

Curtiss Motorcycle Company

Balance Sheet

As of March 31, 2019

(unaudited)

Current Assets

| | | |
|---------------------|----|------------------|
| Cash | \$ | 252,457 |
| Accounts Receivable | | 503 |
| Inventory | | 881,219 |
| Other | | 36,555 |
| | | <u>1,170,734</u> |

Fixed Assets

| | | |
|--------------------------------|--|------------------|
| Equipment | | 103,975 |
| Leasehold improvements | | 25,827 |
| Autos | | 81,435 |
| Other | | 170,097 |
| Construction in Progress | | 268,800 |
| Less: Accumulated Depreciation | | <u>(301,690)</u> |
| | | 348,444 |

Total Assets

| | |
|----|-------------------------|
| \$ | <u><u>1,519,178</u></u> |
|----|-------------------------|

Current Liabilities

| | | |
|-------------------------------|----|---------------|
| Accounts payable | \$ | 253,039 |
| Credit cards payable | | 67,270 |
| Accrued expenses | | 19,341 |
| Accrued payroll | | 49,528 |
| Deferred revenue | | 175,500 |
| Registration rights liability | | 417,549 |
| Current portion of LT debt | | 41,893 |
| Other liabilities | | <u>10,051</u> |
| | | 1,034,171 |

Long-Term Liabilities

| | |
|---------------|---------|
| Notes payable | 426,280 |
|---------------|---------|

Stockholders' Equity (Deficit)

| | |
|----------------------------|---------------------|
| Common stock | 47,631 |
| Preferred stock | 1 |
| Additional Paid-in capital | 13,716,582 |
| Stock subscriptions | 163,165 |
| Accumulated deficit | <u>(13,868,652)</u> |
| | 58,727 |

total Liabilities & Stockholders' Equity

| | |
|----|-------------------------|
| \$ | <u><u>1,519,178</u></u> |
|----|-------------------------|

Curtiss Motorcycle Company

Income Statement

For the Year Ended March 31, 2019

(unaudited)

Revenues, Net

| | |
|------------------------|-----------|
| Sales from motorcycles | 1,548,449 |
| Other sales | 30,283 |
| | <hr/> |
| | 1,578,732 |

Cost of Goods Sold

| | |
|----------------|---------|
| Materials | 837,213 |
| Labor | 43,102 |
| Subcontractors | 66,193 |
| Other | 2,314 |
| | <hr/> |
| | 948,822 |

| | |
|---------------------|---------|
| Gross Profit | 629,910 |
|---------------------|---------|

General & Administrative Expenses

| | |
|-------------------|-----------|
| Salaries | 373,500 |
| Payroll tax | 24,561 |
| Benefits | 16,572 |
| Professional | 99,904 |
| Sales & Marketing | 414,781 |
| Insurance | 40,496 |
| Occupancy | 80,151 |
| Research & Design | 298,440 |
| Office | 22,171 |
| Communication | 12,296 |
| Travel | 95,485 |
| Depreciation | 42,462 |
| Finance charges | 6,722 |
| | <hr/> |
| | 1,527,541 |

| | |
|-------------------------------|-----------|
| Income from Operations | (897,631) |
|-------------------------------|-----------|

| | |
|------------------|--------|
| Interest expense | 31,860 |
| Income tax | 10,679 |

| | |
|-------------------|-----------------------|
| Net Income | <hr/> <hr/> (940,170) |
|-------------------|-----------------------|