

MagNet Analytics Inc.

3 Year Financial Plan Summary

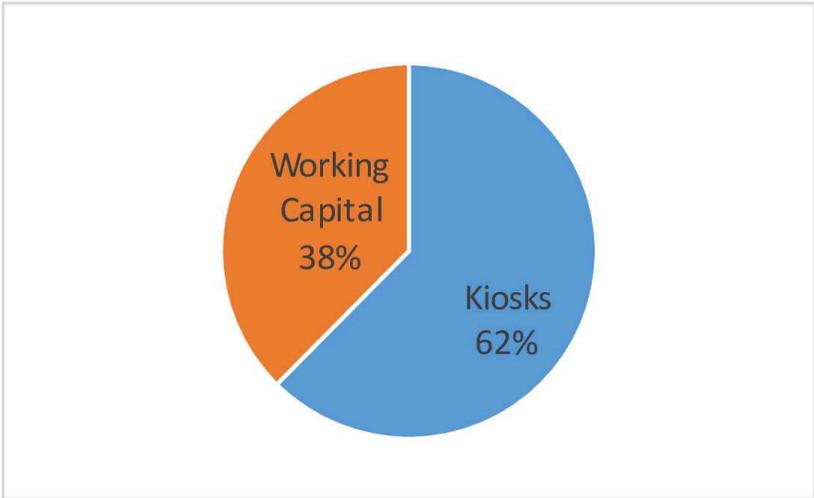
Earnings in Steady State (Stage 1)

| | |
|----------------------------|----------------|
| # of kiosks | 350 |
| Direct profit per kiosk/yr | \$ 15,900 |
| Total direct profit | \$ 5,565,000 |
| Overhead | \$ (1,096,000) |
| Net earnings (EBT) | \$ 4,469,000 |

Capital Requirement

| | |
|-------------------------|--------------|
| # of kiosks to deploy: | 350 |
| Time to deploy (months) | 18 |
| Kiosks | \$ 2,730,000 |
| Working Capital | \$ 1,644,000 |
| Total | \$ 5,196,000 |

Note: 60% of



SEC Disclaimer: Includes forward-looking projections that cannot be guaranteed.

capital could be financed by kiosk manufacturers

Deployment Stages

SEC Disclaimer: Includ

| Stage | # of Kiosks | Period | Investment | # of Brands |
|-----------|-------------|---------------|-------------------------------|-------------|
| Beta | 4 | Done | \$ 1,100,000 | 4 |
| 1A | 210 | year 1 | \$ 2,000,000 | 5 |
| 1B | 350 | year 2 | Non Dilutive Financing | 6 |
| 2 | 1,000 | year 3-4 | Non Dilutive Financing | 15 |
| 3 | 10,000 | Year 5+ | Non Dilutive Financing | 50 |

es forward-looking projections that cannot be guaranteed.

| Annual Revenue | Focus |
|-----------------------|-----------------------------|
| Na | Prove Value Prop. and Tech. |
| \$ 9,576,000 | Scale |
| \$ 15,960,000 | Scale |
| \$ 45,600,000 | Scale |
| \$ 456,000,000 | Scale |

Kiosk P&L (Monthly)

SEC Disclaimer: Includes forward-

| | | | |
|----------------------|-----------------|-----------------|--------------|
| Product Sales | \$ 3,500 | Based on Pilots | |
| Marketing Revenue | \$ 300 | | |
| COGS | \$ 1,575 | 45% Cost | |
| Retail space rent | \$ 450 | | |
| Capital amortization | \$ 195 | 4 years | 10% interest |
| Replenishment: | \$ 80 | \$ 40 per visit | 2 visits |
| Repairs | \$ 30 | | |
| Internet | \$ 40 | | |
| Credit card fee | \$ 105 | 3% of sales | |
| Direct profit | \$ 1,325 | | |

Kiosk Cost

| | | |
|------------------------------------|-----------------|----------------------|
| Kiosk | \$ 6,400 | Including containers |
| Deployment and shipping | \$ 1,400 | |
| Total Kiosk Installed Cost: | \$ 7,800 | |

-looking projections that cannot be guaranteed.

Overhead (Yearly)

SEC Disclaimer: Includes forward-looking projections that cann

| | |
|---|-------------|
| CEO | \$ 240,000 |
| Business Development / Locations & Brands | \$ 180,000 |
| Strategy, Merchandising, & Analytics | \$ 180,000 |
| Operation Management | \$ 160,000 |
| Technology Director | \$ 160,000 |
| Admin | \$ 80,000 |
| Other | \$ 60,000 |
| Office Rent | \$ 36,000 |
| Total | \$1,096,000 |

HR, Accounting, Legal
Travel, supplies

Note: Overhead budget is ramped up over 6 months on the cashflow as kiosks are deployed

ot be guaranteed.

Cash Flow

SEC Disclaimer: Includes forward-looking projections that c

| Month (Starting at first kiosk delivery) | 1 | 2 | 3 | 4 |
|--|----|----|----|----|
| Kiosks Deployed | 0 | 10 | 30 | 50 |
| New Kiosks Installed | 10 | 20 | 20 | 20 |
| Kiosks Paid (60 days after installation) | 0 | 0 | 10 | 20 |

| | | | | |
|--------------------|------|-----------|-----------|------------|
| Product Sales | \$ - | \$ 21,000 | \$ 84,000 | \$ 105,000 |
| Marketing fee | \$ - | \$ - | \$ 9,000 | \$ 15,000 |
| COGS (Consignment) | \$ - | \$ 10,500 | \$ 42,000 | \$ 52,500 |
| Retail space rent | \$ - | \$ 4,500 | \$ 13,500 | \$ 22,500 |
| Replenishment | \$ - | \$ 800 | \$ 2,400 | \$ 4,000 |
| Repairs | \$ - | \$ 300 | \$ 900 | \$ 1,500 |
| Internet | \$ - | \$ 400 | \$ 1,200 | \$ 2,000 |
| Credit card fee | \$ - | \$ 630 | \$ 2,520 | \$ 3,150 |

| | | | | |
|-----------------------------|-----------|-----------|-----------|------------|
| Overhead | \$ 36,533 | \$ 45,667 | \$ 54,800 | \$ 63,933 |
| R&D | \$ 20,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Capital Investment (Kiosks) | \$ - | \$ - | \$ 78,000 | \$ 156,000 |

| | | | | |
|---------------------------|-------------|--------------|--------------|--------------|
| Net Cash Flow Before Inv. | \$ (56,533) | \$ (51,797) | \$ (112,320) | \$ (195,583) |
| Accumulated Net Cash Flow | \$ (56,533) | \$ (108,330) | \$ (220,650) | \$ (416,233) |

| | | | | |
|-------------|------------|------------|------------|------------|
| Investments | \$ 700,000 | | | |
| Financing | | | | |
| Net | \$ 643,467 | \$ 591,670 | \$ 479,350 | \$ 283,767 |

cannot be guaranteed.

| | | | | | | |
|----|----|-----|-----|-----|-----|-----|
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 70 | 90 | 110 | 130 | 150 | 170 | 190 |
| 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 20 | 20 | 20 | 20 | 20 | 20 | 20 |

| | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 196,000 | \$ 315,000 | \$ 385,000 | \$ 455,000 | \$ 525,000 | \$ 595,000 | \$ 665,000 |
| \$ 21,000 | \$ 27,000 | \$ 33,000 | \$ 39,000 | \$ 45,000 | \$ 51,000 | \$ 57,000 |
| \$ 98,000 | \$ 157,500 | \$ 192,500 | \$ 227,500 | \$ 262,500 | \$ 297,500 | \$ 332,500 |
| \$ 31,500 | \$ 40,500 | \$ 49,500 | \$ 58,500 | \$ 67,500 | \$ 76,500 | \$ 85,500 |
| \$ 5,600 | \$ 7,200 | \$ 8,800 | \$ 10,400 | \$ 12,000 | \$ 13,600 | \$ 15,200 |
| \$ 2,100 | \$ 2,700 | \$ 3,300 | \$ 3,900 | \$ 4,500 | \$ 5,100 | \$ 5,700 |
| \$ 2,800 | \$ 3,600 | \$ 4,400 | \$ 5,200 | \$ 6,000 | \$ 6,800 | \$ 7,600 |
| \$ 5,880 | \$ 9,450 | \$ 11,550 | \$ 13,650 | \$ 15,750 | \$ 17,850 | \$ 19,950 |

| | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 73,067 | \$ 82,200 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 |
| \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ (162,947) | \$ (122,150) | \$ (104,383) | \$ (77,483) | \$ (50,583) | \$ (23,683) | \$ 3,217 |
| \$ (579,180) | \$ (701,330) | \$ (805,713) | \$ (883,197) | \$ (933,780) | \$ (957,463) | \$ (954,247) |

| | | | | | | |
|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | \$ 1,300,000 | | | | | |
| \$ 120,820 | \$ 1,298,670 | \$ 1,194,287 | \$ 1,116,803 | \$ 1,066,220 | \$ 1,042,537 | \$ 1,045,753 |

| | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 210 | 230 | 250 | 270 | 290 | 310 | 330 |
| 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 20 | 20 | 20 | 20 | 20 | 20 | 20 |

| | | | | | | |
|------------|------------|------------|------------|--------------|--------------|--------------|
| \$ 735,000 | \$ 805,000 | \$ 875,000 | \$ 945,000 | \$ 1,015,000 | \$ 1,085,000 | \$ 1,155,000 |
| \$ 63,000 | \$ 69,000 | \$ 75,000 | \$ 81,000 | \$ 87,000 | \$ 93,000 | \$ 99,000 |
| \$ 367,500 | \$ 402,500 | \$ 437,500 | \$ 472,500 | \$ 507,500 | \$ 542,500 | \$ 577,500 |
| \$ 94,500 | \$ 103,500 | \$ 112,500 | \$ 121,500 | \$ 130,500 | \$ 139,500 | \$ 148,500 |
| \$ 16,800 | \$ 18,400 | \$ 20,000 | \$ 21,600 | \$ 23,200 | \$ 24,800 | \$ 26,400 |
| \$ 6,300 | \$ 6,900 | \$ 7,500 | \$ 8,100 | \$ 8,700 | \$ 9,300 | \$ 9,900 |
| \$ 8,400 | \$ 9,200 | \$ 10,000 | \$ 10,800 | \$ 11,600 | \$ 12,400 | \$ 13,200 |
| \$ 22,050 | \$ 24,150 | \$ 26,250 | \$ 28,350 | \$ 30,450 | \$ 32,550 | \$ 34,650 |

| | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 |
| \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 | \$ 156,000 |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 30,117 | \$ 57,017 | \$ 83,917 | \$ 110,817 | \$ 137,717 | \$ 164,617 | \$ 191,517 |
| \$ (924,130) | \$ (867,113) | \$ (783,197) | \$ (672,380) | \$ (534,663) | \$ (370,047) | \$ (178,530) |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | |
| | | | | | | |
| \$ 1,075,870 | \$ 1,132,887 | \$ 1,216,803 | \$ 1,327,620 | \$ 1,465,337 | \$ 1,629,953 | \$ 1,821,470 |

| | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| | | | | | | |
| 20 | 20 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 |
| \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 |
| \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 |
| \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 |
| \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 |
| \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 |
| \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 |

| | | | | | | |
|------------|------------|-----------|-----------|-----------|-----------|-----------|
| \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 |
| \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| \$ 156,000 | \$ 156,000 | \$ - | \$ - | \$ - | \$ - | \$ - |

| | | | | | | |
|------------|------------|------------|--------------|--------------|--------------|--------------|
| \$ 218,417 | \$ 218,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 |
| \$ 39,887 | \$ 258,303 | \$ 632,720 | \$ 1,007,137 | \$ 1,381,553 | \$ 1,755,970 | \$ 2,130,387 |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | |
| | | | | | | |
| \$ 2,039,887 | \$ 2,258,303 | \$ 2,632,720 | \$ 3,007,137 | \$ 3,381,553 | \$ 3,755,970 | \$ 4,130,387 |

| | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|
| 26 | 27 | 28 | 29 | 30 | 31 | 32 |
| 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| | | | | | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 |
| \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 |
| \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 |
| \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 |
| \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 |
| \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 |
| \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 |

| | | | | | | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 |
| \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 374,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 |
| \$ 2,504,803 | \$ 2,879,220 | \$ 3,253,637 | \$ 3,628,053 | \$ 4,002,470 | \$ 4,376,887 | \$ 4,751,303 |

| | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | |
| | | | | | | |
| \$ 4,504,803 | \$ 4,879,220 | \$ 5,253,637 | \$ 5,628,053 | \$ 6,002,470 | \$ 6,376,887 | \$ 6,751,303 |

| | | | |
|-----|-----|-----|-----|
| 33 | 34 | 35 | 36 |
| 350 | 350 | 350 | 350 |
| | | | |
| 0 | 0 | 0 | 0 |

| | | | |
|--------------|--------------|--------------|--------------|
| \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 | \$ 1,225,000 |
| \$ 105,000 | \$ 105,000 | \$ 105,000 | \$ 105,000 |
| \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 |
| \$ 157,500 | \$ 157,500 | \$ 157,500 | \$ 157,500 |
| \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 |
| \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ 14,000 |
| \$ 36,750 | \$ 36,750 | \$ 36,750 | \$ 36,750 |

| | | | |
|-----------|-----------|-----------|-----------|
| \$ 91,333 | \$ 91,333 | \$ 91,333 | \$ 91,333 |
| \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| \$ - | \$ - | \$ - | \$ - |

| | | | |
|--------------|--------------|--------------|--------------|
| \$ 374,417 | \$ 374,417 | \$ 374,417 | \$ 374,417 |
| \$ 5,125,720 | \$ 5,500,137 | \$ 5,874,553 | \$ 6,248,970 |

| | | | |
|--------------|--------------|--------------|--------------|
| | | | |
| | | | |
| \$ 7,125,720 | \$ 7,500,137 | \$ 7,874,553 | \$ 8,248,970 |

Cash Flow

SEC Disclaimer: Includes forward-looking projections that cannot

| Year | 1 | 2 | 3 |
|-----------------|-----|-----|-----|
| Kiosks Deployed | 210 | 350 | 350 |

| | | | |
|-------------------|--------------|--------------|--------------|
| Product Sales | \$ 4,081,000 | \$13,230,000 | \$14,700,000 |
| Marketing fee | \$ 360,000 | \$ 1,134,000 | \$ 1,260,000 |
| COGS | \$ 2,040,500 | \$ 6,615,000 | \$ 7,350,000 |
| Retail space rent | \$ 544,500 | \$ 1,701,000 | \$ 1,890,000 |
| Replenishment: | \$ 96,800 | \$ 302,400 | \$ 336,000 |
| Repairs | \$ 36,300 | \$ 113,400 | \$ 126,000 |
| Internet | \$ 48,400 | \$ 151,200 | \$ 168,000 |
| Credit card fee | \$ 122,430 | \$ 396,900 | \$ 441,000 |

| | | | |
|-----------------------------|--------------|--------------|--------------|
| Overhead | \$ 904,200 | \$ 1,096,000 | \$ 1,096,000 |
| R&D | \$ 90,000 | \$ 60,000 | \$ 60,000 |
| | | | |
| Capital Investment (Kiosks) | \$ 1,482,000 | \$ 1,248,000 | \$ - |

| | | | |
|---------------------------|--------------|--------------|--------------|
| Net Cash Flow | \$ (924,130) | \$ 2,680,100 | \$ 4,493,000 |
| Accumulated Net Cash Flow | \$ (924,130) | \$ 1,755,970 | \$ 6,248,970 |

ot be guaranteed.

Target Cities

SEC Disclaimer: Includes forward-looking proj

| 2014 rank | City | State | 2014 population | # of Kiosks |
|-----------|----------------------|----------------------|------------------------|-------------|
| 1 | New York | New York | 8,491,079 | 104 |
| 2 | Los Angeles | California | 3,928,864 | 48 |
| 3 | Chicago | Illinois | 2,722,389 | 33 |
| 4 | Houston | Texas | 2,239,558 | 27 |
| 5 | Philadelphia | Pennsylvania | 1,560,297 | 19 |
| 6 | Phoenix | Arizona | 1,537,058 | 19 |
| 7 | San Antonio | Texas | 1,436,697 | 18 |
| 8 | San Diego | California | 1,381,069 | 17 |
| 9 | Dallas | Texas | 1,281,047 | 16 |
| 10 | San Jose | California | 1,015,785 | 12 |
| 11 | San Francisco | California | 852,469 | 10 |
| 12 | Denver | Colorado | 663,862 | 8 |
| 13 | Seattle | Washington | 668,342 | 8 |
| 14 | Washinton DC | DC | 658,893 | 8 |
| 15 | Boston (Base) | Massachusetts | 655,884 | 8 |
| 16 | Baltimore | Maryland | 622,793 | 8 |
| 17 | Las Vegas | Nevada | 613,599 | 7 |
| 18 | Atlanta | Georgia | 456,002 | 6 |
| 19 | Miami | Florida | 430,332 | 5 |
| 20 | Orlando | Florida | 262,372 | 3 |
| | | | Total potential | 384 |

jections that cannot be guaranteed.