

# BrightByte Solutions

Overview Report





# Agenda

Mission Statement

Executive Summary and Team

Company Overview

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Strategic Decisions and Direction

Opportunity for Improvement

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# Mission Statement

Provide cost-effective,  
high-quality products for  
customers in all global  
markets



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# Executive Team



**Noah Simons**

President & Co VP – Accounting and Finance



**Ethan Whitehead**

Co VP – Accounting and Finance &  
Co VP – Manufacturing



**Angie Rodriguez**

VP – Human Resources &  
Co VP – Marketing



**Luke Sherrill**

VP – Sales Management & Co VP –  
Marketing



**Skye Zhu**

VP – Business Analytics &  
Co VP – Manufacturing

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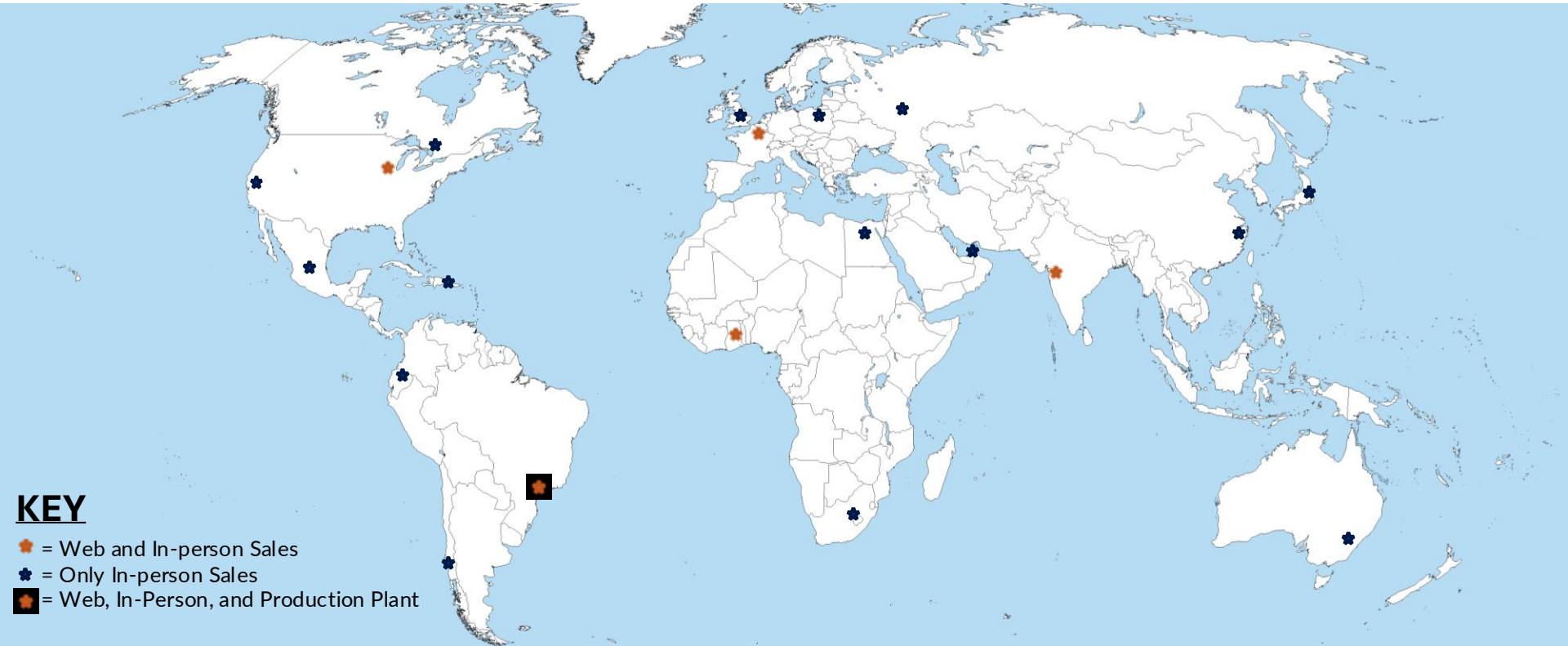
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# Offices and Plants



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# Product and Ad Offerings

## Costcutter

**Brand:**  
Taskmaster 5.0  
- 90 Rating

**Ad:**  
Costcutter Ad  
- 86 Rating

## Innovator

**Brands:**  
GameWrecker  
- 100 Rating  
BrightFuture 4.0  
- 91 Rating

**Ad:**  
BrightFuture Ad  
- 83 Rating

## Mercedes

**Brand:**  
GameWrecker  
- 94 Rating

**Ad:**  
GameWrecker Ad  
- 85 Rating

## Workhorse

**Brand:**  
IronClad 5.0  
- 90 Rating

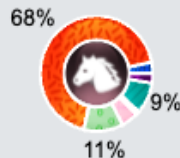
**Ad:**  
Workhorse Ad  
- 80 Rating

## Traveler

**Brand:**  
PrecisionX 5.0  
- 100 Rating

**Ad:**  
PrecisionX Ad  
- 100 Rating

Market Share



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# Operating Capacity and Demand

## Units able to be produced

### Operating Capacity

	Units per Day	Units per Quarter
Fixed capacity (previous quarter)	875	56,875
Operating capacity (previous quarter)	800	52,000
Fixed capacity	1,275	82,875
Operating capacity	1,175	76,375
Effective operating capacity after adjustment for worker productivity	1,175	76,375
Effective operating capacity needed for demand projection	1,187	77,104

Note: We had a very big difference in projected Operating capacity needed compared to actual Demand in Q12 (76,375 vs 108,081)

- Not using full Fixed capacity as it increases per unit costs
- These demand reports do not include ill-will

## Demand by Brand/Channel

	Last Quarter (Actual)		
	Number of Sales People	Demand per Sales Person	Total Demand
Sales Offices	172	368.44	63,371
Web Sales Center	54	827.96	44,710
<b>Total</b>	<b>226</b>		<b>108,081</b>

Brand	Last Quarter (Actual)	
	Demand	Percent
🏠 IronClad 5.0	11,883	11.0%
🏠 Taskmaster 5.0	20,891	19.3%
🏠 BrightFuture4.0	11,527	10.7%
🏠 PrecisionX 6.0	40,134	37.1%
🏠 GameWrecker	23,646	21.9%
🏠 IronClad 6.0	n/a	n/a
<b>Total</b>	<b>108,081</b>	<b>100.0%</b>

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# Q12 Balanced Scorecard

## Advanced Balanced Scorecard

Advanced Balanced Scorecard	Aura	BrightByte Solutions	Cosmic Circuits	Delta Technologies	2EZ Tech	FusionTech	Nimbus
Total Performance	0.000	42,932.648	4.139	0.592	0.003	259.524	0.033
Financial Performance	16.686	1,332.432	42.430	23.508	9.065	178.244	6.736
Market Performance	0.040	0.575	0.064	0.038	0.009	0.173	0.020
Marketing Effectiveness	0.665	0.948	0.735	0.653	0.570	0.765	0.648
Investment in Future	3.370	2.055	3.773	3.542	3.026	2.575	3.977
Wealth	-0.053	17.473	0.782	0.421	0.231	3.762	0.264
Human Resource Management	0.973	1.000	0.995	0.994	0.874	0.996	0.996
Asset Management	1.357	1.725	1.450	1.372	0.211	1.233	0.841
Manufacturing Productivity	0.700	0.956	0.489	0.534	0.753	0.927	0.522
Financial Risk	0.000	1.000	1.000	0.926	0.585	1.000	0.839

NOTE: Investment in Future Formula = (Expenses that benefit firm's future / Revenue) - High Revenue results in low Investment in Future

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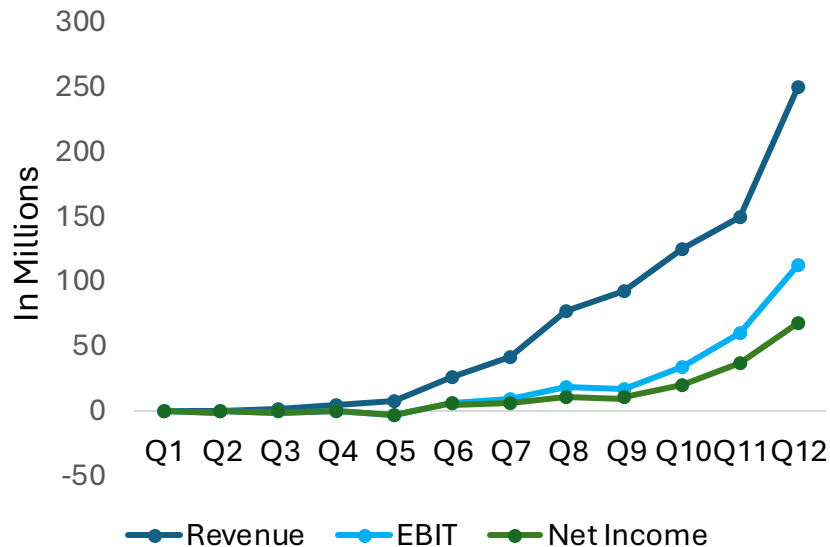




# Income Statement

Income Statement		Quarter 12
Revenues		248,943,756
	Rebates	3,081,325
	Cost of Goods Sold	116,686,035
<b>Gross Profit</b>		<b>129,176,396</b>
<b>Expenses</b>		
	Research and Development	600,000
	Quality Costs	386,899
	Advertising	3,624,160
	Sales Force Expense	4,065,192
	Sales Office and Web Sales Center Expenses	1,757,569
	Web Marketing Expenses	1,655,860
	Marketing Research	115,000
	Shipping	2,510,687
	Inventory Holding Cost	500,473
	Excess Capacity Cost	-
	Depreciation	1,450,958
	<b>Total Expenses</b>	<b>16,666,798</b>
<b>Operating Profit</b>		<b>112,509,599</b>
<b>Miscellaneous Income and Expenses</b>		
Licensing Income		-
	Licensing Fees	-
Other Income		-
	Other Expenses	-
<b>Earnings Before Interest and Taxes</b>		<b>112,509,599</b>
Interest Income		600,000
	Interest Charges	-
<b>Income Before Taxes</b>		<b>113,109,599</b>
	Loss Carry Forward	-
<b>Taxable Income</b>		<b>113,109,599</b>
	Income Taxes	45,243,840
<b>Net Income</b>		<b>67,865,759</b>
<b>Earnings per Share</b>		<b>741</b>

## Growth in the Income Statement



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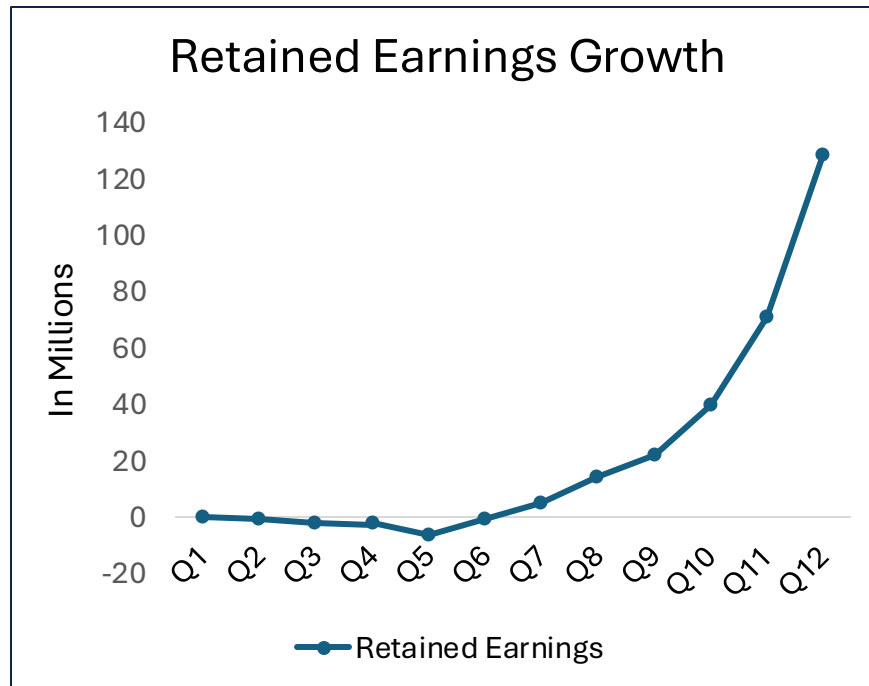
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# Balance Sheet

Balance Sheet		Quarter 12
<b>Assets</b>		
<b>Current Assets</b>		
Cash		48,964,006
3 Month Certificate of Deposit		40,000,000
Finished Goods Inventory		5,004,732
		<b>93,968,738</b>
<b>Long Term Assets</b>		
Sinking Fund		0
Net Fixed Assets		43,591,915
		<b>43,591,915</b>
<b>TOTAL ASSETS</b>		<b>137,560,653</b>
<b>Debt</b>		
Conventional Bank Loan		0
Long-Term Loan		0
Emergency Loan		0
		<b>0</b>
<b>Equity</b>		
Common Stock		9,000,000
Retained Earnings		128,560,653
		<b>137,560,653</b>
<b>TOTAL DEBT AND EQUITY</b>		<b>137,560,653</b>



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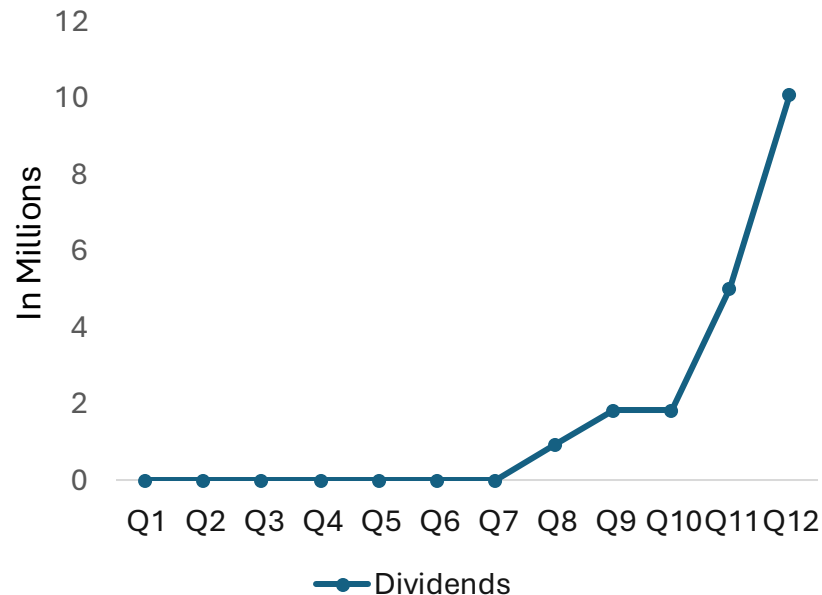
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# Cash Flow

Cash Flow	
	Quarter 12
Beginning Cash Balance	45,917,325
Receipts and Disbursements from Operating Activities	
Revenues	248,943,756
- Rebates	3,081,325
- Production	119,096,924
- Research and Development	600,000
- Quality Costs	386,899
- Advertising	3,624,160
- Sales Force Expense	4,065,192
- Sales Office and Web Sales Center Expenses	1,757,569
- Web Marketing Expenses	1,655,860
- Marketing Research	115,000
- Shipping	2,510,687
- Inventory Holding Cost	500,473
- Income Taxes	45,243,840
+ Interest Income	600,000
= Net Operating Cash Flow	66,905,828
Investing Activities	
Fixed Production Capacity	13,783,697
= Total Investing Activities	13,783,697
Financing Activities	
- Deposit 3 Month Certificate	40,000,000
- Dividends	10,075,450
= Total Financing Activities	-50,075,450
Cash Balance, End of Period	48,964,006

## Dividend Growth



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# The Start of BrightByte Solutions

## Accessible to All

- Focused on Costcutter and Traveler segments to reach the everyday consumer
- Provided cheapest options on the market

## Large Market Focus

- Launched in NORAM for the largest Market
- Invested heavily in sales and ads to expand reach

## High Volume, Cheap Cost Manufacturing

- Took advantaged of cheap manufacturing costs and shipment in LATAM
- Produced close to full fixed capacity to reach all demand

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# Growing Globally



## Rapid Expansion

- Took losses in the first 5 quarters in effort to expand to new locations and new products
- Reached all sales and web sales offices in Q8
- Maximized allocating funds towards R&D



## Increasing Production

- Invested heavily in reducing change over costs
- Dedicated immense resources to increasing capacity



## Giving Back to Employees

- Reevaluated Market Standing in order to:
- Offer highest quality of compensation
  - Provide plentiful benefits for employees

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# Overcoming Challenges

## Surviving the Early Stages

- Early on we held -\$6 million in retained earnings, however we continued to heavily produce product and not fear the struggles in the beginning

## Navigating Economic Downturns

- We maintained cash on hand to sustain during periods of less business

## Increasing Competition

- We continued to improve upon our products by heavily investing in R&D and using market ratings to be able to design the best brands in the marketplace

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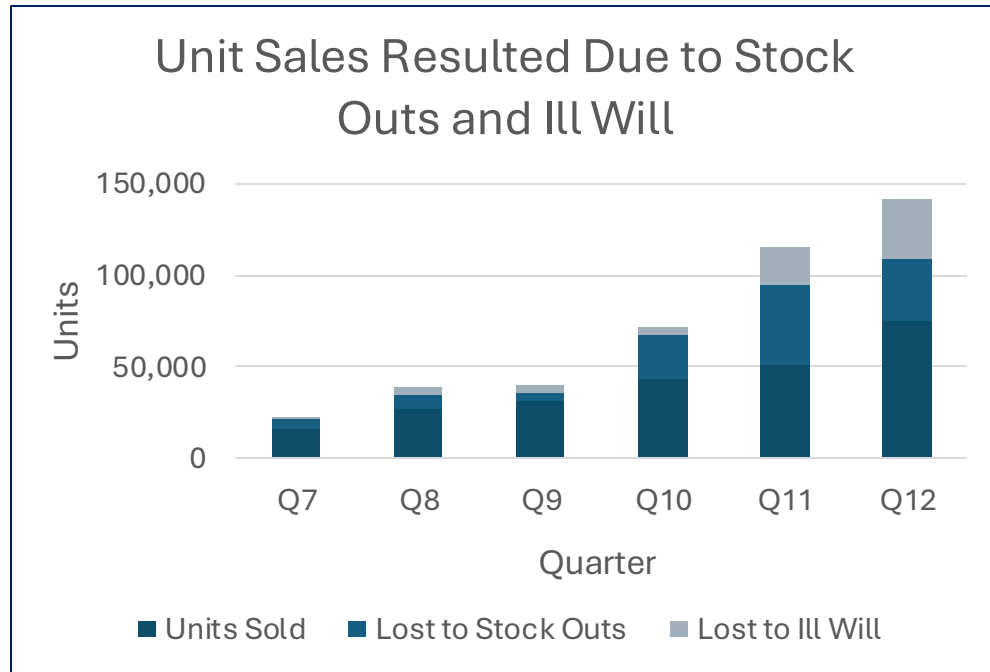
# Challenges Carried Forward



**Meeting high demand and eliminating stock shortages**



**High shipping costs and delays affecting our productivity in regions like Europe and Asia**



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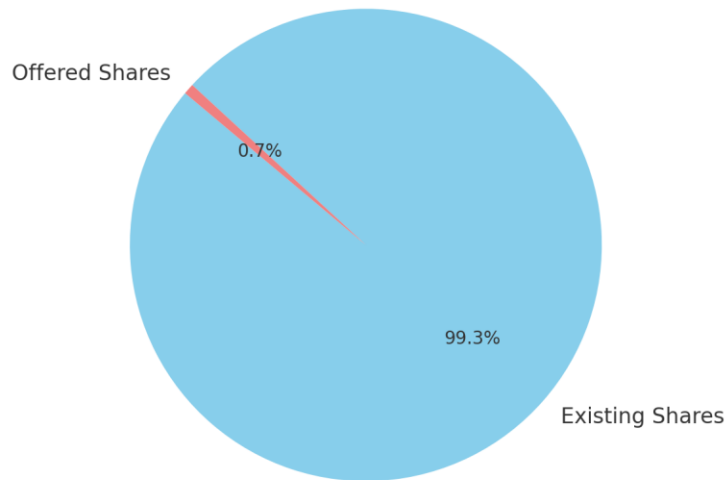
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# Investment Needs

- **Last year, we managed the following:**
  - EPS of 1455
    - Based on 91,595 shares
- **We are offering 675 shares at a Price Per Share of \$30,000 resulting in a \$20.25 million dollar investment**
  - This will result in 0.73% ownership in our company
  - You will receive a dividend of \$110 per share each quarter (subject to increases)

Ownership Distribution After Offering



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# The Investment

A \$20.25 Million Investment would be utilized in the construction of a new Manufacturing plant in Warsaw. Allowing for:



Reducing shipping costs and reliability in MEA (20 / Unit), EUR (10 / Unit), and APAC (5 / Unit)



Maintaining cheap labor in production



Providing operational capacity of ~35,000 more units

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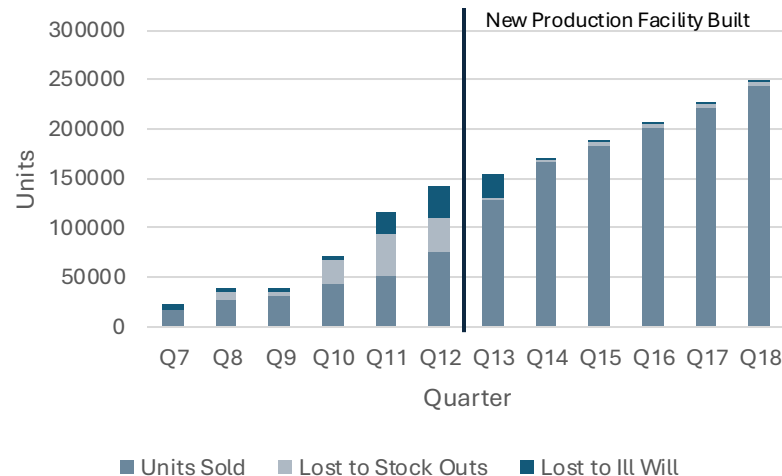
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# Operational Capacity Necessity

Quarter	Generated Demand	Units Sold	Lost to Ill Will	Lost to Stock Outs	Added Capacity
Q7	22,556	16,110	5,672	1,000	35,000
Q8	38,944	27,123	5,120	6,950	
Q9	39,433	31,169	4,051	4,312	
Q10	70,336	43,377	4,284	24,109	
Q11	114,051	50,857	20,811	43,465	
Q12	140,928	74,908	32,847	34,145	
Q13	155,021	128,192	24,269	2,560	
Q14	170,523	166,038	1,669	2,815	
Q15	187,575	182,914	1,564	3,097	
Q16	206,333	201,208	1,718	3,407	
Q17	226,966	221,329	1,889	3,747	
Q18	249,663	243,462	2,078	4,122	

Projected Units Sold Resulting From Facility Built



Projecting demand to grow 10% over the next 6 quarters, the added capacity of the new facility will dramatically decrease stock outs and newly generated ill will. There will still be necessary increases in capacity past Q13 however the investment resets the current production to be better balanced with demand.

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# Why not just use our 89 million in Cash?

## Flexibility

- As a technology company, maintaining flexibility is critical for staying competitive and adapting quickly to market changes.
- These cash reserves will enable us to be the first to invest in innovative R&D while offering a safety net for economic downturns.
- Additional necessary investment in capacity and sales personal to continue to grow operations

## Cash returns interest

- These cash reserves ensure consistent coverage of our operating expenses, supporting uninterrupted business operations.
- They also deliver a higher return on net income relative to revenue, enhancing overall financial efficiency.

## Share Dilution

- With an EPS of 741 and nearly doubling our revenue from Q11 to Q12, issuing equity to sustain and enhance long-term value for our shareholders is a strategic and logical decision.
- Leveraging our high valuation to issue shares reflects our confidence in the market and our company's growth trajectory as we continue to expand.
- We seek the guidance and expertise of VC investors to effectively address challenges and drive sustained growth

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# Additional Goals Beyond Your Investment

## Market Research

- Investing in continued areas of research
- Maintaining flexibility to invest in new research opportunities as they arise

## Increasing Sales for Expansion

- Increasing the presence of the sales for in all regions
- Expanding to more sales offices

## Continued Investment into People and Capacity

- Maintain growth in overall capacity to keep up with sales
- Provide top of the line benefits to employees maintaining happiness and efficiency

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# The Investment of a Lifetime

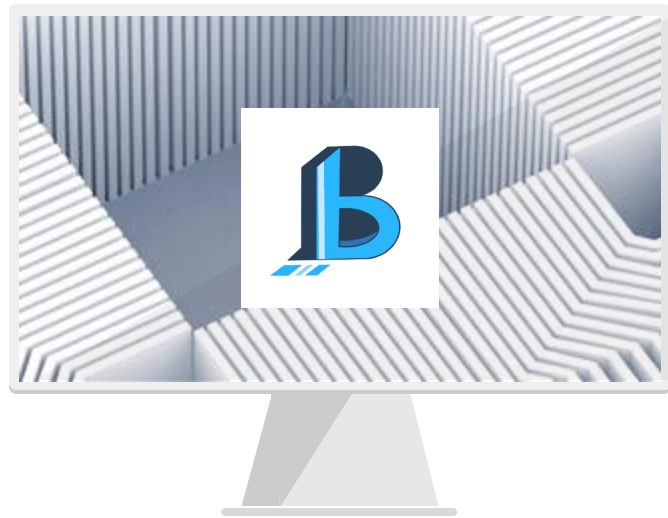
## Financial Performance in Summary

- With over 300% year-over-year revenue growth, a P/E ratio of 20, an impressive EPS of 741, and the ability to pay dividends, this investment opportunity is truly unparalleled.
- Zero debt further highlights the company's financial strength and stability.

## Untapped Demand

- Remarkably, we've only tapped into 50% of our potential demand, despite reducing our sales force and advertising efforts.
- This rare combination of substantial market opportunity and exceptional profitability is virtually unheard of in today's market landscape.

Partner with Us for  
a **GLOBAL IMPACT!**



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