

DIGISCRIBE

FROM PEN TO SCREEN WITH EASE



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Executive Summary

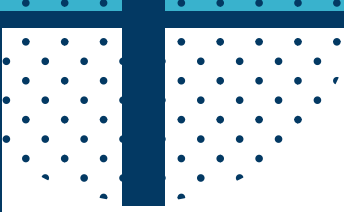
Imagine this. You're sitting in a restaurant, patiently waiting for your meal to arrive, when all of a sudden you remember something important for work or school that you cannot forget! In a panic, you reach for anything you can write on while the thought is still fresh in your mind. You grab a napkin and a pen, and you hope and pray that you don't lose it. What now? DigiScribe has the answer for you.

With a mission that states "modernizing your daily life by incorporating efficient high tech tools that merge paper and pen with the digital world", DigiScribe is a C-Corporation based in Hewlett, New York.

DigiScribe has two target markets. The primary target market consists of individuals, ages 17-65, as people in this age range are the most dependent on technology for daily usage. The secondary market is directed towards businesses rather than individuals. In 2019, 85% of small business owners reported that technology usage aided in their success, let alone technology's effect on big businesses¹⁵. These customers are constantly seeking new and more efficient technology to enhance their productivity.

DigiScribe has three products: The DigiPen, DigiScanner, and the DigiTranslate, each created to modernize your daily life by merging paper, pen and technology. The prices of the products are reasonable, appealing to the middle and upper class. Right now, DigiScribe's products are available online only, and can be purchased through the website. The company has a large social media presence on platforms such as Twitter, Instagram, and TikTok, in which advertisements, promotion codes, and upcoming events are shared and announced. The company also utilizes e-mail and an easy-to-use website to promote and sell the products.





DigiScribe's short term goals include updating and modifying the pre-existing product line and enhancing customer service. Long term goals consist of introducing a new line of products, as well as finding a suitable organization to partner with to become a more socially responsible business.

DigiScribe launched without incurring debt. In October of 2020, DigiScribe was fortunate enough to be approached by several Angel Investors who invested \$150,000 in the company, in total. This equity investment has negated the need for any debt financing to the company's benefit. This initial investment, coupled with our progressive sales and frugal spending, has led to a cash balance of \$503,353 on February 28, 2021, leaving DigiScribe with the capital needed to reinvest in the company and help it expand and grow. To date, DigiScribe has approximately \$444,000 in sales, and the company is looking to increase this number by enhancing its marketing techniques and reaching out to more firms and individuals to increase sales. In January, 2021, the company reached its break-even point with \$355,000 in sales at that time. With the help of hard-working employees and passionate customers, DigiScribe's sales are projected to increase exponentially.

With today's technologically-savvy consumer in mind, DigiScribe tapped into a booming electronics market to introduce innovative ways to bridge the gap between the old school pen and paper and today's modern computer-driven world. Poised for growth, the success of the company is evident in operations to date and this continued prosperity is anticipated in the future.



Ian Isseks
Chief Executive Officer
DigiScribe



Business Rationale

Customer Empathy

The Covid-19 pandemic and its global impact has shown that there is a need to merge the pen and paper of yesterday with the technology of today. Students, teachers, businesses, and everyone in between were abruptly forced to function remotely and rely on their computers as a means to get their work done. This left behind the many who may prefer writing by hand or reading from an actual book. Employees and the like were thrown devices they were not sure how to operate, and with limited guidance, many drowned in the wave pool of stress, fear, and anxiety created by this quick adaptation. Additionally, many were persistent in refusing to acclimate to fully functioning on a computer, and continued to work with both paper and pen and technology, thus lengthening the work process. However, the pandemic had only exacerbated this already-existing problem. In fact, in 2015, NeoLAB surveyed 1,000 working professionals to find out their meeting note-taking habits and preferences. The answer was clear: nearly 3 out of 4 respondents prefer taking meeting notes with pen and paper, and associate handwritten notes with higher retention.⁶

People prefer the familiarity of writing by hand or the feel of reading from a book while simultaneously enjoying the efficiency of technology. DigiScribe understands that time is precious, and it shouldn't be wasted trying to retype other people's text found in books and papers or even your own written work. This process becomes even more daunting when the text is in a foreign language. DigiScribe wants to merge the past and present to create a more efficient future and reduce the fear brought on by new technology by elevating familiar writing tools to have digital functionality.





Problem Statement

Technology has advanced rapidly over the past few decades, and the extensive imagination and creation of technology proves that the possibility of new inventions is endless. However, along with innovation can come problems. According to a 2015 study by Microsoft, people now generally lose concentration after eight seconds, highlighting the effects of an increasingly digitized lifestyle on the brain.⁷ This, paired with the lengthy process of transferring written text to an electronic device, is a recipe for disaster, and requires immediate attention for this problem to be solved. The existing problem lies within the costly amount of time this process takes, rather than the clarity of working on paper. After a person has gone through the trouble of writing down information, there is still the added step of typing it into the computer. How can one bridge the gap between written text and on-screen writing? With a society that is heading in the direction of the digital world with no sign of turning back, there must be a way to ease and simplify the transition from pen to screen.

Ideal State

DigiScribe aims to combat that wave pool of emotions by simplifying the transition from pen and text to screen. DigiScribe cuts out the middleman and allows consumers to go directly from their pen to the screen. In addition, time also shouldn't be wasted trying to retype other people's text found in books, magazines, etc. This process becomes even more daunting when the text is in a foreign language. DigiScribe's products reduce the inconvenience found with new technology when it is coupled with traditional writing by elevating familiar writing tools to have digital functionality. This allows consumers to gain comfort and familiarity with rapidly-advancing technology.



Company Goals

| Short Term Goals | Strategies |
|-------------------------------------|---|
| Update Pre-Existing Products | <ul style="list-style-type: none"> ★ Eraser feature on DigiPen ★ Add more languages on DigiTranslate ★ Send out customer survey to identify which languages should be implemented first ★ Increase distance of the sync/bluetooth feature |
| Improve Customer Service | <ul style="list-style-type: none"> ★ Become more accessible to customers <ul style="list-style-type: none"> ○ i.e. hotline service ★ Expand beyond the means of communication through social media |

| Long Term Goals | Strategies |
|------------------------------------|--|
| Product Extension | <ul style="list-style-type: none"> ★ Seek out daily tasks that are becoming inefficient ★ Create new and innovative products to counteract issues that prompt the need for change ★ Ensure products align with mission statement |
| Become Socially Responsible | <ul style="list-style-type: none"> ★ Reduce the use of paper ★ Encourage our consumers to function paperlessly <ul style="list-style-type: none"> ○ 14% of deforestation is caused by paper usage¹⁷ ★ Partner with environmentally-friendly organizations such as the World Wildlife Fund for Nature and make annual donations |



About the Business

Company Overview

DigiScribe is a company that looks to transform its customer's ability to bring written text to the computer screen with ease. DigiScribe was founded in September, 2020 as a C-Corporation. This type of company reduces the personal liabilities of shareholders, investors, and employees, as well as allow for the reinvestment of profit at a lower tax rate. Founded in Hewlett, New York, DigiScribe was fortunate enough to have three Angel Investors, who invested \$150,000 in total, who provided the start-up funding capital that was needed to start operations. Coupled with \$20,000 in seed money that was given by Long Island VEI Central Office, DigiScribe has launched its company without the need for long-term debt financing.

Mission Statement

Modernizing your daily life by incorporating efficient high-tech tools that merge paper and pen with the digital world.

Organization



SWOT Analysis

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- DigiScribe creates **efficient gadgets** to maximize productivity
- Easily capable of **product expansion**
- **Extensive target market** consisting of both businesses and individuals
- **Excellent Team**

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- **Lack of Capital** brought on by limited success in the technology industry due to monopolizing businesses
- **Limited Product Line**
- DigiScribe is a **want** rather than a **need**, so must rely on the marginal propensity to consume and discretionary income of customers
- Focus on using the prefix "Digi" to develop **brand recognition** and grow as a brand

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- **Societal Dependence on Computers**
- **Gen Z**, a large portion of our target market, is extremely tech savvy, and would likely have an increasing interest in DigiScribe
- As **technology advances**, DigiScribe will have the ability to advance with it

- The current state of the macroeconomy has led to **high unemployment** and **low GDP**
- DigiScribe's competitors have **greater brand recognition**, and are prone to buying from well-known companies in the technology industry.
- The cutthroat environment of the relatively untapped technology market is leading to an increasingly **saturated market**

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T



External Environment

Current Economic Conditions

Despite a hit to the U.S. economy last year, Americans still spent money on goods, particularly on-line. With the stay at home orders mandated in almost all states, the internet has become a strong avenue for consumers and many have left behind the process of traditionally shopping for goods in person. Undoubtedly, the COVID-19 pandemic has changed the way consumers shop. The US e-commerce market rose 15.8% from 2019, with 21% of all purchases coming from online sales.⁴

There is an upward trend of economic indicators from March and April of 2020, to today. Most notably, from the third quarter of 2020 onward, the U.S. economy has seen the beginnings of an economic recovery from the harm caused by the pandemic., The GDP for the third quarter increased 38% at an annual rate, or \$1.64 trillion, to reach an overall GDP of \$21.16 trillion. During this expansionary third quarter of the business cycle, unemployment rates nationwide fell by 8% from an all-time high of 14.7% in April. As of the end of February, 2021 the unemployment rate has fallen to 6.2% and projections are that it will continue to fall as more and more businesses begin to reopen and expand their operations.¹⁰

Recently, the third stimulus package was passed by Congress which pushes \$1.9 trillion into an already rebounding economy. During the first month of 2021, household income has already risen by 10% showing signs of progress. Coupled with a 2.4% growth in consumer spending from the beginning of the year, as 2021 progresses in the following months, there will be positive economic growth in 2021.¹⁰



Industry Analysis

Consumer electronics are part of society's daily lives and DigiScribe products fall into this industry classification. Hampered by the rapid spread of the COVID-19 pandemic, the production capacity of many in the consumer electronics industry was disrupted due to supply chain issues and a shortage of raw materials. This had a larger impact on industry leaders such as Apple, Microsoft and Samsung as their large market share means they require more resources to operate efficiently. Smaller companies did not feel this impact as drastically. As mentioned, these market leaders dominate the consumer electronics market, leading to an industry that sees intense competition amongst its members. Despite the issues faced, sales in the industry as a whole remained consistent throughout last year and, according to the industry forecast, as 2020 came to an end and in the first quarter of 2021, the market has begun to regain momentum. In fact, according to a Statista Global Consumer Survey, revenue in the Consumer Electronics segment is projected to reach \$415 billion dollars in 2021 and reach a staggering 1.757 billion dollars by the end of 2024.³

Out of the 417 firms within the VEI marketplace, DigiScribe faces no direct competition and enters the Electronics and Computers industry. Currently, 22% of those firms also categorize themselves under the Electronics and Computers industry.⁵ There's a wide array of products and high-tech gadgets offered by these firms, but none can compare to the ingenuity and efficiency of DigiScribe. Similar to the real world, it is expected that the demand for consumer electronics will continue to be strong.



Competitive Analysis: Real World

reMarkable: CEO Magnus Wanberg founded reMarkable in order to create a device that would offer a pure, paper-like experience, but be connected and limitless, as an elegant tool for thinking in the digital age.¹² Although reMarkable offers an experience similar to DigiScribe, their main focus is not to save time that shouldn't be wasted on simple tasks.⁷ Additionally, reMarkable limits its consumers to using its marker strictly on the reMarkable tablet. DigiScribe goes beyond the limits of all devices, and allows consumers to use its products on any and every surface. DigiScribe's prices are also more reasonable than reMarkable's, as the company believes people should be able to have the highest quality appliances for an affordable cost.

VuPoint: VuPoint is a company whose goal is to provide solutions to enrich human experiences with innovative products through creative designs, product practicality, and strong technical foundations¹⁶. Specifically, VuPoint's Magic Wand can compete with DigiScribe's DigiScanner, as both devices are designed to scan documents and text. The Magic Wand looks complicated to use and hard to operate. DigiScribe understands that technology can be tricky sometimes, so it should always be simplified when possible. The DigiScanner has one simple and easy scanning function to achieve efficiency and not overwhelm customers. Moreover, the Magic Wand requires batteries and a memory card, and cannot even be connected to a computer when scanning. Meanwhile, the DigiScanner is focused on propelling customers into the future of technology, thus relying on USB and bluetooth technology.



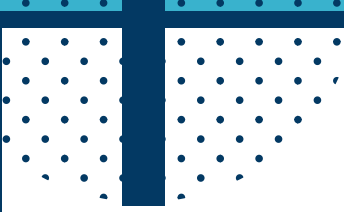
Apple: Apple proves to be the most extreme level of competition for DigiScribe, as they are one of the dominating companies in the computer electronics industry. The company is constantly modifying and expanding their product line, making it more difficult for other technology companies to keep up.² Despite that, DigiScribe has found a way to get ahead of Apple when comparing the DigiPen to the Apple Pencil. According to a 2018 study, 45% of technology users use Apple products.¹¹ Therefore, the remaining 55% of technology users don't have the opportunity to use the Apple Pencil. Also, the Apple Pencil is only compatible with iPads, exclusively limiting the customers' use of the product. DigiScribe's DigiPen differentiates and outshines the Apple Pencil, for it can be used on any and every surface and paired to any device - not just one specific device. And while the features may be similar between the two, the DigiPen is the more affordable option, making it the more efficient option as well.

Competitive Analysis: Virtual World

DigiScribe does not face any direct virtual competition. No other virtual company creates products that merge pen and paper with the digital world. DigiScribe's on-the-go products are unique in the virtual world. However, DigiScribe has identified two indirect competitors: Appalachian Business Appliances and TechTastic.

Appalachian Business Appliances: Appalachian Business Appliances shares a similar mission with DigiScribe, in that they claim to create products that make life more efficient for businesses around the world¹. However, their target market is limited to just businesses, whereas DigiScribe strives to achieve technological efficiency for both businesses and individuals. One of their top-selling products is the Multi-Desk, which allows for the "access to touch technology without limiting the work space." DigiScribe differentiates itself from Appalachian Business Appliances in that its customers are not tied down to a desk, and they are granted the ability to take notes, copy down information, and translate wherever they are.





TechTastic: TechTastic is a virtual company that designs technology-based clothing and a digital planner for their customers. Similar to DigiScribe, TechTastic is looking to help students with their everyday lives,¹⁴ though DigiScribe's target market has expanded beyond the means of just students. Moreover, TechTastic's desire for their products is not clear. DigiScribe is ready to combat the ongoing problem of transferring written text to screen, and reduce the time and effort it takes to do so. An understanding of the issue, the target markets, and a determined mindset is what sets DigiScribe apart from its virtual competitor.

Marketing Plan

Target Market

To allocate advertising resources in the most profitable direction, DigiScribe has highlighted two target markets. The primary target market is based on groups that are generation specific. Those falling in the category of Generation Z and beyond have grown up using technology as a basis for mostly everything in their lives and therefore, are deeply reliant on it. According to *Business Insider*, Gen-Z currently has purchasing power worth \$143 billion and that is expected to grow in the coming years⁹. This age group has a dependence on technology that makes them hungry for tools that can allow them to work smarter, not harder, and as a result they are always looking for new devices to make their lives easier. Born earlier, Generations X and Y were not raised on technology, however they have come to embrace the changes that have taken place. For example, 76% of those in Generation X own a tablet or computer with the percentage even higher for those in Generation Y⁹. Even with this high level of conformity, both generations often like to revert back to basic writing tools.



Target Market (cont.)

To keep up with their younger counterparts, these generations are looking for a way to work in a means that comes natural to them but also have the ability to transform information onto technological devices.

The secondary target market is focused on businesses. In 2019, 85% of small business owners reported that technology usage aided in their success.¹⁵ As a result, businesses are constantly seeking new and more efficient technology to enhance their productivity.

Market Segmentation

Demographics: For reasons stated above, DigiScribe targets consumers aged 14-65, both men and women. This range allows for the capture of people in Generation X through those of today, who are believed to be the people who are most likely to use technology and new tools to help them be more productive in an easier way.

Geographics: DigiScribe products are most in demand in areas that have businesses and schools that utilize technology as they are the areas where most people would use these products. As such, cities and towns in both urban and suburban areas are the predominant locations for DigiScribe's target market.

Socio-Economic: DigiScribe's products will mostly be used by people who are using technology. As a need and not a want, middle to upper class people are those directly targeted by DigiScribe. The products are geared towards people that have discretionary income to spend on wants after purchasing their necessities.





Marketing Mix

Products: DigiScribe currently sells three easy to use products that aim to meet the mission of modernizing one's daily life by incorporating efficient high tech tools that merge paper and pen with the digital world.

The original **DigiPen** is a motion-tracking 2-in-1 stylus and ink pen that can sense any writing or drawing on any surface. The ink feature of the pen allows the user to remain connected with both paper and technology. Even though the DigiPen contains an ink feature, paper is not a necessity. Any surface will suffice. The DigiPen also includes a bluetooth feature. Its bluetooth feature allows your writing to be communicated directly to any paired device when in range. The DigiPen can be used out of range of the device as well. When out of range, the DigiPen stores any writing in the gadget to then be automatically synced to the paired device when plugged into it to charge. This feature allows the user to truly merge pen and paper with technology.

The **DigiScanner** makes it easy to copy and paste information to your device from written text simply by rolling over it. This tool functions as an electronic highlighter, in the sense that you can identify and copy important information from textbooks, booklets, and papers and have them transferred to the electronic device of your choice. The DigiScanner allows the user to combine both paper and screen while saving time. The **DigiTranslate** has the same functionality as the DigiScanner, but it allows for the translation of another language of text to the user's chosen language. Currently, the DigiTranslate can translate five languages: English, Spanish, French, Italian, and Russian, but the DigiScribe team is working on implementing more languages to this tool. This product makes communication easier and can be used everyday.



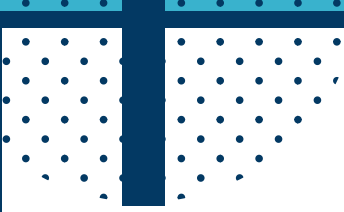


Prices: DigiScribe offers products as a stand-alone purchase or as part of a bundle deal. Each product is competitively priced with similar products found in the market. The bundle deals of ten of each item are geared towards businesses who might want to purchase a large amount of a product to distribute to employees. In addition, to make purchasing at Virtual Enterprise trade shows more efficient and appealing, larger bundles with varying products in each one were created. Both types of bundles offer discounted prices when compared to the purchase of an individual item.

Placement: Due to the current situation, all sales are made on-line through the company's website and orders are shipped directly to the customer upon purchase. Through all marketing, consumers are ultimately prompted to visit the company's website where each product is described in detail, along with instructions for use. DigiScribe has initiated a simple process for ordering a product or getting in touch with the company's customer service representatives. In addition, the use of Zoom and Google Meet have provided an opportunity to "meet" with prospective buyers from other Virtual Enterprise organizations at both trade shows and during other scheduled meeting times.

Promotion: DigiScribe is capitalizing on the use of social media marketing. Currently, 3.78 billion people use social media daily, and that number is growing exponentially¹³. With social media occupying a majority of one's leisurely time in the digital age, along with the shrinking attention-span caused by technology usage, the company recognizes the clever tactic of grasping the attention of customers whenever possible. Social media allows businesses to





Promotion (cont.): apply its demographics to its outreach, making it easy to directly contact the target market. DigiScribe's two most used social media platforms are TikTok and Instagram, as they appeal to both ends of the target market. TikTok appeals to younger generations, while Instagram appeals to older generations. Through these apps, DigiScribe has found clever ways in promoting its products, proving the company can be flexible in its approach to marketing. DigiScribe's Instagram is more professional, and maintains a clean look through its advertisements and company announcements. Meanwhile, DigiScribe's TikTok is filled with short comedy videos to entice the younger audience while promoting the products. Through strategically placed advertisements on all platforms, DigiScribe prompts consumers to visit their website, where they can learn even more about the products, get seasonal discounts and hopefully, purchase a product.

DigiScribe also utilizes email to promote to individuals and other businesses. Through targeted email blasts, professional emails are crafted and sent out by the sales team, often featuring limited discounts, advertisements, and promo codes to be used at checkout.

Business Risks

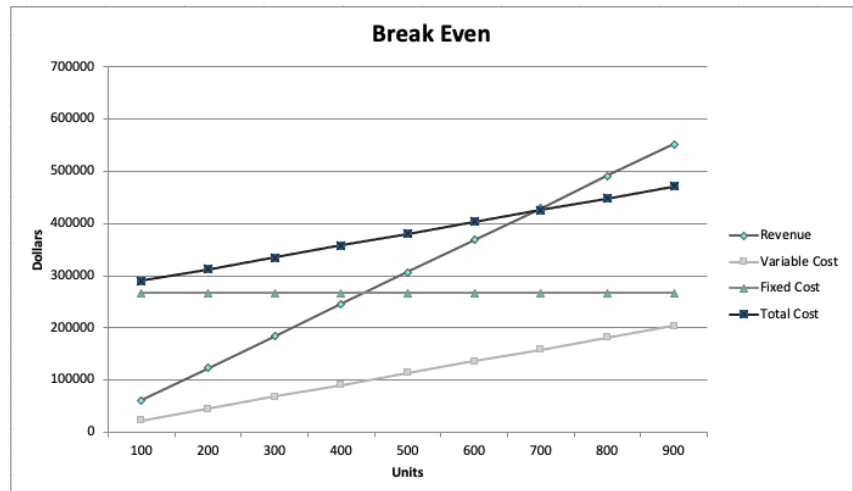
The company faces several risks to its business plan that will require the company to adjust and expand upon its existing product line. First, as the younger generations, who tend to rely solely on technology to do all tasks from the start, become a larger part of the purchasing base in the market, the need to transfer from pen/text to computer may diminish. In addition, as other companies perfect the technology of talk to text, the use of DigiScribe products may face a decline in demand.



Financial Planning

Break-Even Analysis

The break-even analysis is composed of the average selling price per sale, average cost of goods sold per sale, average profit rate, and our annual fixed cost. When taking into account the average selling price per sale and cost of goods sold per sale, the financial team was able to calculate DigiScribe's gross profit margin to be 80%. DigiScribe also determined the annual fixed costs for the year to be \$284,648, an important factor in finalizing the break-even analysis. These values were then used to determine the "break-even" point as a number of units and a dollar amount of sales. In order to break-even, DigiScribe must sell 663 units or make \$355,804 in sales. DigiScribe reached its break-even point during the Long Island Regional Trade Show in January.



| Break Even Analysis | | | | |
|--|----------------|---------------|--------------|--------------|
| Average selling price per sale | | \$537.14 | | |
| Average cost of goods sold per sale | | \$107.42 | | |
| Average profit rate | | 80.00% | | |
| Annual Fixed Cost | | \$ 284,648.00 | | |
| | | | | |
| X | Y | Y | Y | Y |
| Units Sold | Revenue | Variable Cost | Fixed Cost | Total Cost |
| 100 | \$53,714.00 | \$10,742.00 | \$284,648.00 | \$295,390.00 |
| 200 | \$107,428.00 | \$21,484.00 | \$284,648.00 | \$306,132.00 |
| 300 | \$161,142.00 | \$32,226.00 | \$284,648.00 | \$316,874.00 |
| 400 | \$214,856.00 | \$42,968.00 | \$284,648.00 | \$327,616.00 |
| 500 | \$268,570.00 | \$53,710.00 | \$284,648.00 | \$338,358.00 |
| 600 | \$322,284.00 | \$64,452.00 | \$284,648.00 | \$349,100.00 |
| 700 | \$375,998.00 | \$75,194.00 | \$284,648.00 | \$359,842.00 |
| 800 | \$429,712.00 | \$85,936.00 | \$284,648.00 | \$370,584.00 |
| 900 | \$483,426.00 | \$96,678.00 | \$284,648.00 | \$381,326.00 |
| 1000 | \$537,140.00 | \$107,420.00 | \$284,648.00 | \$392,068.00 |
| 1100 | \$590,854.00 | \$118,162.00 | \$284,648.00 | \$402,810.00 |
| 1200 | \$644,568.00 | \$128,904.00 | \$284,648.00 | \$413,552.00 |
| 1300 | \$698,282.00 | \$139,646.00 | \$284,648.00 | \$424,294.00 |
| 1400 | \$751,996.00 | \$150,388.00 | \$284,648.00 | \$435,036.00 |
| 1500 | \$805,710.00 | \$161,130.00 | \$284,648.00 | \$445,778.00 |
| 1600 | \$859,424.00 | \$171,872.00 | \$284,648.00 | \$456,520.00 |
| 1700 | \$913,138.00 | \$182,614.00 | \$284,648.00 | \$467,262.00 |
| 1800 | \$966,852.00 | \$193,356.00 | \$284,648.00 | \$478,004.00 |
| 1900 | \$1,020,566.00 | \$204,098.00 | \$284,648.00 | \$488,746.00 |
| 2000 | \$1,074,280.00 | \$214,840.00 | \$284,648.00 | \$499,488.00 |
| 2100 | \$1,127,994.00 | \$225,582.00 | \$284,648.00 | \$510,230.00 |
| 2200 | \$1,181,708.00 | \$236,324.00 | \$284,648.00 | \$520,972.00 |
| 2300 | \$1,235,422.00 | \$247,066.00 | \$284,648.00 | \$531,714.00 |
| Break even point in sales dollars: = | | | | |
| Average selling price x Breakeven point in units | | | | |
| Total sales at break even = | | \$355,803.38 | | |
| Break even point in # of sales: | | | | |
| Breakeven point in units = Fixed costs/(Average selling price per unit - average variable cost per unit) | | | | |
| Breakeven point in units = | | 662.40 | | |



Summary of Profit & Loss Statement



DigiScribe Profit and Loss Statement For the Year Ending 2/28/21

| | | | | | |
|--|--|--|--|--|----------------|
| | | | | | |
| Sales revenues | | | | | |
| Sales | | | | | 254,018 |
| Trade fair revenues | | | | | 235,141 |
| Total sales revenues | | | | | 489,159 |
| | | | | | |
| Cost of goods sold or services provided | | | | | 98,767 |
| | | | | | |
| Gross profit | | | | | 390,392 |
| Gross profit margin | | | | | 80% |
| | | | | | |
| Operating expenses | | | | | |
| Salaries | | | | | 187,856 |
| Rent | | | | | 8,240 |
| Depreciation | | | | | 1,143 |
| Payroll tax | | | | | 74,150 |
| Insurance | | | | | 10,080 |
| Supplies | | | | | 2,000 |
| Utilities | | | | | 4,480 |
| Other | | | | | 0 |
| Total operating expenses | | | | | 287,949 |
| | | | | | |
| Net Income | | | | | 102,443 |



Sales Projection Summary

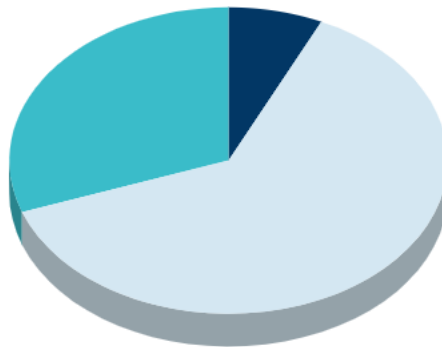
DigiScribe

Monthly Sales Projections

FY 2020-2021

| Sources of Revenue | Actuals November | Actuals December | Actuals January | Actuals February | Projected March | Projected April | Projected May | Total |
|--------------------|---------------------|---------------------|--------------------|---------------------|--------------------|--------------------|------------------|-------------------|
| Online | \$ 12,455 | \$ 8,458 | \$ 7,007 | \$ 6,147 | \$ 7,377 | \$ 8,852 | \$ 10,622 | \$ 50,296 |
| Tradeshaw | \$ 5,232 | \$ 111,394 | \$ 69,120 | \$ 49,395 | \$ 82,944 | \$ 133,673 | \$ - | \$ 451,759 |
| Out-of-Network | \$ 219,950 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 219,950 |
| Total | \$ 237,637 | \$ 119,853 | \$ 76,127 | \$ 55,542 | \$ 90,321 | \$ 142,525 | | \$ 722,004 |

Revenue Distribution Projected For Year Ending May 2021



Balance Sheet



DigiScribe

Balance Sheet

As of February 28, 2021

| Assets | | | | |
|--------------------------------|--|--|----------------|----------------|
| Current Assets | | | | |
| Cash | | | 553,896 | |
| Accounts receivable | | | 0 | |
| Merchandise inventory | | | 0 | |
| Supplies | | | 500 | |
| Total Current Assets | | | 554,396 | |
| Fixed Assets | | | | |
| Computers | | | 9,919 | |
| Less: accumulated depreciation | | | 165 | |
| Furniture and fixtures | | | 13,000 | |
| Less: accumulated depreciation | | | 216 | |
| Office equipment | | | 0 | |
| Less: accumulated depreciation | | | 0 | |
| Total Fixed Assets | | | 22,538 | |
| Total Assets | | | | 576,934 |



Balance Sheet (cont.)

| Liabilities and Stockholders' Equity | | | |
|---|--|----------------|----------------|
| Current Liabilities | | | |
| Accounts payable | | 0 | |
| Sales tax payable | | 3,888 | |
| Salaries payable | | 0 | |
| Payroll tax payable | | 18,538 | |
| Total Current Liabilities | | 22,426 | |
| Long Term Liabilities | | | |
| Loan payable | | 0 | |
| Total Liabilities | | | 22,426 |
| Stockholders' Equity | | | |
| Common stock, \$10 par value, * # shares issued | | 150,000 | |
| Additional paid-in-capital | | 0 | |
| In excess of par value | | 0 | |
| Retained earnings | | | |
| Total Stockholders' Equity | | 554,508 | |
| Total Liabilities and Stockholders' Equity | | | 576,934 |

Financial Write-Up

The Financial team at DigiScribe has analyzed information regarding the current economy and has concluded that our company is in a good position to thrive through this fiscal year. DigiScribe's Balance Sheet, Sales Projection Summary, and the Profit & Loss Statement analysis all demonstrate that our company has the ability to be successful as a new and growing business. DigiScribe's financial statements represent the month ending February 28, 2021.

In addition to the VE International seed money, DigiScribe started with three \$50,000 investments from Angel Investors in return for a percent of equity in our company. These investments helped with the initial funding of operations and allowed the company to pay October expenses. The various operating expenses, excluding cost of goods sold, accumulates to \$44,047.96 for the year thus far. DigiScribe was able to pay expenses while still attaining a net income of \$102,443. The Profit and Loss Statement shows a net profit margin of 32%, which is a strong percentage for the company's first few months of operation.



Financial Write-Up (cont.)

On the Balance Sheet, most notably, DigiScribe currently has \$553,896 in cash. We have no merchandise inventory as we utilize a dropship inventory process where we do not keep the products we sell in stock. This cut our holding and insurance costs. Instead, when a product is sold, DigiScribe purchases the item from the VE International Wholesaler at a reduced price and has it shipped directly to the customer. Holding no inventory is a method utilized to reduce the costs associated with carrying merchandise. Our current fixed assets, which are computers and furniture, totaled to \$22,538, less accumulated depreciation. Current liabilities for the month of February included Accounts Payable, Sales Tax Payable, and Payroll Tax Payable which totaled \$22,426. This short-term debt is a result of our accrual of costs that are paid in the subsequent month.

In summary, DigiScribes financial statements, along with projected sales revenues, indicate a profitable year for our company. The net profit margin, of 32%, is currently very strong and is expected to grow in the future as DigiScribe continues to sell more products. We project that DigiScribe will have a net profit of approximately \$102,443 and total sales of about \$502,054. DigiScribe was expected to become profitable no later than the trade show in January and this was achieved. As an advanced bluetooth technology company, DigiScribe has a unique advantage over other technology companies and we are financially in a position to grow and sustain as a company.



Appendix

Bank Statement as of February 28, 2021

Account details

| | | |
|----------|--|--|
| Account: | <input type="text" value="DigiScribe (Budget Checking) - 630575509"/> | Download account details (Excel) |
| Period: | from <input type="text" value="01/01/2021"/> until <input type="text" value="02/28/2021"/> | <input type="button" value="Show"/> |

| Date | Name/Description/Acct# | Ref# | Amount | Balance |
|---------------|---|---------|-------------|--------------|
| Feb. 26, 2021 | Ryan Davis.30105.30105 (US012201), Miller Place, NY VE Checkout transaction #557013 02/26/2021 08:45 AM CT Acct #630837066 | 5476087 | \$123.05 | \$553,895.52 |
| Feb. 26, 2021 | Divya Shah.27254.27254 (US01141), PITTSFORD, NY VE Checkout transaction #556940 02/26/2021 08:29 AM CT Acct #630829004 | 5475941 | \$107.00 | \$553,772.47 |
| Feb. 25, 2021 | Jack Leahy.26582.26582 (US011857), PITTSFORD, NY VE Checkout transaction #556458 02/25/2021 12:36 PM CT Acct #630825033 | 5473304 | \$107.00 | \$553,665.47 |
| Feb. 23, 2021 | Samantha Feldman.28203.28203 (US01045), LYNBROOK, NY VE Checkout transaction #554830 02/23/2021 11:13 AM CT Acct #630827958 | 5467371 | \$107.00 | \$553,558.47 |
| Feb. 15, 2021 | VE Online Trade Shows, New York, NY Invoice number 210801, National Online Trade Show, Thu, February 11, 2021 Acct #630887292 | 5456603 | -\$5,000.00 | \$553,451.47 |
| Feb. 12, 2021 | Marcus Sutton.29758.29758 (US01095), Brooklyn, NY VEI Checkout transaction #552002 02/12/2021 07:46 AM CT Acct #630835225 | 5450876 | \$331.70 | \$558,451.47 |
| Feb. 11, 2021 | Patrick Selhorn.26363.26363 (US012071), CARLE PLACE, NY VE Trade Show NY transaction #103380 02/11/2021 12:53 PM CT Acct #630824150 | 5444784 | \$544.38 | \$558,119.77 |
| Feb. 11, 2021 | Oziel Carrillo.31546.31546 (US013492), Haslet, TX VEI Checkout transaction #549759 02/11/2021 12:33 PM CT Acct #630866252 | 5444028 | \$123.05 | \$557,575.39 |
| Feb. 11, 2021 | Ellen PalazzoVE Trade Show NY transaction #103148 02/11/2021 12:31 PM CT - US Network Bank Prepaid Card xxxxxxxxxxx86 Ref #70021 | 5443949 | \$4,736.06 | \$557,452.34 |
| Feb. 11, 2021 | Andrew Kaple.26469.26469 (US012675), Murfreesboro, TN VEI Checkout transaction #549669 02/11/2021 12:27 PM CT Acct #630851395 | 5443790 | \$123.05 | \$552,716.28 |
| Feb. 11, 2021 | Justin Throneburg.30519.30519 (US06347), St Charles, IL VEI Checkout transaction #549602 02/11/2021 12:23 PM CT Acct #630837066 | 5443625 | \$107.00 | \$552,593.23 |



Employee Contract

This is an Agreement entered on October _____, Two Thousand and Twenty, between “DigiScribe (“The Employer”) and _____ (“The Employee”).

1. Employment

The “Employee” _____ agrees that they will at all times faithfully, industriously, and to the best of their skills and abilities carry out their duties and responsibilities, the “Employee” shall comply with all “Employer” policies, procedures, rules and regulations as announced by the “Employer” from time to time.

As a _____, the “Employee” is required to perform all of their necessary job functions and duties which include, but not limited to weekly departmental tasks and other assignments in a timely fashion as described by the “Employer.” This is a full time position, expected to average 45 hours per week.

3. Benefits

In addition, the “Employee” will be eligible to participate in bonuses and other employee benefit plans established by DigiScribe for its employees from time to time. The “Employer” currently offers paid sick days (maximum 4 times per annum), Health insurance and Dental insurance. The “Employee” will be granted company benefits ninety days after their initial start date

Signed by: _____ “Employee”

Print name: _____

Dated: _____

Signed by: _____ “Employer”

Print name: _____

Dated: _____



Angel Investors



Keybro Enterprises
141 Washington Avenue, Suite 100
Lawrence, NY 11559
(516)-791-2500

10/6/20

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Ms. Beyda,

Please accept this letter of support as my intention to invest \$50,000 in DigiScribe. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

I affirm that I have done the following to review and evaluate this company:

1. Listened to a business pitch from the executive team outlining the firm's business plan, including the marketing plan, operating budget, and sales/revenue projections.
2. Reviewed company projections and assumptions.
3. Engaged in Q&A or discussion to clarify and guide the firm's direction.

I understand that upon approval of this equity investment by the VE Central Office, DigiScribe will prepare and send to me a stock certificate outlining the number of shares awarded based on a \$10 Par Value. I also understand that as a result of my investment, I will be placed on the company's Board of Directors.

Sincerely,



Irving Schussel
Owner of Keybro Enterprise
917-797-6253
irvingschlussel@gmail.com



Angel Investors



FMI MARBLE AND GRANITE
110 E. Hawthorne Avenue
Valley Stream, NY 1180
(516)-872-8249

10/6/20

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Ms. Beyda,

Please accept this letter of support as my intention to invest \$50,000 in DigiScribe. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

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Sincerely,

Pat Vardaro
Owner of FMI Marble
516-375-2743
patvardaro@gmail.com



Angel Investors



Finish Line Renovations
Custom Carpentry
Home Remodeling
Merrick, New York, 11566

10/6/20

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Ms. Beyda,

Please accept this letter of support as my intention to invest \$50,000 in DigiScribe. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

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2. Reviewed company projections and assumptions.
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Sincerely,

A handwritten signature in black ink, appearing to read "Alan Hanson", is written over a light blue rectangular background.

Alan Hanson
Owner of Finish line renovation, ink
516-375-9270
alanhanson@gmail.com





Citations

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