

George Porter Citrus Inc.

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George Porter Citrus Inc.

1.0 Executive Summary

George Porter Inc. (GPC) is a new business providing high-quality, full service distribution of citrus fruit, and related supplies to retail stands, and grocery chains through the Southeast U. S. The principal owners are Gorge Porter Inc., and shareholders whose combined experience brings office and operational management, high levels of customer service, and over 20 years in Citrus product distribution and sales management. At this time we are seeking additional equity capital to complement our own investment and are seeking to arrange a bank line for inventory and receivables financing. We have firm commitments to distribute several grocery chain stores and fruit stands with products, and have verbal commitments from independent retailers throughout Florida, Alabama, Georgia and the Carolinas to carry our product. We plan to distribute our first products within 90-120 days of finalizing financial arrangements. Sales projections for GPC are estimated to begin at approximately \$8,561,691 for the first year, increasing to approximately \$12,000,000 in Year 2 and approximately \$17,000,000 in Year 3. Distinguishing characteristics of our business will be the combination of management experience, sales and distribution experience, high-quality, innovative products and exceptional customer service. In particular, what really sets up apart is that we are a full service fruit packaging and distribution company servicing the south east U.S. We have also exclusive contract to distribute in key markets like Columbia SC and Charlotte NC.



1.1 Company Summary

George Porter Inc. is a Fort Pierce based company, located in St Lucie County, whose mission is to provide high quality, nutritional, and flavorful citrus for wholesale distribution in Florida and throughout the South East. Additionally the company will provide onsite storage capability for in transit perishable and trucking services as a sub niche revenue stream of their distribution.

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2.0 Products and Services

George Porter Citrus Inc. plans to concentrate on citrus as its primary product. This includes sourcing, packaging, distribution and storage. The company's will source from local Florida citrus farms for the best quality product. GPC will have a sufficient capacity to package in excess of 500,000 boxes of fruit per year, store 200,000 boxes of specialty citrus and a capacity to distribute product expeditiously to market. The company plans to utilize traditional and more advanced plant technologies to package different citrus products being grown in the citrus counties of Florida as well as import specialty products from the Caribbean and store any excess. This strategy will allow GPC to distribute citrus during most of the year

3.0 Market Analysis Summary

The Citrus Industry is expected to experience growth in the next five years, as demand for fruit grows. Government-sponsored programs will continue to highlight the need for fruits and vegetables, boosting citrus consumption. However, industry farmers will be threatened by volatile weather conditions, various citrus diseases and import penetration from low-cost countries. USA official crop forecast for season 2015-2016 shows a sharp decline in the citrus production. The season 2015-2016 will be the lowest production year for orange in 50 years! Florida orange production is down 17% less than last season. Production 2015-2016 expected at only 40.000 M boxes versus 47.400 M last season. 9 years ago, average production was close 135.000 M boxes. This continued decline of the USA production is related to plagues like citrus greening and other that affect production. Brazil the world largest producer have also announced a dramatic low production for the current crop at 250.000 M boxes versus an average of 320.000 M boxes of the previous years . We can briefly resume that there will be approximately 90.000 M boxes less productions between Brazil and USA with the result of lower availability of d-limonene and orange oil for nothing less than almost 18.000 M/tons. We expect record high prices for all orange derivatives like d-limonene, orange oil, folded orange 5 fold, 10 fold etc., orange oil phase, and water phase. However there is a high demand for organic fruit. Over the past decade the market for organic food has grown by 15% to 20% and every year 40% of U.S. consumers occasionally reach for something labeled organic. Sales for organic foods are expected to top \$11 billion this year. Sales by farmers' markets have increased by 79% since 1994, to 3,137 markets in all 50 states, and the number of farmers who sell at them has more than tripled to 67,000. About three million Americans a week now get their fresh food directly from the farmer fruit stands and the demand for Florida citrus is high. This makes for an excellent environment for an industry participant such as GPC that is willing to compete in a niche market and be first to the market with new organic products.

4.0 Strategy and Implementation Summary

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The unique aspects of our business include individual product selection, quality assurance, and high-quality full service distribution. Our strategy is to focus 100% of our efforts on the market for citrus fruit and supplies for the southeast region. By focusing all of our effort and energy on this particular area, we expect to quickly develop and maintain a leadership position. GPC key personnel will stay in contact with our customers, and will be able to respond to changes in this market much faster than our competitors. GPC will offer the best, most highly personalized service in the marketplace. We will go out of our way to make sure that our customers know that they truly matter to us. Sales reps and in-house personnel who deal with customers will be carefully trained and given wide latitude for insuring that customers are always satisfied.

4.1 Competitive Edge

KEY COMPETITIVE STRENGTHS

No other wholesaler in the market offers full service delivery with the variety of product we feature. We are better positioned than our main competitors to take advantage of the increasing demands of coffee and specialty beverage supplies because we focus exclusively on high-quality distribution and customer service. In addition to the variety of products we feature, The Coffee Warehouse has exclusive distribution rights to Good Cow's concentrated milk/dispensing system. This product is not currently available in our market by any other suppliers.

KEY COMPETITIVE WEAKNESSES

Our primary weakness is that we are a new business competing largely against established suppliers. To significantly build sales, we must not just find new customers - we must take customers away from existing suppliers. However by offering a superior selection of supplies, new

groundbreaking products to the market, and focusing on high-quality service and full service delivery, we feel we can quickly establish accounts and build strong relationships. Co-founder Jennifer Smith has had many discussions with owners of coffee and espresso businesses that confirm this opinion.

4.2 Marketing Strategy

Our basic marketing strategy is to work with customers on a one-to-one basis to ensure their supply needs are being met and help develop unique marketing programs for each of them. We intend to prioritize customer service and make it a key component of our marketing programs. We believe that providing our customers with what they want, when and how they want it, is the key to repeat business and positive word-of-mouth advertising. Because we want to develop close working relationships with our customers, we want to establish accounts in as personable a way as possible. It is for this reason that we will overwhelmingly emphasize in-person sales calls to build accounts. We will closely integrate all of our marketing and sales efforts to project a consistent image of our company and a consistent positioning of our products and services. We will build this image around our name "George Porter Citrus Inc." and emphasize to customers the high-quality service that is behind this name. To support our marketing initiatives and product knowledge, we will attend as many area conventions and trade shows as possible to ensure we are offering the most up-to-date market trend information.

4.3 Sales Strategy

At GPC the sales process is primarily the same for products, as it is for services in that both

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products will be mainly sold through wholesale marketing. As in the past, live shipments will be delivered by in house carriers in refrigerated try wall cardboard palletized boxes to assure maximum quality. Products will be delivered and unloaded in sizable wholesale quantities by the pallet. The company's average sales cycle from first contact to closing of the sale is approximately 3 to 12 days for citrus products. GPC plans to shorten this cycle. Furthermore, the company estimates that from first contact to sale conclusion, the cycle for fresh navels per say will run 3 days or less. Direct sales contacts of other citrus markets by delivery personnel, as well as cold calling by telephone of potential market outlets, will also be employed.

4.4 Milestones

The following table lists important program milestones, with dates and managers in charge, and budgets for each. The milestone schedule indicates our emphasis on planning for implementation.

Table: Milestones

Milestones					
Milestone	Start Date	End Date	Budget	Manager/Vendor	Department/ Consultant
Marketing/Trade research	7/16/2015	9/16/2015	\$300	VESCO Inc.	Consultant
Logo Design/Marketing	8/16/2015	9/16/2015	\$1,300	VESCO Inc.	Consultant
Complete Business Plan	10/6/2015	12/23/2015	\$1,000	VESCO Inc.	Consultant
Product Pricing and Comparison	11/11/2015	12/11/2015	\$200	VESCO Inc.	Consultant
Finalize Potential Client list	12/15/2015	1/15/2016	\$200	VESCO Inc.	Consultant
Licensing/Incorporation	1/1/2016	1/15/2016	\$200	Gorge Porter	Management
Secure Product Lines	1/11/2016	2/10/2016	\$0	Gorge Porter	Management
Research /Secure Funding	10/2/2015	2/10/2016	\$3,000	VESCO Inc.	Consultant
Building Procurement/ Buildout	1/20/2016	3/20/2016	\$3,000	VESCO Inc.	Consultant
Capital Improvements	2/20/2020	7/20/2016	\$1,800,000	Gorge Porter/ VESCO Inc.	Consultant
Delivery Vehicle Selection	4/10/2016	5/10/2016	\$0	Gorge Porter	Management
Develop Routing	4/10/2001	5/10/2016	\$100	Gorge Porter	Management
Hire Delivery and Sales Personel	6/15/2016	8/16/2016	\$500	Gorge Porter	Management
Website Development/ Tools	6/20/2016	7/20/2016	\$1,500	VESCO Inc.	Consultant
Office equipment	6/22/2016	7/27/2016	\$5,000	Gorge Porter	Management
Daycare buildout/ inspection	6/30/2016	8/12/2016	\$5,000	Gorge Porter	Management
Order Begining Inventory	7/1/2016	8/16/2016	\$150,000	Gorge Porter	Management
Press Release/ Advertisement	8/11/2016	8/21/2016	\$250	VESCO Inc.	Consultant
Beging Operations	8/22/2016	8/22/2016	\$0	Gorge Porter	Management
Totals			\$1,971,550		

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Milestones



5.0 Management Summary

George Porter Citrus Inc. will be owned and operated by its founders, initially working with a small employee base that will cover sales and delivery. Management and personnel plans are covered in more detail in the topics to follow.

6.0 Financial Plan

GPC Inc. has a GP forecasted to be at approximately 20-25 percent. Sales projections for FY2016 are at \$8,561,691 increasing to \$12,558,584 in FY2017 and \$17,336,137 in FY2018. Cash-flow analysis, balance sheet, business ratio, break-even analysis, and other financial details are shown in the appendix.

George Porter Citrus Inc.

Table: Financials

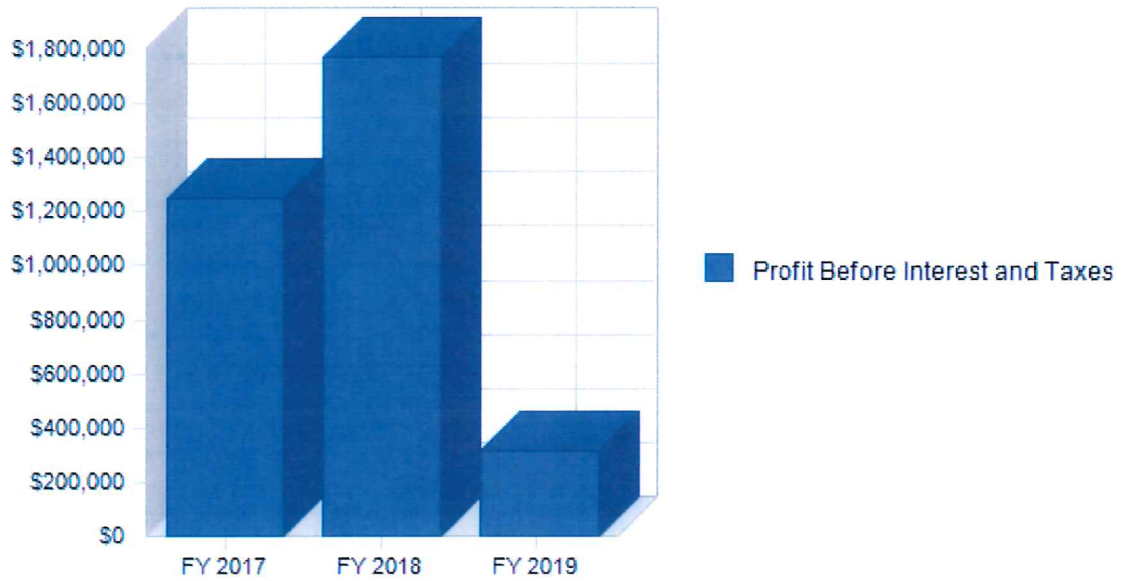
Financials	FY 2017	FY 2018	FY 2019
Beginning Balance			
Opening Balance Cash & Checking	\$10,000	\$6,249,520	\$12,139,560
Plus Money Received			
New Investment	\$47,343	\$250,000	\$0
New Loans	\$2,600,000	\$200,000	\$400,000
Sales	\$8,561,691	\$12,000,000	\$17,000,000
Trucking Distribution	\$3,090,704	\$3,200,000	\$3,600,000
Cold Storage Services	\$862,698	\$920,000	\$1,200,000
Subtotal Money Received	\$15,162,436	\$16,570,000	\$22,200,000
Less Money Spent			
Direct Costs			
Direct Cost of Sales	\$6,334,200	\$8,405,960	\$13,761,600
Misc	\$292,401	\$650,000	\$1,100,000
Trucks and Maintenance	\$181,591	\$220,000	\$400,000
Fuel expenses	\$51,800	\$65,000	\$78,000
Normal Operating Expenses			
Payroll and Payroll Taxes, Benefits, Etc.	\$272,190	\$750,000	\$1,200,000
Rent and Utilities	\$116,800	\$60,000	\$80,000
Sales and Marketing Expenses	\$35,260	\$45,000	\$33,000
Daycare Operations	\$25,675	\$32,000	\$36,000
Other Outflows			
Payments of Taxes	\$49,200	\$62,000	\$120,000
Debt Payments	\$90,000	\$90,000	\$90,000
Purchase of Assets	\$1,188,039	\$0	\$0
Other	\$285,761	\$300,000	\$400,000
Subtotal Money Spent	\$8,922,916	\$10,679,960	\$17,298,600
Ending Balance			
Ending Balance Cash and Checking	\$6,249,520	\$12,139,560	\$17,040,960
Profit Before Interest and Taxes			
Sales	\$8,561,691	\$12,000,000	\$17,000,000
Less Cost of Sales	(\$6,859,992)	(\$9,340,960)	(\$15,339,600)
Gross Margin	\$1,701,699	\$2,659,040	\$1,660,400
Less Operating Expenses	(\$449,925)	(\$887,000)	(\$1,349,000)
Profit Before Interest and Taxes	\$1,251,775	\$1,772,040	\$311,400
Net Cash Flow	\$6,239,520	\$5,890,040	\$4,901,400

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Profit Monthly

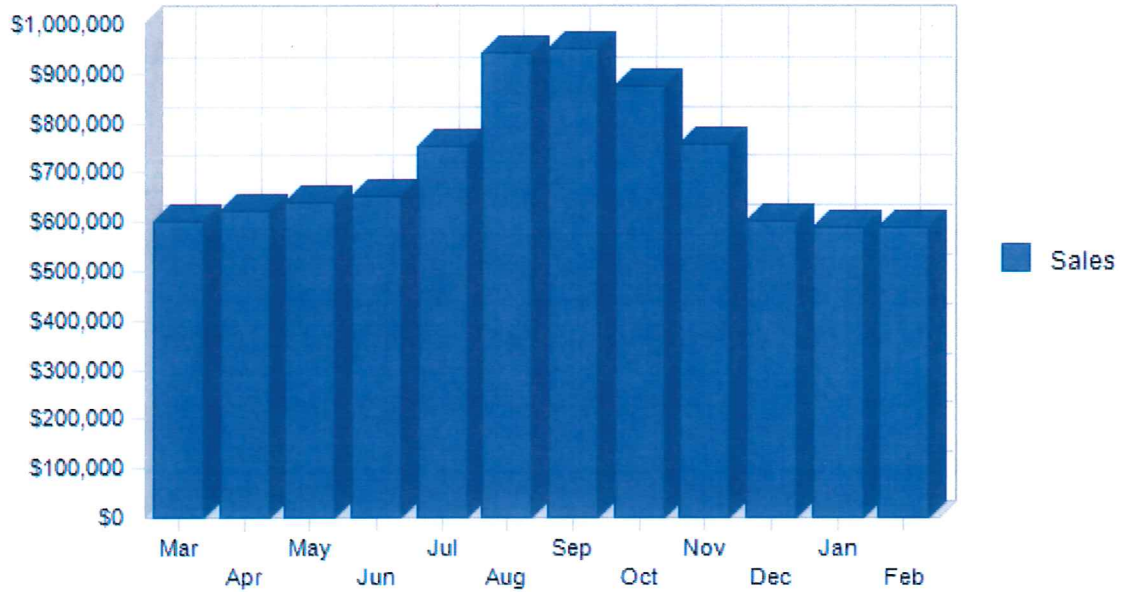


Profit Yearly

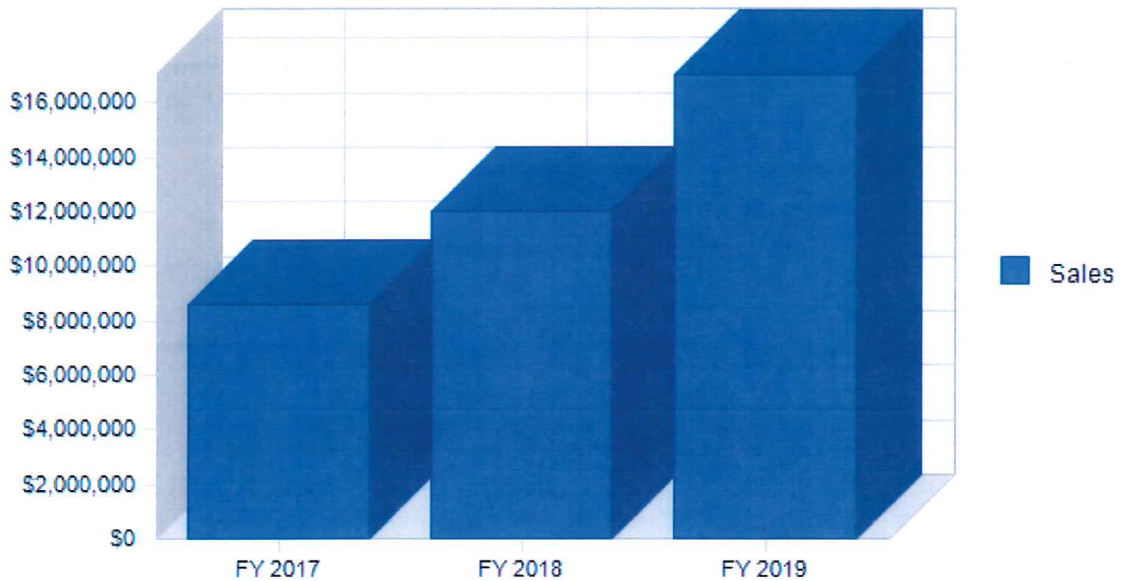


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Sales Monthly



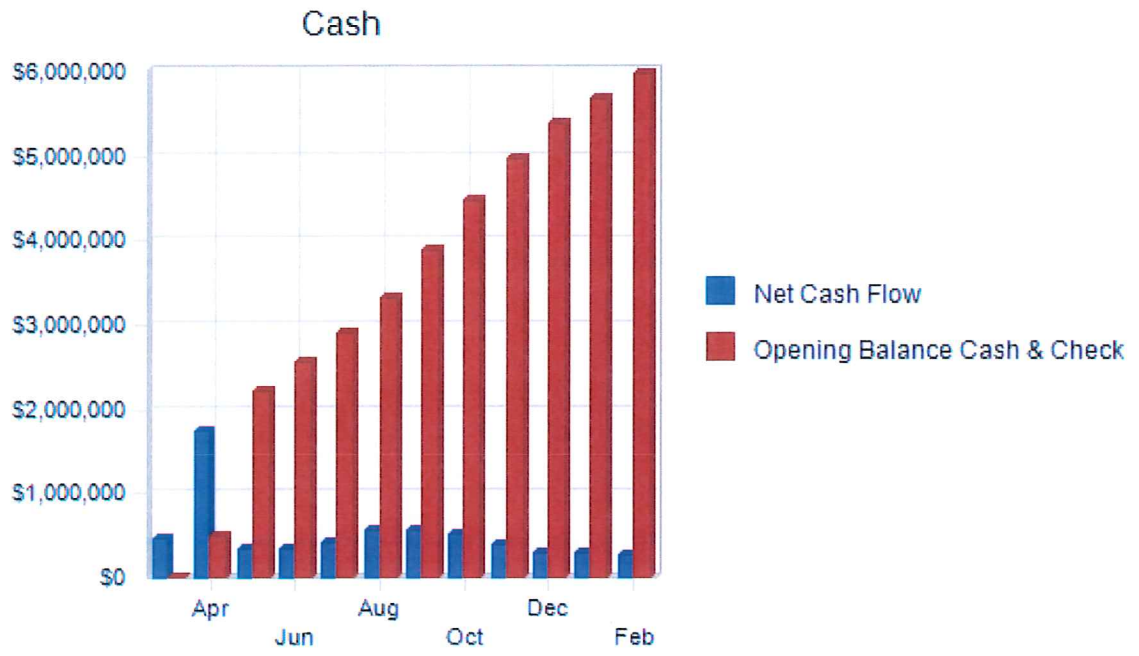
Sales by Year



6.1 Projected Cash Flow

The following table shows cash flow for the three years, and the chart illustrates monthly cash flow in the first year. Monthly cash flow projections are included in the appendix.

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Appendix

Table: Financials

Financials													
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Beginning Balance													
Opening Balance Cash & Checking	\$0	\$10,000	\$483,118	\$2,219,134	\$2,562,476	\$2,911,485	\$3,319,958	\$3,896,948	\$4,464,522	\$4,978,410	\$5,375,388	\$5,681,408	\$5,971,989
Plus Money Received													
New Investment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,343
New Loans	\$0	\$1,200,000	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales	\$0	\$600,000	\$620,000	\$640,000	\$650,000	\$750,000	\$942,029	\$951,449	\$874,879	\$754,589	\$601,932	\$588,406	\$588,406
Trucking Distribution	\$0	\$200,000	\$242,449	\$269,388	\$330,000	\$309,959	\$296,449	\$283,673	\$273,980	\$251,857	\$253,592	\$219,265	\$160,082
Cold Storage Services	\$0	\$48,102	\$63,878	\$84,907	\$89,388	\$83,004	\$90,221	\$72,024	\$77,731	\$65,657	\$84,334	\$70,139	\$53,314
Subtotal Money Received	\$0	\$2,048,102	\$2,326,327	\$994,295	\$1,069,388	\$1,142,983	\$1,328,698	\$1,307,147	\$1,226,589	\$1,072,104	\$919,858	\$877,810	\$849,155
Less Money Spent													
Direct Costs													
Direct Cost of Sales	\$0	\$467,000	\$480,000	\$500,000	\$565,200	\$570,000	\$600,000	\$585,000	\$565,000	\$555,000	\$500,000	\$480,000	\$467,000
Misc	\$0	\$21,910	\$21,764	\$24,569	\$25,842	\$26,404	\$27,528	\$26,842	\$25,506	\$25,318	\$24,607	\$22,884	\$20,225
Trucks and Maintenance	\$0	\$15,061	\$13,224	\$13,714	\$15,306	\$15,061	\$17,510	\$15,918	\$16,163	\$16,041	\$15,306	\$14,449	\$13,837
Fuel expenses	\$0	\$4,000	\$4,000	\$4,200	\$4,500	\$4,700	\$4,800	\$4,600	\$4,500	\$4,300	\$4,000	\$4,000	\$4,200
Normal Operating Expenses													
Payroll and Payroll Taxes, Benefits, Etc.	\$0	\$22,000	\$22,000	\$23,000	\$24,000	\$25,000	\$25,000	\$30,000	\$25,000	\$21,548	\$19,762	\$17,857	\$17,024
Rent and Utilities	\$0	\$9,200	\$9,800	\$10,200	\$10,200	\$10,100	\$10,000	\$10,000	\$11,000	\$10,000	\$9,000	\$8,500	\$9,000
Sales and Marketing Expenses	\$0	\$1,786	\$2,024	\$1,310	\$1,190	\$1,071	\$1,071	\$3,095	\$2,619	\$5,119	\$4,546	\$5,357	\$6,071
Daycare Operations	\$0	\$2,427	\$2,000	\$2,000	\$2,200	\$2,300	\$2,400	\$2,300	\$2,000	\$2,200	\$2,000	\$1,975	\$1,873
Other Outflows													
Payments of Taxes	\$0	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100
Debt Payments	\$0	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Purchase of Assets	\$0	\$1,000,000	\$0	\$36,123	\$36,304	\$40,410	\$24,744	\$26,018	\$24,440	\$0	\$0	\$0	\$0
Other	\$0	\$20,000	\$23,898	\$24,236	\$24,236	\$27,844	\$27,055	\$25,200	\$24,873	\$24,000	\$23,018	\$20,727	\$20,674
Subtotal Money Spent	\$0	\$1,574,984	\$590,310	\$650,952	\$720,379	\$734,491	\$751,709	\$739,573	\$712,701	\$675,126	\$613,839	\$587,349	\$571,504
Ending Balance													
Ending Balance Cash and Checking	\$0	\$483,118	\$2,219,134	\$2,562,476	\$2,911,485	\$3,319,958	\$3,896,948	\$4,464,522	\$4,978,410	\$5,375,388	\$5,681,408	\$5,971,989	\$6,249,520
Profit Before Interest and Taxes													
Sales	\$600,000	\$620,000	\$640,000	\$650,000	\$750,000	\$942,029	\$951,449	\$874,879	\$754,589	\$601,932	\$588,406	\$588,406	\$588,406
Less Cost of Sales	(\$507,971)	(\$518,989)	(\$542,484)	(\$610,848)	(\$616,165)	(\$649,838)	(\$631,360)	(\$611,169)	(\$600,659)	(\$543,913)	(\$521,333)	(\$505,262)	(\$505,262)
Gross Margin	\$92,029	\$101,011	\$97,516	\$97,516	\$97,516	\$97,516	\$97,516	\$97,516	\$97,516	\$97,516	\$97,516	\$97,516	\$97,516
Less Operating Expenses	(\$35,413)	(\$36,824)	(\$36,510)	(\$37,390)	(\$38,471)	(\$38,471)	(\$38,471)	(\$45,395)	(\$40,619)	(\$38,867)	(\$35,508)	(\$33,689)	(\$33,968)
Profit Before Interest and Taxes	\$56,616	\$65,188	\$61,007	\$61,007	\$61,007	\$61,007	\$61,007	\$61,007	\$61,007	\$61,007	\$61,007	\$61,007	\$61,007
Net Cash Flow													
	\$473,118	\$1,736,016	\$343,342	\$349,009	\$408,473	\$576,990	\$567,574	\$513,888	\$396,978	\$306,020	\$290,461	\$277,651	