

Dear Stakeholders,

Here is an analysis of our financials a Mid Year point 2021 with notes.

2021 Budget - <https://leonhardtventures.com/wp-content/uploads/2021/03/2021-Draft-Budget-1.pdf>

Executive Summary 2021 Annual Report > <https://leonhardtventures.com/wp-content/uploads/2021/05/TV.pdf>

### **Total expenses**

2021	Budget	2020
\$550,000	\$700,000	\$500,942

Total operating expenses are 22% under the 2021 Budget approved by the Board of Directors in January and slightly above YTD Covid year 2020.

### **R&D Spending**

2021	Budget	2020
\$258,459	\$368,500	\$211,598

R&D expenses are 30% under budget YTD and slightly above Covid year 2020. The under budget number is primarily related to delay in delivery of portable stimulators needed for additional studies.

## **Research Materials**

2021	Budget	2020
\$49,282	\$75,000	\$34,059

We are running 34% under budget YTD in Research Materials expenditures.

## **Legal Spending IP and Other**

### **Patents, IP**

2021	Budget	2020
\$29,683	\$75,000	\$47,710

Patents IP legal is running 61% under budget YTD and 38% under 2020.

**Corporate Legal** including Capital Raising filings and documents, State, County, City Filings - Employment, Advisory Engagements, Supply Contracts,

2021	Budget	2020
\$29,683	\$25,000	\$35,587

Corporate legal expenses are running 24% below YTD 2020 and slightly over budget YTD by about 15%.

### **Travel Expenses**

2021	Budget	2020
\$5088	\$30,000	\$6448

Travel expenses are running 83% under budget YTD and 21% 2020 YTD ,

### **Accounting Expenses**

2021	Budget	2020
\$22,013	\$20,000	\$8,826

Accounting is running 9% over budget YTD primarily related to adding OrthodontiCell, Inc. separate financial statements and tax returns which should be paid back to us soon. We also increased financial controls, policies and procedures which is adding more accounting labor time across the board.

**Meals 50% Deductible**, Investors, R&D Staff, Lab and Office Kitchen Lunch Room, Break Room

2021	Budget	2020
\$2,883	\$4,000	\$3,711

Meals 50% deductible are running 28% under budget YTD and 22% under 2020.

**Insurance**

**Liability, D&O, Clinical Trial Insurance**

2021	Budget	2020
\$12,506	\$8,500	\$6,285

Liability insurance is running 32% over budget YTD and 50% over 2020 primarily due to increased premiums and higher level coverage obtained.

**Health Insurance**

2021	Budget	2020
\$18,500	\$10,000	\$5,759

Health insurance is running 46% over budget YTD and 69% over 2020. Primarily related to getting more personnel on our health insurance plan and an increase in coverage and quality levels of insurance.

**Rent Offices, Labs and storage facilities all locations except Utah** including Orange County, Los Angeles, San Diego, Australia, Pittsburgh, Santa Rosa, Minneapolis, Brazil and The Netherlands. Includes primary rent for all startups and innovation assets except LLU, Second Heart and OrthodontiCell, Inc. = 36+

2021	Budget	2020
\$35,727	\$24,000	\$9,754 Covid home offices

Non-Utah Rent across 38 startups and 9 accelerator branches is running \$126 per month per startup/LTP. Non-Utah rent is running about 33% over budget YTD. Increases related to expanded space for storage and expanded personnel including new office desks and lab space at UCI Cove ULP in Irvine.

## **Labor**

## **Contract Labor**

2021	Budget	2020
\$56,544	\$25,000	\$85,616

Contact labor primarily R&D labor is running 74% under YTD 2020 but 55.8% over budget.

## **Wages**

2021	Budget	2020
\$116,289	\$141,000	\$76,033

We are running about 18% under budget in wages YTD 2021. \$116,289 for ALL wages across ALL personnel including our CEO and a new added VP of Bioelectric Regeneration research, 2 new lab techs and a Neuroscientist is very modest. Across 38 startups/LTPs and 9 accelerator branches this equates to \$412 wages per month per startup/LTP.

## **Marketing/Conferences/R&D Seminars, Scientific Advisory Board and Clinician Expert Panel Meetings**

2021	Budget	2020
\$39,033	\$50,000	\$20,373

We are running 22% under budget in marketing YTD. Marketing includes creating and maintaining over 40 web site (now transferred over to hacking resistant hosting), animations, live videos, logos, packaging designs such as MyoStim ED ErectiStim TM, Valvublator, OrthodontiCell, SkinStim, HairCell, KlothoYears new consumer packages. Includes special slide deck consulting from Steve Kovsky whom upgraded the BioLeonhardt and PressureStim slide decks. Includes all of our annual reports, newsletters and press releases. It also includes articles and ads in journals like the California Business Journal that covered OrthodontiCell, PressureStim, DentaCell, SkinStim, HairCell and other innovations. Across 37 innovation assets this comes to \$175.82 in marketing expense per month per startup/LTP a very modest expenditure.

## Utah Lab Expenses

<b>2021</b>	<b>Budget</b>	<b>2020</b>
\$150,718	\$90,000	\$58,562

We are running about 40% over budget at the Utah labs YTD and 61.2% over the same period 2020.

Debt accounts payable of approximately \$141,000 is owed to MethvenLaw via a special deferred billing agreement. We are in compliance with those agreement terms to the best of our understanding. This amount is to be paid primarily upon the first major asset exit. All other debt to and from is insider debt. There is no other outside debt other than approximately \$2,400 debt still owed on a 2013 SUV company truck vehicle loan that is nearly paid down in full now.

Leonhardt's Launchpads by Cal-X Stars Business Accelerator, Inc, and Leonhardt's Launchpads Utah, Inc. (LLU) have raised \$3,291,630 in capital to date since founding. \$157,000 was LLU which was primarily place holder deposits for pass through investments to Second Heart Assist, Inc. when it was in early formative stages in 2016 in our innovation & startup launch accelerator.



\$3,291,630 in capital split evenly between the 38 current innovation assets = \$86,621 invested per asset development to date.

Development Pipeline > <https://leonhardtventures.com/development-pipeline/>

BladderCell, KidneyCell, PressureStim, MyoStim ErectiStim TM, OrthodontiCell, ImplantStim, BreatheStim, ArchStim, KlothoYears, Stem Cell Bra, HairCell, SpineStim, CovidStim by RegenaLung, Second Heart Assist and SkinStim are all actively enrolling in clinical evaluations now or are about to enroll soon. EyeCell, TestiStim, OrthoStim, InStim, AdditiStim, DepressiStim, MemoryStim and BodStim [www.bodstim.com](http://www.bodstim.com) by BioLeonhardt Whole Body are soon to follow.

BioLeonhardt, Valvublator, CerebraCell, CancerCell and EyeCell are preparing to enter a new round of animal studies. Maybe BladderCell as well. CancerCell in Brazil and all the rest at the California Medical Innovations Institute in Southern California <https://calmi2.org>

Investors FAQs - <https://leonhardtventures.com/frequently-asked-questions/>. *Investors investing more than \$25K can request to ear-mark via written dually signed subscription agreement addendum their funds*

*73% (27% goes to accelerator general account) to their favorite LTPs/innovation assets under development sub bank account provided that there are sufficient funds that month to cover overhead. Investors investing > \$250K can add in their subscription agreement a request to have 100% of their funds deposited in the bank account of their chosen startup/LTP and can further compel converging an LTP to a C corporation within 90 days of receipt of the funds. All LTP fractional ownership innovation asset stakeholders are granted pre-incorporation rights guaranteeing if they had 1% of the LTP they will have 1% of the C corporation on conversion. All subscription agreement amendments or addendums must be signed by both parties at the time of subscription acceptance.*

Accelerator Business Model > <https://leonhardtventures.com/accelerator-business-model/>

Master IP and Development Agreement > <https://leonhardtventures.com/wp-content/uploads/2021/01/MasterPatentIPLicenseandDevelopmentAgreementVer2.0.pdf>

Accelerator Membership Agreement > <https://calxstars.com/accelerator-membership-agreement/>

Current valuations and Unit Prices - <https://leonhardtventures.com/leonhardts-launchpads-valuations/>

July 2021 409A VALUATION Report created by Morgan Stanley Shareworks > <https://leonhardtventures.com/wp-content/uploads/2021/07/Cal-X-Stars-Business-Accelerator-Inc.-VD-12.31.2020-Final-Report-7.13.2021-1.pdf>

**7 new patents have been issued or published so far in 2021** - <https://patents.justia.com/inventor/howard-j-leonhardt>. Letters of Allowance have been received for our Tumor Therapy and Inflammation Management patents which will soon be issued.

Kindest Regards,  
Howard J. Leonhardt  
Executive Chairman & CEO  
Leonhardt's Launchpads by Cal-X Stars Business  
Accelerator, Inc.

Leonhardt's Launchpads Utah, Inc.

Contact locations and information: <https://leonhardtventures.com/contact/>