

NEWCO INC. MONTHLY REPORT: MARCH 2016
Revenue & COGS

- Sales decreased by 5% - Returns increased from 15% to 20% of retail sales (exclude event/online)
- GM decreased by 7% driven primarily by a 9% increase in material costs as % of sales.
- Material cost increase driven by substantial pricing increases in apples (100%+ increase)
- Gross Margin excluding returns was 31%

Expenses

- Total employee costs increased by 11k driven by one-time relocation expenses
- With interest, depreciation and relocation expenses removed, total operating expenses would be @ \$57K. With GP taken into account, overall loss would be \$49K.

March Balance Sheet:

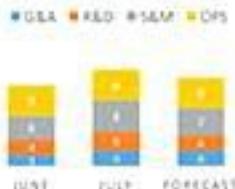
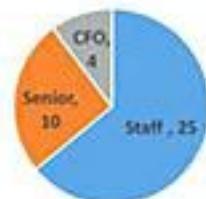
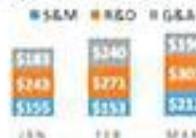
- Cash decrease of \$260k driven by net loss, reduction of AP, equipment deposits and prepaid inventory (bottles)
- AP decrease of \$90k primarily related to note repayments and equipment payments



- S&M variance driven by increased Facebook Ad spend
- G&A variance driven by one-time R&M expenses

Simplicity Effort

Set up	2
AP	4
AR	4
Payroll	3
HR	3
Cash-flow mgmt	2
Banking/CC	6
Monthly close	7
Reporting	3
Other project	5
Total Hrs Spent	39

HR REPORT

SIMPLEXITY RESOURCES

EXPENSE BREAKDOWN

REVENUE

HEADCOUNT

BOOKINGS

MRR
