



DEUTSCH
CYBERSECURITY
GROUP

Table of Contents

1.0 Executive Summary	4
2.0 The Financing	6
2.1 Funds Required	6
2.2 Management and Investor Equity	6
2.3 Exit Strategies	6
3.0 Operations	7
4.0 Overview of the Organization.....	8
4.1 Registered Name	8
4.2 Commencement of Operations	8
4.3 Mission Statement.....	8
4.4 Vision Statement.....	8
4.5 Organizational Objectives.....	8
5.0 Market and Industry Analysis.....	9
5.1 External Environmental Analysis	9
5.2 Industry Analysis	9
5.3 Customer Profile	9
5.4 Competitive Analysis.....	10
6.0 Key Strategic Issues	10
6.1 Sustainable Operations.....	11
6.2 Basis of Growth	11
7.0 Marketing Plan.....	12
7.1 Marketing Objectives.....	12
7.2 Revenue Forecasts	12
7.3 Revenue Assumptions.....	12
7.4 Marketing Strategies	13
8.0 Organizational Plan.....	14
8.1 Organizational Hierarchy.....	14
8.2 Personnel Costs.....	15
9.0 Financial Plan.....	16

9.1 Underlying Assumptions	16
9.2 Financial Highlights.....	16
9.3 Sensitivity Analysis	16
9.4 Source of Funds	16
9.5 Financial Proformas	17
A) Profit and Loss Statement.....	17
B) Common Size Income Statement.....	18
C) Cash Flow Analysis	19
D) Balance Sheet.....	20
9.6 Breakeven Analysis	21
9.7 Business Ratios	21
Appendix A – SWOT Analysis.....	22
Appendix B – Critical Risks	23
Appendix C – Expanded Profit and Loss Statements	24
Appendix D – Expanded Cash Flow Analysis.....	30

1.0 Executive Summary

The purpose of this document is a showcase that continued development of a cyber security focused IT firm based in Orlando, Florida. Deutsch Cybersecurity Group LLC (“the Company”) is currently seeking a \$175,000 revolving line of credit to establish its operations. The Company was founded by Matthew Deutsch. Full scale revenue generating operations are expected to commence in the first quarter of next year. The business will offer a wide range of comprehensive services for enterprises spanning a broad range of industries. The Company will principally focus on professional practices and businesses that deal in sensitive information within the greater Central Florida market area.

Operations

The primary service of Deutsch Cybersecurity Group is providing comprehensive analysis and implementation of protocols that protect a clients information technology infrastructure. Given the myriad of threats that can occur, the demand for the services is continually increasing.

The business will generate substantial revenues from creating plans that will allow clients to operate with a much higher degree of security within their respective organizations. The Company will generate income on a per project basis, as well as on a recurring basis for ongoing monitoring of a client’s IT systems. The business will have the ability to ensure that a client conforms with all regulatory frameworks regarding the storage transmission of sensitive information including HIPAA regulations.

The third section of the Business Plan will further document the operations of the business.

The Financing

As noted above, the Company is currently seeking \$175,000 via a revolving credit line in order to establish and expand operations. This funding will be principally used for working capital purposes and for the initial marketing of the business.

Moving forward, the Company could easily expand its credit line as new clients are onboarded for cyber security as well as general IT services that are offered.

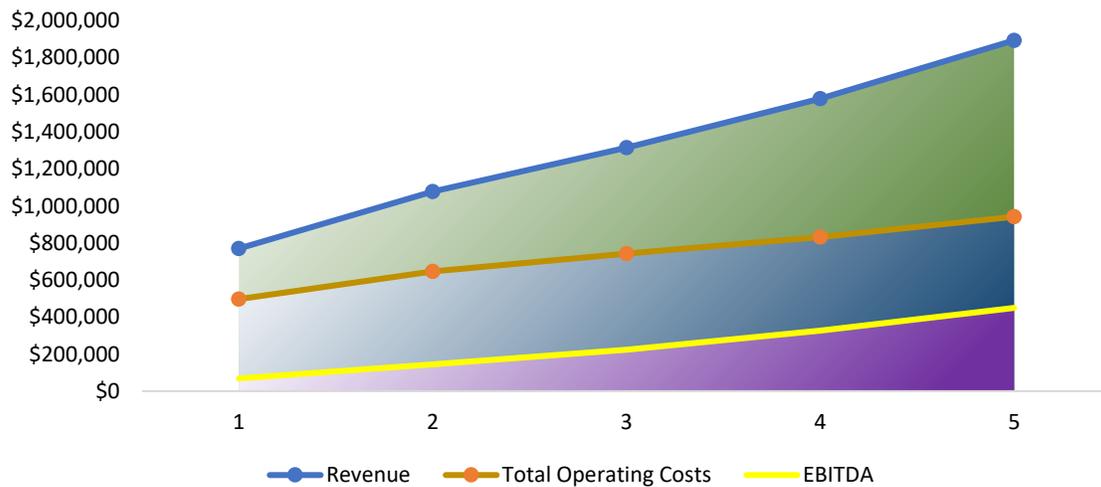
The Future

Over the next five years, the Company will continually hire new cyber security experts so that a greater degree of service can be rendered throughout the Central Florida area. If a unique opportunity presents itself, the Company may also acquire existing Enterprises that operate in a similar capacity that can be integrated into the Company’s operations.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$769,950	\$1,077,930	\$1,315,075	\$1,578,090	\$1,893,707
Cost of Revenue	\$204,435	\$286,209	\$349,175	\$419,010	\$502,812
Gross Profit	\$565,515	\$791,721	\$965,900	\$1,159,080	\$1,390,895
Total Operating Costs	\$496,891	\$646,191	\$742,287	\$832,469	\$941,499
EBITDA	\$68,624	\$145,530	\$223,612	\$326,610	\$449,397

Revenue, Operating Costs, EBITDA



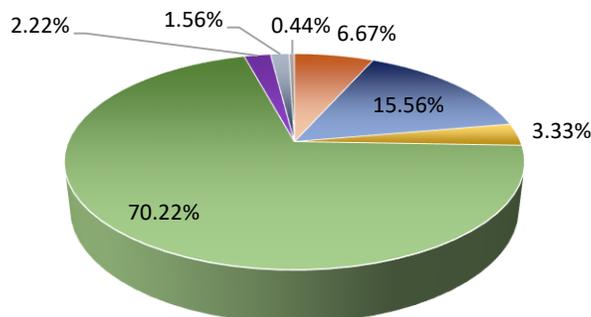
2.0 The Financing

2.1 Funds Required

A revolving credit facility of \$175,000 is required to launch operations. Matthew Deutsch will contribute \$50,000 toward the venture. The funds will be principally used for the following:

Use of Funds	
Location Development	\$15,000
Furniture, Fixtures, and Equipment	\$35,000
Pre-Launch Marketing	\$7,500
Working Capital	\$158,000
Professional Fees	\$5,000
Licenses	\$3,500
Misc. and Contingency	\$1,000
Total	\$225,000

Use of Funds Breakdown



- Location Development
- Furniture, Fixtures, and Equipment
- Pre-Launch Marketing
- Working Capital
- Professional Fees
- Licenses
- Misc. and Contingency

2.2 Management and Investor Equity

Matthew Deutsch retains a 100% ownership interest in the business.

2.3 Exit Strategies

Cyber security and IT focus businesses command a substantial price to earnings multiples given the highly recurring streams of revenue generated. Furthermore, these businesses enjoying a substantial degree of economic stability given that cyber security is something that is needed among every business in today's market. Matthew Deutsch has no long-term plans to sell this business as there is a substantial opportunity to expand not only within the Central Florida area, but also within other economically viable markets of the state.

3.0 Operations

As noted in the executive summary, Deutsch Cybersecurity Group will provide a wide range of cyber security services for companies throughout Central Florida. The scope of the Company's company services will include:

- Analysis of existing IT infrastructure to determine where vulnerabilities exist.
- Acquisition of IT assets that will further ensure these stability and security of client systems.
- Ongoing monitoring of systems at the company's headquarters in Orlando.
- Addressing cyber security attacks which will be monitored on a 24-hour basis and can be addressed with minimal lead time.
- Creating appropriate backups so that in the event that a cyber security attack is successful – a client will be able to roll back their operations to a specified point.

The business will generate substantial revenues from all facets of operation. As it relates to per project revenues, the business will generate \$2,500 to \$10,000 for the initial analysis and set up of a proper cyber security infrastructure. Monitoring service services will build at \$500 to \$2,000 per month, depending on the scope and scale of the client's operations. The highly recurring revenue produced from ongoing monitoring services will allow the business to make substantial reinvestment for expansion purposes.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Cybersecurity Group LLC. The business is registered as a limited liability company in the State of Florida.

4.2 Commencement of Operations

Revenue generating operations will commence in the first quarter of next year.

4.3 Mission Statement

To provide the Central Florida area with comprehensive cyber security services that are provided on a cost-effective basis.

4.4 Vision Statement

To become a recognized leader in the field of cybersecurity for the Central Florida market.

4.5 Organizational Objectives

- Implement best practices when providing all services to clients
- Maintain a committed research and development program so the business stays at the forefront of cyber security.
- Introduce new information technology related services so that the business can continue to expand its billings on a year on your basis.
- Provide staff with outstanding compensation packages in order to ensure employee retention.
- Adhere to all laws and regulations regarding cyber security and IT services.
- Properly expand the operations of Deutsch Cybersecurity Group in the coming years through ever expanding marketing operations.
- Establish relationships with regional business organizations to further increase brand name visibility.
- Implement numerous KPIs to ensure that the business is meeting and exceeding its growth plan metrics.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

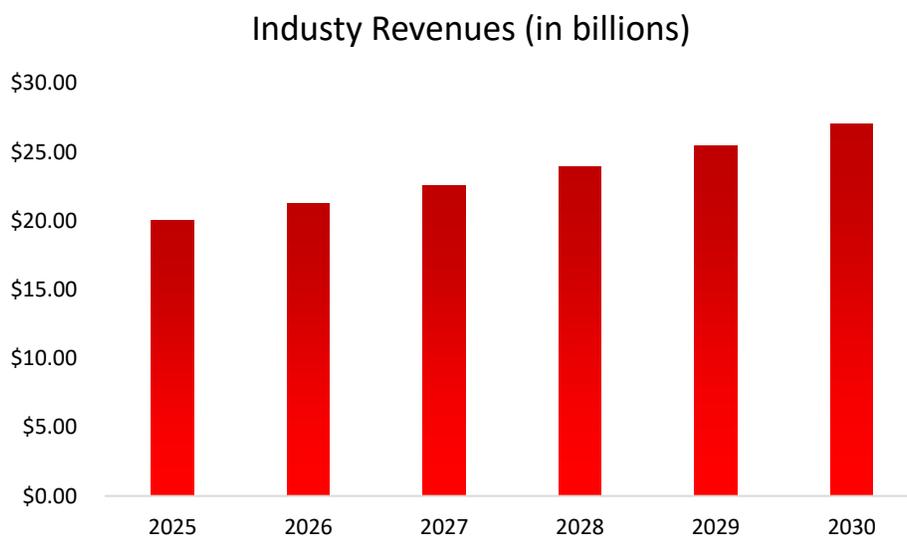
This section of the business plan will document the current economic climate, the cyber security industry, the competition that the business will face, and the customer profile of the business.

At this time, the economic climate within the United States is moderate. As a result of changing trade policies, there has been a degree of volatility that has been introduced into the market. However, the federal government is implementing appropriate policies that will ensure that inflation remains within normal bounds will also fostering ongoing economic growth.

It should be noted that the revenue is Deutsch Cybersecurity Group are wholly immune from negative changes in the economy. Cyber security is an absolute necessity, especially among companies that deal insentive information, including accounting practices, law firms, medical businesses, and technology businesses that deal in proprietary systems. Deutsch Cybersecurity Group will generate significant gross margins from its operations.

5.2 Industry Analysis

As of this year, cyber security businesses generate \$20 billion of revenue. There are 12,700 entities that are actively involved with providing this service to businesses throughout the United States. The industry employs 65,000 people.



The ongoing growth rate of this industry is expected to be higher than the economy as a whole. This is due to the fact that more businesses are continually required in comprehensive cyber security measures to protect their critical infrastructure. The

compounded annual growth rate over the next five years is expected to remain at 6.2%. Deutsch Cybersecurity Group will be able to capitalize on this ongoing demand in the coming years.

5.3 Customer Profile

The following profile will be used during the course of marketing operations:

- Operates as an enterprise that has complex IT needs with a focus on cybersecurity.
- Will spend \$500 to \$2,000 per month on ongoing services.
- Operates within 50 miles of the Company's location in Orlando.

5.4 Competitive Analysis

This business plan has been developed for sample purposes only. As such, no formal competitive analysis was completed. If this business plan for a cyber security business was completed specifically for a client engagement, then a full analysis of all competitors, their length of time in business, their reviews, and ways in which Deutsch Cybersecurity Group could differentiate itself would have been included in this analysis. When possible, we would have also addressed the scope and scale of the market in regards to the aggregate revenues produced by all service providers within the greater Orlando area.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Deutsch Cybersecurity Group will have sustainable operations as a result of the following:

- Immense demand for cyber security focus services in any economic climate.
- The operations of Deutsch Cybersecurity Group are highly scalable, and the business can hire additional cyber security experts to render expanded services.
- The Company will have access to capital on an as needed basis
- The business can continuously enter additional markets within Central Florida, as well as throughout the entirety of the state.
- Through its committed research and development program, Deutsch Cybersecurity Group will remain at the forefront of cyber security solutions which will create an immense differentiating factor.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued to hiring of qualified cyber security, experts, and IT technicians to render the services outlined in this document.
- Continued expansion of the companies online and direct outreach campaigns to onboard clients throughout degrade Orlando area.
- Potentially develop operations in other markets in Florida, Florida given the ongoing demand.
- Develop services at our specific needs of a wide range of organizations outside of the initial scope of demographics.

7.0 Marketing Plan

7.1 Marketing Objectives

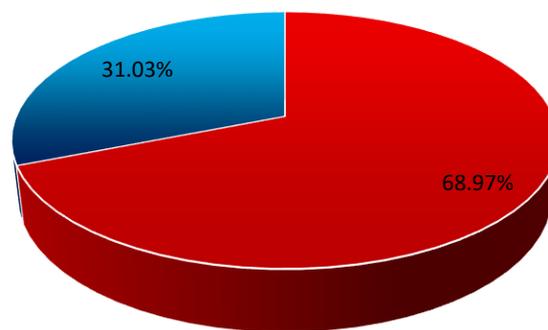
- Leverage multiple forms of online marketing for the Company’s website.
- Conduct direct outreach with the targeted demographics.
- Enroll among numerous small business organizations throughout Central Florida.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Cybersecurity Services	\$531,000	\$743,400	\$906,948	\$1,088,338	\$1,306,005
Monitoring Services	\$238,950	\$334,530	\$408,127	\$489,752	\$587,702
Total	\$769,950	\$1,077,930	\$1,315,075	\$1,578,090	\$1,893,707

Gross Profit					
Year	1	2	3	4	5
Total	\$565,515	\$791,721	\$965,900	\$1,159,080	\$1,390,895

Revenue Generation



■ Cybersecurity Services ■ Monitoring Services

7.3 Revenue Assumptions

Year 1

- First year revenue will reach \$769,000.
- During this year, the Company will conduct extensive direct outreach to drive initial client engagements.

Year 2

- Through greater marketing efforts, revenue will reach \$1.07 million.
- Revenue will increase by 40%.

Years 3-5

- By the fifth year of operation, total revenue will reach \$1.8 million.
- At this time, the Company may enter additional markets in Florida.

7.4 Marketing Strategies

Management will use a number of marketing strategies that will create significant brand-name awareness for Deutsch Cybersecurity Group in the coming years. As it has been one of the central themes throughout this document, the demand for comprehensive cyber security solutions – especially among professional service businesses – is tremendous.

Given the highly experienced founder, Matthew Deutsch, the business will be able to immediately conduct direct outreach with a number of enterprises that require these solutions on an ongoing basis. To complement Mr. Deutsch's ongoing direct outreach initiatives, the business will hire sales staff that are very well-versed on the scope of services offered by Deutsch Cybersecurity Group. These individuals will receive substantial commissions each time they foster a new client engagement.

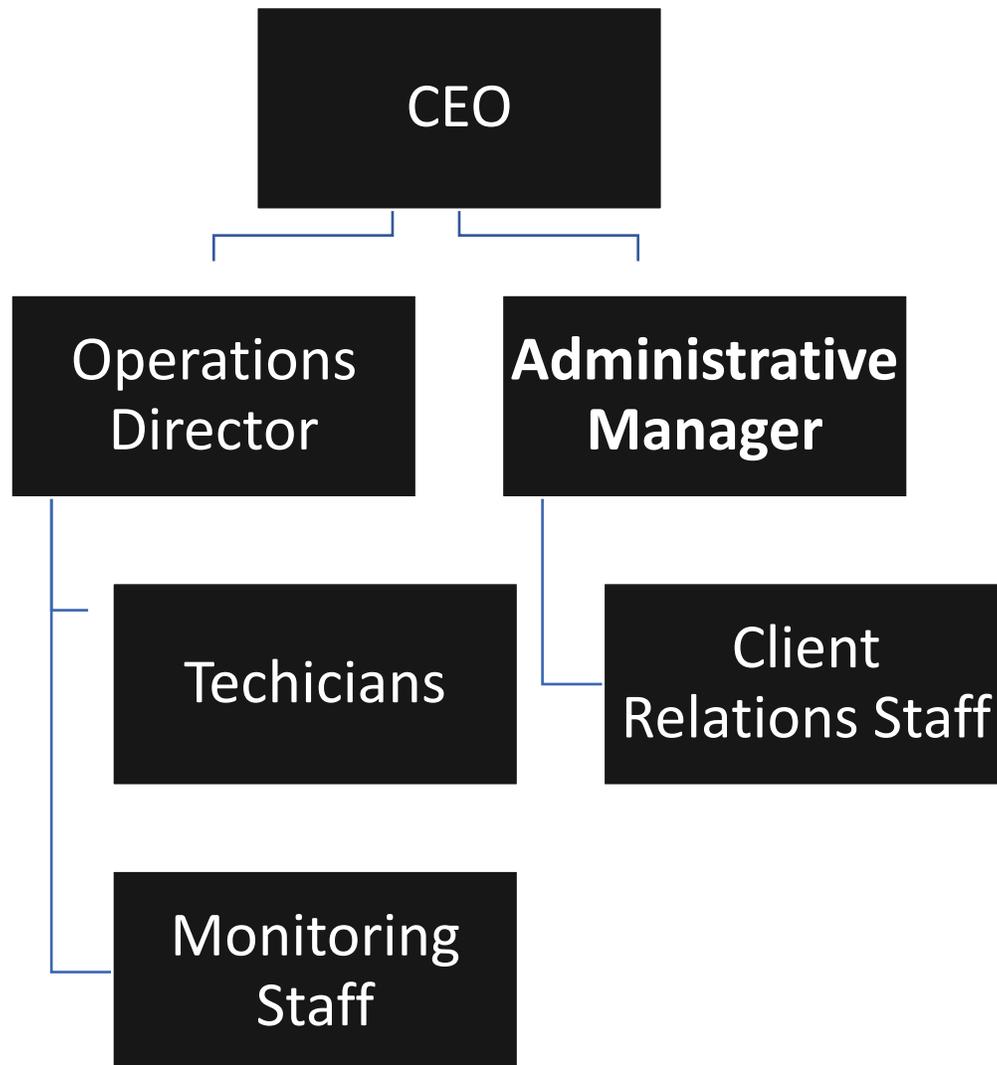
The company will also maintain a significant presence online, not only via a proprietary website, but also through multiple social media platforms as well. In regards to the Company's website, this platform will showcase every aspect of Deutsch Cybersecurity Group's operations and its ability to provide comprehensive cyber security solutions to its clients. The website will undergo significant search engine optimization.

As it releases the social media, the business will primarily focus on LinkedIn to target of people that list their profession as an IT professional within a professional service enterprise. In time, this will be expanded to include other types of industries as Deutsch Cybersecurity Group expands the scope of its operations.

The Company will also attend regional business gatherings and conferences in order to further increase brand name awareness. This will include the distribution of comprehensive sales literature that showcase the cyber security capabilities of the business.

8.0 Organizational Plan

8.1 Organizational Hierarchy

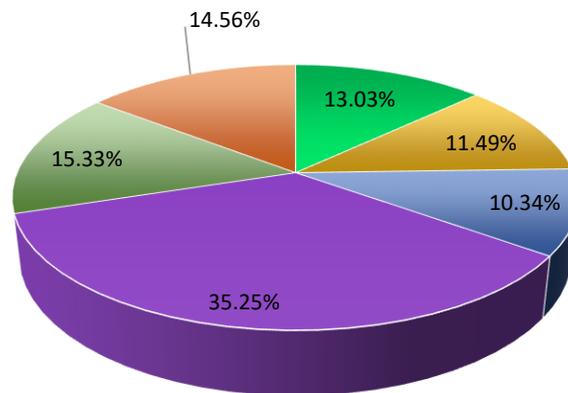


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
CEO	\$85,000	\$87,550	\$90,177	\$92,882	\$95,668
Operations Director	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413
Administrative Manager	\$67,500	\$69,525	\$71,611	\$73,759	\$75,972
Technicians	\$57,500	\$118,450	\$183,005	\$188,495	\$258,867
Monitoring Staff	\$50,000	\$103,000	\$106,090	\$109,273	\$112,551
Client Relations Staff	\$47,500	\$48,925	\$50,393	\$103,809	\$106,923
Total	\$382,500	\$504,700	\$580,843	\$650,173	\$734,394

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
CEO	1	1	1	1	1
Operations Director	1	1	1	1	1
Administrative Manager	1	1	1	1	1
Technicians	1	2	3	3	4
Monitoring Staff	1	2	2	2	2
Client Relations Staff	1	1	1	2	2
Total	6	8	9	10	11

Personnel Summary



- CEO
- Operations Director
- Administrative Manager
- Technicians
- Monitoring Staff
- Client Relations Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The business will have a compounded annual growth rate of 25%.
- Deutsch Cybersecurity Group will acquire a \$175,000 revolving credit facility to commence operations.
- The Founder/CEO will invest \$50,000 towards the venture.

9.2 Financial Highlights

- Recurring income from ongoing cybersecurity monitoring.
- Substantial revenues from cybersecurity analysis and penetration testing.
- Deutsch Cybersecurity Group’s operations are highly scalable.

9.3 Sensitivity Analysis

The Company will be able to thrive in any economic climate given the absolute necessity for comprehensive cyber security and IT solutions for small and medium size enterprises within the greater Central Florida market area. As noted throughout this document, the business will produce substantial revenues from a number of different income centers. This will significantly reduce the economic risks of the business.

9.4 Source of Funds

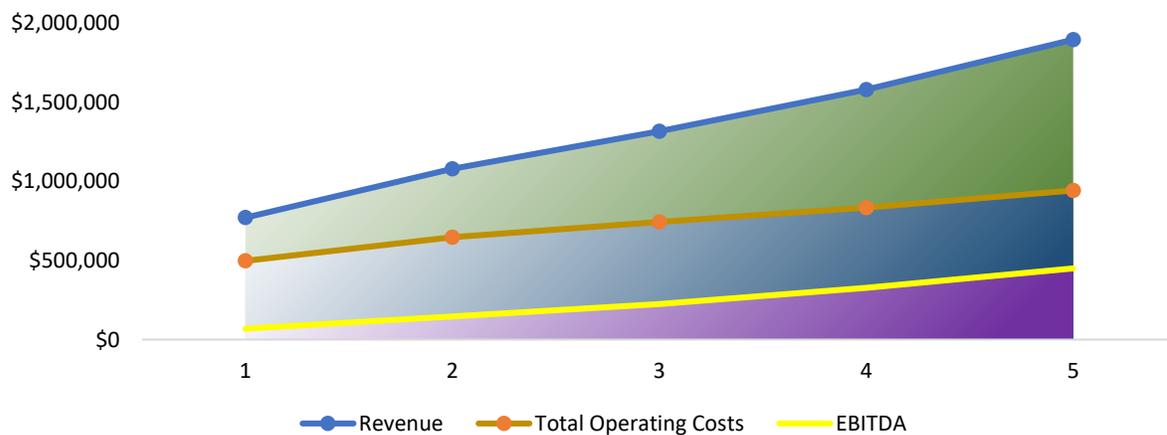
Financing	
Equity	
Equity Capitalization	\$50,000.00
Total Equity Financing	\$50,000.00
Banks and Lenders	
Business Loan	\$175,000.00
Total Debt Financing	\$175,000.00
Total Financing	\$225,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$769,950	\$1,077,930	\$1,315,075	\$1,578,090	\$1,893,707
Cost of Revenue	\$204,435	\$286,209	\$349,175	\$419,010	\$502,812
Gross Margin	73.45%	73.45%	73.45%	73.45%	73.45%
Gross Profit	\$565,515	\$791,721	\$965,900	\$1,159,080	\$1,390,895
Expenses					
Payroll	\$382,500	\$504,700	\$580,843	\$650,173	\$734,394
General and Administrative	\$19,249	\$26,948	\$32,877	\$39,452	\$47,343
Business Development	\$9,239	\$12,935	\$15,781	\$18,937	\$22,724
Marketing	\$9,701	\$13,582	\$16,570	\$19,884	\$23,861
Insurance Costs	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Professional Fees	\$7,500	\$7,875	\$8,269	\$8,682	\$9,116
Facility Costs	\$27,500	\$28,325	\$29,175	\$30,050	\$30,951
Misc. Costs	\$1,940	\$2,716	\$3,314	\$3,977	\$4,772
Payroll Taxes	\$29,261	\$38,610	\$44,434	\$49,738	\$56,181
Total Operating Costs	\$496,891	\$646,191	\$742,287	\$832,469	\$941,499
EBITDA	\$68,624	\$145,530	\$223,612	\$326,610	\$449,397
Federal Income Tax	\$12,114	\$31,437	\$50,975	\$76,665	\$107,200
State Income Tax	\$2,423	\$6,287	\$10,195	\$15,333	\$21,440
Interest Expense	\$13,570	\$12,581	\$11,511	\$10,351	\$9,096
Depreciation Expenses	\$6,600	\$7,200	\$8,200	\$9,600	\$11,500
Net Profit	\$33,918	\$88,024	\$142,731	\$214,661	\$300,161
Profit Margin	4.41%	8.17%	10.85%	13.60%	15.85%

Revenue, Operating Costs, EBITDA



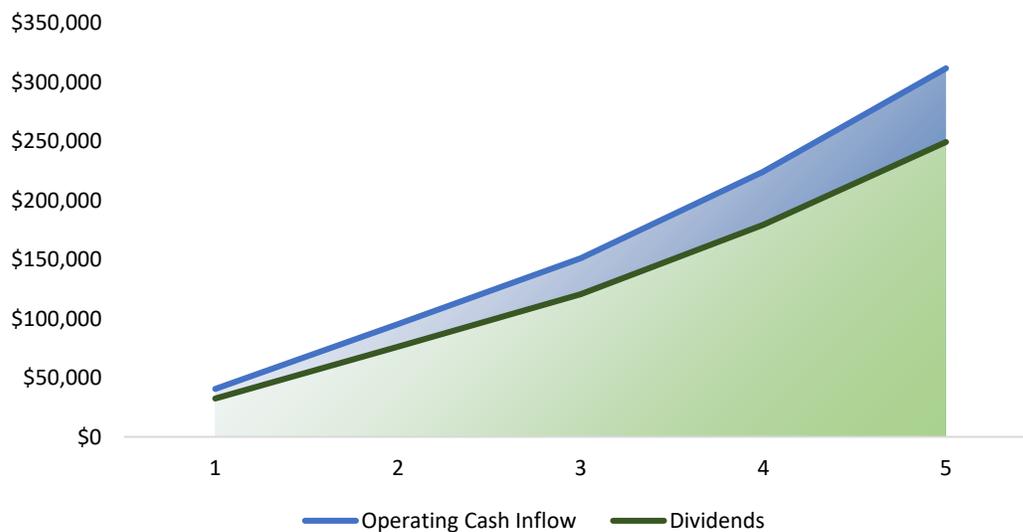
B) Common Size Income Statement

Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	26.55%	26.55%	26.55%	26.55%	26.55%
Gross Profit	73.45%	73.45%	73.45%	73.45%	73.45%
Expenses					
Payroll	49.68%	46.82%	44.17%	41.20%	38.78%
General and Administrative	2.50%	2.50%	2.50%	2.50%	2.50%
Business Development	1.20%	1.20%	1.20%	1.20%	1.20%
Marketing	1.26%	1.26%	1.26%	1.26%	1.26%
Insurance Costs	1.30%	0.97%	0.84%	0.73%	0.64%
Professional Fees	0.97%	0.73%	0.63%	0.55%	0.48%
Facility Costs	3.57%	2.63%	2.22%	1.90%	1.63%
Misc. Costs	0.25%	0.25%	0.25%	0.25%	0.25%
Payroll Taxes	3.80%	3.58%	3.38%	3.15%	2.97%
Total Operating Costs	64.54%	59.95%	56.44%	52.75%	49.72%
EBITDA	8.91%	13.50%	17.00%	20.70%	23.73%
Federal Income Tax	1.57%	2.92%	3.88%	4.86%	5.66%
State Income Tax	0.31%	0.58%	0.78%	0.97%	1.13%
Interest Expense	1.76%	1.17%	0.88%	0.66%	0.48%
Depreciation Expenses	0.86%	0.67%	0.62%	0.61%	0.61%
Net Profit	4.41%	8.17%	10.85%	13.60%	15.85%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$40,518	\$95,224	\$150,931	\$224,261	\$311,661
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$40,518	\$95,224	\$150,931	\$224,261	\$311,661
Other Cash Inflows					
Equity Investment	\$50,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$175,000	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Other Cash Inflows	\$226,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$266,518	\$96,274	\$152,034	\$225,419	\$312,876
Cash Outflows					
Repayment of Principal	\$11,909	\$12,898	\$13,968	\$15,127	\$16,383
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$53,500	\$4,761	\$7,547	\$11,213	\$15,583
Dividends	\$32,414	\$76,179	\$120,745	\$179,409	\$249,329
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$98,524	\$94,573	\$143,031	\$206,560	\$282,146
Net Cash Flow	\$167,994	\$1,701	\$9,002	\$18,859	\$30,731
Cash Balance	\$167,994	\$169,695	\$178,698	\$197,557	\$228,287

Cash Flow Analysis



D) Balance Sheet

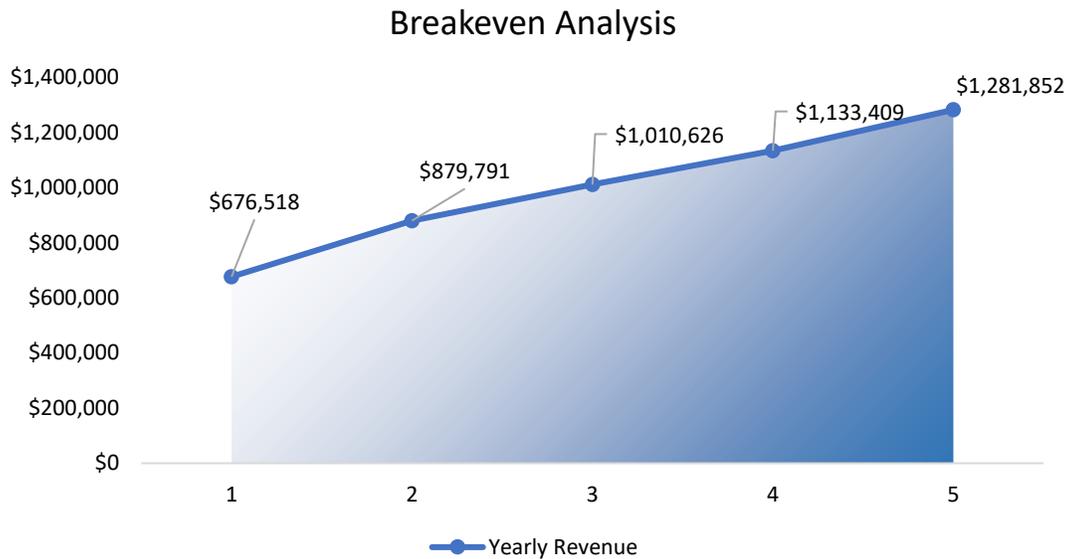
Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$167,994	\$169,695	\$178,698	\$197,557	\$228,287
Fixed Assets	\$53,500	\$58,261	\$65,808	\$77,021	\$92,604
Accumulated Depreciation	(\$6,600)	(\$13,800)	(\$22,000)	(\$31,600)	(\$43,100)
Total Assets	\$214,894	\$214,157	\$222,505	\$242,977	\$277,791
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$163,091	\$150,193	\$136,225	\$121,098	\$104,715
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$163,391	\$150,808	\$137,171	\$122,391	\$106,372
Equity	\$51,504	\$63,348	\$85,335	\$120,587	\$171,419
Total Liabilities and Equity	\$214,894	\$214,157	\$222,505	\$242,977	\$277,791

Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$56,377	\$73,316	\$84,219	\$94,451	\$106,821
Yearly Revenue	\$676,518	\$879,791	\$1,010,626	\$1,133,409	\$1,281,852



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	40.0%	22.0%	20.0%	20.0%
Gross Margin	73.4%	73.4%	73.4%	73.4%	73.4%
Financials					
Profit Margin	4.41%	8.17%	10.85%	13.60%	15.85%
Assets to Liabilities	1.32	1.42	1.62	1.99	2.61
Equity to Liabilities	0.32	0.42	0.62	0.99	1.61
Assets to Equity	4.17	3.38	2.61	2.01	1.62
Liquidity					
Acid Test	1.03	1.13	1.30	1.61	2.15
Cash to Assets	0.78	0.79	0.80	0.81	0.82

Appendix A – SWOT Analysis

Strengths

- Limited competition within the Central Florida market among companies that provide both general IT services as well as cyber security solutions.
- The operations of Deutsch Cybersecurity Group are highly scalable and multiple clients can be serviced throughout the target market area.
- An owner, Matthew Deutsch, that has more than ten years of experience in the field of rendering cyber security solutions for a wide range of industries.
- The business can continuously integrate new services, such as cloud hosting to further boost revenues.

Weaknesses

- Operational complex complexities, given the fact that the business is dealing with say the art tech technologies and its cyber security capacity.
- Ongoing competition from highly established firms in this market.

Opportunities

- Continued expansion, the company sales network, so the business can rapidly onboard clients throughout Orlando in the Central Florida area.
- Enter different markets in South Florida.
- Expand the scope of the service architecture who continually increased hiring of qualified technicians.

Threats

- Higher than expected inflation could cause the operating cost of the business to increase.

Appendix B – Critical Risks

Development Risk – **Low**

The procedures and protocols that will be implemented to render cyber security services have already been developed. At this time, the Company is seeking \$175,000 to commence operations. The primary risk faced by the businesses management ability to develop a large-scale client based in the Central Florida market area.

Financing Risk – **Low/Moderate**

The revolving credit facility saw it in this document would be principally secured by the anticipated receivables that the business will generate on a monthly basis. Given that the Company is operating in an economically secure industry, this will substantially reduce the financing risk associated with the business.

Marketing Risk – **Low**

Given the level of competition among cyber security and IT focus businesses within Central Florida, the business will use multiple marketing channels, including direct outreach to establish its client base. These direct outreach initiatives will substantially reduce the risks related to the companies, marketing operations.

Management Risk – **Low**

Matthew Deutsch is a highly experienced cybersecurity professional. He will be able properly develop the operations of Deutsch Cybersecurity Group while making it one of the preeminent IT firms in the Central Florida market area.

Valuation Risk – **Low**

The valuation risk is offset by:

- Immense demand in any economic climate for cybersecurity focused services.
- A substantial portion of revenue is recurring in nature.
- The business can scale into other markets throughout Central Florida and other markets in the state.

Exit Risk - **Low**

There are no long-term plans to sell Deutsch Cybersecurity Group to a third-party. Matthew Deutsch has the intention of aggressively expanding this business over the next five years. In the event of a business sale, a qualified business broker or small investment bank would be hired to complete a formal valuation while marketing the Company to an appropriate buyer.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$36,250	\$41,325	\$46,400	\$51,475	\$56,550	\$61,625	\$66,700
Cost of Revenue	\$9,625	\$10,973	\$12,320	\$13,668	\$15,015	\$16,363	\$17,710
Gross Profit	\$26,625	\$30,353	\$34,080	\$37,808	\$41,535	\$45,263	\$48,990
Expenses							
Payroll	\$31,875	\$31,875	\$31,875	\$31,875	\$31,875	\$31,875	\$31,875
General and Administrative	\$1,604	\$1,604	\$1,604	\$1,604	\$1,604	\$1,604	\$1,604
Business Development	\$770	\$770	\$770	\$770	\$770	\$770	\$770
Marketing	\$808	\$808	\$808	\$808	\$808	\$808	\$808
Insurance Costs	\$833	\$833	\$833	\$833	\$833	\$833	\$833
Professional Fees	\$625	\$625	\$625	\$625	\$625	\$625	\$625
Facility Costs	\$2,292	\$2,292	\$2,292	\$2,292	\$2,292	\$2,292	\$2,292
Misc. Costs	\$162	\$162	\$162	\$162	\$162	\$162	\$162
Payroll Taxes	\$2,438	\$2,438	\$2,438	\$2,438	\$2,438	\$2,438	\$2,438
Total Operating Costs	\$41,408	\$41,408	\$41,408	\$41,408	\$41,408	\$41,408	\$41,408
EBITDA	-\$14,783	-\$11,055	-\$7,328	-\$3,600	\$127	\$3,855	\$7,582
Federal Income Tax	\$570	\$650	\$730	\$810	\$890	\$970	\$1,049
State Income Tax	\$114	\$130	\$146	\$162	\$178	\$194	\$210
Interest Expense	\$1,167	\$1,160	\$1,154	\$1,147	\$1,141	\$1,134	\$1,128
Depreciation Expenses	\$550	\$550	\$550	\$550	\$550	\$550	\$550
Net Profit	-\$17,184	-\$13,546	-\$9,907	-\$6,269	-\$2,631	\$1,007	\$4,645

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$71,775	\$76,850	\$81,925	\$87,000	\$92,075	\$769,950
Cost of Revenue	\$19,058	\$20,405	\$21,753	\$23,100	\$24,448	\$204,435
Gross Profit	\$52,718	\$56,445	\$60,173	\$63,900	\$67,628	\$565,515
Expenses						
Payroll	\$31,875	\$31,875	\$31,875	\$31,875	\$31,875	\$382,500
General and Administrative	\$1,604	\$1,604	\$1,604	\$1,604	\$1,604	\$19,249
Business Development	\$770	\$770	\$770	\$770	\$770	\$9,239
Marketing	\$808	\$808	\$808	\$808	\$808	\$9,701
Insurance Costs	\$833	\$833	\$833	\$833	\$833	\$10,000
Professional Fees	\$625	\$625	\$625	\$625	\$625	\$7,500
Facility Costs	\$2,292	\$2,292	\$2,292	\$2,292	\$2,292	\$27,500
Misc. Costs	\$162	\$162	\$162	\$162	\$162	\$1,940
Payroll Taxes	\$2,438	\$2,438	\$2,438	\$2,438	\$2,438	\$29,261
Total Operating Costs	\$41,408	\$41,408	\$41,408	\$41,408	\$41,408	\$496,891
EBITDA	\$11,310	\$15,037	\$18,765	\$22,492	\$26,220	\$68,624
Federal Income Tax	\$1,129	\$1,209	\$1,289	\$1,369	\$1,449	\$12,114
State Income Tax	\$226	\$242	\$258	\$274	\$290	\$2,423
Interest Expense	\$1,121	\$1,114	\$1,108	\$1,101	\$1,094	\$13,570
Depreciation Expenses	\$550	\$550	\$550	\$550	\$550	\$6,600
Net Profit	\$8,284	\$11,922	\$15,560	\$19,199	\$22,837	\$33,918

Profit and Loss Statement (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$261,398	\$266,788	\$272,177	\$277,567	\$1,077,930
Cost of Revenue	\$69,406	\$70,837	\$72,268	\$73,699	\$286,209
Gross Profit	\$191,992	\$195,951	\$199,910	\$203,868	\$791,721
Expenses					
Payroll	\$126,175	\$126,175	\$126,175	\$126,175	\$504,700
General and Administrative	\$6,737	\$6,737	\$6,737	\$6,737	\$26,948
Business Development	\$3,137	\$3,201	\$3,266	\$3,331	\$12,935
Marketing	\$3,294	\$3,362	\$3,429	\$3,497	\$13,582
Insurance Costs	\$2,625	\$2,625	\$2,625	\$2,625	\$10,500
Professional Fees	\$1,910	\$1,949	\$1,988	\$2,028	\$7,875
Facility Costs	\$7,081	\$7,081	\$7,081	\$7,081	\$28,325
Misc. Costs	\$659	\$672	\$686	\$699	\$2,716
Payroll Taxes	\$9,363	\$9,556	\$9,749	\$9,942	\$38,610
Total Operating Costs	\$160,980	\$161,359	\$161,737	\$162,116	\$646,191
EBITDA	\$31,012	\$34,592	\$38,172	\$41,752	\$145,530
Federal Income Tax	\$7,624	\$7,781	\$7,938	\$8,095	\$31,437
State Income Tax	\$1,525	\$1,556	\$1,588	\$1,619	\$6,287
Interest Expense	\$3,241	\$3,178	\$3,114	\$3,048	\$12,581
Depreciation Expenses	\$1,800	\$1,800	\$1,800	\$1,800	\$7,200
Net Profit	\$16,823	\$20,278	\$23,733	\$27,190	\$88,024

Profit and Loss Statement (Third Year)					
Quarter	Year 3				Year 3
	Q1	Q2	Q3	Q4	
Revenue	\$318,906	\$325,481	\$332,056	\$338,632	\$1,315,075
Cost of Revenue	\$84,675	\$86,421	\$88,167	\$89,913	\$349,175
Gross Profit	\$234,231	\$239,060	\$243,890	\$248,719	\$965,900
Expenses					
Payroll	\$145,211	\$145,211	\$145,211	\$145,211	\$580,843
General and Administrative	\$7,973	\$8,137	\$8,301	\$8,466	\$32,877
Business Development	\$3,827	\$3,906	\$3,985	\$4,064	\$15,781
Marketing	\$4,018	\$4,101	\$4,184	\$4,267	\$16,570
Insurance Costs	\$2,756	\$2,756	\$2,756	\$2,756	\$11,025
Professional Fees	\$2,005	\$2,047	\$2,088	\$2,129	\$8,269
Facility Costs	\$7,294	\$7,294	\$7,294	\$7,294	\$29,175
Misc. Costs	\$804	\$820	\$837	\$853	\$3,314
Payroll Taxes	\$11,109	\$11,109	\$11,109	\$11,109	\$44,434
Total Operating Costs	\$184,996	\$185,380	\$185,764	\$186,148	\$742,287
EBITDA	\$49,235	\$53,680	\$58,126	\$62,571	\$223,612
Federal Income Tax	\$12,362	\$12,616	\$12,871	\$13,126	\$50,975
State Income Tax	\$2,472	\$2,523	\$2,574	\$2,625	\$10,195
Interest Expense	\$2,981	\$2,913	\$2,844	\$2,773	\$11,511
Depreciation Expenses	\$2,050	\$2,050	\$2,050	\$2,050	\$8,200
Net Profit	\$29,370	\$33,577	\$37,787	\$41,997	\$142,731

Profit and Loss Statement (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$382,687	\$390,577	\$398,468	\$406,358	\$1,578,090
Cost of Revenue	\$101,610	\$103,705	\$105,800	\$107,895	\$419,010
Gross Profit	\$281,077	\$286,872	\$292,668	\$298,463	\$1,159,080
Expenses					
Payroll	\$162,543	\$162,543	\$162,543	\$162,543	\$650,173
General and Administrative	\$9,567	\$9,764	\$9,962	\$10,159	\$39,452
Business Development	\$4,592	\$4,687	\$4,782	\$4,876	\$18,937
Marketing	\$4,822	\$4,921	\$5,021	\$5,120	\$19,884
Insurance Costs	\$2,894	\$2,894	\$2,894	\$2,894	\$11,576
Professional Fees	\$2,105	\$2,149	\$2,192	\$2,236	\$8,682
Facility Costs	\$7,512	\$7,512	\$7,512	\$7,512	\$30,050
Misc. Costs	\$964	\$984	\$1,004	\$1,024	\$3,977
Payroll Taxes	\$12,435	\$12,435	\$12,435	\$12,435	\$49,738
Total Operating Costs	\$207,435	\$207,890	\$208,345	\$208,799	\$832,469
EBITDA	\$73,641	\$78,982	\$84,323	\$89,664	\$326,610
Federal Income Tax	\$18,591	\$18,975	\$19,358	\$19,741	\$76,665
State Income Tax	\$3,718	\$3,795	\$3,872	\$3,948	\$15,333
Interest Expense	\$2,700	\$2,626	\$2,551	\$2,474	\$10,351
Depreciation Expenses	\$2,400	\$2,400	\$2,400	\$2,400	\$9,600
Net Profit	\$46,232	\$51,187	\$56,143	\$61,100	\$214,661

Profit and Loss Statement (Fifth Year)

Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$459,224	\$468,693	\$478,161	\$487,630	\$1,893,707
Cost of Revenue	\$121,932	\$124,446	\$126,960	\$129,474	\$502,812
Gross Profit	\$337,292	\$344,247	\$351,201	\$358,156	\$1,390,895
Expenses					
Payroll	\$183,599	\$183,599	\$183,599	\$183,599	\$734,394
General and Administrative	\$11,481	\$11,717	\$11,954	\$12,191	\$47,343
Business Development	\$5,511	\$5,624	\$5,738	\$5,852	\$22,724
Marketing	\$5,786	\$5,906	\$6,025	\$6,144	\$23,861
Insurance Costs	\$3,039	\$3,039	\$3,039	\$3,039	\$12,155
Professional Fees	\$2,211	\$2,256	\$2,302	\$2,347	\$9,116
Facility Costs	\$7,738	\$7,738	\$7,738	\$7,738	\$30,951
Misc. Costs	\$1,157	\$1,181	\$1,205	\$1,229	\$4,772
Payroll Taxes	\$14,045	\$14,045	\$14,045	\$14,045	\$56,181
Total Operating Costs	\$234,566	\$235,105	\$235,644	\$236,183	\$941,499
EBITDA	\$102,726	\$109,142	\$115,557	\$121,972	\$449,397
Federal Income Tax	\$25,996	\$26,532	\$27,068	\$27,604	\$107,200
State Income Tax	\$5,199	\$5,306	\$5,414	\$5,521	\$21,440
Interest Expense	\$2,396	\$2,316	\$2,234	\$2,151	\$9,096
Depreciation Expenses	\$2,875	\$2,875	\$2,875	\$2,875	\$11,500
Net Profit	\$66,260	\$72,112	\$77,966	\$83,822	\$300,161

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-\$16,634	-\$12,996	-\$9,357	-\$5,719	-\$2,081	\$1,557	\$5,195	\$8,834
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	-\$16,634	-\$12,996	-\$9,357	-\$5,719	-\$2,081	\$1,557	\$5,195	\$8,834
Other Cash Inflows								
Equity Investment	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$175,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83
Total Other Cash Inflows	\$225,083	\$83						
Total Cash Inflow	\$208,450	-\$12,912	-\$9,274	-\$5,636	-\$1,998	\$1,640	\$5,279	\$8,917
Cash Outflows								
Repayment of Principal	\$957	\$963	\$969	\$976	\$982	\$989	\$995	\$1,002
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$53,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$54,515	\$1,021	\$1,028	\$1,034	\$1,041	\$1,047	\$1,054	\$1,060
Net Cash Flow	\$153,935	-\$13,934	-\$10,302	-\$6,670	-\$3,038	\$593	\$4,225	\$7,857
Cash Balance	\$153,935	\$140,001	\$129,699	\$123,029	\$119,991	\$120,584	\$124,809	\$132,666

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$12,472	\$16,110	\$19,749	\$23,387	\$40,518
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$12,472	\$16,110	\$19,749	\$23,387	\$40,518
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$50,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$175,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$1,000
Total Other Cash Inflows	\$83	\$83	\$83	\$83	\$226,000
Total Cash Inflow	\$12,555	\$16,194	\$19,832	\$23,471	\$266,518
Cash Outflows					
Repayment of Principal	\$1,009	\$1,016	\$1,022	\$1,029	\$11,909
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$53,500
Dividends	\$0	\$0	\$0	\$32,414	\$32,414
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$1,067	\$1,074	\$1,081	\$33,502	\$98,524
Net Cash Flow	\$11,488	\$15,120	\$18,752	-\$10,031	\$167,994
Cash Balance	\$144,154	\$159,274	\$178,026	\$167,994	\$167,994

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$18,623	\$22,078	\$25,533	\$28,990	\$95,224
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$18,623	\$22,078	\$25,533	\$28,990	\$95,224
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$255	\$260	\$265	\$270	\$1,050
Total Other Cash Inflows	\$255	\$260	\$265	\$270	\$1,050
Total Cash Inflow	\$18,878	\$22,337	\$25,798	\$29,261	\$96,274
Cash Outflows					
Repayment of Principal	\$3,129	\$3,192	\$3,256	\$3,321	\$12,898
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$4,761	\$0	\$0	\$0	\$4,761
Dividends	\$0	\$0	\$0	\$76,179	\$76,179
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$8,068	\$3,374	\$3,441	\$79,690	\$94,573
Net Cash Flow	\$10,810	\$18,964	\$22,357	-\$50,429	\$1,701
Cash Balance	\$178,804	\$197,768	\$220,125	\$169,695	\$169,695

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$31,420	\$35,627	\$39,837	\$44,047	\$150,931
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$31,420	\$35,627	\$39,837	\$44,047	\$150,931
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$267	\$273	\$278	\$284	\$1,103
Total Other Cash Inflows	\$267	\$273	\$278	\$284	\$1,103
Total Cash Inflow	\$31,687	\$35,900	\$40,115	\$44,331	\$152,034
Cash Outflows					
Repayment of Principal	\$3,388	\$3,457	\$3,526	\$3,597	\$13,968
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$7,547	\$0	\$0	\$0	\$7,547
Dividends	\$0	\$0	\$0	\$120,745	\$120,745
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$11,122	\$3,648	\$3,721	\$124,541	\$143,031
Net Cash Flow	\$20,565	\$32,253	\$36,394	-\$80,210	\$9,002
Cash Balance	\$190,260	\$222,513	\$258,907	\$178,698	\$178,698

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$48,632	\$53,587	\$58,543	\$63,500	\$224,261
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$48,632	\$53,587	\$58,543	\$63,500	\$224,261
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$281	\$287	\$292	\$298	\$1,158
Total Other Cash Inflows	\$281	\$287	\$292	\$298	\$1,158
Total Cash Inflow	\$48,913	\$53,873	\$58,835	\$63,798	\$225,419
Cash Outflows					
Repayment of Principal	\$3,670	\$3,743	\$3,819	\$3,896	\$15,127
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$5,607	\$5,607	\$0	\$0	\$11,213
Dividends	\$0	\$0	\$0	\$179,409	\$179,409
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$9,473	\$9,551	\$4,023	\$183,513	\$206,560
Net Cash Flow	\$39,440	\$44,323	\$54,812	-\$119,715	\$18,859
Cash Balance	\$218,138	\$262,460	\$317,272	\$197,557	\$197,557

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$69,135	\$74,987	\$80,841	\$86,697	\$311,661
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$69,135	\$74,987	\$80,841	\$86,697	\$311,661
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$295	\$301	\$307	\$313	\$1,216
Total Other Cash Inflows	\$295	\$301	\$307	\$313	\$1,216
Total Cash Inflow	\$69,430	\$75,288	\$81,148	\$87,010	\$312,876
Cash Outflows					
Repayment of Principal	\$3,974	\$4,054	\$4,136	\$4,219	\$16,383
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$7,792	\$7,792	\$0	\$0	\$15,583
Dividends	\$0	\$0	\$0	\$249,329	\$249,329
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$11,972	\$12,056	\$4,351	\$253,767	\$282,146
Net Cash Flow	\$57,458	\$63,232	\$76,798	-\$166,757	\$30,731
Cash Balance	\$255,015	\$318,247	\$395,044	\$228,287	\$228,287