Trickle Research

Every raging river, every great lake, every
deep blue sea starts … with a trickle

Initiating Research Coverage

AmeriCrew

Building Better Crews to Build a Better America

AmeriCrew, Inc.

(OTC: ACRU)

Report Date: 11/09/22

12- 24 month Price Target: $3.30

Allocation: 4

Closing Stock Price at Initiation (Closing Px: 11/09/22): $1.90

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Disclosure: Portions of this report are excerpted from AmeriCrew's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

Company Overview

AmeriCrew provides specialty contracting services to market participants in the telecommunications and clean energy industries and infrastructure build throughout the United States. A proportion of our workforce is staffed through a unique in-house program through which we hire and train military veterans to provide construction and maintenance services to our customers. We also hire employees with skill and experience in our fields and use third party independent contractors for our operations.

Our strategy is to work with strategic partners to benefit from increased demand for network bandwidth in the United States from both private and public market participants and stakeholders. Developments in consumer and business applications within the telecommunications industry increase demand for greater wireline and wireless network capacity and reliability. Telecommunications network operators are increasingly deploying fiber optic cable and wireless technology deeper into their networks and closer to consumers and businesses in order to respond to consumer demand, competitive realities, and public policy movements.

In the clean energy arena, we intend to capitalize on the increasing demand for energy solutions which are better for the environment than traditional sources of energy such as oil and gas. By training, deploying and growing our current labor force and their skillsets in infrastructure services, we intend to help EV, solar and other clean energy technologies expand their reach. As these technologies grow in availability and popularity, we hope to also increase our market share in the clean energy space by teaming up with other businesses with experience and relationships with clean energy product manufacturers and providers, helping with the planning, installation and maintenance of source sites.

We presently have 57 employees. In addition to hiring previously educated and/or trained individuals from the labor market, we engage in a program with government and private partners through which we hire, train and employ military veterans to help us build telecommunications infrastructure for our customers (the "Veteran Workforce Program"). This program allows us to source labor and maintain a competitive advantage during national or regional labor shortages, while also providing career paths to those who have served our country.

On August 12, 2021, AmeriCrew's (operating) predecessor Mikab Corporation ("Mikab"), entered into a Share Exchange Agreement with a non-operating public company; PhoneBrasil International, Inc. The resulting combination of Mikab and PhoneBrasil International, Inc. is now AmeriCrew. As a result of the transaction, most of the Company (67%) is owned by insiders. The Company is currently seeking to raise additional capital.

Our enthusiasm for the AmeriCrew stems from a handful of constructs that include both macro and micro elements.

- First, as we have covered in some of our research on other issuers, we believe there are a myriad of opportunities emerging along with and including the development and implementation of 5G, which will include the addition of miles of fiberoptic cable. We believe similar opportunities may emerge in conjunction with the federal government's focus on green/renewable energy. Much like 5G, the buildout of that infrastructure will likely be extensive over an extended number of years.

- Second, assuming our assumptions about the growth of 5G and/or the growth of green energy infrastructure are accurate, it occurs to us that these industries may very well face the same dilemma playing out in many industries (post-pandemic), which is a shortage of applicable labor. While it seems that labor shortages are impacting nearly *every* industry, there are some where it seems to be especially acute, and our exposure to the issue is that "trade" related labor shortages are particularly topical. To be clear, while there are pieces of anecdotal evidence around to explain the emergence of these shortages, especially as they may correlate to the pandemic, we submit that we do not fully understand their genesis, although we do have some thoughts regarding longer term structural trends that we will share further in this report, including why we think AmeriCrew may be positioning itself to address them.

- Third, while the Company's business plan is aimed at servicing (at least) the two emerging industries/opportunities addressed in the first bullet point above, it is also developing a robust "upstream" approach to addressing the labor issue noted in the second bullet point. That upstream approach includes leveraging existing federal programs aimed at helping train and otherwise transition veterans into the civilian workforce. The Company's efforts in that regard are bolstered by management's experience in applicable military protocols.

- Lastly, to be clear, as a rule we do not focus our research on Socially Responsible Investments ("SRI"). In fact, we are unabridged and unapologetic capitalists. That is, our approach is to look for small emerging opportunities that we believe may perform much better over the next, 12, 24 and 36+ months than they did over the past 12, 24 or 36 months in an industry agnostic manner. That said, we are not oblivious nor indifferent to the contribution that some of the companies we discover might be able to provide in terms of moving the social needle. More specifically, we have a particular affinity for military Veterans and related issues. To translate, we fully submit that we are attracted to the potential for AmeriCrew to make a difference in the lives of military Veterans, regardless of how much money the Company may or may not make doing it. Moreover, on the face, we are also generally constructive on companies/technologies that can help make the planet a better place to live on. Aside from what we think will be financial success, AmeriCrew certainly checks some of those boxes as well.

Industry Overview

As we intimated in the Company Overview above, we see AmeriCrew as an enabling play to both the emerging 5G and green energy industries, but also a participant in the Vocational Training Industry with a focus on hiring veterans. Recognize, part of our thesis here is that as these industries go, so goes AmeriCrew. Obviously, that will require that they perform appropriately in each. Below is a brief overview of each of these segments.

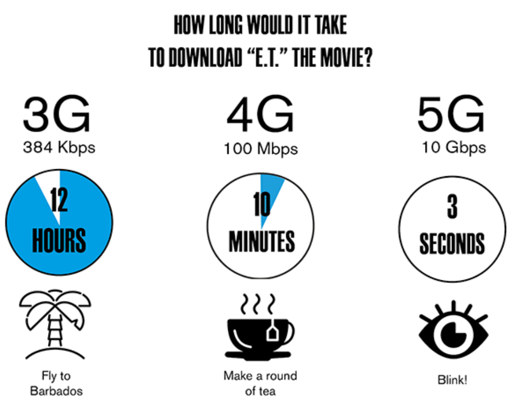
- 5G, Edge Computing and the Internet-of-Things

By now most consumers and certainly those who own a smart phone have at least heard the term "5G" and we would submit that most of those consumers' understanding of the platform is that it is the new and improved version of 4G and as such it will *eventually* improve their mobile service by allowing first and foremost, faster/greater data transmission, as well as perhaps better service in general in places where that may be lacking. While 5G may (or may not) improve those services, the broader implications in terms of 5G's potential to enhance business and other communication processes is profound but probably not particularly well understood by many. We think understanding some of those implications is important for investors assessing the potential for 5G enabling enterprises like AmeriCrew. **We would add, and this is**

important to keep in mind, when we refer to "5G" throughout this report, and especially as it refers to AmeriCrew and their opportunities therein, we are including fiberoptic cable as part of that notion. While there are certainly some nuances between the two, and they are not one and the same, AmeriCrew will be installing each of these, but again when we use the term "5G", it is meant to include fiberoptic cable, which is not technically accurate. We will address some of the "nuances" in our summary as well.

To expand on the point, contrary to what the name might imply, 5G is not simply the new and improved version of 4G. First, 5G operates in a higher frequency range than its predecessors. For instance, whereas 4G LTE operates in frequencies ranging from 450 MHz up to roughly 4 GHz, 5G operates in much higher frequencies in the 6 to 60 GHz range. In general, higher frequencies provide several advantages including larger bandwidths and lower latency (faster transmission), which combine to significantly improve download performance. **Illustration 1.** below illustrates the practical degree of 5G's performance relative to prior generations:

Illustration 1.



5g Speed vs 4g Speed: Differences and Myths to Explore (gospeedcheck.com)

While 5Gs higher frequency functionality provides clear advantages, it also comes with some disadvantages. For instance, higher frequencies are also far more limited in terms of obstructions/line of sight issues as reflected in **Illustrations 2 & 3** below. While obstructions include things like buildings, trees and even glass in windows, these frequencies are more susceptible to weather as well.

Illustration 2.

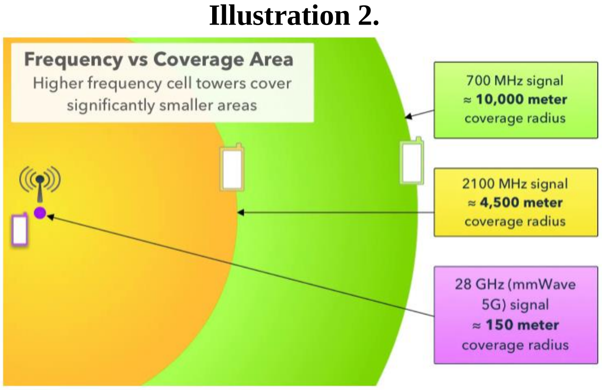
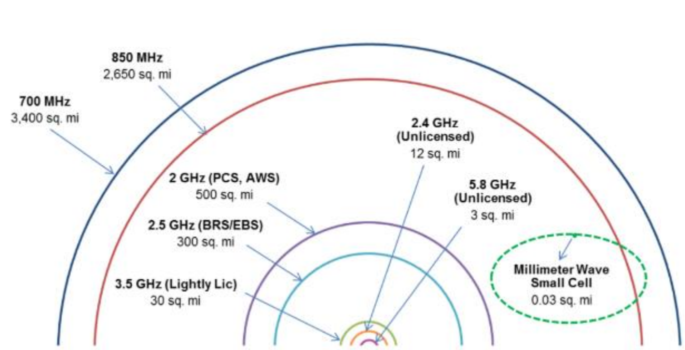


Illustration 3.



Moreover, higher frequencies are also far more limited in terms of obstructions/line of sight issues as reflected in **Illustrations 4 & 5** below. While obstructions include things like buildings, trees and even glass in windows, these frequencies are more susceptible to weather as well.

Illustration 4.

As mmWave doesn't penetrate through walls, even if carriers installed mmWave base stations at the top of each building, the 5G coverage wouldn't propagate indoors.

mmWaves don't penetrate inside buildings

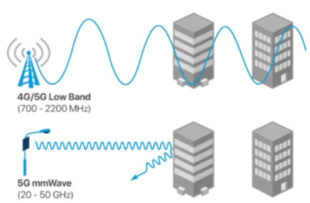


Fig 4. (source: JMA wireless)

Illustration 5.

The density of 5G hardware required in a single floor office

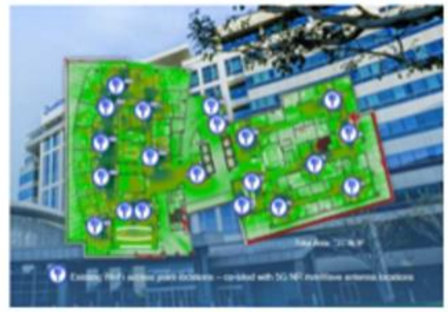
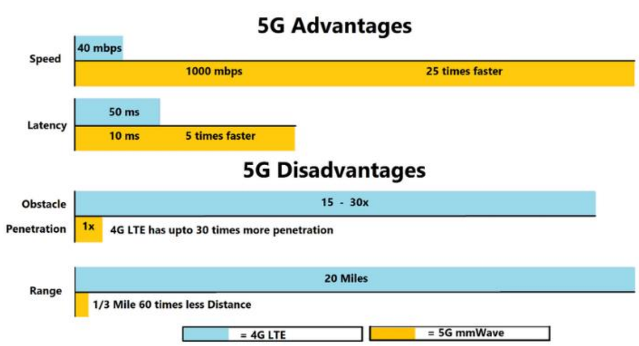


Fig. 5 (source: Qualcomm)

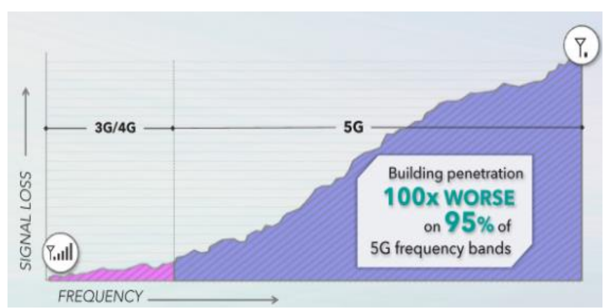
To further delineate the point, **Illustrations 6 & 7** below provide good sided-by-side examples of the advantages and disadvantages of 5G vis-à-vis 4G:

Illustration 6.



Comparison of 4G LTE versus 5G.

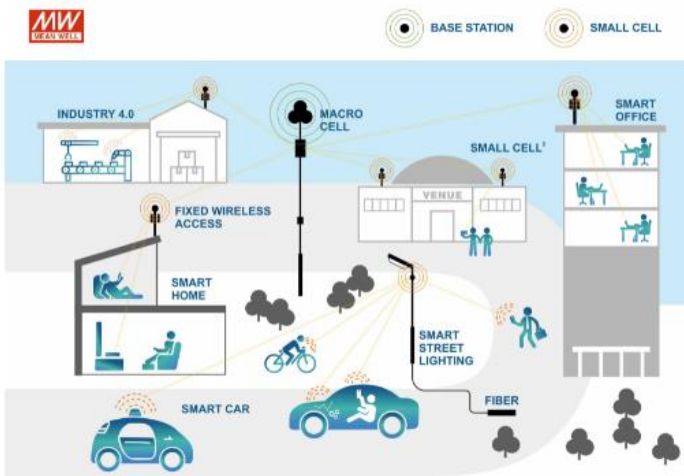
Illustration 7.



Comparison of 4G LTE versus 5G. | Download Scientific Diagram(researchgate.net) 5G Networks Updates for 2019 - Everything You Need to Know (surecall.com)

As the above illustrations suggest, the distance, line of site and obstruction issues are germane to the trajectory of the rollout of 5G. To translate, the 5G trade-off of faster and less latent vs. less range and penetration, is not insignificant. The advantages and potential of 5G could be transformational, but they are not without cost. More specifically, as **Illustration 8** below depicts, the solution to less range and penetration is to add multiple numbers of radios/cells and small cells to extend the (collective) range of the platform by providing considerably more communication points on, around and in buildings light posts etc. That is, the limitations of 5G suggest that its proliferation will likely require *the installation of several times* *more radios and cells than its 4G predecessor*. As we have noted in some of our prior research on other issuers, that notion provides a marked opportunity for enterprises developing and manufacturing those devices, but also by extension, enterprises like AmeriCrew that will be charged with executing those installations.

Illustrations 8.



Power Supplies for Outdoor 5G Base Station Application -MEAN WELL Switching Power Supply Manufacturer

While the above helps illustrate the need to densify the 5G network to address the drawbacks of higher bandwidths, there is another element to the 5G buildout that also supports that densification element that we think is worth noting. (Here again, we believe that required densification/buildout supports our thesis regarding AmeriCrew's opportunities therein). Most can appreciate the value of a *faster* and *less* latent internet because we have all likely experienced the frustration of a *slower* and *more* latent internet, for instance a dropped call or waiting for something to load. However, while many may view 5G as the solution to those frustrations, the contemplated endgame for 5G reaches well beyond improved cell service, which in turn speaks to the required densification and the need for people to install that infrastructure.

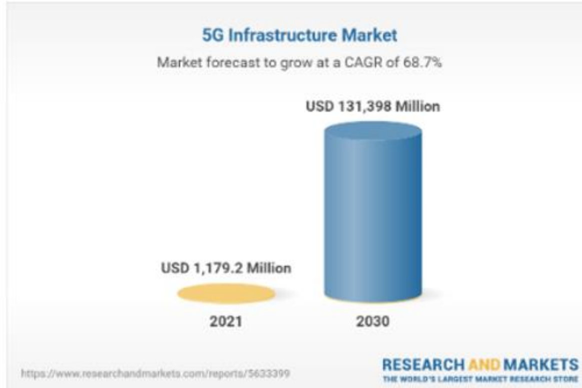
Recognize, the goal of 5G implementation is to add a host of devices, applications and functionality to the network that the 4G and perhaps even Wi-Fi cannot. Moreover, some of those devices and applications require the speed, latency and constant connectivity that 5G can provide. For instance, as one could imagine, a self-driving car would not be safe if the information about the curve ahead is too slow or too late. Hospitals looking to implement lifesaving procedures via remote inputs could certainly not do that without constant connectivity. In short, the "Internet-of-Things" in 5G will include millions more "smart" devices across thousands more applications used by thousands more enterprises and organizations than the current 4GLTE backbone can support.

To reiterate, we expect the entirety of the 5G buildout to be a massive undertaking that will require considerable investment capital, time, and manpower among other things to execute. As a result of the enormity of that task, industry estimates of the 5G infrastructure market through the balance of the decade are robust. For instance, According to Research and Markets, (Global 5G Infrastructure Market Analysis and Industry - globenewswire.com):

> *"The Global 5G Infrastructure Market size was valued at USD 1179.2 million in 2021 and is expected to reach USD 131.40 billion by 2030, with a growing CAGR of 68.7% from 2022-2030. 5G is a major breakthrough in the telecommunication industry and is expected to*

revolutionize almost all other sectors as we know them. Demand for mobile data traffic is expected to increase multifold in the coming years. The legacy 4G networks are not able to keep pace with this demand, especially in dense urban areas. 5G wireless technology is designed to deliver higher speeds, greater bandwidth, ultra-low latency, more reliability, massive network capacity and a standard user experience to increased user base. Higher performance and improved efficiency would help to connect virtually everyone and everything together including machines, objects, and devices.

Illustration 9.



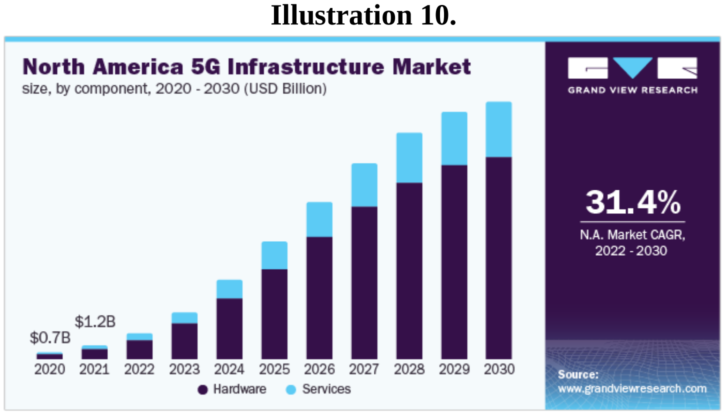
The evolution and adoption of 5G would create numerous opportunities for the business. Similar to the way 4G had shaken up the industry landscape, wherein data packages became more important than voice and SMS packages, 5G would help us to harness the full potential of IoT (Internet of Things), AI (Artificial Intelligence) and AR (Augmented Reality), among many others.

5G assures 10 times more speed than wireless connectivity, which is expected to eliminate latency and create seamless connectivity. It offers latency of 1 millisecond (ms) or lower, which is useful for end use applications that require real-time feedback".

Additionally, in terms of the domestic 5G infrastructure market, Grandview Research notes the following: (5G Infrastructure Market Size & Share Report, 2030 grandviewresearch.com) :

"The global 5G infrastructure market size was valued at USD 4.75 billion in 2021. It is expected to expand at a compound annual growth rate (CAGR) of 34.2% from 2022 to 2030. 5G infrastructure is mainly a combination of Radio Access Network (RAN), core network, and backhaul and transport. The backhaul and transport network includes fiber optics or microwave antennas. The growing demand for enhanced bandwidth connectivity with low latency for many mission-critical applications, such as vehicle-to-everything (V2X) and drone connectivity, is estimated to fuel the 5G infrastructure industry growth".

Illustration 10.



Lastly with respect to 5G and that buildout, at the same time as the telecom and frankly many other industries are rationalizing their "IoT", "edge computing", "machine learning" "AI" etc. futures, governments are also becoming more entrenched in the process by supporting portions of the build out as well. For instance, as AmeriCrew's filings note:

*In January 2020, the Federal Communications Commission (the "FCC") announced its **Rural Digital Opportunity Fund ("RDOF").** RDOF will make over $20 billion in funding available over the next 10 years to build and connect gigabit broadband speeds in unserved rural areas, thereby connecting millions more American homes and businesses to digital opportunity. In August 2020, the United States Court of Appeals for the Ninth Circuit upheld the FCC's initiatives to speed deployment of 5G technology in the United States through the Facilitate America's Superiority in 5G Technology, or "FAST" Plan. The FAST Plan is designed to make more spectrum available to the market and encourage implementation of and investment in 5G technology across the United States by modernizing regulations and updating infrastructure policy. Additionally, in October 2020, the FCC established the 5G Fund for Rural America, which will provide up to $9 billion in funding over the next 10 years to bring 5G wireless broadband connectivity to rural America*".

To edify, we think a large part if these government initiatives involves laying fiber optic cable through rural America. In conjunction, a meaningful portion of AmeriCrew's current and most visible "pipeline" entails laying fiberoptic cable, in a handful of rural areas. We think their ongoing business in that regard will be supported by the types of initiatives they identified above, which is another piece of we and others believe will be a massive buildout.

To clarify and as we often reference, industry estimate comparisons often include considerable variability, which is another way of saying that no one has a great idea about what these markets will produce, and since many of these project relatively long horizons the propensity for error is magnified. That is not a critique by the way, it is just a difficult task. From that perspective, we are certainly not hanging our hat on any specific conclusion. On the other hand, we think it is safe to say that the general consensus is that the industry is poised for extraordinary growth, and we believe that is an accurate view, and that view supports a portion of our enthusiasm for AmeriCrew.

- **Renewable Energy and the Electrification of America.**

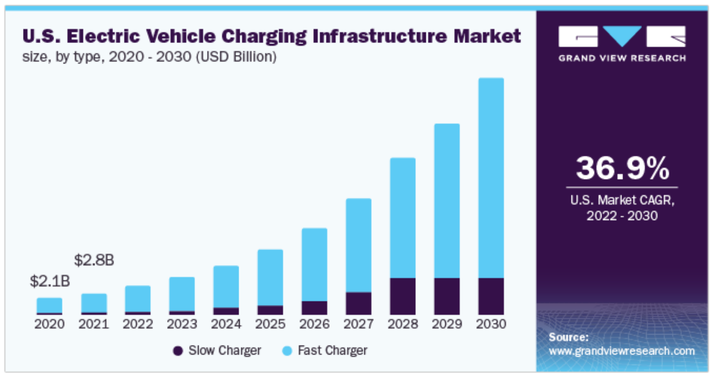
The second emerging industry AmeriCrew is attempting to service is the electric vehicle charging station portion of the renewable energy space. Our thesis here is straightforward; for the U.S. to add millions of new electric vehicles ("EV"), it is going to need to add thousands of new charging stations across the U.S.

To that end, U.S. News recently reported that *"According to the U.S. Department of Energy's Alternative Fuels Data Center, there are currently over 46,000 public EV charging stations in the U.S., with a total of over 115,000 individual (EVSE) charging ports. The total number of charging stations includes about 41,000 Level 2 stations with over 91,000 charging ports. However, it only includes around 6,000 DC Fast Charging stations with some 23,000 charging ports".* https://cars.usnews.com/cars-trucks/features/ev-charging-stations . To edify, Level 3 charging stations can charge an EV, several times faster than a Level 2, and as such, we think it is fair to say that the much of the focus going forward will be on fast charging stations/ports rather than slower charging ports.

According to new research from auto insurance comparison app provider Jerry (EV charging ports will soon outnumber gas stations in the US, yet it won't be enough (electrek.co), *"with a projected 35 million EVs on roads by 2030, the US will need to install around 478 charging ports every day for the next eight years to build the* *necessary infrastructure to support them. 90+% of EV owners charge at home, but more public charging points are still needed for city and apartment/condo dwellers as well as long trips that go beyond the range of a car's battery"*. To that end, the Federal Government's new Infrastructure Law provides $5 billion through 2026 to support the addition of 500,000 EV stations by 2030. Private corporations are installing EV stations as well, as hotels, C-Stores and other applicable enterprises have made announcements regarding the additional of EV charging infrastructure.

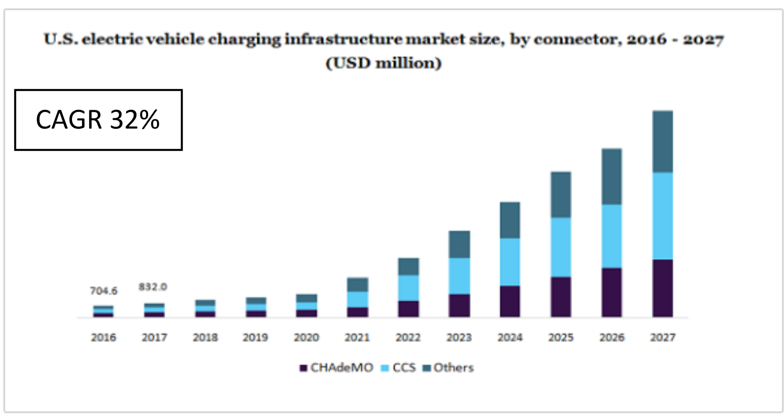
As illustrations 11 and 12 below note, industry research from Grandview and Million In$ights also expects the EV charging business to be robust in the coming years:

Illustration 11.



https://www.grandviewresearch.com/industry-analysis/electric-vehicle-charger-and-charging-station-market

Illustration 12.



https://www.millioninsights.com/industry-reports/electric-vehicle-ev-charging-infrastructure-market

Obviously, our view is that if AmeriCrew can participate in this buildout in even a small way, the impact on the business should be considerable.

- **Training and "Re-Deploying" Veterans into the Private Sector**

As we alluded to in our opening, much of our affinity for AmeriCrew centers on their strategy to employ/deploy veterans into two growing industries that we think will require a trained workforce to build out. In our view, that synergy, a program to provide veterans with careers, serving growing industries that need their provided skills, is compelling. In that regard, AmeriCrew's business plan, involves leveraging some of the programs the military provides for transitioning veterans to facilitate the employment of those same veterans into these growing industries. That said, to understand that leverage and resulting synergy, it is probably helpful to first get a brief understanding of the military's discharge/separation and transition procedures and programs.

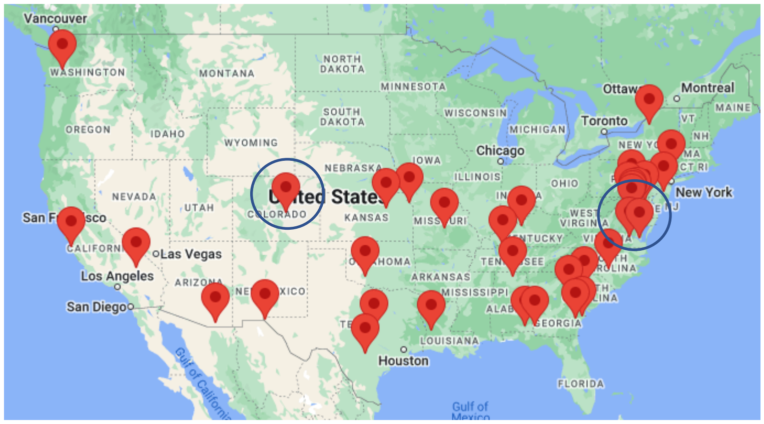
According to a 2020 report from the U.S. Department of Defense (DoD), *there are currently about 1.3 million total active-duty U.S. military personnel enlisted in the Army, Navy, Marine Corps and Air Force. Roughly one-third of military families live in on-base housing that is owned by the DoD.* Further, according to the U.S. Department of Veteran Affairs: *"**About 250,000 service members transition to civilian life each year**. The Transition Assistance Program ("TAP") provides information, resources, and tools to service members and their loved ones to help prepare for the move from military to civilian life. Service members begin TAP one year prior to separation, or two years prior to retiring. The VA portion of TAP is a one-day, in-person course called VA Benefits and Services. Led by VA Benefits Advisors, the course helps veterans understand how to navigate VA and the benefits and services they have earned through their military career. The course offers interactive exercises, real examples, and covers topics important to veterans like family support, disability compensation, education, and health care benefits".*

First, from the 10,000-foot view, 250,000 transitioning veterans is a considerable pool of potential employees For AmeriCrew to pursue. To put that into perspective, we believe the Company trained 110 veterans in calendar 2021 and they anticipate training approximately 200 in calendar 2022.

The Company's recruiting and training initiative, which they refer to as their "Veteran Workforce Program", is designed to leverage the military's transition process and we will expand on that in more detail in the Product/Services Overview below. However, recognize, the military's mandatory Transitional Assistance Program requires that military personnel begin their transitions within 365 days of their discharge or separation from the military. (To edify, generally speaking, a separation differs from a discharge in that a separated veteran is one who chooses to leave the military prior to fulfilling their entire military service obligation ("MSO"), which must then be carried out in the Individual Ready Reserve (IRR). Keep in mind, while different branches of the military have different minimum *activity duty* enrollments, all branches require a minimum Military Service Obligation of 8 years. So, for instance, an individual may enlist in the Army and sign a contract for 4 years of active duty. If they were to stay in active duty for the full 8-year MSO, they would fulfill their requirements. However, if after 4 years of active duty, they decided to *separate* from the Army, they would be required to fulfill the 4 remaining years of their MSO as an Individual Ready Reservist ("IRR"). To clarify, according to Vetvarify.com, *"contrary to popular belief, the vast majority of those leaving the service after completing an initial enlistment are separated rather than discharged*".

So then, within 365 days of a soldier's decision to leave the military (preferably before), they must enroll in TAP to prepare them for that transition. Again, TAP includes a host of programs to help veterans transition to civilian life and those programs include some of those we address below. Further, TAP is generally administered from a variety of locations including many military installations. For example, **Illustration 13** below is from the U.S. Army, and it provides the locations of U.S. Army TAP facilities. As an example, the Colorado location below is at Fort Carson, while locations in Virginia are located at Fort Lee and Joint Base Langley-Eustis.

Illustration 13.



Locations (army.mil)

As we said, the TAP locations are largely located at or near bases that many transitioning soldiers live on or around. As a result, providing training on or around those locations is an optimal place for AmeriCrew to operate. Moreover, because the military provides programs that allow transitioning soldiers to study/train for the civilian workforce *while they are still enlisted*, operating in these locations provides additional advantages. Again, we will provide additional detail in that regard further in this report. Again, here are some of the military's more relevant programs.

❖ Post 9/11 GI Bill

(From Post-9/11 GI Bill Overview | Military.com) *The Post-9/11 GI Bill provides education benefits for those who have served on active duty for 90 or more days after Sep. 10, 2001.The payment rate depends on how much active duty time a member has. Among other nuances, the Post-9/11 GI Bill has several parts including:*

- *Up to 100% Tuition and Fee Coverage*
- *Monthly Housing Allowance*
- *Up to $1000 a year for Books and Supplies*
- *a one-time rural relocation benefit payment of $500.00 to help cover the cost of relocating from a rural location to attend school.*

These benefits can be used for several education/employment related endeavors including College Degrees, Vocational/Technical Training including non-college programs, On-the-job/Apprenticeship Programs, Licensing & Certification Reimbursement, National Testing Programs like SAT, CLEP, AP, Flight Training, Correspondence Training, Work-study and others.

❖ VA OJT Programs

(From: VA On-the-Job & Apprenticeship Training Programs Fact Sheet) *Both on-the-job (OJT) and apprenticeship training programs are available for Veterans using their VA education benefits, including the Post-9/11 GI Bill. These programs allow Veterans to learn a trade or skill through training on the job rather than attending formal classroom instruction. A Veteran generally enters into a training contract for a specific period with*

an employer or union, and at the end of the training period, the Veteran gains job certification or journeyman status. Employers generally pay a reduced OJT/apprenticeship wage (must be at least 50% of journeyman wage). Unless the training establishment is operated by a Federal, State, or local government, periodic wage increases must be granted and by the last full month of training, the wage must be at least 85% of the wage for a fully trained employee. Veterans in an approved program can use their GI Bill benefit and receive a tax-free stipend. The Post-9/11 GI Bill stipend is the equivalent of the Monthly Housing Allowance (MHA) of an E-5 with dependents, which is paid in addition to the entry-level wage. The stipend is reduced 20% every six months thereafter as the Veteran's wages regularly increase until the Veteran has attained journeyman status and pay. Approved employers can use this benefit as a recruiting tool by using wages + stipend to attract Veteran candidates.

- ***SkillBridge Program***

(From: DOD SkillBridge - What is SkillBridge? (osd.mil) *The DOD SkillBridge program is an opportunity for Service members to gain valuable civilian work experience through specific industry training, apprenticeships, or internships during the last 180 days of service. SkillBridge connects Service members with industry partners in real-world job experiences.*

For Service members SkillBridge provides an invaluable chance to work and learn in civilian career areas. For industry partners SkillBridge is an opportunity to access and leverage the world's most highly trained and motivated workforce at no cost. Service members participating in SkillBridge receive their military compensation and benefits, and industry partners provide the training and work experience.

SkillBridge is an excellent benefit for installation and Unit Commanders who have members about to be discharged from Active Duty. SkillBridge can help Service members bridge the gap between the end of service and the beginning of their civilian careers. Commanders can greatly ease this return to civilian life by supporting their reports' interest in SkillBridge. When mission permits, Commanders who support SkillBridge participation are helping their personnel find a civilian career with a trusted employer.

Service members can be granted up to 180 days of permissive duty to focus solely on training full-time with approved industry partners after unit commander (first O-4/Field Grade commander in chain of command) provides written authorization and approval. These industry partners offer real-world training and work experience in in-demand fields of work while having the opportunity to evaluate the Service member's suitability for the work.

Each of the programs above are administered by the Department of Defense through one channel or another and are designed to provide civilian career paths for transitioning veterans. In addition to these programs, there are other workforce developments funds that are administered on the state level to assist veterans as well. In addition, these programs are typically designed to collaborate with the private sectors to train and ultimately employ the participating veterans. (For instance, the TIRAP program below is a telecom industry-based organization that collaborates with various DoD programs to train and employ veterans in the telecom space). We would add, AmeriCrew is qualified to participate and receive funds in all these programs.

- **TIRAP Apprenticeship Program**

From: TIRAP: Helping Build Our Nation's Telecommunications Workforce - TIRAP) *Built by and for telecommunications employers, TIRAP is a competency-based apprenticeship aimed at growing the productivity of the* *workforce as directly as possible. TIRAP defines career paths in a growing number of critical occupations, including tower technicians, wireless technicians, and utilities workers, along with leads and foremen. By establishing on-the-job training as well as classroom learning, these apprenticeships help you onboard and upskill your workers. This leads to better efficiency and safety —plus higher employee engagement and retention.*

Powered by the Wireless Infrastructure Association and with partners across the country, TIRAP provides training resources, support, and access to incentive funding for our members and other telecommunications companies. This registered apprenticeship program leads to a national credential recognized by the U.S. Department of Labor.

To summarize, in the view of most of the industry analysis we could find, both the 5G infrastructure as well as the EV charging infrastructure industries are poised for robust growth through the balance of the decade. Further, that growth should be driven by a combination of increasing demand for their constituent industries (5G and EV's) as well as various government efforts that should benefit each. Part of our thesis in that regard, is that the buildout of those infrastructures will likely require considerably more skilled/trained personnel than currently exists. AmeriCrew is in the business of building each of those infrastructures.

As another leg of our thesis, at the same time as these industries will require more trained and certified infrastructure workers, 200,000+ veterans per year will be separating from the armed service(s), and many will be looking for meaningful and sustainable employment. AmeriCrew has also developed what is in our view an elegant approach to solving each of these challenges: training and certifying separating veterans for meaningful and sustainable civilian careers and providing the telecom and EV industries with the workers necessary to buildout their necessary infrastructures.

Products/Services Overview

To reiterate, our thesis here includes a handful of pillars that we think when combined create a marked opportunity for AmeriCrew.

First, the Company is providing infrastructure buildout services to two industries (5G telecom and electric vehicle recharging) that are each expected to delivery extraordinary growth through the balance of the decade. In that regard, we think it is important to recognize that the Company's two de facto founders both spent careers building out 3G and 4G LTE infrastructures as employees for and/or contractors to major telecom providers. We believe their collective experience and associated relationships in that regard are paramount to the Company's success.

Prior to his career in the telecom space, CEO and Founder Kelley Dunne, was an enlisted soldier and officer. Obviously, that experience gave him direct insights into the challenges faced by transitioning soldiers, which eventually lead him to form multiple organizations aimed at providing veterans with training and certification, one of which (Novation) provided some of the basis for the Company's current workforce development endeavors. Moreover, COO and Founder Brian Weis put his family's 50+ year old Company (Mikab Corporation) into the public transaction for essentially 50% of the NewCo. Recognize, Mikab has been a successful service provider to Verizon and other large telecoms *for decades*, and those relationships are the basis for much of the Company's current revenue stream. From that perspective, AmeriCrew's business plan represents the combination of its Founders' collective careers. Put another way, ostensibly, management has deep experience in the two primary pillars of the business plan.

From a revenue standpoint, the Company currently provides three silos of services. They provide training to veterans which provides them a source of skilled employees that then execute the other two services, which is the buildout of infrastructure for the telecom and 5G space, as well as the buildout of the electric vehicle infrastructure. These two verticals are the primary profit centers of the business. Below is a brief overview of each.

First, to reiterate, we tend to view the veteran training iteration of the business as an enabler to the other portion(s) of the business. That is not to say this portion of the business does not or cannot contribute to revenues and profitability (it does), but again we see it as enhancing the buildout portion of the business. That said, it is important to recognize that the Company's understanding of and presence in the veteran training space, allows them to leverage some of the government sponsored programs we described above. For instance, the Post 9/11 GI Bill provides for the payment of tuition for qualified training programs like those offered by AmeriCrew. In addition, the program also provides a housing allowance and some other benefits.

On the face, if a company is going to be in the business of training workers, it is certainly advantageous if those students are having that education paid for by someone else. Further, some of these programs (SkyBridge for example) also provide for separating veterans to engage in some of their training before their separation is complete (while they are still employed by the military). Obviously, in that case, AmeriCrew is providing training to students who are essentially being paid by someone else. Moreover, those same students may also be getting their housing paid for during their training, either because they are still living on base, or because they have been afforded a hosing allowance in leu. Our point here, is that AmeriCrew can train (eventual) employees, which they require to make the other portions of the business work, but that training is ostensibly being paid for by the military. We think that is a highly favorable attribute of AmeriCrew's business plan, but also an advantage that may not be well understood by the street. More specifically, while they certainly need to continue to procure additional business building out infrastructure, we believe that adding the personnel to execute that business may be the Company's biggest challenge the Company faces in terms of growing the business. In our view, training their own employees via an arrangement whereby the military provides them with a large pool of potential students and in turn pays for the training and housing *of those same students* is an elegant approach.

While we see the veteran training piece of the business as paramount to AmeriCrew's success, they clearly still need to go out and win additional business to sustain and grow the company. While again, we think some portion of that equation comes down to having the workforce to actually complete more business, they still need to go out and identify and win that business. To reiterate something we alluded to above, we believe the Founders' collective relationships and experience in the telecom space have allowed them to attract business and we suspect that will continue to be the case going forward as well. To be clear, we believe the Company's telecom relationships coupled with the considerable amount of buildout that is likely to be required across the domestic industry through the balance of the decade, could provide AmeriCrew with as much business as they can train/hire the staff to complete. Again, that ramp in staffing will depend on their success on the recruiting and training front, as well as their ability to attract additional capital to support that growth, but that is our general view, and it is a construct we have leaned on to develop our model and price target assumptions.

Given that we just opined that AmeriCrew may be able to win as much business in the telecom space as it can staff up to, we suppose it begs the question, why try to expand into the EV charging space? The obvious answer to that may be that our assessment about the business they can attract in telecom may prove to be overstated, so it makes sense for them to diversify the business by adding other industries to service. That brings us to an additional point we have not addressed above.

Some of the Company's logistical challenges are geographic. To edify, the Company's goal is to train workers and retain them as employees so they can deploy them into the contracts they win. To date, the Company has been quite strategic (or perhaps fortunate) about addressing those challenges. For instance, the Company's training activities to date have been concentrated in Virginia, and the Northeast and mid-Atlantic regions happen to be the general location of much of their install business to date. To put that into perspective, in a perfect world, they would find long term contracts in areas located in or around the centers they are training at, which facilitates the "on-the-job" portion of the training. Granted, that will likely always be an imperfect process, but we think it does speak to the notion that the Company will be trying match training and job locations as much as possible. In that regard, we think some of the appeal of adding the EV business (beyond the obvious reasons surrounding the likely growth of the industry), is that it may help smooth some of the geographic challenges we just addressed by providing a broader distribution of jobs geographically.

Lastly, because the EV business is much more nascent than telecom, we suspect there are likely opportunities for AmeriCrew to engage some projects with better margin potential. In our discussions with management, they can point to some opportunities they are seeing in that regard.

Operating Overview

Before we delve into some of our model assumptions, we should point out, the Company recently changed their fiscal year end to September 30. As a result, we have cast our model under that calendar, but those reviewing prior and/or comparative financial information should keep that change in mind.

We have cast an initial model and associated projections of AmeriCrew's operations, but we would note, they have a limited operating history in terms of the current business model, so we submit, making projections from that vantage point is challenging and likely subject to considerable variance until time and improved visibility provides us with better data points. To that end, **because of the variation in individual jobs (moving equipment, preparing space, normal starts and stops, seasonality, work arounds etc.), their sequential revenue could be quite lumpy for the foreseeable future.** The best remedy for that will be for them to add more teams in the field, but again, until they scale the business, we expect the reporting to include some variance.

That said, here are some of the assumptions we are leaning on to cast this initial model, as well as some of our rationale therein.

First, we have argued that the Company's biggest challenge may be trying to recruit, train and hire enough applicable workers to fulfill their contracts and/or engage new ones. Recognize, the Company will certainly continue to attempt to hire employees outside of their veteran training approach, in fact, while we have not discussed much in this report, hiring employees from the industry to be team managers/supervisors is one of their biggest challenges. That noted, we still expect a good portion of their success to be predicated on their training efforts. As a result, we are looking to their metrics in terms of veterans trained, to help us determine what that might mean in terms of their capacity, and by extension the amount of business they can generate. Put another way, our approach at this point is to project their number of trainees, extrapolate than into employee growth and in turn determine the amount of business then support with that amount of manpower. To reiterate, we are also working under the assumption that they will be able to deploy any workers they can obtain, which could prove to be overstated. We would add, the Company has also created relationships whereby they place trainees they cannot employ themselves with other industry partners or contacts, and are paid a fee for those placements, again, allowing them to leverage the training portion of the business.

Second, we expect the Company to post improved year-over-year results into the foreseeable future, although as we said, we expect sequential results to be lumpy until they add more teams and broaden the business. Keep in mind, for 2QF22 they reported revenues of $4.68 million versus $1.23 million in 2QF21. In that regard, while operating expenses were higher as we might expect, they also reflected considerable leverage in the operating model. Sequentially, 1QF22 revenues were $1.94 million (versus 2QAF22 of $4.68 million) while Operating Expenses were 32% and 22% of Revenues respectively. Again, given that the Company is charting new ground in terms of Revenues it may take a few quarters for us to get our arms around ongoing margins. Again, we will reassess numbers as we move along, especially with respect to new pieces of business that might afford better margin opportunities.

Again, the relationship of ongoing expenses relative to revenues will be something we will be reassessing as we move through each new filing, and again, given our expectation for revenue growth, that could hold some surprises as they attempt to manage expenses around that growth. That noted, we think the more challenging part of modeling AmeriCrew may rest in their ability to raise capital. As we noted, since presenting at our Fall 2021 conference, they have had limited success raising capital. Certainly, some of that may be related to the state of the markets over that period. On the other hand, given their breakout numbers for 2QF22, one would think that endeavor may get easier, although the weak environment for equities may continue to present headwinds.

In the context of their inability to raise additional capital they have generally had to bootstrap the business, which frankly makes the 2QF22 performance more compelling. However, inasmuch as we see marked opportunity for growth, some of which we are modeling/projecting, that will be difficult to achieve without additional capital. The Company sometimes iterates some general estimates that each additional $1 million of capital should allow them to add $4 million worth of additional annual revenue. Further, not only will their capital success dictate revenues, but we think it will also impact margins. We believe their lack of capital raises their COGS and other expenses on a variety of levels (factoring receivables for instance). Succinctly, while again, we are inclined to think that their operating momentum should help alleviate some of their capital constraints (read: should help them raise capital), if that turns out not to be the case, then they will have to continue bootstrapping the business and trying to grow it via internally generated capital. Our current model and associated targets assume only modest success on the capital raise front, so we would view greater success in that regard, as a potential catalyst for higher valuations. We hope to have visibility regarding capital sooner rather than later, but again this is a wild card in terms of their coming operating success.

As a further point to their capital-to-fund-growth quandary, as we understand it, the Company has identified several small install operators that they believe could be reasonable acquisition targets that they could easily integrate into the business. As we said above, one of their current challenges is trying to pluck successful team managers/supervisors from the industry, and acquisition may prove to be one of the better ways to accomplish that. So, while we think additional capital will certainly help with working capital challenges as well as with acquiring needed equipment to add new teams, the potential for that capital to provide acquisitive growth is measurable.

Management Overview

- ***P. Kelley Dunne, Chief Executive Officer***

Kelley has more than 30+ years of experience in the telecommunications industry and is recognized as an industry pioneer in deploying some of the first 4G broadband wireless capacities across the country. Kelley is currently CEO and President of AmeriCrew. He also currently serves as the Chairman of Warriors4Wireless, a national non-profit that he co-founded that helps recruit, train and place transitioning veterans for the Wireless Industry. Prior to Americrew, Kelley was CEO of Novation Enterprise and the CEO of One Economy, a global non-profit that provides technology to under-served communities. Prior to One Economy, he was the co-founder, CEO and Chairman of DigitalBridge Communications, one of the first mobile broadband wireless companies launched in the US. His career also included senior executive leadership positions at Verizon, AT&T, Bell Labs and OnePoint Communications. He began his career in the military, serving as an enlisted soldier and officer in the US Army Signal Corps. He has both a BS and MS degree in Communications Engineering and Management from Ohio University and Ball State University.

- ***Brian Weis, Chief Operating Officer***

Brian Weis is the President of Mikab Corporation, a 50-year-old telecommunications construction company. Brian's career with Mikab began in 1993, working as Lead Foreman and Project Manager before becoming Vice-president of Operations in 1998 and then President in 2004.

As the driving force behind Mikab's consistently successful growth, Brian has guided the company through multiple network expansions for the major wireless carriers. From the 3G expansion introducing LTE to the 4G expansion introducing fiber to the antenna (FTTA) and remote radio heads (RRH), Brian's forward focus on telecommunications construction now sees the company firmly rooted in the 5G expansion introducing Giga-bit speed to the wireless market. Under Brian's leadership, Mikab has also completed projects for the New Jersey Turnpike Authority, E-911 for NYPD, FDNY, and various county-wide and local municipal projects.

Brian also has extensive experience in the AM & FM Broadcast markets with Mikab being the preferred vendor for several NY area broadcasters, including the relocation of the entire transmitter facility for ESPN-AM to make room for the American Dream mall.

Brian has a Bachelor of Science degree in Chemistry from Bucknell University.

- ***Ross DiMaggio, Chief Financial Officer***

Ross DiMaggio is a Financial Executive with over 20 years of experience working with Micro and Small-Cap companies with comprehensive experience in Business Strategy, Financial Analysis and Planning and New Business Development.

Prior to joining AmeriCrew, Ross has served as an advisor to dozens of early and growth stage companies, advising them on structure and securing funding, financial planning and analysis activities and implementation of capital and operating budgets and forecasting. Ross also has experience in administrative functions including HR.

Ross has helped and advised companies structure and raise over $250,000,000 in equity and debt financings over the last 20 years.

Ross has a Bachelor of Science degree in Marketing from LaSalle University.

Risks and Caveats

In case it was not clear from our opening, we have sincere respect for our veterans, and as such, we view any efforts to help them in one way or another as a positive. On the other hand, while we view AmeriCrew's plan positively in that regard, that does not mean the business will prove sustainably profitable. The Company faces some clear headwinds.

First, those who read some of our research, will recognize this particular caveat/risk, because it is nearly universal across our coverage. Many small companies rely heavily on the contributions of their founders or other members of management, so by extension, the departure of those individuals can have a negative impact on the business. In the case of AmeriCrew, that may in our view, be the single biggest risk associates with the business at this particular time.

If the departure of key personnel is the biggest risk in the story, access to capital is a close second. To be clear, we first met AmeriCrew Founder Kelley Dunne when he presented at our Fall 2021 conference. At the time they were in the process of raising capital, and their success in that regard over the past 12 months has been limited. To be honest, market conditions aside, we have been a bit surprised that they have struggled as much as they have, because at the time, we thought they were positioned to grow the business considerably, *especially* if they could get their hands on some working capital. Again, for the most part they have been unsuccessful raising meaningful capital. On the other hand, in the 3Q-F21 quarter (the most recently reported quarter prior to their presentation at our Fall 2021 conference), the Company reported revenues of $892,00 and a net loss of $911,000. In contrast, for their most recently reported quarter (2Q-F22) they reported revenues of $4.7 million and net income of $491,000. Again, it has been a bit perplexing to us that they have had as much trouble raising money as they have since they presented in November (2021), although we submit market conditions have not been ideal since that time. The point is, they need additional working capital to grow the business, and we think they will likely miss opportunities the longer they go without it. Moreover, current conditions are very challenging for small early-stage companies trying to raise capital, and that is true for AmeriCrew despite their current operating momentum.

To further the prior notion, the Company must continue to pursue additional capital. If they are successful doing so, it will likely result in additional dilution of the current share base. If they are not successful, they may not be able to support their ongoing operations.

We provided information above that suggests both the 5G and EV charging infrastructure business are likely to be robust through the balance of the decade, and that should be positive for AmeriCrew. However, the Company clearly faces competitors today, and, given the growth potential we noted, that competition is likely to increase. As we stated, the Company is small and undercapitalized, and may find it increasingly difficult to compete in the industry especially if the opportunities attract larger and better capitalized competitors, which we think is a reasonable assumption. On the flip side of that scenario, while we think these industries are poised for growth, they could each face challenges that might slow or eliminate some of the opportunity that industry analysts and others are assuming. If these industries prove to be less robust than anticipated, then it follows that AmeriCrew's respective opportunities will likely diminish as well.

In addition to facing competition in their respective infrastructure verticals, AmeriCrew also faces competition for the workers needed to address those businesses. Recognize, there are many companies, most of which are much larger than AmeriCrew, involved in the programs aimed at training and employing veterans. Moreover, many of those companies are in a much better overall position to recruit, train and employee veterans than AmeriCrew. Along those lines, as we said above, one of their more topical challenges is hiring seasoned team leaders from the industry. Clearly, being able to add trained and/or otherwise skilled employees is paramount to the Company's growth and success.

We have prepared a projected model of AmeriCrew's operations around assumptions we have made about their markets and associated opportunities. However, in its current form, the Company has limited operating history for us to glean future data from, which means that our model could prove markedly inaccurate until visibility improves going forward. Further, as we noted, considerable variance between sequential quarters should be expected, and will almost certainly lead to surprises both on the upside as well as the downside for the foreseeable future. If our assumptions prove inaccurate, then our valuation and price target assumptions could be inaccurate as well.

As we alluded to, current market conditions are precarious, and certainly some or even much of that volatility is related to increasingly challenging economic and other geopolitical factors. In our view, those factors and their resulting impact on market volatility could persist into the foreseeable future. That is, we think volatility and generally poor visibility will continue to impact the equity markets for some time to come, which generally, is not good for any/all equities.

As an extension to the prior notion regarding the state of the markets, we think it is reasonable to suggest that a measurable portion for the equity market's compression is related the Fed's actions to reign in liquidity. That scenario is particularly problematic for small illiquid equities like AmeriCrew. Thus, AmeriCrew's shares are likely to remain thinly traded and illiquid into the foreseeable future.

These are just some of the more apparent risks associated with AmeriCrew. There are likely other risks associated with the Company and its business that we have either overlooked or are not yet apparent.

Summary and Conclusion

There are three major components to the AmeriCrew story, and we think they can create marked synergies if they can execute the plan, which to reiterate, likely depends in part on the level of capital they can access.

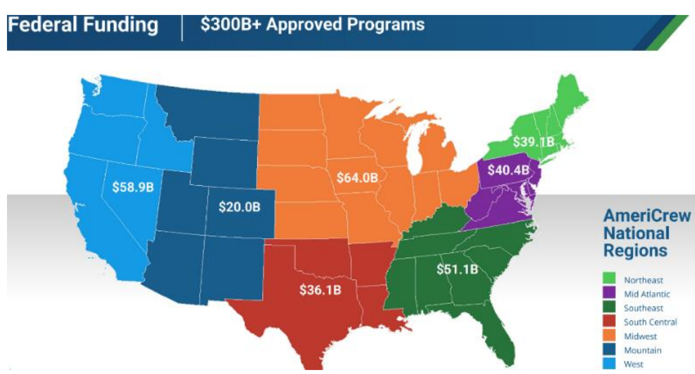
Importantly, management has amassed considerable experience and associated relationships in these components, and in our view the value of that probably cannot be overstated in terms of its contribution to the Company. With that said, here are a few salient points to consider with respect to each of these components.

We submit, a good portion of our original high level enthusiasm for the stock was centered on the veteran training/outreach portion of the story because like many, we tend to believe that some of our veterans may not be afforded all the assistance they may need and/or perhaps deserve following their separation from the military. To be clear, that is not a critique of any particular system, program or group of people, as much as it is a recognition that many veterans have given so much that we may never be able to repay them in a way that we feel makes them whole. However, our analysis of AmeriCrew and its business have provided us with a more granular and wed think more accurate view of the veteran training piece of the business.

First, as we have come to realize, while we fully embrace the notion that AmeriCrew's Founders are driven by a desire to help fellow veterans, the reality is that the training program they have developed, which includes a considerable boost from some of the Veteran assistance programs we noted above, is very beneficial and probably critical to AmeriCrew's success. Succinctly, without this portion of the plan, we are not sure AmeriCrew would have the resources to "field a team" big enough and trained enough to compete in these markets in any meaningful way.

To be clear, we are not minimizing management's desire to help veterans or suggesting they have other motives. To the contrary, one of the reasons management has been able to develop the training programs/relationships they have is because they have been doing it for a very long time. In those endeavors, we think their past challenges have on a variety of levels, shaped the programs they are deploying today. For instance, providing veterans with a skill and associated certifications, **as well as** a defined employment path once they are trained, considerably enhances the success of the program. That is, the goal of the program is not to *train* veterans, but to put them in a place to achieve and maintain a good paying and meaningful career. We believe, and we think the Company will concur, that the strength of their platform lies in its enlistment-to-employment approach. We can unpack that a bit more.

One of the more interesting things that management has shared about their training process is the importance of integrating military structure into that process. Management does a much more eloquent job of articulating this than us, but we will try. Consider, most of the veterans who enter their program have spent the past 4 or more years in a highly structured environment. Moreover, since many of those individuals enlisted as (very) young adults, that structured environment has encompassed much of their adult lives to that point. Consequently, to provide a training program, or for that matter even resulting employment, without regard to that structure, is probably not likely to yield as much success as a program that is *built around that structure*. Recognize, one of the Company's missions is to not only train veterans to be employed successfully in the field, but also to train (some) veterans to lead other veterans. That leadership may be in the training program as eventual trainers, or it may be in the field as supervisors/team leaders. Obviously, the best people to execute that type of structure are likely going to be people who experienced that same structure. To reiterate, the access to trained employees that this piece of the business provides is in our view, paramount to AmeriCrew's success.



We would add, this portion of the business is a profit center in that they are able to collect tuition for the service. In addition, for a variety of reasons, not all the Company's trainees end up working for AmeriCrew. In those instances, AmeriCrew may be paid a fee for placing those workers with others in the industry, which typically end up being other contractors that AmeriCrew has relationships with and/or may share projects with. While as we said, the training piece of the business, along with providing their workforce, is also a profit center, the construction/buildout portions of the business are clearly the primary revenue and growth drivers. Here again, some context is probably necessary to understand the Company's position in this space as we understand it. We noted above that AmeriCrew's predecessor Mikab Corporation has been installing telecom and/or fiberoptic cable for major national carriers for 50 years. Today, it has Master Service Agreements ("MSA"s) with *dozens* of associated enterprises including major carriers, and many of those agreements have been in place for decades. We believe those agreements and relationships likely provide them with business that is not even put out for bid for instance. On the other hand, and we think the Company will support this view, the reality is that when it comes to installing more fiber and rolling out 5G infrastructure, there is large amounts of funding available, but there simply are not enough workers to do the installations, so in part, at least as we sit here today, the greater challenge for installers like AmeriCrew may be finding the workers and associated resources to install the equipment more than perhaps winning the jobs to do the work. That leads us to our next point.

As we noted, AmeriCrew's growth is currently being constrained by capital, and some of that relates to the statement we just iterated "*the greater challenge for installers like AmeriCrew may be finding the workers and associated resources to install the equipment more than perhaps winning the jobs to do the work*". In short, with limited working capital, they are constrained as to the number of veterans they can train at one time, which means they are constrained by the number of employees they can deploy, which means they are constrained by the number of jobs they can take on. One thing that we think is difficult to miss when we speak to management, is the frustration over the amount of work *they could be doing*, and the amount of work they can actually handle with the current workforce. We would add, that does not only apply to labor, but also to the equipment to dig trenches, install towers, climb towers etc. to lay fiber and other 5G infrastructure. While their current posture of collaborating/contracting with other installers and associated industry partners on certain projects is not atypical and as such is something they will likely always do on some level(s), we think their lack of scale requires them to do more of that than they would like, which we also think negatively impacts margins. As a result, we think additional capital would not only drive revenues, but also gross margins.

There is one additional nuance to the business that requires some understanding. Today the Company currently operates largely in and around Virginia and New Jersey, as well as in and around Indiana and contiguous states. They have sizable fiber contracts in each of these areas, with other perhaps to follow and/or follow-on. For instance, in Virginia, they are working in conjunction with the Virginia Telecommunication Initiative ("VATI"), which is extending broadband service to rural and or currently unserved areas. Succinctly, one of reasons they are operating in these areas is because these are areas where they established initial training facilities in or around military facilities. To be clear, they will continue to try to grow with that alignment in mind. That is, identify areas of the country, in or around military installations where many veterans are separating from, where there is also robust demand for their services, especially perhaps from some of their long-standing customers, or through other established relationships in the industry(s). Again, subject to their access to capital, we think we will see them expand their geographic footprint in the near and intermediate terms.

To close, we believe AmeriCrew has developed an elegant and symbiotic plan to recruit, train and employ veterans who are separating from the military and are looking for robust careers, and then employing them in some of the fastest growing (and most labor starved) industries in the country. Further, while a quarter or two do not constitute a trend, we believe the financial results are beginning to lend credence to our thesis. We submit, the scale of the plan, which as usual is necessary for better valuations of the shares, will depend on their ability to access the necessary working capital to support the growth. That said, we believe there is considerable operating leverage in the business, which means that added capital should not only drive revenues, but also improve both grow and operating margins along the way. Our targets assume they will be able to raise modest amounts of additional capital between today and through 2023 via their current convertible debt deal.

We are initiating our coverage of AmeriCrew with an allocation of 4, and an initial 12-24 month price target of $3.30. We will reassess each as relevant data points emerge, with particular attention on their capital endeavors.

Projected Operating Model

AmeriCrew, Inc.											
Projected Operating Model											
By: Trickle Research											
	actual	actual	actual	estimate	estimate	estimate	estimate	estimate	estimate	estimate	estimate
	12/31/21	**3/31/22**	**6/30/22**	**9/30/22**	**Fiscal 2022**	**12/31/22**	**3/31/23**	**6/30/23**	**9/30/23**	**Fiscal 2023**	**Fiscal 2024**
Revenue	$ 2,044,022	$ 1,943,778	$ 4,678,413	$ 3,309,265	$ 11,975,478	$ 3,804,475	$ 4,709,534	$ 5,363,661	$ 5,301,294	$ 19,178,964	$ 23,916,565
Cost of revenue	$ 1,574,727	$ 1,446,364	$ 3,012,570	$ 2,335,862	$ 8,369,523	$ 2,556,015	$ 2,832,277	$ 3,322,872	$ 3,276,097	$ 11,987,260	$ 15,166,616
Gross Profit	$ 469,295	$ 497,414	$ 1,665,843	$ 973,404	$ 3,605,956	$ 1,248,460	$ 1,877,257	$ 2,040,789	$ 2,025,197	$ 7,191,703	$ 8,749,949
Operating expenses:											
General and administrative expenses	$ 2,006,255	$ 613,278	$ 1,028,338	$ 877,963	$ 4,525,834	$ 915,224	$ 964,633	$ 1,006,277	$ 1,019,408	$ 3,905,542	$ 4,383,672
Depreciation	$ 8,316	$ 8,315	$ 8,315	$ 8,315	$ 33,261	$ 8,315	$ 8,315	$ 8,315	$ 8,315	$ 33,260	$ 33,260
Officers/owners salaries	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total operating expenses	$ 2,014,571	$ 621,593	$ 1,036,653	$ 886,278	$ 4,559,095	$ 923,539	$ 972,948	$ 1,014,592	$ 1,027,723	$ 3,938,802	$ 4,416,932
Operating (loss) income	$ (1,545,276)	$ (124,179)	$ 629,190	$ 87,125	$ (953,140)	$ 324,921	$ 904,309	$ 1,026,197	$ 997,474	$ 3,252,902	$ 4,333,017
Interest expense	$ (18,174)	$ 0	$ 118,156	$ 119,077	$ 219,059	$ 119,077	$ 119,077	$ 119,077	$ 119,077	$ 476,308	$ 476,308
Gain on forgiveness of debt	$ (1,000)	$ 0	$ 0	$ 0	$ (1,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Provision for income taxes	$ 359,295	$ 0	$ 20,000	$ 0	$ 379,295	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net Income	$ (1,887,397)	$ (124,179)	$ 491,034	$ (31,952)	$ (1,552,494)	$ 205,844	$ 785,232	$ 907,120	$ 878,397	$ 2,776,593	$ 3,856,708
Gain (Loss) earnings per common share											
Basic	$ (0.07)	$ (0.01)	$ 0.03	$ (0.00)	$ (0.10)	$ 0.01	$ 0.05	$ 0.06	$ 0.06	$ 0.19	$ 0.25
Diluted	$ (0.07)	$ (0.01)	$ 0.03	$ (0.00)	$ (0.10)	$ 0.01	$ 0.05	$ 0.06	$ 0.06	$ 0.19	$ 0.25
Weighted-average number of common shares outstanding											
Basic	15,764,424	15,764,424	15,764,424	15,764,424	15,473,992	15,764,424	15,764,424	15,764,424	15,764,424	14,353,312	15,725,849
Diluted	15,764,424	15,764,424	15,764,424	15,764,424	15,473,992	15,764,424	15,764,424	15,764,424	15,764,424	14,353,312	15,725,849

Note: Because of the fiscal year end change from 12/31 to 09/30, they will report fiscal 2022 results ending 09/30/22, with 3 quarters of results rather than 4. That differs from the model we have cast above. We will provide some narrative/reconciliation when we update those year-end results.

General Disclaimer:

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Portions of this publication excerpted from company filings or other sources are noted in *italics* and referenced throughout the report.

Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals $250) and 10 representing 10 investment units or $2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit $25,000 to buying micro-cap stocks, that would assume an investment of $1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at $1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same $250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting $1000 into the position ($250 * 4). If we later raise the allocation to 6, you might consider adding two additional units or $500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

A Trickle rating of 1 thru 3 would best correspond to a "Hold" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.

A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.

A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.