

Consolidated Audit Trail, LLC
2023 Financial and Operating Budget
As of March 28, 2023

Cash Basis Budget ⁽²⁾

Cash Inflows	Actual		Estimated		Total ⁽¹⁾
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Promissory Notes	\$ 48,900,000	\$ 60,900,000	\$ 62,000,000	\$ 61,800,000	\$ 233,600,000
Total Inflows	\$ 48,900,000	\$ 60,900,000	\$ 62,000,000	\$ 61,800,000	\$ 233,600,000
Operating Costs and Expenditures					
<i>Technology Costs:</i>	Actual		Estimated ⁽³⁾		Total
Cloud hosting services ⁽⁵⁾	\$ 37,910,347	\$ 46,071,658	\$ 45,004,794	\$ 47,261,900	\$ 176,248,699
Operating fees	6,364,742	6,653,422	6,653,422	6,653,422	26,325,007
CAIS operating fees	2,783,078	5,249,643	5,212,766	4,838,747	18,084,235
Placeholder for possible change requests	-	625,000	625,000	625,000	1,875,000
Total Technology Costs	\$ 47,058,167	\$ 58,599,723	\$ 57,495,982	\$ 59,379,069	\$ 222,532,941
<i>General and Administrative ⁽⁴⁾:</i>					
Legal	\$ 878,297	\$ 1,820,447	\$ 1,900,628	\$ 1,900,628	\$ 6,500,000
Consulting	615,541	261,486	261,486	261,486	1,400,000
Insurance	-	-	2,183,651	-	2,183,651
Professional and administration	128,456	220,108	132,181	224,181	704,927
Public relations	23,100	23,100	23,100	23,100	92,400
Total General and Administrative	\$ 1,645,394	\$ 2,325,142	\$ 4,501,047	\$ 2,409,396	\$ 10,880,978
Total Operating Costs	\$ 48,703,560	\$ 60,924,865	\$ 61,997,029	\$ 61,788,465	\$ 233,413,919
<i>Capitalized Developed Technology Costs</i>	\$ 3,275,867	\$ -	\$ -	\$ -	\$ 3,275,867
Total Expenditures	\$ 51,979,428	\$ 60,924,865	\$ 61,997,029	\$ 61,788,465	\$ 236,689,786
Plus: Liquidity Reserve (up to 25% of Annual Budget) ⁽⁶⁾	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Cash Balance as of Beginning of Period	(3,168,529)	-	-	-	(3,168,529)
Total Funding Needs	\$ 48,810,899	\$ 60,924,865	\$ 61,997,029	\$ 61,788,465	\$ 233,521,257

(1) Amounts will not reconcile to audited financial statements as the above costs are on a cash basis, while the audited financial statements are on an accrual GAAP basis of accounting. Additionally, a portion of the above FINRA CAT costs have been capitalized.

(2) This cash basis budget reflects expenditures when paid; versus accrual GAAP basis amounts which would reflect expenditures when incurred.

(3) The estimated expenditures for this cash basis budget are based on currently-anticipated costs and cost savings. Actual results may differ from these budgeted amounts.

(4) Quarter 1 actual costs include certain estimates, as final invoices have not yet been rendered to Consolidated Audit Trail, LLC.

(5) Based on projected 45% annual year-over-year volume growth.

(6) Liquidity reserve to be included no later than when forward looking or budget-based industry fees are implemented.