



FY 2020 Q2 Contribution Statistics

Noble Vici Group, Inc. is a company on the cutting edge of technology, through in-house developments and external acquisitions the company is building an ecosystem of IoT, Big Data, Blockchain and E-commerce to form a digital revolution that provides our users with the tools to live and interact in the modern mobile world.

NOBLEVICI.COM

NOBLE VICI GROUP, INC.
(OTCMKTS: NVGI)

Key Performance Indicators: Gross Cash Receipts, Supplier Product & Logistics Allowance and Commission Payout

In addition to Net Revenue, we focus on several non-GAAP key performance indicators to assist us in assessing the strength of product sales and our supply chain across different geographical regions: Gross Cash Receipts, Supplier Product & Logistics Allowance, and Commission Payout.

“Gross Cash Receipts” means proceeds actually received from products sold. This is a non-GAAP indicator that does not correlate to gross revenue and may not be comparable to similarly-titled measures used by other companies.

“Undelivered items” refers to products sold for which we have received payment but have not yet been delivered to the purchaser. This is a non-GAAP indicator on which we rely to assess the strength and performance of our supply chain, product delivery obligations, product trends and the like.

“Supplier Product & Logistics Allowances” means the fees and costs that we pay to the applicable product supplier to manufacture, package and ship our products to our end customer. This is a non-GAAP indicator on which we rely to determine the cost of manufacturing, packaging and delivering our products.

“Commission Payout” refers to the commission payments that we make to resellers of our products.

The criteria we use to determine how and when we recognize the foregoing key performance indicators are not identical to our revenue recognition policies under U.S. GAAP. By way of example, unlike net sales, which are generally recognized when the product is delivered and both the title and risk and rewards pass to the buyer, as discussed in greater detail in Note 3, *Summary of Significant Accounting Policies*, to the Consolidated Financial Statements, we recognize Gross Cash Receipts when we receive funds from the buyer, which is generally prior to the product being delivered to the buyer.

The following describes the relationship between our key performance indicators and US GAAP reporting:

	Three Months Ended September 30,	
	2019	2018
Gross Cash Receipts	\$ 3,112,153	\$ 5,197,691
<i>Less: Undelivered items</i>	<i>\$ (453,297)</i>	<i>\$ (1,230,659)</i>
<i>Less: Supplier's product & logistics allowances</i>	<i>\$ (32,567)</i>	<i>\$ (1,564,190)</i>
<i>Less: Commission payout</i>	<i>\$ (41,705)</i>	<i>\$ (2,149,420)</i>
Net Cash Receipts	\$ 2,584,584	\$ 253,422
 Other Sales	 \$ 153,670	 \$ 110,930
 Net Revenue	 \$ 2,738,254	 \$ 364,352

For the three months ended September 30, 2019, our Gross Cash Receipts net of sales returns was \$3,112,153, representing a decrease from \$5,197,691 for the same period ended 2018. This was attributed to change in product mix from sale of Cordyceps in China in the same period of 2018 to increased sales from our IoT business which currently is mainly comprised of smart coffee dispensing machines sales in new markets in Malaysia, Philippines, Thailand and Indonesia. For the three months ended September 30, 2019, VMore and Digital offering sales contributed \$1,862,643 or approximately 60% of our Gross Cash Receipts while sales of smart coffee machines contributed the balance of the Gross Cash Receipts. Moving forward, in addition to our digital offerings and e-commerce business, we intend to increase our focus on the distribution IoT related products such as smart coffee dispensing machines.

Our undelivered items for the three months ended September 30, 2019, was \$453,297 and consisted primarily of digital products paid for but not yet delivered. Our undelivered items for the three months ended

September 30, 2018, was \$1,230,659 and consisted primarily of Cordyceps and Cerfrion. We expect undelivered items to be fulfilled within three months generally.

Our Supplier Product & Logistics Allowances for the three months ended September 30, 2019 and 2018 was \$32,567 and \$1,564,190 respectively. The decrease in Supplier Product & Logistics Allowance was attributable to the major shift from the physical sale of Cordyceps in China within the same period in 2018 to the online sale of merchant's offerings from our V-More platform.

Commission Payout for the three months ended September 30, 2019 was \$41,705 as compared to \$2,149,420 for the three months ended September 30, 2018. The decrease in Commission Payout was due to a change in product mix.

For the three months ended September 30, 2019, other sales of \$153,670 consisted mainly of courses and V-More administrative fees income as compared to \$110,930 for the same period of 2018 where other sales consisted of primarily of service fee income and subscription proceeds.