

**ABC Corporation**  
**PRO FORMA - AATS2000 Plant processing 15840 Tons of Used Tires per year - operating 330 days per year**  
**( in CAD/USD currency )**

REVENUE	Assumptions	Sale Price per Ton	% of Prod.	Total Ton Production	Revenue	1st year	2nd year	3rd year	4th year	5th Year
Fuel Oil/\$400/T		400	40%	6,192	2,476,800	2,476,800	2,551,104	2,627,637	2,706,466	2,787,660
N grade CB		2,000	38%	5,882	11,764,800	11,764,800	12,117,744	12,481,276	12,855,715	13,241,386
Steel		300	7%	1,109	332,640	332,640	342,619	352,898	363,485	374,389
Tire recycling \$3.00/tire	1	300		15,890	4,767,000	4,767,000	4,910,010	5,057,310	5,209,030	5,365,300
<b>Total Revenue</b>					<b>19,341,240</b>	<b>19,341,240</b>	<b>19,921,477</b>	<b>20,519,122</b>	<b>21,134,695</b>	<b>21,768,736</b>
<b>Operational Expense</b>										
Electricity Equipment	2				11,340	11,340	11,567	11,798	12,034	12,275
Diesel or Natural Gas	3				48,000	48,000	48,960	49,939	50,938	51,957
Water	4				7,310	7,310	7,456	7,605	7,757	7,913
Maintenance Equipment	5				50,000	50,000	51,000	52,020	53,060	54,122
Water Treatment	6				2,000	2,000	2,040	2,081	2,122	2,165
Landfill waste disposal fee	7				33,000	33,000	33,660	34,333	35,020	35,720
CB Packaging	8				330,000	330,000	336,600	343,332	350,199	357,203
Chemical Catalyst	9				60,000	60,000	61,200	62,424	63,672	64,946
Filter Replacement	10				33,000	33,000	33,660	34,333	35,020	35,720
Plant Rental	11				72,000	72,000	73,440	74,909	76,407	77,935
Property Taxes	12				15,000	15,000	15,300	15,606	15,918	16,236
Electricity Plant Office	13				18,000	18,000	18,360	18,727	19,102	19,484
Waste Discharge	14				8,400	8,400	8,568	8,739	8,914	9,092
Cleaning	15				18,000	18,000	18,360	18,727	19,102	19,484
Water- Office	16				3,000	3,000	3,060	3,121	3,184	3,247
<b>Total</b>					<b>709,050</b>	<b>709,050</b>	<b>723,231</b>	<b>737,696</b>	<b>752,450</b>	<b>767,499</b>
<b>Employee Expense</b>										
		No.	Salary							
Plant Manager		1	66,000		66,000	66,000	69,300	72,765	72,765	72,765
Marketing and Product Manager		1	54,000		54,000	54,000	56,700	59,535	59,535	59,535
Asst Plant Manager		1	48,000		48,000	48,000	50,400	52,920	52,920	52,920
Foreman		3	42,000		126,000	126,000	132,300	138,915	138,915	138,915
Equipment Operators		12	36,000		432,000	432,000	453,600	476,280	476,280	476,280
Engineers		2	60,000		120,000	120,000	126,000	132,300	132,300	132,300
Chemist		1	60,000		60,000	60,000	63,000	66,150	66,150	66,150
Administrative Assistants		2	24,000		48,000	48,000	50,400	52,920	52,920	52,920
Marketing & Sales Staff		2	48,000		96,000	96,000	100,800	105,840	105,840	105,840
Accounting Dept		1	48,000		48,000	48,000	50,400	52,920	52,920	52,920
<b>Total</b>					<b>1,098,000</b>	<b>1,098,000</b>	<b>1,152,900</b>	<b>1,210,545</b>	<b>1,210,545</b>	<b>1,210,545</b>
CPP & EI	17		7.23%		79,385	79,385	83,355	87,522	87,522	87,522
Benefits			6.50%		71,370	71,370	74,939	78,685	78,685	78,685
<b>Total</b>					<b>1,248,755</b>	<b>1,248,755</b>	<b>1,311,193</b>	<b>1,376,753</b>	<b>1,376,753</b>	<b>1,376,753</b>
<b>Liability and Insurance</b>										
Liability	18				60,000	60,000	61,200	62,424	63,672	64,946
Worker's Comp			0.97%		10,651	10,651	11,183	11,742	11,742	11,742
<b>Total</b>					<b>70,651</b>	<b>70,651</b>	<b>72,383</b>	<b>74,166</b>	<b>75,415</b>	<b>76,688</b>
<b>Office &amp; Yard Expense</b>										
Office & Lab supplies	19				48,000	48,000	48,960	49,939	50,938	51,957
Yard Maintenance	20				24,000	24,000	24,480	24,970	25,469	25,978
Postage & Courier					24,000	24,000	24,480	24,970	25,469	25,978
Cell Phones			15		9,000	9,000	9,180	9,364	9,551	9,742
Office phone & fax					4,500	4,500	4,590	4,682	4,775	4,871
Security system					12,000	12,000	12,240	12,485	12,734	12,989
<b>Total</b>					<b>121,500</b>	<b>121,500</b>	<b>123,930</b>	<b>126,409</b>	<b>128,937</b>	<b>131,516</b>
<b>Administrative Expenses</b>										
Marketing/Advertising	21		1.5%		290,119	290,119	295,921	301,839	307,876	314,034
Legal					12,000	12,000	12,240	12,485	12,734	12,989
Public Relations					60,000	60,000	61,200	62,424	63,672	64,946
Testing					48,000	48,000	48,960	49,939	50,938	51,957
Fees & Licenses					24,000	24,000	24,480	24,970	25,469	25,978
Commission	22		5%		967,062	967,062	986,403	1,006,131	1,026,254	1,046,779
<b>Total</b>					<b>1,401,181</b>	<b>1,401,181</b>	<b>1,429,204</b>	<b>1,457,788</b>	<b>1,486,944</b>	<b>1,516,683</b>
<b>Total Operating Expenses</b>					<b>3,551,137</b>	<b>3,551,137</b>	<b>3,659,942</b>	<b>3,772,812</b>	<b>3,820,498</b>	<b>3,869,138</b>
Amortization @5%-10.5M	23		5%		525,000	525,000	525,000	472,500	448,875	426,431
Royalty % of gross revenue	24		5%		967,062	967,062	996,074	1,025,956	1,056,735	1,088,437
<b>Net Profit Before Tax (NPBT)</b>					<b>14,823,041</b>	<b>14,823,041</b>	<b>15,265,462</b>	<b>15,720,354</b>	<b>16,257,462</b>	<b>16,811,161</b>
<b>Net Profit Before Tax (USD)</b>	25				<b>11,147,826</b>	<b>11,147,826</b>	<b>11,480,553</b>	<b>11,822,659</b>	<b>12,226,598</b>	<b>12,643,013</b>
Capital Cost - one AATS2000 =					USD \$10,500,000					
Ancillary equipment =					USD \$850,000					

**Assumptions :-**

- 1 Tipping fee paid by Tire recycling authority \$3.00/per tire -100 tires per ton (in BC, Canada)
- 2 Tipping fees vary from location to location and countries as well. So, the same AATS2000 system employed in various locations, will have different revenue results, but suffice to say that the ROI on capital invested will be less than 2 years..
- 3 Electricity -projected 2,000,000 kwh@\$0.667/kwh-1,000,000kwh allocated for pre & post processing equipment
- 4 Diesel or natural gas \$48,000 for start up of furnace
- 5 Water projection on usage of 1.9 million gallons @ commercial rate of \$0.005/gallon
- 6 Maintenance of equipment \$50,000
- 7 Water treatment \$2,000
- 8 Landfill disposal fees\$33,000
- 9 CB Packaging cost projection based on plant size -cost \$50.00/ton of carbon black
- 10 Chemical catalysts (cost projections including acid washing if required) \$60,000
- 11 Filter & Seal replacement - cost projection \$33,000
- 12 Plant rental for 10,000 sq ft @\$6.00 per sq ft
- 13 Triple net costs \$4.00/sq ft (landlords estimated cost of ins., taxes, and other charges assumed by tenant ) of plant
- 14 Projected electricity plant office and lab equipment and staff room \$18,000
- 15 Projected waste discharge fee of \$8,400 - base on research data
- 16 Projected cleaning of office, lab and staff facilities \$18,000
- 17 Water supplied for office usage \$3,000
- 18 Projected CPP & EI 7.23% - based on gov't charts - employee benefits-dental & health plans 6.5%
- 19 Projected Liability, equipment & auto insurance \$60,000 - Workmens compensation 0.97% - based on WCB designations
- 20 Projected Office and Lab supplies \$4,000
- 21 Projected Yard Maintenance \$24,000, Postage & courier\$24,000, Cell phones \$9,000, office tel & fax \$4,500, security \$12,000
- 22 Marketing & advertising 1.5% of sales
- 23 Projected Admin Expenses - Legal \$12,000 -Public relations \$60,000- Testing \$48,000 - license fees \$24,000 Sales comm. 5%
- 24 Amortization based on 20 year amortization rate -5%
- 25 Gross Royalty as per licensing agreement - 5%
- 26 As at June 29, 2019 the currency exchange is 1USD = CAC 1.32968

**Other assumptions** - revenue projections to increase 3% per year , operational and admin expenses to increase 2% per year excepting wages which are projected to increase by 5% for first 3 operational years.