

Confidential Information Memorandum

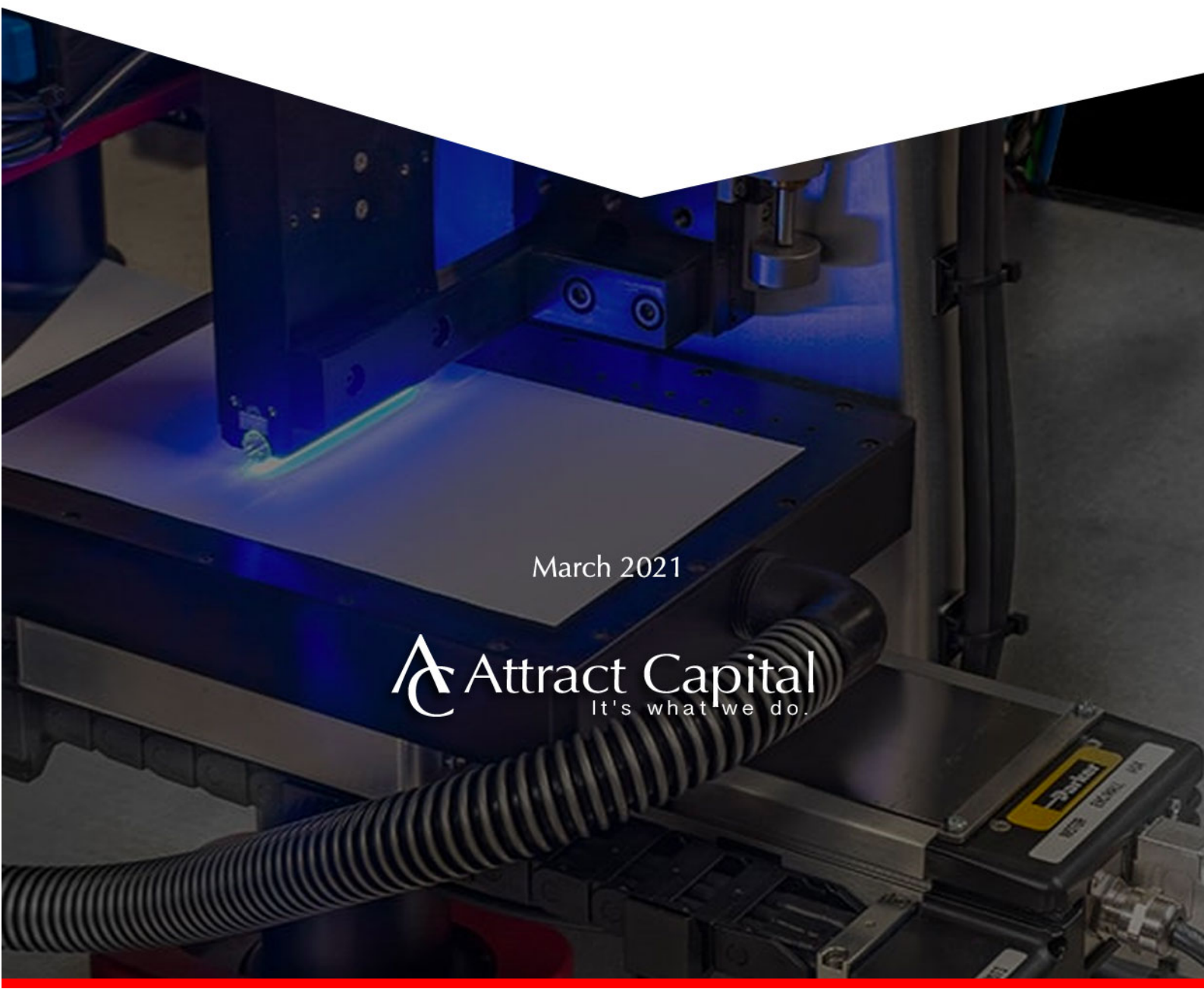
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\$7.05 million  
Management Buyout Financing  
of

*imageXpert*

March 2021

 **Attract Capital**  
It's what we do.



### **Notice to Recipients**

The materials provided herein [or to be provided as supplements hereto, all of which shall be referred to as the “Confidential Memorandum” dated March 5, 2021 have been obtained by Attract Capital, LLC, from ImageXpert, Inc. [the “Company”], or are based upon information supplied by the Company and other sources. As a prospective lender to the Company, you, your organization and any entity or individual acting on behalf of you or your organization [hereinafter, collectively “Lender”] agrees to utilize the Confidential Memorandum to conduct an independent investigation of the financial condition, creditworthiness, affairs, and status of the Company [hereinafter, “Due Diligence”], and to base any decision to proceed with the loan on said Due Diligence. This is not an offering of securities in the Company. Attract Capital, LLC is a consultant to the Company and is not acting in the role as a capital intermediary. Accordingly, the Lender hereby confirms that, in connection with its consideration of the proposed investment, they will not rely on Attract Capital, LLC, with respect to the adequacy, accuracy or completeness of any information provided in conjunction with the Due Diligence, or any information contained within the Confidential Memorandum. The Lender acknowledges that certain projections are presented in the Confidential Memorandum and that no representation is or can be made as to the attainability of the projections or the validity of the assumptions underlying said projections. This Notice and the Confidential Memorandum are delivered specifically in connection with the Lender’s consideration of the proposed opportunity, and neither the Confidential Memorandum nor its substance shall be disclosed or used for any other purpose other than to evaluate their decision about whether or not to proceed with a potential investment in the Company, except that disclosure may be made: (i) to the Lender’s advisors, employees, agents, legal representatives and accountants who are involved in the consideration of this matter; or, (ii) as may be compelled to be disclosed in a judicial or administrative proceeding; or, (iii) as may be otherwise required by law. With the receipt of this Confidential Memorandum, the Lender agrees to keep the information confidential and shall not disclose to any person any confidential information obtained from Attract Capital, LLC, except as stated above. The Lender’s receipt of this Confidential Memorandum constitutes agreement to the foregoing terms stated within this Notice and the further obligation to return the Confidential Memorandum and all associated information, together with all copies that the Investor or its agents may have made, should the Investor decide not to pursue a transaction with the Company. If the Lender does not agree with the foregoing, please immediately return the Confidential Memorandum and all associated information to Attract Capital, LLC, at the address noted below. All inquiries regarding this material should be directed to:

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## Company Overview

ImageXpert, Inc. (hereinafter, the “Company” or “IE”) is a New Hampshire-based instrumentation company focused on the industrial inkjet printing market. Their product functions as a visualization, testing and measurement device for companies engaged in industrial inkjet printing development. This includes global manufacturers of industrial inkjet equipment and companies in other industries developing industrial inkjet printing applications. These other segments include printed electronics, 3D printing and biomedical dispensing applications. IE recorded revenue of \$5.9 million and adjusted EBITDA of \$2.3 million in FY 2020. Revenue has grown from \$3.0 million as of FY 2016 to \$5.9 million in FY 2020 representing a CAGR of 18.5%. The Company is global and has an international sale presence in the US, Europe, and Asia. FY 2020 revenue increase was due to new products and new Asian distributors coming online. The company is being acquired by the current CFO, Jon Norman, for \$10 million from the founder. Jon Norman is a successful entrepreneur with a history in life sciences and web marketing. He has a multi-pronged growth plan to leverage the company’s extensive installed base to accelerate revenue and EBITDA. The founder will remain at the Company for two years as CEO and train Jon Norman as his successor.

P&L Historical Summary	FY 2017	FY 2018	FY 2019	FY 2020	CAGR%
Revenue	3,768,461	5,097,720	4,961,389	5,966,764	17%
Gross Margin	2,819,129	3,597,122	3,667,108	4,543,584	17%
GM %	75%	71%	74%	76%	
Operating Expense	2,031,282	2,160,794	2,308,595	2,176,336	2%
EBITDA	787,848	1,436,327	1,358,513	2,367,248	44%
EBITDA %	21%	28%	27%	40%	

The Company’s core product is a system consisting of an advanced camera, specialized optics, and software. It captures images of extremely high speed, small size inkjet ink droplets as they are jetting from the print head and then analyzes the images using sophisticated algorithms.

## Value Proposition for Users

The Company’s system provides a way for users to test the performance of their printing to make sure the applications work, prior to launching the printing process to manufacturing scale. By scientifically measuring the printing process, the system ensures the compatibility of the ink head, ink, and substrate (printing surface) and ultimately print quality. As inkjet printing expands into new industrial applications, there has been a significant expansion in the print speed, number of fluids used as ink and types of substrates. As inkjet speed increases and designs proliferate, developers operate at extremely tight tolerances (3 microns) as to drop size and positioning. If the ink droplets are not perfectly sized, and drop at the proper rate, in the proper position, the application will not work. The system allows developers to isolate the underlying scientific forces affecting the printing process such as the electromagnetic settings of the print head, chemical properties of the fluid, and physical properties of the droplets so that it can be documented and adjusted. As new inkjet printing components are created, the IE system ensures that these print heads and ink fluids properly integrate with the new substrate materials.

## Industrial Inkjet Printing Overview

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The industrial inkjet market is a fast-growing industry that spans multiple sectors using inkjet printing as a production process, far beyond conventional ink-based home printing. Industrial inkjet printing essentially means using inkjet technology to print or deposit materials as part of the manufacturing process on a production line. In this context, there is an input material (ink or other fluid) ejected from an inkjet head -- based upon the interplay of the electromechanical settings of the head and the chemical properties of the fluid-- onto a unique substrate in a precise formation. It can also be used to apply coatings, to deposit precise amounts of functional materials, and even build micro- or macro-structures.

The principle remains like the inkjet printer on the desktop, but the scale is very different in terms of machine size and speed, and in the variety of fluids that need to be deposited. The introduction of industrial inkjet technology into manufacturing environments has the potential to make a revolutionary step-change to existing capabilities with huge commercial benefits, including the reduction of manufacturing costs, higher quality output, and printing onto different substrates and in different size dimensions.

## Transaction Overview

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The purchase price is \$10 million- or 4.2-times FY 2020 EBITDA, with the seller holding \$1.5 million in a seller note and rolling \$500,000 of equity into the deal. The seller is staying on as CEO for two years to help the buyer transition into the CEO role, as his eventual replacement. Jon Norman is investing \$1.25 million of his own capital as equity into the deal resulting in \$3.25 million of total combined equity and seller note. We are seeking an acquisition loan in an amount of \$7.05 million, which represents a multiple of 3.0 times 2020 EBITDA.

Sources		Uses	
Loan	7,050,000	Cash to Seller	8,000,000
Seller Note	1,500,000	Seller Note	1,500,000
Rollover Equity	500,000	Rollover Equity	500,000
Buyer Cash Equity	1,250,000	Transaction Costs	300,000
<b>Total</b>	<b>10,300,000</b>		<b>10,300,000</b>

The Company is projecting to grow to \$10.5 million in revenue and \$4.1 million of EBITDA by FY 2025. Revenue and EBITDA are projected to increase at a 12% and 11% CAGR over the period FY 2020 through FY 2021. Through the year-to-date period ended Feb 2021, revenue and EBITDA has increased over the same period in FY 2020.

P&L Projected	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	CAGR%
Revenue	5,966,764	6,682,775	7,484,708	8,532,567	9,727,127	10,456,661	12%
Gross Margin	4,543,584	5,088,814	5,688,378	6,484,751	7,392,616	7,947,063	12%
GM %	76%	76%	76%	76%	76%	76%	
Operating Expense	2,176,336	2,483,391	2,725,932	3,109,980	3,499,552	3,868,945	
EBITDA	2,367,248	2,605,423	2,962,447	3,374,771	3,893,064	4,078,118	11%
EBITDA%	40%	39%	40%	40%	40%	39%	

## Revenue Model Overview

IE's major products are the JetXpert system and the Print Station which account for 38% and 30% percent of revenue, respectively. The JetXpert has an average selling price of \$32K, with a gross margin of 74%. The Print Station has an average selling price of \$47.5K and a 70% gross margin. JetXpert is sold as a platform with a suite of solutions including accessory products, one of which is the Print Station which has a suite of accessory products of its own. There is a high level of repeat customers within the customer base, with repeat bookings accounting for 69% of revenue over the time period FY 2018 through FY 2020. There are several drivers of customer repeat purchases; 1) purchases of upgrades, service, software, and accessories for the existing product; 2) purchases of new systems due to expanding use by the customer; 3) purchases of new systems with new capabilities. The Company has been focused on increasing the sale of recurring products and services to its installed base. Currently, recurring revenue accounts for an estimated 28% of total revenue and management is focused on increasing that to 50% over the next 3 years.



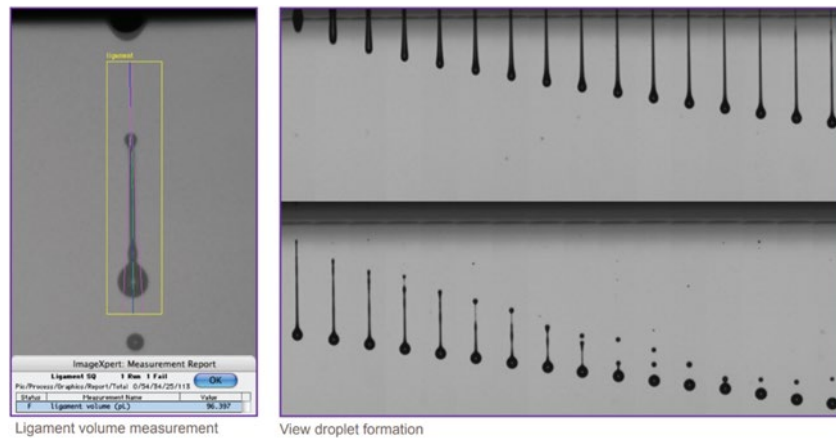
## Product Overview

The system has high accuracy capabilities and uses high end optical systems controlled by proprietary software. The software synchronizes the hardware components to capture images of extremely high speed, small size drops and then analyzes the images using sophisticated algorithms. The system is a combination of optics, electronics and software which requires multi-disciplinary expertise across several domains.

The Company's drop watching software has robust visualization capability. IE pioneered the development of the drop watching category in the early 2000's and has a tremendous knowledge base of printing development across all print head types and vendors. The IE JetXpert system provides robust visualization and powerful analysis. It measures down to the single drop volume down to 3 microns at extremely fast drop frequency- 120,000 drops per second at speeds up to 20 meters per

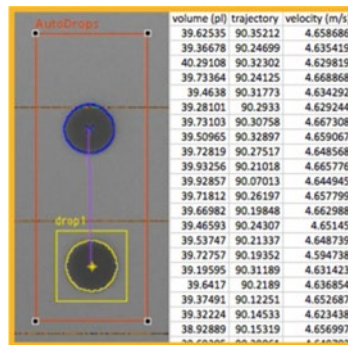


second. It is an essential tool kit for developers seeking new inkjet applications. It is generally regarded as the industry gold standard in measurement and is requested by companies to document their compatibility with other printing components.



Ligament volume measurement

View droplet formation



The software provides all the measurements and analysis. Apart from synchronizing drop position with LED flash, the software allows for measurement of the volume, velocity, trajectory, and other physical properties that characterize the jetting process. It also provides an easy to use, customizable interface and the ability to export the data in a user specified format. Many of the software addons provide a level of automation such that you can track nozzle performance over time, stitch together images to see what the drop looks like throughout its flight or monitor the performance as a function of voltage.



## Customer Overview

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The Company has an installed base of 600 JetXpert systems worldwide representing 450 different customers. The top customers have been with IE for 5+ years on average and make repeat purchases to either expand the functionality of the system with add-ons or to add new systems. The revenue base is diverse with 33% in the US, 46% in Asia and 21% in Europe in FY 2020. The top customer in 2020, one of the largest electronics companies in the world, accounted for \$927k in revenue or 16% of total revenue. The other large customers are large global industrial inkjet printing (print head and ink) equipment and electronics companies. The second, third and fourth largest customers accounted for 6%,6%,6% of total revenue, respectively. On a combined basis the top ten customers accounted for \$3.1 million in revenue or 51% of total FY 2020 revenue.

## Top Customers

### Powering Innovation For

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Top 10 Customers - FY 2020	Revenue	% of total	Region
Semiconductor/Electronics Company	927,192	16%	Korea
Life Sciences Company	380,600	6%	US
Printing Company	360,124	6%	Japan
3D Printing Company	335,530	6%	China
Inks/Coating Company	188,000	3%	US
Inks/Coating Company	182,500	3%	Europe
Glass Company	179,910	3%	Japan
Inks/Coating Company	164,890	3%	Japan
Printing Company	159,500	3%	US
Inks/Coating Company	151,280	3%	Canada
<b>Top 10 Total</b>	<b>3,029,527</b>	<b>51%</b>	
<b>Total Revenue</b>	<b>5,966,764</b>		



## End Product Applications

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As inkjet printing systems become more powerful, faster and include more ink fluids and substrate types, there is a constant need to adjust to the chemical variables of the ink, print head and substrates. This increases the demand for sophisticated documentation and analytic systems that can record and report on the important printing outcomes.

47% of revenue is sold to established inkjet equipment manufacturers active in ongoing print head, ink, and coatings development. The remaining 53% of revenue is sold to new product application companies such as semiconductor/electronic, 3D printing, Life Sciences/ biomedical dispensing developers. Within the new application segment, semiconductors & electronics segment account for 23% of total revenue and Life Sciences account for 9% of total revenue with the remaining 21% allocated among 3D Printing (9%) and Other (12%).

Revenue by End User Segments	
Application Segments	Rev %
Print heads, printers, inks and coating	47%
Semiconductors - Electronics	23%
Life Sciences	9%
3D Printing	9%
Other	12%
	100%

Established print head companies are continually developing new heads and inks for their customers. The JetXpert is an embedded part of their innovation infrastructure, as they need constant documentation and analysis. New application companies generally are entering the industrial inkjet market for the first time approaching it from the angle of their specific need. IE engages with these companies directly and gives them the tools to discover the best combination of print heads and fluids for their specific product application.

New Application development is driven by the need to find the proper ink head and ink fluid for the given substrate. IE gives the new application developer a customized R&D lab that allows the customer to print, visualize and analyze the performance of the ink head and ink on the substrate. IE's system is a technology platform for these new developers that helps them parameterize their application and identify the best ink heads and ink. The IE platform gives them a proven, structured way of developing.

## High Profile New Application Use Cases

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Printed Electronics applications include semiconductors, flexible electronics, wearables, solar panels, sensors, and OLED displays. All jets need to fire properly, and a lot of material needs to be precisely deposited for the printed lines to be conductive. Fluids used in the process contain large dense particles which means that keeping the nozzles on the printhead from getting clogged is a challenge.

3D Printing applications include binder jetting which is applying a glue-like fluid onto a bed of powder using inkjet printhead, which is repeated for multiple layers. The resolution and drop sizes

need to be precise and there is a low tolerance for drop sizes outside a certain range. Drop sizes can vary due to factors like the properties of the fluid including its waveform and temperature.

Biomedical dispensing applications include microneedle patches and microwell arrays where it is critical to deposit the exact amount of active pharmaceutical ingredients each time. The key challenge is ensuring the accuracy to the micron level, as the industry trend is to smaller and denser arrays.

## Production Overview

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The manufacturing process is comprised entirely of assembling and mounting individualized components, all of which are purchased, and integrating them with the software. There is typically one of several standardized configurations that is being implemented, depending on the requisite optics. Working off a CAD design, the constituent components are gathered, mounted, and connected with the appropriate cables. It takes a few days to assemble and test the system, once all the parts have arrived. Once tested, the system is boxed and shipped.

## Sales Overview

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ImageXpert uses distributors (3) to sell to Japan, Korea, and China. Everywhere else in the world, IE sells directly. Historically, the Company has relied almost entirely on an inbound approach to sales. A customer contacts the Company, a quote is provided, and a PO is received. Customer visits convert to sales at a high rate (>70%). Within the last year, IE has pivoted to online demos. These Zoom meetings, which typically follow an inbound inquiry and several emails worth of questions, last for about an hour, and are typically the closing stage in the sales process.

## New Product Focus

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Most of the existing products came about by leveraging IE's superior knowledge of the industry and customer issues, to develop in-demand, high-margin extras that can be tacked onto the system. Examples of this include a vacuum ink collector that solves issues with mist, an environment chamber so the system can be used in cleanrooms, and software packages to automate various processes.

The major new product that is on the verge of being released and which has been the focus of most recent R&D is the JetXpert OEM. This product occupies a smaller physical footprint, works on a PC, and has a lower price point. This product opens the door to production line use cases and may be helpful in winning customers who are price sensitive or Mac averse and can be utilized as an easier entree point to onboard for subsequent add-ons. The production market is orders of magnitude larger than the development market, so this new product has the potential to dramatically move the sales needle.

## Market Size

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IE is the largest and most dominant independent supplier with an estimated 85+% of this segment of the market. There are two additional companies in this segment, Kruss and Meteor who collectively have less than \$1 million revenue between them. The inkjet development instrument market (including drop watcher systems and related products) is an estimated \$50 million market, according to management. This market consists of companies that use an automated instrument and those that do not, and utilize a more manual, labor-based process. Management believes users are moving in the direction of using a more structured technology-based approach, as the industrial inkjet printing market growth accelerates with new applications. IE has been steadily converting non-users to JetXpert and Print Station customers, as the inhouse solutions lack the power and the flexibility to be able to provide the same level of visualization, analysis, and data feedback that the IE platform can. The move into the production-oriented product will significantly expand the Company's total addressable market size. Management estimates the production market is a \$450 million size market. This results in a total addressable market size of \$500 million between the current development market and the new production market.

Total Addressable Market Size	FY 2020 Estimate
Current - Development Market	50,000,000
New Market - Production Market	450,000,000
Total Addressable Market	500,000,000

The industrial inkjet printing market is a \$2.7 billion global market according to a research report by MarketWatch. The market is projected to reach \$3.7 billion by the end of 2026 for a 6.6% annual growth rate. According to IE management, the growth rate of the industrial inkjet segments they sell into is growing faster than a 6.6% annual rate. Management estimates that the market growth rates for its portfolio of segments is growing at a 10%+ rate.

## Growth Plan

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There are four major growth initiatives to the business development plan:

1. **New Production Line Product** - ImageXpert is about to release a new product, the JetXpert OEM, that allows us to go from being an R&D tool in the lab to an in-situ, quality assurance device on the production line. This represents an increase in sales potential by an order of magnitude.
2. **Life Sciences and Dispensing Market Focus.** Life Sciences dispensing focuses on the same parameters that inkjet printing focuses on with respect to volume, velocity, trajectory for fluid dispensing. IE is receiving inbound interest from Life Sciences companies and would benefit from a strategic focus in this new, large market. IE will proactively penetrate the Life Sciences market.
3. **Intensified Sales process.** The Company has historically had a reactive sales process. Under Jon Norman's leadership, IE will professionalize the sales and marketing process and proactively drive new account acquisition and greater upselling of existing accounts.

4. **Increased Distribution Coverage.** There are large areas in the global industrial inkjet printing market where IT has little to no presence. There is an opportunity to increase distribution coverage in countries such as China, Taiwan, and India, and to exert stronger channel management over existing distributors.

## Biographies

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### *Yair Kipman – Founder and CEO*

Yair Kipman is the founder and President of ImageXpert, Inc, with over thirty years of experience in the image quality and inkjet industries. He founded the Company in 1989 and has grown the Company into a market leader. He graduated from the Technion -- Israel Institute of Technology with a degree in aeronautical engineering and has a master's degree in mechanical engineering with a specialization in Electro Optics from the University of Connecticut.

### *Jon Norman – CFO*

Jon Norman is the CFO of ImageXpert. In addition to overseeing all financial responsibilities, he has overseen redoing the company's digital footprint, managing, and nurturing the relationships with Asian distributors, and overseeing business development for the emerging Life Sciences opportunity. Prior to this, he co-founded and served in a variety of operational roles for two startups, one in the Life Sciences Industry, and one in the digital marketing space. He began his career working in Equity Research, and he has a degree in Economics from Harvard University.

### *Paul Best – Director of Engineering*

Paul Best is the Director of Engineering at ImageXpert. He has been at ImageXpert for nine years, during which time he has worked hands-on with over one hundred inkjet companies worldwide, collaborated in the development of new instrumentation to serve the inkjet industry, and authored several papers related to inkjet analysis and optimization. Prior to joining ImageXpert, he worked as an optical engineer and team lead in NASA's Jet Propulsion laboratory. He has a B.S. in Mathematics and Computer Science from Wheaton College, a M.S in Physics from California State University, and an MBA from University of the People.

### *Kyle Pucci - Manager of Applications Engineering*

Kyle has been at ImageXpert for seven years. In addition, to designing and testing several new products, he essentially functions as head of sales. He does most company demos & installations and largely oversees and trains the more junior salesmen. He has a degree in mechanical engineering from Villanova University.

### *Stephen Parker - Director of Manufacturing*

Stephen has been with the company for 22 years and oversees the manufacturing and assembly of all systems at ImageXpert. Before joining ImageXpert, he worked in manufacturing at various machine vision companies in New Hampshire. He has a degree in Technical Business from Rivier University.

## P&L Addbacks

- The CEO, Yair Kipman will be taking \$250k of salary going forward. Excess compensation above this level has been added back on a historical basis.
- The owner's wife has historically drawn a salary. This will cease on a go forward basis.
- Commissions are another form of owner compensation. They are payments made to an IC DISC, a separate LLC owned 100% by Yair Kipman. An IC DISC is simply an advantageous tax structure for export-based businesses that allows favorable treatment on a portion of income. These payments will cease on a go forward basis.
- Commissions are not paid to salespeople but are paid to a legal entity owned by Yair Kipman. They are additional owners' compensation which will cease on a go forward basis.
- There was \$75k of excess discretionary bonus paid to employees in FY 2020.
- There is \$64k of salaries related to redundant employees who were terminated in mid-2020.

Adjustments	2017	2018	2019	2020	Explanation
Daphna - owner's wife	50,000	50,000	50,000	82,000	Excess owners compensation
Yair Kipman Owner	110,000		152,000	173,846	Excess Salary - will take \$250k per annum going forward.
Commissions	106,248	138,999	117,155	402,272	Excess owners comp - payable to an entity owned by owner
Discretionary bonus				75,000	Amount of 2020 bonus in excess of 2019 bonus due to PPP infusion
Inventory Write down				(50,000)	year end adjustment
Termination 1				37,500	Financial FTE - redundant following Jon Norman hiring in early 2020
Termination 2				26,605	Software FTE - redundant following other person hired in late 2019
<b>Total</b>	<b>266,248</b>	<b>188,999</b>	<b>319,155</b>	<b>749,243</b>	
Unadjusted EBITDA	521,600	1,247,329	1,039,359	1,618,005	
<b>Total Adjusted EBITDA</b>	<b>787,848</b>	<b>1,436,327</b>	<b>1,358,513</b>	<b>2,367,248</b>	



**IMAGEXPERT, INC.**

**Profit and Loss Statement For The Year Ended December 31,**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,768,461	5,097,720	4,961,389	5,966,764	6,682,775	7,484,708	8,532,567	9,727,127	10,456,661
Cost of Goods Sold	949,331	1,500,598	1,294,281	1,423,179	1,593,961	1,796,330	2,047,816	2,334,510	2,509,599
<b>Gross Profit</b>	<b>2,819,129</b>	<b>3,597,122</b>	<b>3,667,108</b>	<b>4,543,584</b>	<b>5,088,814</b>	<b>5,688,378</b>	<b>6,484,751</b>	<b>7,392,616</b>	<b>7,947,063</b>
GP %	75%	71%	74%	76%	76%	76%	76%	76%	76%
Operating Expense									
Fees	10,379	10,611	10,698	8,628	9,663	10,823	12,338	14,066	15,121
Insurance	8,284	8,962	8,811	6,187	6,929	7,761	8,848	10,086	10,843
Marketing Expenses	65,655	32,315	38,852	19,389	83,425	49,450	59,340	71,208	85,450
Professional Fees	14,951	111,437	24,894	18,761	21,013	23,534	26,829	30,585	32,879
R & D Expenses	438,173	255,635	244,774	106,907	119,736	134,105	152,879	174,282	187,353
Repairs and Maintenance	4,812	7,734	12,367	8,500	9,520	10,662	12,155	13,857	14,896
Supplies	10,534	25,246	35,746	52,278	58,552	65,578	74,759	85,225	91,617
Taxes (Non-Payroll)	53,071	100,278	45,226	2,007	2,248	2,518	2,870	3,272	3,517
Taxes (Payroll)	69,517	79,552	103,626	123,824	138,683	155,325	177,071	201,861	217,000
Travel/Meals/Cust/Retr	73,824	105,644	120,125	20,530	75,000	125,000	150,000	165,000	200,000
Wages - Comp	1,063,234	1,201,284	1,394,811	1,493,085	1,613,085	1,763,085	2,013,085	2,263,085	2,513,085
Wages - Fringe Benefits	71,528	63,768	79,454	82,346	92,227	103,294	117,756	134,242	144,310
Commissions	-	-	-	-	-	-	-	-	-
Utilities	22,893	23,819	24,810	28,077	31,446	35,219	40,150	45,771	49,204
Rent	89,382	89,665	91,597	96,118	99,002	101,972	105,031	108,182	111,427
Other	35,044	44,845	72,805	109,698	122,861	137,605	156,869	178,831	192,243
Total Expense	2,031,282	2,160,794	2,308,595	2,176,336	2,483,391	2,725,932	3,109,980	3,499,552	3,868,945
EBITDA	787,848	1,436,327	1,358,513	2,367,248	2,605,423	2,962,447	3,374,771	3,893,064	4,078,118
Depreciation Expense					5,477	5,477	5,477	5,477	5,477
Goodwill Amortization Expense					588,196	588,196	588,196	588,196	588,196
Interest Expense					780,000	780,000	780,000	780,000	603,750
Pre Tax Income					1,231,750	1,588,773	2,001,098	2,519,390	2,880,694
Taxes					307,937	397,193	500,274	629,848	720,173
<b>Net Income</b>	<b>787,848</b>	<b>1,436,327</b>	<b>1,358,513</b>	<b>2,367,248</b>	<b>923,812</b>	<b>1,191,580</b>	<b>1,500,823</b>	<b>1,889,543</b>	<b>2,160,520</b>

**IMAGEXPERT, INC.**

**Balance Sheet As Of December 31,**

	2019	2020	Closing Adjs.	Closing BS	2021	2022	2023	2024	2025
<b>ASSETS</b>									
Current Assets									
Cash	167,543	93,817		93,817	1,395,798	2,942,686	4,733,386	5,111,273	2,358,864
Accounts Receivable	888,340	669,980		669,980	750,378	840,423	958,083	1,092,214	1,174,130
Prepaid Expenses	95,683	151,084		151,084	169,214	189,520	216,052	246,300	264,772
Inventory Asset	625,105	929,801		929,801	1,041,377	1,166,342	1,329,630	1,515,778	1,629,462
<b>Total Current Assets</b>	<b>1,776,671</b>	<b>1,844,682</b>		<b>1,844,682</b>	<b>3,356,767</b>	<b>5,138,971</b>	<b>7,237,151</b>	<b>7,965,565</b>	<b>5,427,228</b>
Fixed Assets	20,324	27,387		27,387	46,909	66,432	85,955	105,477	125,000
Other Assets	21,526	23,397	8,822,944	8,846,340	8,258,144	7,669,948	7,081,752	6,493,555	5,905,359
<b>TOTAL ASSETS</b>	<b>1,818,520</b>	<b>1,895,466</b>	<b>8,822,944</b>	<b>10,718,410</b>	<b>11,661,821</b>	<b>12,875,351</b>	<b>14,404,857</b>	<b>14,564,598</b>	<b>11,457,587</b>
<b>LIABILITIES &amp; EQUITY</b>									
Current Liabilities									
Accounts Payable	97,471	51,326		51,326	57,485	64,383	73,397	83,673	89,948
Cares Act PPP	-	255,085		-	-	-	-	-	-
Accrued Expenses	111,998	111,998		111,998	125,438	140,491	160,160	182,582	196,276
<b>Total Current Liabilities</b>	<b>209,469</b>	<b>418,410</b>		<b>418,410</b>	<b>182,923</b>	<b>204,874</b>	<b>233,557</b>	<b>266,255</b>	<b>286,224</b>
Long Term Liabilities	150,000	-		-					
Buy out Loan			7,050,000	7,050,000	7,050,000	7,050,000	7,050,000	5,287,500	-
Seller Note			1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Equity	1,459,051	1,477,056	272,944	2,005,085	2,928,897	4,120,477	5,621,300	7,510,843	9,671,364
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,818,520</b>	<b>1,895,465</b>	<b>8,822,944</b>	<b>10,718,410</b>	<b>11,661,821</b>	<b>12,875,351</b>	<b>14,404,857</b>	<b>14,564,598</b>	<b>11,457,587</b>

**IMAGEXPERT, INC.**

**Cash Flow Statement For The Year Ended December 31,**

	2021	2022	2023	2024	2025
Net Income	923,812	1,191,580	1,500,823	1,889,543	2,160,520
Depreciation	5,477	5,477	5,477	5,477	5,477
Amortization	588,196	588,196	588,196	588,196	588,196
Change in AR	80,398	90,045	117,659	134,132	81,916
Change in Prepays	18,130	20,306	26,533	30,247	18,472
Change in Inventory	111,576	124,965	163,288	186,148	113,683
Change in AP	6,159	6,898	9,014	10,276	6,275
Change in Accruals	13,440	15,053	19,669	22,422	13,694
Principal Repayment	-	-	-	1,762,500	5,287,500
Capital Expenditures	25,000	25,000	25,000	25,000	25,000
<b>Net Cash Flow</b>	<b>1,301,981</b>	<b>1,546,888</b>	<b>1,790,699</b>	<b>377,887</b>	<b>(2,752,409)</b>