

COMMERCIAL IN CONFIDENCE

# ACM

Licence / revenue sharing.

# ILO LICENCE

ILO Licence, by state; based on purchase price in relation to the opportunity (SAM / annual revenues).

## US / Licence

Based on assumptions (below)

**\$27,352,848**

### Assumptions

Business with a website 45%

Business / Avg. sites 7

Covering the low end 'SME' single site – through to corporations; 10,000+ sites

Non-profits with a website 60%

Non-profits / Avg. sites 4

This encompasses Ed (1-3,500 sites) Local, State and Federal online services – charities and such. Welfare and related support increases, directly and online requirements in the less affluent states especially when taking into account diversity (12.5 – 20% of sites proportionally to businesses).

Avg. sales (70/30 ACM vs PRO) \$13.50 / 3.2 users per site.

Stats for websites (*active, total* etc – figures vary considerably, best indication is 133,361,676 'websites' by active domain (These considered as commercial, and exclude Gov., Education 'non-profit') as of 2021. Being based on domains it doesn't take into account corporations use i.e. a single domain with multi country 'sub-domain' presence for example. Taking this into account the number could be circa 209,000,000 websites, our calculations that follow, are based on a total of 63,316,778 sites

## Higher value States

3 (or more) States could be considered of 'Higher Value', what is the *if any* additional consideration in relation to license purchase fee?

New York	(Multiple HO / Exchanges)
Illinois	(Significant HO / CBT)
Arizona	(GoDaddy – targeted account)

## Territory Licence

Presently setup as each state having a single license holder, may need to consider subdivision options for the largest States:

- California
- Texas
- New York
- Florida

1% of Annual SAM (Service Addressable Market) used as initial figure to calc fee, taken for 10yrs.

## Licence Fee?

Based on a 10yr. license.

Are there conditions of related to License retention (performance)?

	ILO Lic.	SAM	Websites	State GDP	Business	Non-profit			ILO Lic.	SAM	Websites	State GDP	Business	Non-profit	
California	\$ 3,142,331	\$ 314,233,104	7,273,914	\$3.5T	2,108,381	263,548	12.5%	Louisiana	\$ 390,793	\$ 39,079,282	904,613	\$267.1B	253,393	44,344	17.5%
Texas	\$ 2,408,947	\$ 240,894,693	5,576,266	\$2.1T	1,616,309	202,039		Alabama	\$ 351,802	\$ 35,180,191	814,356	\$257.5B	228,111	39,919	
*New York	\$ 1,485,134	\$ 148,513,442	3,437,811	\$1.9T	996,467	124,558		Kentucky	\$ 307,308	\$ 30,730,828	711,362	\$244.5B	199,261	34,871	
Florida	\$ 2,594,897	\$ 259,489,669	6,006,705	\$1.3T	1,741,074	217,634		Utah	\$ 251,040	\$ 25,103,966	581,110	\$230.3B	162,776	28,486	
*Illinois	\$ 906,339	\$ 90,633,907	2,098,007	\$973.5B	608,118	76,015		Iowa	\$ 297,830	\$ 29,782,968	689,421	\$225.7B	193,115	33,795	
Pennsylvania	\$ 987,380	\$ 98,737,957	2,285,601	\$874.9B	662,493	82,812		Oklahoma	\$ 301,027	\$ 30,102,674	696,821	\$218.6B	195,188	34,158	
Ohio	\$ 897,558	\$ 89,755,763	2,077,680	\$765B	602,226	75,278		***Nevada	\$ 217,613	\$ 21,761,315	503,734	\$204.3B	141,102	24,693	
Georgia	\$ 951,458	\$ 95,145,795	2,202,449	\$713.9B	638,391	79,799		Kansas	\$ 226,819	\$ 22,681,878	525,043	\$198.3B	147,071	25,737	
New Jersey	\$ 741,696	\$ 74,169,607	1,716,889	\$700.1B	497,649	62,206		Dist. Columbia	\$ 85,434	\$ 8,543,393	197,764	\$156.5B	55,396	9,694	
Washington	\$ 685,961	\$ 68,596,107	1,587,873	\$696.7B	460,253	57,532		Nebraska	\$ 181,792	\$ 18,179,154	420,814	\$154.1B	117,875	20,628	
North Carolina	\$ 814,513	\$ 81,451,254	1,885,446	\$684.6B	546,506	68,313		Arkansas	\$ 210,409	\$ 21,040,935	487,059	\$150.5B	136,431	23,875	
Massachusetts	\$ 568,453	\$ 56,845,346	1,315,865	\$663.8B	381,410	47,676		Mississippi	\$ 207,106	\$ 20,710,587	479,412	\$130B	134,289	23,501	
Virginia	\$ 721,385	\$ 72,138,469	1,669,872	\$614.8B	475,747	71,362		New Mexico	\$ 153,793	\$ 15,379,259	356,001	\$114.7B	98,072	19,614	
Michigan	\$ 764,344	\$ 76,434,355	1,769,314	\$592.3B	504,078	75,612		New Hampshire	\$ 134,757	\$ 13,475,669	311,937	\$102.4B	85,933	17,187	
Maryland	\$ 503,141	\$ 50,314,075	1,164,678	\$452B	331,817	49,773		Idaho	\$ 165,373	\$ 16,537,345	382,809	\$98.5B	105,457	21,091	
Colorado	\$ 592,161	\$ 59,216,087	1,370,743	\$440.9B	390,525	58,579		Hawaii	\$ 96,407	\$ 9,640,734	223,165	\$94.9B	61,478	12,296	
Tennessee	\$ 465,606	\$ 46,560,577	1,077,791	\$439.1B	307,063	46,059		West Virginia	\$ 108,639	\$ 10,863,899	251,479	\$92B	69,278	13,856	
Indiana	\$ 489,007	\$ 48,900,713	1,131,961	\$438B	322,496	48,374	Delaware	\$ 99,813	\$ 9,981,338	231,050	\$84.2B	63,650	12,730		
**Arizona	\$ 595,797	\$ 59,579,700	1,379,160	\$429.8B	392,923	58,938	Maine	\$ 118,451	\$ 11,845,097	274,192	\$79.2B	75,535	15,107		
Minnesota	\$ 511,885	\$ 51,188,537	1,184,920	\$429.4B	337,584	50,638	Rhode Island	\$ 89,642	\$ 8,964,230	207,505	\$68.8B	57,164	11,433		
Wisconsin	\$ 438,317	\$ 43,831,656	1,014,622	\$379.9B	289,066	43,360	North Dakota	\$ 85,367	\$ 8,536,749	197,610	\$66.4B	54,438	10,888		
Missouri	\$ 482,927	\$ 48,292,669	1,117,886	\$373.1B	318,486	47,773	South Dakota	\$ 89,754	\$ 8,975,364	207,763	\$62.8B	57,235	11,447		
Connecticut	\$ 355,172	\$ 35,517,218	822,158	\$308.7B	234,233	35,135	Montana	\$ 121,346	\$ 12,134,579	280,893	\$62B	77,381	15,476		
South Carolina	\$ 386,834	\$ 38,683,446	895,450	\$281.8B	255,114	38,267	Alaska	\$ 74,456	\$ 7,445,624	172,352	\$58B	47,480	9,496		
Oregon	\$ 421,804	\$ 42,180,383	976,398	\$279.4B	278,176	41,726	Wyoming	\$ 73,032	\$ 7,303,235	169,056	\$44.3B	46,572	9,314		
							Vermont	\$ 70,939	\$ 7,093,885	164,210	\$37.6B	45,237	9,047		

\* Considerable Public Company HQ's

\*\* GoDaddy based here

\*\*\* Often used as registered office, lenient regulatory requirements and low tax

<https://wisevoter.com/state-rankings/gdp-by-state/>

<https://www.naics.com/business-lists/counts-by-state/>

<https://siteify.com/how-many-websites-are-there/#:~:text=Chapter%206,-How%20Many%20Websites%20Are%20There%20in%20the%20US%3F,hard%20to%20answer%20this%20question.>

# SAMPLE SCENARIO

Example BMW dealerships, operating across 4 states.



## Dealerships

This BMW Dealership has 10 operating showrooms, across 4 states.

They 'EBMW' have their head office in Texas and various web management teams across the US.

# SAMPLE SCENARIO

Assumption of the following ILO territory owner(s).



## ACM Sales

Month 1 – Distributor sells in TX to dealer  
Month 5 – Distributor expands deal (\*all)

Deal now covers all the dealerships  
operated by EBMW. Deal covers a territory  
of an established ILO Lic. holder.

# SAMPLE SCENARIO

National deal.

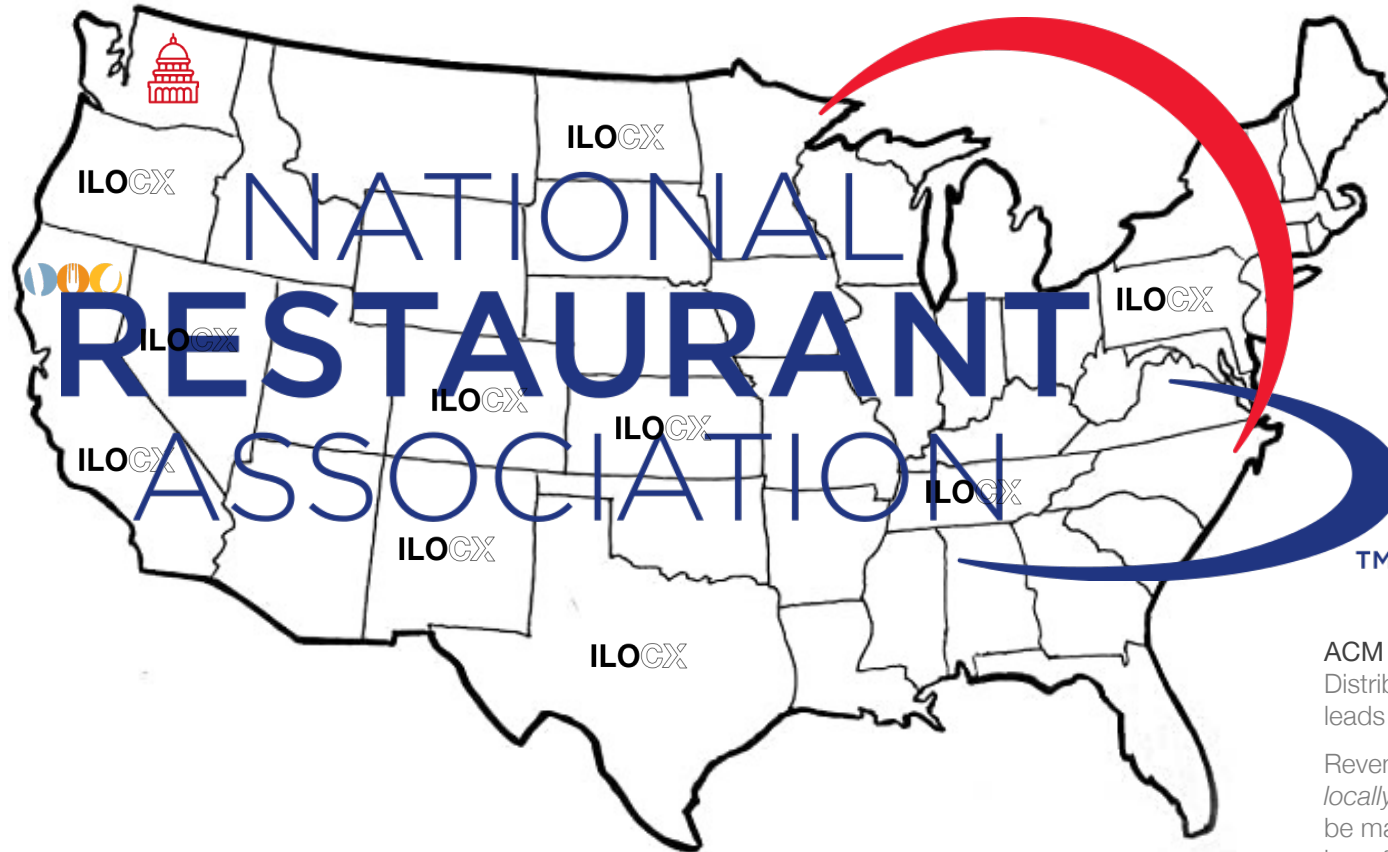


## ACM Sales

Partnership deal with national distribution opportunities, point of payment is with ACM Distributor (eg GoDaddy) usage is locally by organization within territory.

# SAMPLE SCENARIO

Association deal, in State leading to National deal.



## ACM Sales

Distributor sells into the CRA, which then leads to a national deal for all restaurants.

Revenue to be shared with associations, *locally and nationally* – each purchase would be made directly by members 'locally', benefiting the local (ZIP Code / State) Lic holder and the distributor who confirmed the overall deal



# SAMPLE SCENARIO

Licences, revenue distribution ( 40% allocated of a sale / 5% allocation of overall rev / ILO holders distribution).

## Considerations / commissions share of the 40%

- 65% Who made the sale?
- 30% Where is the sale (ZIP / *financial transaction*) made?
- 05% *Where is the service used?*

*Who is recognized against a direct sale (self-signup online)*

*Funds allocation based on revenue value to ACM 'co'*

*What do we do / offer Gallagher brokers?*

Can the territory manager take on as a additional sales resource for their area?

## Partner deals

First come first to the post – demonstrate traction and have 3 months to close.

## Relevant / value of national deal?

Is it appropriate to also consider the location as to the user of the service?

## Territory Lic. holder?

Direct signup online, where no distributor was known or confirmed at the point of sale.

## Revenue value

We have our own sales team, limited presently – territory lic. holder received proportional share of revenue following our direct sales.

## ILO?

Not going to want to or be willing to join as *paid distributors* I don't think. Quite a few make random introductions presently.