



we make you look like a pro

Share Photos.

Buy.

Learn From Others.

Investment Opportunity

# Contents

<b>Executive Summary</b>	p 3-4	<b>Competitive Analysis</b>	p 11-13
<b>Company Description</b>	p 5	Industry overview	
History		Nature of competition	
Vision		Primary competitors	
Product & Service offering		Opportunities	
Business Model		Threats	
<b>Strategy</b>	p 6-7	<b>Operations</b>	p 14-15
Marketing		Organizational Structure	
Competitive Edge		Hosting	
Strategic Alliances		Back-up	
Operational		Outsourcing	
Exit Plan		Programming	
<b>Products/services</b>	p 8-10	Full Launch	
Product & Service description		Management Team	
Positioning of Products & Services		Customer service/support	
Photo		Facilities	
Video		<b>Financial Projections</b>	p 17-21
Subscription Services		Assumptions and comments	
Printing Services		Profit-and-loss projection	
Business Services		Cash flow projection	
Streaming Services		Capitalization Summary	
Advertising			
Future products/services			
<b>Market Analysis</b>	p 10-11		
The overall market			
Changes in the market			
Market segments			
Customer characteristics			
Customer profile			

# Executive Summary

## Mejuba

Headquarter:  
Lakeland Florida  
www.mejuba.com

## Industry Social Media

- \$716M (US only) market in 2009 will grow to a \$3.1B market by 2014 according to Forrester.
- Currently, over 1.5 Billion users worldwide expected to grow to 2.5 Billion by end of the decade.

## Investment

- \$1.0 M (USD) for 30% of Common Stock

### Market Opportunity

Today, there are over 1.5 billion worldwide social media/photo sharing users, it is estimated that 10-20% of the total users pay between \$50-\$250 a year to store all of their photos. By the end of 2014 Forrester Research projects growth of 300-500 million users, and to reach 2.5 billion users before the end of the decade. One of the internet's hottest sectors for this decade is photo sharing. Taking and sharing photos is now a basic social interaction, enabled by the fact that consumers have a mobile camera in their pocket all the time. For social media sites, photo services have become the primary focus. Moving forward, users will expect more functions, more service and better quality. They are looking for one destination to store those photos, learn from others, purchase cameras, software and equipment. Mejuba will fill this hole.

Taking and sharing photos is now a basic social interaction, enabled by the fact that consumers have a mobile camera in their pocket all the time. For social media sites, photo services have become the primary focus. Moving forward, users will expect more functions, more service and better quality. They are looking for one destination to store those photos, learn from others, purchase cameras, software and equipment. Mejuba will fill this hole.

### Investment Opportunity

Seeing the opportunity in the social media market, Mejuba's Founder developed this plan and provided the initial \$250,000 funding. Since photo services are the foundation of social media sites, Mejuba has a two-staged development process.

- First, create and launch a Beta web venue with the most cutting edge photo/video service on the web. This is completed, Mejuba currently hosts 12,500 subscribers and this will be the base to attract new customers.
- Second, create needed social elements and launch a full-scale social media photo-sharing venue. Mejuba requires \$1.0M in funding to finish this stage and bring the company to a positive cash flow position.

### Strategic Advantage

While there are many websites that offer photo sharing, there is no destination that users can go to share photos, learn from other users, and purchase cameras, software, and equipment. Mejuba will be the destination that prosumer users go to share photos, learn from others through workshops, forums and one place to purchase all of their needs such as cameras, videos, and equipment. Mejuba is currently the only photo site worldwide that offers free and unlimited uploads and traffic, for both photos and videos. There is no upper limit for the play length of videos, file size or resolution for photos. The original is saved and can subsequently be downloaded along with the converted file. These free features are very attracting to the internet social enthusiast. With no marketing, Mejuba's Beta site has attracted 12,500 users and been rated in the top 10 photo sharing sites. We plan to continue to allow users to enjoy the Freemium model while we provide a upgrade service for the amateur and professional users (prosumers).

### Business Model

Mejuba is following the tried and true model of "give away the razor and sell the blades" which is the same model Flickr, Photobucket and others in the space are using. Mejuba will provide popular photo and video services for free and charge for secondary services. Mejuba projects reaching 1m subscribers (less than .1% of market share) to achieve its financial projections.

	Prosumer Photo Sharing	Ecommerce	Teaching, Forums, workshops
meJuba	✓	✓	✓
SmugMug	✓		
phanfare	✓		
zenfolio	✓		
flickr	✓		

# Executive Summary

## Financial Projections

- Cash Flow Positive in the 14th month
- Projected 5 Year Financials all USD
  - Number of users 1.2M an estimated market share of less than 0.1%
  - Y5 Revenue \$63M
  - EBITDA \$22M
- Target Exit in year 5
  - when number of users is approximately 1M
  - Expected Exit Sale would be \$150-\$220M

## Rollout Strategy

- Currently in Beta – Maintain Beta for 6 months while completing Social Media portion of web venue.
- Full Launch
- Quickly hit 95,00 users to become cash flow positive
- Maintain flexibility and change product offering to meet customer needs and increase revenue

## Executive Team

Founder, CTO – Nicolai Busekist  
CEO- Chad Dearey

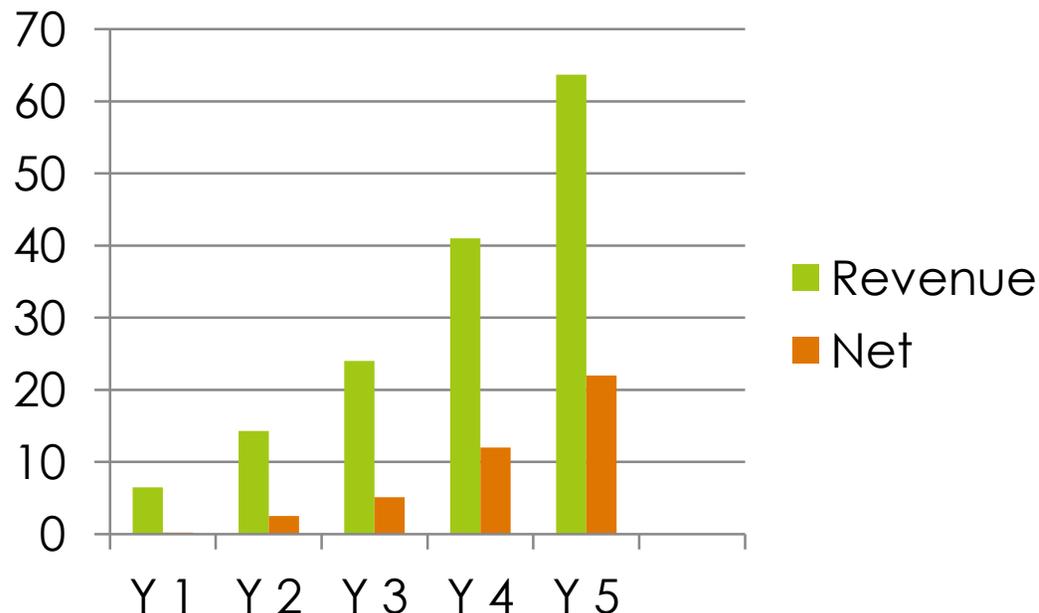
## Strategic Advantage

The photo space has been shifting over the last 5 years. Some of the big boys such as Facebook, Photobucket, Shutterfly and others will continue to hold large grabs of users however, the market that still has a lot of weeding out is niche groups. Mejuba is capitalizing on the prosumer market where there are only 4 true competitors. Mejuba will be the only prosumer website that offers photo sharing, ecommerce, and training. Professional photographers will have a easy place to set up all of their business needs, they will have a branded site that promotes their brand and they will keep 100% of the profit (minus taxes and credit card fees). Experienced users will have the ability to use beautiful displays to showcase their work, a place to buy all camera related needs, and a place to learn more from seasoned professionals. Novice users will be able to store photos for free and if they have the option to upgrade and use all of our other services as well.

- **Staff** - Mejuba will not have a large staff of in-house programming staff building and maintaining the web venue. Rather Mejuba will use the Founders experience in outsourcing, thus having a lean internal staff focused on integration and customer service.
- **Marketing** - Mejuba plans to do aggressively market the web with SEO, PPC, advertising.
- **Network Operations** - This lean approach will also be used in with their network operations. Here Mejuba will outsource all data center operations minimizing the need for facilities and staff to maintain the server network. This operational strategy keeps Mejuba lean, flexible and able to quickly move with their subscribers.

## Exit

Mejuba is building to exit in 3-5 years expecting to sell to a strategic buyer who does not have these services internally, or wishes to expand in areas of Mejuba's strength. Projected EBITA in Year 5 is \$22M which will bring an estimated \$150M total valuation/sale of the business giving the investors a \$30M return



# Company Description

world's first prosumer community with Photo sharing, training, and buying

beta is complete now funding full launch

following proven model: give away the razor and sell the blades

## **History**

Mejuba (inc.) was founded in by the Danish IT engineer Nicolai Busekist, the company is now located in Lakeland Florida, where CEO, Chad Dearey resides. Nicolai is the majority owner of Mejuba and has funded its initial launch and beta version of this social/photo sharing web service. Mejuba will be registered as a trademark through the Madrid-protocol covering 85 countries.

## **Vision**

Mejuba will become one of most popular prosumer websites in the world. This will be achieved through leveraging the 100% free photo and video services that no competitor offers, constant innovative development, strategic partner agreements and aggressive marketing.

## **Product & Service Offering**

The prosumer market is a community of amateur and professional photographers that deeply care about the resolution, style, and original format of their photos. These enthusiasts are currently paying \$100 - \$250 to have all of their photos stored in the original format along with the opportunity to create a branded storefront. Mejuba will use it's freemium model of 100% free service for uploading and sharing of photos and videos on the internet to attract users to the site, and up sell them on the prosumer advantages. Mejuba users can upload a limitless number of photos and videos free of charge and without restrictions on the size of files or length of videos. All uploaded material can be downloaded again in its original form, so Mejuba also functions as a valuable backup tool.

Mejuba is currently in its beta release seen at [www.mejuba.com](http://www.mejuba.com). The site offers services free of charge and is currently supporting over 12,500 subscribers. Competitor sites set restrictions for the use of their services, either by scaling pictures down, limiting the amount of time, or by demanding payment for what Mejuba offers for free. Mejuba neither scales down nor restricts the length and resolution. Mejuba attracts customers with it easy to use free photo/video services. Mejuba retains its customers in it social community experience.

In August 2010, Buxr magazine rated Mejuba as one of the world's ten best free photo and video services, along with the world's biggest: Picasa, Flickr, Photobucket, Kodak, Snapfish and Shutterfly . In September 2010, Mejuba was named as one of Denmark's 20 best startups by ComON. This has been achieved during beta launch with no marketing.

## **Business Model**

Similar to many in the internet space, Mejuba provides an essential base service at no charge creating revenue from additional services. Mejuba has 5 primary revenue sources currently planned. Each of these sources is expected to expand, as well as more sources created over time. A deeper explanation of these services can be found in the Product/Services section.

- Subscription Services – an array of value added services that existing members are requesting such as branded websites, and sharing features
- Printing Services – a large variety of hardcopy prints, print on pens, mugs, towels, including photo album and photo calendar creation and printing.
- Business Services – a merchant platform providing members to sell their photos and videos. Business community can also use weblinks for video training, sales presentations etc. with no restriction to length or resolution.
- Ecommerce – Buy Cameras, Video cameras, photo software, smart phones,
- Training – Amateurs will be able to take work shops, and training with our seasoned team, and the professionals will have a audience to teach.

# Strategy

## **Marketing**

Mejuba's marketing strategy is to aggressively target the established users of existing sites. The overall theme is a one stop place for all of your photo/video needs. Mejuba will launch a campaign on Facebook, the largest and most viral network, with over 800 million users with the highest conversion rate for ad campaigns. This campaign is to be supplemented with extra advertisements on YouTube and other relevant social media sites. Facebook has the most effective advertising structure, by making it possible to target recipients precisely according to geography, age, shared interests etc.

Mejuba also plans to run aggressive campaigns with some of the top Professional photographer websites. The photo sharing industry is extremely clustered and users rely heavily upon professional blogs advice on where to store their photos. We have made significant inroads with some of the top photographers in order to capture the

## **Competitive Edge**

No other site but Mejuba offers pro-sumers the opportunity to store photos, learn from others and buy cameras, videos and software. Mejuba will continue to offer free and unlimited uploads and traffic, for both photos and videos. The only restriction on Mejuba is a file size of 1GB for uploads. For subscribers the 1GB per upload limit can be raised to 3GB per upload. The 1GB restriction is mainly set to avoid abuse.

There is no upper limit for the play length of videos or the file size or resolution for photos. The original can be saved and subsequently downloaded along with the converted file; an option only also offered by Smugmug – for 45 US\$ per year. Facebook, MySpace and Flickr are the only sites that, like Mejuba, exploit the social networking element. Here, you can invite friends and family, find new friends, join groups and limit access to your albums to particular friends and family members. Mejuba benefits greatly from this social aspect, as networking has become “good business”—just look at Facebook.

Mejuba is free from advertising for pro users! Mejuba is clean of any distracting and insistent ads. Mejuba is distinct from competitors in other ways, too: it is perhaps the most user-friendly site there is. It is easy to navigate, with a response time that is among the fastest and best of all the afore-mentioned sites, with a light, welcoming design. In other words, you're in good company. Every day Mejuba receives emails from users praising its user-friendliness.



No other social media site offers photo sharing, training and buying



Users are looking for more photo/video features and willing to move to get them

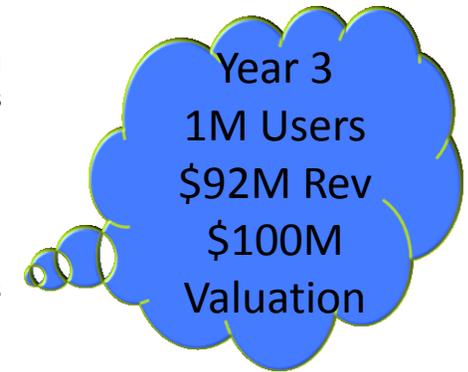
# Strategy

## **Strategic Alliances**

Mejuba has teamed with GoSocial (Europe's top advertising agency) to create Mejuba's online advertising campaigns for your Europe and implement its social media strategy. For offline or standard marketing and advertising Mejuba will use Rethink Advertising, one of Europe's top brand agency's. Mejuba has partnered with Previewnetwork ([www.previewnetworks.com](http://www.previewnetworks.com)) to provide streaming services to Universal Studios, Paramount Studios, Warner Brothers and other large content providers.

## **Exit Plan**

If this ramp-up can be achieved, Mejuba's expecting to exit in 5 years based on the attraction of its subscriber base and revenue. Mejuba's projected revenue is \$63M with a NET of \$22M with a market value over \$150M. Mejuba could potentially be acquired by any of its current competitors such as Smugmug, Phanfare, Zenfolio or storage sites such as Dropbox, iCloud or BOX.net



# Product & Services

## **Product & Service Description**

Mejuba.com is the world's first social community that gives users a an opportunity to share photos, learn from others and buy related goods. Currently Mejuba is 100% free service for uploading and sharing of photos and videos on the internet. Users can upload unlimited photos and videos free of charge and without restrictions on the size of files or length of videos. All uploaded material can be downloaded again in its original form, so Mejuba also functions as a valuable backup tool. However, when we re launch we will turn into more of a freemium model and pro users will have distinct advantage over a free account such as a personal branded website, a destination to sell the photos and videos, and no advertising.

## **Positioning of Products and Services**

Mejuba will leverage the fact that they are the only website that offers 100% free photo and video services while providing a host of client demanded services listed below. Current beta version of the website offers the photo and video services. The revenue based services will be finalized and launched with this funding round.

### **Photo – Existing**

Nearly all photos taken today are digital. Online storage, backup and presentation of photos are a growing demand. Today, there are a great number of services where users can upload their photos, each with their own strength and weaknesses. As the traditional camera is melting into the mobile phones marketing research estimates the growth of people keeping photos online to increase between 300 to 500 million over the next 5 years.

### **Video - Existing**

Video has become increasingly popular over the past few years. All new mobile telephones, along with most digital cameras, are now able to record video—some in HD (High Definition).

Almost all those sites offering video uploads set limits. YouTube, the most popular video hosting website limits uploads to 15 minutes in play length, while Smugmug is limited to 10 minutes and MySpace to 20 minutes. Flickr, meanwhile, is only 90 seconds. The only photo and video hosting site to match Mejuba is Picasa, where neither the original nor the converted file can be downloaded.

funding  
needed to  
build revenue  
generating  
modules

# Product & Services

Many of these sites have been impeded because disc space was simply too large an investment just 7-8 years ago, when most of these sites were established. Their business concepts have been based upon users covering these costs—which is why they were started (and continue to be) pay-to-use sites. The price of Disc space has now fallen dramatically and the trend is towards even lower prices. It is now possible to use Cloud Solutions, offering unlimited, decentralised storage space for a very small price in large data centres. Cloud products have dropped considerably in price over the last two years and it is clear that data storage is becoming cheaper and cheaper. This puts the pressure on the payment sites.

## **Storage Services - being built**

Nearly 25% of all of our current users said that they would pay \$3-\$5 per month to store unlimited amounts of Word, Excel, and Audio files

## **Subscription Services - To be built**

Existing customer have requested a number of paid services. The first paid services include:

- Conversion of photos and videos to DVD,
- Backup of uploaded photos and videos,
- Conversion of analogue to digital photos, videos.
- To upload full size videos (greater than the current 1GB limit).

## **Printing Services - To be built**

Mejuba will host a small array of items customer can have their pictured printed:

- Mugs and Plates
- Tee shirts and Sweat Shirts
- Photo Albums and Photo Calendars

Mejuba is looking to establish partnerships with producers of video cameras and mobile telephones companies, sports equipment manufacturers, sports organisations, car clubs, consumer groups and others who see the advantages of being able to offer a personalised universe for their customers/users. Nokia, Apple and Ericsson all have their own photo uploading sites.

## **Business Services - To be built**

Mejuba will introduce a market place for professional photographers and video makers to present and sell their work, with Mejuba taking a commission for sales., much like Zenfolio, Phanfare or SmugMug. Mejuba will also offer the business community weblinks for video training, sales presentations etc. with no restriction to length or resolution.

## **Streaming Service - To be built**

Mejuba will offer the chance for both individuals and companies to stream their videos as a pay-per-view service. Mejuba has partnered with Previewnetwork ([www.previewnetworks.com](http://www.previewnetworks.com)) to provide streaming services to Universal Studios, Paramount Studios, Warner Brothers and other large content providers.

## **Advertising**

Mejuba will wait to host advertising until ensuring a large number of subscriber, Mejuba will allow advertising as a natural source of revenue. Specifics of how that will be introduced and used will be determined at that time as internet advertising continues to be flushed out.

revenue  
services base  
on requests  
from current  
customers  
and  
Industry  
proven models

# Product & Services

## **Future Products and Services**

Mejuba is under constant development, both when it comes to new functionalities but also in terms of security, cross-browsers, response times, user-friendliness and Search Engine Optimization (SEO). First and foremost, Mejuba is to receive a new and even more user-friendly design. This will make Mejuba more 'Web 2.0', as well as increase usability, improve security and make SEO even more effective.

Since the development of Mejuba started three years ago technology has developed and possibilities opened that require Mejuba upgrades in a number of areas. Being able to ensure higher levels of security, quicker response times implement payment modules and develop API as well as to make use of new technical opportunities is a necessity. This is equally valid for video conversion, where HD video quality—amongst other things—is now possible.

During its beta period, Mejuba has received innumerable suggestions and requests for new functions to be implemented, including requests for Eye-Fi support, multiple languages and support for the upload of file type other than photo and video.

Smartphones are not only used for talking but increasingly for taking photos and videos. Mejuba will look into the possibility of using Eye-Fi, a program that automatically transfers photos and video from users' smartphones to their Mejuba account. This has the potential to generate huge success. Mejuba is not the only one offering this service, and cannot charge for the service, but it does place Mejuba in a good position with its users. Flickr and Photobucket already support Eye-Fi.



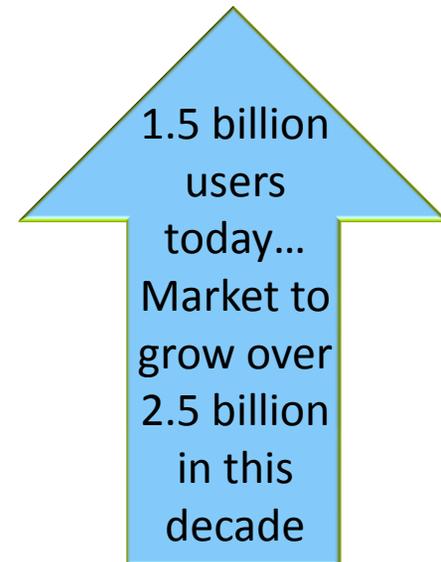
# Market Analysis

## **Overall Market**

The market for online digital photo and video sharing is increasing rapidly, in part because traditional analogue film and video is on its way out, but also because of the explosive growth in handheld devices that allow both photos and videos to be posted and shared on the internet.

The number of people using the ten largest photo and video sites is over 1.5 billion, and it is estimated that this number will grow by 300-500 million new users within the next three years, and exceed 2.5 billion by the end of the decade (Forrester Research). One example is a country such as India with a population of 1.2 billion, which is only now starting to use the internet. In China, there are already 400 million internet users—a figure that is rapidly growing. In Europe, one in ten people own a digital camera or a mobile telephone with a camera, photo and video uploading function.

The prosumer market is growing like a hockey stick, more and more people are using online photo sharing to be the place where they archive their photos. Amateurs and photographers are relying more and more on websites like Smugmug, Zenfolio, and Phanfare to not only store their photos but to help them run hobbies or their businesses. The continued growth in this market not only shows that users are desiring that their videos and photos be stored in displayed in their best format but that they are willing to pay a premium to have it done correctly.



# Market Analysis

## **Market Segments**

The market has three primary segments

- Social community sites
- Photo and video sharing sites.
- Sites that have both social community and photo/video sharing.

Whereas the main focus of social community is on social relations, photo and video sharing services focus on the sharing, storing, editing and professional sale of photos and videos. Flickr, is primarily a photo and video sharing service, they do have social elements but are not consider a true competitor in the space.

Photo sharing sites can be subdivided up into two groups: those that offer free photo and video hosting and those that charge its users for the service. The free sites can be split again into those financed by advertisements and those where image hosting is a means to sell products and site services. Paying sites generally offer a downscaled free version, though they have many restrictions—on traffic, number of uploads and storage space, as well as on the number of days the free trial lasts. Below is a list of the three most used image hosting sites.

## **Customer Characteristics**

Mejuba already has more than 12,500 members after a thorough beta / test period. The members have been joining solely through word-of-mouth for the past two months. Mejuba has not spent any money on marketing or advertising, but a marketing campaign on Facebook is planned after full development. In addition, Mejuba plans to use the same campaign with already established users.

Mejuba has set a target of reaching at least one million users within a five-year period, to come through advertisements, referrals, search engines as well as word-of-mouth.

It is a safe bet to assume that a great number of these new members will come from competing sites. This is clear from reading the comments in blogs and emails from Mejuba's members who have already made the switch.

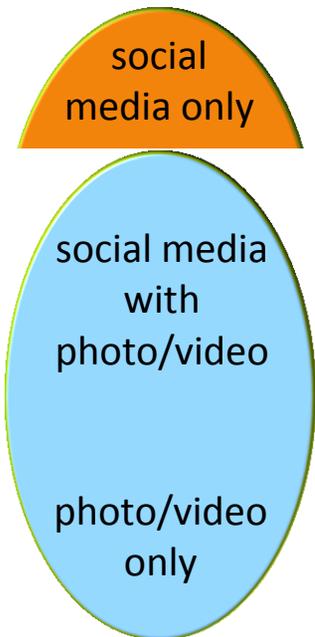
## **Customer Profile**

A breakdown of the world's internet users puts China at the top with 20.8% of the world's users, followed by the USA with 13.1%, Japan with 5.5%, India with 4.7% and Brazil with 3.9%.

As it looks today, the target group is extremely broad and predominantly English-speaking, followed by French, Italian and Spanish. The majority of Mejuba users come from the US and Canada, followed by Italy, UK, France, Spain and Brazil. Appendix 2 shows the full list.

Mejuba's current users are generally over 25, with an even distribution of men and women. Mejuba expects that US will as a single country contributes with the largest number of users whereas Europe will contribute with the largest number of users as a continent.

## Market Segments



# Competitive Analysis

## Industry Overview

The competition for photo and video services is broken into two groups, general photo sharing websites and prosumer websites. Our goal is to tap into a niche and only focus on the prosumer market. The general photo sharing market is tough, and the players are owned by some of the biggest IT companies in the world. Flickr is owned by Yahoo, Picasa, Orkut and YouTube by Google, Photobucket and MySpace was recently sold by News Corp, Bebo by AOL, Snapfish by HP and Windows Live Spaces is owned by Microsoft—to name but a few. Despite not having the same international muscle, Mejuba will build its own niche in the prosumer website.

## Primary Competitors

**Flickr** has 20 million unique monthly (compete.com) users and offers both photo and video uploads. Flickr has many professional photographers among its users and has a large community. It is possible to invite friends to join as well as become friends with other users, making Flickr a sort of social network, where users are able to communicate with each other about their common interests.

Flickr offers two types of account: free and Pro. The free account allows the upload of 100 MB and 2 videos in low resolution per month. If a free account user uploads more than 200 photos, only last 200 will be accessible. If a free account remains inactive for 90 consecutive days it will be deleted. Free accounts do not allow access to original files. If the account is upgraded to a pro account, access to the originals is granted. Pro account users are allowed unlimited uploads of photos and videos as well as unlimited traffic. The playing time for videos is 90 seconds. A Pro account costs 25 US\$ annually and is free from advertising—the free version is not.

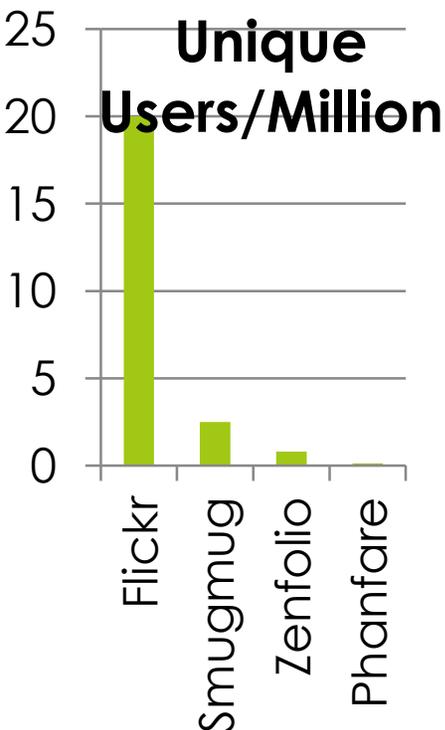
**Smugmug** with 2.5 Million unique monthly users (compete.com), they have gained a lot of popularity from the photography enthusiasts. Smugmug is clean, sharp and has a strong community. Smugmug has 3 different pricing options \$40 per year, \$60, and \$150. The \$40 and \$60 version are geared for enthusiasts, and the \$150 version is available to those who are looking to sell their photos. The main complaints regarding the site is that the options are too complex and

**Zenfolio** is averaging 800,000 unique monthly users per month (compete.com), and have a very similar user base as Smugmug. The fans have appreciated the customer service, and the user experience. Some complaints have been made regarding the limited amount of branding that is available for the professionals. Zenfolio launched in 2005 via angel funds and has been growing ever since.

**Phanfare** is averaging 130,000 unique users per month (compete.com), and have had a tough time determining who they want to be. They started in the prosumer market, shifted to try social networking and are now back to the prosumer model. They had over \$5,000,000 in venture capital and recently sold the company for \$2,000,000 to Carbonite.

## General Competition

**Facebook** is without a doubt the largest of the social networks, with over 800 million users. Anyone can post a limitless number of images on Facebook, and it is now also possible to download them again. Facebook has recently announced that as of October 2010, users can now upload photos of up to 4 MB in file size. Videos can also be uploaded of up to 10 minutes in playtime or with a maximum size of 200 MB. The original is not saved. Facebook's conditions for uploading photos and videos have been heavily criticized, as they ensure that Facebook 'owns' all material that is uploaded while simultaneously giving Facebook the right to use this material commercially.



# Competitive Analysis

## General Competition

**MySpace** has 130 million users and was the most popular of the social networking sites until 2008, when Facebook overtook it. MySpace allows its users to upload photos and videos, but neither uploaded photos nor videos can be downloaded again; similarly, it's not possible to edit your photos. Videos are limited to 500 MB or 20 minutes. Over the last two years MySpace has lost a lot of its ground, particularly to Facebook and Twitter

**Photobucket** has 100 million users, making it the largest of the image and video hosting sites. Only Facebook gets more uploads per month than Photobucket. Photobucket offers both a free and a paying version; the latter, 'Pro' costs 25 US\$ a year. The free version allows 500 MB of free disc space and 10 GB traffic per month. The highest resolution allowed is only 1024x768, or a video of 5 minutes' playtime or 100 MB in file size. The paying, "Pro Account" allows videos of up to 10 minutes in length, 2 MB or a maximum resolution of 4000x3000 for photos and an unlimited amount of traffic. Pornographic material is not allowed. Photobucket does not resemble a social networking site, and lacks the friend's concept and a community. The paying Pro account is free from advertising—the free version is not.

**Picasa Web Album (PWA)** has around 40 million users. Picasa is both a PC/Mac application and an online photo and video hosting service. What follows is a description of Picasa Web Album. PWA offers 1 GB of disc space and videos can be uploaded without a limit on play length. Videos can only be uploaded from the desktop software—not directly from PWA. The uploaded photos can be downloaded again, while neither the original video nor the converted version can. For a fee of 20 US\$ a year, users can buy an extra 10 GB of disc space. Picasa does not resemble a social networking site, and lacks the friend's concept and a community. Should a user go over the 10 GB disc space, the next step costs 70 US\$ annually for a further 10 GB disc space.

**Microsoft-owned Windows Live Spaces (WLS)** has more than 130 million users. WLS allows up to 25 GB of space for photos and videos. Although it is possible to upload videos in WLS it is not possible to play them, and WLS can therefore be considered solely as a backup when it comes to video. The option to manipulate photos is very limited. WLS does not have a distinct social network.

**Twitter** has more than 160 million users. Twitter is primarily a micro blogging network based on text messages without pictures or video. From 2010 it became possible to link to images and videos hosted by other sites—for example Mejuba—though Twitter itself does not offer the option of uploading photos or videos.

**Qzone** is Chinese and has more than 320 million users in China and Chinese-speaking nations. Qzone is only available in Chinese. According to unofficial data, Qzone may be the most active of all the social networking sites. Unlike almost all the other social networking sites Qzone is not free, and there is a charge for every service used.

**Bebo** is another large social networking site, with 117 million users. Like MySpace the focus is on social contacts and networking, and there is no option to download or edit photos. Video cannot be uploaded, but it is possible to post a link to videos hosted on other sites.

# Competitive Analysis

The market is huge and there are only 4 direct competitors...

## **Strengths**

Mejuba will be the first website to incorporate photo sharing, buying and training all into one site. While there are really only 4 competitors in our space, we are the only one offering this full business model. Being the first to market will be a strength for Mejuba.

## **Weakness**

All of the 4 competitors could add ecommerce and significant training if they saw users moving to our website. The competitors have provided photo sharing for many years and it could be difficult to break into their user base.

## **Opportunities**

Growing niche market, growing user base. More and more users are comfortable paying money to upload their photos. Mejuba has built a nice base of users by offering a free model, this base will provide a unique revenue model for advertisers.

## **Threats**

Tough economy, and people are looking to cut as many frivolous costs as possible, will they see this as a want or a need? The market for the prosumer is a small niche in the overall industry and

# Operations

## **Organizational Structure**

Mejuba will have flat organization with Chad Dearey and Nicolai Busekist as the driving forces of corporate vision and overseeing daily operations. Mejuba will keep headcount to a minimum hiring for critical internal operations and utilizing outsourcing resources for development and marketing.

Nicolai Busekist has extensive experience managing large development and operational outsource teams. Nicolai's vision is to keep headcount low and, therefore, overhead low, hiring highly experienced outsource groups to complete tactical elements while Nicolai and his team focus on the overall strategic direction and integration of the website/services.

## **Hosting Services and Changes**

Hosting is Mejuba's backbone and is critical to its success. Everything must run perfectly, with a high level of security and backup and investments must be made into this area. Cloud hosting has been tried out, but in its current form a poorer alternative to traditional hosting, due to non-transparent price structuring and excessive traffic costs, among other factors. Also, data, when first put up in the cloud is hard to move to another hosting environment at a later time. Backup will however be run through Cloud Solutions.

Mejuba's hosting is currently made up of four managed servers hosted in Canada. The current hosting set-up works fine for a limited number of users (< 100,000) and has a good response time. In keeping with the increase in users the system needs to be changed to a more professional and scalable set-up.



# Operations

Mejuba has received an offer from HP and DELL for a complete SAN storage. Both offers are around \$450,000 for the hardware alone, on top of which are maintenance, traffic and hosting costs. In the current state, this solution is considered too costly.

Mejuba has also received an offer for purchasing, maintaining and hosting a SAN storage solution from a Danish bidder. A complete set-up, including servers and disc space as well as traffic has been calculated at around \$8,000 a month for the first 12 months, a figure that will grow close to exponential along with increased disc space.

In the start, Mejuba is to use a hosted solution. If Mejuba wishes to set-up its own hosting at a later time, this will be possible without any major changes.

## **Operational Backup**

Mejuba will use a Cloud solution for the backup. As a storage facility only, this solution is 100% scalable and relatively cheap per used GB. Charges are calculated per GB used at a rate of \$ 0.15 per GB per month. In addition there is a charge for data traffic of \$ 0.10 per GB (the price for Amazon EC2 and Windows Azure). The charge for uploading and storing 1 GB over 12 months is under \$2.

## outsourcing



## **Outsourcing**

Mejuba will outsource most new development to other known software houses. A network and servers will be set up to coordinate and integrate all development.

## **Programming**

Mejuba will update security features and a number of other technical features.

Below are the items to be implemented.

- Mejuba will hire one or more experts in database design, hardware set-up, internet security and web development to ensure the best possible and future secure foundation.
- Mejuba will update the existing look and feel, making it the site more user-friendly and able to utilize and implement the new technical possibilities of the internet.
- The video converter and Mejuba gets re-factored to implement new internet possibilities and also optimising security as well as other necessary additions, including SEO. For this, external expertise within Internet security and infrastructure must be involved.
- A scalable backup solution is established. A Cloud Solutions is to be used due to its cheap storage price.
- An optimum international payment system is implemented.
- Programming of Iphone, Android and other applications are started up.
- Mejuba is translated into Chinese, French, Italian, Spanish, Portuguese and German.
- It is estimated that these functions can be up and running within 180 days.
- After this, a new marketing campaign is to be launched on Facebook in five selected languages. A full-time programmer is to be brought in who can work in partnership with the outsourced agencies. Future project development is to be undertaken locally in Denmark by Nicolai Busekist and the afore-mentioned employee. This will be better financially and also ensures that Mejuba can support, fix and correct any critical problems that may arise.
- Larger assignments requiring substantial manpower will be outsourced to external suppliers.
- Freelance advisors in business development and administration are to be hired and a board of directors formed, which will be made up of three people with the relevant backgrounds—that is, with experience in developing internet activities.

# Operations

## Full Launch

Mejuba.com is developed into a desktop program for both Mac and Windows users. Mejuba is translated into different languages, and existing ones updated. Using data compiled from earlier marketing campaigns, a newer, larger campaign is launched.

## Facilities

Moving out of Beta, Mejuba will establish a new office to house 4 people. As the headcount grows over time the space will either be expanded or a new bigger office will be established. Depending on the success of Mejuba foreign offices would also have to be established in order to a more local presence.

## Management Team

### Founder, CTO- Nicolai Busekist

Nicolai Busekist is 41, holds a degree as Electronics Engineer from Copenhagen Engineering College. Fifteen years ago Nicolai founded Pocket Inc., an IT consulting company that works for some of Denmark's largest corporations. Pocket Inc. specializes in Microsoft .NET, SQL Server programming and server infrastructure. This has given Nicolai a broad technical foundation, the opportunity to work in many levels of an organization, and a great expertise in IT outsourcing. In 2009 seeing the market opportunity and growth of social media and use of video, Nicolai launched Mejuba and funded its initial start-up to the current Beta version of the website. Nicolai Busekist is married with two children and lives in Hellerup north of Copenhagen, Denmark.

### CEO- Chad Dearey

Chad is 35 years old, and has been self employed in one fashion or another since his early 20's. Chad started a mortgage business in the height of the mortgage boom of the 90's building a team of 30 employees and multiple offices. Chad's most recent role was VP for a international Merger and Acquisition firm which worked with companies valued at 10-100 Million.

**Director of Programming** - To be hired on funding – This position will be a senior designer and programmer.

**Programming Manager** - To be hired on funding – This position will be a senior programmer.

**VP of Marketing** - To be hired on funding – This position will require a person with a broad marketing experience including social medias.

**Online Manager** -To be hired on funding – This position will be a seasoned computer engineer.

The screenshot shows the Mejuba website interface. At the top left is the 'meJuba' logo. To the right is a login form with fields for 'Email' and 'Password', a 'Login' button, and checkboxes for 'Remember me next time' and 'Forgot your login?'. Below the logo is a navigation menu with links for 'Why', 'About', 'Sign Up', and 'Search'. The main content area features a large image of a tropical beach with a thatched umbrella. Below the image is a search bar with a 'Search' button and checkboxes for 'Photos' and 'Videos'. To the right of the image is a large heading 'Upload your Photos and Videos' with a sub-headline 'Sign Up Today - It only takes a minute and it's free'. Below this is a section titled 'GET ALL OF THIS AND MUCH MORE' listing features: 'UNMETERED TRAFFIC' (no restrictions on monthly traffic or quotas), 'DOWNLOAD OF ORIGINALS' (always access to your uploaded originals), 'NO SCALING OF PHOTOS' (uploaded photos and videos are saved in the original form), 'UNLIMITED STORAGE' (upload and store as many photos and videos as you want), 'UPLOAD FOLDERS' (upload folders while retaining your PC folder structure), and 'NO FILESIZE LIMIT' (upload up to 1GB per upload). Below this is a 'FOR FREE' section with the text 'Others claim to be free - we are!'. At the bottom, there are three columns of promotional text: 'Upload Photos and Videos' (Upload as many and as often as you want. There is no restriction on the number or size.), 'Share with friends and family' (Share your Mejuba with friends, family and others. You decide who has access.), and 'Free, free, free' (On Mejuba it's all free! Unlimited storage for your photos and videos. No metering or quotas.). Each column has a 'Read more' button.

# Financial Projections

**Assumptions** – Below is each line item of the P&L projection and the basis for its projection.

## User Adoption Rate & Sales

**Users** – Currently Mejuba hosts 12,500 subscribers in its beta operations. This has been accomplished without market, all viral and organic over a 6 months period of time. After launch is completed and marketing campaign started 75,000 users are expected to join in Year 1, another 135,00 in year 2 and 210,000 in year 3 for a total of 420,000. This is less than .1% of the growth expected in the market over the next 3 years. Mejuba believes this to be a very conservative estimate.

**Sales** - Pay for services listed below are based on either 7% or 2% (annual) of the subscriber base using these services. These percentages are established from feedback during the beta launch and research from competing sites.

**Sales - Subscriptions** – Mejuba projects 30% of their subscribers a year will use our Pro subscription service that will cost \$100/per year.

**Sales - Print Services** – Mejuba projects 7% of their subscribers a year will use one of the print services. With very low yearly spending of \$6.

**Sales – Back up of all files-** Mejuba will offer back up of all files for a monthly cost of \$4 per month. Nearly 25% of our current users have said they would use this service but we have conservatively used 10% in our pro forma.

**Sales - Ecommerce** – Mejuba will offer its users the opportunity to buy cameras, video cameras, lens, and other photographer related items. We have conservatively estimated that nearly 5% of our users will spend \$1000 every 5 years or/ 200 per year.

**Cost of Goods** – There are two categories for COGS. First, the direct cost of running the website. Second, the costs associated with revenue generating services.

**Network Operations Center** – This is the operational cost of server farm and bandwidth to service the website. This cost is directly associated with the number of subscribers and scales accordingly.

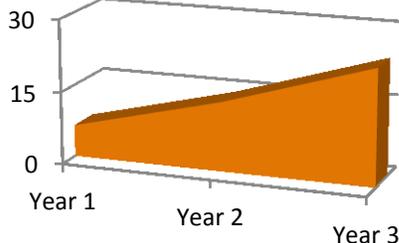
**Programming** – This is the operational cost to keep user applications regularly updated. Examples are Iphone, Android, Windows, desktop, etc. apps that users use to connect to Mejuba.com. See detail of expenses in Use of Funds Section

**User Interface** – User interface is the graphical interface users see on screen. Separate from actual application programming but related, the user interfaces have regular updates and apart of the direct costs. See detail of expenses in Use of Funds Section

**Print Services** – Printing cost of photos has a very small profit margin, approximately 8%. Printing of mugs and tee shirts has a much higher margin of 15-20%. Because the mix of products customer will choose is too difficult to project, Mejuba is projecting a 90% cost of sales on printing services. This will generate a conservative 10% profit margin.

**Ecommerce-** Mejuba expects to retain roughly 10% from the sale of camera related goods

Sales in Millions



# Financial Projections

## 6 Mo Pre Launch Total Expenses

MONTH	PL - 1	PL - 2	PL - 3	PL - 4	PL - 5	PL - 6	Total Pre Launch
<b>Operations</b>							
Network Operations Center	10500	10500	10500	10500	10500	10500	63,000
Programming (see detail)	22,689	22,689	22,689	22,689	22,689	0	113,445
User Interface (see detail)	6,600	6,600	6,600	6,600	6,600	0	33,000
<b>EXPENSES</b>							
Office Rent & Utilities							0
Office Supplies/Equip	21	21	21	21	21	21	126
Attorney	316	316	316	316	316	316	1,896
CPA	183	183	183	183	183	183	1,098
Phone/Internet	91	91	91	91	91	91	546
Travel	633	633	633	633	633	633	3,798
Publications	76	76	76	76	76	76	456
Hardware (see detail)	16,155	0	0	0	0	0	16,155
Software (see detail)	8,660	0	0	0	0	0	8,660
<b>Marketing</b>							
SEO/PPC/Adwords	0	0	0	20,000	20,000	20,000	60,000
Affiliate & PR	3,500	3,500	3,500	3,500	3,500	3,500	21,000
Social Media	0	0	0	0	0	10,900	10,900
Analysis/Research	0	0	3,000	0	0	0	3,000
Campaign & Events	0	0	0	0	0	0	0
<b>Contract Staffing</b>							
Consulting	3,666	3,666	3,666	3,666	3,666	3,666	21,996
<b>CFO</b>							
Marketing Director			5,000	5,000	5,000	5,000	20,000
Admin staff	0	4,000	4,000	4,000	4,000	4,000	20,000
Database Admin	6,000	6,000	6,000	6,000	6,000	6,000	36,000
Nicolai Busekist CTO	6,000	6,000	6,000	6,000	6,000	6,000	36,000
Chad Dearey CEO	6,000	6,000	6,000	6,000	6,000	6,000	36,000
Programmer	7,000	7,000	7,000	7,000	7,000	7,000	42,000
Employment Taxes	2,287	2,760	2,760	2,760	2,760	2,760	16,087
<b>TOTAL EXPENSES</b>	100,377	80,035	88,035	105,035	105,035	86,646	565,163
<b>OPERATING INCOME (LOSS)</b>	(100,377)	(80,035)	(88,035)	(105,035)	(105,035)	(86,646)	(565,163)

# Financial Projections Year 1

YEAR 1																
Month	1	2	3	Q1	4	5	6	Q2	7	8	9	Q3	10	11	12	Q4
<b>Number of Users</b>	5,000	5,000	5,000	15,000	5,000	5,000	5,000	15,000	7,500	7,500	7,500	22,500	7,500	7,500	7,500	22,500
<b>Sales</b>																
<b>Subscriptions</b>	\$ 150,000	\$ 150,000	\$ 150,000	\$ 450,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 450,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 675,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 675,000
<b>Print Services</b>	10,500	10,500	10,500	31,500	10,500	10,500	10,500	31,500	15,750	15,750	15,750	47,250	15,750	15,750	15,750	47,250
<b>Advertising</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Ecommerce</b>	250,000	250,000	250,000	750,000	250,000	250,000	250,000	750,000	375,000	375,000	375,000	1,125,000	375,000	375,000	375,000	1,125,000
<b>All file back up</b>	24,000	24,000	24,000	72,000	24,000	24,000	24,000	72,000	36,000	36,000	36,000	108,000	36,000	36,000	36,000	108,000
<b>Total Sales</b>	434,500	434,500	434,500	1,303,500	434,500	434,500	434,500	1,303,500	651,750	651,750	651,750	1,955,250	651,750	651,750	651,750	1,955,250
<b>Cost of Good Sold</b>																
<b>Network Opp Cntr (photos &amp; All)</b>	5,500	10,500	15,500	31,500	20,500	26,000	31,500	78,000	39,750	48,000	56,250	144,000	63,750	71,250	78,750	213,750
<b>Programming (see detail)</b>	9,224	9,224	9,224	27,673	9,224	9,224	9,224	27,673	9,224	9,224	9,224	27,673	9,224	9,224	9,224	27,673
<b>User Interface (see detail)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Print Services</b>	9,450	9,450	9,450	28,350	9,450	9,450	9,450	28,350	14,175	14,175	14,175	42,525	14,175	14,175	14,175	42,525
<b>Ecommerce</b>	225,000	225,000	225,000	675,000	225,000	225,000	225,000	675,000	337,500	337,500	337,500	1,012,500	337,500	337,500	337,500	1,012,500
<b>Total COGS</b>	249,174	254,174	259,174	762,523	264,174	269,674	275,174	809,023	400,649	408,899	417,149	1,226,698	424,649	432,149	439,649	1,296,448
<b>GROSS MARGIN</b>	\$185,326	\$180,326	\$175,326	\$540,978	\$170,326	\$164,826	\$159,326	\$494,478	\$251,101	\$242,851	\$234,601	\$728,553	\$227,101	\$219,601	\$212,101	\$658,803

# Financial Projections Year 1 Expenses

<b>EXPENSES</b>																
<b>Gen/Admin</b>																
Office Rent	1,467	1,467	1,467	4,401	1,467	1,467	1,467	4,401	1,875	1,875	1,875	5,625	1,875	1,875	1,875	5,625
Office																
Supplies/Equip	50	50	50	150	50	50	50	150	33	33	33	99	33	33	33	99
Attorney/CPA	800	800	800	2,400	800	800	800	2,400	916	916	916	2,748	916	916	916	2,748
Phone/Internet	183	183	183	549	183	183	183	549	333	333	333	999	333	333	333	999
Travel	9,185	9,185	9,185	27,555	9,185	9,185	9,185	27,555	560	560	560	1,680	560	560	560	1,680
Publications	62	62	62	186	62	62	62	186	125	125	125	375	125	125	125	375
Hardware (see detail)	1,667	1,667	1,667	5,001	1,667	1,667	1,667	5,001	1,468	1,468	1,468	4,403	1,468	1,468	1,468	4,403
Software (see detail)	-	-	-	0	-	-	-	0	608	608	608	1,825	608	608	608	1,825
<b>Marketing</b>																
SEO/CPA/Adwords	75,000	75,000	75,000	225,000	75,000	75,000	75,000	225,000	112,500	112,500	112,500	337,500	112,500	112,500	112,500	337,500
Affiliate & PR	1,515	1,515	1,515	4,545	1,515	1,515	1,515	4,545	1,122	1,122	1,122	3,366	1,122	1,122	1,122	3,366
Social Media	3,000	3,000	3,000	9,000	3,000	3,000	3,000	9,000	3,000	3,000	3,000	9,000	3,000	3,000	3,000	9,000
Analysis/Research	166	166	166	498	166	166	166	498	300	300	300	900	300	300	300	900
Campaigns & Events	758	758	758	2,274	758	758	758	2,274	545	545	545	1,635	545	545	545	1,635
<b>Contracting Staff</b>																
Consulting	1,667	1,667	1,667	5,001	1,667	1,667	1,667	5,001	834	834	834	2,502	834	834	834	2,502
<b>Admin staff</b>																
Assistant 1	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000
Customer Service																
Rep(s) 1-4	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000
CFO	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000
Nicolai Busekist																
Founder/CTO	12,000	12,000	12,000	36,000	12,000	12,000	12,000	36,000	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000
Chad Dearey/CEO	12,000	12,000	12,000	36,000	12,000	12,000	12,000	36,000	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000
Marketing Director	5,000	5,000	5,000	15,000	5,000	5,000	5,000	15,000	8,000	8,000	8,000	24,000	8,000	8,000	8,000	24,000
Sales Director	0	0	0	0	10,000	10,000	10,000	30,000	10,000	10,000	10,000	30,000	10,000	10,000	10,000	30,000
Programmer(s) 1-7	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000
Database Admin	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000
Hardware/hosting specialist	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employment Taxes	4,680	4,680	4,680	14,040	5,880	5,880	5,880	17,640	6,480	6,480	6,480	19,440	6,480	6,480	6,480	19,440
<b>TOTAL EXPENSES</b>	<b>158,200</b>	<b>158,200</b>	<b>158,200</b>	<b>474,599</b>	<b>169,400</b>	<b>169,400</b>	<b>169,400</b>	<b>508,199</b>	<b>205,699</b>	<b>205,699</b>	<b>205,699</b>	<b>617,097</b>	<b>205,699</b>	<b>205,699</b>	<b>205,699</b>	<b>617,097</b>
<b>OPERATING INCOME</b>	<b>\$ 27,126</b>	<b>\$ 22,126</b>	<b>\$ 17,126</b>	<b>\$ 66,379</b>	<b>\$ 926</b>	<b>\$ (4,574)</b>	<b>\$ (10,074)</b>	<b>\$ (13,722)</b>	<b>\$ 45,402</b>	<b>\$ 37,152</b>	<b>\$ 28,902</b>	<b>\$ 111,456</b>	<b>\$ 21,402</b>	<b>\$ 13,902</b>	<b>\$ 6,402</b>	<b>\$ 41,706</b>

# Financial Projections Year 5

## YEAR 5

Month	49	50	51	Q1	52	53	54	Q2	55	56	57	Q3	58	59	60	Q4
<b>Number of Users</b>	35,000	35,000	35,000	105,000	35,000	35,000	35,000	105,000	40,000	40,000	40,000	120,000	40,000	40,000	40,000	120,000
<b>Sales</b>																
<b>Subscriptions</b>	\$ 2,803,125	\$ 2,803,125	\$ 2,803,125	\$ 8,409,375	\$ 2,803,125	\$ 2,803,125	\$ 2,803,125	\$ 8,409,375	\$ 2,953,125	\$ 2,953,125	\$ 2,953,125	\$ 8,859,375	\$ 2,953,125	\$ 2,953,125	\$ 2,953,125	\$ 8,859,375
<b>Print Services</b>	73,500	73,500	73,500	220,500	73,500	73,500	73,500	220,500	84,000	84,000	84,000	252,000	84,000	84,000	84,000	252,000
<b>Advertising</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Ecommerce</b>	1,750,000	1,750,000	1,750,000	5,250,000	1,750,000	1,750,000	1,750,000	5,250,000	2,000,000	2,000,000	2,000,000	6,000,000	2,000,000	2,000,000	2,000,000	6,000,000
<b>All file back up</b>	468,000	468,000	468,000	1,404,000	468,000	468,000	468,000	1,404,000	492,000	492,000	492,000	1,476,000	492,000	492,000	492,000	1,476,000
<b>Total Sales</b>	5,094,625	5,094,625	5,094,625	15,283,875	5,094,625	5,094,625	5,094,625	15,283,875	5,529,125	5,529,125	5,529,125	16,587,375	5,529,125	5,529,125	5,529,125	16,587,375
<b>Cost of Good Sold</b>																
<b>Network Opp Cntr (photos &amp; All)</b>	758,750	793,750	828,750	2,381,250	863,750	898,750	933,750	2,696,250	973,750	1,013,750	1,053,750	3,041,250	1,093,750	1,133,750	1,173,750	3,401,250
<b>Programming</b>	5,350	5,350	5,350	16,050	5,350	5,350	5,350	16,050	5,350	5,350	5,350	16,050	5,350	5,350	5,350	16,050
<b>User Interface</b>	1,367	1,367	1,367	4,100	1,367	1,367	1,367	4,100	1,367	1,367	1,367	4,100	1,367	1,367	1,367	4,100
<b>Print Services</b>	66,150	66,150	66,150	198,450	66,150	66,150	66,150	198,450	75,600	75,600	75,600	226,800	75,600	75,600	75,600	226,800
<b>Ecommerce</b>	1,575,000	1,575,000	1,575,000	4,725,000	1,575,000	1,575,000	1,575,000	4,725,000	1,800,000	1,800,000	1,800,000	5,400,000	1,800,000	1,800,000	1,800,000	5,400,000
<b>Total COGS</b>	2,406,617	2,441,617	2,476,617	7,324,850	2,511,617	2,546,617	2,581,617	7,639,850	2,856,067	2,896,067	2,936,067	8,688,200	2,976,067	3,016,067	3,056,067	9,048,200
<b>GROSS MARGIN</b>	\$2,688,008	\$2,653,008	\$2,618,008	\$7,959,025	\$2,583,008	\$2,548,008	\$2,513,008	\$7,644,025	\$2,673,058	\$2,633,058	\$2,593,058	\$7,899,175	\$2,553,058	\$2,513,058	\$2,473,058	\$7,539,175

# Financial Projections Year 5 Expenses

<b>EXPENSES</b>																
<b>Gen/Admin</b>																
<b>Office Rent</b>	3,045	3,045	3,045	9,135	3,045	3,045	3,045	9,135	3,045	3,045	3,045	9,135	3,045	3,045	3,045	9,135
<b>Office</b>																
<b>Supplies/Equip</b>	30	30	30	90	30	30	30	90	30	30	30	90	30	30	30	90
<b>Attorney/CPA</b>	1,367	1,367	1,367	4,101	1,367	1,367	1,367	4,101	1,367	1,367	1,367	4,101	1,367	1,367	1,367	4,101
<b>Phone/Internet</b>	542	542	542	1,626	542	542	542	1,626	542	542	542	1,626	542	542	542	1,626
<b>Travel</b>	550	550	550	1,650	550	550	550	1,650	550	550	550	1,650	550	550	550	1,650
<b>Publications</b>	125	125	125	375	125	125	125	375	125	125	125	375	125	125	125	375
<b>Hardware</b>	2,743	2,743	2,743	8,228	2,743	2,743	2,743	8,228	2,743	2,743	2,743	8,228	2,743	2,743	2,743	8,228
<b>Software</b>	608	608	608	1,825	608	608	608	1,825	608	608	608	1,825	608	608	608	1,825
<b>Marketing</b>																
<b>SEO/CPA/Adwords</b>	525,000	525,000	525,000	1,575,000	525,000	525,000	525,000	1,575,000	600,000	600,000	600,000	1,800,000	600,000	600,000	600,000	1,800,000
<b>Affiliate &amp; PR</b>	2,042	2,042	2,042	6,126	2,042	2,042	2,042	6,126	2,042	2,042	2,042	6,126	2,042	2,042	2,042	6,126
<b>Social Media</b>	3,000	3,000	3,000	9,000	3,000	3,000	3,000	9,000	3,000	3,000	3,000	9,000	3,000	3,000	3,000	9,000
<b>Analysis/Research</b>	667	667	667	2,001	667	667	667	2,001	667	667	667	2,001	667	667	667	2,001
<b>Campaigns &amp; Events</b>	545	545	545	1,635	545	545	545	1,635	545	545	545	1,635	545	545	545	1,635
<b>Contracting Staff</b>																
<b>Consulting</b>	834	834	834	2,502	834	834	834	2,502	834	834	834	2,502	834	834	834	2,502
<b>Admin staff</b>																
<b>Assistant 1</b>	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000	4,000	4,000	4,000	12,000
<b>Customer Service Rep(s) 1-4</b>	16,000	16,000	16,000	48,000	16,000	16,000	16,000	48,000	16,000	16,000	16,000	48,000	16,000	16,000	16,000	48,000
<b>CFO</b>	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000
<b>Nicolai Busekist Founder/CTO</b>	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000
<b>Chad Dearey/CEO</b>	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000	14,000	14,000	14,000	42,000
<b>Marketing Director</b>	8,000	8,000	8,000	24,000	8,000	8,000	8,000	24,000	8,000	8,000	8,000	24,000	8,000	8,000	8,000	24,000
<b>Sales Director</b>	10,000	10,000	10,000	30,000	10,000	10,000	10,000	30,000	10,000	10,000	10,000	30,000	10,000	10,000	10,000	30,000
<b>Programmer(s) 1-7</b>	49,000	49,000	49,000	147,000	49,000	49,000	49,000	147,000	49,000	49,000	49,000	147,000	49,000	49,000	49,000	147,000
<b>Database Admin</b>	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000
<b>Hardware/hosting specialist</b>	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000	7,000	7,000	7,000	21,000
<b>Employment Taxes</b>	13,800	13,800	13,800	41,400	13,800	13,800	13,800	41,400	13,800	13,800	13,800	41,400	13,800	13,800	13,800	41,400
<b>TOTAL EXPENSES</b>	690,898	690,898	690,898	2,072,694	690,898	690,898	690,898	2,072,694	765,898	765,898	765,898	2,297,694	765,898	765,898	765,898	2,297,694
<b>OPERATING INCOME</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1,997,111	1,962,111	1,927,111	5,886,332	1,892,111	1,857,111	1,822,111	5,571,332	1,907,161	1,867,161	1,827,161	5,601,482	1,787,161	1,747,161	1,707,161	5,241,482