FINANCIAL REPORT / 01

The financial picture

ChannelLedger Digital | USD | 3 operating years | base scenario

Revenue, profit and cash flow.

Year 1 revenue

297,176.00

USD

Year 1 net income

-103,143.19

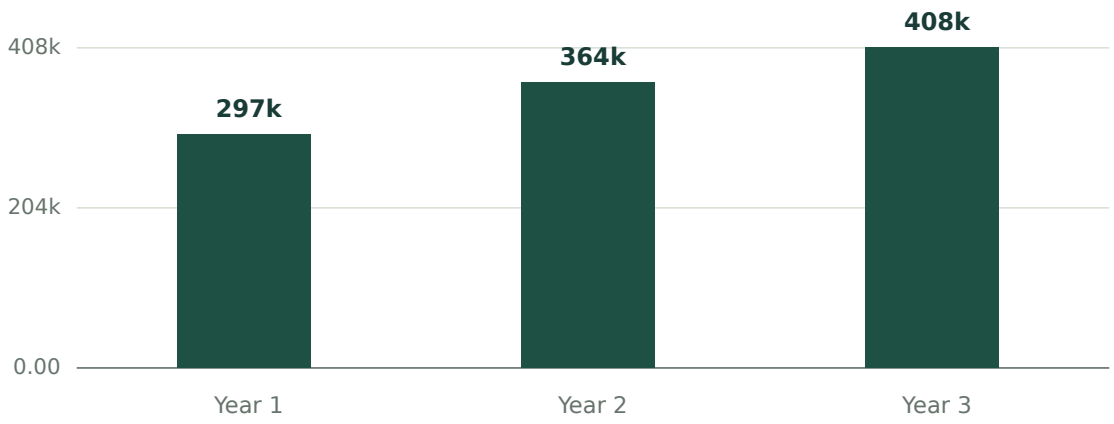
USD

Minimum cash

19,229.43

Includes the pre-opening period

ANNUAL REVENUE



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02 Profit & loss
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Planning forecast. Populated illustrative inputs are complete but unverified. Proposed funding is not a commitment.

FINANCIAL REPORT / 02

Profit & loss

USD | Annual operating results; pre-opening expenses are separate.

Measure	Year 1	Year 2	Year 3
Net revenue	297,176.00	363,743.52	408,120.12
Cost of sales	20,802.32	25,462.08	28,568.52
Gross profit	**276,373.68**	**338,281.44**	**379,551.60**
Operating expenses	376,090.20	389,102.52	401,779.56
EBITDA	**-99,716.52**	**-50,821.08**	**-22,227.96**
Depreciation	3,426.67	3,426.66	3,426.67
Interest expense	0.00	0.00	0.00
Tax provision	0.00	0.00	0.00
Net income	**-103,143.19**	**-54,247.74**	**-25,654.63**

YEAR 1 EBITDA

-99,716.52

YEAR 2 EBITDA

-50,821.08

YEAR 3 EBITDA

-22,227.96

Expense rows are positive charges. Net income retains its sign. Tax is the planning provision; annual losses do not reverse provisions already calculated within the year.

FINANCIAL REPORT / 03

Cash flow

USD | Flows exclude launch; opening and closing cash are balances.

Measure	Year 1	Year 2	Year 3
Opening cash	209,000.00	95,775.48	43,306.42
Customer collections	283,668.00	362,095.54	406,271.09
Supplier payments	20,802.32	25,462.08	28,568.52
Operating expenses paid	376,090.20	389,102.52	401,779.56
Interest paid	0.00	0.00	0.00
Tax provision paid	0.00	0.00	0.00
Operating cash flow	**-113,224.52**	**-52,469.06**	**-24,076.99**
Investing cash flow	0.00	0.00	0.00
Financing cash flow	0.00	0.00	0.00
Net change in cash	**-113,224.52**	**-52,469.06**	**-24,076.99**
Closing cash	**95,775.48**	**43,306.42**	**19,229.43**

Supplier payments differ from cost of sales because stock and supplier terms affect timing. Positive financing cash is funding, not customer revenue or profit.

FINANCIAL REPORT / 04

Year-end balance sheet

USD | Closing positions at the end of each operating year.

Measure	Year 1	Year 2	Year 3
Cash	95,775.48	43,306.42	19,229.43
Accounts receivable	13,508.00	15,155.98	17,005.01
Inventory	0.00	0.00	0.00
Net fixed assets	7,573.33	4,146.67	720.00
Total assets	**116,856.81**	**62,609.07**	**36,954.44**
Accounts payable	0.00	0.00	0.00
Loan balance	0.00	0.00	0.00
Total liabilities	**0.00**	**0.00**	**0.00**
Equity and retained earnings	**116,856.81**	**62,609.07**	**36,954.44**
Reconciliation difference	**0.00**	**0.00**	**0.00**

Closing balances show the end-of-year position; monthly balances are never summed. A zero reconciliation difference means assets equal liabilities plus equity.

FINANCIAL REPORT / 05

Launch budget & funding

USD | Before opening; proposed sources and uses.

STARTUP USES

Use	USD
Fixed assets	11,000.00
Expensed setup	5,000.00
Opening inventory	0.00
Total startup uses	**16,000.00**

PROPOSED FUNDING

Source / balance	USD
Combined equity	225,000.00
Loan proceeds	0.00
Cash after startup uses	**209,000.00**

MINIMUM CASH THROUGHOUT THE FORECAST

19,229.43

USD

UNFUNDED CASH GAP

0.00

A deficit measure, not secured financing

Equity and loans shown here are planning assumptions. Cash remaining after launch is the initial operating buffer; it is not an additional startup expense.

FINANCIAL REPORT / 06

Break-even & project payback

USD | Operating profitability and investment recovery are separate measures.

Annual measure	Year 1	Year 2	Year 3
Break-even revenue	407,972.13	420,211.39	432,817.86
Margin of safety	-110,796.13	-56,467.87	-24,697.74

PROJECT PAYBACK

Not reached within 3 years

Project measure	USD
Initial project outlay	16,000.00
Cumulative project cash at forecast end	-205,770.57
Peak project cash deficit	205,770.57

Operating break-even excludes depreciation, interest and income tax. Project payback uses pre-tax project cash before financing and is not a dividend or an investor payout.

FINANCIAL REPORT / 07

Assumptions & review

The operating assumptions, accounting policies and items requiring review.

11 financial checks passed | 0 need attention | 6 forecast warnings

- Planning model, not audited accounts or tax advice. Revenue is invoiced as earned; monthly subscriptions only. Annual prepayments, refundable deposits, milestone invoices, unbilled contract assets, customer taxes, seller settlements, capitalized interest and tax-loss carryforwards are not modeled.
- Collection and supplier terms use 30-day monthly interpolation. Inventory purchases and non-stock direct costs use supplier terms; operating costs, setup costs, taxes and opening stock are paid immediately. Stock coverage applies only to linked goods costs. Production stock is tracked separately at unit cost.
- Fictional editorial scenario. Prices, workload, wages, costs and financing are illustrative planning inputs, not current quotes, measured local averages or actual company results.
- Five-year source adapted to 36 months with two delivery specialists, paid director and quarter-time operations fixed. Original shares/fees remain; three-month ramp, 10% workload, 2% fee and 3% payroll/overhead growth replace hiring. Direct costs: 5% external review and 2% reporting; no inventory or extra capacity. Setup paid once; client media outside fees. Forecast cash deficit prompted an explicit equity proposal of 225,000, owner 100,000; losses and unrecovered payback remain. Funding uncommitted; flat tax/employer allowance illustrative.
- A 15% illustrative employer allowance is added to paid salaries. The flat 21% native tax provision is a simplified planning input, not an entity or personal tax opinion. Customer sales-tax receipts/remittances and owner distributions are outside this scenario.
- All equity is proposed, uncommitted month-0 cash. No debt is modeled. Opening cash is a reserve, not an extra startup expense. Asset/setup/insurance/premises allowances need scoped quotes; refundable premises deposits and site-specific additional works are excluded.