

APPENDIX B:  
FINANCIAL STATEMENTS  
(Unaudited)

# Profit and Loss

January - December 2019

|  | <b>Total</b>      |
|--|-------------------|
| <b>INCOME</b>                              |                   |
| AMZN drop-ship Product Sales               | 74,455.75         |
| Clover Sales                               | 5,169.74          |
| Gross Receipts                             |                   |
| Sales                                      | 303,650.54        |
| Uncategorized Income                       | 712.75            |
| <b>Total Gross Receipts</b>                | <b>304,363.29</b> |
| PayPal Income                              | 147,466.80        |
| Sales of Product Income                    | 430.00            |
| Sales Tax                                  | -12,804.07        |
| <b>Total Income</b>                        | <b>519,081.51</b> |
| <b>COST OF GOODS SOLD</b>                  |                   |
| Cost of Goods Sold                         | 5,038.15          |
| Purchases - COS                            | 146,199.88        |
| Shipping and Delivery                      | 2,279.68          |
| Supplies & Materials - COGS                | 88,022.72         |
| <b>Total Cost of Goods Sold</b>            | <b>241,540.43</b> |
| <b>GROSS PROFIT</b>                        |                   |
|  | <b>277,541.08</b> |
| <b>EXPENSES</b>                            |                   |
| Advertising                                | 454.59            |
| Auto Expenses                              |                   |
| Auto Insurance                             | 1,083.40          |
| <b>Total Auto Expenses</b>                 | <b>1,083.40</b>   |
| Bank and Service Charges                   |                   |
| Bank Charges                               | 14,143.81         |
| Loan Fees                                  | 302.00            |
| <b>Total Bank and Service Charges</b>      | <b>14,445.81</b>  |
| Dues & Subscriptions                       | 1,338.34          |
| Insurance                                  |                   |
| Workman's Comp                             | 2,957.35          |
| <b>Total Insurance</b>                     | <b>2,957.35</b>   |
| Insurance - Liability                      | 5,705.35          |
| Interest Expense                           | 118.53            |
| Legal & Professional Fees                  |                   |
| Accounting                                 | 1,875.00          |
| Attorney Fees                              | 300.00            |
| Consulting                                 | 177.95            |
| <b>Total Legal &amp; Professional Fees</b> | <b>2,352.95</b>   |
| Licenses and Permits                       | 100.00            |
| Office Expenses                            | 43.05             |
| Rent or Lease of Buildings                 |                   |
| Lawrence Rent                              | 3,600.00          |

|   | <b>Total</b>        |
|---|---------------------|
| North Andover Rent                      | 67,500.00           |
| Tewksbury Rent                          | 13,000.00           |
| <b>Total Rent or Lease of Buildings</b> | <b>84,100.00</b>    |
| Repair & Maintenance                    | 3,589.43            |
| Taxes & Licenses                        |                     |
| Personal Property Tax                   | 75.20               |
| Real Estate Taxes                       | 50.16               |
| <b>Total Taxes &amp; Licenses</b>       | <b>125.36</b>       |
| Travel                                  | 404.85              |
| Utilities                               |                     |
| Alarm Expense                           | 64.36               |
| Electric & Gas                          | 2,335.29            |
| Telephone & Internet                    | 974.46              |
| <b>Total Utilities</b>                  | <b>3,374.11</b>     |
| <b>Total Expenses</b>                   | <b>120,193.12</b>   |
| <b>NET OPERATING INCOME</b>             | <b>157,347.96</b>   |
| <b>NET INCOME</b>                       | <b>\$157,347.96</b> |

# Balance Sheet

As of December 31, 2019

|                                   | <b>Total</b>        |
|-----------------------------------|---------------------|
| <b>ASSETS</b>                     |                     |
| <b>Current Assets</b>             |                     |
| <b>Bank Accounts</b>              |                     |
| Business Advantage Chk            | 8,619.22            |
| Checking                          | 1,358.51            |
| Salem Five                        | 1,066.43            |
| TD Bank                           | 214.20              |
| <b>Total Bank Accounts</b>        | <b>11,258.36</b>    |
| <b>Other Current Assets</b>       |                     |
| Inventory                         | 133,371.70          |
| <b>Total Other Current Assets</b> | <b>133,371.70</b>   |
| <b>Total Current Assets</b>       | <b>144,630.06</b>   |
| <b>Fixed Assets</b>               |                     |
| Intangible Assets                 |                     |
| A/D Amortization                  | -1,650.00           |
| Start Up Costs                    | 5,145.00            |
| Trademark                         | 385.00              |
| <b>Total Intangible Assets</b>    | <b>3,880.00</b>     |
| Office Equipment                  |                     |
| A/D Office Equipment              | -5,183.00           |
| Dell Computer                     | 2,399.45            |
| Security Equipment                | 2,783.65            |
| <b>Total Office Equipment</b>     | <b>0.10</b>         |
| Vehicles                          |                     |
| 2005 Honda Van                    | 3,921.00            |
| 2014 Ram Van                      | 14,859.69           |
| A/D Depreciation                  | -18,781.00          |
| <b>Total Vehicles</b>             | <b>-0.31</b>        |
| <b>Total Fixed Assets</b>         | <b>3,879.79</b>     |
| <b>Other Assets</b>               |                     |
| Security Deposits                 | 12,150.00           |
| <b>Total Other Assets</b>         | <b>12,150.00</b>    |
| <b>TOTAL ASSETS</b>               | <b>\$160,659.85</b> |

## LIABILITIES AND EQUITY

### Liabilities

#### Current Liabilities

##### Credit Cards

###### Credit Card

|                 |            |
|-----------------|------------|
| Bank of America | -16,032.13 |
| Barclay Card    | -4,385.29  |
| Capital One     | -3,020.00  |

|  | <b>Total</b>        |
|--|---------------------|
| Dell Credit Card                       | 3,394.72            |
| Discover                               | -4,567.31           |
| SimplyCash Plus Card-                  | -66,134.97          |
| TB Bank Credit Card                    | -6,910.28           |
| <b>Total Credit Card</b>               | <b>-97,655.26</b>   |
| <b>Total Credit Cards</b>              | <b>-97,655.26</b>   |
| <b>Other Current Liabilities</b>       |                     |
| AMEX LOAN                              | -3,450.00           |
| Business Backer                        | 56,824.50           |
| Home Loan Investment Bank              | 9,136.90            |
| Kabbage Loan                           | 845.04              |
| Massachusetts Payable                  | 0.08                |
| Mill Cities                            | 25,642.84           |
| PayPal Working Capital                 | 20,509.67           |
| Payroll Tax                            | -337.92             |
| Quickbooks Loan                        | -1,759.75           |
| <b>Total Other Current Liabilities</b> | <b>107,411.36</b>   |
| <b>Total Current Liabilities</b>       | <b>9,756.10</b>     |
| <b>Total Liabilities</b>               | <b>9,756.10</b>     |
| <b>Equity</b>                          |                     |
| Owner Withdrawal                       | -51,531.94          |
| Luca Decarolis                         | -45,541.04          |
|  | -44,996.55          |
| <b>Total Owner Withdrawal</b>          | <b>-142,069.53</b>  |
| Partner Contributions                  | 79,876.03           |
| Retained Earnings                      | 55,749.29           |
| Net Income                             | 157,347.96          |
| <b>Total Equity</b>                    | <b>150,903.75</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>    | <b>\$160,659.85</b> |

# Decarolis Brothers Cyclists LLC

## Profit and Loss

January - December 2020

|                                       | TOTAL               |
|---------------------------------------|---------------------|
| Income                                |                     |
| CC Rewards                            | 2,027.14            |
| Gross Receipts                        | 91.53               |
| AMZN drop-ship Product Sales          | 38,938.92           |
| Refunds-Allowances                    | -174.00             |
| Sales                                 | 315,806.10          |
| Uncategorized Income                  | 61,980.31           |
| <b>Total Gross Receipts</b>           | <b>416,642.86</b>   |
| PayPal Income                         | 130,839.03          |
| Sales of Product Income               | 13,941.78           |
| Sales Tax                             | -16,365.40          |
| <b>Total Income</b>                   | <b>\$547,085.41</b> |
| Cost of Goods Sold                    |                     |
| Cost of Goods Sold                    | 232.00              |
| Purchases - COS                       | 230,677.17          |
| Inventory Adjustment                  | 103,286.00          |
| <b>Total Purchases - COS</b>          | <b>333,963.17</b>   |
| Shipping and Delivery                 | 3,705.98            |
| Supplies & Materials - COGS           | 63,609.66           |
| <b>Total Cost of Goods Sold</b>       | <b>\$401,510.81</b> |
| <b>GROSS PROFIT</b>                   | <b>\$145,574.60</b> |
| Expenses                              |                     |
| Advertising                           | 805.16              |
| Auto Expenses                         |                     |
| Auto Insurance                        | 1,128.84            |
| Gas & Maintenance                     | 481.54              |
| <b>Total Auto Expenses</b>            | <b>1,610.38</b>     |
| Bank and Service Charges              | 139.80              |
| Bank Charges                          | 2,060.50            |
| Finance Charges                       | 9,114.84            |
| Loan Fees                             | 6,030.45            |
| Loan Purchase Fees                    | 12,950.00           |
| Service Fees                          | 72.88               |
| <b>Total Bank and Service Charges</b> | <b>30,368.47</b>    |
| Dues & Subscriptions                  | 1,453.95            |
| Insurance                             | 657.60              |
| Insurance - Liability                 | 5,425.05            |
| Workman's Comp                        | 493.72              |
| <b>Total Insurance</b>                | <b>6,576.37</b>     |
| Interest Expense                      | 10,095.74           |

# Decarolis Brothers Cyclists LLC

## Profit and Loss

January - December 2020

|  | TOTAL                |
|--|----------------------|
| Legal & Professional Fees                  |                      |
| Accounting                                 | 600.00               |
| <b>Total Legal &amp; Professional Fees</b> | <b>600.00</b>        |
| Licenses and Permits                       | 2,850.89             |
| Office Expenses                            | 2,206.86             |
| Payroll Expense                            | 701.45               |
| Payroll Taxes                              | 329.41               |
| Rent or Lease of Buildings                 |                      |
| North Andover Rent                         | 111,000.00           |
| <b>Total Rent or Lease of Buildings</b>    | <b>111,000.00</b>    |
| Repair & Maintenance                       | 800.49               |
| Salaries and Wages                         | 3,071.11             |
| Supplies                                   | 1,402.75             |
| Taxes & Licenses                           | 108.92               |
| Personal Property Tax                      | 45.75                |
| <b>Total Taxes &amp; Licenses</b>          | <b>154.67</b>        |
| Utilities                                  |                      |
| Alarm Expense                              | 287.72               |
| Electric & Gas                             | 1,085.21             |
| Telephone & Internet                       | 3,816.38             |
| <b>Total Utilities</b>                     | <b>5,189.31</b>      |
| <b>Total Expenses</b>                      | <b>\$179,217.01</b>  |
| NET OPERATING INCOME                       | <b>\$ -33,642.41</b> |
| NET INCOME                                 | <b>\$ -33,642.41</b> |

# Decarolis Brothers Cyclists LLC

## Balance Sheet

As of December 31, 2020

|                                   | TOTAL               |
|-----------------------------------|---------------------|
| <b>ASSETS</b>                     |                     |
| Current Assets                    |                     |
| Bank Accounts                     |                     |
| Business Advantage Chk            | 3,535.27            |
| Checking                          | 1,358.51            |
| Salem Five                        | 608.41              |
| TD Bank                           | 214.20              |
| <b>Total Bank Accounts</b>        | <b>\$5,716.39</b>   |
| Other Current Assets              |                     |
| Inventory                         | 160,129.48          |
| Uncategorized Asset               | 0.00                |
| Undeposited Funds                 | 0.00                |
| <b>Total Other Current Assets</b> | <b>\$160,129.48</b> |
| <b>Total Current Assets</b>       | <b>\$165,845.87</b> |
| Fixed Assets                      |                     |
| Intangible Assets                 |                     |
| A/D Amortization                  | -2,019.00           |
| Start Up Costs                    | 5,145.00            |
| Trademark                         | 385.00              |
| <b>Total Intangible Assets</b>    | <b>3,511.00</b>     |
| Office Equipment                  |                     |
| A/D Office Equipment              | -5,183.10           |
| Dell Computer                     | 2,399.45            |
| Security Equipment                | 2,783.65            |
| <b>Total Office Equipment</b>     | <b>0.00</b>         |
| Vehicles                          |                     |
| 2005 Honda Van                    | 3,921.00            |
| 2014 Ram Van                      | 14,859.69           |
| A/D Depreciation                  | -18,780.69          |
| <b>Total Vehicles</b>             | <b>0.00</b>         |
| <b>Total Fixed Assets</b>         | <b>\$3,511.00</b>   |
| Other Assets                      |                     |
| Security Deposits                 | 12,150.00           |
| <b>Total Other Assets</b>         | <b>\$12,150.00</b>  |
| <b>TOTAL ASSETS</b>               | <b>\$181,506.87</b> |

# Decarolis Brothers Cyclists LLC

Balance Sheet  
As of December 31, 2020

|  | TOTAL               |
|--|---------------------|
| <b>LIABILITIES AND EQUITY</b>          |                     |
| Liabilities                            |                     |
| Current Liabilities                    |                     |
| Accounts Payable                       |                     |
| Accounts Payable                       | 11,250.00           |
| <b>Total Accounts Payable</b>          | <b>\$11,250.00</b>  |
| Credit Cards                           |                     |
| Credit Card                            |                     |
| Amazon Prime American Express          | -4,919.56           |
| Bank of America                        | 4,214.64            |
| Barclay Card                           | 6,162.37            |
| Capital One                            | 11,236.90           |
| Dell Credit Card                       | 3,977.31            |
| Discover                               | 14,425.97           |
| SimplyCash Plus Card-                  | 15,649.52           |
| TD Bank Credit Card                    | 0.00                |
| <b>Total Credit Card</b>               | <b>50,747.15</b>    |
| <b>Total Credit Cards</b>              | <b>\$50,747.15</b>  |
| Other Current Liabilities              |                     |
| AMEX LOAN                              | 0.00                |
| Business Backer                        | 55,496.55           |
| Home Loan Investment Bank              | 3,350.96            |
| Kabbage Loan                           | 6,974.50            |
| Lowell Community Loan                  | 0.00                |
| Massachusetts Payable                  | 0.08                |
| Mill Cities                            | 5,930.63            |
| Net Payroll                            | 0.00                |
| OnDeck Capital                         | 0.00                |
| PayPal Working Capital                 | 83,410.42           |
| Payroll Tax                            | 271.32              |
| Quickbooks Loan                        | 0.00                |
| Sales Tax Payable                      | 0.00                |
| SBA Grant                              | 1,000.00            |
| Square Inc Loan                        | 0.00                |
| Tewksbury FCU                          | 0.00                |
| <b>Total Other Current Liabilities</b> | <b>\$156,434.46</b> |
| <b>Total Current Liabilities</b>       | <b>\$218,431.61</b> |
| <b>Total Liabilities</b>               | <b>\$218,431.61</b> |

# Decarolis Brothers Cyclists LLC

## Balance Sheet

As of December 31, 2020

|                                     | TOTAL                |
|-------------------------------------|----------------------|
| Equity                              |                      |
| Opening Balance Equity              | 0.00                 |
| Owner Withdrawal                    | -51,531.94           |
| Luca Decarolis                      | -72,766.09           |
|                                     | -44,996.55           |
| <b>Total Owner Withdrawal</b>       | <b>-169,294.58</b>   |
| Partner Contributions               | 108,296.45           |
| Retained Earnings                   | 57,715.80            |
| Net Income                          | -33,642.41           |
| <b>Total Equity</b>                 | <b>\$ -36,924.74</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>\$181,506.87</b>  |

I, LUCA DE CAROLIS, certify that:

1. The financial statements of DECAROLIS BROTHERS CYCLISTS included in this Form are true and complete in all material respects; and
2. The tax return information of DECAROLIS BROTHERS CYCLISTS included in this Form reflects accurately the information reported on the tax return for DECAROLIS BROTHERS CYCLISTS for the fiscal years ended 2018 and 2019 (most recently available as of the Date of this Form C).

Signature     LUCA DE CAROLIS

Name:        LUCA DE CAROLIS

Title:        OWNER