AMMOSQUARED

2020 Report

Dear investors,

As everyone is keenly aware, 2020 was an unusual year. Fortunately, AmmoSquared Inc., was uniquely positioned to benefit from of the increase in uncertainty and surge in ammunition and gun buying that swept the country. In July and August 2020 alone we saw nearly 1,000 new signups each month! It was so much volume in fact that we needed to turn off our subscriptions to new customers and focus on those that we already had committed to shipping ammunition.

Keep in mind all of this growth occurred BEFORE we rolled out our new web platform (which rolled out March 2021), so the end of the 2020 system we were able to more than triple our customer base and keep up with demand.

The future for AmmoSquared Inc is very bright. We closed 2020 with just over 3,500 active subscribers and 8.1K in Monthly Recurring Revenue (MRR). We're approximately 7% monthly growth through 2021 and targeting 250K in monthly MRR by the end of the year.

We need your help!

First, we're always interested in hearing feedback on our latest website updates. Especially with the rollout of our new AMMOSQUARED 2.0 platform, current investors can create an account and sign up for a very small amount. Second, our best form of marketing is word of mouth, so hopefully our investors are telling family and friends about AmmoSquared and our unique approach to buying and managing ammunition.

Sincerely,

Dan Morton
CEO & Co-Founder

Chris Corriveau
CTO & Co-Founder

Clay Knight
Head of Design

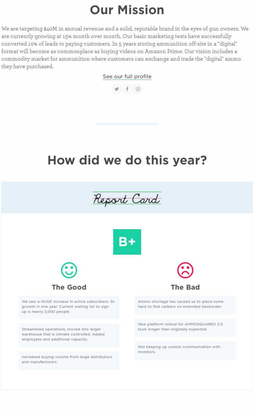
Danielle Morton
Co-Founder

Our Mission

We are targeting $40M in annual revenue and a stable, reputable brand in the eyes of gun owners. We are currently growing at 15% month over month. Our basic marketing team has been successful converting 1.0% of leads to paying customers. In 5 years storing ammunition off-site in a "digital" format will become as commonplace as buying videos on Amazon Prime. Our vision includes an ammunition community market for consumers where customers can exchange and trade the "digital" ammo they have purchased.

See our full profile

How did we do this year?



2020 At a Glance

January 1 to December 31

$790,576 +11X
Revenue

-$233,592 (19X)
Net Loss

$861,923 +548%
Start Year-Date

$391,907
Raise in 2020

$71,467
Cash on Hand

INCOME | BALANCE | NARRATIVE

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements and the related notes and other financial information included elsewhere in this offering. Some of the information contained in this discussion and analysis, including information regarding the strategy and plans for our business, includes forward-looking statements that involve risks and uncertainties. You should read the "Risk Factors" section for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

AmmoSquared simplifies ammunition ownership. We essentially run ammunition stores in small amounts (less than a full box) via a recurring "drip" purchase plan. Physical inventory is stored off-site, exchangeable, and drawn on by customer demand or automatically via a set recurring schedule.

Our mission is to Simplify Ammunition Ownership for the 100m+ gun owners in America. We do that by combining technology and automation (AMMOSQUARED) with something digital (the web) to make ammunition ownership truly effortless.

Milestones

AMMOSQUARED, INC. was incorporated in the State of Delaware in July 2013.

2019 - exceeded 1,000 active subscribers for the first time.

2020 - successfully completed crowdfund campaign and raised nearly $400k, also surpassed 3,000 customers and moved in to 3,000sf climate controlled warehouse.

Historical Results of Operations

Our company was organized in [redacted] and has generated revenues since inception which prospective investors may base an evaluation of its performance.

- *Revenues & Gross Margin.* For the period ended December 31, 2020, the Company had revenues of $790,576 compared to the year ended December 31, 2019, when the Company had revenues of $85,285. Our gross margin was 25.36% in fiscal year 2020, compared to 16.3% in 2019.
- *Assets.* As of December 31, 2020, the Company had total assets of $941,879, including $71,467 in cash. As of December 31, 2019, the Company had $86,594 in total assets, including $13,588 in cash.
- *Net Loss.* The Company has had net losses of $[redacted] and net income of $[redacted] for the fiscal years ended December 31, 2020 and December 31, 2019, respectively.
- *Liabilities.* The Company's liabilities totaled $[redacted] for the fiscal year ended December 31, 2020 and $[redacted] for the fiscal year ended December 31, 2019.

Liquidity & Capital Resources

To date, the company has been financed with $399,573 in equity.

After the conclusion of this Offering, should we hit our minimum funding target, our projected runway is 24 months before we need to raise further capital.

We plan to use the proceeds as set forth in this Form C under "Use of Funds", We don't have any other sources of capital in the immediate future.

We will likely require additional financing in excess of the proceeds from the Offering in order to perform operations and to implement our business plan. We plan to raise capital in 18 months. However, additional capital may not be available or may not be available on reasonable terms when we desire it. If we cannot raise additional capital when desired, our business may be adversely affected. Although capital may be available for early-stage companies, there is no guarantee that the Company will receive any investments from investors.

Runway & Short/Mid Term Expenses

Over the next 12 months we expect to continue to grow our revenue 7-9% monthly. Expenses for cost of goods will continue in line with revenue growth as we purchase in larger volume.

We have avoided taking on any new sources of debt or equity to finance the business. The main source of capital for the business is sales revenue.

Net Margin: -90% | Gross Margin: 25% | Return on Assets: -25% | Earnings per Share: -$703.52

Revenue per Employee: $131,763 | Cash to Assets: 8% | Revenue to Receivables: ∞ | Debt Ratio: 92%

2020_Financial_Statements_-_Ammosquared__Inc.pdf

We ♥ Our 644 Investors

Thank You For Believing In Us

Yen Balenci
Jeffrey Lenon
Nathan Schlegel
Stephen Mallroy
Jeremy Hall
James Hallard
Justin Shamin
Jeffrey Hamilton
Brandon Sampson
Jeffrey Hamilton
Paul Washington
Jeffrey Hamilton
Vincent Lavallade
Tracey Radtke
Jeffrey Hamilton Haskell
Heath Clifford
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