

INDUSTRY WATER FILTRATION

3-YEAR FORECAST

Dated Oct. 1, 2017

Revenue	CY 2018	CY 2019	CY 2020	TOTAL
Sales of Model 200	1,140,000	4,750,000	7,600,000	13,490,000
Sales of Model 300	650,000	1,040,000	1,690,000	3,380,000
Lease/Option Model 200	64,000	64,000	80,000	208,000
Lease/Option Model 300	64,000	64,000	80,000	208,000
Sub Total Revenue	1,918,000	5,918,000	9,450,000	17,286,000
Cost of Doing Business				
Cost to Manufacture	200,000	942,000.00	1,488,000.00	2,630,000
Commissions	107,400	347,400.00	557,400.00	1,012,200
Media Advertising	6,000	12,000	12,000	30,000
Trade Shows	6,000	21,000	30,000	57,000
Engineering	12,000	-	-	12,000
Sub Total Cost of Doing Business	331,400	1,322,400	2,087,400	3,741,200
Fixed Expenses				
Facility Rental	12,150	16,200	16,200	44,550
Utilities	4,500	6,000	6,000	16,500
Temps	16,000	16,000	16,000	48,000
Assembly, Field Service Personnel	60,000	145,000	225,000	225,000
Management Payroll	180,000	240,000	240,000	660,000
Total Expenses	272,650	423,200	503,200	1,199,050
FORECAST EBITDA	1,313,950	4,172,400	6,859,400	12,345,750
By %	68.51%	70.50%	72.59%	71.42%

INDUSTRY WATER FILTRATION
12-Month Profit & Loss Proforma 2018
Dated Oct. 1, 2017

REVENUE	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Sales of Model 200			\$0	\$95,000	\$190,000	\$95,000	\$95,000	\$190,000	\$190,000	\$380,000	\$190,000	\$190,000	\$1,615,000
Sales of Model 300			\$0	\$65,000	\$65,000	\$130,000	\$65,000	\$130,000	\$130,000	\$260,000	\$130,000	\$130,000	\$1,105,000
Sub Total			\$0	\$160,000	\$255,000	\$225,000	\$160,000	\$320,000	\$320,000	\$640,000	\$320,000	\$320,000	\$2,720,000
Lease/Option Model 200			\$0	\$3,000	\$6,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
Lease/Option Model 300			\$0	\$2,000	\$4,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	
Running Total Lease Income:			\$0	\$5,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000	\$50,000
TOTAL REVENUE			\$0	\$165,000	\$265,000	\$230,000	\$165,000	\$325,000	\$325,000	\$645,000	\$325,000	\$325,000	\$2,770,000
Cost of Doing Business													
Cost to Manufacture			\$0.00	\$111,000.00	\$111,000.00	\$66,000.00	\$54,000.00	\$81,000.00	\$81,000.00	\$108,000.00	\$54,000.00	\$54,000.00	\$720,000.00
Commissions			\$0.00	\$0.00	\$15,900.00	\$13,800.00	\$9,900.00	\$19,500.00	\$19,500.00	\$38,700.00	\$19,500.00	\$19,500.00	\$156,300.00
Media Advertising		\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$5,500.00
Trade Shows							\$7,000.00					\$12,000.00	\$19,000.00
Sub Total of COGS	\$0.00	\$500.00	\$500.00	\$111,500.00	\$127,400.00	\$80,300.00	\$71,400.00	\$101,000.00	\$101,000.00	\$147,200.00	\$74,000.00	\$86,000.00	\$900,800.00
GROSS OPERATING PROFIT	\$0.00	-\$500.00	-\$500.00	\$53,500.00	\$137,600.00	\$149,700.00	\$93,600.00	\$224,000.00	\$224,000.00	\$497,800.00	\$251,000.00	\$239,000.00	\$1,869,200.00
SGA & Expenses													
Expenses & Overhead	\$0.00	\$3,000.00	\$3,500.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$46,370.00
Total Payroll & Indp. Contractors	\$0.00	\$5,000.00	\$5,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$32,999.00	\$40,999.00	\$32,999.00	\$32,999.00	\$42,999.00	\$42,999.00	\$295,994.00
Total of SGA & Expenses	\$0.00	\$8,000.00	\$8,500.00	\$19,430.00	\$24,430.00	\$29,430.00	\$37,429.00	\$45,429.00	\$37,429.00	\$37,429.00	\$47,429.00	\$47,429.00	\$342,364.00
EBITDA	\$0.00	-\$8,500.00	-\$9,000.00	\$34,070.00	\$113,170.00	\$120,270.00	\$56,171.00	\$178,571.00	\$186,571.00	\$460,371.00	\$203,571.00	\$191,571.00	\$1,526,836.00



INDUSTRY WATER FILTRATION
Number of Tools Manufactured and Sold
Dated Oct. 1, 2017

#Tools Made	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Model 200	-	-	-	3	3	1	1	2	2	4	2	2	20
Model 300	-	-	-	1	1	2	1	2	2	4	2	2	17
Lease/Option Model 200	-	-	-	2	2	1	1	1	1	-	-	-	8
Lease/Option Model 300	-	-	-	2	2	1	1	1	1	-	-	-	8
TOTAL			-	8	8	5	4	6	6	8	4	4	53

Cost to Manufacture	\$0	\$111,000	\$111,000	\$66,000	\$54,000	\$81,000	\$81,000	\$108,000	\$54,000	\$54,000	\$720,000
----------------------------	-----	-----------	-----------	----------	----------	----------	----------	-----------	----------	----------	-----------

#Tools Sold or Leased	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Model 200			-	1	2	1	1	2	2	4	2	2	17
Model 300			-	1	1	2	1	2	2	4	2	2	17
Lease/Option Model 200			-	2	2	1	1	1	1	-	-	-	8
Lease/Option Model 300			-	1	2	1	1	1	1	-	-	-	7
Leases Ended/Cancel'd			-	-	-	-	-	-	-	-	-	-	-
Total			-	5	7	5	4	6	6	8	4	4	49

**INDUSTRY WATER FILTRATION
USE OF CAPITAL
Dated Oct. 1, 2017**

Use of Funds	Target
Fundraise	100,000.00
Maximum Cost of Fund Raise (Savings converted to Reserves)	0.00
Net Proceeds to the Company	<u>100,000.00</u>
Nov Burn	3,000.00
Dec Burn	2,000.00
Jan Burn	5,000.00
Facility Rental	4,050.00
Manufacturing	45,000.00
Tools, Test&Assembly Equipment	3,000.00
Trade Show Booth, Models	8,000.00
Travel	6,000.00
Marketing and Branding	4,000.00
Inventory	0.00
Training, Compliance, Communication	<u>500.00</u>
Sub Total	80,550.00
Reserves	<u>19,450.00</u>
Total	<u>100,000.00</u>

INDUSTRY WATER FILTRATION

12-Month Cash Flow

Dated Oct. 1, 2017

CASH IN	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Cash Starting Balance		\$100,000.00										
Sales of Model 200			\$0.00	\$95,000.00	\$190,000.00	\$95,000.00	\$95,000.00	\$190,000.00	\$190,000.00	\$380,000.00	\$190,000.00	\$190,000.00
Sales of Model 300			\$0.00	\$65,000.00	\$65,000.00	\$130,000.00	\$65,000.00	\$130,000.00	\$130,000.00	\$260,000.00	\$130,000.00	\$130,000.00
Lease/Option Model 200			\$0.00	\$3,000.00	\$6,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
Lease/Option Model 300			\$0.00	\$2,000.00	\$4,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
TOTAL CASH-IN		\$100,000.00	\$0.00	\$165,000.00	\$265,000.00	\$230,000.00	\$165,000.00	\$325,000.00	\$325,000.00	\$645,000.00	\$325,000.00	\$325,000.00
CASH OUT												
Cost to Manufacture			\$0.00	\$111,000.00	\$111,000.00	\$66,000.00	\$54,000.00	\$81,000.00	\$81,000.00	\$108,000.00	\$54,000.00	\$54,000.00
Media Advertising		\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Trade Shows							\$7,000.00					\$12,000.00
Expenses & Overhead	\$0.00	\$3,000.00	\$3,500.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00
Total Payroll & Indep. Contractors	\$0.00	\$5,000.00	\$5,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$32,999.00	\$40,999.00	\$32,999.00	\$32,999.00	\$42,999.00	\$42,999.00
Sub Total CASH OUT	\$0.00	\$8,500.00	\$9,000.00	\$130,930.00	\$135,930.00	\$95,930.00	\$98,929.00	\$126,929.00	\$118,929.00	\$145,929.00	\$101,929.00	\$113,929.00
CASH BALANCE												

Freedom Leaf Inc.
Corporate Office

3571 E. Sunset Road, Suite 420 • Las Vegas, NV 89120

Office: 702-499-6022 • Fax: 1-877-442-0411

InvestorRelations@FreedomLeaf.com



INDUSTRY WATER FILTRATION

Payroll Worksheet

Dated Oct. 1, 2017

Summary of Staff Payroll	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
President	-	5,000	5,000	5,000	7,500	7,500	7,500	10,000	10,000	15,000	15,000	15,000	102,500
CEO	-	-	5,000	5,000	7,500	7,500	7,500	10,000	10,000	15,000	15,000	15,000	97,500
Engineering VP	-	2,500	2,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Senior Technician		6,666	6,666	6,666	6,666	6,666	6,666	6,666	6,666	6,666	6,666	6,666	73,326
Clerical	-	-	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	13,330
Sub Total	-	14,166	20,499	22,999	27,999	27,999	27,999	32,999	32,999	42,999	42,999	42,999	336,656
Employee Taxes, etc.													
Total Employee Expenses	-	14,166	20,499	22,999	27,999	27,999	27,999	32,999	32,999	42,999	42,999	42,999	336,656
Contractors													
Mechanical Engineer		12,000	-	-	-	-	6,000	-	-	-	-	-	18,000
Web Master	500	-	-	-	-	-	500	-	-	-	-	-	1,000
Ad Production	500	1,000	-	-	-	-	1,500	-	-	-	-	-	3,000
Sub Total all Contractors	1,000	13,000	-	-	-	-	8,000	-	-	-	-	-	22,000
Total for Employees & Contractors	1,000	27,166	20,499	22,999	27,999	27,999	35,999	32,999	32,999	42,999	42,999	42,999	358,656

Freedom Leaf Inc.

Corporate Office

3571 E. Sunset Road, Suite 420 • Las Vegas, NV 89120

Office: 702-499-6022 • Fax: 1-877-442-0411

InvestorRelations@FreedomLeaf.com



INDUSTRY WATER FILTRATION

12-Month Expense Worksheet

Dated Oct. 1, 2017

FIXED EXPENSES	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Fixed marketing expenses	\$0.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$5,500.00
Fixed travel	\$0.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$5,500.00
Insurance	\$0.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,300.00
Internet	\$0.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$330.00
NV Office	\$0.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,350.00	\$14,850.00
Office supplies	\$0.00	\$100.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Telephone/Communications	\$0.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,400.00
Utilities	\$0.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,300.00
Accounting & Professional fees	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$11,000.00
Total Fixed Expenses	\$0.00	\$4,480.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$4,430.00	\$48,780.00

Freedom Leaf Inc.

Corporate Office

3571 E. Sunset Road, Suite 420 • Las Vegas, NV 89120

Office: 702-499-6022 • Fax: 1-877-442-0411

InvestorRelations@FreedomLeaf.com

