

Tazga LLC

Income Statement

01/01/2019 - 12/31/2019

Revenue

| | | |
|------------------------------------|----|---------|
| Gross Sales | \$ | 476,257 |
| Less: Sales Returns and Allowances | \$ | 1,174 |
| Net Sales | \$ | 475,083 |

Cost of Goods Sold

| | | |
|------------------------|----|---------|
| Beginning Inventory | \$ | - |
| Add: Purchases | \$ | 284,538 |
| Less: Ending Inventory | \$ | 140,000 |
| Cost of Goods Sold | \$ | 144,538 |
| Gross Profit (Loss) | \$ | 330,545 |

Selling, General & Administrative Expenses

| | | |
|-------------------------------|----|---------|
| Rent & Utilities | \$ | 165,120 |
| Salaries & Wages | \$ | 1,050 |
| Contractor Wages | \$ | 14,474 |
| Logistics & Supplies | \$ | 36,470 |
| Marketing & Website | \$ | 14,137 |
| Payroll & Sales Taxes | \$ | 33,024 |
| Conferences & Events | \$ | 1,042 |
| Meals & Entertainment | \$ | 10,349 |
| Repairs & Maintenance | \$ | - |
| Business Licenses & Insurance | \$ | 3,045 |
| Total Expenses | \$ | 278,711 |
| Net Operating Income | \$ | 51,834 |

Other Income (Expense)

| | | |
|-------------------------------|----|----------|
| Interest Income (Expense) | \$ | (15,000) |
| Gain (Loss) on Sale of Assets | \$ | - |
| Total Other Income (Expense) | \$ | (15,000) |
| Net Income (Loss) | \$ | 36,834 |

Tazga LLC

Balance Sheet

As of 12/31/2019

Assets

| Current Assets | |
|------------------------------|-------------------|
| Cash | \$470 |
| Inventories | \$140,000 |
| Investments | \$0 |
| Pre-paid expenses | \$0 |
| Accounts receivable | \$0 |
| Other | \$0 |
| Total Current Assets | \$140,470 |
| Fixed Assets | |
| Property and equipment | \$0 |
| Leasehold improvements | \$0 |
| Equity and other investments | \$0 |
| Total Fixed Assets | \$0 |
| Total Assets | \$ 140,470 |

Liabilities & Equity

| Current Liabilities | |
|---------------------------------------|-------------------|
| Cash Advances | \$0 |
| Accounts payable | \$37,655 |
| Payroll and Sales Taxes Payable | \$31,191 |
| Other | \$0 |
| Total Current Liabilities | \$68,846 |
| Long-Term Liabilities | |
| Long-term Debt Payable | \$0 |
| Total Long-Term Liabilities | \$0 |
| Owner's Equity | |
| Investment capital | \$71,624 |
| Accumulated retained earnings | \$0 |
| Total Owner's Equity | \$71,624 |
| Total Liabilities & Equity | \$ 140,470 |

Tazga LLC

Cash Flow Statement

01/01/2019 - 12/31/2019

| | | |
|--|-----------|------------------|
| Cash at Beginning of Year | \$ | 15,470 |
| Operating Activities | | |
| Cash receipts from | | |
| Customers | \$ | 475,083 |
| Other Operations | \$ | - |
| Cash paid for | | |
| Interest | \$ | 15,000 |
| Inventory purchases (1) | \$ | 284,538 |
| Selling, general and administrative expenses | \$ | 278,711 |
| Net Cash Flow from Operations | \$ | (103,166) |
| Investing Activities | | |
| Cash receipts from | | |
| Sale of investment securities | \$ | - |
| Collection of principal on loans | \$ | - |
| Sale of property and equipment | \$ | - |
| Cash paid for | | |
| Making loans to other entities | \$ | - |
| Purchase of investment securities | \$ | - |
| Purchase of property and equipment | \$ | - |
| Net Cash Flow from Investing Activities | \$ | - |
| Financing Activities | | |
| Cash receipts from | | |
| Borrowing | | |
| Issuance of stock | | |
| Capital contribution (2) | \$ | 125,000 |
| Cash paid for | | |
| Dividends | \$ | 36,834 |
| Repayment of loans | | |
| Repurchase of stock (treasury stock) | | |
| Net Cash Flow from Financing Activities | \$ | 88,166 |
| Net Increase in Cash | \$ | (15,000) |
| Cash at End of Year | \$ | 470 |

(1) The high level of inventory purchases relative to sales was due to the opening of Tazga's 10,000 sq/ft Santa Monica store

(2) The capital contribution was made by the three existing partners and was used to fund the opening of the Santa Monica store