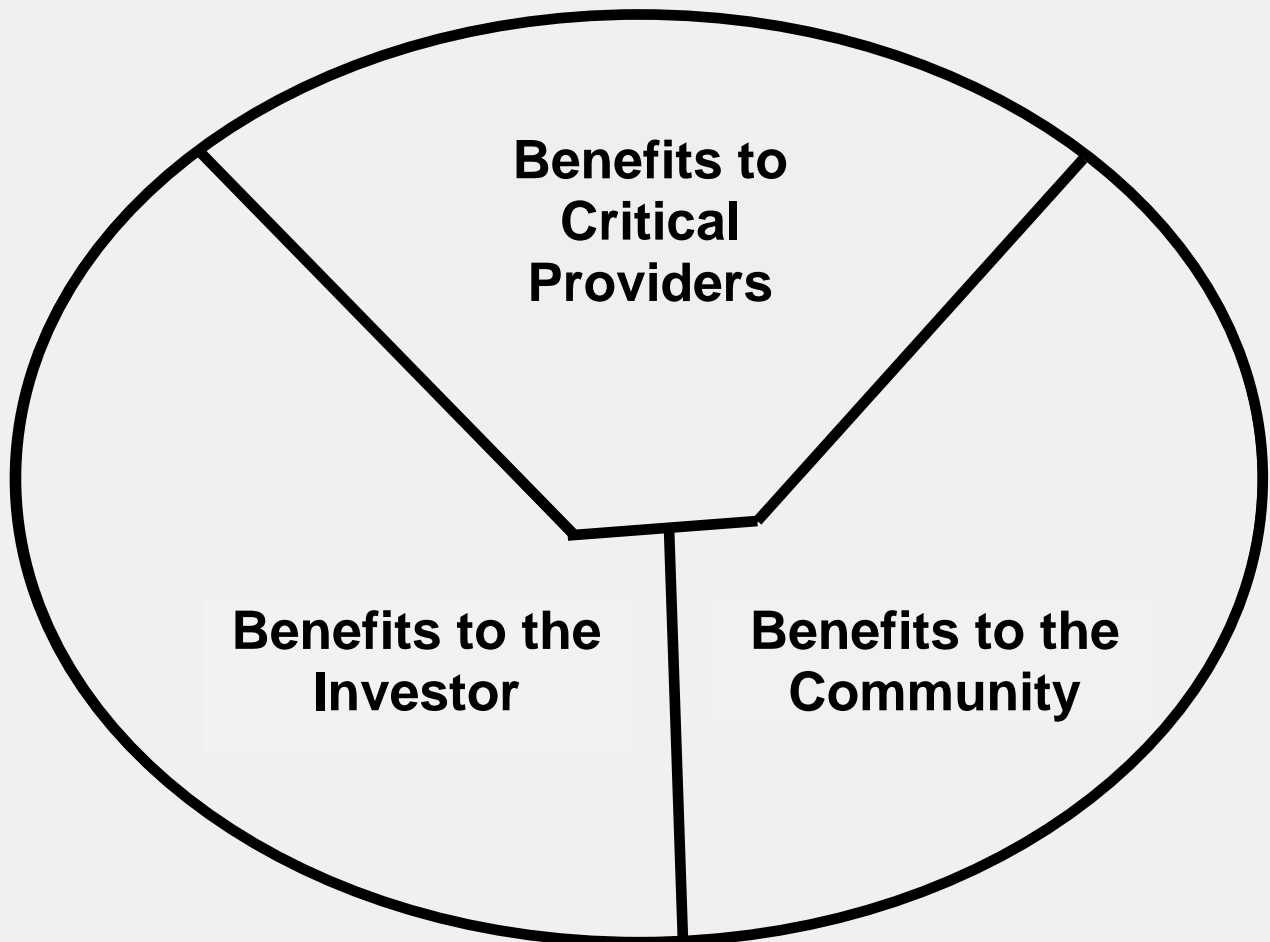


REGIONAL MASK SHOP PROPOSAL Summary Presentation



DECEMBER 12, 2020

**MASK PLANT, BENEFITS BULLET POINTS:
3 Shift(s); 8 Mask Machine(s);
4 Melt-Blown Fabric Maker(s)**

FULL PRODUCTION FACILITY, BENEFITS TO ALL PARTIES:

INVESTOR INCENTIVE METRICS:

INVESTMENT BY MAIN CONTRACT PRINCIPAL IS NOT MANDATORY, BUT THESE RETURNS ARE AVAILABLE IF SUCH INVESTMENT IS MADE:

-\$2,292,922 INITIAL CAPITALIZATION

-\$630,554 ROI AVAILABLE TO AN INVESTOR = +/-27.5% OF INITIAL

IF REPAID AFTER 2 WEEKS OF START-UP + ADDITIONAL 2-4 WEEKS PRODUCTION (ie: 60 days total investment period) THE ANNUALIZED ROI IS 204%

COMMUNITY BENEFITS OF FACILITY:

80 NEW JOBS CREATION

\$52,000 MINIMUM ANNUAL WAGE TIER

before SHIFT, SUPERVISION or JOB SKILL FLEXIBILITY

**\$6,376,406 ANNUAL WAGES & BENEFITS INCL HEALTH CARE CONTRIBUTION,
FREE PPE, 401K**

POTENTIAL FOR PROFIT-SHARING &/OR COOPERATIVE COMPANY OWNERSHIP

-\$6,120,549 CONTRIBUTION OF MASKS (+/-RETAIL VALUE) OR CASH

BENEFITS OF ANNUAL CONTRACT FOR FULL OUTPUT OF PLANT:	
Presuming 80,000 Person Medical Staff; 220,000 Workforce Balance	
Annual Contract for 96,600 Masks is at or below retail price w/ constant supply guaranteed for duration of contract:	
41,600,000	Cup Respirator & Folding Masks allocation (All +/-N99 specification)
<i>Enough for 10 masks & 1 mask adjuster per work-week for 80K Medical Pros</i>	
57,200,000	Flat Medical-style masks, 3-4 ply w/ +N95-99 filter material
<i>Contract is intended to provide enough for 1 mask/work-day & 1 mask adjuster/10 masks for 220K other non-medical workforce</i>	
CUSTOM Color, Pattern or (Corporate?) Logo on masks at no extra cost	
\$0.53	Overall Average Cost Per Mask (significantly below the best consumer cost) & at least the average cost of less efficient masks

THE BEST FACE MASKS AVAILABLE, AT THE BEST PRICES!
Non-woven mesh outer layers w/ self-sanitizing print overlay; ultrasonically-welded construction; adjustable elastic ear-loops; minimal air infiltration design
Domestic mask production is planned to have multiple poly-propylene/PLA (corn-fiber) nano-fiber, electret (electrostatic), melt-blown filter layers with overall filtering ability far exceeding N95 standards (ie: N99/FFP3), and a copper oxide nanoparticle additive.providing the masks with further self-sanitizing properties in addition to outer surface. Ultimate goal is for entire masks to be compostable
Custom color or logo printing with copper additive for self-sanitizing outer layer @ no extra charge on minimum quantity order from domestic production
Foldable & Cup masks expected to include optional (free or low-cost) breath valve (eases exhalations) with all such pro styles proposed to include a sponge nose cushion, which will encourage wearer to bend the nose wire properly for a tight but comfortable fit to bridge of the nose, to provide greater comfort encourage longer wear time
Free mask adjuster with each pack of masks, which takes ear loop pressure off back of ears, minimizing irritation of the loops, minimizing air infiltration circumventing the mask, ensuring +N95 functionality of the cup & folding styles, and even increasing the filter efficiency of the "flat", non-med style
Supplied in packs of 10 or 20, w/ individual sterile packs avail at low extra cost
The folding style is cheaper & more comfortable than the more rigid "cup" style, but stores more compactly, but expected to have an efficiency approaching N99 or Euro (CS) FFP3
Std masks, made to our specifications, and tested for US compliance per US standards, will be imported to save costs...ideally w/ government support for air freight import. Can be available within 10 days of a long-term contract being signed, & will augment local production of masks. All imported & in-plant masks will quality-controlled to verify that they meet or exceed the expected & appropriate certification.

BUILT-IN COSTS/BENEFITS OF THE OPERATION & ORIGINATION	
48,000	Origination Fee as a % of the initial capitalization
62,500	Consulting Fee on Origination, R&D & Startup
92,400	Start-up Supervisor(s) Wages, R&B, Benefits
177,093	SALES COMMISSION (% of net from sales over major "anchor" contract)

Fillable "What-If" Options: Light Green Cells

Fillable "What-If" Options: Light Green Cells			Mask Type Price Variation vs "Cup" Price:
Ttl Av Pc/Min*	Cup Mask Price/pc	Folding(\$)	-45.0%
302	\$0.89	\$0.49	
74% of Max Rate	Pkg of 10 \$8.89	Flat(\$)	-61.0%
		\$0.35	
"What-If" Ave Production Speed Changes by (+/-%):	"What-If" Av COGS Incr/Decr (-) by (%) vs 2019 Pricing:	Adjuster Free w/	Presumed Average Daily Down Time Per Line:
	100%	10	4.17%
410 max mask/min, excluding down time	Ttl Av Unit Cost: -\$0.31	Masks	1 Hours
	Ttl Av Unit Price: \$0.58	Inner Pkg Holds	Ave Non-woven Material Cost/Kg
		10	\$3.82
What-if Ave Wages Change by (+/-%):		Masks	Polypropylene Pellets Cost/ton:
			\$4,400

Refers to revenue from sale of cost-saving, in-house, Melt-Blown production that is in excess of quantity used for masks fabrication

4 weeks of COGS materials reserves are excluded from the initial/startup expense itemization, but included within the annual operating expense

Note on Effective Production Speed

***Starting production speed shown presumes operation at the low end of general production capability & presumes about 15% down time; overall: 65% of max. Adding 15% to "What If" speed box is equivalent to assuming no down time, while still producing only at the low end of production speed range.**

"What If" for Idle, Installed Equipment:

By showing the "Lines Purchased" figure as larger than than the top "lines operated" figure, all startupcosts are accounted for, including for idle machinery, w/o implying that production occuring on that machinery. To the contrary, the spreadsheet will give a warning if the number of lines operating exceeds the number purchased.

Accounting Inconsistencies Herein:

Because the anticipation is that the capitalization and repayment of same will occur within the same fiscal year, this spreadsheet includes those items together with traditional income & expense items, though they would normally be relegated to the balance sheet.

COGS For Upgrade of Filtering Capabilitiy:

Entering a 100% increase figure for COGS, vs known costs for 2019 mask production, accounts for the higher cost of materials, in general, plus the higher cost of N99 vs N95, & self-sanitizing & compostable construction.

This analysis does not includee the cost of proposed non-mask inventiory (\$1.25MM proposed) or the anticipated returns from resale of same.

MASK-MAKING PLANT, PRIMARY CONTRACT & INVESTOR RELEVANT FIGURES:

ACTIVE MASK LINE OPERATIONS:

# Mask Lines:	# Shifts:
8	3

Operating Mask Machinery Inventory:	Production (pieces):	PER WEEK	PER YEAR
5 "Cup" Mask, NIOSH N95(99) Production Line(s)		517,500	25,875,000
2 "Folding Mask", N95(99)/FFP2(3) Production Line(s)	<i>High Speed Line(s)</i>	828,000	41,400,000
1 Flat/Medical Mask High-Speed Production Line(s)	<i>Hi-Speed Flat Masks</i>	828,000	41,400,000
50 WEEKS TOTAL ANNUAL PRODUCTION (pcs): 108,675,000	Ttl Production (pieces) =	2,173,500	108,675,000
	Imported Masks, Made to Spec:	316,000	15,800,000

*****Gross Retail Value of Excess/Salable Melt-Blown Fabric Production from 4 Lines***** **14,231,700**

"Cup" Respirator Mask Type (Better than 3M 1860) Contract Price:	\$0.89
Folding Respirator Mask w/ Biodegradable, Self-Sanitizing Filter (Approaching N99 Standards) Contract Price:	\$0.49
<i>Multi-ply Disposable Medical/Surgical "Flat" Mask Contract Price:</i>	\$0.35

START-UP AND ANNUAL EXPENSE:	610,434	(33,504,210)
Init'l Capital w/o & w/ investor ROI:	2,292,922	(2,923,476)
12.50% of NOI, up to \$10MM as Charitable Contribution (of cash or retail value of product)		(6,120,549)

Full-Time Operating Staff, all shifts: 80 **Annual Wages & Benefits to Employees: 3,749,894**

2,292,922	INITIAL INFRASTRUCTURE / BUILDOUT / FF&E / SUPPLIES & MISC (excl op-ex, wages & COGS)	ROI	ANNUALIZED
2,903,356	Initial Capital plus repay ROI to investor (+/- 8 wks)	\$630,554	204%
5%	Potential Profit-Sharing by Initial Capital Provider:	\$2,499,810	109%

Startup includes 4 weeks setup/buildout & 2 weeks initial production:		Startup 6 Wks	Thru 8 Weeks
INITIAL EQUIPMENT & INFRASTRUCTURE/BUILDOUT		2,292,922	2,346,052
w/ FF&E, Installation, Supplies & Funding			
EQUIPMENT, Major		1,683,400	1,683,400
Operating			
5	Fully Automatic Mask Machine (N95 "cup", "Respirator" Type)	375,000	375,000
	Breathing Valve Installer Add-on for Cup Masks	125,000	125,000
2	Fully Automatic Mask Machine (FFP-2 "Folding" Type) A-Fast Speed	270,400	270,400
	Breathing Valve Installer Add-on for Folding Masks	-	-
0	Fully Automatic Mask Machine (FFP-2 "Folding" Type) B-Moderate Speed	-	-
1	High-speed, "Flat", medical mask machine	120,000	120,000
8	Packaging Machine	108,000	108,000
4	Melt-Blown Fabric "Spinning" Machine, High Yield	220,000	220,000
0	Melt-Blown Fabric "Spinning" Machine, Low Yield	-	-
0	Spun-Bond Extruder	-	-
0	Non-Woven Conditioner: [Electret treatment &/or calendaring, Width Cutting]	-	-
1	Non-Woven Fabric 4-Color Printer	30,000	30,000
	Pre-Packaging Sterilizing Chamber (1 per cup or folding mask machine)	100,000	100,000
	Mask Testing & Other Lab Equipment	150,000	150,000
	Misc Lab Items	125,000	125,000
12	Spare Parts	60,000	60,000
			-
SHIPPING OF MACHINERY, Etc		66,934	66,934
	Sea Transport to Seattle (12 Days)	30,000	30,000
	Other		-
	Cartage to US Shipper or Local Site	9,600	9,600
0	Cross-Country Shipping, if E-Coast bound	-	-
	Off-Loading, Crane (if nec)	-	-
	Container Return	8,400	8,400
	Customs, Fees	18,934	18,934
	Other		-
FACTORY TECHS, During Setup (15 Days)		18,930	18,930
	R/T Airfare, Shanghai/PHL + baggage	3,600	3,600
	Local Transportation, Misc Expense	600	600
	Board: 2 Rooms @ +450/wk + tips	6,030	6,030
	Meals @ 25/day/pp	2,700	2,700
	Spending Cash @ 50/day/pp + 20% tip; 2 techs	5,400	5,400
	Tips for Techs	600	600
INFRASTRUCTURE & Other Startup Expense (2-4 weeks)		523,658	576,788
	SITE, Sign, Paving, Lighting, Landscaping, Fencing	2,000	2,000
	INTERIOR Partitioning & Build-out, FF&E and wall/floor coverings	120,000	120,000
	Warehousing Shelving & Equipment	10,000	10,000
	Warehouse Electric Stacker/Pallet Truck	2,000	2,000
	Misc Equipment, Custodial & Maintenance Tools	4,028	4,028
	Office & Other Furniture & Supplies	95,000	95,000
	Phone System, Cabling & Office Equipment	15,000	15,000
	Laboratory Furniture & Supplies	50,000	50,000
2	Carolyn Startup Supervisor(s) Rm/Bd Allowance, 6 weeks; 12 weeks total	9,000	18,000
2	Carolyn Startup Supervisor(s) Wage Allowance (+12 weeks incl 6 weeks startup)	24,000	48,000
	Bonuses & Benefits for Carolyn Startup Supervisor	13,200	26,400
	Company Share Taxes on Carolyn Startup Supervisor wages & benefits/bonuses	6,930	13,860
	Legal, Accounting, Regulatory:	62,000	62,000
	Other	-	-
	Consulting Fee on Origination, R&D & Startup	62,500	62,500
	Origination Points & Misc Funding Only (& excl. interest)	48,000	48,000

Wages & Staffing Needs Based on Lines & Shifts Operated		
	8 hr shifts	
Hourly Staff Cost, & Cost Per Full Shift		100%
52 Wk Yr Presumes 50 Wks Actual Production		
2nd & 3rd Shift Differential:	5%	Global Wage Adjustment: 0%
Positions, Hourly Base Wage & Position Differentials		
Packing & Sterilizer Technician/QC; BASE WAGE	\$25.00	\$25.00
Mask Machine Operator	3.00	28.00
Melt-Blown Fabricators	3.00	28.00
Operations Shift Boss(s), Shift Differential***	10.00	10.00
Printing Operator	3.00	28.00
Mask/NW Fabricating, Printing Swing Bonus/Differential	5.00	5.00
Technical/Maint Person Differential	3.00	28.00
Shipping/Boxing/Materials Worker	0.00	25.00
Plant Mgr (1st shift only)	25.00	50.00
Gen'l Office Exec Asst, Bkkpr, etc	3.00	28.00
Other Office Help, Graphic Designer, Reception, etc	0.00	25.00
Laboratory Technician	5.00	30.00
Sales Repr/mgr (Base--excluding commissions)	-5.00	20.00
Sub-Total		
Medical/Employer Share	20.0%	20.0%
50/50 Employee Bonus & 401k	20.0%	20.0%
Employer Payroll Tax, UEI, etc	15.0%	15.0%
Sub-Total		
PPE for Employees	\$7.50	\$7.50
Total Employee Expense (incl PPE)		
PER WEEK:		
PER YEAR		
***Shift Boss Add-On is to 1 Mask Machine Operator, Fabricator or Swing Operator when there are two or more lines operating per shift. Ideally, the shift boss is a swing operator, trained to run any line & the printer. However, shift boss may not receive swing operator or technician differentials simultaneously shift shift boss differential.	Packing machine Operators or swing operators relieve Mask Machine operators or fabricators for their lunch breaks. With their own lunch & work break	

WEEKLY WAGES 8 - 3
8 Lines
3 Shift(s)
80 Employees
Total \$ Compensation Per Week
24,800
27,776
13,888
1,240
3,472
620
3,472
6,200
2,000
1,120
1,000
1,200
800
\$87,588
17,518
17,518
18,393
\$122,623
3,210
\$125,833
Medical, Per Employee Per Mon (+/-50% of couple's rate)
\$949
***"Fractional" employees in ttl daily staffing repr shift differentials

Melt Blow Fabricators Needed, Per Shift, Based on # Units (minimum, 2)
4

Individual Ave Compensation Per Yr Incl Bonuses, Benefits	Lines-Shifts & Per Year Payroll/cost
	8 - 3
\$52,000	\$1,289,600
58,240	1,444,352
58,240	722,176
20,800	64,480
58,240	180,544
10,400	32,240
58,240	180,544
52,000	322,400
104,000	104,000
58,240	58,240
52,000	52,000
62,400	62,400
41,600	41,600
56,932	\$4,554,576
11,386	910,915
11,386	910,915
AVERAGES:	956,461
79,705	\$6,376,406
2,087	166,920
81,792	\$6,543,326

