

Management Report **UNAUDITED**

Dog Parker

For the period ended December 31, 2018



Prepared by

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Profit and Loss **UNAUDITED**

January - December 2018

| | Total |
|---------------------------------|--------------------|
| INCOME | |
| DogSpot Utilization Revenue | 9,253.83 |
| Sales Tax | -20.37 |
| Storefront Sales | 325.98 |
| Total Income | 9,559.44 |
| COST OF GOODS SOLD | |
| Cost of Services | |
| Cellular Data Plans | 14,939.82 |
| Customer Service | 2,474.36 |
| Delivery & Installation | 13,376.58 |
| Liability insurance | 16,467.02 |
| Manufacturing | 97,847.47 |
| Sanitation & Maintenance | 26,321.97 |
| Storefront revenue share | 6,074.41 |
| Total Cost of Services | 177,501.63 |
| Total Cost of Goods Sold | 177,501.63 |
| GROSS PROFIT | -167,942.19 |
| EXPENSES | |
| General and Admin Expenses | |
| Bank Charges | 463.51 |
| Donations | 588.56 |
| Dues & Subscriptions | 34,054.49 |
| Gifts | 385.09 |
| Meals and Entertainment | 8,026.63 |
| Office Expenses | |
| Computers | 7,454.41 |
| Office cleaning | 522.00 |
| Stationery & Printing | 54.00 |
| Supplies and furniture | 12,148.14 |
| Total Office Expenses | 20,178.55 |
| Parking fine | 1,557.76 |
| Professional Development | 300.00 |
| Rent and utilities | |
| Depot | 37,928.38 |
| Office | 55,662.76 |
| Utilities | 5,918.74 |
| Total Rent and utilities | 99,509.88 |
| Shipping, postage, delivery | 7,417.43 |
| Travel | |
| Local Travel (transport) | |
| Car Insurance | 3,595.70 |
| Company car payments | 7,665.36 |

| | Total |
|--|-------------------|
| Local car transport | 13,586.80 |
| Total Local Travel (transport) | 24,847.86 |
| Non-local travel | 20,508.65 |
| Non-local travel lodging | 12,995.92 |
| Non-local travel meals | 2,896.36 |
| Total Travel | 61,248.79 |
| Total General and Admin Expenses | 233,730.69 |
| Insurance | |
| Disability | 55.16 |
| Workers Comp | 13,181.00 |
| Total Insurance | 13,236.16 |
| Legal & Professional Fees | |
| Legal Fees | |
| General | 130,890.75 |
| Patent Fees | 11,275.00 |
| Total Legal Fees | 142,165.75 |
| Professional Services | |
| Accountant | 18,090.91 |
| Finance Manager | 1,335.83 |
| Recruitment Fees | 1,349.09 |
| Total Professional Services | 20,775.83 |
| Public Affairs/Lobbying | |
| Public Affairs/Lobbying | 103,919.00 |
| Total Public Affairs/Lobbying | 103,919.00 |
| Total Legal & Professional Fees | 266,860.58 |
| Marketing | |
| B2B Marketing (store owners) | |
| Advertising/Promotional | 12,122.39 |
| Digital Ad support - Complex Ventures | 28,000.00 |
| Total Advertising/Promotional | 40,122.39 |
| Chamber of Commerce fees | 1,970.00 |
| Conferences | 26,752.38 |
| Gifts | 614.76 |
| Printed materials | 4,143.06 |
| Total B2B Marketing (store owners) | 73,602.59 |
| B2C Marketing (dog owners) | |
| Advertising/Promotional | 18,609.94 |
| Direct mailers | 274.98 |
| Storefront welcome kits | 292.24 |
| Total B2C Marketing (dog owners) | 19,177.16 |
| Events | |
| Conference fees | 3,102.35 |
| Decorations | 2,762.24 |
| Event promotion | 1,296.84 |

| | Total |
|--|----------------------|
| Events Contractor | 2,503.63 |
| Food & Drink | 663.36 |
| PR | 298.00 |
| Ticket fees | 180.00 |
| Total Events | 10,806.42 |
| General Advertising & Brand Building | 21,208.27 |
| Marketing consultants | |
| City outreach support | 58,133.53 |
| Designer contracts | 2,665.00 |
| Michelle Herrera, Production Assistant | 6,159.72 |
| Photography | 1,100.00 |
| Product Consultant | 9,175.15 |
| Rebecca Eyre, Copywriter | 2,450.00 |
| Total Marketing consultants | 79,683.40 |
| Printing & Production | 1,866.95 |
| Flyers | 2,642.11 |
| In-store advertising and promotions | 1,720.53 |
| Promotional items/swag | 4,848.73 |
| Vinyls | 19,412.69 |
| Total Printing & Production | 30,491.01 |
| Total Marketing | 234,968.85 |
| Payroll Expenses | |
| Employees Benefits | 8,734.42 |
| Payroll Fees | 5,455.00 |
| Payroll Taxes | 18,964.00 |
| Salaries and wages | 732,542.35 |
| Subcontractors | 85,668.43 |
| Total Payroll Expenses | 851,364.20 |
| R&D | |
| General R&D Supplies | 1,193.83 |
| Mechanical and Electrical Engineering | 5,065.72 |
| Prototyping | 58,904.12 |
| Software | 17,879.84 |
| Software Development | 157,785.00 |
| Total R&D | 240,828.51 |
| Taxes and Licenses | |
| Franchise Taxes | 1,651.00 |
| State Filing Fees | 2,716.10 |
| Total Taxes and Licenses | 4,367.10 |
| Total Expenses | 1,845,356.09 |
| NET OPERATING INCOME | -2,013,298.28 |
| OTHER INCOME | |
| Interest Income | 14.70 |
| Total Other Income | 14.70 |

| | Total |
|------------------|-------------------------|
| NET OTHER INCOME | 14.70 |
| NET INCOME | \$ -2,013,283.58 |

Balance Sheet **UNAUDITED**

As of December 31, 2018

| | Total |
|--|---------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| SVB Checking (**4350) | 534,150.35 |
| SVB Collateral MMA (**1957) | 10,000.00 |
| Total Bank Accounts | 544,150.35 |
| Total Current Assets | 544,150.35 |
| Fixed Assets | |
| Accumulated Depreciation | -4,730.00 |
| Furniture & Fixtures | 9,092.50 |
| Total Fixed Assets | 4,362.50 |
| Other Assets | |
| Accumulated Amortization of Other Assets | -34,543.00 |
| Research & Development Expenditures | 51,616.55 |
| Start Up Costs | 23,431.00 |
| Total Other Assets | 40,504.55 |
| TOTAL ASSETS | \$589,017.40 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Credit Cards | |
| Amex CC (Aggregated Listing) | 16,536.59 |
| SVB CC - Chelsea *0603 | 1,719.46 |
| SVB CC - Todd *7822 | 794.99 |
| Total Credit Cards | 19,051.04 |
| Total Current Liabilities | 19,051.04 |
| Total Liabilities | 19,051.04 |
| Equity | |
| Common Stock | 200.00 |
| Investments | |
| Pre-Seed Safe Investments | 305,000.00 |
| Series Seed Investments | 1,256,000.00 |
| Series Seed2 Investments | 3,150,254.85 |
| Total Investments | 4,711,254.85 |
| Retained Earnings | -2,128,204.91 |
| Net Income | -2,013,283.58 |
| Total Equity | 569,966.36 |
| TOTAL LIABILITIES AND EQUITY | \$589,017.40 |

Statement of Cash Flows **UNAUDITED**

January - December 2018

| | Total |
|--|----------------------|
| OPERATING ACTIVITIES | |
| Net Income | -2,013,283.58 |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | |
| Amex CC (Aggregated Listing) | 16,536.59 |
| SVB CC - Chelsea *0603 | -1,980.03 |
| SVB CC - Todd *7822 | -3,672.97 |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | 10,883.59 |
| Net cash provided by operating activities | -2,002,399.99 |
| FINANCING ACTIVITIES | |
| Investments:Pre-Seed Safe Investments | -100,000.00 |
| Investments:Series Seed2 Investments | 2,170,254.85 |
| Net cash provided by financing activities | 2,070,254.85 |
| NET CASH INCREASE FOR PERIOD | 67,854.86 |
| Cash at beginning of period | 476,295.49 |
| CASH AT END OF PERIOD | \$544,150.35 |