

TLD Applicant – Financial Projections : Sample

In local currency (unless noted otherwise)

| Sec. | Reference / Formula | Live / Operational | | | | Comments / Notes |
|--|---|--------------------|-----------|-----------|-----------|--|
| | | Start-up Costs | Year 1 | Year 2 | Year 3 | |
| I) Projected Cash Inflows and Outflows | | | | | | |
| A) Forecasted registration volume | | - | 62,000 | 80,600 | 104,780 | Registration was forecasted based on recent market surveys which we have attached and discussed below. |
| B) Registration fee | | \$ - | \$ 5.00 | \$ 5.50 | \$ 6.05 | We do not anticipate significant increases in Registration Fees subsequent to year 3. |
| C) Registration cash inflows | A * B | - | 310,000 | 443,300 | 633,919 | Other cash inflows represent advertising monies expected from display ads on our website. |
| D) Other cash inflows | | - | 35,000 | 48,000 | 62,000 | |
| E) Total Cash Inflows | | - | 345,000 | 491,300 | 695,919 | |
| Projected Operating Cash Outflows | | | | | | |
| F) Labor: | | | | | | Costs are further detailed and explained in response to question 47. |
| i) Marketing Labor | | 25,000 | 66,000 | 72,000 | 81,000 | |
| ii) Customer Support Labor | | 5,000 | 68,000 | 71,000 | 74,000 | |
| iii) Technical Labor | | 32,000 | 45,000 | 47,000 | 49,000 | |
| G) Marketing | | 40,000 | 44,000 | 26,400 | 31,680 | |
| H) Facilities | | 7,000 | 10,000 | 12,000 | 14,400 | |
| I) General & Administrative | | 14,000 | 112,000 | 122,500 | 136,000 | |
| J) Interest and Taxes | | 27,500 | 29,000 | 29,800 | 30,760 | |
| K) Outsourcing Operating Costs, if any (list the type of activities being outsourced): | | | | | | Provide a list and associated cost for each outsourced function. |
| i) Hot site maintenance | | 5,000 | 7,500 | 7,500 | 7,500 | Outsourcing hot site to ABC Company, cost based on number of servers hosted and customer support |
| ii) Critical Registry Functions | | 32,000 | 37,500 | 41,000 | 43,000 | Outsourced critical registry and other functions to ABC registry. Costs are based on expected domains and queries |
| iii) (list type of activities being outsourced) | | - | - | - | - | Provide a description of the outsourced activities and how costs were determined |
| iv) (list type of activities being outsourced) | | - | - | - | - | Provide a description of the outsourced activities and how costs were determined |
| v) (list type of activities being outsourced) | | - | - | - | - | Provide a description of the outsourced activities and how costs were determined |
| vi) (list type of activities being outsourced) | | - | - | - | - | Provide a description of the outsourced activities and how costs were determined |
| L) Other Operating Costs | | 12,200 | 18,000 | 21,600 | 25,920 | |
| M) Total Operating Cash Outflows | | 199,700 | 437,000 | 450,800 | 493,260 | |
| N) Projected Net Operating Cash flow | E - M | (199,700) | (92,000) | 40,500 | 202,659 | |
| IIa) Break out of Fixed and Variable Operating Cash Outflows | | | | | | |
| A) Total Variable Operating Costs | | 72,067 | 163,417 | 154,464 | 200,683 | Variable Costs: Start Up equals all labor plus 75% of marketing. Years 1 through 3 equal 75% of all labor plus 50% of Marketing, and 30% of G&A and Other costs |
| B) Total Fixed Operating Costs | | 127,633 | 273,583 | 296,336 | 292,577 | Fixed Costs: equals Total Costs less Variable Costs |
| C) Total Operating Cash Outflows | = Sec. I) M CHECK | 199,700 | 437,000 | 450,800 | 493,260 | Check that II) C equals I) N. |
| IIb) Break out of Critical Registry Function Operating Cash Outflows | | | | | | |
| A) Operation of SRS | | 5,000 | 5,500 | 6,050 | 6,050 | Note: ICANN is working on cost model that will be provided at a later date |
| B) Provision of Whois | | 6,000 | 6,600 | 7,260 | 7,260 | Commensurate with Question 24 |
| C) DNS Resolution for Registered Domain Names | | 7,000 | 7,700 | 8,470 | 8,470 | Commensurate with Question 26 |
| D) Registry Data Escrow | | 8,000 | 8,800 | 9,680 | 9,680 | Commensurate with Question 35 |
| E) Maintenance of Zone in accordance with DNSSEC | | 9,000 | 9,900 | 10,890 | 10,890 | Commensurate with Question 38 |
| G) Total Critical Function Cash Outflows | | - | 35,000 | 38,500 | 42,350 | Commensurate with Question 43 |
| H) 3-year Total | | 115,850 | | | | |
| III) Projected Capital Expenditures | | | | | | |
| A) Hardware | | 98,000 | 21,000 | 16,000 | 58,000 | -Hardware & Software have a useful life of 3 years |
| B) Software | | 32,000 | 18,000 | 24,000 | 11,000 | |
| C) Furniture & Other Equipment | | 43,000 | 22,000 | 14,000 | 16,000 | -Furniture & other equipment have a useful life of 5 years |
| D) Outsourcing Capital Expenditures, if any (list the type of capital expenditures) | | | | | | List and describe each identifiable type of outsourcing. |
| i) | | - | - | - | - | List and describe each identifiable type of outsourcing. |
| ii) | | - | - | - | - | List and describe each identifiable type of outsourcing. |
| iii) | | - | - | - | - | List and describe each identifiable type of outsourcing. |
| iv) | | - | - | - | - | List and describe each identifiable type of outsourcing. |
| v) | | - | - | - | - | List and describe each identifiable type of outsourcing. |
| vi) | | - | - | - | - | List and describe each identifiable type of outsourcing. |
| EB) Other Capital Expenditures | | | | | | |
| F) Total Capital Expenditures | | 173,000 | 61,000 | 54,000 | 85,000 | |
| IV) Projected Assets & Liabilities | | | | | | |
| A) Cash | | 705,300 | 556,300 | 578,600 | 784,600 | |
| B) Accounts receivable | | 70,000 | 106,000 | 106,000 | 160,000 | |
| C) Other current assets | | 40,000 | 40,000 | 60,000 | 80,000 | |
| D) Total Current Assets | | 705,300 | 666,300 | 744,600 | 1,024,600 | |
| E) Accounts payable | | 41,000 | 110,000 | 113,000 | 125,300 | |
| F) Short-term Debt | | | | | | |
| G) Other Current Liabilities | | | | | | |
| H) Total Current Liabilities | | 41,000 | 110,000 | 113,000 | 125,300 | |
| I) Total Property, Plant & Equipment (PP&E) | = Sec III) F: cumulative Prior Years + Cur Yr | 173,000 | 234,000 | 288,000 | 373,000 | |
| J) 3-year Reserve | = IIb) H) | 115,850 | 115,850 | 115,850 | 115,850 | |
| K) Other Long-term Assets | | 288,850 | 349,850 | 403,850 | 488,850 | |
| L) Total Long-term Assets | | 288,850 | 349,850 | 403,850 | 488,850 | |
| M) Total Long-term Debt | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | Principal payments on the line of credit with XYZ Bank will not be incurred until Year 5. Interest will be paid as incurred and is reflected in Sec I) J. |
| V) Projected Cash flow (excl. 3-year Reserve) | | | | | | |
| A) Net operating cash flows | = Sec. I) N | (199,700) | (92,000) | 40,500 | 202,659 | |
| B) Capital expenditures | = Sec. III) FE | (173,000) | (61,000) | (54,000) | (85,000) | |
| C) Change in Non Cash Current Assets | = Sec. IV) (B+C): Prior Yr - Cur Yr | n/a | (110,000) | (56,000) | (74,000) | |
| D) Change in Total Current Liabilities | = Sec. IV) H: Cur Yr - Prior Yr | 41,000 | 69,000 | 3,000 | 12,300 | The \$41k in Start Up Costs represents an offset of the Accounts Payable reflected in the Projected balance sheet. Subsequent years are based on changes in Current Liabilities where Prior Year is subtracted from the Current year |
| E) Debt Adjustments | = Sec IV) F and M: Cur Yr - Prior Yr | n/a | - | - | - | |
| F) Other Adjustments | | | | | | |
| G) Projected Net Cash flow | | (331,700) | (194,000) | (66,500) | 55,959 | |
| VI) Sources of funds | | | | | | |
| A) Debt: | | | | | | See below for comments on funding. Revenues are further detailed and explained in response to question 48. |
| i) On-hand at time of application | | 1,000,000 | | | | |
| ii) Contingent and/or committed but not yet on-hand | | | | | | |
| B) Equity: | | | | | | |
| i) On-hand at time of application | | | | | | |
| ii) Contingent and/or committed but not yet on-hand | | | | | | |
| C) Total Sources of funds | | 1,000,000 | | | | |

General Comments (Notes Regarding Assumptions Used, Significant Variances Between Years, etc.):

We expect the number of registrations to grow at approximately 30% per year with an increase in the registration fee of \$1 per year for the first three years. These volume assumptions are based on the attached (i) market data and (ii) published benchmark registry growth. Fee assumptions are aligned with the growth plan and anticipated demand based on the registration curve. We anticipate our costs will increase at a controlled pace over the first three years except for marketing costs which will be higher in the start-up and first year as we establish our brand name and work to increase registrations. Operating costs are supported by the attached (i) benchmark report for a basket of similar registries and (ii) a build-up of costs based on our current operations. Our capital expenditures will be greatest in the start-up phase and then our need to invest in computer hardware and software will level off after the start-up period. Capital expenses are based on contract drafts and discussions held with vendors. We have included and referenced the hardware costs to support the estimates. Our investment in Furniture and Equipment will be greatest in the start-up period as we build our infrastructure and then decrease in the following periods. Start-up: Our start-up phase is anticipated to comprise [X] months in line with benchmark growth curves indicated by prior start-ups and published market data. Our assumptions were derived from the attached

Comments regarding how the Applicant plans to fund operations:

We have recently negotiated a line of credit with XYZ Bank (a copy of the fully executed line of credit agreement has been included with our application) and this funding will allow us to purchase necessary equipment and pay for employees and other Operating Costs during our start-up period and the first few years of operations. We expect that our business operation will be self funded (i.e., revenue from operations will cover all anticipated costs and capital expenditures) by the second half of our second year in operation; we also expect to become profitable with positive cash flow in year three.

General Comments regarding contingencies:

Although we expect to be cash flow positive by the end of year 2, the recently negotiated line of credit will cover our operating costs for the first 4 years of operation if necessary. We have also entered into an agreement with XYZ Co. to assume our registrants should our business model not have the ability to sustain itself in future years. Agreement with XYZ Co. has been included with our application. A full description of risks and a range of potential outcomes and impacts are included in our responses to Question 49. These responses have quantified the impacts of certain probabilities and our negotiated funding and action plans as shown, are adequate to fund our Worst Case Scenario.

Template 1 - Financial Projections: Most Likely

Comments / Notes

| In local currency (unless noted otherwise) | | Reference / Formula | Live / Operational | | | | Provide name of local currency used. |
|--|--|---------------------|--------------------|--------|--------|--------|--------------------------------------|
| Sec. | | | Start-up Costs | Year 1 | Year 2 | Year 3 | |
| I) Projected Cash inflows and outflows | | | | | | | |
| | A) Forecasted registration volume | | | | | | |
| | B) Registration fee | | | | | | |
| | C) Registration cash inflows | | | | | | |
| | D) Other cash inflows | | | | | | |
| | E) Total Cash Inflows | | | | | | |
| Projected Operating Cash Outflows | | | | | | | |
| F) Labor: | | | | | | | |
| | i) Marketing Labor | | | | | | |
| | ii) Customer Support Labor | | | | | | |
| | iii) Technical Labor | | | | | | |
| | G) Marketing | | | | | | |
| | H) Facilities | | | | | | |
| | I) General & Administrative | | | | | | |
| | J) Interest and Taxes | | | | | | |
| | K) Outsourcing Operating Costs, if any (list the type of activities being outsourced): | | | | | | |
| | i) (list type of activities being outsourced) | | | | | | |
| | ii) (list type of activities being outsourced) | | | | | | |
| | iii) (list type of activities being outsourced) | | | | | | |
| | iv) (list type of activities being outsourced) | | | | | | |
| | v) (list type of activities being outsourced) | | | | | | |
| | vi) (list type of activities being outsourced) | | | | | | |
| | L) Other Operating costs | | | | | | |
| | M) Total Operating Cash Outflows | | | | | | |
| | N) Projected Net Operating Cash flow | | | | | | |
| IIa) Break out of Fixed and Variable Operating Cash Outflows | | | | | | | |
| | A) Total Variable Operating Costs | | | | | | |
| | B) Total Fixed Operating Costs | | | | | | |
| | C) Total Operating Cash Outflows | | | | | | |
| | | CHECK | | | | | |
| IIb) Break out of Critical Function Operating Cash Outflows | | | | | | | |
| | A) Operation of SRS | | | | | | |
| | B) Provision of Whois | | | | | | |
| | C) DNS Resolution for Registered Domain Names | | | | | | |
| | D) Registry Data Escrow | | | | | | |
| | E) Maintenance of Zone in accordance with DNSSEC | | | | | | |
| | G) Total Critical Registry Function Cash Outflows | | | | | | |
| | H) 3-year Total | | | | | | |
| III) Projected Capital Expenditures | | | | | | | |
| | A) Hardware | | | | | | |
| | B) Software | | | | | | |
| | C) Furniture & Other Equipment | | | | | | |
| | D) Outsourcing Capital Expenditures, if any (list the type of capital expenditures) | | | | | | |
| | i) | | | | | | |
| | ii) | | | | | | |
| | iii) | | | | | | |
| | iv) | | | | | | |
| | v) | | | | | | |
| | vi) | | | | | | |
| | E) Other Capital Expenditures | | | | | | |
| | F) Total Capital Expenditures | | | | | | |
| IV) Projected Assets & Liabilities | | | | | | | |
| | A) Cash | | | | | | |
| | B) Accounts receivable | | | | | | |
| | C) Other current assets | | | | | | |
| | D) Total Current Assets | | | | | | |
| | E) Accounts payable | | | | | | |
| | F) Short-term Debt | | | | | | |
| | G) Other Current Liabilities | | | | | | |
| | H) Total Current Liabilities | | | | | | |
| | I) Total Property, Plant & Equipment (PP&E) | | | | | | |
| | J) 3-year Reserve | | | | | | |
| | K) Other Long-term Assets | | | | | | |
| | L) Total Long-term Assets | | | | | | |
| | M) Total Long-term Debt | | | | | | |
| V) Projected Cash flow (excl. 3-year Reserve) | | | | | | | |
| | A) Net operating cash flows | | | | | | |
| | C) Capital expenditures | | | | | | |
| | D) Change in Non Cash Current Assets | | n/a | | | | |
| | E) Change in Total Current Liabilities | | | | | | |
| | F) Debt Adjustments | | n/a | | | | |
| | G) Other Adjustments | | | | | | |
| | H) Projected Net Cash flow | | | | | | |
| VI) Sources of funds | | | | | | | |
| A) Debt: | | | | | | | |
| | i) On-hand at time of application | | | | | | |
| | ii) Contingent and/or committed but not yet on-hand | | | | | | |
| B) Equity: | | | | | | | |
| | i) On-hand at time of application | | | | | | |
| | ii) Contingent and/or committed but not yet on-hand | | | | | | |
| | C) Total Sources of funds | | | | | | |
| General Comments (Notes Regarding Assumptions Used, Significant Variances Between Years, etc.): | | | | | | | |
| Comments regarding how the Applicant plans to Fund operations: | | | | | | | |
| General Comments regarding contingencies: | | | | | | | |

| Template 2 - Financial Projections: Worst Case | | | | | | Comments / Notes | |
|---|--|----------------|--------------------|--------|--------|------------------|--------------------------------------|
| In local currency (unless noted otherwise) | | | Live / Operational | | | | Provide name of local currency used. |
| Sec. | Reference / Formula | Start-up Costs | Year 1 | Year 2 | Year 3 | | |
| I) | Projected Cash inflows and outflows | | | | | | |
| | A) Forecasted registration volume | | | | | | |
| | B) Registration fee | | | | | | |
| | C) Registration cash inflows | | | | | | |
| | D) Other cash inflows | | | | | | |
| | E) Total Cash Inflows | | | | | | |
| | Projected Operating Cash Outflows | | | | | | |
| | F) Labor: | | | | | | |
| | i) Marketing Labor | | | | | | |
| | ii) Customer Support Labor | | | | | | |
| | iii) Technical Labor | | | | | | |
| | G) Marketing | | | | | | |
| | H) Facilities | | | | | | |
| | I) General & Administrative | | | | | | |
| | J) Interest and Taxes | | | | | | |
| | K) Outsourcing Operating Costs, if any (list the type of activities being outsourced): | | | | | | |
| | i) (list type of activities being outsourced) | | | | | | |
| | ii) (list type of activities being outsourced) | | | | | | |
| | iii) (list type of activities being outsourced) | | | | | | |
| | iv) (list type of activities being outsourced) | | | | | | |
| | v) (list type of activities being outsourced) | | | | | | |
| | vi) (list type of activities being outsourced) | | | | | | |
| | L) Other Operating costs | | | | | | |
| | M) Total Operating Cash Outflows | | | | | | |
| | N) Projected Net Operating Cash flow | | | | | | |
| IIa) | Break out of Fixed and Variable Operating Cash Outflows | | | | | | |
| | A) Total Variable Operating Costs | | | | | | |
| | B) Total Fixed Operating Costs | | | | | | |
| | C) Total Operating Cash Outflows | | | | | | |
| | | CHECK | | | | | |
| IIb) | Break out of Critical Function Operating Cash Outflows | | | | | | |
| | A) Operation of SRS | | | | | | |
| | B) Provision of Whois | | | | | | |
| | C) DNS Resolution for Registered Domain Names | | | | | | |
| | D) Registry Data Escrow | | | | | | |
| | E) Maintenance of Zone in accordance with DNSSEC | | | | | | |
| | G) Total Critical Registry Function Cash Outflows | | | | | | |
| | H) 3-year Total | | | | | | |
| III) | Projected Capital Expenditures | | | | | | |
| | A) Hardware | | | | | | |
| | B) Software | | | | | | |
| | C) Furniture & Other Equipment | | | | | | |
| | D) Outsourcing Capital Expenditures, if any (list the type of capital expenditures) | | | | | | |
| | i) | | | | | | |
| | ii) | | | | | | |
| | iii) | | | | | | |
| | iv) | | | | | | |
| | v) | | | | | | |
| | vi) | | | | | | |
| | E) Other Capital Expenditures | | | | | | |
| | F) Total Capital Expenditures | | | | | | |
| IV) | Projected Assets & Liabilities | | | | | | |
| | A) Cash | | | | | | |
| | B) Accounts receivable | | | | | | |
| | C) Other current assets | | | | | | |
| | D) Total Current Assets | | | | | | |
| | E) Accounts payable | | | | | | |
| | F) Short-term Debt | | | | | | |
| | G) Other Current Liabilities | | | | | | |
| | H) Total Current Liabilities | | | | | | |
| | I) Total Property, Plant & Equipment (PP&E) | | | | | | |
| | J) 3-year Reserve | | | | | | |
| | K) Other Long-term Assets | | | | | | |
| | L) Total Long-term Assets | | | | | | |
| | M) Total Long-term Debt | | | | | | |
| V) | Projected Cash flow (excl. 3-year Reserve) | | | | | | |
| | A) Net operating cash flows | | | | | | |
| | B) Capital expenditures | | | | | | |
| | C) Change in Non Cash Current Assets | n/a | | | | | |
| | D) Change in Total Current Liabilities | | | | | | |
| | E) Debt Adjustments | n/a | | | | | |
| | F) Other Adjustments | | | | | | |
| | G) Projected Net Cash flow | | | | | | |
| VI) | Sources of funds | | | | | | |
| | A) Debt: | | | | | | |
| | i) On-hand at time of application | | | | | | |
| | ii) Contingent and/or committed but not yet on-hand | | | | | | |
| | B) Equity: | | | | | | |
| | i) On-hand at time of application | | | | | | |
| | ii) Contingent and/or committed but not yet on-hand | | | | | | |
| | C) Total Sources of funds | | | | | | |
| General Comments (Notes Regarding Assumptions Used, Significant Variances Between Years, etc.): | | | | | | | |
| Comments regarding how the Applicant plans to Fund operations: | | | | | | | |
| General Comments regarding contingencies: | | | | | | | |