

LicensePro™: Country Unit and Master Licensee Model

	1st Year Investment	Year #1	Year #2	Year #3	Year #4	Year #5	5 Year Total
Unit Franchise Revenue							
Single Unit Franchise		\$200,000	\$360,000	\$500,000	\$700,000	\$900,000	\$2,660,000
		\$200,000	\$360,000	\$500,000	\$700,000	\$900,000	\$2,660,000
Unit Franchise Expenses							
Initial Unit Franchise Fee	\$35,000						
Initial Cash Capital Investment including Working Capital	\$100,000						
Royalties (8%)		\$16,000	\$28,800	\$40,000	\$56,000	\$72,000	\$212,800
Cost of Sales and Operating Expenses (72% of Unit Revenue)		\$144,000	\$259,200	\$360,000	\$504,000	\$648,000	\$1,915,200
Total Investment or Expenses	\$135,000	\$160,000	\$288,000	\$400,000	\$560,000	\$720,000	\$2,128,000
Unit EBITDA (US\$)	(\$135,000)	\$40,000	\$72,000	\$100,000	\$140,000	\$180,000	\$532,000
Simple Internal Rate of Return On Investment				23%	41%	52%	
Master Franchise Revenue							
Franchisee Fees (US\$35,000/unit)		\$105,000	\$245,000	\$420,000	\$525,000	\$630,000	\$1,925,000
Franchisee Royalties (8% of Franchisee gross sales)		\$48,000	\$198,400	\$585,600	\$1,211,200	\$2,072,000	\$4,115,200
Equipment sales to Unit Franchisees		\$90,000	\$210,000	\$360,000	\$450,000	\$540,000	\$1,650,000
Total Revenue		\$243,000	\$653,400	\$1,365,600	\$2,186,200	\$3,242,000	\$7,690,200
Master Franchisee Expenses							
Initial Franchise Fee	\$400,000						
Royalties to Franchisor (20% of Unit Franchisee royalties)		\$9,600	\$39,680	\$117,120	\$242,240	\$414,400	\$823,040
Unit Franchise Fees to Franchisor (20% of total Franchise Fee)		\$21,000	\$49,000	\$84,000	\$105,000	\$126,000	\$385,000
Estimated Equipment Package Cost to Master		\$72,000	\$168,000	\$288,000	\$360,000	\$432,000	\$1,320,000
Start-up, Franchisee Training and Support Cost		\$250,000	\$150,000	\$200,000	\$450,000	\$750,000	\$1,800,000
Total Investment or Expenses	\$400,000	\$352,600	\$406,680	\$689,120	\$1,157,240	\$1,722,400	\$4,328,040
Master Franchise EBITDA (US\$)	(\$400,000)	(\$109,600)	\$246,720	\$676,480	\$1,028,960	\$1,519,600	\$3,362,160
Simple Internal Rate of Return On Investment				27%	54%	69%	
Franchised Units		3	7	12	15	18	55



LicensePro™: Country Franchisor Model

	Start-up	Year #1	Year #2	Year #3	Year #4	Year #5	5 Year Total
Franchisor Revenue From Master	\$400,000	\$30,600	\$88,680	\$201,120	\$347,240	\$540,400	\$1,608,040
Franchisor Expense (estimated)							
Consultant Success Fee (20% of initial Master Fee)	\$80,000						\$80,000
Master Franchise marketing	\$25,000						\$25,000
Initial Training	\$25,000						\$25,000
Start-up costs	\$20,000						\$20,000
Master Support	\$50,000	\$25,000	\$20,000	\$20,000	\$20,000	\$20,000	\$155,000
Technology costs (intranet, etc.)	\$20,000						\$20,000
Legal	\$20,000						\$20,000
Travel	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$65,000
Franchisor Estimated Cost	\$255,000	\$35,000	\$30,000	\$30,000	\$30,000	\$30,000	\$410,000
Franchisor 'Net' Estimate - Single Country	\$145,000	(\$4,400)	\$58,680	\$171,120	\$317,240	\$510,400	\$1,198,040

