\$170,799	\$180,088	\$180,088	\$189,377	\$189,377	\$2,035,502	\$169,625
INTEREST EXPENSE	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$75,000	\$6,250
DEPRECIATION EXPENSE:	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$25,650	\$2,138
PRE-TAX OPERATING INCOME:	\$3,397	\$3,261	\$45,364	\$45,364	\$77,554	\$77,554	\$119,658	\$119,658	\$181,587	\$181,587	\$243,516	\$243,516	\$1,342,016	\$111,835
Pre-Tax Profit (100%):	\$3,397	\$3,261	\$45,364	\$45,364	\$77,554	\$77,554	\$119,658	\$119,658	\$181,587	\$181,587	\$243,516	\$243,516	\$1,342,016	\$111,835
Pre-Tax Profit % of Revenue:	2.1%	2.0%	21.3%	21.3%	31.0%	31.0%	40.0%	40.0%	49.1%	49.1%	55.2%	55.2%	38.6%	38.6%

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Pro-Forma Input Variables and Valuation Summary

DVW
03/26/21
ICONYCS- 3yr P & L

Economic Assumptions and inputs:		Year 1	Year 2	Year 3
Capital Investment		\$1,000,000	\$2,000,000	\$3,000,000
Debt Financing %		10%	25%	25%
Equity Financing %		90%	75%	75%
Debt Cost of Funds:		20%	14%	10%
Equity Cost of Funds:		50%	100%	100%
Weighted Avg. COF:		47%	79%	78%
Vendor Contract Fee:		\$0	\$0	\$0
Client Fees:				
Subscription Fee:		\$1,500	\$2,500	\$3,500
Analytics Report Fee:		\$1,500	\$2,500	\$3,500
Direct Marketing:		\$2,500	\$5,000	\$12,000
Warranty:		\$5	\$5	\$5
Published Reports:		\$1,500	\$2,500	\$3,500
Subscription Fee:		\$1,500	\$2,500	\$3,500
Data Updates:		\$2,500	\$3,500	\$5,000
Bonus Pool:		0%	10%	15%
Other		\$0	\$0	\$0
Other		\$0	\$0	\$0
Other		\$0	\$0	\$0
Refunds and Discounts:		5%	5%	5%
Uncollectable Accounts %:		10%	10%	10%
Service Request Conversion %:		100%	100%	100%

Financial Ratios:		Year 1	Year 2	Year 3
Operating Expenses / Total Revenue:		116.93%	69.85%	58.52%
Operating Expenses / Employee:		\$112,600	\$105,939	\$145,393
Gross Margin (Pre Tax Profit / Total Revenue):		-26.16%	25.07%	38.58%
Pre Tax Profit / Employee:		-\$25,190	\$38,020	\$95,858
Gr. Service Margin (Total Revenue / Total Services.) :		\$2,448	\$3,064	\$4,638
Net Service Margin (Pre-Tax Inc./Services):		-\$640	\$38,020	\$95,858
Net Margin(Est. After-Tax Income/Total Revenue.) :		-16.74%	16.04%	24.69%
Estimated Tax Rate:		36.00%	36.00%	36.00%
ROE:		-7.56%	19.01%	44.73%

ICONYCS - 3 Year Pro-forma P & L

Notes to Financial Model:

Executive Summary / Comments:

IRR of Earnings: 7%

Earnings Valuation Model:

Discount Rate:		10.00%	
Growth Rate Yr 4-10:		5.00%	
Year	Owner Earnings	Discount Factor	Discounted Earnings
			(\$6,000,000)
1	\$ (75,569)	90.91%	\$ (68,699)
2	\$ 380,198	82.64%	\$ 314,213
3	\$ 1,342,016	75.13%	\$ 1,008,277
4	\$ 1,409,117	82.27%	\$ 1,159,284
5	\$ 1,479,573	78.35%	\$ 1,159,284
6	\$ 1,553,552	74.62%	\$ 1,159,284
7	\$ 1,631,229	71.07%	\$ 1,159,284
8	\$ 1,712,791	67.68%	\$ 1,159,284
9	\$ 1,798,430	64.46%	\$ 1,159,284
10	\$ 1,888,352	61.39%	\$ 1,159,284
Total :	\$ 13,119,688		
PV YR 1-10 Earnings:			\$ 9,368,780
IRR:			15%
Yr 10 Earnings:	\$ 1,888,352		
Growth Rate:	5.00%		
Earnings Yr. 11	\$ 1,982,769		
Cap. Rate:	5.00%		
Value at Yr 20:	\$ 39,655,386		
Discount Factor Yr 20:	37.69%		
PV of Residual:	\$ 14,945,698	\$	14,945,698
Intrinsic Value of Company:	\$		24,314,477
Discount:			0%
Market Value:			24,314,477
Per Share Offer:	\$		2.43
Shares Outstanding:			10,000,000

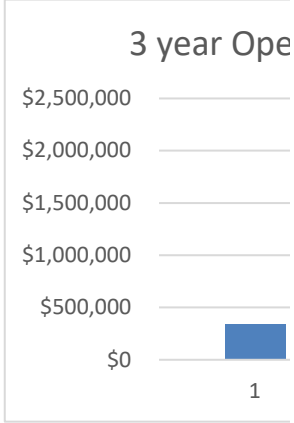
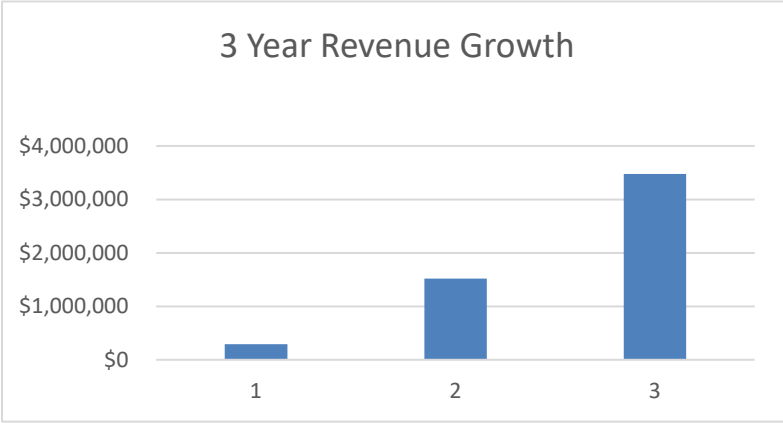
Model Changes from Base Case

1)

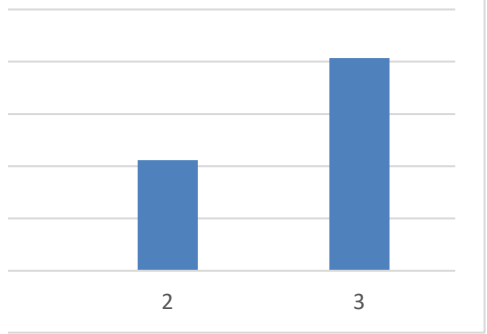
2)

3)

4)



Operating Expense Growth



3 Year Pre-Tax Profit

