

Management Report

HOPSTER'S LLC

For the period ended December 31, 2017

Prepared on

April 20, 2018

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Profit and Loss

January - December 2017

| | Total |
|-------------------------------------|---------------------|
| INCOME | |
| 4000 Taxable Sales | |
| 4010 Food | 285,439.91 |
| 4030 Bar | |
| 4031 Wine | 11,511.39 |
| 4032 Pints | 20,421.31 |
| 4034 Liquor | 53,285.58 |
| 4036 Non Alcoholic | 2,462.52 |
| 4038 House Beers | 343,948.67 |
| 4039 Crawlrs | 9,799.25 |
| Total 4030 Bar | 441,428.72 |
| 4040 Retail | 24,254.02 |
| Total 4000 Taxable Sales | 751,122.65 |
| 4041 Sales - Hopsters Alley | 32,500.00 |
| 4100 Non Taxable Sales | |
| 4037 Retail Cans | 16,419.24 |
| 4110 Kettles | 325,530.52 |
| Total 4100 Non Taxable Sales | 341,949.76 |
| 4900 Gift Card Revenue Recognized | 20,100.83 |
| Total Income | 1,145,673.24 |
| COST OF GOODS SOLD | |
| 5000 Brewing Supplies | 158,980.26 |
| 5100 Bar Supplies | 2,766.34 |
| 5102 Guest Beer/Cider | 15,776.39 |
| 5103 Liquor | 5,971.63 |
| 5104 Soda | 2,166.13 |
| Total 5100 Bar Supplies | 26,680.49 |
| 5200 Food Restaurant | 97,354.87 |
| 5300 Retail Supplies | 20,781.74 |
| Uber Eats Delivery Fee | 556.65 |
| Total Cost of Goods Sold | 304,354.01 |
| GROSS PROFIT | 841,319.23 |
| EXPENSES | |
| 6000 OPERATING EXPENSES | |
| 6010 Office Supplies | 7,227.41 |
| 6030 Postage & Shipping | 443.98 |
| 6040 Communications | 8,349.99 |
| 6050 Insurance | 10,165.97 |
| 6060 Dues & Subscriptions | 615.30 |
| 6070 Software | 8,129.51 |
| 6080 Stationery & Printing | 617.40 |
| 6090 Taxes & Licenses | 14,982.22 |

| | Total |
|---|-------------------|
| 6099 Cash Over/Short | 8,046.43 |
| Total 6000 OPERATING EXPENSES | 58,578.21 |
| 6100 OCCUPANCY | |
| 6110 Rent or Lease | 84,618.84 |
| 6120 Utilities | 74,637.01 |
| 6130 Cleaning & Disposal | 22,123.41 |
| 6150 Repair & Maintenance | 24,141.00 |
| 6160 Security & Alarm | 974.87 |
| Total 6100 OCCUPANCY | 206,495.13 |
| 6200 PROFESSIONAL | |
| 6210 Legal | 3,446.05 |
| 6220 Accounting | 20,126.07 |
| 6230 Promotional | 3,058.86 |
| 6260 Consulting Expense | 365.00 |
| Total 6200 PROFESSIONAL | 26,995.98 |
| 6300 DEVELOPMENT & ADVERTISING | 15,427.75 |
| 6310 Website & Internet | 31,002.56 |
| 6320 Media & Paper | 1,000.00 |
| 6330 Research | 437.40 |
| 6340 Charitable Donations | 8,270.00 |
| 6350 Music & Entertainment | 421.37 |
| Total 6300 DEVELOPMENT & ADVERTISING | 56,559.08 |
| 6400 IN HOUSE SUPPLIES & EQUIPMENT | |
| 6410 Restaurant | 41,067.81 |
| 6420 Bar | 3,509.09 |
| 6430 Brewing | 18,248.06 |
| Total 6400 IN HOUSE SUPPLIES & EQUIPMENT | 62,824.96 |
| 6500 BANKING | |
| 6510 Bank Fees | 2,781.49 |
| 6520 Interest Expense | 19,919.04 |
| 6530 Credit Card Transaction Fees | 30,258.70 |
| Total 6500 BANKING | 52,959.23 |
| 6600 VEHICLE | |
| 6610 Gas | 4,273.76 |
| 6620 Repairs & Maintenance | 3,081.64 |
| 6630 Parking & Tolls | 5,254.74 |
| 6650 Less Personal Use of Auto | -2,522.00 |
| Total 6600 VEHICLE | 10,088.14 |
| 6700 TRAVEL | 3,510.27 |
| 6710 Meals and Entertainment | 14,465.56 |
| 6720 Transportation | 2,202.41 |
| 6730 Lodging | 1,314.46 |
| Total 6700 TRAVEL | 21,492.70 |
| 7000 PAYROLL EXPENSES | |

| | Total |
|--|-----------------------|
| 7010 Salaries & Wages | |
| 7011 Executive Staff | |
| 7011-4 General Manager | 81,846.11 |
| Total 7011 Executive Staff | 81,846.11 |
| 7012 FOH | |
| 7012-8 Staff | 19,245.96 |
| Total 7012 FOH | 19,245.96 |
| 7013 BAR | |
| 7013-8 Staff | 37,677.53 |
| Total 7013 BAR | 37,677.53 |
| 7014 BOH | 1,830.57 |
| 7014-8 Staff | 57,903.73 |
| Total 7014 BOH | 59,734.30 |
| 7015 BREW | |
| 7015-4 Manager | 43,956.81 |
| 7015-8 Staff | 19,877.37 |
| Total 7015 BREW | 63,834.18 |
| 7016 KITCHEN | |
| 7016-4 Manager | 85,043.96 |
| 7016-8 Staff | 75,264.15 |
| Total 7016 KITCHEN | 160,308.11 |
| Total 7010 Salaries & Wages | 422,646.19 |
| 7020 Payroll Taxes | 59,472.42 |
| 7030 Payroll Processing | 3,242.60 |
| 7040 Employee Benefits | 30,658.76 |
| 7050 Workman's Comp | 6,615.55 |
| 7060 Employee Search | 169.46 |
| 7070 Uniforms | 3,441.53 |
| Total 7000 PAYROLL EXPENSES | 526,246.51 |
| Total Expenses | 1,022,239.94 |
| NET OPERATING INCOME | -180,920.71 |
| OTHER EXPENSES | |
| 8000 Amortization | 1,422.00 |
| 8010 Depreciation | 194,873.82 |
| 8800 Start Up Costs Expensed | 253,505.57 |
| Total Other Expenses | 449,801.39 |
| NET OTHER INCOME | -449,801.39 |
| NET INCOME | \$ -630,722.10 |

Balance Sheet

As of December 31, 2017

| | Total |
|--|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 1010 Operating Account - 4188 | 40,739.67 |
| 1030 Payroll - 4176 | 1,180.20 |
| 1040 Hopster's Boston 2762 | 72,716.18 |
| Total Bank Accounts | 114,636.05 |
| Other Current Assets | |
| 1100 Cash/Check in Transit | 426.12 |
| 1105 Credit Card in Transit | 11,913.27 |
| 1210 Employee Loan | 1,800.00 |
| 1400 Inventory Asset | 35,000.00 |
| Total Other Current Assets | 49,139.39 |
| Total Current Assets | 163,775.44 |
| Fixed Assets | |
| 1500 Vehicles | 224,274.32 |
| 1510 Furniture & Fixtures Newton | 56,518.89 |
| 1511 Brewing Equipment Newton | 517,699.47 |
| 1512 Office Equipment Newton | 5,536.01 |
| 1513 Restaurant & Kitchen Newton | 116,572.08 |
| 1514 Leasehold Improvements Newton | 199,232.87 |
| 1520 Furniture & Fixtures Boston | 146,094.11 |
| 1521 Brew Equipment Boston | 285,325.45 |
| 1523 Restaurant & Kitchen Equip Boston | 293,395.45 |
| 1524 Leasehold Improvements Boston | 2,351,983.33 |
| 1525 Start Up Expenses Boston | 253,505.57 |
| 1600 ACCUMULATED DEPRECIATION | -804,861.70 |
| Total Fixed Assets | 3,645,275.85 |
| Other Assets | |
| 1700 Loan Acquisition Costs | 33,059.62 |
| 1800 Security Deposit Newton | 3,500.00 |
| 1801 Security Deposit Boston | 35,000.00 |
| 1900 Due from Hopsters Alley | -45,080.00 |
| Total Other Assets | 26,479.62 |
| TOTAL ASSETS | \$3,835,530.91 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| 2100 Payroll Liability | 0.00 |
| 2115 Accrued Payroll and Payroll Taxes | 26,858.00 |
| 2150 Tips Collected Payable | 3,986.88 |

| | Total |
|--|-----------------------|
| Total 2100 Payroll Liability | 30,844.88 |
| 2200 Accrued Expenses | 111,514.44 |
| 2300 Customer Event Deposits | 6,825.00 |
| 2500 Sales Tax Payable | 3,355.86 |
| 2590 Gift Cards Payable | 23,792.00 |
| Total Other Current Liabilities | 176,332.18 |
| Total Current Liabilities | 176,332.18 |
| Long-Term Liabilities | |
| 2600 Business Loan Peoples Bank \$2,762 | 32,206.57 |
| 2602 Peoples Bk Loan \$545.98 | 5,855.88 |
| 2610 On Deck LOC | 95,147.64 |
| 2650 Loan - Gretchen Wilson | 50,000.00 |
| 2701 Auto Loan Chase | 24,783.93 |
| 2703 Auto Loan TD Bank 2016 Land Rover | 110,754.72 |
| 2704 Notes Payable Van | 43,114.63 |
| 2705 6% Loan from Alley | 147,000.00 |
| 2900 SBA Loan | 307,346.61 |
| 2910 Peoples Loan - Seaport (6138-00014) | 750,000.00 |
| 2920 Loan from L. Cooper (5%) | 68,862.16 |
| 2930 Tenant Improvement Allowance - Boston | 563,762.00 |
| Total Long-Term Liabilities | 2,198,834.14 |
| Total Liabilities | 2,375,166.32 |
| Equity | |
| 3120 Preferred A Series | 775,000.00 |
| 3150 Crowd Funding | 1,311,000.00 |
| 3151 Syndication Costs | -32,100.00 |
| 3999 Partners Capital | 37,186.69 |
| Net Income | -630,722.10 |
| Total Equity | 1,460,364.59 |
| TOTAL LIABILITIES AND EQUITY | \$3,835,530.91 |