


2020

Shredded Tire Inc. Business Plan



OUR STORY

Echo Edge Roof Block

Echo Roof Terrace

1/1/2020

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Executive Summary

Opportunity

Problem

Wood block used in commercial roofing applications is a staple in almost every commercial building project globally, from drip edging to garden terrace rooftops. More than 500 million linear feet of lumber is sold for this purpose each year at roughly \$1.60 per foot.

This lumber needs to be pressure treated and/or fire treated to comply with building specifications and government building code regulations. Such chemical treatments can be toxic to roofers when inhaled during installation.

Wood block breaks down over time and is susceptible to rot, mold, and termites. This lumber also needs to be affixed with nails or screws, and often requires drilling for proper installation, making it unduly labor intensive.



Toxic stain run-off from typical pressure-treated wood block used in commercial roofing.

Perhaps most importantly, wood block used in commercial roofing is made by cutting down a lot of trees!

What if NO trees needed to be cut down to build roofs and homes? What if lumber could be replaced with a better, more cost-effective building material, that is recyclable and solves the environmental catastrophe caused by discarding billions of tires each year?

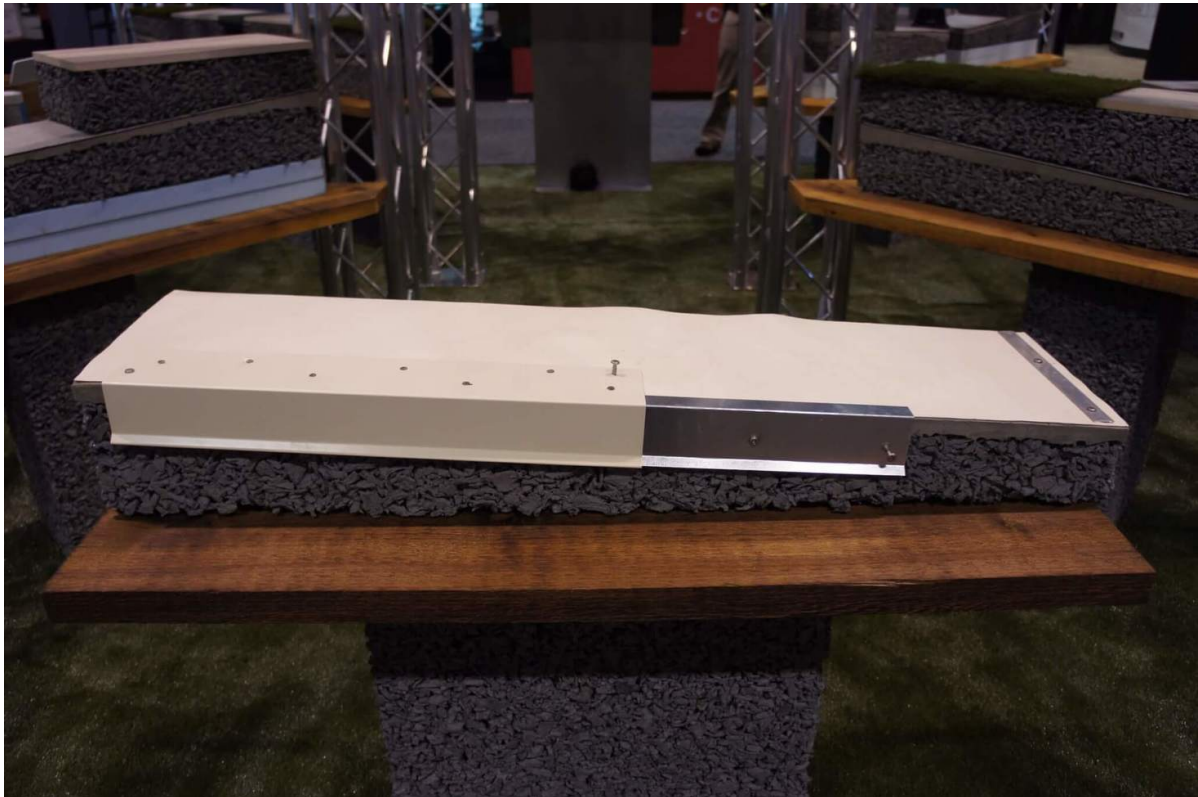
Massive problem....yet, massive opportunity to reinvent a billion-dollar building industry AND help heal the planet. Every foot of wood used to build

roofs and homes can now be replaced with one recycled shredded tire, using Shredded Tire's patented formula.

Solution



echo roof blocks™ – so named for repeating the life cycle of tires – is a revolutionary new building material that eliminates major problems currently associated with traditional building and roofing systems. It's sustainable (eco -friendly), will last forever, is more durable than most other building materials for the same uses, and helps clean up the environment by recycling discarded tires.



Echo Roof Blocks: Designed and patented to replace wood edging and wood block currently used in commercial roofing.

The **patented formula** consists of shredded tire s, silica fume, cement slag, cement and water.

The properties of Shredded Tire's building materials give it significant advantages over lumber used in most rooftops:

- Comparable (or lower) cost
- Non -toxic
- Rot-free

- Mold -free
- Termite -free
- Fire-resistant
- Stronger than wood (and some metals)
- Better insulation
- Never needs to be replaced
- Faster and easier to install (no nailing, screwing or drilling)
- 87% recyclable

Shredded Tire is ideally positioned to revolutionize the building materials industry with its unique solution.

Save trees, recycle tires, and construct a better world.

By most measures, Shredded Tire's solution is 10X better than other solutions on the market.

Market

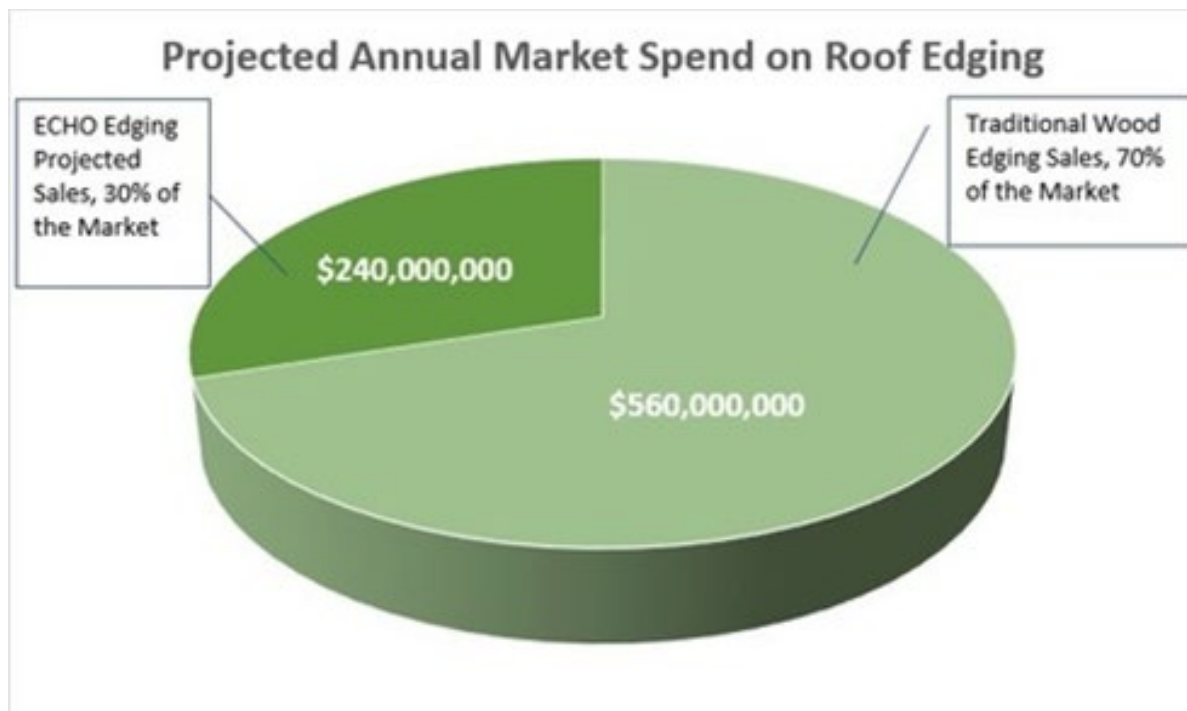
The company's products are targeted to two distinct and well-defined market segments:

(1) commercial roofing wood block (edging), and

(2) garden terrace rooftops.

The commercial roofing market is approximately **\$5B annually in the U.S.** This includes the amount of money spent each year on new construction, re-roofing and repairs. The global market is expected to reach **\$10B** by 2024.

The market spend just on wood block in the U.S. of the type Shredded Tire expects to replace is approximately \$800M. The company intends to capture 30% of this market within five years.



The way the company intends to reach this market is through building supply distributors and lumber wholesalers. The roofing supply channel is controlled primarily by two large players, ABC and Beacon. Both suppliers have agreed to market, stock and sell Echo Edge Roof Block and Echo Roof Terrace, as a replacement for wood block.



These customers agree that Echo Roof Block is not only a superior product to wood block, but it also provides better profit margins while promoting a more sustainable and eco-friendly way to build.

Other major customers are likely to include:

- Builders FirstSource
- BMC Stock Holdings Inc.

- Allied Building Products
- US LBM Holdings Inc.
- HD Supply White Cap
- BlueLinx Corp.
- SRS Distribution

Competition

The competition for Echo Roof Blocks is traditional wood block, i.e. pressure-treated lumber, and in a very small percentage of applications, metal roofing solutions.

Pressure-treated wood block is toxic and leeches chemicals (brown stains). It requires nailing and often drilling. It is subject to fire, rot, mold and termites. It is also subject to wind damage from hurricanes and storms. Wood block is labor-intensive to install and has poor insulation values compared to Echo Block. Most states also require special handling for proper disposal or recycling.

Most importantly, wood block requires cutting down entire forests each year.

Metal solutions have some of the same advantages as Echo Block materials over wood solutions, such as being wind and fire resistant, and offer LEED Credits because they are recyclable. However, metal edging solutions are significantly more costly in material and installation. Metal solutions represent a very small fraction of the market for roof edging in comparison to wood solutions.

Unique Advantage

Echo Roof Blocking is 10X better than wood (lumber) blocking on all measures, and in our opinion, 5X better than metal, on the features and benefits expected for most projects. Echo Block also has the benefit of an endless supply of low-cost raw materials. Wood block is subject to wide price swings based on supply and demand, and the demand over the next five years forecasts higher prices for lumber. Metal is also subject to greater price fluctuations than Echo block.

Echo Edge Roof Block truly duplicates wood blocking by being able to build small walls with superior insulation. Echo Edge Roof Block can be used on roof-to-roof expansion joints, curb-to-curb expansion joints, and curb-to-wall roof expansion joints, in ways that wood and metal cannot. Like wood blocking, Echo Edge Roof Block can be installed as a generic accessory to any roofing system without being part of any manufacturer's approved and tested product lines.

Echo Edge Roof Block comes in six sizes to serve all possible configurations. Echo Edge Roof Block also offers built-in SLOPE so that no pooling of water remains at the edge. The slope can also be

turned the other direction, towards the interior of the roof and provide an edge build-up at whatever height is needed in 1/2" increments. In summary, quicker and less costly to install, more flexible and less wastage than wood and metal.

Echo Roof Block is more cost effective and far superior on most measures than both wood and metal alternatives. Echo Roof Block is also far more predictable in cost of raw materials and better equipped to control prices charged to customers in the future. It will always be a better value.

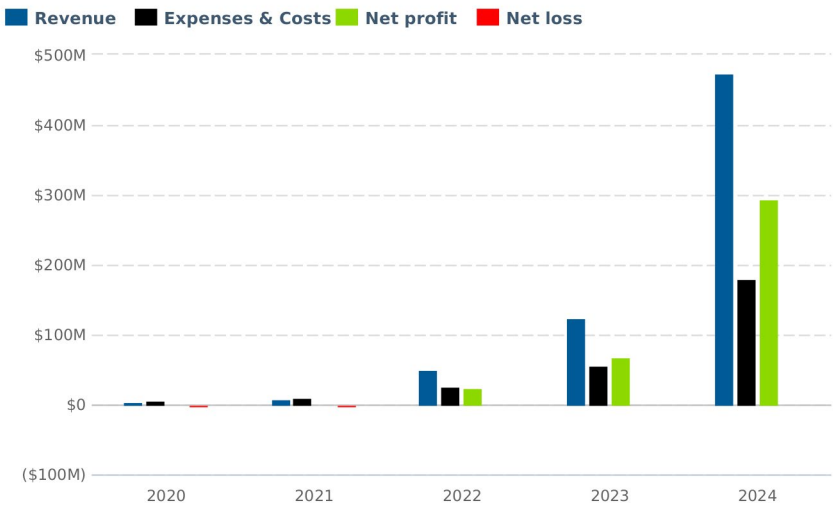
The company's building materials are impossible to replicate without infringing its patents, creating high barriers to entry. As covered above, the competitive solutions are wood and metal materials. There is nothing that can be done with those materials to match the price point, application effectiveness and other benefits of Echo Roof Block.

Expectations

Forecast

Shredded Tire expects to expand from one manufacturing location to 17 manufacturing locations throughout the United States over the next five years, in order to meet the demand for its products. The company expects to capture 30% of the roof blocking market for commercial buildings and grow from \$2M in revenue to more than \$474M in revenue by 2024. Within this time period, the company expects to license its patented system for roofing and home building in other countries and become a publicly traded company.

Financial Highlights by Year



Financing Needed

The company's founder has invested \$2.5M in paid-in capital to fund the company to date. The company also has access to a line of credit through its bank.

The company expects to close a Series A financing for \$10M by Q3 2020. This capital will fund plant locations in Orlando, FL and Raleigh, NC in 2020, and set the stage for expansion to San Diego and San Francisco in 2021. This capital should be enough to get the company to profitability by YE 2022.

Company

Overview

Ownership & Structure

The company was formed as Florida S Corp in September 2014. It was originally incorporated as Leed Roofing Systems, Inc., but officially changed its name to **The Shredded Tire Inc.** and filed a Fictitious Name with the Florida Secretary of State in October of 2014, to more effectively communicate its purpose and value proposition to stakeholders.

The company is owned 100% by Richard Spreen. It is located at 6742 NW 17th Ave, Fort Lauderdale FL 33309. Mr. Spreen has invested more than \$2.5M to date in Shredded Tire, Inc.

The company plans to re-incorporate as a Delaware C Corp prior to commencing its first outside financing round.

Articles of Incorporation, By-Laws and current Annual Report are included in the Appendices.

Company History

With over 30 years of roofing experience in the commercial building market, Founder Richard Spreen had seen it all. Richard has owned and operated a commercial roofing business for 31 years and is involved in the most high-profile projects in South Florida. As a result, he knows what needs to be improved in the industry.

Richard and his company have faced numerous difficulties installing various roofing systems.

- The rising costs of materials.
- The rising costs (and shortages) of skilled installers.
- The limitations and inefficiencies of most roofing systems.
- The negative impact of most roofing systems on the environment.

For example, traditional roofing systems that use insulation board as part of their sloping system cannot get wet. They also compress easily with weight and cannot be fastened to directly. They are also made with environmentally toxic material.

When a developer asked Richard to design and install a garden terrace roof for a new high -end condominium project that would qualify for LEED Green Building Credits to help offset costs of the project, Richard saw it as an invitation to completely re -think how a roof should be built and function. He set out to invent the eco -friendly roofing system of tomorrow. Five years later, after many innovations, experiments, and a substantial investment, the roofing system of tomorrow is here today. Richard branded it ECHO Roofing System.

In the process of creating the next -generation roofing system, Richard and his team discovered the same materials and processes could be used to build, cool, and power the entire structure, using off-the-grid solar technologies. **ECHOHome** was born and is now poised to bring hundreds of thousands of affordable, eco -friendly homes, to developing countries throughout the world. The same materials can be used to build, cool and power schools, portables, hospitals, shops, barricades and other structures.

SWOT Analysis

STRENGTHS

The company's strengths include decades of industry experience and connections; knowledge of the customer base and the distributors that supply those customers; and a product that is vastly superior to others on the market while also saving customers money. Perhaps most notably, the company's product is protected by patents and trademarks that make it difficult for competitors to replicate and enter the market.

WEAKNESSES

The company's primary weaknesses are the human and capital requirements needed to establish a new standard in both the commercial roofing industry and housing markets in developing countries. The capital requirements to establish company -owned manufacturing plants in strategic locations though out the U.S. to serve the commercial building industry will be significant. An investment in education and training of Building Supply Distributors, Developers, General Contractors, and Roofing Contractors will also be required.

OPPORTUNITIES










The company is capitalizing on a global trend for eco -friendly products, particularly in the building materials industry. The company's ability to recycle old tires and turn them into affordable, useful and sustainable roofs and houses world-wide, is a remarkable opportunity. The company believes its roofing material and process is 10X better than lumber and other alternative applications. Shredded Tire has the first -mover advantage and the opportunity to create offshoot applications for global licensing.

THREATS

Although the company has a patent on its shredded tire product mixture, it does not yet have patent protection in all countries, including China. There is a risk the company's invention will be knocked off in the U.S. and abroad, and it will need to invest to defend against infringements.

Business Model Canvas

Shredded Tire is in the sustainable building materials business, initially for commercial roofing applications and, ultimately, for the construction of low-cost housing, schools, portables, hospitals, shops, and other structures.

Key Partners  (Key Partners) Designers Engineers Roofing Consultants Spec Writers Architects Trade Associations U.S. Green Building Council (USGBC) LEED Certification Agencies	Key Activities  (Key Activities) Company-owned expansion plants in Orlando, Raleigh and CA. Key Resources  (Key Resources) Recycled tire suppliers. Manufacturing of mixer and materials.	Value Propositions  (Value Propositions) Superior material. Cost-effective. Eco-friendly. LEED Credits. Easier and safer to install. No shortage of raw materials. Recycle tires, save trees.	Customer Relationships  (Customer Relationships) Building supply distributors, property managers, govt agencies. Channels  (Channels) Building materials distributors.	Customer Segments  (Customer Segments) Roofing contractors. General contractors. Developers. Building materials distributors and suppliers. Natl corporate accts, i.e. Disney, Home Depot, <u>Walmart</u> .
Cost Structure  (Cost Structure) Manufacturing and shipping; marketing and selling to GC's and roofers through distributors. Labor costs.			Revenue Streams  (Revenue Streams) Sale of ECHO Edge™ and ECHO Block™ by the linear foot. Licensing of ECHO Homes™ technology and system globally.	

Vision and Mission

Vision

Establish the company's proprietary building materials and processes as the industry's new standard for sustainable roofing and low-cost, highly durable structures worldwide, while helping to preserve the environment. This vision is focused on three primary applications:

1) Replace traditional wood blocking (lumber) and expansion joints used on all low -slope commercial building rooftops in the United States and Europe with our ECHO Edge Roof Blocks. This will save hundreds of millions of feet of lumber, eliminate the chemical and fire treatment of the lumber, and end the importation and transportation (carbon footprint) of wood as an unsustainable commodity in commercial building.

2) Replace traditional tapered roof insulation systems used in urban rooftops in the United States and Europe with ECHO Roof Terrace, with our government -approved terrace roof system. This system provides a flat, walk -able and permeable surface, unlike anything the industry has ever seen. Our vision is to make it the industry standard.

3) Replace substandard structures with low -cost, highly durable monolithic structures, in developing countries.

One linear foot of the company's revolutionary roof edging product (1' x 1' x 6") recycles one discarded tire from a landfill. There are 300M tires discarded each year in the U.S. alone. There is an estimated 500M linear feet of lumber edging used in commercial building in the United States each year, at the expense of thousands of trees. The adoption of the company's ECHO Roofing Blocks by the building industry could literally preserve entire forests and recycle every discarded tire in America each year. No more toxic landfills.

Mission Statement

Saving trees, recycling tires, and revolutionizing the building materials industry to construct a better world.

3-Year Plan

Key Objectives

1. Establish Echo Edge Roof Block as the preferred roofing components among developers and contractors for commercial buildings in large urban areas in the United States, especially for those wanting to capitalize on LEED Credits.
2. Establish company-owned manufacturing plants in strategic locations throughout the United States to fulfill the demand for roof edging and block, with an eye toward European expansion by year 4.

3. Finalize the specifications, plans, pricing and licensing program to commercialize Echo Block and associated technologies for roofing, homes, schools, portables, hospitals, military barricades and other structures to be built in other countries.

Goals

1. Hire an experienced industry salesperson in Q4 2019 to begin selling ECHO Roofing Block to building supply distributors, developers and contractors in South Florida. [DONE]

2. Launch the shreddedtire.com web site and social media plan in Q4 2019 to position and market the company's products, and to capture leads and inquiries from developers and contractors interested in testing and/or ordering the products. Capitalize on sustainability positioning and ability to increase LEED Credits.

3. Sign at least one developer in South Florida to purchase ECHO Roof Block in Q4 2019, to be installed by Shredded Tire for the purposes of perfecting the system of pricing, production, delivery and installation, and to secure validation and testimonials. The first install is slated for Fall 2019 (Midtown 6 project in Miami). Secure drone footage and testimonial letter from the Contractor.

4. Meet with all major building supply distributors in South Florida in Q4 2019, to understand their requirements for purchasing, marketing and selling ECHO Roof Block, as well as training roofing contractors on how to install it.

5. Become an established (certified) manufacturer for building supply distributors in the SE USA by Q1 2020 and understand the requirements of all major building supply distributors in the U.S. to stock and sell Shredded Tire roofing components throughout the country by YE 2020.

6. Operate Shredded Tire, Inc. profitably by YE 2022.

7. Raise sufficient capital to become the leading supplier of roof edging with wood blocking replacement for all roofs and rooftop terrace components in the United States by Q4 2020. (See projections and estimated capital needs in financials section of this plan.)

8. Educate all U.S. commercial developers and contractors in the top 25 Metropolitan Statistical Areas (MSA's) about ECHO Roofing Block, and those who are building rooftop gardens and terraces on the superior advantages of the material by YE 2020. Consummate an arrangement with Soprema, to promote and sell Echo Roof Terrace.

9. Finalize locations, costs, plans, timelines and capital requirements to expand company-owned plants in the top 25 MSA's by YE 2021. (See Operations section of this plan for initial map of target expansion locations).

10. Establish second company -owned manufacturing plant in Orlando, Florida and third company -owned plant in Raleigh, North Carolina by YE 2020. Establish third and fourth company -owned plants in San Diego, CA and San Francisco, CA by YE 2021.

11. Establish four additional plants in leading MSA's by YE2022. Establish eight additional plants in leading MSA's by YE2024.

12. Establish the first licensees for ECHO Roof Block in Europe and other developed countries by YE 2023. Begin to export the company's proprietary building materials, processes, and know-how for low-cost and power-efficient homes and other structures through licensing arrangements in developing countries by YE 2024.

Strategies

1. Implement a Push/Pull strategy for market penetration. PUSH the product through established building supply distributors like ABC and Beacon by delivering them a superior product with higher profit margins. PULL the product through developers and roofing contractors by educating them on the features, benefits and ROI of using ECHO components instead of lumber.

2. Focus on commercial roofing projects that are ideal for substituting traditional edge lumber and wood blocking with Shredded Tire's ECHO Edge Roof Block.

3. Leverage LEED Credits to drive adoption and cost savings.

4. Market Shredded Tire's ECHO Roof Terrace for roof top gardens and terraces as all-new, more cost effective and sustainable innovation for the building industry.

5. Market, manufacture, and deliver ECHO products nationally through company -owned locations; and internationally through licensing arrangements.

6. Focus on the Top 25 MSA's where there is double digit growth in building permits and planned projects and are also strategically located near tire recycling plants and building supply distributors. (See planned expansion map.)

7. Institute a simple roofing installer certification process for ECHO Edge Roof Block and a robust training and certification program modeled after Soprema for ECHO Roof Terrace.

8. Expand the company's patent protections through continuation -in-part filings and filing in all major countries.

9. Implement product production tracking technology to collect data from all material being produced in all plants, to accurately track batch production by location, and to estimate local demand, machinery repairs and maintenance (downtime), labor efficiencies and costs/profits by job. This tracking technology will also be key in tracking and collecting royalties from international licensees.

10. Engage with commercial architects, designers, spec writers (in house and contract) who influence and specify building designs and materials and initiate ongoing R&D and innovation by sponsoring programs at Universities with accredited building materials schools.

11. Create a compelling branding strategy around Zuka360.com for international expansion and marketing of Shredded Tire materials and know-how for low-cost, self-powered homes, in developing countries.

12. Exploit other markets for the company's materials, technologies, and intellectual property, including ShredBeds (home gardens), play grounds and other applications.

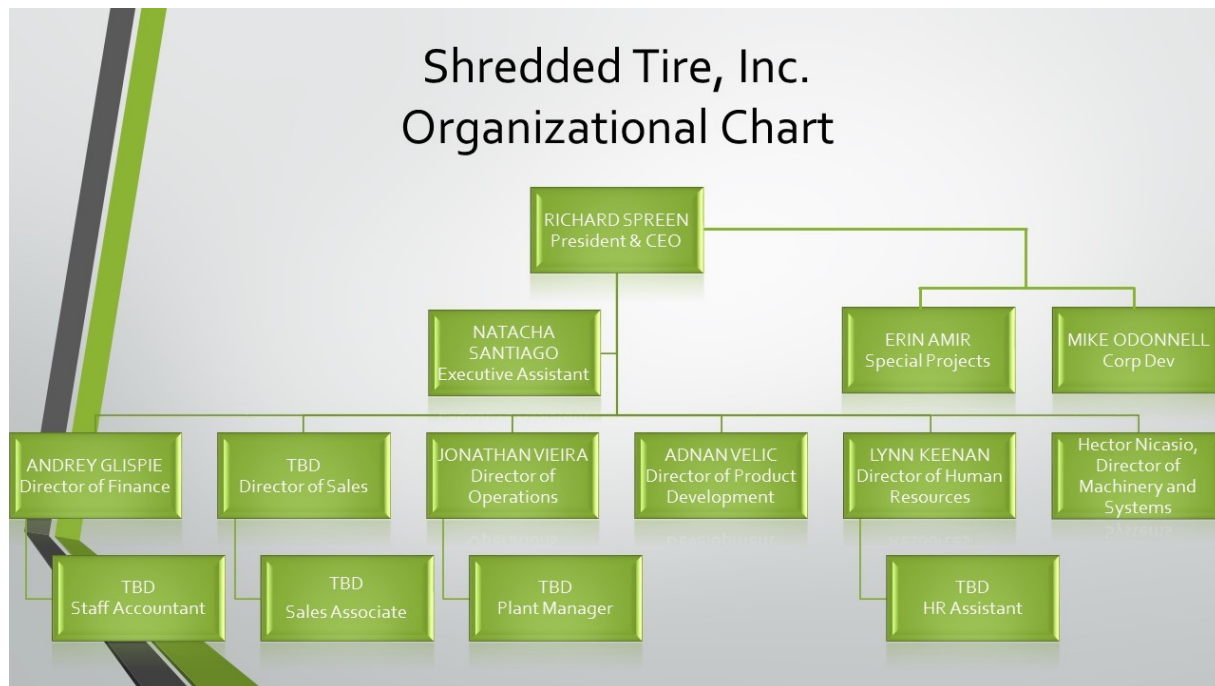
Long-Range Plan: IPO

Expand ECHO Edge Roof Block and ECHO Roof Terrace to Europe through licensing arrangements. Exploit applications for the materials to build affordable, self-powered housing, schools, portables, hospitals and shops in developing nations.

Within this time-frame, and upon well-funded execution of this business plan, Shredded Tire expects to become a publicly-traded company.

Team

Management Team



Richard Spreen, Founder, President & CEO

Owner, DeckTight Roofing. 31-years of experience operating a successful commercial roofing business in South Florida.

Jonathan Vieira, Director of Manufacturing Operations

Supervise warehouse staff and manage daily manufacturing activities. Responsible for procurement and logistics.

Adnan Velic, Director of Product Development

Responsible for marketing and promotion. In charge of product control, testing and development while simultaneously functioning as liaison to manufacturing and sales.

Andrey Glispie, Director of Finance

Ownership of accounting, finance, treasury and IT functions. In charge of budgeting, risk management, internal controls and operational strategies.

Hector Nicasio, Director of Machinery and Systems

Responsible for maintaining all equipment and advising R&D on equipment, systems and process improvements.

Lynn Keenan, Director of Human Resources

Responsible for employee recruitment and retention.

Erin Amir, Special Projects

Responsible for media relations and special projects.

Michael O'Donnell, Corporate Development

Responsible for financing, M&A, investor Relations, expansion planning and strategy.

TBD, VP or Director of Sales

Responsible for sales, recruiting and managing sales staff; and key national accounts with building supply distributors.

See full biographies in the Appendices.

Key Planned Hires

1. VP of Sales
2. National Accounts Manager (distributors, relationship manager)
3. Director of Marketing

Professional Advisors

General Legal Counsel: Larry R. Lieby, Malka & Kravitz, P.A

Financial / Audit / Tax Advisor: (Richard Shavell, Shavell & Company, P.A)

Patent / Trademark / IP Counsel: Nancy J. Flint, Attorney At Law, P.A., Flint IP Law

Web and Social Media Agency: TEN, Fort Lauderdale, FL.

Strategy / Business Planning / M&A / Corporate Development Advisor: Michael O'Donnell, Michael O'Donnell, P.A.

Products & Services

Problem, Opportunity & Solution

Problem and Opportunity

Wood edging is a staple in almost every commercial building project globally. More than 3,000 linear feet of wood edging is installed on a typical low-slope roof of a commercial building. A large big box store with a 3.5" edge build-up, for example, requires more than 4,750 linear feet of wood edging, including expansion joint and coping cap details.

In fact, the amount of wood edging and wood block required on buildings has doubled in the last 20 years, because of the demand for thicker and higher R-value insulation. In the past, wood edging was 2"-3" high to accommodate the insulation. Today, the industry standard is a 7" build-up and some architects and developers have begun to specify a 14" inch build up. The edging specifications for today's municipal projects like airports and schools, require about 25 mature pine trees with a height of 80' and a diameter of 2'.

Wood edging needs to be pressure treated and/or fire treated to comply with the project specifications. Such chemical treatments can be toxic to roofers when inhaled during installation. Wood edging breaks down over time and is susceptible to rot, mold, and termites. Wood edging also needs to be affixed with nails or screws, and often requires drilling for proper installation. And finally, wood edging is made by cutting down a lot of trees.

ECHO Edge Roof Blocking replaces traditional wood edging and wood block. It costs the same (or less in some applications), is non-toxic, rot-free, mold-free, termite-free, fire-resistant, stronger than wood, provides better insulation, never needs to be replaced, and is 87% recyclable. ECHO Edge Roof Blocking is also faster and easier to install than traditional wood edging and block. It does not require drilling, nailing, or screwing, delivering a significant savings in time and labor.

Best of all, ECHO Edge Roof Blocking does not require cutting down trees. In fact, it helps clean up the environment by recycling discarded tires piled in landfills all around the world. In essence, the raw materials for ECHO Edge Roof Blocking are abundant and lower cost than wood edging.

"Quote from a distributor or contractor here to validate the opportunity to replace traditional wood edging with Echo Edge Roof Block."

Shredded Tire has a remarkable opportunity to completely replace wood edging and block used in all commercial building worldwide, while helping to make our planet more sustainable. ECHO Roofing materials gives builders a better product, at a comparable price, and helps them earn more LEED credits*.

ECHO Roof Terrace is the same proprietary block material as ECHO Edge Roof Blocking but produced in larger sizes used in the construction of garden terrace rooftops. ECHO Home is also the same material but is used to produce entire structures along with additional proprietary IP and know-how for cooling and powering the structures. More about these product applications are covered later in this plan.

**LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.*

Developed by the U.S. Green Building Council (USGBC), LEED provides building owners and operators a concise framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions.

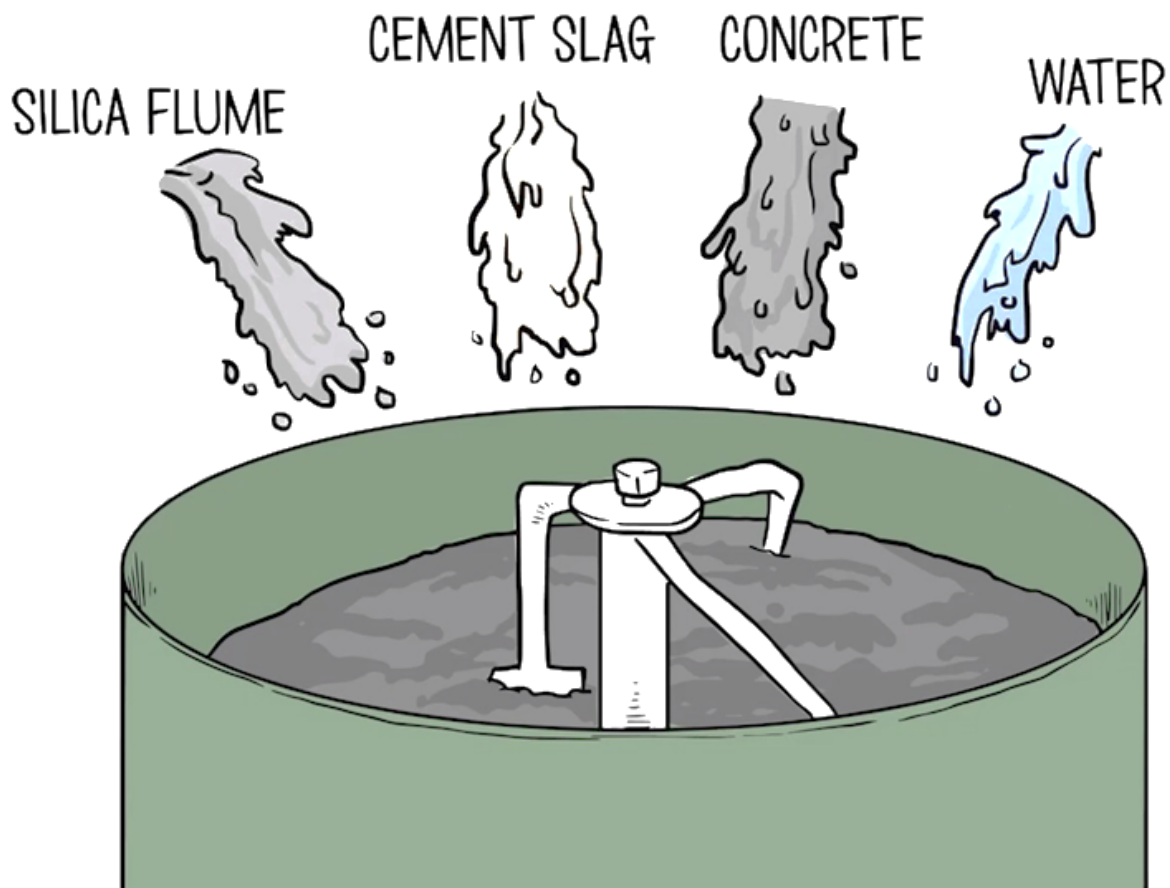
The more LEED Credits a developer-builder earns, the higher its rating. LEED status can yield massive cost savings over time in the form of state and local tax breaks and higher rents as well as other perks. Originally designed to help green the planet, LEED is a widely recognized tool which can be maximized efficiently for its stated purpose and capitalized upon for financial gain.

Our Unique Solution: echo roof blocks™

echo roof blocks™ – so named for repeating the life cycle of tires – has been years in the making. It's a revolutionary new building material that eliminates major problems currently associated with traditional building and roofing systems. It's sustainable (eco-friendly), will last forever, is more durable than most other building materials for the same uses, and helps clean up the environment by recycling discarded tires.

Our patented building material is used to manufacture Echo Block, Echo Flow and Echo Edge along with third party private label products which we will also sell through distributors such as Echo Turf, Echo Bond, and Echo bag. These are the components needed for the installation of a complete Rooftop Terrace and Garden as well as a replacement for wood blocking (Echo Edge) for all wood edge and expansion joint conditions on low slope roofing. There is nothing else like it on the market.

The patented formula consists of shredded tires, silica fume, cement slag, cement and water.



The properties of Shredded Tire's building materials give it significant advantages over lumber used in most rooftops:

- Comparable (or lower) cost
- Non -toxic
- Rot-free
- Mold -free
- Termite -free
- Fire-resistant
- Stronger than wood (and some metals)
- Better insulation
- Never needs to be replaced

- Faster and easier to install (no nailing, screwing or drilling)
- 87% recyclable

The raw materials needed to manufacture Shredded Tire's unique formula are plentiful and the costs are perpetually low. Recycled tires are purchased at \$0.10 per pound. Silica Fume, cement slag, concrete, grout and water can all be purchased in bulk for low, predictable costs. They are commodity ingredients. The company will never have a supply problem or be subject to wide swings in the price of its raw materials.

The company is ideally positioned to revolutionize the building materials industry with its unique solution. **Save trees, recycle tires, and construct a better world.** By most measures, Shredded Tire's solution is 10X better than other solutions on the market.

ECHO Roofing Product Line (SKU's)

ECHO EDGE ROOF BLOCK



The company's Echo Edge Roof Block replaces traditional wood blocking to provide a smooth surface for metal drip edge attachment. This includes the edge of the roof, the coping cap, the roof to roof expansion joint and the curb to wall expansion joint. AH-160 foam is used to adhere the block to the surface.

Echoflow™ is used to build up the height according to specification. Echobond™ is to adhere the grass to echoflow. Echobag™ is ready-mix bags of Shredded Tire dry mix which can be mixed up on

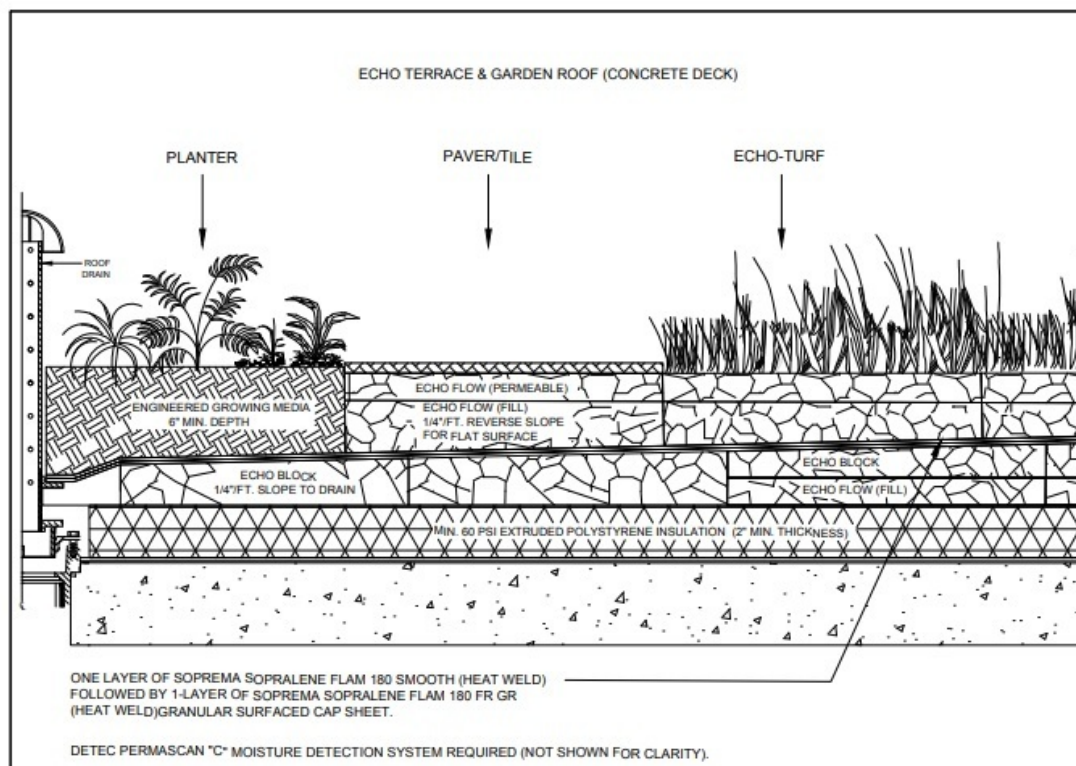
the job site to fill in unavoidable gaps around roof drains and other spaces where needed. Roofers just need to add water to make more blocks and fill.

The following image shows a side-by-side comparison of traditional wood edging (on the left) and Echo Edge Roof Block (on the right). Different lengths, widths and slope sizes are available to builders, depending upon the project's specifications. Metal drip edging is attached in the same way it is to the wood edging but is easier and quicker to affix.

ECHO ROOF TERRACE

Echoblock™ is used to construct garden roof terrace's, along with Echoflow™.

Echoblock™ provides a non-permeable surface and Echoflow™ a permeable surface. Use of each depends greatly on terrace design as well as permeable areas.



COGS, Pricing & Margins

The costs to produce a standard unit of ECHO Edge Roof Block that is 2'x1' with a 3" to 3.5" slope is approximately \$7.53. It is sold to building supply distributors for \$17 per unit, for a profit margin of \$9.47 per unit. The distributor's markup to builders is approximately 20%. The price paid by builders for ECHO Block through distributors is comparable to that they pay for the same amount of edging lumber. The company's COGS will come down over time with production scale and automation efficiencies.

Echo Roof Blocks for both roof edging and roof terraces will typically be sold through local building supply distributors by the pallet.

The COGs, wholesale pricing and margins for each of Shredded Tires' SKU's by the PALLET can be found in the following table:

SKU	2.00" - 2.50"	2.50" - 3.00"	3.00" - 3.50"	3.50" - 4.00"	2" Fill	4" Fill
<u>Direct Cost</u>						
Silica Fume	\$ 0.26	\$ 0.32	\$ 0.37	\$ 0.43	\$ 0.23	\$ 0.46
Cement Slag	0.09	0.11	0.12	0.14	0.08	0.15
Portland Cement	0.14	0.18	0.21	0.24	0.13	0.26
Construction Grout	1.83	1.83	1.83	1.83	-	-
Shredded Tire	1.41	1.72	2.03	2.34	1.25	2.50
Water	0.01	0.01	0.01	0.01	0.01	0.01
Labor	2.01	2.46	2.91	3.36	1.79	3.58
Conversion Cost	0.03	0.03	0.04	0.04	0.03	0.05
Total Direct Cost	\$ 5.78	\$ 6.65	\$ 7.53	\$ 8.40	\$ 3.51	\$ 7.01
Quantity Per Pallet	96	80	72	64	160	80
Selling Price per Unit (25% Discount)	\$ 15.75	\$ 16.50	\$ 17	\$ 18	\$ 8	\$ 15
Selling Price per Pallet	\$ 1,512.00	\$ 1,320.00	\$ 1,242.00	\$ 1,152.00	\$ 1,200.00	\$ 1,200.00
COGS p/Pallet (Incl. packaging \$18.3 per)	\$ 572.70	\$ 550.11	\$ 560.48	\$ 556.08	\$ 579.96	\$ 579.16
Gross Margin Per Pallet	\$ 939.30	\$ 769.89	\$ 681.52	\$ 595.92	\$ 620.04	\$ 620.84

Shipping costs are not included in COGs, but in operating expenses. Shipping/delivery to local distributors is expected to be a marginal cost because each Shredded Tire plant is strategically located in close proximity to distributor warehouses. In some locations, the distributors will bear the costs to pick up the pallets from Shredded Tire plants.

The pricing strategy for Echo Edge Roof Blocks is to be comparable to that of lumber, which contractors and roofers view as a commodity. The installed cost of Echo Edge is comparable to fire rated lumber because there is significant labor savings. The cost advantages become significant the thicker the layers of wood required by spec. As insulation thicknesses increase, as they certainly will year over year, the cost advantage of Echo Edge Roof Blocks far outweighs that of the cost of traditional wood block.

The pricing strategy for Echo Roof Terrace is still evolving, as the demand for garden terrace rooftops grows. Currently, the strategy is to be competitive with alternative roofing systems. As the market is educated on the superior quality and benefits of Echo Block material, the company may raise its prices to reflect the dominant market position it is planning to achieve.

ECHO Home (Zuka360)

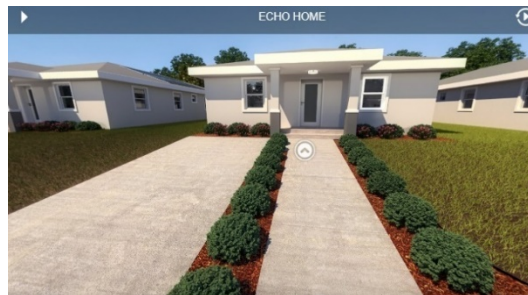
Building Materials and Systems for Better Structures Worldwide

ECHO Home is the first ever monolithic self-supporting structure that is made entirely out of 1,600 shredded tires and our internationally patented Echo-System design. Echo Home is made from a minimum 93% recycled material as certified by SCS Global. It is durable enough to sustain the weight of 20,300 lbs. on its roof, and the entire structure has an R-Value of 15.74.

ECHO Home represents the future direction of the company and presents it with endless possibilities to construct a better world. The company's building materials and systems can be used to construct low-cost, sustainable, self-cooled and self-powered homes, schools, portables, hospitals, barricades, and other structures.

The company expects to license its ECHO Home proprietary materials and building designs under the brand name, **Zuka360**.

Visit our web site at <https://www.shreddedtire.com> to take an interactive tour of ECHO Home and see our vision for the future.



Training, Certification & Warranties

Installer Training and Certification

Shredded Tire will institute an installer training and certification program for both Echo Edge Roof Block and Echo Roof Terrace. Roofers will need to satisfactorily complete the program before being authorized to install the product. In some jurisdictions, the local building inspectors may require the installers to produce a card proving they are certified for Echo Roof Blocks.

This program will also help reduce product liability and improve inspection and contractor satisfaction. Details of the program will be forthcoming. It will likely be delivered partly online through interactive presentation and testing, and partly onsite. Shredded Tire may authorize certain companies to provide the training (train-the-trainers) or may provide the training using its personnel.

Customer Warranties & Fees

To receive the warranty, installers need to be trained and their work inspected by Shredded Tire authorized inspectors. The company will charge \$0.15 per square foot for the warranty. Inspectors may work directly for Shredded Tire or be contracted to partners like SOPREMA.

For Echo Edge Roof Block, the warranty will cover the material for 5 years. Proof of purchase in the form of an invoice from an authorized distributor is all that will be needed to exercise the warranty. The warranty will cover the replacement of the material, but not the labor.

Echo Roof Terrace only, the warranty will cover both labor and material. SOPREMA will offer the warranty as part of their current inspection and warranty program. Decktight will extend a warranty agreement with SOPREMA at a mid-November meeting.

Product Liability, Testing, and Regulatory Requirements

Product Liability and Insurance

Shredded Tire's insurance provider is currently working on the terms of the product liability policy. The initial meeting was held with them in late September. The policy is expected to be in place by November 1 and will be attached to this plan in the appendices.

Testing and Certifications

Echo Block building materials have been fire -tested, wind tested, hail tested, insulation tested, age tested, and load tested -- by third party testing agencies. They exceed standards on all measures. ECHO is also certified by SCS Global as minimum 93% recycled content at 12" thickness, which provides LEED points that current roofing systems do not offer builders.

See Testing Certificates in the Appendices.

Tests Performed:



1. SCS Global Recycled Content

- Echo Block 4" 87.53 % Recycled Content
- Echo Block 8" 90.57 % Recycled Content
- Echo Flow 4" 80.59 % Recycled Content
- Echo Flow 8" 86.18 % Recycled Content

2. TAS 114.95 Wind uplift testing

- TAS I 1495 Echo Block foam attached to 2" extruded Polystyrene Insulation -50.2.5 PSF. No Failure recorded
- TAS I 14.95 Echo Flow over Echo Block foam attached to 2" Polystyrene Insulation 387.5 PSF
- TAS I 14.95 Paver on Echo Flow over Echo Block attached to concrete slab with grout 400 PSF
- TAS I 1495 Artificial turf on Echo Flow over Echo Block Attached to concrete slab with grout 330 PSF
- TAS I 14.95 Paver on Echo Flow over Echo Block foam attached to 2" Polystyrene insulation 300 PSF

3. UL 7 90 Class A Fire Rating

- 4" Echo Block of infinite slope I ½ Ft no ignition test PASS
- 4" Echo Flow with Artificial turf slope ¼" Melt on test sample is 30 Inches no ignition test PASS
- 4" Echo Flow with Artificial turf slope 1/4" Melt on test sample is 27 Inches no ignition test PASS
- 4" Echo Block at 3" slope surface char 2 ft no ignition, PASS.

4. TAS10 5 Field Withdrawal Resistance Testing

- Echo Block Minimum Characteristics Resistance Force 2 40 .34 LBF Fastener used: 1-5/8" Spade Point Headlok Fastener by Olympic Fasteners, Inc.

5. ASTM E9009 Sound Transmission Loss

- Echo Block STC=39 OITC=36

6 . ASTM C39 Compression Testing*

- Echo Block
 - 7 Days 80 PSI
 - 28 Days 89 PSI
 - 28 Days 96 PSI
 - 56 Days 94 PSI
- Echo Flow
 - 7Days 96 PSI
 - 28 Days 89 PSI
 - 28 Days 83 PSI
 - 56 Days 87 PSI

*ECHO building materials get stronger with time.

7. ASTM G518 Standard Test Method of Steady -State Thermal Transmission Properties by means of Heat Flow Meter Apparatus

- Echo Block R-Value = 1.3 127 per inch

8 . UL Flow Rate of Water Passing Thru Two Echo Flow Products

- 4" Thick Echo Flow
 - Prewetting Time Elapsed 20 Seconds. 8 lbs of water poured, 7.4 lbs of water collected. 6 lbs water retained
 - Testing Time Elapse 35 Seconds, 40 lbs of water poured, 38.7 lbs of water collected, 1.3 lbs water retained
- 12" Thick Sample
 - Prewetting Time Elapsed 55 seconds, 8 lbs of water poured, 6 .6 lbs collected, 1.4 lbs of water retained.
 - Testing Time Elapsed 65 Seconds. 40 lbs of water poured, 38.4 lbs water collected, 1.6 lbs of water absorbed.

9. 5000 Hour Age testing by PRI

- Echo Block has been tested at PRI for aging. test samples have been exposed to UV light at a constant temperature for 5000 Hours under AC 48 UV light.

10. Physical Properties Testing by PRI

- ASTM C 239 Flexural Strength of concrete
 - Pre-weathering:367 lbs
 - Post-weathering: 415 lbs, (5000 Hr AC 48 UV Weathering)
- UL22 18 Class 4 Impact Hail Test (Steel Ball) Passed then take out the wording "Passes Class 4 Impact testing without minor surface abrasion."

11. TAS 111(B)95 by PRI Test Rocusedure for edge metal pull -off performance rated at -512.5, the maximum capacity of the test chamber.

Local, State, National and Industry Approvals

Shredded Tire's building materials for all applications are expected to meet or exceed all local, state, national, and industry standards. The company has received 'Notice of Acceptances' from jurisdictions where its materials are currently being used or planned to be used.

ROOFING SYSTEM APPROVAL

<u>Category:</u>	Roofing
<u>Sub-Category:</u>	Waterproofing
<u>Deck Type:</u>	Concrete, Steel
<u>Material:</u>	SBS
<u>Maximum Design Pressure:</u>	-382.5 psf.

TRADE NAMES OF PRODUCTS MANUFACTURED OR LABELED BY APPLICANT:

<u>Product</u>	<u>Dimensions</u>	<u>Test Specification</u>	<u>Product Description</u>
ECHO™ Block	24" W x 24" L Minimum 2" thick	Proprietary	Cementitious recycled shredded tire roof insulation block, which includes an 8,000 psi structural mortar/grout surface.
ECHO™ Flow	24" W x 24" L Minimum 2" thick	Proprietary	Cementitious recycled shredded tire permeable top layer roof insulation block and fill.
ECHO Bag	40 lbs. bag	Proprietary	Bagged, shredded tire mixed with Portland cement for onsite mixture around penetrations.
ECHO Turf	Various	Proprietary	Artificial turf.
ECHO Bond	Various	Proprietary	Adhesive for artificial turf



DEPARTMENT OF REGULATORY AND ECONOMIC RESOURCES (RER)
BOARD AND CODE ADMINISTRATION DIVISION

MIAMI-DADE COUNTY
PRODUCT CONTROL SECTION
11805 SW 26 Street, Room 208
Miami, Florida 33175-2474
T (786) 315-2590 F (786) 315-2599
www.miamidade.gov/economy

NOTICE OF ACCEPTANCE (NOA)

Shredded Tire Inc.
6742 NW 17th Ave.
Fort Lauderdale, FL 33309

ROOFING COMPONENT APPROVAL

<u>Category:</u>	Roofing
<u>Sub-Category:</u>	Roofing Fasteners
<u>Materials:</u>	Cementitious Rubber, Steel

SCOPE:

This approves roofing components “ECHO Block Roof Edge Termination Systems” as described in this Notice of Acceptance. Designed to comply with the Florida Building Code and the High Velocity Hurricane Zone of the Florida Building Code for the locations where the pressure requirements, as determined by applicable building code do not exceed the design pressure values listed herein.

See copies of NOA's received from licensing authorities in the Appendices.

Product Road Map / R&D

5-Year Product Plan

The company plans to continue to perfect, manufacture and sell Echo Blocks for commercial roofing applications in North America through company -owned plants strategically located throughout the United States and Canada. Within this five -year period, the company expects to begin licensing the system to major building materials manufacturers in Europe, Asia, South America, and Africa.

The objective of our product plan is to replace wood block lumber currently used in commercial roofing and capture at least 30% of the market. The company also plans to capture 30% of the rooftop garden terrace installations with its Echo Roof Terrace product. It expects to continue its partnership with SOPREMA to enter the European and Asian markets, through patent licensing agreements.

The company also plans to perfect its ECHO Home System and enter into licensing arrangements with major home builders who are focusing on serving developing countries. For example, American Home Builders of West Africa (AHWA) recently signed a contract with the nation of Guinea to build 4000 homes at a cost of \$207M. As the population continues to explode in developing countries and far outpace that of developed countries, there is an enormous need for Shredded Tire's ECHO Home System.

R&D Lab and University Relationships

Continual innovation and intellectual property development is a cornerstone of our 5 -year product plan. We plan to set up an R&D lab for the continual improvement of our proprietary building materials -- and to continue to file patents and continuation -in-parts globally. We expect to see the building industry broadly adopt our materials and systems for yet unimagined applications.

As part of our R&D strategy we plan to partner with colleges and universities that have renowned construction management schools and building materials and methods labs.

Intellectual Property

Patents

ENVIRONMENTALLY RESPONSIBLE INSULATING CONSTRUCTION BLOCKS AND STRUCTURES

ABSTRACT

Environmentally responsible insulating construction blocks and structures constructed primarily of recycled materials are disclosed. The environmentally friendly construction blocks and structures comprise shredded rubber tire pieces coated with silica fume, slag cement and cement, which are then mixed with water and formed in a mold. A layer of grout or a fireproof material may be disposed on one side of the environmentally responsible insulating construction block. The environmentally responsible insulating construction blocks provide high insulation as well as strength for applications such as green roofing, wall construction and green roofing decks. Environmentally friendly structures can be built by pouring the coated shredded rubber tire pieces into molds to form walls, and then to pour a layer of the coated shredded rubber tire pieces as a roof deck, thereby creating a self-supporting structure in a monolithic pour.

CORE CLAIMS OF ISSUED PATENT

1. An environmentally responsible insulated construction block comprising:

a plurality of shredded rubber tire pieces coated with silica fume, slag cement and cement forming a block having a top surface, a bottom surface substantially parallel to the top surface and 4 side surfaces substantially perpendicular to the top surface and the bottom surface, wherein the block has a depth defined by the distance between the top surface and the bottom surface;

wherein the shredded rubber tire pieces range in size of between about ½ inch to 2 inches,

wherein the shredded rubber tire pieces comprise at least 50% by weight of the environmentally responsible insulated construction block,

wherein the environmentally responsible insulated construction block forms an open interior matrix structure.

2. The environmentally responsible insulated construction block of claim 1, further comprising one or more layers of grout disposed on the exterior of the top surface, the bottom surface or both the top and the bottom surfaces.

3. The environmentally responsible insulated construction block of claim 1, wherein the block is about 12 inches square.

4. The environmentally responsible insulated construction block of claim 3, wherein the thickness of the block is greater than about 2 inches.

5. The environmentally responsible insulated construction block of claim 4, wherein the thickness of the block is about 4 inches.

6. The environmentally responsible insulated construction block of claim 4, wherein the thickness of the block is between about 2 inches and about 20 inches.

7. The environmentally responsible insulated construction block of claim 2, wherein the block is used in a roofing system.

8. The environmentally responsible insulated construction block of claim 1 for use in construction of a wall, a deck or a walkway.

9-20. (CANCELED)

21. The environmentally responsible insulated construction block of claim 7, wherein the roofing system comprises a low slope roofing system.


See Appendices for CHART OF PATENT APPLICATIONS AND ISSUED PATENTS.

Trademarks

Shredded Tire™

U.S. trademark filed on February 12, 2019





United States Patent and Trademark Office

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ShreddedTire

Word Mark

SHREDDETTIRE

Goods and Services

IC 019 US 001 012 033 050 G & S Non-metal construction materials, namely, construction blocks made of shredded rubber tire pieces, cement, slag cement and silica fume; Construction materials, namely, non-metal flooring materials; Refractory construction materials, not of metal; Construction material, namely, blocks made primarily from shredded rubber tire pieces; Refractory blocks, not of metal; Non-metal roofing; Roofing comprised primarily of shredded rubber tire pieces, cement, slag cement and silica fume; Roofing system comprised of non-metal system elements; Wall system consisting of shredded rubber tire pieces, cement, slag cement and silica fume; Non-metal decks; Non-metal decks comprised primarily of shredded rubber tire pieces, cement, slag cement and silica fume

Standard Characters

Claimed

Mark

Drawing Code

(4) STANDARD CHARACTER MARK

Serial Number

88298996

Filing Date

February 12, 2019

Current Basis

1B

Original Filing Basis

1B

Owner

(APPLICANT) The Shredded Tire, Inc. CORPORATION FLORIDA 6742 N.W. 17th Avenue Fort Lauderdale FLORIDA 33309

Attorney of Record

Nancy J. Flint, Esq.

Type of Mark

TRADEMARK

Register

PRINCIPAL


Live/Dead Indicator

LIVE

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Shred Beds™

U.S. Trademark application filed on January 18, 2019.


United States Patent and Trademark Office
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Shred Beds

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Current Basis
Original Filing Basis
Published for Opposition
Owner
Attorney of Record
Type of Mark
Register
Live/Dead Indicator

SHRED BEDS
IC 019 US 001 012 033 050 G & S Non-metal construction materials, namely, construction blocks made of shredded rubber tire pieces, cement, slag cement and silica fume; Construction materials, namely, non-metal flooring materials; Refractory construction materials, not of metal. Construction material, namely, blocks made primarily from shredded rubber tire pieces; Refractory blocks, not of metal
(4) STANDARD CHARACTER MARK
86266800
January 18, 2019
1B
1B
May 14, 2019
(APPLICANT) The Shredded Tire, Inc. CORPORATION FLORIDA 6742 N.W. 17th Avenue Fort Lauderdale FLORIDA 33309
Nancy J. Flint, Esq.
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Zuka360™

Trademark application to be filed September 2019.

Domain Names & Trade Names

shreddedtire.com

The company's name and website. This is the umbrella brand for all products created with the company's patented shredded tire formula.

zuka360.com

The company's brand for planned international expansion, especially for housing applications.



planethealers.com

A website for a branding campaign to enable our customers to promote their use of our products, saving trees and recycling tires, and to be recognized by their customers as a more environmentally responsible company. (Read more in the marketing section of this business plan.)

planet healer



DRIVEN TOWARD GREEN BUILDING

The company's tag line.

ECHO Roof Blocks

The company's umbrella branding for its current product line. Trademark filed October 2019.



ECHO Edge Roof Block

The company's name for roof edging, which is manufactured in different thicknesses (slopes), depending upon the builder's specifications, and sold by the pallet.



ECHO Roof Terrace

The company's brand for garden terrace rooftops, which is manufactured in different sizes by the cubic foot and sold by the pallet.

Branding Elements (misc. component s)



ECHO Home

The company's brand for its prototype home.

Trade Secrets & Proprietary Systems

Formula

The basic formula for ECHO System building material is patented and, therefore, disclosed to the public to prevent others from replicating the formula without infringing. However, the precise mixtures of ingredients are continually being refined and improved. These improvements will be closely held trade secrets.

As the company's roofing products are adopted in the market, there will be opportunities to improve the formula for different building applications, and by engineering enhancements, such as the attachment of drip edging to the ECHO Edging base and enhancements to improve drainage in ECHO garden terrace applications. The company will continue to innovate and stay several years ahead of would-be knock-offs.

Equipment, Systems, Processes, Data Collection and Analysis

The manufacturing and deployment of ECHO System building materials requires a variety of important equipment, molds, systems, processes and institutional know-how pioneered by the company. These implements are not available to the general market and are virtually impossible to replicate. They would need to be licensed and taught to those who want to manufacture the materials.

The company is also developing sensors and proprietary software that enables every batch manufactured of ECHO material to be tracked, whether in company-owned plants or licensed plants. This data will prove invaluable to analyze production outputs, labor efficiencies, downtime, machinery repairs and maintenance, and other production metrics. This data will help ensure the integrity of every batch and optimize quality and output. This data will also inform new R&D initiatives.

IP Licensing and Defense

Licensing Strategy

The company expects to license the manufacturing, sale and distribution of its building materials and systems to qualified manufacturers on all continents within five years. The licensees will monitor the building markets in their territories and help keep would-be copycats at bay. Details on our licensing strategy, targets and timelines will be forthcoming in the next edition of this business plan.

IP Defense Strategy

The company anticipates having to defend its patents, systems and processes from those who would try to replicate the material or hold themselves out as authorized manufacturers of the Shredded Tire ECHO System.

The first part of this strategy will involve very close relationships with the building supply distributors nationally, who will profit handsomely from reselling ECHO building materials to contractors and roofers. They will help monitor the market and ensure would-be copycats are not doing and end-run. The second part of this strategy involves building a reputation and brand awareness directly with building contractors and roofers, to insist on using only Shredded Tire authorized products for their projects.

Finally, the third part of this strategy is to maintain a legal defense fund, retain patent-infringement counsel, and prosecute anyone who infringes the patents and trademarks, and work with local authorities to shut down unauthorized operations.

Market and Competition

Target Market

Market Size, Segments, and Growth with Forecast

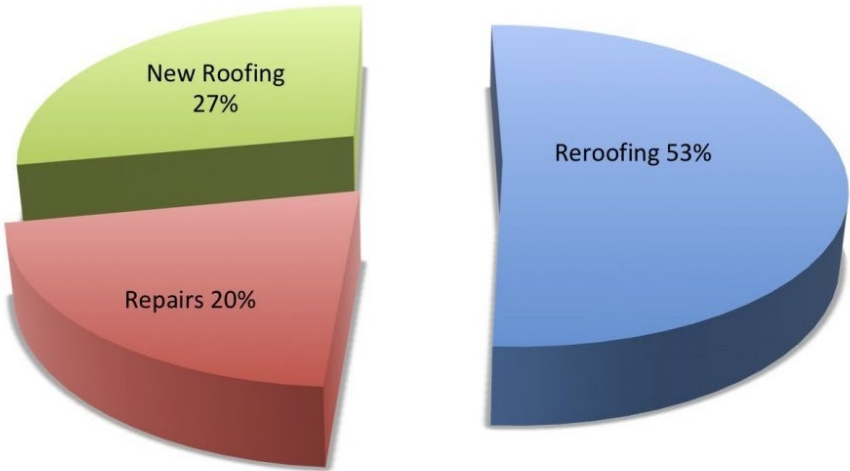
The company's products are targeted to two distinct and well-defined market segments, commercial roofing edging and garden terrace rooftops:

1. Wood Edging

Edging is needed to construct low-slope roofs of commercial buildings. The market segments include:

- a) Retail -- big box stores (Wal Marts, Targets, Home Depot's, etc.), malls and shopping Centers
- b) Multi-Family -- condominiums, apartments, town homes (high-rise, mid-rise, garden)
- c) Office Buildings -- urban and suburban (Class A, B, and C)
- d) Industrial -- warehouses, manufacturing plants, etc.
- e) Hotels -- full service, limited service, boutique, casinos
- f) Special Purpose -- banks, gas stations, airports, churches, self-storage, amusement parks, etc.

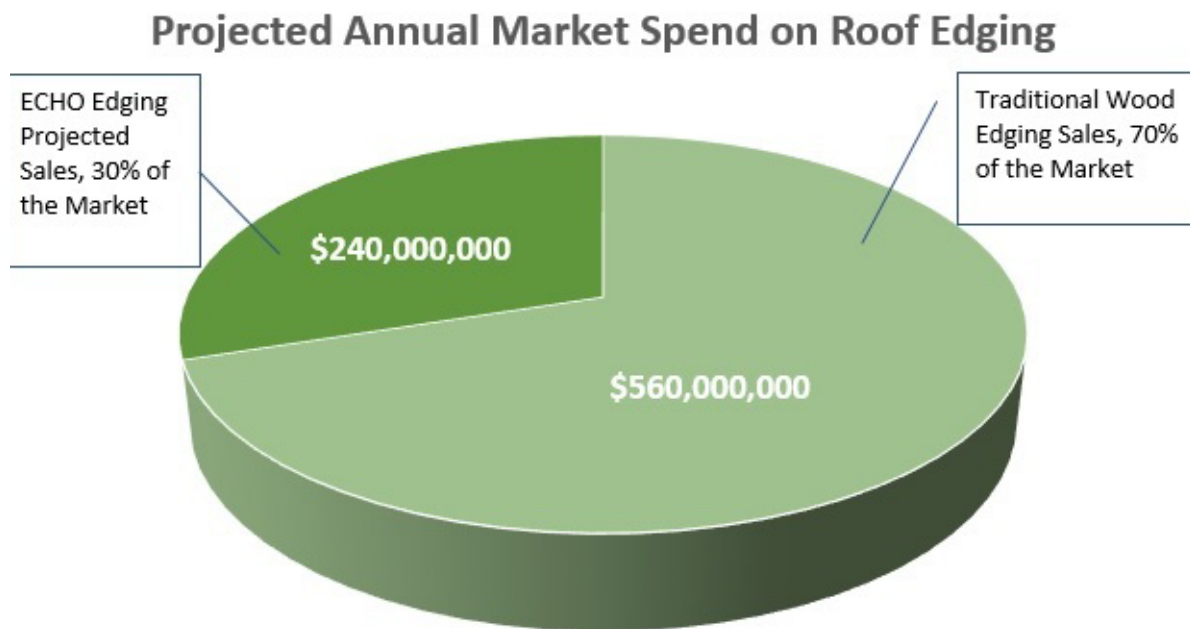
According to several industry analysts the commercial roofing market is approximately **\$5B** annually in the U.S. This includes the amount of money spent each year on new construction, re-roofing and repairs. The global market is expected to reach **\$10B by 2024**.



Low-slope roofing dominates, comprising 51% of all roofs built each year and growing at a 4% rate annually.

According to Skanska USA, 2 trillion square feet of buildings will be built or undergo a significant renovation between 2015 and 2050 worldwide.

The market spend for **commercial roof block edging in the U.S.** is conservatively estimated at **\$800M**. There is approximately 500M linear feet of lumber edging sold each year for commercial building projects. The company believes it can capture at least 30% of this market by 2023.



2. Garden Terrace Rooftops

Roof top gardens and terraces are an exploding trend, both for new construction and upgrading of existing buildings. The fastest growing segment is high-rise luxury condominiums, but the trend is also growing rapidly for hotels, office buildings and grocery chains like Whole Foods. The trend is being driven both by life-style amenities demanded by tenants, but also by economics. Garden rooftops can lower cooling and heating costs by as much as 26%, while fetching a premium price from owners-tenants.

According to Turf Magazine, green roof sales have doubled every year for the last 12 years. The new Facebook and Apple campuses have huge, intensive green roofs. The new 49er stadium has a huge green roof. Rooftop gardens are being built on the Vancouver Convention Centers; the California Academy of Sciences; and the Croton Water Treatment Plant in the Bronx, New York, which is incredibly topped with a Golf Course.

According to Grand View Research, **the global green roof market size was valued at USD 7.2 billion in 2018 and is expected to register a CAGR of 17.1% from 2019 to 2025.**

Other analysts, like technavio, size the market at \$10B by 2022, growing at CAGR 19%.

The growth of the "green roof" market is attributed to increasing developer demand due to benefits, such as it reduced noise pollution, maintenance and energy costs, and CO2 emissions, extended lifespan of roofs, regulated building temperature, improved employee productivity and health, and increased building value.



The focus on installation of green roof is increasing as cities and governments are setting goals to be more energy -efficient. For instance, San Francisco's Better Roofs Ordinance, launched in January 2017, made San Francisco the first major U.S. city to mandate living roofs between 15 to 30% for most of the new constructions. Also, Denver approved a green roof initiative for newly built sites of area larger than 25,000 square feet.

Shredded Tire's Echo Roof Terrace is an ideal solution for this exploding market.

Served Market

In terms of served market, the company plans to target the Top 50 MSA's. See our expansion plan under the Operations section of this business plan.

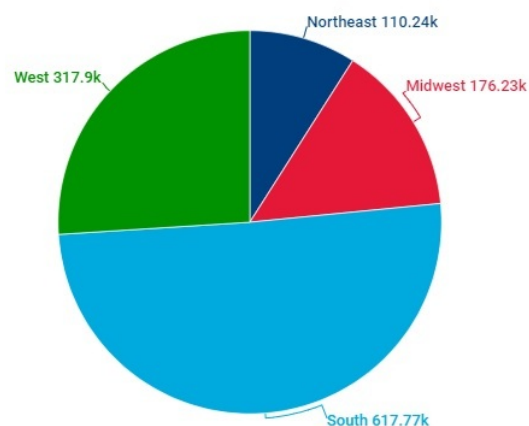


Market & Industry Trends

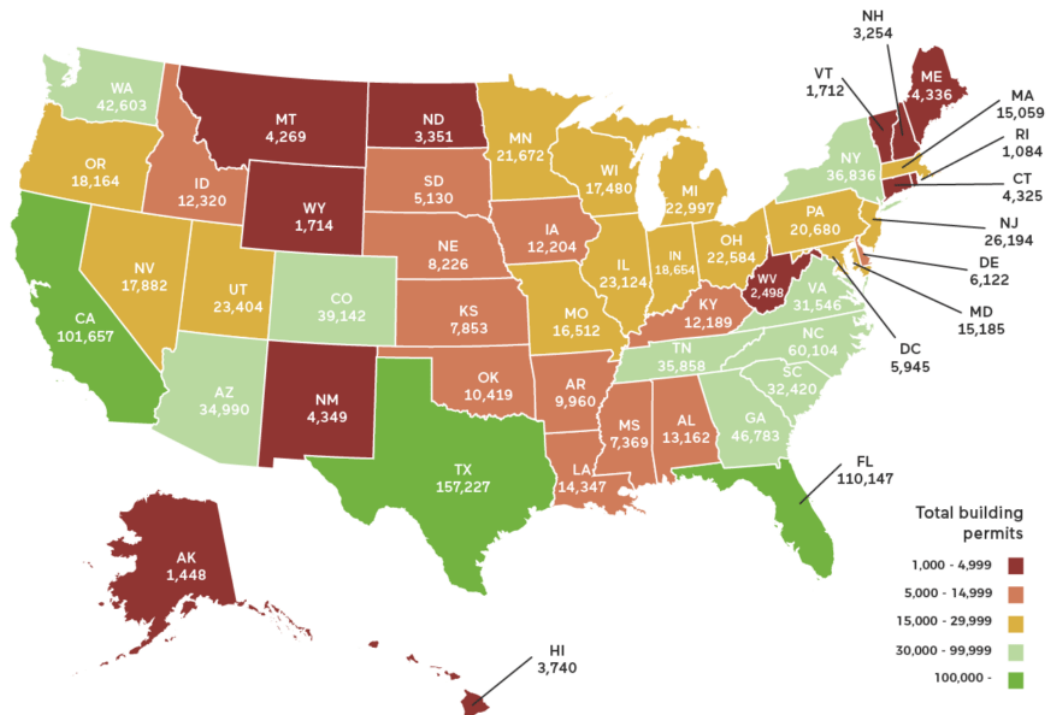
While it is difficult to predict the future of both multi-family residential and commercial building of the type targeted for Echo Block, most analysts agree that the southern half of the United States, from California to Virginia, represent more than 50% of projected growth in building. In particular, Texas, Florida and California are expected to experience record growth.

Total Permits by Region

(YTD through Nov. 2018)



Total Building Permits in the U.S. 2017



www.fixr.com/blog

Data Source: National Association of Home Builders

FIXR

Trends

The commercial roofing industry is driven by the demand for new buildings, as well as the repair and upgrading of existing buildings. The latest trends and surveys favor the adoption of Shredded Tire's Roofing Systems:

1. Extreme weather and more powerful storms are expected to drive demand for roofing and could also disrupt the supply chain, having a substantial impact on the commercial roofing market. The industry is looking for more durable roofing solutions.
2. Labor shortages are expected in the coming years, which could impact the industry on several dimensions; finding quality workers, an aging workforce, prefab solutions displacing the need for labor as well as language barriers within the workforce. The industry is looking for roofing solutions that require less time to install and less skilled labor.

3. Sustainability is profoundly impacting the commercial roofing market and affecting new product development. The popularity of LEED architectural guidelines has led to the international green construction code and other rating systems, which is turning into a long-term trend. Sustainable roofing products continue to increase in popularity, and commercial roofing companies and others in the industry are seeking products that go beyond the traditional definition of being created "green" and instead are environmentally friendly throughout the entire life of the product. Creating less waste for landfill is key. The industry predicts a turn away from short-term single-ply roofing systems in favor of longer-term multi-ply modified-bitumen roof systems that require occasional maintenance as opposed to a complete replacement.

4. Process technologies are expected to outpace product developments in the future, simplifying and improving installation and maintenance through more integrated systems. These systems track the current condition of a roof, and even providing alerts when there is a water or moisture build up in the roof. Process technologies also include infrared scans that can be done to identify areas of potential water intrusion. The industry wants "integrated roofing systems" like that offered by ECHO Block and Flow.

5. Demand for "Green roofs" that look prettier than the typical commercial roof and have different purposes, such as "vegetated roofs," or "living roofs," because they quite literally include soil and vegetation atop a building, with waterproofing layers built underneath. Green roofs are among the most aesthetically pleasing eco-friendly commercial roof types available today. The benefits of green roofs include:

- The ability to absorb rainwater that would normally make its way through the mostly cement/paved streets of urban areas.
- Providing shade and high levels of insulation to save on energy use, much like cool roofs.
- Lasting longer than conventional roofs —according to the GSA, green roofs are expected to last twice as long.

Key Customers

The company intends to sell its ECHO Roofing Systems exclusively through building supply distributors. It will avoid channel conflict by not selling direct to contractors or roofers. The two largest customers in the United States are expected to be **ABC Supply Co** and **Beacon Roofing Supply Inc.**, representing about 50% of the market.

The company will also develop relationships with all other building supply distributors in each region where it operates. The company offers distributors a better product and higher margins than the lumber they sell today for the same purposes. These key customers are also motivated to promote "green building" products and materials.

Major Players

(Market Share)

Beacon Roofing Supply Inc. 19.8%



American Builders & Contractors Supply Company Inc. 28.4%

SOURCE: WWW.IBISWORLD.COM

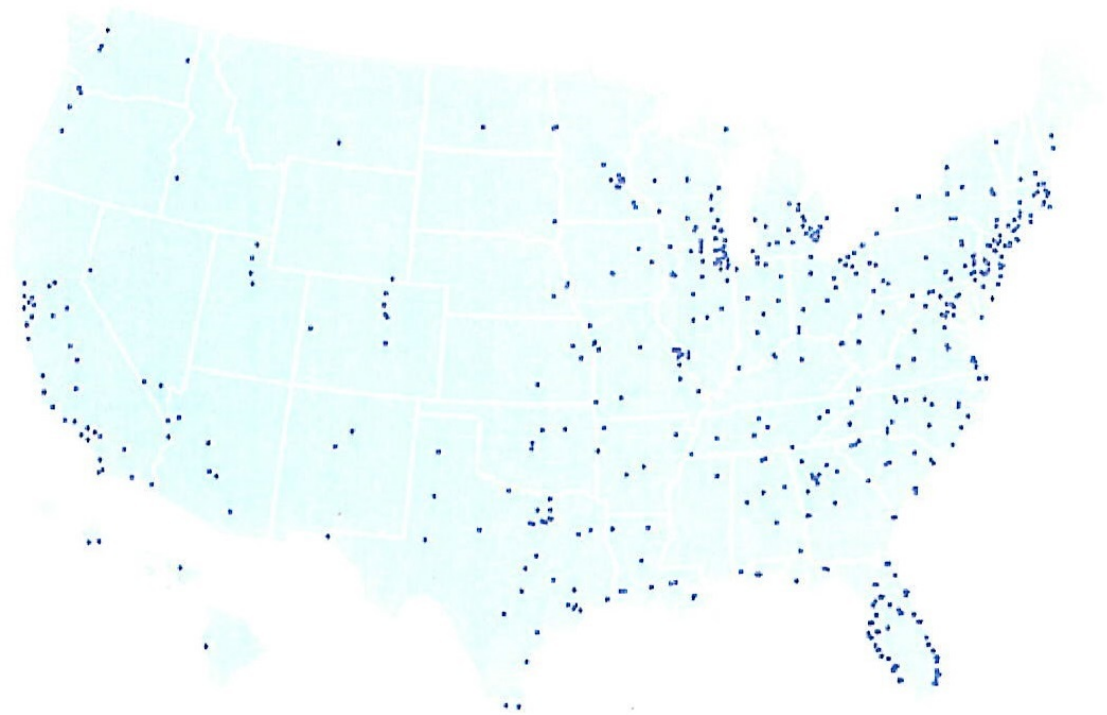
ABC Supply Co. Inc. (US industry-specific segment) - financial performance*

Year	Revenue (\$ million)	(% change)	EBIT (\$ million)	(% change)
2014	4,732.2	N/C	188.1	N/C
2015	5,256.9	11.1	224.9	19.6
2016	6,390.3	21.6	299.3	33.1
2017	8,312.1	30.1	363.1	21.3
2018	10,559.0	27.0	358.0	-1.4
2019	13,523.4	28.1	373.4	4.3

*Estimates

SOURCE: IBISWORLD

ABC Revenues



ABC Locations

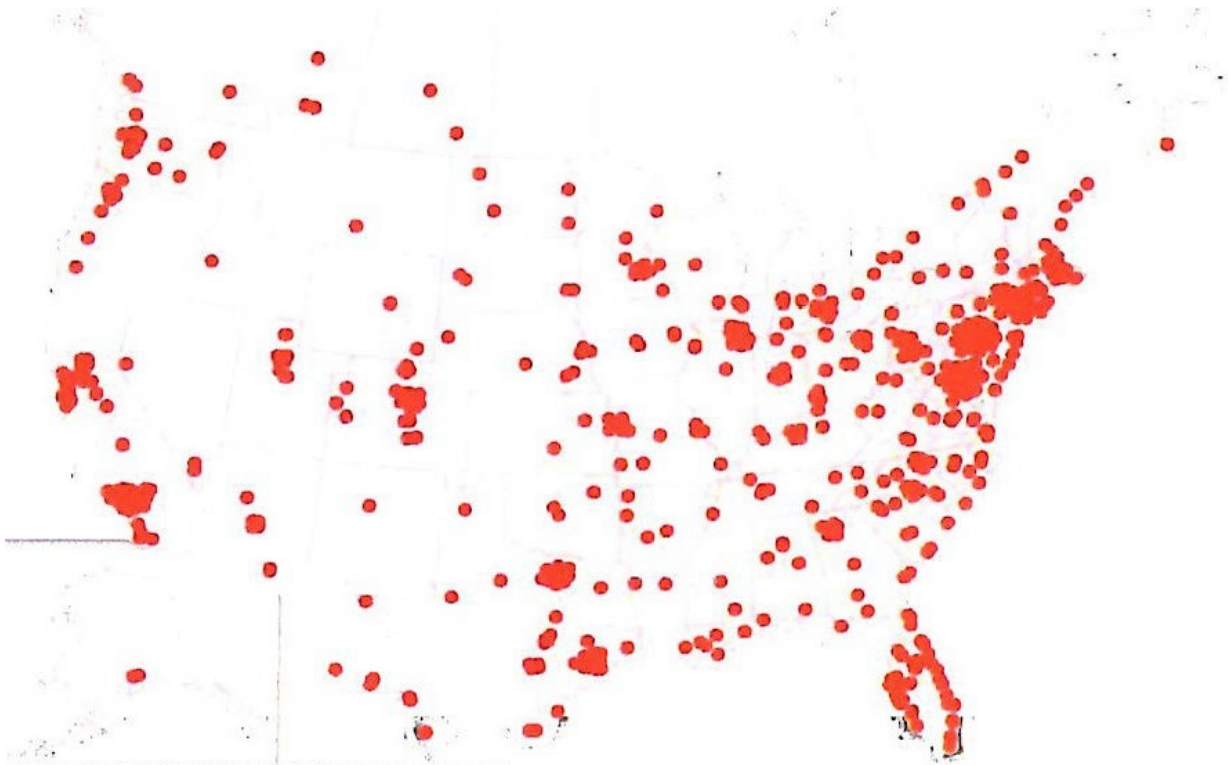
Beacon Roofing Supply Inc. (US industry-specific segment) - financial performance*

Year**	Revenue (\$ million)	(% change)	Operating Income (\$ million)	(% change)
2013-2014	2,233.5	N/C	94.9	N/C
2014-2015	2,414.2	8.1	112.4	18.4
2015-2016	3,961.4	64.1	196.8	75.1
2016-2017	4,201.0	6.0	207.4	5.4
2017-2018	6,160.6	46.6	196.4	-5.3
2018-2019	9,453.5	53.5	153.0	-22.1

*Estimates, **Year-end September

SOURCE: ANNUAL REPORT AND IBISWORLD

Beacon Revenues



Beacon Locations

Other customers will include distributors/resellers of roofing materials, including:

- Builders FirstSource
- BMC Stock Holdings Inc.
- Allied Building Products
- US LBM Holdings Inc.
- HD Supply White Cap
- BlueLinx Corp.
- SRS Distribution

Although we will not sell direct to roofers, we will target the Top 100 Roofers in the United States to educate them on ECHO materials and let them know how to sample it and purchase it through distributors. See the Appendices for a list of likely customers.

Future Markets

As the company builds a successful track record in manufacturing and market adoption of its roofing materials, it will also be promoting its building materials and systems for other applications, specifically low-cost, self-cooled and self-powered housing and other structures. We believe the ECHO Home building design, systems and materials will achieve mass adoption in developing countries. Our homes can operate off the power grid and be constructed at a fraction of the cost of current designs and materials. The opportunities are endless.

The Zuka360 division will focus on international licensing for affordable, monolithic structures.

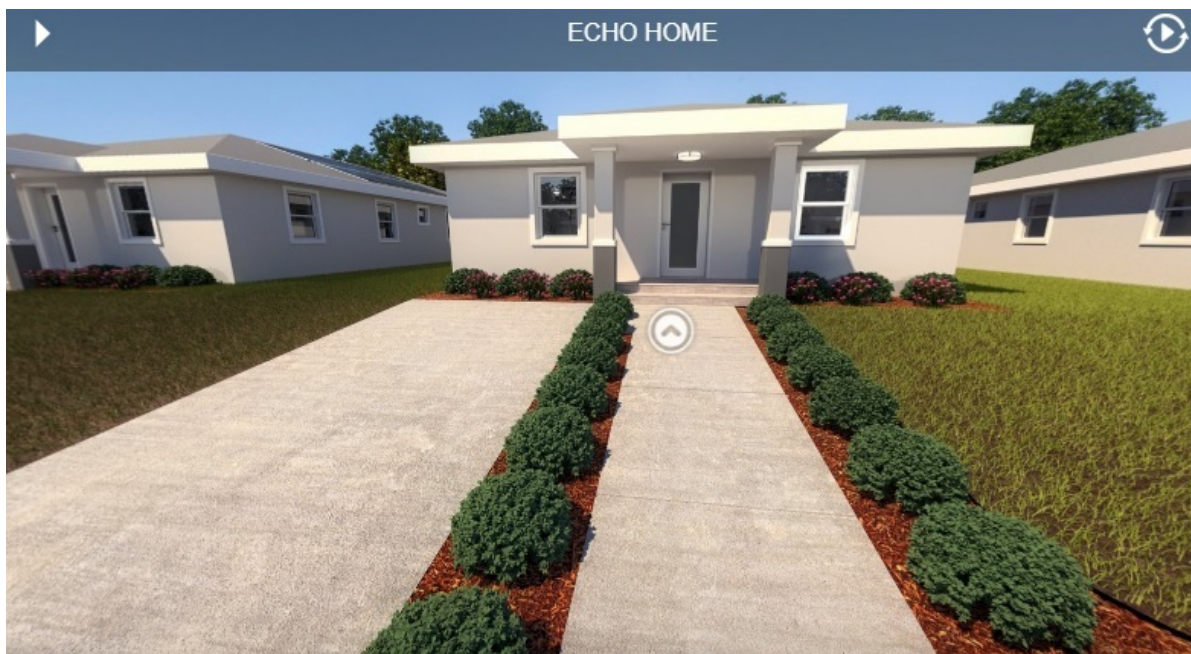
From this....



...and this...



to this:



In border states throughout the world, we can replace refugee camps like this one....



Our vision is to make it economically possible to house the peoples of all developing nations with homes that are easy and quick to build and will last forever -- while saving trees and recycling tires to construct a better world.

In addition to housing, we envision plans, materials, systems and funding for better schools, hospitals and shops. Zuka360 is the international branding and licensed technology that leverages an endless supply of no-cost or low-cost raw materials to make it happen. A cornerstone of the American Dream is home ownership and upward mobility. At Shredded Tire, we believe that dream can come true for all nations .

Marketing & Sales

Marketing Plan

Our marketing plan is built around a two-prong strategy:

1. PUSH our products to developers, contractors and roofers through the building supply distributors, and possibly through lumber suppliers.

We have confirmation from the major building supply distributors that they will stock Echo Roof Blocks. We will also be working on recruiting lumber outlets as resellers.

2. PULL our products through the distributors by creating demand among developers, contractors and roofers, and also through influencer campaigns with designers and architects.

We have already begun the PUSH campaign with the major distributors. There has been no resistance from them to order and stock Echo Block by the pallet. The materials are better than lumber, offer a higher profit margin, are pre-approved by building inspectors and regulatory bodies, and qualify for LEED Credits. The green, sustainability benefits, are a bonus without raising their costs.

The PUSH strategy is driven primarily by direct sales and personal relationships with the major building supply distributors. There is a finite number of them, and they are relatively easy to reach. We will supply them with tri-fold brochures to share with their customers, and sponsor lunches and workshops at their facilities to help them create demand.

The PULL strategy has six components:

1. Web Site and Search Engine Optimization (SEO)

As developers, contractors and roofers hear about Shredded Tire's solutions, many will check out our web site. The site provides pictures, videos, success stories and technical documentation. They can order samples of the material or get samples and pricing from their local building supply store.

Potential customers can call us toll-free at 1.844.480.TIRE to get answers to their questions.

A unique feature of the web site will be a calculator that enables architects, developers, building contractors and roofers to enter the dimensions of their projects. The calculator will let them know how much ECHO edging and/or block will be required, the estimated price, and the nearest distributor where it can be ordered. Most importantly, it will tell them how many trees they will save

and how many tires will be recycled because of their project. The y can use these details to earn LEED credits and build goodwill among their customers.

2. Social Media and Blogging

The company will build buzz via social media and blogging. Followers can share pictures of installs and news stories written about the comp any. Our blog will cover advancements in complimentary building materials and technologies, as well as human -interest stories around green building and sustainability that are designed for followers to share and re -post.

3. Direct Mail and Email (sampling)

We anticipate purchasing various lists of developers, general contractors and roofers in the commercial building business. The first set of mailings will target those located in South Florida. As we expand to Orlando, Tampa, Jacksonville and beyond, mail ings will target buyers in those areas, in cooperation with the local distributors.

4. Trade Shows

The company will invest approximately \$50,000 to exhibit (40X20 booth) and attend the National Roofing Contractors Association (NRCA) show each year. This i s a great venue to establish relationships with both distributors and roofers. Shredded Tire is expected to be one of the hottest new innovations in the industry, creating buzz and interest internationally.

Company representatives will also attend local a nd regional shows as it expands to new locations. These shows will likely be in partnership with the local distributor where we will share booth space and sponsor workshops.

5. Select Advertising

The roofing industry has a number of popular publications and digital media advertising opportunities. The company will selectively advertise in the media outlets that deliver a strong ROI in terms of leads and new customers.

6. Press Relations

The Shredded Tire story is expected to generate strong media covera ge. The company has already been fielding inquiries from reporters. Revolutionizing a very old industry while helping to save the planet is a powerful story angle. Press will likely be print, electronic and TV news coverage. We will also maintain a press r elations section on our web site for the media to download and use stock images, video and success stories.

7. Billboards

A longer-term strategy will involve the use of billboards around cities where Shredded Tire will be expanding. This will build awareness among local architects, developers, contractors and roofers. And it will generate interest among potential employees to apply to work at the local plant.

The marketing budget for 2020 is forecast at \$175,000, which represents approximately 9 % of projected revenue. The budget for 2021 -2024 is TBD but expected to run between 10% and 15% of revenue each year.

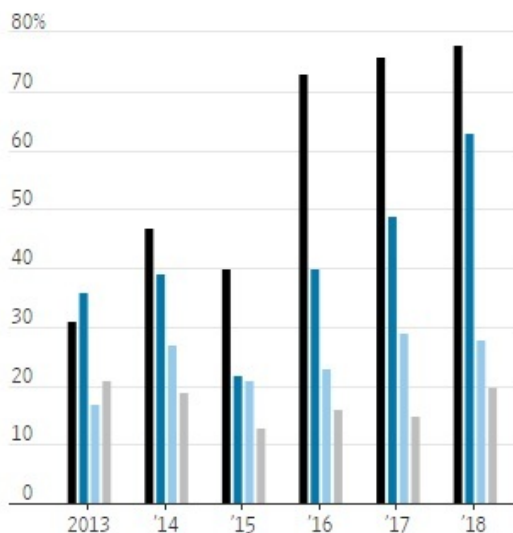
Branding & Market Positioning: PlanetHealer.com

The long-term trend toward green, sustainable building, is not only being driven by industry and government forces, but also by the capital markets. Environmental, Social and Governance (ESG) investing has become a bellwether on Wall Street. Simply put, a growing majority of people and institutions want investments which provide both financial return and social/environmental good to bring about positive change.

Growing Interest

Percentage of high-net-worth investors who have reviewed their portfolios for ESG impact

■ Millennials ■ Generation X
■ Baby Boomers ■ Silent Generation



Source: 2018 U.S. Trust Insights on Wealth and Worth; Bank of America

The 'smart money' will be on companies like Shredded Tire. GenX is the fastest -growing generation in new wealth as they reach peak -earning years, followed by the Millennials. Both generations prioritize ESG investing.

To better position itself for success in the hearts and minds of customers, and for advocacy by investment fund managers, the company plans to launch a market positioning strategy around PlanetHealers.com . This site will leverage the social media presence of Shredded Tire customers to generally promote the positive role they are playing to help construct a better world by adopting ECHO System materials which save trees and recycle tires.

As currently envisioned, when builders and roofers use Echo Edge Roof Block and Echo Roof Terrace for their projects, we can track exactly how many trees they have saved and how many tires they recycled

from landfills as a result. In this respect, each designer and architect that specifies Echo Materials, and each builder and roofer that uses it in place of wood, becomes a Planet Healer and can promote their measurable contribution to a healthier planet. This Planet Healer campaign also extends to corporate building owners like Disney, who want to nurture their reputations as environmentally responsible companies.

Partners & Resources

Shredded Tire anticipates close alliances with the leading trade associations, the U.S. Green Building Council (USGBC) and LEED Certification Agencies. Exactly what form these alliances will take is to be determined, but we believe they will help drive awareness and adoption of our solutions. We also anticipate partnerships with universities, commercial building designers, architects and engineers -- to both improve the technology and advocate for it with their constituents.

Ultimately, our biggest partners are likely to be U.S. agencies like HUD and FEMA; foreign governments, the World Bank, Habitat for Humanity, International Housing Coalition (IHC), The Gates Foundation, The World Urban Forum, and other private-public organizations dedicated to improving housing for all.

As part of these partnership efforts, the company will likely form a non-profit or not-for-profit arm.

Sales Plan

The company plans to sell through building supply distributors like ABC and Beacon. Most building supply distributors employ 4-5 salespeople at each of their locations. Their salespeople are both in-house and, on the road, visiting customers at job sites.

To support the distributors, Shredded Tire will sponsor "Lunch and Learns" at distributor locations. The distributors invite building contractors and roofers to these lunches to share information on new products and best practices. This is a very cost-effective program to promote ECHO products and take orders.

Shredded Tire expects to establish 17 locations strategically located throughout the United States, within the next five years. Each location will have a salesperson to service local distributor accounts. Each Shredded Tire salesperson can cover a 500-mile radius, enough to service most distributor locations in the United States.

In addition to employing a salesperson at each of its plants, Shredded Tire will also use independent rep firms. These firms are calling on the distributors, developers and general contractors. They rep insulation, coatings, and other roofing products. ECHO products are an ideal value-add to their line. Rep firms typically earn 8% commission on orders they write, which is slightly higher than the cost of

company-employed salespeople but provides Shredded Tire with broader territory coverage and a cost-effective way to augment its own sales staff.

Competitive Landscape

Current Alternatives

WOOD

The current industry standard for the type of low -slope commercial roofing projects that are ideal for Echo Edge Roof Block is pressure -treated wood. As depicted in the photo below, pressure -treated wood edging is toxic and leeches' chemicals (brown stains). It requires nailing and often drilling. It is subject to fire, rot, mold and termites. It is also subject to wind damage from hurricanes and storms. Most states also require special handling for proper disposal or recycling.



Traditional Wood (Lumber) Edging to be Replaced by Echo Edge Roof Block



Pressure-Treated Wood Chemicals



Lumber used in commercial building is subject to supply and demand like all other commodities. As demand increases, prices go up. Several analysts predict higher demand in the next five years, meaning the cost of wood edging is likely to increase.

METAL

There are a number of metal products that are used in place of wood in some projects, such as Metal-Era (<https://www.metalera.com/Wood-Nailer-Alternative.aspx>), OMG Edge Systems (<https://www.omgroofing.com/products/edge-metal>), and the patented 'Alternative Roof Blocking System (ARBS)' (<https://www.roofingcontractor.com/articles/85784-technical-details-alternatives-to-roof-edge-blocking>).

Metal solutions have some of the same advantages as Echo Block materials over wood solutions, such as being wind and fire resistant, and offer LEED Credits because they are recyclable. However, metal edging solutions are significantly more costly in material and installation. Metal solutions represent a very small fraction of the market for roof edging in comparison to wood solutions.

Our Advantages

The ECHO Roofing System is 10X better than wood (lumber) edging and block on all measures, and in our opinion, 5X better than metal, on the features and benefits expected for most projects. The ECHO System also has the benefit of an endless supply of low-cost raw materials. Wood edging is subject to wide price swings based on supply and demand, and the demand over the next five years forecasts higher prices for lumber. Metal is also subject to greater price fluctuations than ECHO materials.

ECHO Edge Roof Block truly duplicates wood blocking by being able to build small walls with superior insulation. ECHO Edge Roof Block can be used on roof-to-roof expansion joints, curb-to-curb expansion joints, and curb-to-wall roof expansion joints, in ways that wood and metal cannot. Like wood blocking, Echo Edge Roof Block can be installed as a generic accessory to any roofing system without being part of any manufacturer's approved and tested product lines.

Metal Era comes in only three sizes and is comprised of a heavy extruded aluminum. ARBS is comprised of expensive 16 Gauge galvanized metal and must be drilled and screwed on.

ECHO Edge Roof Block comes in six sizes to serve all possible configurations. ECHO Edge Roof Block also offers built-in SLOPE so that no pooling of water remains at the edge. The slope can also be turned the other direction, towards the interior of the roof and provide an edge build-up at whatever height is needed in 1/2" increments. In summary, quicker and less costly to install, more flexible and less wastage than metal.

Echo Edge Roof Block has a higher PSI uplift rating (-300 psf) than ARBS metal solutions and ECHO Edge Roof Block has a Dade County Notice of Acceptance (NOA), unlike ARBS.

For most commercial roofing applications, metal edging is simply too impractical. It is used more for retrofit (reroof) applications than for new construction and, even then, on a limited basis due to cost, shipping, lead time, minimal size availability, and inappropriate for tapered roofs. It is far more expensive to install and costs more than wood blocking or ECHO Edge. It requires lots of drilling into concrete (safety of men breathing silica) and takes much more time to install. It also requires skilled metal mechanics as opposed to low skilled labor like wood edging or ECHO Edging.

In summary, the ECHO Roofing system is more cost effective and far superior on most other measures than both wood and metal alternatives. The ECHO system is also far more predictable in cost of raw materials and better equipped to control prices charged to customers in the future. It will always be a better value.

Barriers to Entry

The company's building materials are impossible to replicate without infringing its patents. As covered above, the competitive solutions are wood and metal materials. There is nothing that can be done with those materials to match the price point, application effectiveness and other benefits of the ECHO System.

In the commercial roofing market, it is unlikely the company will face a new, well-funded entrant, with all-new edging and block material that will be superior to ECHO. Shredded Tire has a greenfield opportunity to dominate this market segment. In other markets for the company's patented building materials, like low-cost housing and structures in developing countries, there will likely be new innovations in green, sustainable building. The company will look to partner, acquire, and continue to innovate its own line to maintain its lead and grow revenues.

Operations

Manufacturing

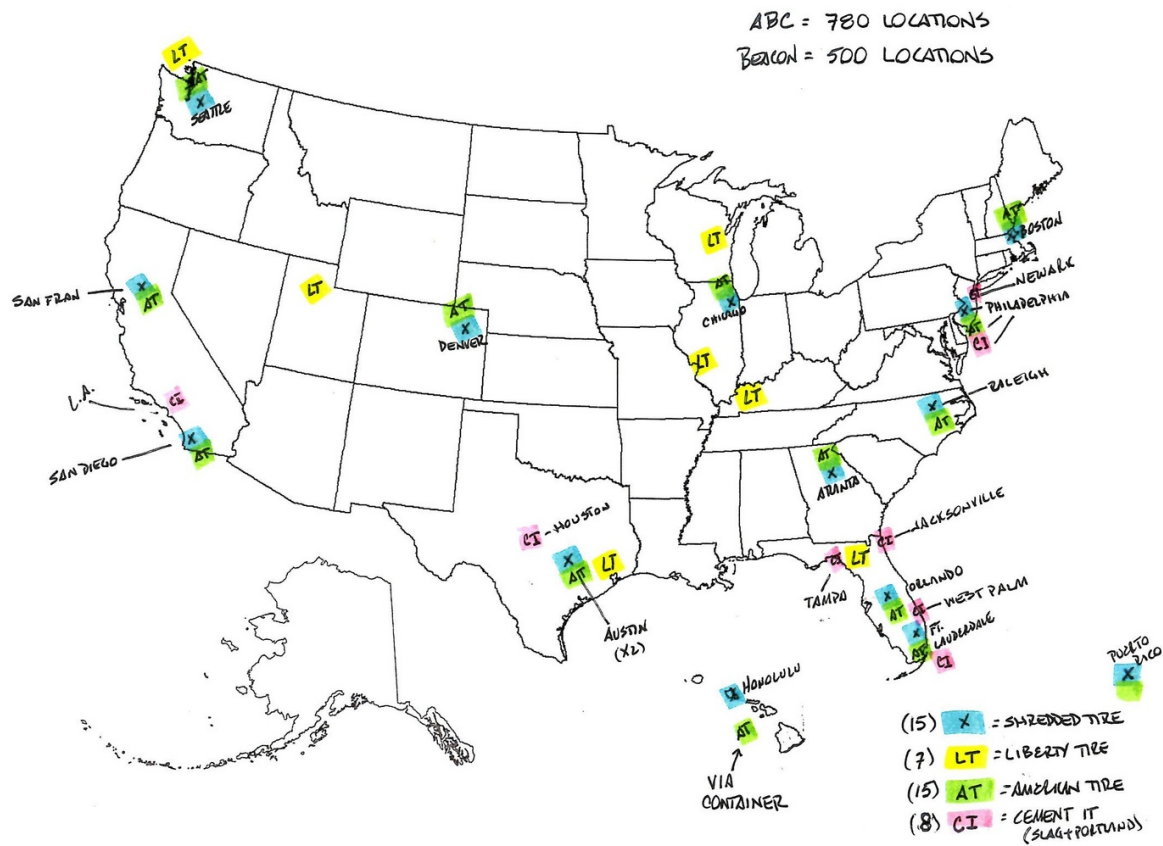
Locations & Facilities

The company anticipates establishing 15 -18 manufacturing locations to meet the demand for its products and to cost -effectiv ely service the commercial roofing market in North America.

First 5 Locations

1. Ft Lauderdale -- headquarters, already in production. Serves South Florida and the Caribbean.
2. Orlando -- 2nd planned location, serves Tampa, Jacksonville, the west coast of Florida and the space coast of Florida.
3. Raleigh/Durham -- 3rd planned location, serves parts of the Southern states and Mid -Atlantic states.
4. San Diego -- 4th planned location, serves Southern California.
5. San Francisco -- 5th planned location, serves Northern California.

These top 5 locations were chosen based on the forecast for commercial building permits, proximity to tire recycling plants and cement plants (our source of raw materials), and proximity to major building supply distributors.



Expansion Locations

Austin -- serves the Southwestern states and may require 2 plants.

Philadelphia -- serves Washington DC, New York and parts of the Mid -Atlantic states not serviced by the Raleigh/Durham plant. Also covers the eastern part of Ontario, Canada.

Denver -- serves the central states and may require 2 plants. Denver is also home to the largest tire landfills in America.

Chicago -- serves the Midwestern states and the western part of Ontario, Canada.

Atlanta -- serves the Southern states not covered by Orlando or Raleigh/Durham.

Seattle -- serves the Northwestern states, Alaska (by barge) and British Columbia, Canada.

Boston – serves the Northeastern states not covered by the Philly plant, and the Quebec province of Canada.

Hawaii -- serves the Hawaiian Islands, pacific islands and possibly Japan (until licensee is signed).



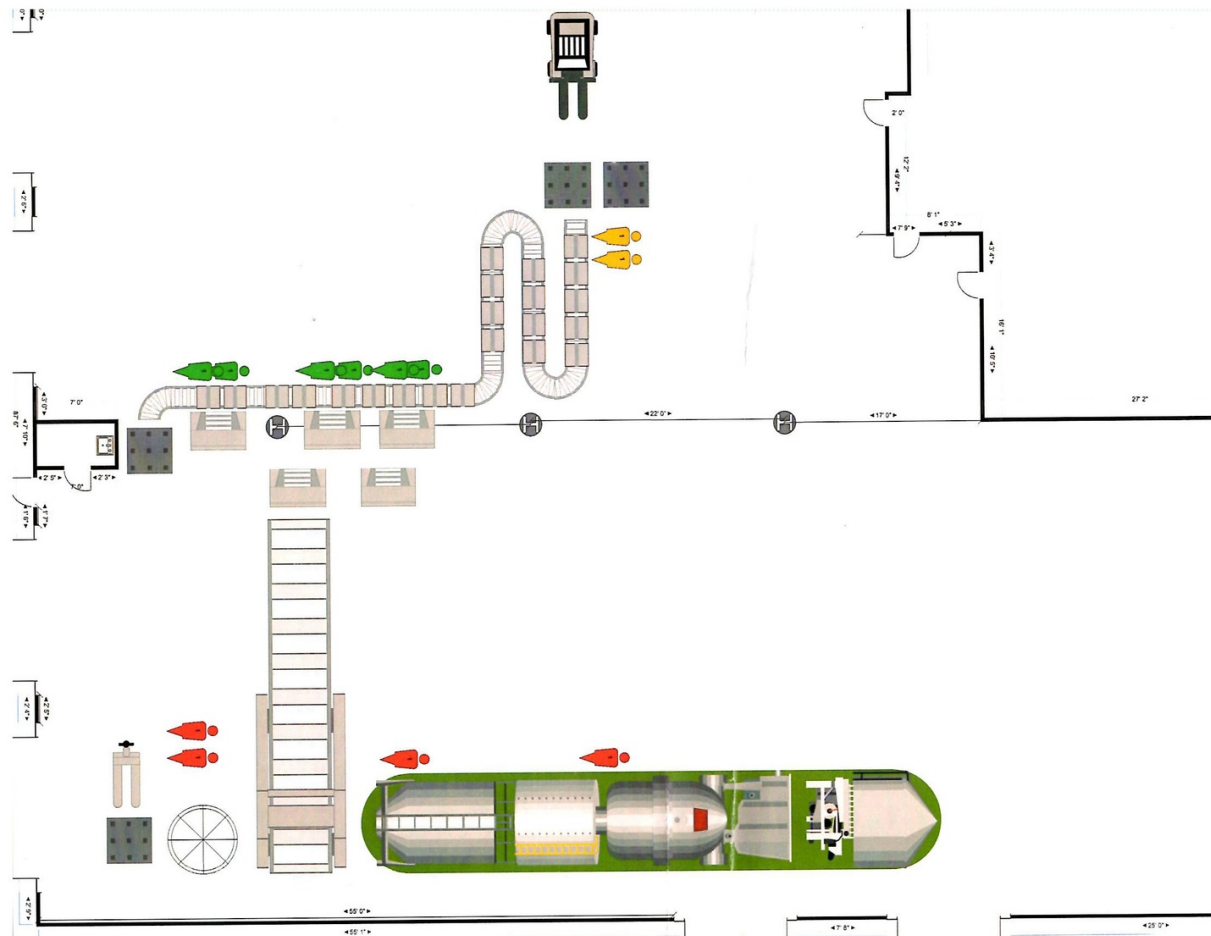
Locating close to scrap tire landfills is not only important from a raw -supply perspective, but also for the company to have a major impact on cleaning up the environment in the regions where it is needed most. For example, both Texas and Colorado have a high number of landfills, but are also major growth areas for commercial construction.

Facilities

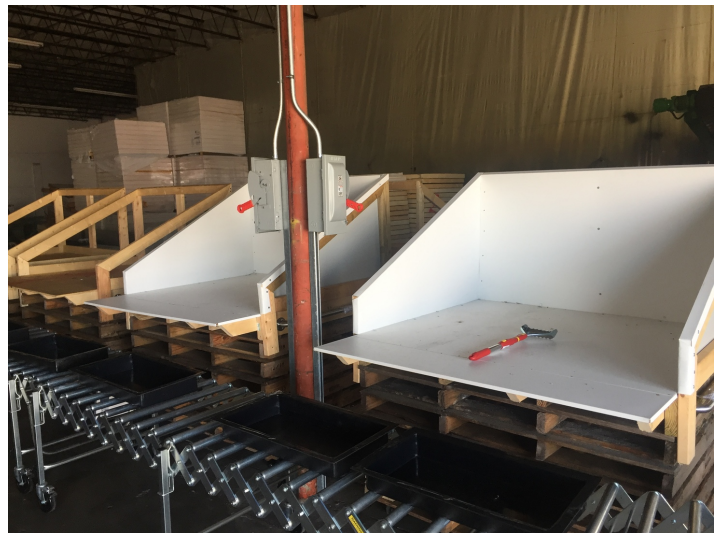
Each plant requires approximately 25,000 square feet for office, product manufacturing and storage.

Equipment & Tools

Each plant requires storage area for raw materials, at least one feeder/shredder, conveyor belt system, raw-materials mixer (shredded tires, silica flume, cement slag, concrete and water), multiple molds (to make the required thickness of Echo Blocks), fork lift and storage-transport bins (on wheels).



Production Layout

*Feeder/Shredder**Conveyor Belt and Molds**Storage-Transport Bins*

LEED Certified Product (pending)

The company has applied to become a new, certified LEED product. Echo Edge Roof Block itself is LEED-certified, but we are also ensuring every phase of our production process is also LEED - certified. For example, we have demonstrated that only recycled content is used in the making of the storage bins, built from recycled old pallets. Although we can achieve many LEED credits for 87% recycled content, becoming a LEED certified product is something we expect to achieve in the near term.

Technology & Processes

A control board which operates all the batching plant negative weighing scales and mixing timers will be directly connected to a computer that will store all data, per batch. That data will be sent to a main terminal which will track production per location. This will also assist in our quality control of our product by batch and inventory tracking for our order processing through distributors.

Staffing and HR

In addition to management/administrative personnel needed at each Shredded Tire plant, approximately 20 laborers are needed for product production. Most labor is expected to be unskilled at \$15 per hour / \$36K per year, plus benefits. As demand increases and we expand to new locations, production is likely to scale through the use of automated robotics to handle routine batch production. See the breakdown of personnel by plant in the Forecast section of this plan.

Although the company is in what many would consider an old, non-tech industry, the company considers itself to be primarily a technology company. It will organize itself as such and attract top talent by offering employees the opportunity to 'heal the planet', 'construct a better world', and perform purpose-driven work. This will include an employee stock option plan. Our Terrace / garden roof systems and ECHO Homes will be designed with CAD and BIM modeling, which requires design and tech talent. Our innovative building materials will attract building materials scientists and engineers. We expect our company values to attract the best and brightest to help us become a leading public company.

Key Metrics

The key metric for the company is how many pallets of Echo Block are being ordered each month by distributors. We expect month -over-month growth, with the exception of July and August, which are traditionally slow months in the commercial roofing industry in the south. The number of pallets in the pipeline determine the amount of materials and labor needed each month to manufacture the product and deliver it to local distributors.

The company will track every batch of Echo Block produced, including:

1. The amount of raw material used.
2. The size and number of each block (molds) produced.
3. The time it takes to produce each batch.
4. The amount of labor required to produce each batch.
5. Equipment up time, downtime and required maintenance between batches.

We expect our COGS to come down over time, but our prices to remain steady or increase. The Cost to Acquire a new customer through distributors is very low, yet the Lifetime Value of each customer is very high. We expect our profit margins to be among the highest in the industry. See the forecast for more details.

Financials

Forecast

Key Assumptions: SKU's and Pricing

To meet the demand for roof edging and rooftop terrace assemblies, the company has created 17 SKU's to meet the requirements of virtually any commercial building project. Each SKU is sold by the pallet to building supply distributors who, in turn, sell to contractors and roofers. The pricing of each pallet is designed to be competitive with wood alternatives, while delivering a standard mark up to distributors and a healthy gross margin to ShreddedTire.

The following are the key pricing assumptions for each SKU:

6 SKU's of Echo Edge and Fill Sold by the Pallet to Building Supply Distributors

All edging SKU's are 2' x 6", but with different thickness to accommodate different heights needed for the project. Fill SKU's are used as layers between the blocks to build up to precise heights.

- 2.0" \$1518.64 per pallet
- 2.5" \$1322.03 per pallet
- 3.0" \$1301.69 per pallet (most popular)
- 3.5" \$1152.54 per pallet
- 2.0" Fill, \$2115.25 per pallet
- 3.0" Fill, \$1627.12 per pallet

Prices per pallet expected to remain steady through 2022, then decrease 5% per year in 2023 and 2024.

5 SKU's of Echo Rooftop Terrace Block Sold by the Pallet to Building Supply Distributors

All block SKU's are 2' x 2' and provides a slope to drain insulation that allows the terrace roofing system to be installed.

- 2.5B Slope, 2.50" - 3.00" \$1057.63 per pallet
- 3.0B Slope, 3.00" - 3.50" \$1044.07 per pallet

- 2.5B Corner, 2.50" - 3.00" \$1,423.73 per pallet
- 3.0B Corner, 3.00" - 3.50" \$11305.08 per pallet
- 2.0B Drain, 2.00" \$1898.31 per pallet

6 SKU's of Echo Flow Rooftop Terrace Block Sold by the Pallet to Building Supply Distributors

All block SKU's are 2' x 2' and provides the reversing slope that creates the permeable flat surface for tile or artificial turf.

- 2.5F - Slope, 2.50" - 3.00" \$1383.05 per pallet
- 3.0F - Slope, 3.00" - 3.50" \$1186.44 per pallet
- 2.5F - Corner, 2.50" - 3.00" \$1728.81 per pallet
- 3.0F - Corner, 3.00" - 3.50" \$1423.73
- 2" Flow (Fill) \$1789.83
- 3" Flow (Fill) \$1301.69

Key Assumptions: COGS & Expenses

Raw materials per pallet sold, all Edge SKU's, approximately \$600 per pallet.

Personnel costs divided into two groups:

Management/Administration -- 11 headcount per location.

Manufacturing/Line Workers -- 21 headcount per location.

2020 = 2 locations fully operational, 96 headcount by YE

2021 = 4 locations fully operational, 160 headcount by YE

2022 = 8 locations fully operational, 256 headcount by YE

2023 = 12 locations fully operational, 384 headcount by YE

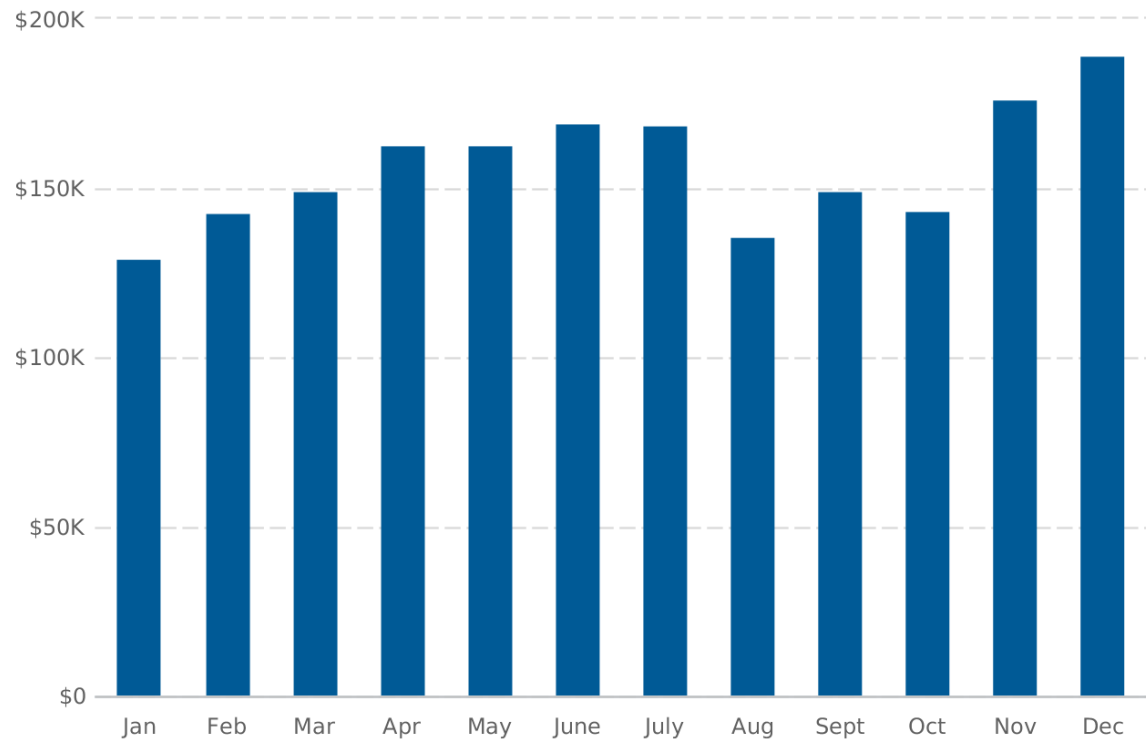
2024 = 15 locations fully operational, 544 headcount by YE

Headcount burden for full-time staff estimated at 15%.

Key Assumptions: Customer Demand and Production**Production Per Location (5 -days per week)**

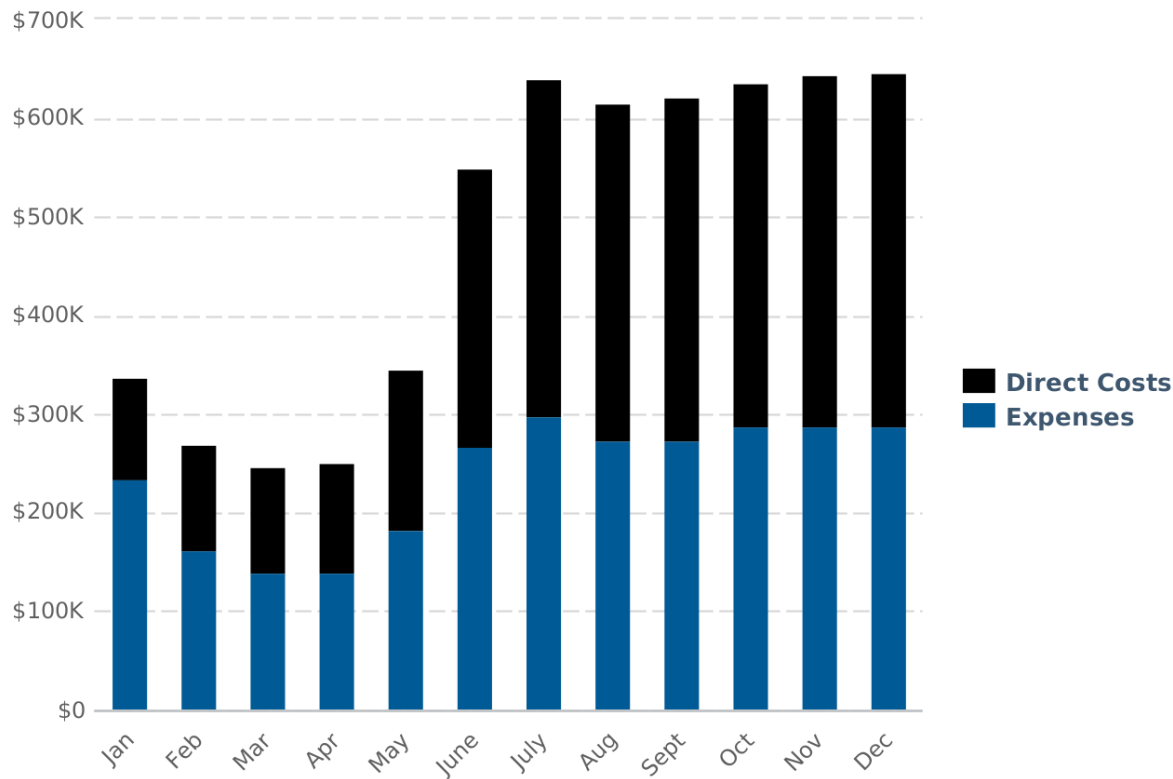
- 10 pallets per day ramping to 16 pallets per day by YE 2020, primarily from Fort Lauderdale location operating at full capacity by YE 2020
- Orlando plant added October 2020, ramp-up capacity.
- Raleigh plant added March 2121, ramp -up capacity.
- Production estimates X2 in 2021 due to increased efficiencies and 2 new locations (total of 3 locations).
- San Diego plant added June 2021. San Francisco added October 2021. Not all locations operating at full capacity.
- Production estimates triple (X3) in 2022 due to increased efficiencies and 3 more new locations (total of 8 locations). Not all locations operating at full capacity.
- Production estimates (X5) in 2023 due to partial automation and 4 more new locations (total of 12 locations). Not all locations operating at full capacity.
- Production estimates X8 in 2024 due to full automation and 5 more new locations (total of 17 locations). Not all locations operating at full capacity.
- Echo Roof Block and Zuka360 Licensing Forecast, TBD -- numbers are conservative placeholders.

Revenue by Month



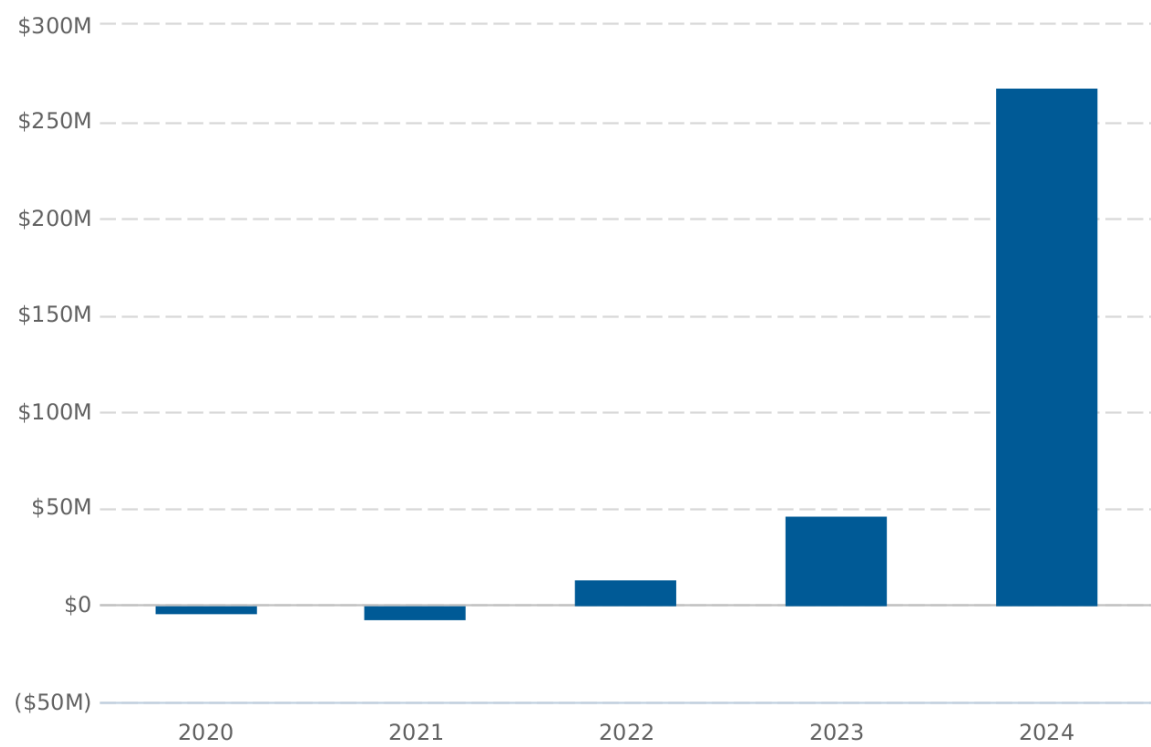
Notes:

Expenses by Month



Notes:

Net Profit (or Loss) by Year



Notes:

Financing

Use of funds

\$2.5M need to open each new location.

Sources of Funds

The company's founder invested approximately \$2.5M in product development (R&D), personnel, office build out, testing/certifications, machinery, patents and trademarks. This is reflected as "paid in capital" in the forecast. An additional \$500,000 investment by the founder was made in the form of a loan, to be repaid in two installments in 2020 and 2021.

A line of credit will be used to cover any shortfall in operating expenses until a Series A investment round is closed. Additionally, the building supply distributors have agreed to fund 50% of an order with an upfront check to assist in the company's start up. This will significantly improve the company's cash flow position. The company expects a 5-day turn around of payment for completed orders from the distributors.

Credit lines have been established with all suppliers for 45 days because of the founder's 31-year history of paying on time with substantial volume at DeckTight, and a high D&B rating. The founder has agreed to personally sign for the supplier credit.

A Series A round in 2020 for \$10M is expected in two tranches, June and Oct, coinciding with expansion to Orlando and Raleigh.

The source of funding is expected through a variety of investors who are not only connected to construction, but to tech as well. Targets include investment funds in Silicon Vally and Hollywood; green conscious investors, ESG managed funds, and angel investors interested in having a massive and immediate impact on the environment.

This company breaks all barriers and the team expects early and massive interest and commitment as the founder is an established business owner with a 30-year track record that is not the least impressed by the millions he can one day earn. For him it's a matter of how quick he can get the product to market to start making a difference in the world that can be measured in real-time while he is alive. After a year or two of saving hundreds of thousands of trees from being cut down and 50M or more tires recycled to a greater good, the founder intends to build homes for the forgotten billions on this earth who have no possible means of EVER affording a home. There is no time to waste!

Expected return

The company expects to return to investors between 10x and 30x their investments within six years.

Exit strategy

The company expects to go public within six years. After a successful run at replacing wood block on roof tops and advancing garden terrace roof systems, the company will position itself to fund the building of homes around the world on a large scale, while supplying the industrial world with a means of perpetually converting tire waste to a natural resource.

This is a business that will continue well past its 20 year patent lifespan as it will have a BRAND that is immediately recognized the world over as a company that has done enormous good for our planet. In so doing, inspiring a new age of entrepreneurs to do the same without the wasted energy of complaining and blaming, protesting, just doing, just acting on their mission before them every single day. PlanetHealers.com will spring from all of that good energy to be an entity in and of itself by recognizing and showcasing all of that individual talent in our world.

Statements

Balance Sheet

	2020	2021	2022	2023	2024
Cash	\$2,663,272	(\$2,943,442)	\$8,894,532	\$37,293,103	\$302,446,388
Accounts Receivable	\$101,391	\$187,647	\$447,578	\$2,945,043	\$20,863,825
Inventory	\$200,066	\$656,302	\$3,278,883	\$26,225,813	\$26,225,813
Other Current Assets					
Total Current Assets	\$2,964,728	(\$2,099,493)	\$12,620,993	\$66,463,958	\$349,536,026
Long-Term Assets	\$400,000	\$3,980,025	\$5,730,025	\$8,230,025	\$16,230,025
Accumulated Depreciation	(\$16,250)	(\$259,084)	(\$1,040,517)	(\$2,179,092)	(\$4,460,524)
Total Long-Term Assets	\$383,750	\$3,720,941	\$4,689,508	\$6,050,933	\$11,769,501
Total Assets	\$3,348,478	\$1,621,448	\$17,310,501	\$72,514,892	\$361,305,527
Accounts Payable	\$93,845	\$254,535	\$979,525	\$6,843,254	\$7,180,752
Income Taxes Payable	\$0	\$0	\$777,404	\$2,440,162	\$16,771,246
Sales Taxes Payable	\$35,692	\$66,334	\$176,091	\$861,991	\$6,619,445
Short-Term Debt	\$144,155	\$247,339	\$267,868	\$290,101	\$314,179
Prepaid Revenue					
Total Current Liabilities	\$273,692	\$568,208	\$2,200,887	\$10,435,507	\$30,885,622
Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$273,692	\$568,208	\$2,200,887	\$10,435,507	\$30,885,622
Paid-In Capital	\$7,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Retained Earnings		(\$3,925,214)	(\$10,946,760)	\$3,109,614	\$50,079,385
Earnings	(\$3,925,214)	(\$7,021,546)	\$14,056,374	\$46,969,771	\$268,340,520

Total Owner's Equity	\$3,074,786	\$1,053,240	\$15,109,614	\$62,079,385	\$330,419,905
Total Liabilities & Equity	\$3,348,478	\$1,621,448	\$17,310,501	\$72,514,892	\$361,305,527

Profit and Loss

	2020	2021	2022	2023	2024
Revenue	\$1,880,868	\$3,571,084	\$34,073,960	\$97,267,692	\$474,254,016
Direct Costs	\$2,965,823	\$5,783,544	\$10,351,602	\$24,781,437	\$117,802,778
Gross Margin	(\$1,084,955)	(\$2,212,460)	\$23,722,358	\$72,486,255	\$356,451,238
Gross Margin %	(58%)	(62%)	70%	75%	75%
Operating Expenses					
Salaries & Wages	\$1,837,500	\$2,989,000	\$4,651,860	\$6,890,711	\$7,592,432
Employee Related Expenses	\$275,625	\$448,350	\$697,779	\$1,033,607	\$1,138,864
Fort Lauderdale Lease	\$108,000	\$111,240	\$111,240	\$111,240	\$111,240
Orlando Lease	\$87,500	\$150,000	\$150,000	\$150,000	\$150,000
Raleigh Lease	\$44,250	\$177,000	\$177,000	\$177,000	\$177,000
San Diego Lease		\$262,500	\$315,000	\$315,000	\$315,000
San Francisco Lease		\$126,000	\$378,000	\$378,000	\$378,000
3 Additional Plant Locations			\$900,000	\$900,000	\$900,000
4 Additional Plant Locations				\$1,200,000	\$1,200,000
5 Additional Plant Locations					\$1,500,000
Bad Debt	\$16,086	\$35,711	\$340,739	\$972,677	\$4,742,540
Capex-Maintenance	\$60,000	\$125,000	\$240,000	\$360,000	\$390,000
Fort Lauderdale Assemble Line Improvements	\$75,000				

Factory Mutual (FM), International Building Code (IBC), Misc Third Party Testing	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Marketing- Tradeshows- Website	\$175,000				
Total Operating Expenses	\$2,803,961	\$4,549,801	\$8,086,618	\$12,613,235	\$18,720,077
Operating Income	(\$3,888,916)	(\$6,762,260)	\$15,635,739	\$59,873,020	\$337,731,161
Interest Incurred	\$20,048	\$16,451	\$20,529	\$22,233	\$24,078
Depreciation and Amortization	\$16,250	\$242,834	\$781,433	\$1,138,575	\$2,281,432
Gain or Loss from Sale of Assets					
Income Taxes	\$0	\$0	\$777,404	\$11,742,442	\$67,085,130
Total Expenses	\$5,806,082	\$10,592,630	\$20,017,586	\$50,297,921	\$205,913,496
Net Profit	(\$3,925,214)	(\$7,021,546)	\$14,056,374	\$46,969,771	\$268,340,520
Net Profit / Sales	(209%)	(197%)	41%	48%	57%

Cash Flow Statement

	2020	2021	2022	2023	2024
Net Cash Flow from Operations					
Net Profit	(\$3,925,214)	(\$7,021,546)	\$14,056,374	\$46,969,771	\$268,340,520
Depreciation & Amortization	\$16,250	\$242,834	\$781,432	\$1,138,575	\$2,281,432
Change in Accounts Receivable	(\$101,391)	(\$86,257)	(\$259,931)	(\$2,497,465)	(\$17,918,782)
Change in Inventory	(\$200,066)	(\$456,236)	(\$2,622,581)	(\$22,946,930)	\$0
Change in Accounts Payable	\$93,845	\$160,690	\$724,990	\$5,863,729	\$337,498
Change in Income Tax Payable	\$0	\$0	\$777,404	\$1,662,758	\$14,331,084
Change in Sales Tax Payable	\$35,692	\$30,642	\$109,757	\$685,900	\$5,757,454
Change in Prepaid Revenue					
Net Cash Flow from Operations	(\$4,080,884)	(\$7,129,871)	\$13,567,444	\$30,876,338	\$273,129,207
Investing & Financing					
Assets Purchased or Sold	(\$400,000)	(\$3,580,025)	(\$1,750,000)	(\$2,500,000)	(\$8,000,000)
Net Cash from Investing	(\$400,000)	(\$3,580,025)	(\$1,750,000)	(\$2,500,000)	(\$8,000,000)
Investments Received	\$7,000,000	\$5,000,000			
Dividends & Distributions					
Change in Short-Term Debt	\$144,155	\$103,183	\$20,529	\$22,233	\$24,078

Change in Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Net Cash from Financing	\$7,144,155	\$5,103,183	\$20,529	\$22,233	\$24,078
Cash at Beginning of Period	\$0	\$2,663,272	(\$2,943,442)	\$8,894,532	\$37,293,103
Net Change in Cash	\$2,663,272	(\$5,606,713)	\$11,837,973	\$28,398,571	\$265,153,286
Cash at End of Period	\$2,663,272	(\$2,943,442)	\$8,894,532	\$37,293,103	\$302,446,388

Milestones and Contingencies

Risks & Mitigation

Health Risks Studies

To date, after numerous studies by government agencies in different countries, no health risks from Shredded Tire's building materials are anticipated.

The European Chemicals Agency (ECHA) recently concluded another study on health effects of crumb rubber infill in the artificial turf. **Results of the study say there is “at most, a very low level of concern” from exposure to recycled rubber.**

A new US research on synthetic turf fields that contain tire -derived crumb rubber has found that **the material posed no risk to human health**. The investigation commenced in 2016 and was run by the Centers for Disease Control and Prevention / Agency for Toxic Substances and Disease Registry (CDC/ATSDR) and the US Environmental Protection Agency (EPA). The two authoritative bodies worked in association with the Consumer Product Safety Commission (CPSC).

Workplace Safety

The Material Safety Data Sheet (MSDS) the company is required to have from an authorized third party agency has concluded the only harmful effects from all of the ingredients is the silica that may be produced from drilling into or cutting the grout top layer of the Echo Block. This is common with every type of grout due to the aggregates in the product. The company recommends roofers to use a specific type of wet powered table saw to minimize the dust created when cutting. Roofers are also informed to use standard masks to prevent unintentional inhalation of silica dust.

In general, Echo Block is much safer to install than wood or metal blocking as it does not require drilling into concrete (similar silica issue) and instead uses two beads of strong tile foam adhesive (AH-160) to create the attachment. Lastly, when drilling into concrete (wood and metal blocking) one could typically encounter post tension cables in the concrete slab that could snap if drilled into, thereby, causing significant physical damage to the building and personal injury to those around the snapped cable. Shredded Tire products eliminates this concern.

Appendices

Company Supporting Materials

Articles of Incorporation

ByLaws

Annual Report

Fictitious Name Filing

Management Team Biographies

Product and IP Supporting Materials

Product Liability Insurance Policy

Product Testing and Certifications

Approved Building Materials: Notices of Acceptance

Patents Issued and Pending

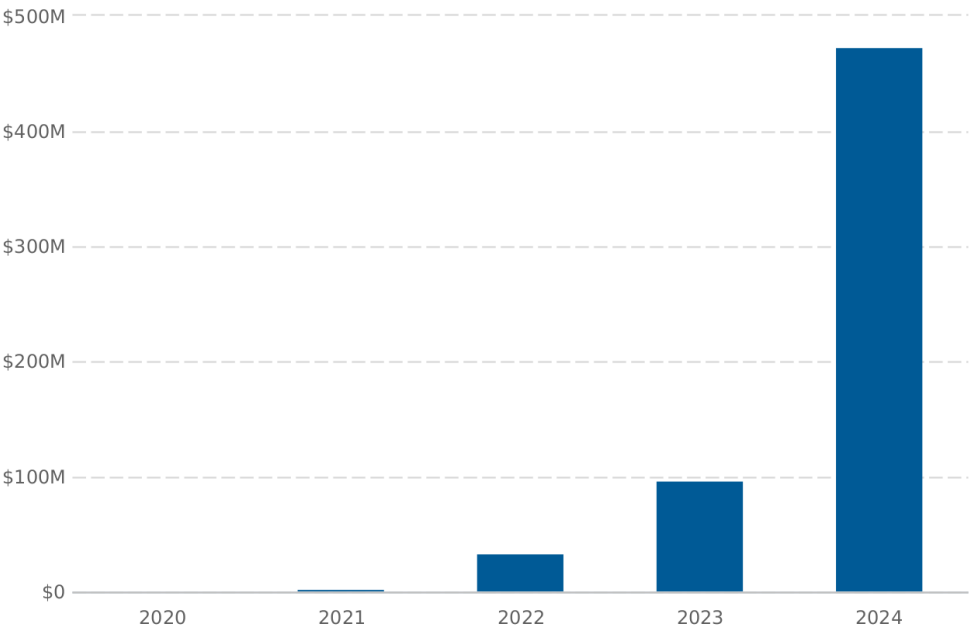
Trademarks Issued and Pending

Market and Competition Supporting Materials

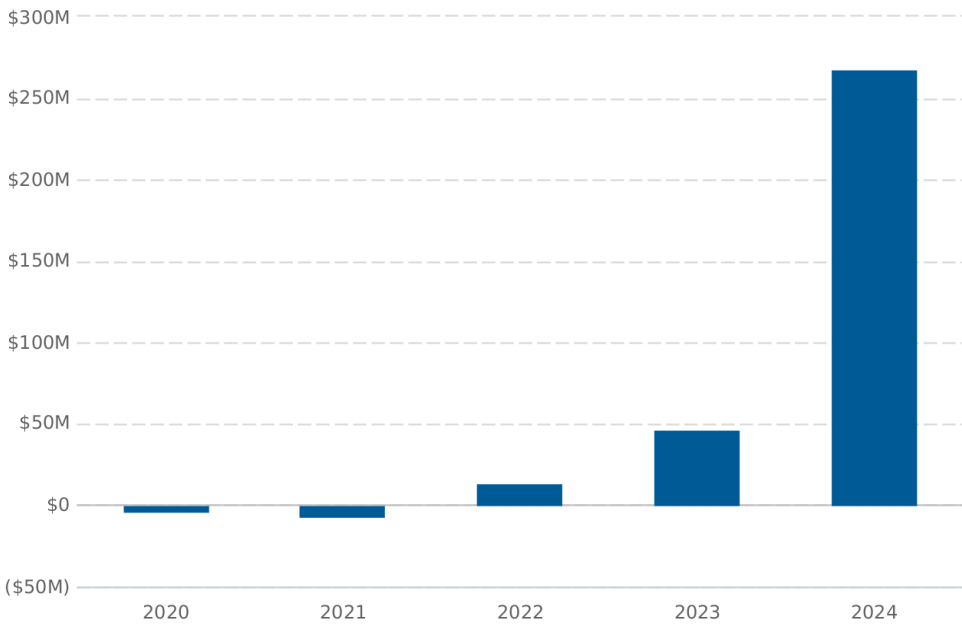
Operations Supporting Materials

Financial Supporting Materials

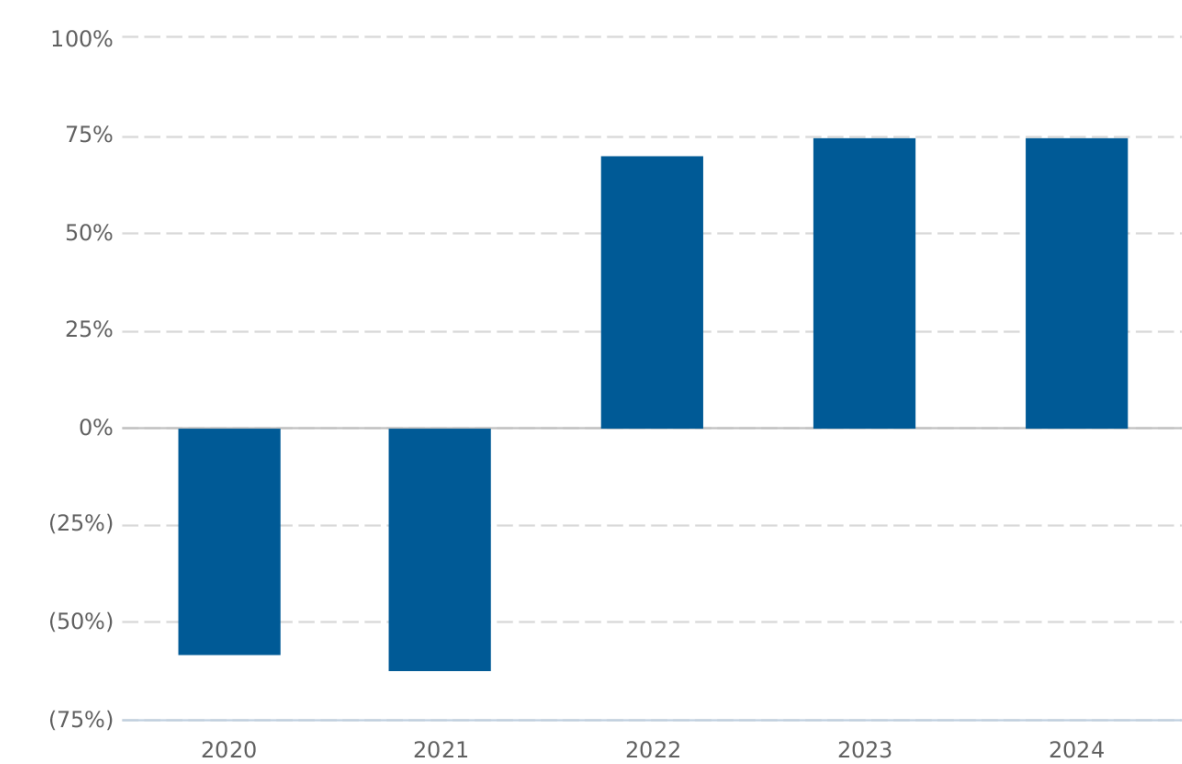
Revenue by Year



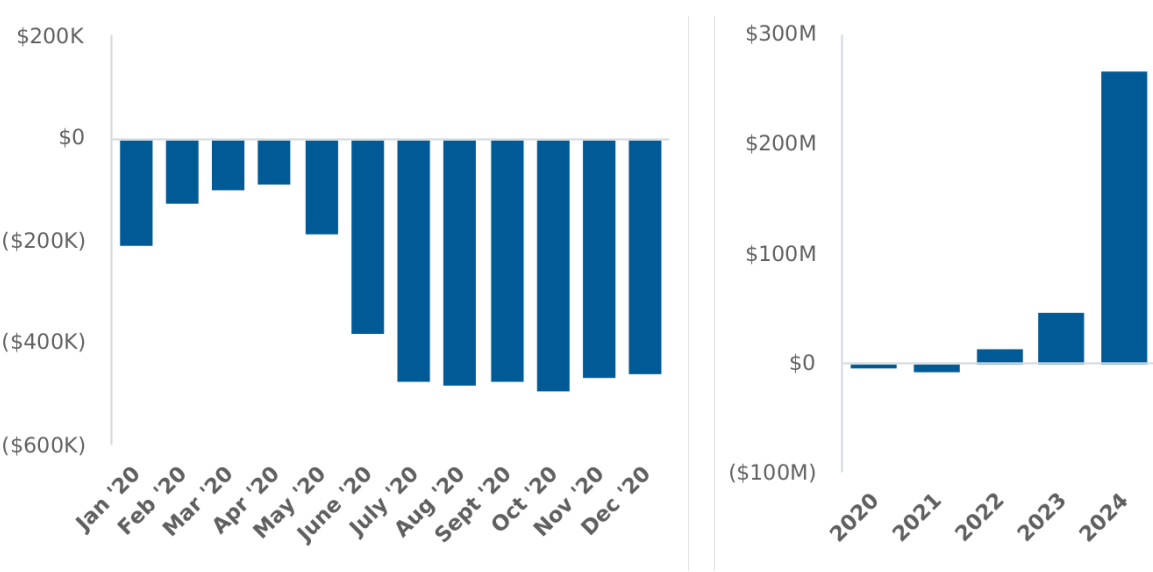
Net Profit (or Loss) by Year



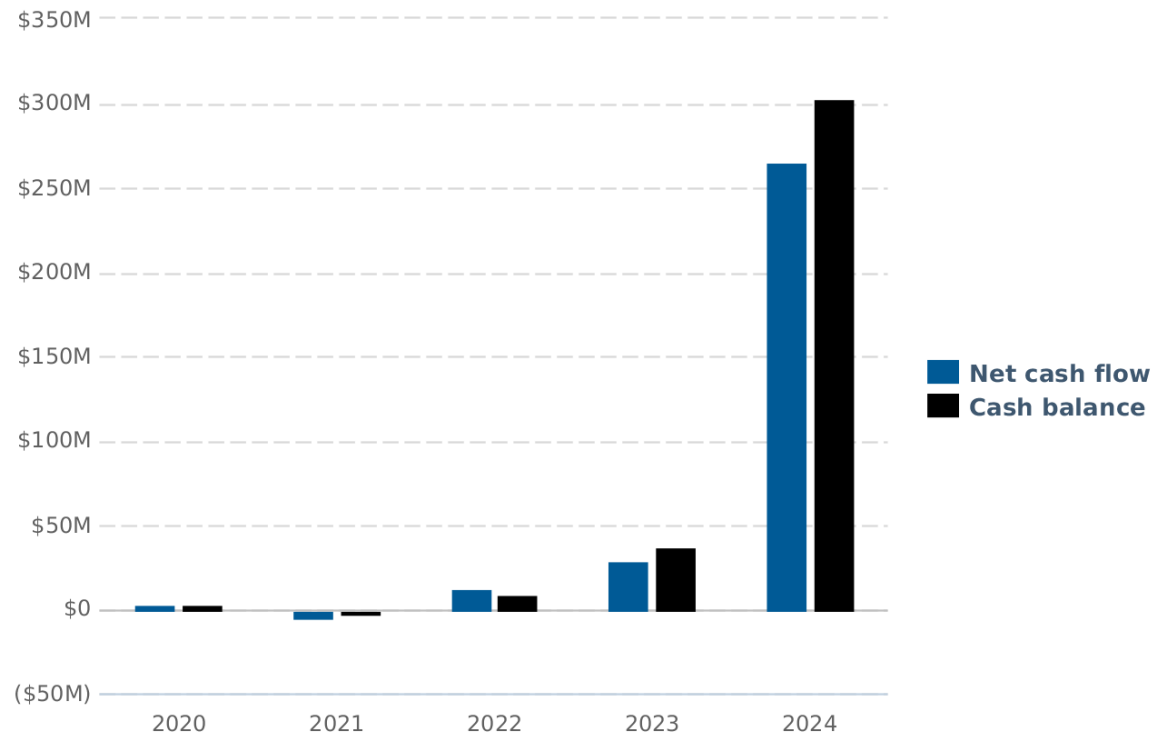
Gross Margin by Year



Net Profit (or Loss)



Cash Flow by Year



Balance Sheet

Appendix

Profit and Loss Statement (With monthly data il)

2020	Jan '20	Feb '20	Mar '20	Apr '20	May '20	June '20	July '20	Aug '20	Sept '20	Oct '20	Nov '20	Dec '20
Total Revenue	\$129,323	\$142,955	\$149,387	\$163,019	\$163,019	\$169,451	\$168,683	\$135,755	\$149,387	\$143,723	\$176,651	\$189,515
Total Direct Costs	\$103,115	\$106,431	\$107,744	\$111,060	\$162,990	\$282,752	\$341,862	\$342,657	\$347,124	\$347,651	\$354,905	\$357,532
Gross Margin	\$26,208	\$36,524	\$41,643	\$51,959	\$29	(\$113,301)	(\$173,179)	(\$206,902)	(\$197,736)	(\$203,928)	(\$178,255)	(\$168,017)
Gross Margin %	20%	26%	28%	32%	0%	(67%)	(103%)	(152%)	(132%)	(142%)	(101%)	(89%)
Operating Expenses												
Salaries and Wages	\$75,625	\$75,625	\$75,625	\$75,625	\$136,000	\$198,000	\$200,000	\$200,000	\$201,000	\$200,000	\$200,000	\$200,000
Employee Related Expenses	\$11,344	\$11,344	\$11,343	\$11,344	\$20,400	\$29,700	\$30,000	\$30,000	\$30,150	\$30,000	\$30,000	\$30,000
Fort Lauderdale Lease	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Orlando Lease						\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Raleigh Lease										\$14,750	\$14,750	\$14,750
San Diego Lease												
San Francisco Lease												
3 Additional Plant Locations												
4 Additional Plant Locations												

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5 Additional Plant Locations												
Bad Debt			\$1,494	\$1,630	\$1,630	\$1,695	\$1,687	\$1,357	\$1,494	\$1,437	\$1,767	\$1,895
Capex-Maintenance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Fort Lauderdale Assemble Line Improvements	\$25,000			\$25,000			\$25,000					
Factory Mutual (FM), International Building Code (IBC), Misc Third Party Testing	\$10,416	\$10,416	\$10,416	\$10,416	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417
Marketing-Tradeshows-Website	\$100,000	\$50,000	\$25,000									
Total Operating Expenses	\$233,885	\$158,885	\$135,378	\$135,515	\$179,947	\$263,812	\$296,104	\$270,774	\$272,061	\$285,604	\$285,934	\$286,062
Operating Income	(\$207,677)	(\$122,360)	(\$93,736)	(\$83,556)	(\$179,918)	(\$377,113)	(\$469,283)	(\$477,677)	(\$469,797)	(\$489,532)	(\$464,188)	(\$454,079)
Interest Incurred		\$2,917	\$2,681	\$2,445	\$2,206	\$1,967	\$1,726	\$1,484	\$1,240	\$1,195	\$1,150	\$1,038
Depreciation and Amortization	\$1,042	\$1,041	\$1,042	\$1,250	\$1,250	\$1,250	\$1,458	\$1,459	\$1,458	\$1,667	\$1,666	\$1,667
Gain or Loss from Sale of Assets												
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$338,041	\$269,274	\$246,846	\$250,270	\$346,393	\$549,781	\$641,150	\$616,374	\$621,883	\$636,116	\$643,656	\$646,298
Net Profit	(\$208,718)	(\$126,319)	(\$97,459)	(\$87,251)	(\$183,374)	(\$380,330)	(\$472,467)	(\$480,619)	(\$472,496)	(\$492,393)	(\$467,005)	(\$456,783)
Net Profit / Sales	(161%)	(88%)	(65%)	(54%)	(112%)	(224%)	(280%)	(354%)	(316%)	(343%)	(264%)	(241%)
2021	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21

Total Revenue	\$256,902	\$269,122	\$288,182	\$300,402	\$307,242	\$319,462	\$324,842	\$269,122	\$288,182	\$270,582	\$326,302	\$350,742
Total Direct Costs	\$377,345	\$379,971	\$384,600	\$387,226	\$389,229	\$506,855	\$560,377	\$547,871	\$552,500	\$549,252	\$562,908	\$585,410
Gross Margin	(\$120,443)	(\$110,849)	(\$96,418)	(\$86,824)	(\$81,987)	(\$187,393)	(\$235,536)	(\$278,749)	(\$264,318)	(\$278,670)	(\$236,606)	(\$234,668)
Gross Margin %	(47%)	(41%)	(33%)	(29%)	(27%)	(59%)	(73%)	(104%)	(92%)	(103%)	(73%)	(67%)
Operating Expenses												
Salaries and Wages	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$241,000	\$278,000	\$293,000	\$293,000	\$292,000	\$292,000	\$300,000
Employee Related Expenses	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$36,150	\$41,700	\$43,950	\$43,950	\$43,800	\$43,800	\$45,000
Fort Lauderdale Lease	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270	\$9,270
Orlando Lease	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Raleigh Lease	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750	\$14,750
San Diego Lease			\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250
San Francisco Lease									\$31,500	\$31,500	\$31,500	\$31,500
3 Additional Plant Locations												
4 Additional Plant Locations												
5 Additional Plant Locations												
Bad Debt	\$2,569	\$2,691	\$2,882	\$3,004	\$3,072	\$3,195	\$3,248	\$2,692	\$2,881	\$2,706	\$3,263	\$3,508
Capex-Maintenance	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Fort Lauderdale Assemble Line Improvements												

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Factory Mutual (FM), International Building Code (IBC), Misc Third Party Testing	\$10,416	\$10,416	\$10,416	\$10,416	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417
Marketing- Tradeshow- Website												
Total Operating Expenses	\$287,005	\$287,127	\$313,568	\$313,690	\$313,759	\$366,032	\$408,635	\$425,329	\$457,018	\$455,693	\$456,250	\$465,695
Operating Income	(\$407,448)	(\$397,976)	(\$409,986)	(\$400,514)	(\$395,746)	(\$553,425)	(\$644,171)	(\$704,077)	(\$721,336)	(\$734,363)	(\$692,856)	(\$700,362)
Interest Incurred	\$925	\$812	\$951	\$1,157	\$1,365	\$1,574	\$1,584	\$1,595	\$1,606	\$1,616	\$1,627	\$1,638
Depreciation and Amortization	\$1,667	\$1,666	\$1,667	\$13,409	\$13,410	\$21,962	\$21,963	\$21,962	\$21,963	\$34,593	\$44,286	\$44,286
Gain or Loss from Sale of Assets												
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$666,942	\$669,577	\$700,785	\$715,483	\$717,762	\$896,423	\$992,560	\$996,757	\$1,033,087	\$1,041,154	\$1,065,072	\$1,097,028
Net Profit	(\$410,040)	(\$400,455)	(\$412,603)	(\$415,081)	(\$410,520)	(\$576,961)	(\$667,718)	(\$727,635)	(\$744,905)	(\$770,572)	(\$738,770)	(\$746,286)
Net Profit / Sales	(160%)	(149%)	(143%)	(138%)	(134%)	(181%)	(206%)	(270%)	(258%)	(285%)	(226%)	(213%)

	2020	2021	2022	2023	2024
Total Revenue	\$1,880,868	\$3,571,084	\$34,073,960	\$97,267,692	\$474,254,016
Total Direct Costs	\$2,965,823	\$5,783,544	\$10,351,602	\$24,781,437	\$117,802,778
Gross Margin	(\$1,084,955)	(\$2,212,460)	\$23,722,358	\$72,486,255	\$356,451,238
Gross Margin %	(58%)	(62%)	70%	75%	75%
Operating Expenses					
Salaries and Wages	\$1,837,500	\$2,989,000	\$4,651,860	\$6,890,711	\$7,592,432
Employee Related Expenses	\$275,625	\$448,350	\$697,779	\$1,033,607	\$1,138,864
Fort Lauderdale Lease	\$108,000	\$111,240	\$111,240	\$111,240	\$111,240
Orlando Lease	\$87,500	\$150,000	\$150,000	\$150,000	\$150,000
Raleigh Lease	\$44,250	\$177,000	\$177,000	\$177,000	\$177,000
San Diego Lease		\$262,500	\$315,000	\$315,000	\$315,000
San Francisco Lease		\$126,000	\$378,000	\$378,000	\$378,000
3 Additional Plant Locations			\$900,000	\$900,000	\$900,000
4 Additional Plant Locations				\$1,200,000	\$1,200,000
5 Additional Plant Locations					\$1,500,000
Bad Debt	\$16,086	\$35,711	\$340,739	\$972,677	\$4,742,540
Capex-Maintenance	\$60,000	\$125,000	\$240,000	\$360,000	\$390,000
Fort Lauderdale Assemble Line Improvements	\$75,000				
Factory Mutual (FM), International Building Code (IBC), Misc Third Party Testing	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Marketing-Tradeshows-Website	\$175,000				
Total Operating Expenses	\$2,803,961	\$4,549,801	\$8,086,618	\$12,613,235	\$18,720,077
Operating Income	(\$3,888,916)	(\$6,762,260)	\$15,635,739	\$59,873,020	\$337,731,161
Interest Incurred	\$20,048	\$16,451	\$20,529	\$22,233	\$24,078
Depreciation and Amortization	\$16,250	\$242,834	\$781,433	\$1,138,575	\$2,281,432
Gain or Loss from Sale of Assets					

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Income Taxes	\$0	\$0	\$777,404	\$11,742,442	\$67,085,130
Total Expenses	\$5,806,082	\$10,592,630	\$20,017,586	\$50,297,921	\$205,913,496
Net Profit	(\$3,925,214)	(\$7,021,546)	\$14,056,374	\$46,969,771	\$268,340,520
Net Profit / Sales	(209%)	(197%)	41%	48%	57%

Balance Sheet (With Monthly Detail)

2020	Jan '20	Feb '20	Mar '20	Apr '20	May '20	June '20	July '20	Aug '20	Sept '20	Oct '20	Nov '20	Dec '20
Cash	\$2,018,007	\$1,834,849	\$1,646,134	\$1,437,469	\$3,716,066	\$3,308,616	\$2,746,821	\$2,241,357	\$1,749,065	\$1,165,843	\$3,158,180	\$2,663,272
Accounts Receivable	\$69,188	\$76,481	\$79,923	\$87,215	\$87,215	\$90,657	\$90,246	\$72,629	\$79,923	\$76,892	\$94,509	\$101,391
Inventory	\$104,973	\$109,602	\$114,232	\$114,854	\$108,222	\$103,593	\$99,031	\$108,980	\$118,238	\$147,932	\$172,998	\$200,066
Other Current Assets												
Total Current Assets	\$2,192,168	\$2,020,932	\$1,840,288	\$1,639,538	\$3,911,502	\$3,502,865	\$2,936,098	\$2,422,966	\$1,947,226	\$1,390,667	\$3,425,686	\$2,964,728
Long-Term Assets	\$250,000	\$250,000	\$250,000	\$300,000	\$300,000	\$300,000	\$350,000	\$350,000	\$350,000	\$400,000	\$400,000	\$400,000
Accumulated Depreciation	(\$1,042)	(\$2,083)	(\$3,125)	(\$4,375)	(\$5,625)	(\$6,875)	(\$8,333)	(\$9,792)	(\$11,250)	(\$12,917)	(\$14,583)	(\$16,250)
Total Long-Term Assets	\$248,958	\$247,917	\$246,875	\$295,625	\$294,375	\$293,125	\$341,667	\$340,208	\$338,750	\$387,083	\$385,417	\$383,750
Total Assets	\$2,441,127	\$2,268,849	\$2,087,163	\$1,935,163	\$4,205,877	\$3,795,990	\$3,277,765	\$2,763,174	\$2,285,976	\$1,777,750	\$3,811,103	\$3,348,478
Accounts Payable	\$140,792	\$125,174	\$71,070	\$65,245	\$48,979	\$48,856	\$67,511	\$65,816	\$62,679	\$80,623	\$90,727	\$93,845
Income Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Taxes Payable	\$9,053	\$19,059	\$29,517	\$11,411	\$22,822	\$34,684	\$11,808	\$21,310	\$31,768	\$10,060	\$22,426	\$35,692
Short-Term Debt	\$500,000	\$459,654	\$419,072	\$378,254	\$337,197	\$295,901	\$254,364	\$212,585	\$200,562	\$188,494	\$166,381	\$144,155
Prepaid Revenue												
Total Current Liabilities	\$649,845	\$603,886	\$519,659	\$454,909	\$408,998	\$379,441	\$333,683	\$299,711	\$295,009	\$279,177	\$279,534	\$273,692
Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Total Liabilities	\$649,845	\$603,886	\$519,659	\$454,909	\$408,998	\$379,441	\$333,683	\$299,711	\$295,009	\$279,177	\$279,534	\$273,692
Paid-In Capital	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$7,000,000	\$7,000,000
Retained Earnings												
Earnings	(\$208,718)	(\$335,037)	(\$432,496)	(\$519,747)	(\$703,121)	(\$1,083,451)	(\$1,555,918)	(\$2,036,537)	(\$2,509,033)	(\$3,001,426)	(\$3,468,431)	(\$3,925,214)
Total Owner's Equity	\$1,791,282	\$1,664,963	\$1,567,504	\$1,480,253	\$3,796,879	\$3,416,549	\$2,944,082	\$2,463,463	\$1,990,967	\$1,498,574	\$3,531,569	\$3,074,786
Total Liabilities & Equity	\$2,441,127	\$2,268,849	\$2,087,163	\$1,935,163	\$4,205,877	\$3,795,990	\$3,277,765	\$2,763,174	\$2,285,976	\$1,777,750	\$3,811,103	\$3,348,478

2021	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21
Cash	\$2,171,888	\$1,798,909	\$1,436,708	\$39,687	\$2,195,014	\$947,980	\$270,738	(\$393,402)	(\$1,097,814)	(\$3,002,233)	(\$2,121,100)	(\$2,943,442)
Accounts Receivable	\$137,443	\$143,980	\$154,178	\$160,715	\$164,375	\$170,913	\$173,791	\$143,980	\$154,178	\$144,762	\$174,572	\$187,647
Inventory	\$209,947	\$219,205	\$226,460	\$231,712	\$222,453	\$215,198	\$204,072	\$217,960	\$232,470	\$384,273	\$522,257	\$656,302
Other Current Assets												
Total Current Assets	\$2,519,277	\$2,162,094	\$1,817,346	\$432,114	\$2,581,842	\$1,334,091	\$648,601	(\$31,462)	(\$711,167)	(\$2,473,198)	(\$1,424,272)	(\$2,099,493)
Long-Term Assets	\$400,000	\$400,000	\$400,000	\$1,386,391	\$1,386,391	\$2,104,847	\$2,104,847	\$2,104,847	\$2,104,847	\$3,165,877	\$3,980,025	\$3,980,025
Accumulated Depreciation	(\$17,917)	(\$19,583)	(\$21,250)	(\$34,659)	(\$48,069)	(\$70,031)	(\$91,994)	(\$113,956)	(\$135,919)	(\$170,512)	(\$214,798)	(\$259,084)
Total Long-Term Assets	\$382,083	\$380,417	\$378,750	\$1,351,732	\$1,338,322	\$2,034,816	\$2,012,853	\$1,990,891	\$1,968,928	\$2,995,365	\$3,765,227	\$3,720,941
Total Assets	\$2,901,360	\$2,542,511	\$2,196,096	\$1,783,845	\$3,920,164	\$3,368,906	\$2,661,454	\$1,959,429	\$1,257,761	\$522,166	\$2,340,954	\$1,621,448
Accounts Payable	\$96,818	\$98,773	\$113,838	\$121,477	\$115,445	\$117,211	\$118,051	\$123,227	\$144,686	\$220,856	\$253,945	\$254,535
Income Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Taxes Payable	\$17,983	\$36,821	\$56,994	\$21,028	\$42,535	\$64,898	\$22,739	\$41,577	\$61,750	\$18,941	\$41,782	\$66,334
Short-Term Debt	\$121,813	\$142,625	\$173,576	\$204,733	\$236,098	\$237,672	\$239,256	\$240,851	\$242,457	\$244,073	\$245,701	\$247,339
Prepaid Revenue												
Total Current Liabilities	\$236,614	\$278,219	\$344,408	\$347,238	\$394,077	\$419,781	\$380,047	\$405,656	\$448,893	\$483,871	\$541,428	\$568,208
Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$236,614	\$278,219	\$344,408	\$347,238	\$394,077	\$419,781	\$380,047	\$405,656	\$448,893	\$483,871	\$541,428	\$568,208

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Paid-In Capital	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$9,500,000	\$9,500,000	\$9,500,000	\$9,500,000	\$9,500,000	\$9,500,000	\$12,000,000	\$12,000,000
Retained Earnings	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)	(\$3,925,214)
Earnings	(\$410,040)	(\$810,495)	(\$1,223,098)	(\$1,638,179)	(\$2,048,699)	(\$2,625,660)	(\$3,293,378)	(\$4,021,013)	(\$4,765,918)	(\$5,536,490)	(\$6,275,260)	(\$7,021,546)
Total Owner's Equity	\$2,664,746	\$2,264,291	\$1,851,688	\$1,436,607	\$3,526,087	\$2,949,126	\$2,281,408	\$1,553,773	\$808,868	\$38,296	\$1,799,526	\$1,053,240
Total Liabilities & Equity	\$2,901,360	\$2,542,511	\$2,196,096	\$1,783,845	\$3,920,164	\$3,368,906	\$2,661,454	\$1,959,429	\$1,257,761	\$522,166	\$2,340,954	\$1,621,448

	2020	2021	2022	2023	2024
Cash	\$2,663,272	(\$2,943,442)	\$8,894,532	\$37,293,103	\$302,446,388
Accounts Receivable	\$101,391	\$187,647	\$447,578	\$2,945,043	\$20,863,825
Inventory	\$200,066	\$656,302	\$3,278,883	\$26,225,813	\$26,225,813
Other Current Assets					
Total Current Assets	\$2,964,728	(\$2,099,493)	\$12,620,993	\$66,463,958	\$349,536,026
Long-Term Assets	\$400,000	\$3,980,025	\$5,730,025	\$8,230,025	\$16,230,025
Accumulated Depreciation	(\$16,250)	(\$259,084)	(\$1,040,517)	(\$2,179,092)	(\$4,460,524)
Total Long-Term Assets	\$383,750	\$3,720,941	\$4,689,508	\$6,050,933	\$11,769,501
Total Assets	\$3,348,478	\$1,621,448	\$17,310,501	\$72,514,892	\$361,305,527
Accounts Payable	\$93,845	\$254,535	\$979,525	\$6,843,254	\$7,180,752
Income Taxes Payable	\$0	\$0	\$777,404	\$2,440,162	\$16,771,246
Sales Taxes Payable	\$35,692	\$66,334	\$176,091	\$861,991	\$6,619,445
Short-Term Debt	\$144,155	\$247,339	\$267,868	\$290,101	\$314,179
Prepaid Revenue					
Total Current Liabilities	\$273,692	\$568,208	\$2,200,887	\$10,435,507	\$30,885,622
Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$273,692	\$568,208	\$2,200,887	\$10,435,507	\$30,885,622
Paid-In Capital	\$7,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Retained Earnings		(\$3,925,214)	(\$10,946,760)	\$3,109,614	\$50,079,385
Earnings	(\$3,925,214)	(\$7,021,546)	\$14,056,374	\$46,969,771	\$268,340,520
Total Owner's Equity	\$3,074,786	\$1,053,240	\$15,109,614	\$62,079,385	\$330,419,905
Total Liabilities & Equity	\$3,348,478	\$1,621,448	\$17,310,501	\$72,514,892	\$361,305,527

Cash Flow Statement (With Monthly Detail)

2020	Jan '20	Feb '20	Mar '20	Apr '20	May '20	June '20	July '20	Aug '20	Sept '20	Oct '20	Nov '20	Dec '20
Net Cash Flow from Operations												
Net Profit	(\$208,718)	(\$126,319)	(\$97,459)	(\$87,251)	(\$183,374)	(\$380,330)	(\$472,467)	(\$480,619)	(\$472,496)	(\$492,393)	(\$467,005)	(\$456,783)
Depreciation & Amortization	\$1,042	\$1,042	\$1,042	\$1,250	\$1,250	\$1,250	\$1,458	\$1,458	\$1,458	\$1,667	\$1,667	\$1,667
Change in Accounts Receivable	(\$69,188)	(\$7,293)	(\$3,442)	(\$7,293)	\$0	(\$3,442)	\$411	\$17,617	(\$7,294)	\$3,031	(\$17,617)	(\$6,882)
Change in Inventory	(\$104,973)	(\$4,629)	(\$4,629)	(\$623)	\$6,632	\$4,629	\$4,561	(\$9,949)	(\$9,258)	(\$29,694)	(\$25,065)	(\$27,068)
Change in Accounts Payable	\$140,792	(\$15,618)	(\$54,104)	(\$5,825)	(\$16,265)	(\$123)	\$18,655	(\$1,695)	(\$3,138)	\$17,944	\$10,104	\$3,118
Change in Income Tax Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Sales Tax Payable	\$9,053	\$10,006	\$10,458	(\$18,106)	\$11,411	\$11,862	(\$22,876)	\$9,502	\$10,458	(\$21,708)	\$12,366	\$13,266
Change in Prepaid Revenue												
Net Cash Flow from Operations	(\$231,993)	(\$142,811)	(\$148,134)	(\$117,847)	(\$180,346)	(\$366,154)	(\$470,258)	(\$463,685)	(\$480,269)	(\$521,154)	(\$485,550)	(\$472,683)
Investing & Financing												
Assets Purchased or Sold	(\$250,000)			(\$50,000)			(\$50,000)			(\$50,000)		
Net Cash from Investing	(\$250,000)			(\$50,000)			(\$50,000)			(\$50,000)		

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Investments Received	\$2,000,000				\$2,500,000					\$2,500,000		
Dividends & Distributions												
Change in Short-Term Debt	\$500,000	(\$40,346)	(\$40,582)	(\$40,818)	(\$41,057)	(\$41,296)	(\$41,537)	(\$41,779)	(\$12,023)	(\$12,068)	(\$22,113)	(\$22,225)
Change in Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash from Financing	\$2,500,000	(\$40,346)	(\$40,582)	(\$40,818)	\$2,458,943	(\$41,296)	(\$41,537)	(\$41,779)	(\$12,023)	(\$12,068)	\$2,477,887	(\$22,225)
Cash at Beginning of Period	\$0	\$2,018,007	\$1,834,849	\$1,646,134	\$1,437,469	\$3,716,066	\$3,308,616	\$2,746,821	\$2,241,357	\$1,749,065	\$1,165,843	\$3,158,180
Net Change in Cash	\$2,018,007	(\$183,158)	(\$188,715)	(\$208,665)	\$2,278,597	(\$407,450)	(\$561,795)	(\$505,464)	(\$492,292)	(\$583,222)	\$1,992,337	(\$494,908)
Cash at End of Period	\$2,018,007	\$1,834,849	\$1,646,134	\$1,437,469	\$3,716,066	\$3,308,616	\$2,746,821	\$2,241,357	\$1,749,065	\$1,165,843	\$3,158,180	\$2,663,272

2021	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21
Net Cash Flow from Operations												
Net Profit	(\$410,040)	(\$400,455)	(\$412,603)	(\$415,081)	(\$410,520)	(\$576,961)	(\$667,718)	(\$727,635)	(\$744,905)	(\$770,572)	(\$738,770)	(\$746,286)
Depreciation & Amortization	\$1,667	\$1,667	\$1,667	\$13,409	\$13,409	\$21,962	\$21,962	\$21,962	\$21,962	\$34,594	\$44,286	\$44,286
Change in Accounts Receivable	(\$36,052)	(\$6,538)	(\$10,198)	(\$6,538)	(\$3,660)	(\$6,538)	(\$2,878)	\$29,811	(\$10,198)	\$9,416	(\$29,810)	(\$13,076)
Change in Inventory	(\$9,881)	(\$9,258)	(\$7,255)	(\$5,252)	\$9,258	\$7,255	\$11,126	(\$13,887)	(\$14,510)	(\$151,803)	(\$137,984)	(\$134,045)
Change in Accounts Payable	\$2,974	\$1,955	\$15,065	\$7,639	(\$6,032)	\$1,766	\$841	\$5,176	\$21,458	\$76,170	\$33,089	\$590
Change in Income Tax Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Sales Tax Payable	(\$17,709)	\$18,838	\$20,173	(\$35,966)	\$21,507	\$22,363	(\$42,159)	\$18,838	\$20,173	(\$42,809)	\$22,841	\$24,552
Change in Prepaid Revenue												
Net Cash Flow from Operations	(\$469,041)	(\$393,791)	(\$393,151)	(\$441,787)	(\$376,038)	(\$530,152)	(\$678,826)	(\$665,735)	(\$706,018)	(\$845,005)	(\$806,347)	(\$823,979)
Investing & Financing												
Assets Purchased or Sold				(\$986,391)		(\$718,456)				(\$1,061,030)	(\$814,148)	
Net Cash from Investing				(\$986,391)		(\$718,456)				(\$1,061,030)	(\$814,148)	
Investments Received					\$2,500,000						\$2,500,000	

Dividends & Distributions												
Change in Short-Term Debt	(\$22,342)	\$20,812	\$30,951	\$31,157	\$31,365	\$1,574	\$1,584	\$1,595	\$1,606	\$1,616	\$1,627	\$1,638
Change in Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash from Financing	(\$22,342)	\$20,812	\$30,951	\$31,157	\$2,531,365	\$1,574	\$1,584	\$1,595	\$1,606	\$1,616	\$2,501,627	\$1,638
Cash at Beginning of Period	\$2,663,272	\$2,171,888	\$1,798,909	\$1,436,708	\$39,687	\$2,195,014	\$947,980	\$270,738	(\$393,402)	(\$1,097,814)	(\$3,002,233)	(\$2,121,100)
Net Change in Cash	(\$491,384)	(\$372,979)	(\$362,201)	(\$1,397,021)	\$2,155,327	(\$1,247,034)	(\$677,241)	(\$664,140)	(\$704,413)	(\$1,904,419)	\$881,132	(\$822,341)
Cash at End of Period	\$2,171,888	\$1,798,909	\$1,436,708	\$39,687	\$2,195,014	\$947,980	\$270,738	(\$393,402)	(\$1,097,814)	(\$3,002,233)	(\$2,121,100)	(\$2,943,442)

	2020	2021	2022	2023	2024
Net Cash Flow from Operations					
Net Profit	(\$3,925,214)	(\$7,021,546)	\$14,056,374	\$46,969,771	\$268,340,520
Depreciation & Amortization	\$16,250	\$242,834	\$781,432	\$1,138,575	\$2,281,432
Change in Accounts Receivable	(\$101,391)	(\$86,257)	(\$259,931)	(\$2,497,465)	(\$17,918,782)
Change in Inventory	(\$200,066)	(\$456,236)	(\$2,622,581)	(\$22,946,930)	\$0
Change in Accounts Payable	\$93,845	\$160,690	\$724,990	\$5,863,729	\$337,498
Change in Income Tax Payable	\$0	\$0	\$777,404	\$1,662,758	\$14,331,084
Change in Sales Tax Payable	\$35,692	\$30,642	\$109,757	\$685,900	\$5,757,454
Change in Prepaid Revenue					
Net Cash Flow from Operations	(\$4,080,884)	(\$7,129,871)	\$13,567,444	\$30,876,338	\$273,129,207
Investing & Financing					
Assets Purchased or Sold	(\$400,000)	(\$3,580,025)	(\$1,750,000)	(\$2,500,000)	(\$8,000,000)
Net Cash from Investing	(\$400,000)	(\$3,580,025)	(\$1,750,000)	(\$2,500,000)	(\$8,000,000)
Investments Received	\$7,000,000	\$5,000,000			
Dividends & Distributions					
Change in Short-Term Debt	\$144,155	\$103,183	\$20,529	\$22,233	\$24,078
Change in Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Net Cash from Financing	\$7,144,155	\$5,103,183	\$20,529	\$22,233	\$24,078
Cash at Beginning of Period	\$0	\$2,663,272	(\$2,943,442)	\$8,894,532	\$37,293,103
Net Change in Cash	\$2,663,272	(\$5,606,713)	\$11,837,973	\$28,398,571	\$265,153,286
Cash at End of Period	\$2,663,272	(\$2,943,442)	\$8,894,532	\$37,293,103	\$302,446,388