

"Advanced generator technology for Homes, Businesses, Boats & Electric Cars"



Using Pulsing Magnetic Vortex Technology

MAGNETIC ENERGY SOLUTIONS, INC.



BUSINESS PLAN

MET MAGNTIC GENERATOR

786-537-0939 **Cell**

561-707-1633 Office

<https://www.magnetelectricpower.com>

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Executive Summary

Company Description

Inventor Overview

Inventor Accomplishments

Growth Strategy

Pulse Magnetic Vortex Technology Background Brushless Dynamo

Generator Description Electric Power Generator Description

Brushless Dynamo Generator Features Brushless Dynamo

Generator Applications Value Proposition of the Technology

MET Motor Vs Conventional Power

Market Penetration Strategy

Future Milestones

Target Market Analysis

North American Renewable Energy Market Competitive Analysis

Marketing

Operations

Management

Financing Strategy

Sales

Expenses

Income

Balance Sheet & Cash Flow

GREEN

CLEAN

ENERGY

BRUSHLESS DYNAMO GENERATOR



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MET

GREEN CLEAN ENERGY

2. EXECUTIVE SUMMARY

THE COMPANY: Magnetic Energy Solutions, Inc.; registered January 2020

THE MARKET: 2021 Global Renewable Energy = \$1.03 Trillion; 2030 Global Renewable Energy = \$1.998 Trillion; 2021-2030 CAGR = 8.6%; 2021 North America Renewable Energy = \$15.10 Billion

THE TECHNOLOGY: Magnetic vortex technology; Brushless Dynamo Generator; electric power generator

THE PRODUCTS: Portable generator, house generator, automobile alternator

MARKETING: Internet, print, industry events, public relations

FINANCING: \$1.5M (seed); \$1.5M (Series A)

MAGNETIC ENERGY SOLUTIONS, INC.



SUMMARY CON'T

BASIC INFORMATION: The magnetic energy technology consists of large ring type stators that are specially magnetized with patterns designed to generate continual motion of similarly magnetized cylindrical rotors. The rotors are free to rotate around the stator rings with mutually interactive eddy currents of induction which form frictionless magnetic bearings between moving parts. In the process, electrons pair up as bosons, accelerate to form electrical currents and thus are harnessed for their kinetic energy before they are emitted to the battery. It is a system that converts random energy at the quantum level into a coherent flow of electron currents.

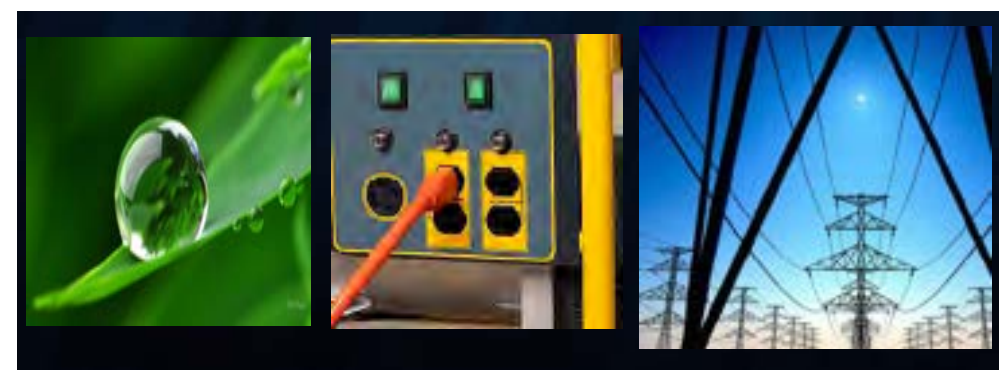
Magnetic Energy Solutions has innovated a state-of-the-art technology that takes generating electrical power well beyond today's standards. Our units will require no fuel of any kind and can generate up to 20,000 +watts electricity. This technology will reduce the need to burn fossil fuels. This technology is a "Game Changer" for the electric generation industry.

The new technology is called "The Pulsating Magnetic Vortex"perfected by Magnetic Energy Solutions, a Florida based company. The technology will be deployed in homes, businesses and transportation centers among others. The fir st unit we plan to manufacture will generate 5000 - 20,000 or more watts of electricity, however we can go smaller or larger depending on the application.



VIDEOS COPY PASTE LINK BELOW:

<https://www.magneticelectricpower.com/video-prototypes>



Magnetic Energy Solutions, Inc.

Our uses will meet all energy efficiency, safety and worldwide environmental standards. The technology can also be downsized to a portable unit containing three outlets and a phone charger.

Magnetic Energy Solutions is in the process of raising funds to complete the Underwriters Laboratories approval ("UL") and certification for manufacturing and commercialization. Accredited investors are needed now to bring this new technology into the market place. This new technology will save our planet, improve the environment and save energy, while creating hundreds of thousands of jobs.

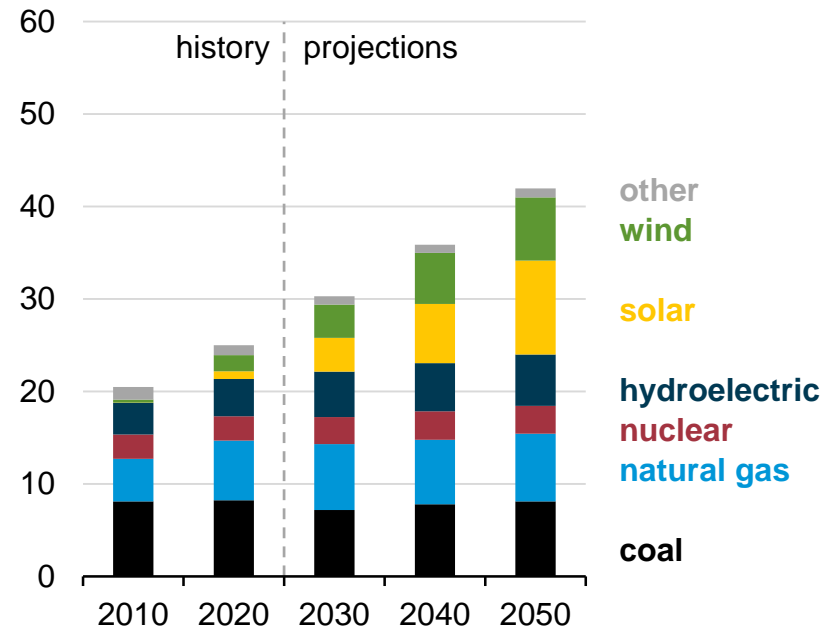
Has another advanced technology for thermacoustics air-conditioning and heating well beyond today's standards:

SUMMARY ELECTRICITY

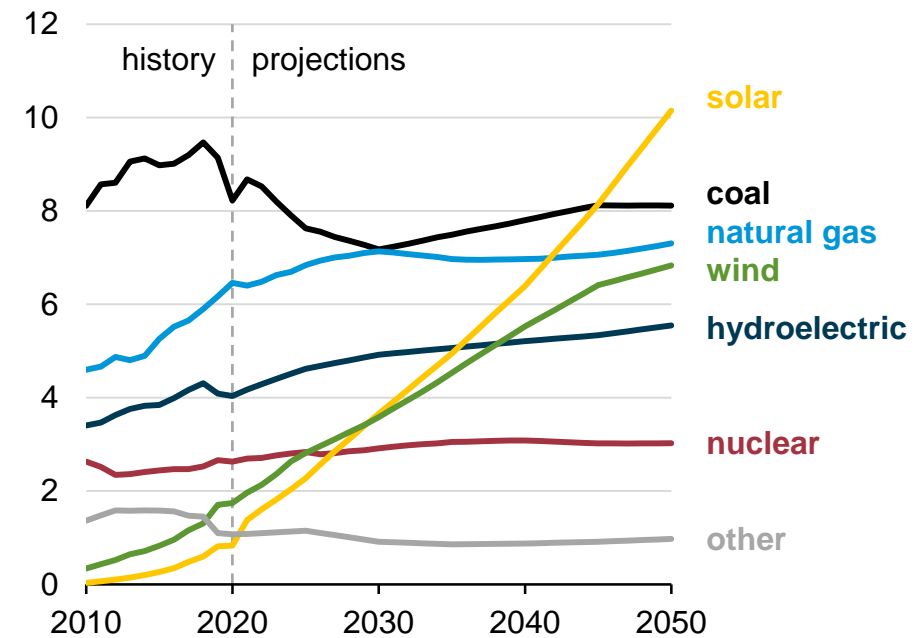


World net electricity generation by source

World net electricity generation by source
trillion kilowatthours



World net electricity generation by source
trillion kilowatthours



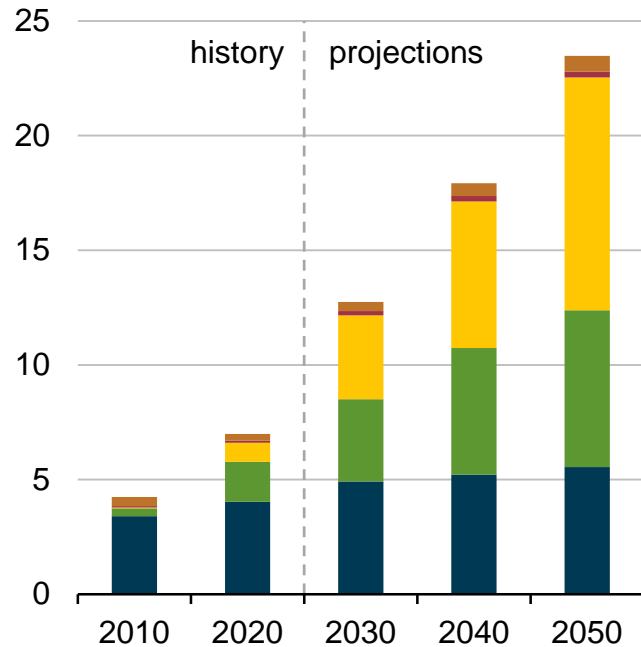
SUMMARY ELECTRICITY



World net electricity generation from renewables

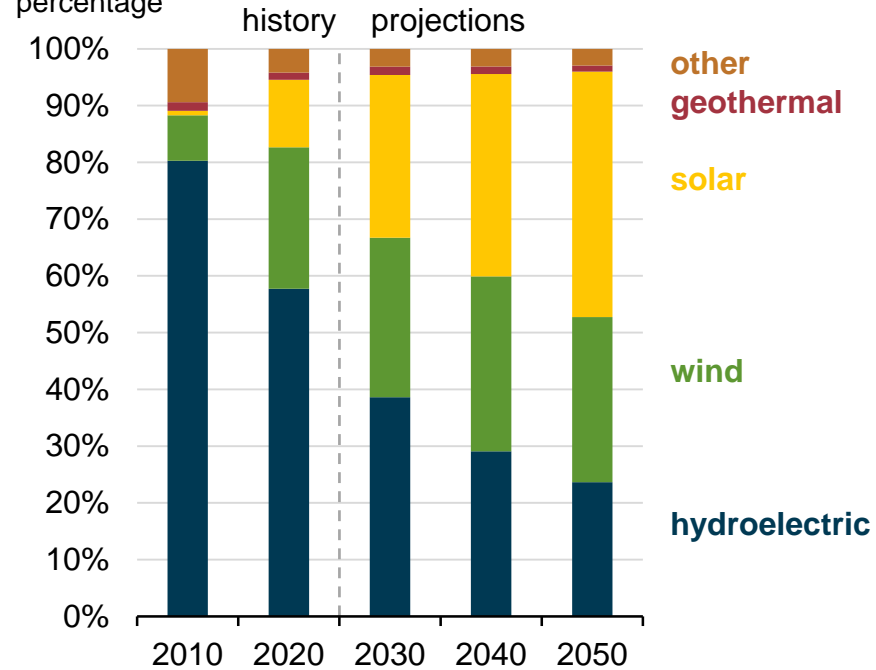
World net electricity generation from renewables

trillion kilowatthours



Share of renewable energy

percentage

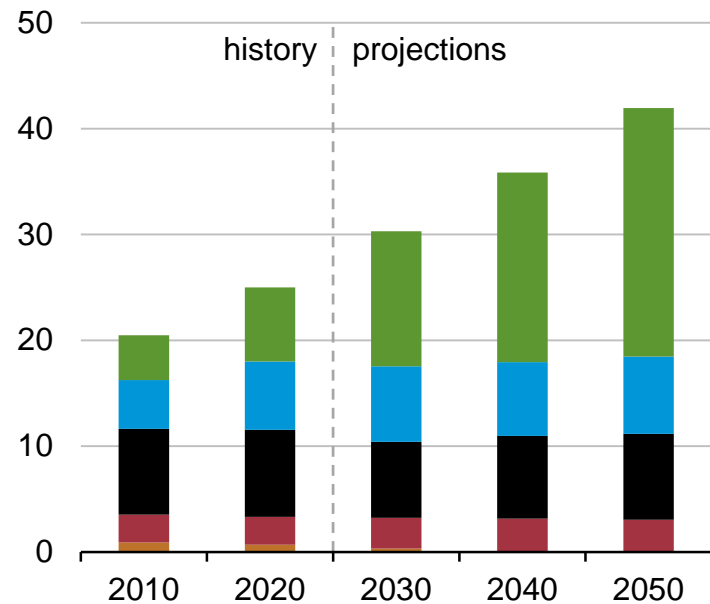


SUMMARY ELECTRICITY

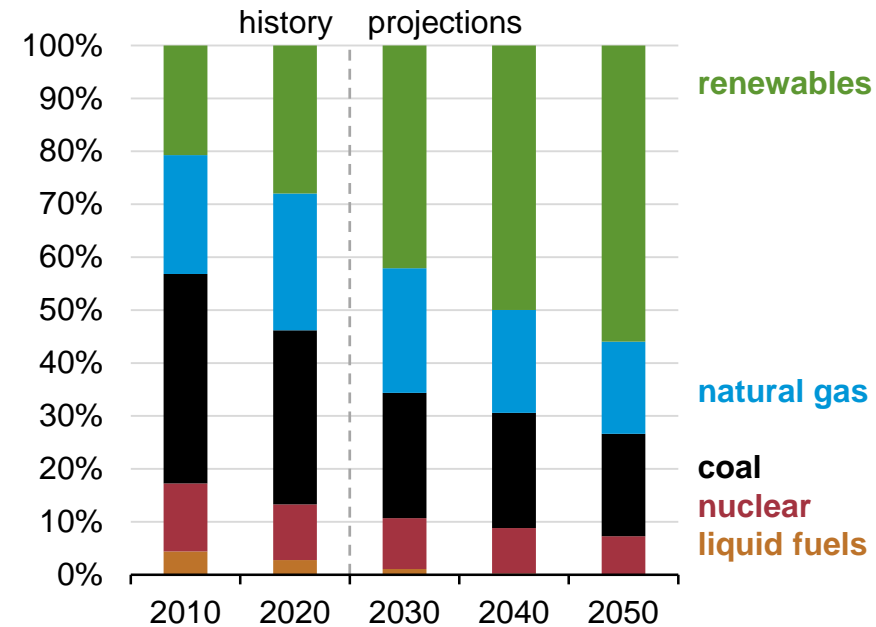


World net electricity generation shares by fuel

World net electricity generation by source
trillion kilowatthours



Share of net electricity generation
percentage



3. COMPANY DESCRIPTION



MISSION STATEMENT

Become a U.S. and global leader in the field of Magnetic Energy to power houses, automobiles with clean and virtually limitless energy source eliminating a potential global energy crisis. This technology will lend itself to many other applications in the energy industry sector. Our main goal is to develop new concepts and sustainable products and to create clean energy technologies to replace fossil fuels. Our project has been conceived with an eye on the future having a goal of transformation of an industry that is based on outdated concepts and principles.

COMPANY DESCRIPTION

- Magnetic Energy Solutions, Inc.
- Led by Keith Franklin (CEO), who has 35 years of management experience
- Liberty University Business Administration
- Registered as a C-Corporation on January 22, 2020, in Florida.
- Magnetic Vortex technology; Brushless Dynamo Generator;
- Electric Power Generator At concept stage
 - The Company will develop a functional prototype ready for UL certification within six months.

4 THE INVENTOR'S - OVERVIEW - Frank Wighard

The inventor Frank Wighard has passed away a few months back. However he did share his blueprints and explained to mechanical & electrical engineer how to build the unit to his specifications a few months before he passed away.

5. Over thirty-five years of experience in the design, installation and service of HVAC equipment for residential, commercial and industrial environmental control applications.
6. Frank worked his way up, started as field repairman at National Cash Register Company and a sewing machine, elevator, and HVAC repairman at Singer Sewing Machine Company
7. After that, Frank was installation and service manager for Air Systems Inc., AT&T's preferred contractor.
8. By early 1990, Frank began investigating thermoacoustic technology, a means of using sound waves to pump heat within sealed systems, like HVAC units. During Frank's studies, he wound up making (twenty-three) (23) improvements to HVAC units and was granted and owns patents on those proprietary changes.



Frank Wighard



5. THE INVENTOR'S - ACCOMPLISHMENTS



- His original goal was to reduce the energy costs of air conditioning units and eliminate the use of harmful freon and not burn fossil fuels.
- Thanks to the pulse magnetic technology advancement concept, he has taken a much broader view of creating inexhaustible energy from one source that produces electricity
- MET, has another advanced technology for thermacoustics air-conditioning and heating well beyond today's standards:
 - Does not require a compressor, which provides a longer device lifespan with less maintenance and can unparalleled cost savings.
 - The cost of the A/C units will be competitive with units found on the market today.
 - Developed thermacoustics air-conditioning in conjunction with the Department of Energy, NASA, Los Alamos National Lab, the military, and related universities.
 - Cool Sound Industries owns patents that allows use of thermacoustics in the air-conditioning industry.
 - Only known technology that can operate on very little energy compared to other air-conditioning units in the market today.
 - The technology will help save the environment and energy, while creating hundreds of thousands of new jobs.
 - Fifteen universities teach, and have degree programs, in thermacoustics.
 - The technology fully complies with the New World standards for cooling and heating established by the United Nations, ratified and approved by 191 countries, as well as the Paris Peace Accords.

6. GROWTH STRATEGY



Ramp-up Phase (9 months)

- Secure \$1.5M in seed financing
- Purchase equipment
- Purchase furniture & fixtures
- Develop working product
- Develop marketing materials
- Develop website
- Develop social media pages

Growth 1 (M 25-36):

- Hire and train additional management and staff
- Expand marketing & sales
- Rent additional facility space for additional capacity and inventory
- Initiate international marketing and sales
- Conduct R & D and improve product quality

Start-up (M 1-24):

- Secure \$2M in Series A financing
- Hire and train management and staff
- Launch a U.S. B2B sales & marketing to home, automobile, and appliance generator companies
- License the technology to generator manufacturers

Growth 2 (M 37-60):

- Increase marketing & sales in international markets
- Increase marketing & sales in the U.S.
- Improve operational efficiency
- Conduct increased R & D and improve product quality



7. BACKGROUND OF PULSE MAGNETIC VORTEX TECHNOLOGY



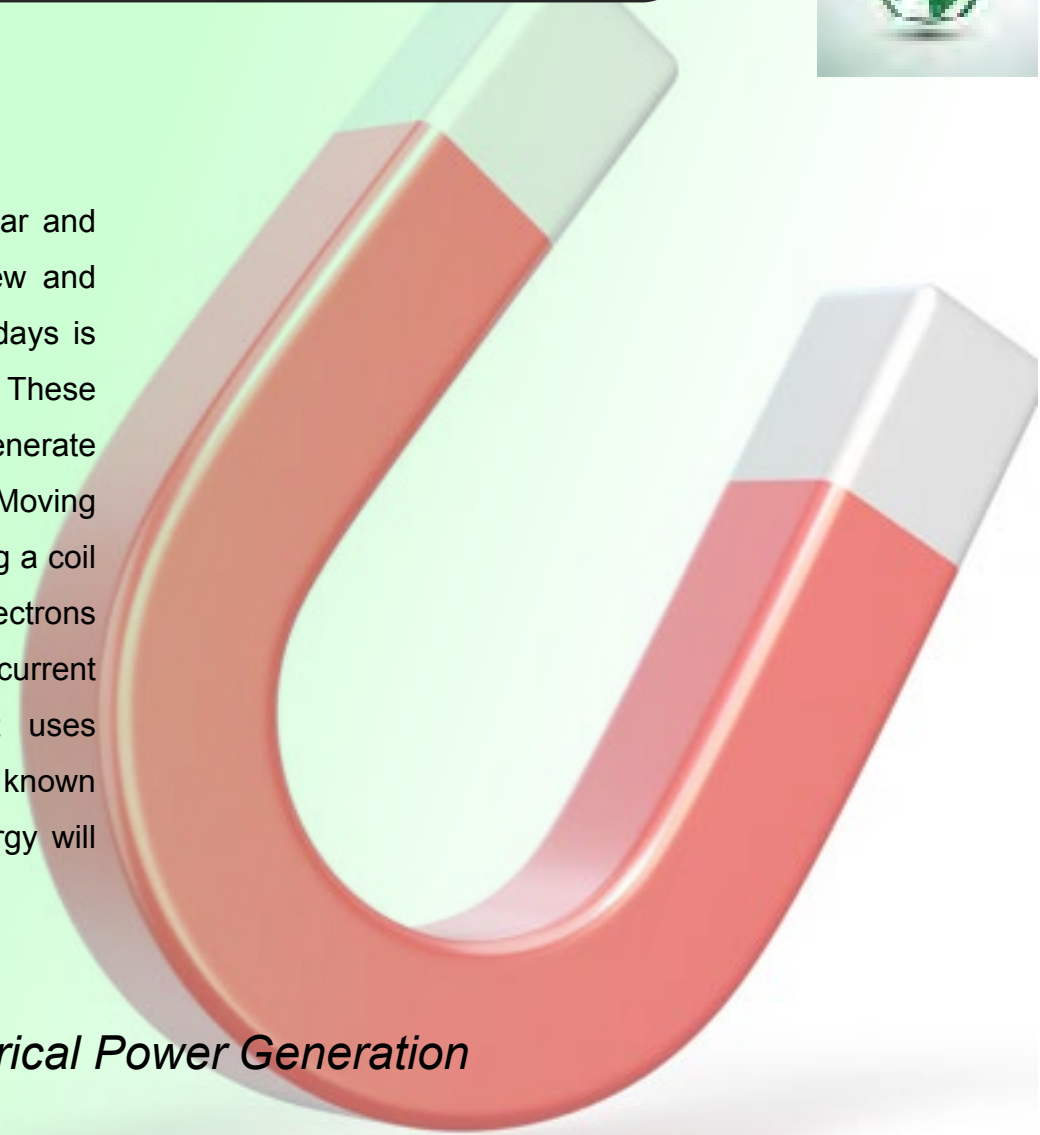
PULSE MAGNETIC VORTEX TECHNOLOGY

The latest advancements in battery technology have expedited the development of our products. A pulsating magnetic vortex is a system that generates a steady stream of pulsating current, then distributes the current between the case load and the batteries as needed. The load requirements will vary depending upon the items to be powered. Each customer could add as much storage capacity as desired. In a world where all resources are depleting and an energy crisis is looming, there is a dire need for seeking alternative and renewable

sources of energy. Apart from water, solar and wind sources of energy, a relatively new and powerful energy being produced these days is magnetic energy neodymium magnets. These are the world's strongest magnets and generate magnetic fields used to make electricity. Moving a magnet around a coil of wire, or moving a coil of wire around a magnet, pushes the electrons in the wire and creates an electrical current or magnetic energy. The MET unit uses neodymium magnets, which are also known as Super Magnetics. The limitless energy will meet your daily power needs.



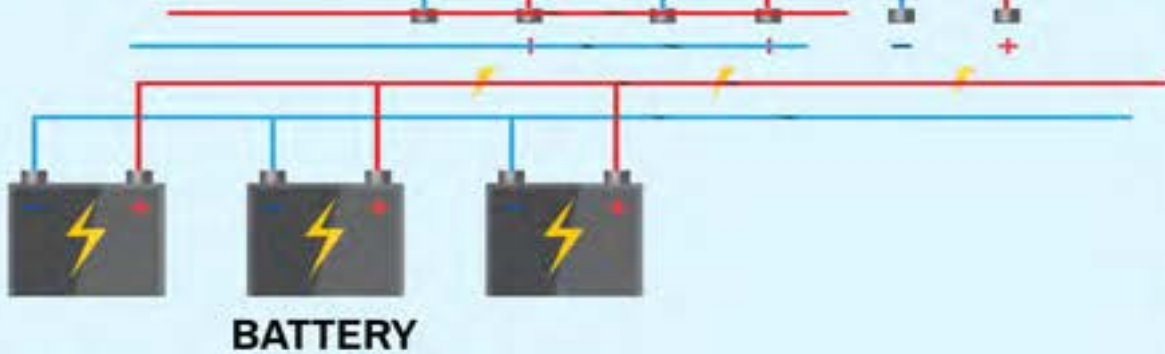
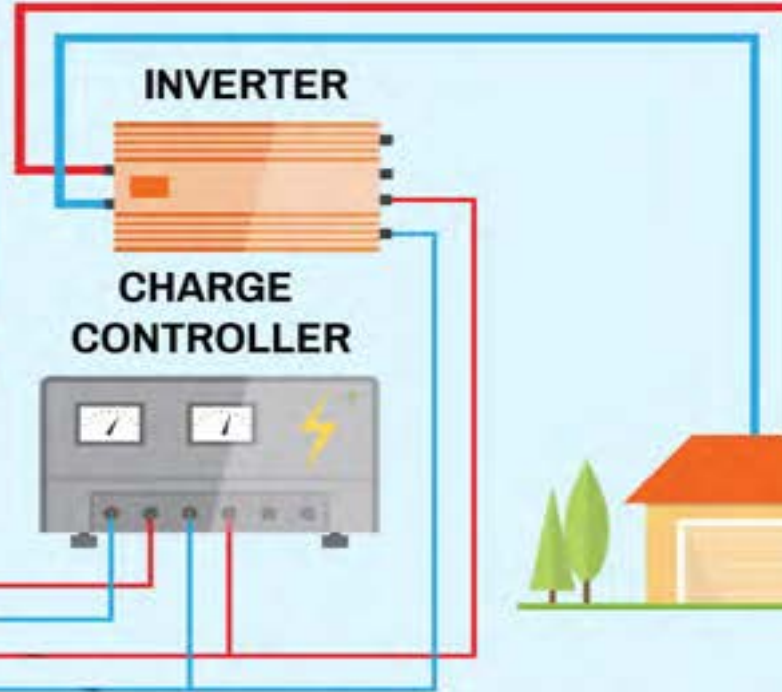
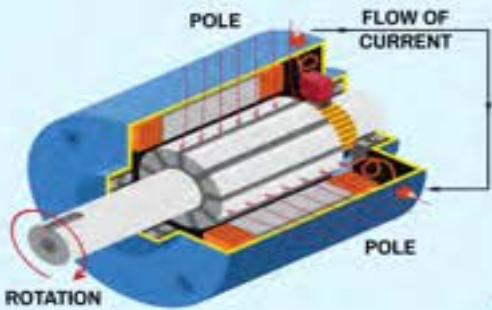
A Revolutionary Green Technology for Electrical Power Generation



8. BRUSHLESS DYNAMO GENERATOR DESCRIPTION



Brushless Dynamo Generator



Principal Inventor: Frank Wighard



CSI founder, Frank Wighard, who holds a patent for a revolutionary double-acting thermoacoustic driver – which requires no lubrication and generates twice the power density of competing drivers.

9. ELECTRIC POWER GENERATOR DESCRIPTION

Magnetic Energy Solutions, Inc.

It is a system that converts random energy at the quantum level into a coherent flow of electron currents.

Brushless Dynamo Generators

Portable Units - Traveling



Home and Business



Unit Electric Automobiles /Boats

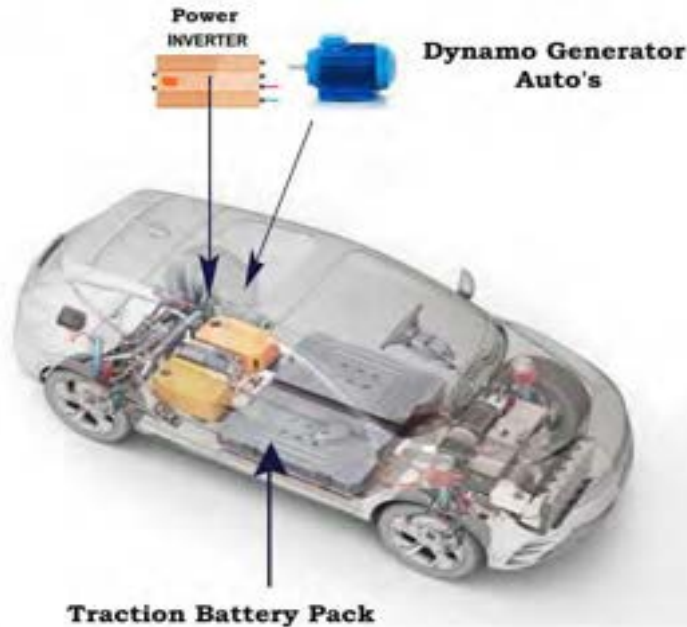


Electrical Power Generators

Using Pulsing Magnetic Vortex Energy

The magnetic generator an inexhaustible electrical energy source that generates its own electricity.

Brushless Dynamo Generator For Electric Automobiles



Additionally the magnetic technology can also be used for the "Crypto Blockchain" such as Bitcoin which requires an excessive amount of electricity for mining and keeping the blockchain system online worldwide. Reduced energy costs to the computers that mine crypto-currency will increase their profits significantly.

Below Photo is an original prototype, MET has now developed a more advance magnetic unit which is more superior than the photo shown.

Subject



Prototype Example

DESCRIPTION:

The MET consists of 4 large ring type stators that are specially magnetized with patterns designed to generate continual motion of similarly magnetized cylindrical rotors. The rotors are free to rotate around the stator rings with manually interactive eddy currents of induction which form frictionless magnetic bearings between moving parts. In the process electrons pair up as bosons, accelerate to form electrical currents and thus harnessed for their kinetic energy.

9. ELECTRIC POWER GENERATOR DESCRIPTION

 **Magnetic Energy Solutions, Inc.**



A green and revolutionary approach to replace the traditional fossil fuel engines and electric motors with a State-of-the-Art technology which derives its power strictly out of neutrino waves and pulsating magnetic vortex from super-magnets and other inventor technology. This is truly revolutionary.



- “The Power Energy Brushless Dynamo Generator”, does not create any harmful gases or carbon dioxide emissions, so it is a green product of "zero emission".
- The MET is certainly a self-sustained power technology, not being dependent on weather or geothermal conditions, availability of sunshine, ocean currents or winds.
- The MET suits international requirements for existing power interconnection available in all countries' geographic footprints; it is truly **NEW BREAKTHROUGH TECHNOLOGY**.

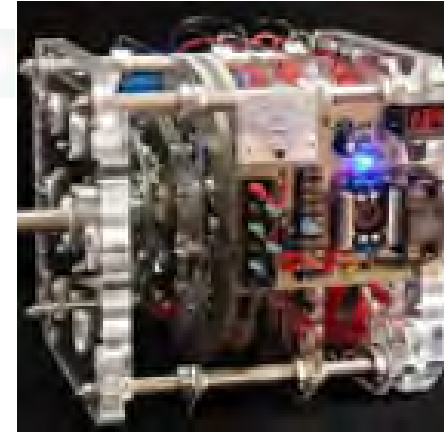
Application For Aeronautic, Homes, Business, Electric Cars, Boats, and More!

10. BRUSHLESS DYNAMIC GENERATOR APPLICATIONS



1. House Generators
2. Business Generators
3. Automobiles Generators
4. Portable Generators
5. Bitcoin mining generators

An earlier prototype that shows magnets being used to produce electric current to generate power.



Portable



Automobile



Home or Business



11. BRUSHLESS DYNAMO GENERATOR FEATURES



- 1 New magnetic pulsating vortex driven technology
- 2 High power - promote clean energy
- 3 Durable and cost effective (CO2 carbon credit), saving 370 Kg of CO2 emissions per Megawatt-hour
- 4 Does not use fuel or electricity
- 5 Compact design , electric power generators
- 6 Variety of Generator Types
- 7 Very little maintenance
- 8 No CO2 emission
- 9 Minimum or no wear and tear





MAGNETIC MOTOR TECHNOLOGY

A **green** and revolutionary approach to replace the traditional fossil fuel engines and electric motors with a State-of-the-**Art Generator Technology**

MET BRUSHLESS DYNAMO GENERATOR

- Never uses electricity or fuel
- No emissions, noise and pollutants to environment
- (deliver more HP) More reliable
- More HP delivery
- Much higher RPM
- Conveniently lighter generator
- Protect the environment
- Excellent for use in air, sea or land transportation Minimum maintenance
- Lower production cost of fuel



CONVENTIONAL POWER

- Operate on oil and petro fuel
- Lethal CO2 Emissions, noise and other pollutants to the air
- Up to 30% energy efficiency
- Less efficiency, & reliability
- Much less HP delivery
- Much lower RPM
- Much heavier engine
- No practical for use in air,
- Expensive when used for sea or land technologies Thorough maintenance required
- Higher cost due to the rising price of metal and fuel. Operation yields high temperature

13. VALUE PROPOSITIONS OF THE TECHNOLOGY

Saves Energy Costs



- Lower production cost
- Operates at room temperature

Higher Energy Production



- More horsepower delivery
- Much higher rotations per minute (RPM)

Environmental Benefits



- Does not use electricity or fuel
- No emissions, noise, or pollutants to environment

Intellectual Property



- Utility patents regarding the invention
- Company name trademark



Magnetic Energy Technology

MET



14. MARKET PENETRATION STRATEGY



Market Development Strategy

- Position Magnetic Energy Technology Solutions among the biggest players in the home generator, auto generator, and portable generator markets
- Position Magnetic Energy Technology Solutions' products as the first of its kind and a solution to the world's energy crisis
- Implement marketing strategies designed to penetrate every business segment.
- Ensure that Magnetic Energy Solutions customers are aware of its market presence and receptive to Magnetic Energy Solutions' solutions.



Financial Sustainability Strategy

- Establish relationships with investors to secure capital during early stages
- Minimize development costs
- Earn a substantial portion of income from B2B licensing
- Employ the best operational management and staff, which will result in cost-efficiency and profit maximization



Quality Management Strategy

- Constantly conduct research and development and improve product quality
- Provide best-in-class service by to customers
- Survey customers to garner feedback regarding their customer experiences
- Implement company operational procedures and share with company staff

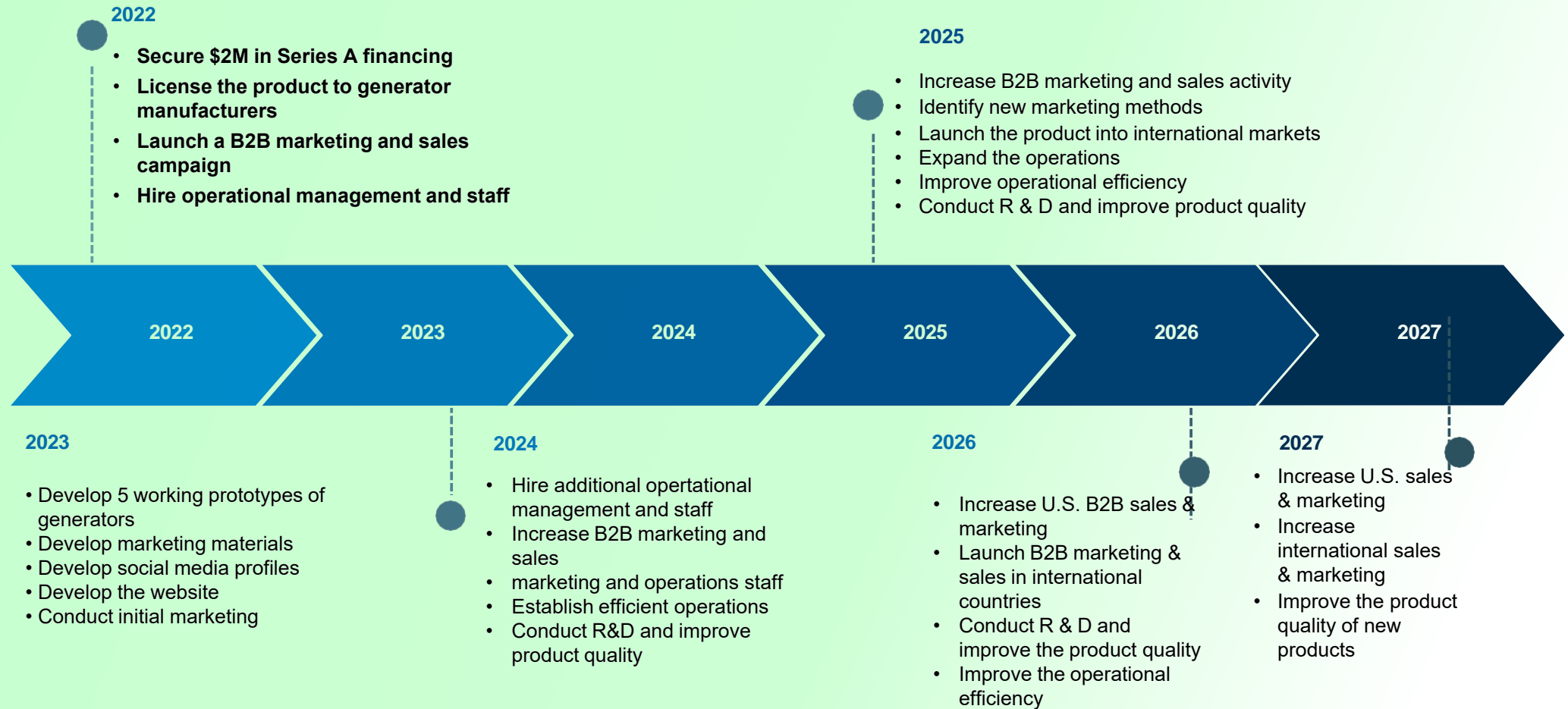


Magnetic Energy Technology

MET



15. FUTURE MILESTONES



16. TARGET MARKET ANALYSIS



The Company will market and sell its generators to a variety of businesses including:

- Automobile companies
- Oil & gas companies
- Power companies
- House owners
- Hotels
- Resorts
- Amusements parks
- Zoos
- Ski areas
- Retail/commercial real estate owners
- Food production companies
- Government agencies
- Telecommunications companies
- Event planning companies

The Company will license to a chosen few of below companies its technology to generator manufacturers such as:

- Briggs & Stratton
- Caterpillar
- Cummins
- Generac
- Energizer
- Kohler
- Aksa
- SDMO
- Multiquip
- Baldoor
- Doosan
- Wacker Neuson
- Atlas Copco
- Armstrong
- Detroit Diesel
- John Deere
- Kohler Generators
- Olympian Generator Sets
- Triton
- Compressed Air Systems
- Goodwin A. Xylem Brand
- Wharton Hardware & Supply
- Generator Source
- Scott's Emergency Lighting
- Critical Power Products & Services
- Ohio Power Tool

17. NORTH AMERICA RENEWABLE ENERGY MARKET

- The North American renewable energy market had total revenues of \$128.0bn in 2019, representing a compound annual growth rate (CAGR) of 8.5% between 2015 and 2019.
- Market consumption volume increased with a CAGR of 5% between 2015 and 2019, to reach a total of 1,253.8 TWh in 2019.
- According to the 2020 Hydropower Status report the US and Canada had the 3rd and 4th largest installed capacity and generation globally behind only China and Brazil.

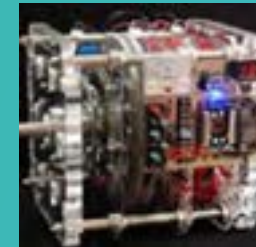


17. NORTH AMERICA RENEWABLE ENERGY MARKET

GREEN ENERGY CERTIFICATE ADDITIONAL PROJECT FINANCE STRATEGY



**Green
Energy
Certificate**



**Self generating
Production and
Power Delivery**



**Green Energy
Bonds or Green
Energy
Certificates**

17. GLOBAL RENEWABLE ENERGY MARKET



PRECEDENCE
RESEARCH

RENEWABLE ENERGY MARKET SIZE, 2021 TO 2030 (USD BILLION)



18. COMPETITIVE ANALYSIS

- Magnetic Energy Solutions, Inc. has no direct competitors, as there are no other companies that currently produce magnetic energy as a renewable energy source.
- Magnetic Energy Solutions, Inc.'s only competitors are indirect competitors, which are renewable energy equipment providers such as solar energy equipment manufacturers and wind equipment manufacturers.
- Both solar and wind energy are more costly to maintain
- Both solar and wind energy are more expensive to produce power
- Magnetic Energy Solutions solutions produces energy at a higher rate than wind and solar equipment.

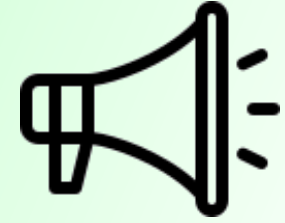


19. MARKETING



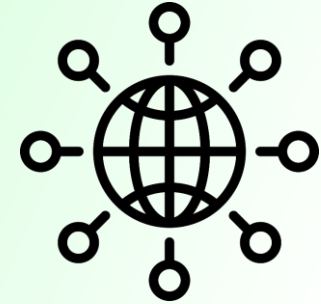
BRANDING STRATEGY

- Emphasize that Magnetic Energy Solutions is environmentally-friendly, low cost, and a powerful energy solution.



INTERNET MARKETING

- Display advertising, PPC advertising, search engine optimization, social media, and article marketing.
- Advertise on *Google, WeChat, Facebook, Instagram, Yelp, OpenTable, and TikTok.*
- Maintain an organic presence on *Google, Bing, Yelp,* and other online directories and search engine.
- Ensure that website and articles are found in searches related to meal delivery, food delivery, cannabis, grocery delivery, and food.



20. MARKETING

PUBLIC RELATIONS

- Television news segments, radio spots, magazine, articles, and internet articles; positive relations with local, regional, and national communities



INDUSTRY TRADE SHOWS & EVENTS

- National, global, and regional trade shows on renewable energy and magnetics; host booths at and attend these trade shows; shows that the Company might attend include *Energy Conference & Expo*, *Reuters Energy Transition North America*, *RNG Conference*, *PowerTest*, *IEE Green Technologies Conference*, *ARPA - E Energy Innovation Summit*, *UR TeC*, *Energy Exposition*, *AEE East Energy Conference & Expo*, *Power-GEN International*, and *The Energy Expo*.



21. OPERATIONS



HOURS OF OPERATION

Monday to Friday from 9AM – 6PM EST.

LEGAL STRUCTURE

C-Corporation, Florida, January 22, 2020

COMPUTER HARDWARE & SOFTWARE

Inventory management, payroll, sales management, accounting, financial analysis

LEGAL & INSURANCE

Corporate attorney will supervise regulatory compliance, contract administration, employment matters; liability insurance to minimize business exposure and risk

ACCOUNTING

CPA will handle tax reporting duties

CFO and accountant will produce monthly A/R, A/P, and expense reports

LICENSES & PERMITS

West Palm Beach business license

22. THE MANAGEMENT

KEITH FRANKLIN, CHIEF EXECUTIVE OFFICER

- Over 35 years of real estate business experience and an experienced business manager
- Licensed real estate agent
- Magnetic Energy Solutions, Inc., Founder, 2020
- Cool Sound Industries, Inc., Vice President of Operations, 1995 - present
- Environmental Defense Foundation, CEO/President
- United Realty Group, Real Estate Broker, 2005 – present
- Illustrated Properties, Real Estate Broker, 1995 - 2005
- Coldwell Banker Real Estate, Real Estate Broker 1980 – 1995
- AOPA, American Owners & Pilots Association
- Member of the National Association of Realtors
- A.A. Degree in Business, Palm Beach State College, 1980
- A.S. Degree in Criminal Justice, Palm Beach State College, 1983
- Liberty University business administration



21. THE MANAGEMENT

YURIY SHIROKIKH, CHIEF FINANCIAL OFFICER



- Multiple companies, CFO/CAO/CLO, November 2012 – present
- Controller, Fuel Stream, Inc., March 2012 – October 2012
- Luxury & Jewelry Watches, CFO/CAO/CLO, May 2011 – March 2012
- Genesis Networks, Chief Compliance Officer/Chief Financial Officer, May 2008 – April 2011
- Gulliver Travel Associates, Regional Controller/Treasurer, April 2001 – April 2008
- Community Development Trust, LLP, Financial Controller, September 1999 – April 2001
- Air Ukraine Airlines, Chief Compliance Officer, August 1996 – August 1999.
- Internal Revenue Service of Ukraine, Chief Deputy, July 1988 – July 1996
- Arthur Andersen, Accounting & Audit Manager, June 1986 – July 1988
- CPA, Accredited Tax Advisor, Accredited Business Accountant, Certified Fraud Examiner, Accredited Tax Professional, Chartered Accountant, Real Estate Broker, Notary Public, Certified Accountant & Auditor
- BS/MS – Accounting, Kiev State University of Finance & Economics, June 1991
- Attorney Degree – Tax Law, Kiev State University Law School
- MBA – International Taxation/Finance, Stanford University, September 2000
- PhD, Finance, Marketing Research, Commercial Banking, Fixed Income, M & A, Investments, 2005

21. THE MANAGEMENT



ANDRES TABET, SENIOR ENGINEER

- Experienced mechanical engineer specializing in project management, renewable energy, and manufacturing
- Thales Canada Transportation Solutions, Systems Design Specialist/Utility Operator IV, 9/19 – Present
- Sun Chemical, Drais Mill Operator, September 2018 – March 2019
- School of Engineering Julio Garavito, Undergraduate Researcher, January 2011 – May 2016
- Engineering Technician Degree, Seneca College
- Professional Engineer License (Ontario, Canada)
- Proficient in SolidWorks, AutoCad, Python, and Visual Basic
- Bilingual in Spanish and English

21. THE MANAGEMENT



MARK LIVELY, ENGINEER

- Experienced biomedical field service engineer specializing in application of engineering, biomechanical, and biology principles to all healthcare systems and products.
- Orlando Regional Medical Center, Senior Biomedical Clinical Engineering Technologist, March 2021 to present
- Werfen, Biomedical Field Service Engineer II, October 2017 – March 2021
- Radox Laboratories, Field Service Engineer, November 2006 – June 2017
- Nortel Networks, Electronics Engineering Technician, September 1999 – September 2001
- Intelligent Medical Imaging, Field Service Engineer, September 1996 – April 1999
- Sleepnet Corporation, Engineering Technician, August 1994 – August 1996
- Engineering Technician, Hewlett Packard Company, January 1990 – December 1992
- Associates Degree, Electronics Technology, Berkshire College

21. THE MANAGEMENT

LEONARD WERNER, ADVISOR

- Over 30+ years of real estate brokerage, finance, and management experience.
- Involved with over \$550 million of real estate transactions.
- Founder and owner of Werner Capital Advisory Services, equity, debt, and mezzanine financing company. Director Commercial Real Estate Optimar International Realty.
- Managing Partner, Platinum Advisory Services, Inc., PIPE funding, mergers, acquisitions, private and public companies, including equity raise for joint ventures for real estate opportunities.
- Founder and Owner of Professional Energy Control, Inc., solar power manufacturing company, successful in the 1980's.
- Westinghouse Land Development Pelican Bay, Naples, FL , Residential Development Sales.
- International Sales Group, Inc., Director Marketing & Sales Consultant.
- Bachelor Degree Ball State University and 4 Quarters in Masters in Business Administration
- Miami, FL - High Society Social Scene Attendee.



22. FINANCING STRATEGY



RISK ANALYSIS

The market health and performance within the Company's target industries ensures that the demand for Magnetic Energy Solutions, Inc., solutions will be strong enough to achieve year-round success. Over time, the Company's founders believe the demand for renewable energy will remain strong, offsetting any potential circumstances that may arise when implementing any of the previously outlined strategies. Risks include economic risk, fraud risk, chemical abundance risk, industry risk, technology risk, compliance risk, and political risk.

EXIT STRATEGY

Magnetic Energy Solutions, Inc. plans to grow over the next three to five years until it is in a position of sustainable growth and profitability. At that time, the Company will seek to exit to bring liquidity to the Company's investors either in the form of an initial public offering (IPO) or sale of the Company to a business owner and/or as a result of an acquisition from a larger player.

23. CAPITAL REQUIREMENTS



Table 1 Magnetic Energy Solutions, Inc. Capital Requirements - Round 1	
Capital expenditures:	
Research & development	\$500,000
Equipment, furniture, & fixtures	\$769,565
Computer hardware & software	\$50,000
Total capital expenditures	\$1,319,565
Working capital:	
Ramp-up expenses	\$180,435
Total working capital	\$180,435
Total capital requirements	\$1,500,000

Table 2 Magnetic Energy Solutions, Inc. Capital Requirements - Round 2	
Capital items	
Computer hardware & software	\$50,000
Total capital expenditures	\$50,000
Working capital:	
Selling & marketing expenses	\$725,000
G&A expenses	\$450,000
Inventory	\$275,000
Total working capital	\$1,450,000
Total capital requirements	\$1,500,000

24. SALES

	Year 1	Year 2	Year 3	Year 4	Year 5	
Business sales:						
Licensing:						
# units ordered	12%	8%	6%	4%	3%	monthly growth rate
House generators	20%	20%	20%	20%	20%	% of units ordered
Business generators	34%	34%	34%	34%	34%	% of units ordered
Portable generators	20.5%	20.5%	20.5%	20.5%	20.5%	% of units ordered
Automobile generators	23.0%	23.0%	23.0%	23.0%	23.0%	% of units ordered
Bit mining generators	2.5%	2.5%	2.5%	2.5%	2.5%	% of units ordered
	100.0%	100.0%	100.0%	100.0%	100.0%	% of units ordered
Direct Sales - Businesses						
# Business customers						
# units ordered	8	10	11	12	13	units/month
# Business generators	42%	42%	42%	42%	42%	% of units ordered
# Portable generators	25%	25%	25%	25%	25%	% of units ordered
# Automobile generators	30%	30%	30%	30%	30%	% of units ordered
# Bit mining generators	3%	3%	3%	3%	3%	% of units ordered
	100%	100%	100%	100%	100%	% of units ordered
Direct Sales - House owners						
# House generators						
	12%	8%	6%	4%	3%	monthly growth rate
Licensing:						
House generator revenues	\$7,500.00	\$7,687.50	\$7,879.69	\$8,076.68	\$8,278.60	per house generator
Magnetic Energy Solutions earnings	7.5%	7.5%	7.5%	7.5%	7.5%	of licensee revenues
Business generator revenues	\$15,000.00	\$15,375.00	\$15,759.38	\$16,153.36	\$16,557.19	per business generator
Magnetic Energy Solutions earnings	7.5%	7.5%	7.5%	7.5%	7.5%	of licensee revenues
Portable generator revenues	\$12,500.00	\$12,812.50	\$13,132.81	\$13,461.13	\$13,797.66	per portable generator
Magnetic Energy Solutions earnings	7.5%	7.5%	7.5%	7.5%	7.5%	of licensee revenues
Automobile generator revenues	\$5,000.00	\$5,125.00	\$5,253.13	\$5,384.45	\$5,519.06	per automobile generator
Magnetic Energy Solutions earnings	7.5%	7.5%	7.5%	7.5%	7.5%	of licensee revenues
Bit mining generator revenues	\$15,000.00	\$15,375.00	\$15,759.38	\$16,153.36	\$16,557.19	per bit mining generator
Magnetic Energy Solutions earnings	7.5%	7.5%	7.5%	7.5%	7.5%	of licensee revenues
Total Magnetic Energy Solutions licensee revenues						
Total Magnetic Energy Solutions licensing earnings						
Direct sales - businesses						
Business generator revenues	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	per business generator
Portable generator revenues	\$10,000	\$10,250	\$10,506	\$10,769	\$11,038	per portable generator
Automobile generator revenues	\$4,000	\$4,100	\$4,203	\$4,308	\$4,415	per automobile generator
Bit mining generator revenues	\$20,000	\$20,500	\$21,013	\$21,538	\$22,076	per bit mining generator
Total direct sales - businesses						
Direct sales - House owners						
House generator revenues	\$12,500	\$12,813	\$13,133	\$13,461	\$13,798	per house generator
Total revenues						
Direct sales cost of sales:						
Cost of production	25%	24%	23%	22%	21%	of direct sale revenues
Cost of distribution - business direct sales	10%	9%	8%	7%	7%	of business direct sale revenues
Cost of freight	7%	7%	7%	7%	7%	of business direct sale revenues

Table 2 Magnetic Energy Solutions, Inc. Revenue Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues:					
Total Magnetic Energy Solutions licensee revenues	\$2,579,229	\$7,810,025	\$17,588,411	\$31,700,968	\$48,663,920
Magnetic Energy Solutions licensing earnings	\$193,442	\$585,752	\$1,319,131	\$2,377,573	\$3,649,794
Direct business sales revenues	\$2,857,363	\$10,815,287	\$26,791,984	\$52,679,223	\$87,606,440
Direct house owner sales revenues	\$603,328	\$1,826,907	\$4,114,248	\$7,415,431	\$11,383,373
Total Revenues	\$6,233,362	\$21,037,971	\$49,813,774	\$94,173,194	\$151,303,527
Cost of Sales:					
Cost of production	\$865,173	\$3,034,126	\$7,108,433	\$13,220,824	\$20,787,861
Direct sales cost of sales	\$865,173	\$3,034,126	\$7,108,433	\$13,220,824	\$20,787,861
Gross margin	\$5,368,189	\$18,003,844	\$42,705,341	\$80,952,370	\$130,515,666



25. EXPENSES



Table 3
Magnetic Energy Solutions, Inc.
General & Administrative Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5
Wages & salaries	\$625,000	\$794,250	\$1,403,638	\$1,617,418	\$1,823,695
Payroll expense	\$50,000	\$63,540	\$112,291	\$129,393	\$145,896
Benefits	\$37,500	\$47,655	\$84,218	\$97,045	\$109,422
Liability insurance	\$18,271	\$66,140	\$161,127	\$312,361	\$513,198
Rent	\$45,000	\$53,063	\$72,000	\$90,000	\$103,500
Legal & consulting	\$36,000	\$47,520	\$62,208	\$77,760	\$89,424
Supplies	\$12,000	\$15,840	\$20,736	\$25,920	\$29,808
Telephone & communications	\$9,000	\$11,880	\$15,552	\$19,440	\$22,356
Utilities/Internet	\$12,000	\$15,840	\$20,736	\$25,920	\$29,808
Travel	\$90,000	\$118,800	\$155,520	\$194,400	\$223,560
Meals & entertainment	\$30,000	\$39,600	\$51,840	\$64,800	\$74,520
Auto mileage expenses	\$24,000	\$31,680	\$41,472	\$51,840	\$59,616
Total general & administrative expenses	\$964,771	\$1,274,127	\$2,159,866	\$2,654,458	\$3,165,186

Table 4
Magnetic Energy Solutions, Inc.
Selling & Marketing Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales commission	\$91,353	\$330,699	\$805,634	\$1,561,806	\$2,565,990
Marketing materials	\$13,000	\$27,600	\$60,375	\$69,431	\$76,374
Internet marketing	\$180,000	\$720,000	\$1,575,000	\$1,811,250	\$1,992,375
Print advertising	\$180,000	\$720,000	\$1,575,000	\$1,811,250	\$1,992,375
Public relations	\$60,000	\$240,000	\$525,000	\$603,750	\$664,125
Industry events	\$80,000	\$100,000	\$120,000	\$120,000	\$120,000
Outdoor advertising	\$0	\$90,000	\$225,000	\$258,750	\$284,625
Television advertising	\$0	\$500,000	\$1,440,000	\$1,656,000	\$1,821,600
Total selling & marketing expenses	\$513,000	\$2,397,600	\$5,520,375	\$6,330,431	\$6,951,474

Table 5
Magnetic Energy Solutions, Inc.
Staff Headcount (Year-End Totals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Chief Executive Officer	1	1	1	1	1
Chief Financial Officer	1	1	1	1	1
Senior Engineer	1	1	1	1	1
Field Service Engineer	2	3	3	3	3
Administrative Assistant		1	2	3	3
Sales Manager (base)	1	1	2	1	1
Account Executive (base)	2	3	4	5	5
Marketing Assistant		1	2	2	2
Bookkeeper		0	1	1	1
Total staff headcount	8	12	17	18	18

Table 6
Magnetic Energy Solutions, Inc.
Staff Annual (Full-Time) Salaries

	Year 1	Year 2	Year 3	Year 4	Year 5
Chief Executive Officer	\$75,000	\$82,500	\$86,625	\$88,791	\$91,010
Chief Financial Officer	\$150,000	\$165,000	\$173,250	\$177,581	\$182,021
Senior Engineer	\$110,000	\$121,000	\$124,025	\$127,126	\$130,304
Field Service Engineer	\$70,000	\$77,000	\$78,925	\$80,898	\$82,921
Administrative Assistant	\$0	\$0	\$48,000	\$49,200	\$50,430
Sales Manager (base)	\$70,000	\$71,750	\$73,544	\$75,382	\$77,267
Account Executive (base)	\$40,000	\$41,000	\$42,025	\$43,076	\$44,153
Marketing Assistant	\$0	\$0	\$45,000	\$46,125	\$47,278
Bookkeeper	\$0	\$0	\$45,000	\$46,125	\$47,278

26. INCOME



Schedule 1 Magnetic Energy Solutions, Inc. Projected Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues:					
Magnetic Energy Solutions licensing earnings	\$193,442	\$585,752	\$1,319,131	\$2,377,573	\$3,649,794
Direct business sales	\$2,857,363	\$10,815,287	\$26,791,984	\$52,679,223	\$87,606,440
Direct house owner sales	\$603,328	\$1,826,907	\$4,114,248	\$7,415,431	\$11,383,373
Total revenues	\$3,654,133	\$13,227,945	\$32,225,363	\$62,472,226	\$102,639,607
Cost of sales:					
Direct sales cost of production	\$865,173	\$3,034,126	\$7,108,433	\$13,220,824	\$20,787,861
Direct sales cost of sales	\$1,350,925	\$4,764,572	\$11,127,231	\$20,595,915	\$33,052,762
Direct sales cost of sales	\$1,350,925	\$4,764,572	\$11,127,231	\$20,595,915	\$33,052,762
Gross margin	\$2,303,209	\$8,463,373	\$21,098,132	\$41,876,311	\$69,586,845
Expenses:					
Marketing expense	\$604,353	\$2,728,299	\$6,326,009	\$7,892,237	\$9,517,465
General & administrative	\$934,771	\$1,234,527	\$1,838,102	\$2,128,538	\$2,428,960
Expenses - Total	\$1,539,124	\$3,962,826	\$8,164,111	\$10,020,775	\$11,946,424
Income before taxes	\$762,910	\$4,517,915	\$13,013,563	\$32,152,730	\$58,315,521
Income taxes	\$160,211	\$948,762	\$2,732,848	\$6,752,073	\$12,246,259
Net income	\$602,699	\$3,569,153	\$10,280,715	\$25,400,657	\$46,069,262

27. CASH FLOWS & BALANCE



Schedule 2 Magnetic Energy Solutions, Inc. Projected Statements of Cash Flows					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash flows from operations					
Net Income:	\$602,699	\$3,569,153	\$10,280,715	\$25,400,657	\$46,069,262
Depreciation	\$16,667	\$27,778	\$40,000	\$28,333	\$22,500
Increase (decrease) in accrued liabilities	\$29,688	\$8,039	\$17,699	\$2,188	\$1,440
Increase (decrease) in accrued taxes	\$160,211	\$1,108,973	\$1,463,664	\$2,219,137	\$4,086,000
Increase (decrease) in accounts payable	\$50,034	\$10,062	\$329,781	\$101,490	\$107,463
(Increase) decrease in accounts receivable	(\$351,138)	(\$652,110)	(\$1,414,202)	(\$1,849,570)	(\$2,407,018)
(Increase) decrease in inventory	(\$270,091)	(\$225,267)	(\$387,020)	(\$958,264)	(\$5,496,033)
Net cash flows from operations	\$238,069	\$3,846,629	\$10,330,637	\$24,943,972	\$42,383,613
Cash flows from investing activities:					
Capital expenditures	\$120,000	\$155,000	\$135,000	\$135,000	\$110,000
Prepaid expenses	(\$0)	\$0	\$0	\$0	\$0
Net cash flows from investing	\$120,000	\$155,000	\$135,000	\$135,000	\$110,000
Cash flows from financing:					
Proceeds from issuance of debt	\$0	\$0	\$0	\$0	\$0
Proceeds from sale of stock	\$3,000,000	\$0	\$0	\$0	\$0
Debt service payments	\$0	\$0	\$0	\$0	\$0
Net cash flows from financing	\$3,000,000	\$0	\$0	\$0	\$0
Net increase (decrease) in cash	\$1,798,504	\$3,691,629	\$10,195,637	\$24,808,972	\$42,273,613
Beginning cash balance	\$0	\$1,798,504	\$5,490,133	\$15,685,770	\$40,494,741
Ending cash balance	\$1,798,504	\$5,490,133	\$15,685,770	\$40,494,741	\$82,768,355

Schedule 3 Magnetic Energy Solutions, Inc. Projected Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets:					
Current assets					
Cash & marketable items	\$1,798,504	\$5,490,133	\$15,685,770	\$40,494,741	\$82,768,355
Accounts receivable	\$351,138	\$1,003,248	\$2,417,450	\$4,267,020	\$6,674,038
Inventory	\$270,091	\$495,358	\$882,378	\$1,840,642	\$7,336,675
Prepaid expenses	(\$0)	\$0	\$0	\$0	\$0
Total current assets	\$2,419,733	\$6,988,739	\$18,985,598	\$46,602,403	\$96,779,068
Net non-current assets:	\$1,422,898	\$1,550,121	\$1,645,121	\$1,751,787	\$1,839,287
Total assets	\$3,842,632	\$8,538,860	\$20,630,718	\$48,354,191	\$98,618,355
Liabilities & Shareholders' Equity					
Current liabilities					
Accounts payable	\$50,034	\$60,096	\$389,878	\$491,368	\$598,831
Accrued liabilities	\$29,688	\$37,727	\$55,426	\$57,614	\$59,054
Accrued taxes	\$160,211	\$1,269,184	\$2,732,848	\$4,951,985	\$9,037,985
Total current liabilities	\$239,933	\$1,367,008	\$3,178,152	\$5,500,967	\$9,695,871
Long-term Liabilities					
Long-term debt (1)	\$0	\$0	\$0	\$0	\$0
Total long-term liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$239,933	\$1,367,008	\$3,178,152	\$5,500,967	\$9,695,871
Shareholders' equity					
Common stock	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Retained earnings	\$602,699	\$4,171,852	\$14,452,567	\$39,853,223	\$85,922,485
Total shareholders' equity	\$3,602,699	\$7,171,852	\$17,452,567	\$42,853,223	\$88,922,485
Total liabilities and equity	\$3,842,632	\$8,538,860	\$20,630,718	\$48,354,191	\$98,618,355

Magnetic Energy Solutions

The Next Generation of Innovating Green Energy

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