

BUSINESS PLAN 2023-24



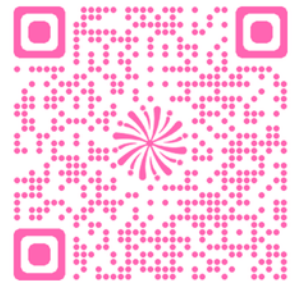
Illuminating today, protecting tomorrow

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EXECUTIVE SUMMARY



CEO

Cali Stevenson

Would you rather put a beautiful piece of art behind a curtain for nobody to look at, or in a frame for all to view? I am sure you and I can agree that beautiful art belongs on display, so why would you put your firework display behind a curtain of smoke that is dangerous for you, your children and the environment overall?

This curtain of smoke often envelops whole cities. During the five-day celebration of Diwali in India - the world-famous festival of lights - about 50,000 tons of fireworks are set off, causing a toxic haze to cover cities. This toxic haze contains particulate matter. Particulate matter - which is known to aggravate lung disease, trigger asthma attacks, and heighten susceptibility to respiratory infections - increased up to 35 times on celebration days when fireworks were present compared to normal days.

Fusion's duty is to find a need in the market and fill that gap. As a company we understand customers' needs for **celebrating safely and caring for the world**. Having fun should not come at the cost of personal health and the environment. For this reason we decided to create eco-friendly fireworks that allow our customers to celebrate safely year round, without fear of harming the planet. Our products change the traditional composition of fireworks, using cleaner chemicals. These substitutes cut carbon emissions in half, emit less smoke and remove 90% of black powder, a major pollutant in fireworks. These changes create a **more sustainable and vibrant experience**.



Toxic haze after Diwali celebration

PRODUCT OVERVIEW



We celebrate year-round occasions by selling firework bundles, from gender reveals to tailgating events. These bundles contain a diverse assortment of products, including big boys, fountains and sparklers, all of which are produced to be completely eco-friendly. From dissolving confetti paper to biodegradable snap-pop wrappers, all of our products come in **clean burning and recyclable materials**.

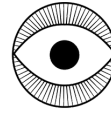
MISSION STATEMENT



Here at **Fusion**, our mission is to create moments, spark memories, sustain the environment, and light the fuse to a brighter future through the sale of our eco-friendly fireworks.

FINANCIAL HIGHLIGHTS

We have secured sales contracts with *International Ballet Academy*, *JBM & Associates*, *Leigh Allison Kelley*, *Manifest Events* and *Meagan Eby Makeup* to broaden product distribution and brand awareness. Being a start-up company, we strive to connect with a variety of businesses as a way to streamline communication with potential investors, mentors, customers and industry experts. These collaborations have allowed us to overcome financial obstacles and grow into a **booming business**.

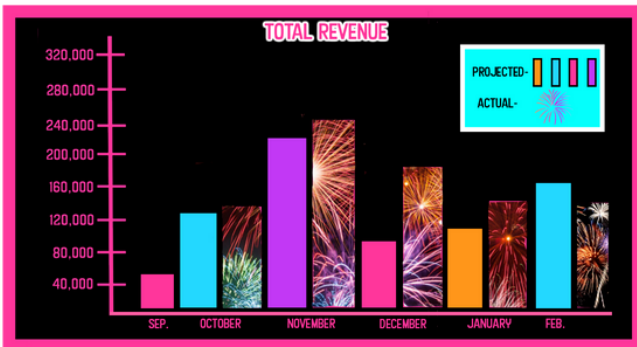


MANIFEST
events



We officially began operations on August 30, 2023 as an S Corporation. Our startup funding consisted of \$100,000 from our two angel investors and \$50,000 worth of Virtual Enterprises seed money.

These funds were allocated to initial inventory purchases along with product development and manufacturing. As a company we have an average cost of goods sold of \$200 and an average selling price of \$324. With a high gross profit margin of 62%, we were able to break-even on February 9, 2024 at 2,824 units. This milestone was achieved two months earlier than originally predicted! With an immense dedication to building connections, we project that we will obtain \$327,918 in net profit for the fiscal year.



FUTURE PLANNING

In the future, we strive to gain a physical presence by opening a year round brick-and-mortar location. Seasonal fireworks stands are extremely profitable, enabling firework businesses to leave the building vacant for the "off season". However, since we strive to change the firework market to make fireworks a product that are available for year round celebrations, we predict that our revenue would remain steady with potential spikes around New Years and the Fourth of July. As a company we would also like to increase our brand awareness by expanding business to other countries where carbon emissions are high. It is shown that some countries have increased regulations on fireworks, but since **Fusion** has a **cleaner and safer firework**, such regulations will be bypassed.

Sincerely,
Cali Stevenson
Chief Executive Officer



BUSINESS RATIONALE



CUSTOMER EMPATHY

Over the past several years, air pollution and climate change have become a growing concern. The *Environmental Protection Agency* states that in 2022, 66 million tons of pollution were emitted into the atmosphere by the United States alone.¹ Furthermore, *Statista* finds that global carbon dioxide emissions from fossil fuels and industry totaled **37.15 billion metric tons** in 2022.² Therefore, customer empathy for **Fusion** can be broken down into two categories: personal and environmental health.

PERSONAL HEALTH

Air pollution poses a **serious threat to the health of all individuals**. In fact, a *Harvard T.H. Chan School of Public Health* study found an association between air pollution over an extended period of time and an 11% increase in mortality from COVID-19 infection.³ Further, researchers found that of the coronavirus deaths across 66 regions in Italy, Spain, France and Germany, 78% of them occurred in five of the most polluted regions.⁴ Prolonged air pollution exposure causes an uptick in health problems such as heart attacks, strokes, diabetes and high blood pressure. Thus, when newer generations have seen this contamination as the norm, it's important to **reverse this harmful trend**, and soon.



ENVIRONMENTAL HEALTH

As global temperatures have risen by an average of 0.11° Fahrenheit each decade since 1850, environmental detriment is the new standard.⁵ The same particles and molecules that have been proven to increase air pollution double as **amplifiers of the climate change crisis**. In fact, the *World Wildlife Federation* finds that "Global warming is likely to be the greatest cause of species extinctions this century." The *Intergovernmental Panel on Climate Change* says a 1.5°C average rise may put 20-30% of species at risk of extinction."⁶ Climate change's tendency to increase global temperatures is causing a **rise in sea temperature levels** as well. For example, *NASA* finds that Antarctica is melting at an average rate of about 150 billion tons per year, and Greenland is melting at a rate of 270 billion tons per year.⁷



This increase in sea level has hurt countries like Bangladesh, where 75% of the country rests below sea level. As such, Bangladesh is seen as ground zero for climate change, as "by 2050, the rising sea level will submerge an additional 17% of the country and uproot another 20 million people. This is in addition to the nearly 75% of the country already underwater."⁸

As this crisis sees continued exposure in the media, consumers are becoming more educated about this topic. This is leading consumers to seek ways to preserve their planet themselves. The *World Business Council for Sustainable Development* conducted a study of 23,000 consumers. Out of this total, 64% of people reported high levels of concern for sustainable products showcasing that **eco-friendly products are the future**.⁹



PROBLEM STATEMENT

While consumers are now more environmentally aware, and have a strong desire to protect the environment, most individuals don't realize that their recreational consumer grade products contribute heavily to the climate change crisis. *Earth.org* reports that in 2021, American consumption of fireworks exceeded 428 million pounds.¹⁰ These fireworks, used in celebrations such as the Fourth of July, have a **massive detriment on air quality, and increase climate change** to a tragic degree. More specifically, black powder, a major pollutant in fireworks, contains toxic substances, emitting them into the atmosphere and destroying our precious planet each time fireworks are launched. This black powder contains a cocktail of harmful chemicals and causes damage to air quality at all levels: from launching the firework itself to seeing the display in the air. According to *Earth.org*, there are only two things that come out of

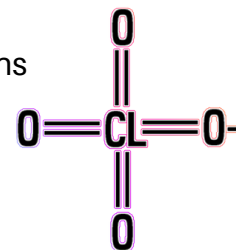


modern-day fireworks: "short-lived entertainment and toxic atmospheric pollutants."¹⁰ Atmospheric pollutants, such as carbon monoxide, carbon dioxide, nitric oxide, sulfur dioxide, and particulate matter, each pose their individual threats to the environment, **decreasing overall quality of life.**



When greenhouse gasses such as carbon dioxide and monoxide, are released into the atmosphere, climate change sees an uptick. Moreover, the release of CO and CO₂ increases **difficulty in breathing and other respiratory functions**. Carbon monoxide is specifically linked to **fatigue, headaches, confusion, and dizziness** due to inadequate oxygen delivery to the brain. Particulate matter, which includes dust, dirt, soot, smoke, and liquid droplets, is known to **aggravate lung disease and cause asthma attacks**.¹¹ Nitric oxide, which is toxic via inhalation and skin absorption, is linked to acid rain clouds forming in the atmosphere. Perchlorates are also released through the launching of fireworks.

This substance persists in the environment for decades, further polluting groundwater reservoirs and the regions where the fireworks were being used. Perchlorates also pose **tremendous risk to human and animal health**, affecting the functionality of certain organs and specifically attacking the thyroid gland, which plays a major role in controlling heart and muscle function, and brain development. Finally, packages and trash are often left behind following these celebrations that use fireworks. As such, the existing problem of garbage pollution and littering throughout the US is intensified. Overall, the experience of launching fireworks is made **less vibrant and more dull**, both metaphorically and literally.

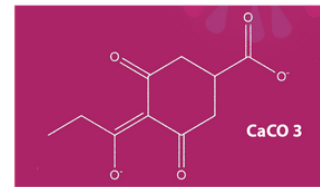
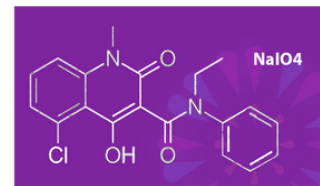


SOLUTION STATEMENT

With growing concerns about pollution, **Fusion** has created a product that allows consumers to **continue a tradition** that started thousands of years ago, **without its detrimental effects**. **Fusion** has created a new firework that removes the majority of black powder, a major pollutant in fireworks, and replaces it with nitrocellulose. Nitrocellulose, also known as guncotton, is a highly flammable compound that is the main ingredient in modern gunpowder, due to its smokeless burn.¹² By using nitrocellulose, **carbon emissions are cut by 50%** and health problems connected to perchlorates in the black powder are greatly reduced.



Fusion also replaces the toxic color-creating metals commonly used in fireworks with **safer alternatives** such as sodium periodate and calcium carbonate. By using these alternatives, the firework's composition will have **88% fewer metals**, decreasing the carcinogenic harm associated with traditional fireworks.



Furthermore, by reducing the smoke released by fireworks, the net amount of emissions decreases. Carbon monoxide and carbon dioxide are released at greatly reduced rates; nitric oxide, sulfur dioxide, and particulate matter are not released at all. **Fusion's**

fireworks not only decrease emissions, but use **bioplastics to reduce waste**. Through the commitment to promote sustainability at all levels, **Fusion** has developed a **new generation of fireworks**.

COMPANY GOALS

Fusion strives to **shoot for the stars** in achieving their company goals. This can be seen through **Fusion's** short and long term aspirations.



Short Term Goals

In the near future, **Fusion** aims to partner with local businesses, like the Greenville Drive, the city's minor league baseball team and affiliate of the Boston Red Sox. This establishment would be a great source of profitability as they shoot off fireworks weekly. By selling fireworks to the Greenville Drive, **Fusion** would be able to establish a local presence. Therefore, the company will be able to **foster a sense of community** through educating locals and help transfer the eco-friendly sentiments to a population that hasn't been exposed to such products. While **Fusion** hopes that all of their consumers are responsible, history has proven that such a desire is impractically hopeful. Since improper use of fireworks has the potential to cause wildfires, **Fusion** feels a sense of responsibility in assisting those impacted by wildfires. This is why one of **Fusion's** goals is to create a Direct Relief bundle that donates 10% of its profits to Direct Relief, a nonprofit humanitarian organization, to aid in the relief and recovery from wildfires.

SHORT TERM

GREENVILLE DRIVE



DIRECT RELIEF

Long Term Goals

Fusion aspires to partner with large corporations, such as Disney, **the largest buyer of fireworks in the world**. According to multiple sources, Walt Disney World, located in Florida, spends roughly \$50 million on fireworks annually. While this is only one

of the many Disney locations around the world, it is the first one **Fusion** plans to pursue. If an initial contract is formed with Disney, **Fusion** would aspire to retain more contracts with several of their other locations. Not only would this increase **Fusion's** brand exposure, a high profitability rate would also be expected.



Furthermore, by making these B2B sales, **Fusion** would be established as a fireworks provider, not only on the local scale, but a national one as well. This would allow the company to be viewed as a concrete competitor in the market, which is currently dominated by Chinese owned companies.

Fusion has plans to begin manufacturing their own products to further strengthen their supply chain. As a startup, by selling products produced in the USA, **Fusion** has achieved maximized profits and mitigated costs, which are symptoms of a firm supply chain. This is in no small part due to **Fusion's** partnerships with Odyssey Logistics, their shipping company, and Santore and Sons, which is where the fireworks are manufactured. However, if the company were to establish their own factory, they would be able to oversee all aspects of production, increasing the aforementioned benefits to a significant degree.

LONG TERM

PARTNERING WITH CORPORATIONS



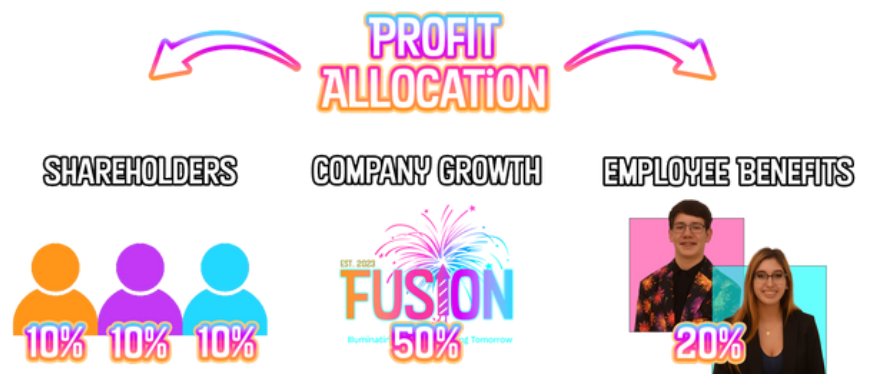
MANUFACTURING

ABOUT THE BUSINESS

COMPANY OVERVIEW

Fireworks play a considerable role in the U.S. economy. In 2022, Americans spent over **2.3 billion dollars** on fireworks alone.¹³ Furthermore, according to the *American Pyrotechnics Association*, consumer fireworks reached a consumption level of **428 million pounds** in the United States in 2021.¹⁰ Consumers use them for various celebrations around the world; yet, what most individuals do not realize is that they are extremely harmful to people and the environment. **Fusion** is an **eco-friendly firework company** who manufactures their products out of a factory in Bunnell, FL. The factory has the licensing and machinery in order to produce environmentally friendly fireworks. This was a crucial step for **Fusion** in the startup process because it allowed the company to heavily cut costs as the company did not have to purchase heavy machinery. **Fusion** has also partnered with Odyssey Logistics which transports the company's products from the factory in Florida to **Fusion's** main warehouse in Greenville, SC, where products are stored and shipped to consumers.

Fusion has chosen to be an **S-corporation**, having the option to receive equity financing through shareholders. Taxes are passed through to shareholders ultimately avoiding double taxation. **Fusion's** angel investors, *Stevenson Tax and Accounting*, *Automate America* and *Larson Financial*, each hold \$50,000 in equity at \$10 per share. **Fusion** takes pride in having experienced financial advisors as investors, allowing the firm to seek guidance when necessary.



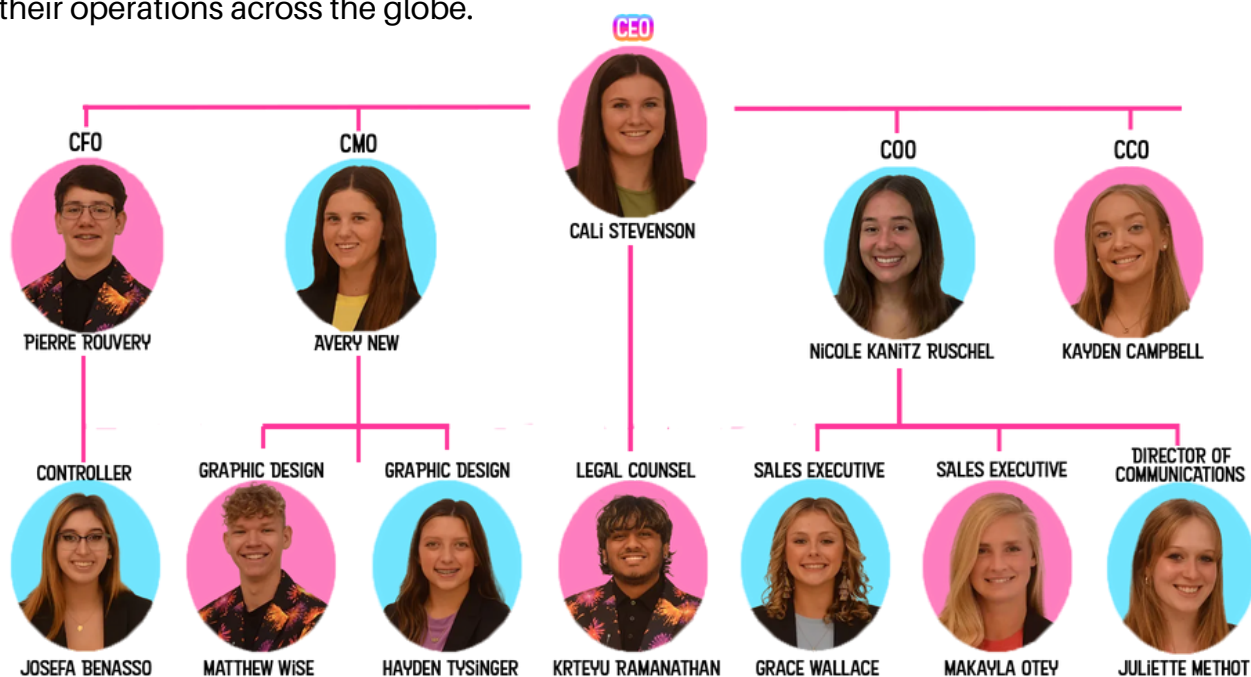
MISSION STATEMENT

Here at **Fusion**, our mission is to
CREATE MOMENTS SPARK MEMORIES
SUSTAIN THE ENVIRONMENT & LIGHT THE FUSE
to a brighter future through
the sale of our **eco-friendly fireworks**.

ORGANIZATION

Fusion operates under a functional organizational structure, by designating employees in departments by their areas of expertise as well as operating with a top down hierarchical structure. **Fusion** is made up of 12 employees and 4 departments: human resources, sales, marketing, and finances. Each department is headed by a chief officer and is responsible for reporting to the CEO. Due to **Fusion's** goals of increased productivity and maximized efficiency, they've hired a Director of Communications to ensure each department is knowledgeable of all tasks to be completed within the firm. This fosters communication in the workplace that is often lost under this kind of organizational structure.

As a fireworks business, **Fusion** must have a variety of factors completely addressed to ensure legality and safety. To ensure the organizational structure has no blind shots when it comes to the business of fireworks, all areas are addressed. This is why **Fusion** hired a Legal Counsel to address the legality of fireworks in all US states. **Fusion** has also begun the process of vetting international shipping companies to expand their operations across the globe.



This chart demonstrates our hierarchy of positions from our *skilled workers* to *chief officers*.



COMPANY CULTURE

Fusion aims to create a culture where employees are able to thrive in their environment and excel in their departments. In order to properly execute this, it's important to give employees an understanding of what culture is. According to *Oxford Languages*, culture is the customs, arts, social institutions, and achievements of a particular nation, people, or other social group.¹⁴ The social group within **Fusion** strives to **ignite an environment** that ensures all areas of a culture are covered within the company itself.

Some of **Fusion's** customs include company breakfasts and Fun Fridays. Company breakfasts happen every other month, and serve as a time for bonding and rest for employees. Through this **shared tradition**, employees are able to become closer by **strengthening personal connections**. Fun Fridays at **Fusion** provide enjoyment for the company's employees through exciting activities. From a thrilling murder mystery party to a relaxing game of charades, **Fusion** strives to create an environment that allows their employees to unwind.

Fusion believes that a well motivated team not only works harder, but has more **passion for the business itself**.



Using the company's **dazzling marketing team**, **Fusion** has created a portfolio of marketing materials and company branding. **Fusion's** recognizable colors, the company's mascot **Frank the Firework**, **Fusion's** logo, and countless other images serve as a way for the company to be recognized by other firms. However, these materials also serve as a way for the employees to feel a sense of community. **Fusion** banners, signs and logos are displayed throughout the office to remind employees of the business they have dedicated so much time to.

To ensure all employees are aware of what is expected in the workplace, **Fusion** has created a handbook that employees are encouraged to read at least twice a year. The handbook covers a series of policies relating to **Fusion's** operation, employee etiquette, and anti-discrimination.



After reading the handbook, employees must sign a consent form, acknowledging that they have read it and promise to uphold the standards set forth. Employees also sign a culture contract stating that they will uphold the company's core values, such as **communication and respect**. The company has established a structure of rules and norms that shape individual behavior. It is important to note however, that the handbook stands as a formality; **Fusion's** employees are not just part of a company, but family as well.

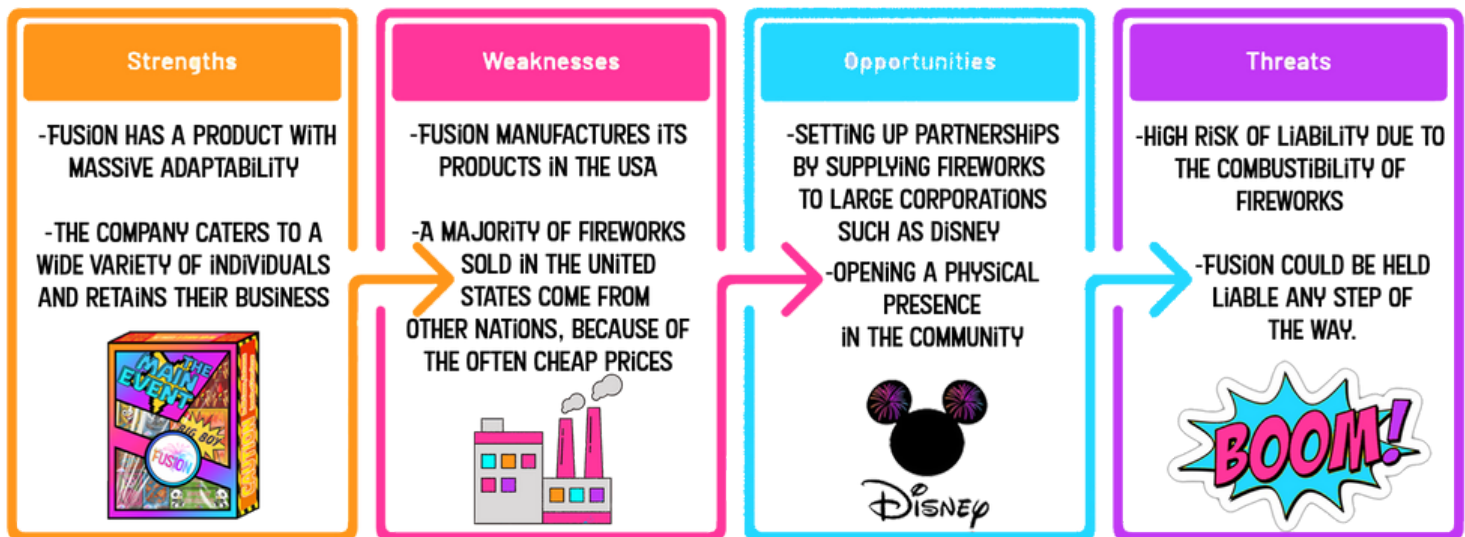


For **Fusion**, team achievements serve as a way to unify employees, from the company's first angel investors, all the way to partnering with Direct Relief. **Fusion** looks towards these accomplishments as a way to come together and **celebrate the progress** of the company. To further promote these ideals, **Fusion** presents an "Employee of the Month" award, to honor a specific employee who has displayed excellent work ethic throughout the month. This motivates all members of the team to work their hardest, in turn, creating quality work.



SWOT ANALYSIS

FUSION SWOT ANALYSIS



STRENGTHS

Adaptability: **Fusion** has a product with massive adaptability, allowing the company to cater to a wide variety of individuals and retain their business. Specifically, **Fusion** sells a wide variety of celebratory bundles for special occasions. While **Fusion's** products all fall under the umbrella of "fireworks", these bundles contain a diverse assortment of products including "Big Boy" firework shells and colorful fountains. **Fusion** also offers different price points to satisfy all income levels. From a \$5 pack of Swingin' Sparklers, to the Main Event bundle for \$1,955, **Fusion** has products available to meet anyone's price range.

Diversity: Diversity is established at every level of **Fusion's** products from pricing all the way to the product. Since people love to come together, **Fusion's** customers know that celebrations can and should happen everyday. Taking this into consideration, there are endless opportunities to release new celebratory bundles as **there are no limits to celebrations.**

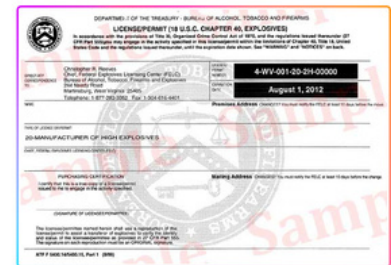


Profit: The average markup for fireworks is roughly **three times the wholesale price**.¹⁵ NPR reports that 99% of “backyard” consumer fireworks come from China, with a majority of the markups that occur at the retail level being markups of an already marked-up price.¹⁶ This is because products that are sold wholesale from China are marked up by the manufacturers in that country. When **Fusion** manufactures in America, products are still relatively cheap to manufacture, but the company is able to harness the full profits, unlike other fireworks companies.

WEAKNESSES

Manufacturing: **Fusion** manufactures its products in the USA. A majority of fireworks sold in the United States come from other nations, including China, because of the often cheap prices associated with offshore manufacturing. On the federal, state, and local level, the fireworks industry is subject to a number of regulations. Compliance, in turn, becomes increasingly difficult. The manufacturers of consumer fireworks for commercial purposes require a Bureau of Alcohol, Tobacco, Firearms and Explosives license. These licenses are difficult to obtain, and a variety of safety requirements must be met every year in order to maintain them.

Furthermore, authorities are able to enter the premises of a business engaged in the manufacture, sale, or storage of pyrotechnics to inspect, investigate, or examine the property meaning that no corners can be cut. While this is great for the well-being of employees as well as ensuring the safety of fireworks, this dramatically increases costs for **Fusion**, where many of these costs don't exist in foreign nations.



*Sample of an explosives permit

Strategy: Policies towards foreign manufacturing and importing are growing less friendly in an attempt to **promote American manufacturing**. Tariffs implemented under former President Donald Trump's term have not been reversed, but in some cases have been increased. This allows American manufacturing to become more profitable, even with these regulations.

Capital Investment: Starting a fireworks business requires a high capital investment. In particular, paying to source the raw materials, purchasing firework related material, and building a reliable infrastructure is costly. Paying Odyssey Logistics to ship the products, procuring the licensing necessary for this business, and maintaining the company's warehouse all contribute to **Fusion's** large investment.

Strategy: With \$150,000 in startup funding from angel investments and seed money, and by utilizing a third party manufacturer, **Fusion** is well on the road to profitability. This helps mitigate some of the more expensive aspects of managing a fireworks company.



OPPORTUNITIES

B2B Partnerships: It is reported that Disney spends over \$50 million a year on fireworks and is the largest user of fireworks in the United States.¹⁷ Therefore, it is entirely expected that one of **Fusion's** opportunities includes setting up B2B partnerships by supplying fireworks to large corporations. Due to the reduced smoke of **Fusion's** products, Disney will be more inclined to purchase eco-friendly fireworks. This is in no small part due to the fact that the reduced smoke helps build a **more vibrant show** and an **eco-friendly brand**.



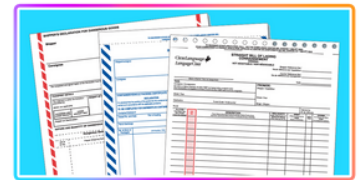
Brick and Mortar: Firework stands, from small to large, have been proven to bring in enormous revenues. In fact, small stands can make more than \$20,000 from the Fourth of July season alone and between \$10,000 and \$15,000 for New Year's Eve, while larger stands can make amounts in six figures.¹⁸ With **Fusion** being an established brand, a brick-and-mortar location would open the door for additional revenue as the company would be able to foster a physical presence within the community. **Fusion** would further be able to capitalize on seasons that don't typically focus on the need for pop up fireworks stands. **Fusion's** bundles that cater to a wide variety of events would allow for the profitability seen during these major events to be retained year round.

THREATS

Liability

It is crucial to recognize that at the end of the day, fireworks are not a toy; they are explosives and must be handled as such. There is a high risk of liability due to the combustibility of fireworks. Whether explosions occur in the factory, or on the way to the consumer, **Fusion** could be held liable any step of the way.

Fusion has minimized this threat by **acquiring all necessary licenses** and also **utilizing licensed professionals** to handle, produce, and transport the company's products. Procuring essential licenses such as the hazmat license, and including a tips to celebrate safely card to assist the customer in **safe celebrations** are just a few examples to promote safety.

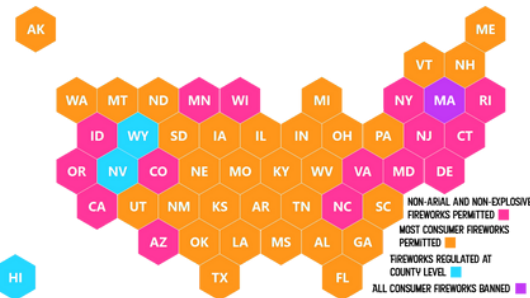


Regulation

In the USA, 31 states permit all fireworks, 15 states permit all but aerial fireworks, 3 states regulate fireworks on the county level, and only 1 state has all fireworks banned.¹⁹ These differences in regulation permeate far past the state level, independent of whether or not fireworks are permitted in the state. States that permit fireworks entirely through their borders may have differing

regulations on when fireworks can be launched and sold on the county level.

Accordingly, a threat **Fusion** faces is the regulations offirework sales in different states.



To address these concerns,

Fusion has hired a legal counsel to assist in acquiring licenses that will allow us to sell in those states, and to inquire upon the matter of fireworks regulations in different counties and states.



EXTERNAL ENVIRONMENT

COMPETITIVE ANALYSIS



Zambelli Fireworks is an indirect competitor that specializes in conducting professional displays for large-scale events like city celebrations and major concerts. Established in 1893, Zambelli Fireworks is one of the oldest and largest pyrotechnic companies in the industry, cementing their strong presence in the market.²⁶ While **Fusion** provides products that can be

utilized by consumers themselves, Zambelli Fireworks only targets large, organized events with professional displays. **Fusion's** focus on public consumer "backyard" fireworks,

in comparison to



Zambelli's focus on display fireworks, places the two businesses in entirely separate target markets. In addition to serving different needs, Zambelli Fireworks are higher priced and are not eco-friendly.

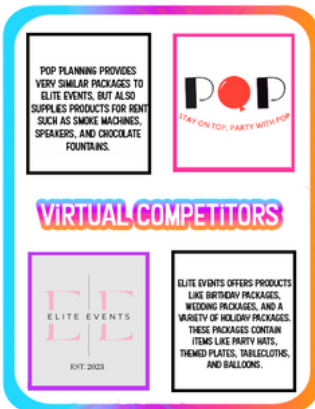
Ultratec is a fireworks provider that creates visual displays and audio effects for corporate events and performances. They also utilize eco-friendly firework technology, but focus more on professional grade special effects for large events, instead of "backyard" displays. As of now, **Fusion** does not have the same target market as Ultratec, but once **Fusion** accomplishes the long term goal of supplying fireworks for professional displays, there will be an overlap. While Ultratec sees no plans to expand to the average consumer, **Fusion** has a leg up as they already provide consumers with these backyard fireworks. As such, **Fusion** fireworks will be available to a wider audience, creating potential for more revenue.



Phantom Fireworks is the company most similar to **Fusion**. They produce consumer fireworks catered to individuals who want to celebrate special occasions from their own backyard. They are known for their extensive selection of firework types. Much like **Fusion**, Phantom Fireworks focuses on consumer fireworks; however, their products are made with materials that are toxic to humans and unhealthy for the environment. **Fusion** fireworks do not emit these harmful chemicals. Due to the reduced smoke, consumers may feel more inclined to purchase **Fusion's** products.

Virtual Competitors

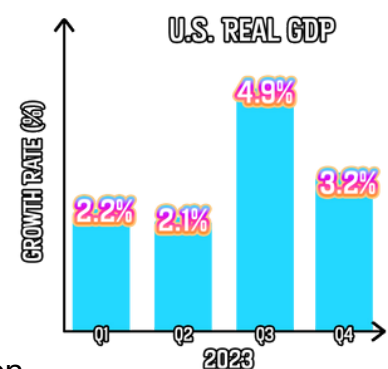
Fusion stands alone as the **sole provider of fireworks** in the Virtual Enterprises network. The company has no direct competitors; however, **Fusion** is in indirect competition with party and celebration oriented firms. The majority of these firms focus on providing themed party packages targeting specific celebrations. For example, *Elite Events* offers products like birthday, wedding, and holiday packages. These packages contain items like party hats, themed plates, tablecloths, and balloons. *Pop Planning*, another firm in the VE marketplace, provides very similar packages to Elite Events, but also supplies products for rent such as smoke machines, speakers, and chocolate fountains. However, none of these firms sell fireworks, allowing **Fusion** to **shine bright** in the Virtual Enterprises market.

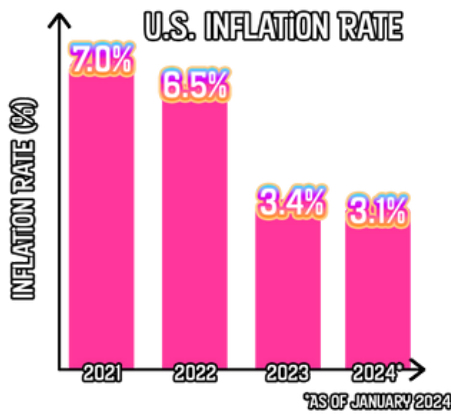


CURRENT ECONOMIC CONDITIONS

According to the Bureau of Economic Analysis, the GDP increased at rate of 3.2 percent in the fourth quarter of 2023.²⁰ The cause of this large increase of GDP is an increase in consumer spending.

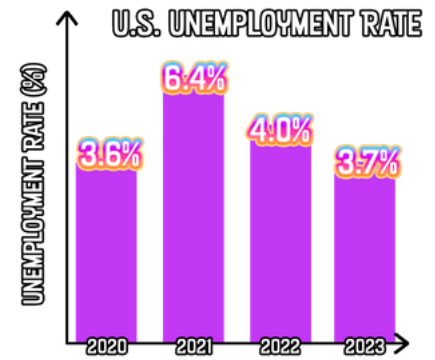
Fusion directly benefits from this recent increase. As consumer spending increases, the company predicts that sales will increase. In recent years, the US economy has been plagued with high inflation rates. Primarily, there has been a massive increase in demand-pull inflation, where there is a growing demand for goods or services which meet insufficient supply. Factors such as Coronavirus and the war in Ukraine have fueled this inflation, as supply chains around the world have been impacted by shutdowns and increased gas prices.²⁰ In turn, consumer spending took an immense hit in 2021 as the inflation rate reached roughly 7%.





Thankfully, *Nerd Wallet* reports that in the last 12 months, the inflation rate has deflated to 3.1% as economic conditions have stabilized.²² As such, there is more stability in pricing. **Fusion** sees the decreasing inflation rate as a benefit to the company, as there is more purchasing power to the dollar now than there was a year ago. This increases consumer spending on entertainment options.

Investopedia finds that the US stands at an unemployment rate of 3.7%.²³ As *Forbes* reports that a healthy unemployment rate is somewhere between 3% and 5%, the USA's rate is in peak form.²⁴ With 10 million jobs available for 6 million unemployed people, **the American economy is booming.**²⁵



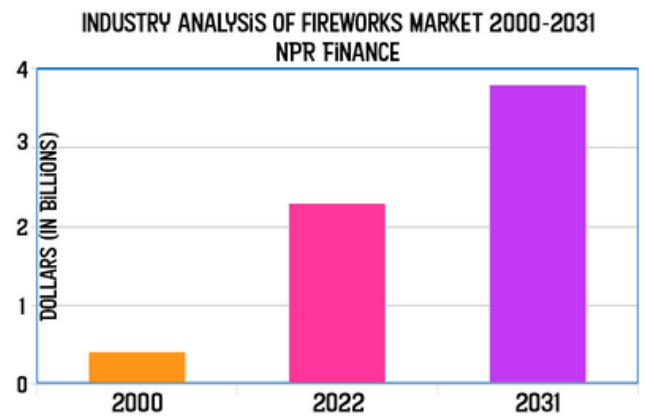
INDUSTRY ANALYSIS

Real World Analysis

The pyrotechnics industry has seen **explosive growth** over the last two decades and is projected to continue growing. In 2022, total fireworks consumption was 436.4 million pounds, amounting to \$2.3 billion. This shows massive growth from the 102 million pounds of consumer fireworks purchased in 2000.²⁷ This industry also serves as the primary income of countless Americans. Currently, there are over 7,900 people employed by the Fireworks Retailers industry in the US as of 2023.²⁸ Furthermore, according to *Business Research Insights*, consumer fireworks are projected to be valued at \$3.8 billion by 2031.²⁹

While the pyrotechnics industry does face different state and federal regulations, 49 states allow all or some consumer fireworks. State regulations have not stifled the production and consumption of fireworks, as the pyrotechnics industry continues to grow rapidly.

The average mark-up of fireworks in the pyrotechnics industry is **200 to 300 percent**, which is extremely high for a competitive market.³⁰ This mark-up allows companies to generate high levels of profit. **Fusion** benefits from the high profitability of the industry. Moreover, the market gap in the area of eco-friendly consumer fireworks proves to be an advantage for **Fusion**. By introducing a new version of a traditional product used by millions, **Fusion** capitalizes on the **growing environmental awareness** among consumers and satisfies the **increasing demand for fireworks**, as people look to celebrate more special occasions.



Virtual Analysis



Fusion falls under several market categories: entertainment, party and celebration, hobbies and creative arts, and business services. With this large variety of categories, **Fusion** is able to reach a wide range of consumers. **Fusion** fits under the umbrella category of entertainment as our fireworks provide customers with the ability to **celebrate year round occasions** with displays. In VE, revenue is generated through sales at trade shows, purchases from VE firm websites, and out-of-network contracts with real world businesses..

Fusion has entered into a **booming industry** in the Virtual Enterprises network, as the entertainment industry has had a total of 168,011 transactions between June 2020 and February 2024, generating \$27,042,902 in revenue. This is the highest revenue of all VE industries.³¹

There are over 410 firms in the United States alone, not including firms from 40+ countries around the world. This leads to 20,000 students in Virtual Enterprises who attend trade shows and purchase on VE firm websites.³² As such, **Fusion** is able to reach a wide variety of customers and establish a high customer retention rate. As the only firm to offer fireworks of any kind, **Fusion** is in a position to flourish.



MARKETING PLAN



TARGET MARKET

Fusion's primary target market consists of the Southeastern United States. With visits to Middle Tennessee State University in Tennessee and Nova Southeastern University in Florida, **Fusion** has been able to spread awareness of their products and brand. The company's secondary target market consists of the Northeastern United States, primarily New York. **Fusion** will be visiting the Jacob Javits Convention Center in April 2024 to continue selling and advertising. **Fusion's** tertiary market includes the rest of the United States and markets found in other countries such as Argentina, Brazil, Bulgaria, Indonesia, and Romania.

PRIMARY



SECONDARY



As a company, **Fusion** promotes to their tertiary market through online strategies and plans to make connections at the **Virtual Enterprises Youth Business Summit** on April 11, 2024. **Fusion** appeals to both firms and employees, as our products can be enjoyed by both corporations and individuals.

MARKET SEGMENTATION

Demographics

Fusion's demographic is composed of middle class individuals, ages 18-34, who value the importance of **caring for the environment and their community**. This is mainly younger Millennials and older Gen Z individuals who have a disposable income that can be utilized in an entertainment manner. According to *Business Wire*, 80% of Americans in **Fusion's** target market say they would **pay more for sustainable products**.³³ In addition, consumers today have a higher level of disposable income than previous years.



Geographics

Fusion's main geographic focus is on the Southeastern United States, specifically, Greenville, SC which is the headquarters for the company. *Stacker* recognizes South Carolina as the 5th biggest spender on fireworks.³⁴ Greenville is one of the highest regarded places to start a new business with a Gross Domestic Product that is 56% higher than the national average.³⁵ Greenville is also #23 on the "fastest growing places" list, among all US cities, according to a report from *US News*.³⁶



Psychographics

Fusions psychographic consists of consumers who are environmentally conscious and have a strong desire to **protect and preserve the planet**. **Fusion** specifically targets those who have goals to uphold the environment. The company conducted their own market survey and found that 62% of consumers were willing to pay more for a product that supports a good cause, such as **sustainability for the environment**.

Socioeconomics

The majority of **Fusion's** target market is classified as middle class within the Virtual Enterprises marketplace. According to *Virtual Enterprises International Market Insights*, the average monthly net pay per employee is \$1,740. With an annual income of \$20,000-\$30,000 per year, **Fusion's** primary customer base is equipped to purchase environmentally friendly products.

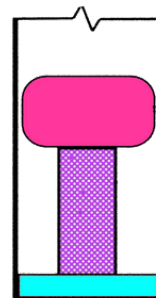
MARKETING MIX

Product

Modern day fireworks contain toxic components such as perchlorate, along with harmful metals such as chromium and lead that are used to create the **illuminating experience**, making up around thirty percent of a firework's composition.

The *National Library of Medicine* states that these metals are often found to heavily increase the risk of both cardiovascular and lung cancer.³⁷ Based on these social and environmental issues, **Fusion** made it a point to create an eco-friendly and "healthy" firework.

This firework eliminates a majority of the main polluting component, black powder, and replaces it with nitrocellulose. By using nitrocellulose, carbon emissions are **reduced by 50%**. **Fusion** also replaces the toxic color-creating metals with safer alternatives. This new process will reinvent fireworks to contain approximately 5% of total metals in the compound as opposed to the original 40%. The nitrocellulose base will **emit less smoke** and **allow colors to appear more vibrant**, thus providing more enjoyment to everyone's firework experience.



- STEP 1: LIGHTING THE SHELL
- STEP 2: DROPPING IT INTO THE MORTAR
- STEP 3: SPARK HITS A SMALL QUANTITY OF PERCHLORATE FREE BLACK POWDER
- STEP 4: THEN HITS THE NITROCELLULOS BASE
- STEP 5: FIREWORK IS LAUNCHED!



Fusion offers a wide variety of **eco-friendly fireworks for special occasions** including birthday parties, tailgating events, and specific holidays! These bundles contain a diverse assortment of products, but most prominently the three and five inch “Little Betty” and “Big Boy” firework shells. **Fusion** also offers a variety of smaller products such as fountains, sparklers, snap pops, confetti poppers, and firework strips. All of these are produced specifically to be completely eco-friendly, from dissolving confetti paper to biodegradable wrappers. All products come in **clean burning, recyclable materials** to prevent further damage to the environment.



Price

Because the company’s fireworks are safer to use and eco-friendly, **Fusion** uses a premium pricing strategy. **Fusion’s** bundles range from \$5 to \$1,955 depending on which occasion a customer wishes to celebrate. According to the foundations of numerology, the number five represents adventure and the need to **create exciting moments**, which is why all of the product prices end in the number five.

Fusion analyzes the pricing strategies of competitors and ensures that prices are formulated to coincide with the current fireworks market.

According to *marketplace.org*, the average firework is marked up by 300%. **Fusion’s** products are marked up by only 60%, as the

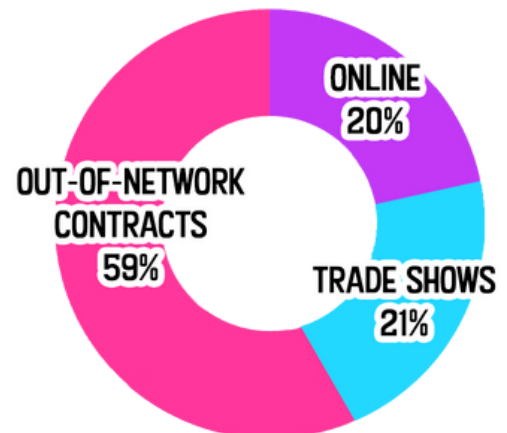
company prioritizes manufacturing in the United States rather than overseas. **Fusion** has an average transaction value of approximately \$650, as trade shows held by Virtual Enterprises International allow for the company to secure larger sales from interested consumers.



Placement

Fusion’s revenue derives from connections within the Virtual Enterprises network as well as real-world companies. By building relationships with other firms at trade shows, **Fusion** finds that as of February 29, 2024, 21% of the company’s revenue is generated from these events. 59% of the company’s profit comes from negotiating out-of-network contracts with real-world businesses.

Fusion’s primary sources of communication with these businesses are Email and Instagram, where crucial **connections are sparked** and deals are negotiated. The remaining portion of **Fusion’s** revenue comes from the company’s online website, where **Fusion** generates 20% of the company’s income. After the sale is made, whether from **Fusion’s** website or through a trade show, **Fusion** ships fireworks directly to the consumer using FedEx, who has the hazmat license necessary to transport pyrotechnics.



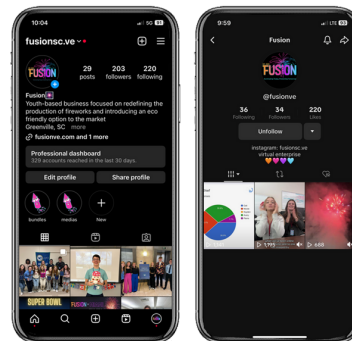
Promotion

Promotional strategies are a key process in expanding the company's mission and making **Fusion's** products known. **Fusion's** interactive website was launched in October 2023, where customers can purchase bundles specifically designed for their special occasion. Customers are met by a **bright array of radiant colors** and **explosive firework graphics**.



Fusion's sales team sends out weekly promotional emails that include sales catalogs, limited edition bundles, and links to the website. **Fusion** has an email conversion rate of 11%, with 23 purchases resulting directly from its email campaign. With email campaigns having no direct costs, any purchase made from this tactic is profitable for the company.

By creating a social media presence, **Fusion** is able to connect with firms both within and outside of the VE market. **Fusion** is seen on Tik Tok along with the company's most used platform, Instagram, which allows **Fusion** to increase their brand awareness and make sales deals through direct messaging. *Civic Science* reports that 90% of Gen-Z uses social media, allowing **Fusion** to be in constant contact with their target audience.³⁸ **Fusion** has an Instagram conversion rate of 30%, with 39 out of 131 firms purchasing based on the company's Instagram posts.



Positioning

Fusion has a unique position in the market as the **sole provider of environmentally-safe fireworks** intended for personal use, both in and out of the Virtual Enterprises world. We're bringing **exclusive military-grade technology** to this age-old industry, creating a new-to-market product that will change the future of fireworks. **Fusion** prides themselves in being a company that people of all ages, classes, and backgrounds can enjoy. **Fusion** offers a high quality product at a competitive price, catering to every company, employee and individual, both inside and outside of the Virtual Enterprises network.



BUSINESS RISKS

Business Risk 1: Currently, the fireworks market is heavily geared towards two major events per year. These selling seasons of the 4th of July and New Years proves to be a boon for fireworks businesses across the country as they see heightened profits. As the company has invested a significant amount of money into opening a year round, American manufactured, fireworks business, **Fusion** has taken a risk in attempting to open the minds of consumers to the possibility of fireworks being an everyday product - **not just for two holidays a year**. **Fusion** has been successful in year one, making 70% more in sales than originally projected.



This increase in sales was caused by our current assortment of products, which are catered to the traditions and holidays that are happening throughout the year. In the month of February, two new bundles were released, the Super Bowl Bundle and Valentines Day Bundle, allowing consumers to purchase products relevant to the season. As such, Fusion has proven to successfully mitigate the risk of fireworks being a seasonal item.



Business Risk 2: The USA has seen heightened partisanship as the norm these past few years. The *Carnegie Endowment for International Peace* states that Americans are highly emotionally polarized, meaning that they do not like members of the other party.³⁹ This has reflected in the politicians elected into office, as American politicians are highly ideologically polarized. In other words, they believe in and vote for different sets of policies, with little overlap. With the upcoming presidential election, this has been highlighted in the media, with crises such as the debt ceiling crisis and the government shutdown, proving that this polarization has real world implications. As such, if an economic crisis were to be triggered, which is an increasing possibility, Fusion could see the consequences ripple through the company. However, regardless of who wins the presidential election, Fusion would see steady profits due to the nature of its business. Due to its **eco-friendly product line**, Democratic politicians would favor the business, and because Fusion is a start up, GOP politicians would favor the business, allowing for Fusion to remain unscathed.

CORPORATE SOCIAL RESPONSIBILITY

As a company, Fusion highly prioritizes **social responsibility**. Since fireworks have the vast potential to cause wildfires, responsibility promotion is key. Fusion draws from Smokey the Bear's inspirational motto: "Only you can prevent forest fires." With the inclusion of a **Tips to Celebrate Safely** card in each purchase, Fusion strives to eliminate the hazards when shooting off fireworks.

In order to benefit society and fulfill civil duties, Fusion decided to partner with Direct Relief, a disaster relief organization that provides aid to those affected by wildfires. With this partnership, the company is able to support a nonprofit with values that align with Fusion's core beliefs and ideals. As well, the team participates in community service as an act of team bonding and a way to **give back to society**. Fusion includes a Tips to Celebrate Safely card, with proper instructions on how to set off the fireworks in a **safe and entertaining manner**.



By using eco-friendly materials in the composition of fireworks, Fusion effectively eliminates 50% of the carbon emissions, along with other gasses. In order to mitigate waste, Fusion has replaced existing plastics with bioplastic and uses biodegradable materials, in turn reducing litter while promoting recycling.

SMOKEY'S MISSION
Smokey's motto is "Only you can prevent forest fires." His aim is to teach children about wildlife conservation and treating the environment with respect.

CARBON EMISSIONS
At Fusion, our fireworks are made with nitrocellulose to decrease carbon emissions. Our fireworks emit 50% less carbon compared to competing fireworks brands.

DIRECT RELIEF
We are partnering with Direct Relief to support an initiative called the Wildlife Relief Program, which promotes fire safety in the wild.

ECO-FRIENDLY MATERIALS
All plastic used in our fireworks have been replaced by bioplastics to promote recycling. We also use biodegradable materials to decrease litter.

TIPS TO CELEBRATE SAFELY

- NEVER ALLOW YOUNG CHILDREN TO PLAY WITH OR IGNITE FIREWORKS, INCLUDING SPARKLERS. SPARKLERS BURN AT TEMPERATURES OF ABOUT 2,000 DEGREES FAHRENHEIT—HOT ENOUGH TO MELT SOME METALS.
- NEVER PLACE ANY PART OF YOUR BODY DIRECTLY OVER A FIREWORKS DEVICE WHEN LIGHTING THE FUSE. MOVE TO A SAFE DISTANCE IMMEDIATELY AFTER LIGHTING FIREWORKS.
- KEEP A BUCKET OF WATER OR HOSE HANDY, IN CASE OF FIRE OR OTHER MISHAP.
- MAKE SURE FIREWORKS ARE LEGAL IN YOUR AREA BEFORE LIGHTING.
- NEVER POINT OR THROW FIREWORKS (INCLUDING SPARKLERS) AT ANYONE.
- NEVER USE FIREWORKS WHILE IMPAIRED BY ALCOHOL OR DRUGS.
- NEVER TRY TO RELIGHT OR HANDLE MALFUNCTIONING FIREWORKS. SOAK THEM WITH WATER, AND THROW THEM AWAY.

WEBSITE!

FUSION



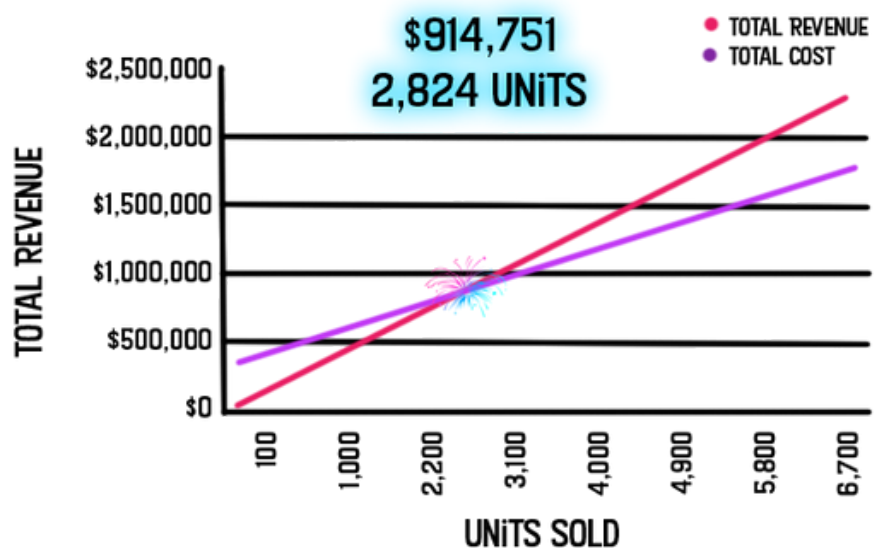
FINANCIAL PLANNING

FINANCIAL WRITE-UP

In August 2023, **Fusion**, a startup company, commenced its operations. The company was able to secure a total of \$150,000 in startup funding, which were raised through seed money and the generous help of our angel investors. With the raised funds, **Fusion** was able to cover various expenses such as payroll, rent, utilities, office equipment, and initial inventory. These expenses were crucial in allowing **Fusion** to launch its business and start making progress toward achieving its goals. Thanks to the support of investors and the hard work of the team, **Fusion** was able to overcome the initial hurdles of starting a business and establish themselves as a promising startup. The company decided to not take out a loan at the start of the fiscal year. While this choice caused some financial difficulties during the first few months of operation, it ultimately led to **Fusion** generating all of its revenue independently, giving the company a significant advantage over other firms. Small businesses can face higher interest rates on loans compared to traditional loans. It's important to carefully consider the terms and conditions of any loan before making a decision. This can significantly increase your total borrowing cost. This shows that **Fusion's** decision not to obtain a loan during an unpredictable time was wise. **Fusion** has established a dependable source of income by securing sales contracts with multiple businesses including *JBM and Associates*, *International Ballet Academy* and *Manifest Events*, despite not being a part of the VEI network. These contracts have generated more than \$90,000 in monthly sales revenue from October 2023 to February 2024. By covering a significant portion of monthly expenses, these sales contracts, along with an additional \$50,000 angel investment from *Larson Financial Group* in January 2024, will guarantee profitability for **Fusion** in the upcoming months.

BREAK-EVEN ANALYSIS

The Break-even Analysis is necessary for **Fusion's** development and success. The bundles sell for an average of \$324, while the average cost of goods sold is \$200. **Fusion's** annual fixed costs are \$383,524 while variable costs per unit are \$206. In original predictions, the company discovered that they would break even with 2,824 units or \$914,751, which was projected to fall at the end of April. However, thanks to **Fusion's** sales team, the company exceeded expectations and broke even on February 9, 2024. Since then, **Fusion** has been able to fabricate significant profits. With a current ratio of 2.02:1 and a quick ratio of 1.82:1, the company could liquidate their assets to grow their business and expand their brand around the world.



SUMMARY PROFIT AND LOSS

Fusion has demonstrated a strong financial performance since the beginning of the year, with a projected gross revenue of **\$1.24 million** at the end of the fiscal year. This analysis provides an overview of **Fusion's** financial position, liquidity ratios, revenue generation, and future growth prospects. **Fusion's** projected gross revenue is calculated considering monthly expenses such as advertising, insurance, office supplies, payroll, freight out, and rent totaling \$383,524 for the fiscal year.

After calculating the Cost of Goods Sold at \$474,295, **Fusion** expects a net profit of **\$327,918**, at the end of their first fiscal year, with a Gross Profit Margin of **62%** and a Net Profit Margin of **27%**.

Fusion has strong liquidity ratios, with a Quick Ratio of 1.82:1 and a Current Ratio of 2.02:1. These ratios indicate **Fusion's** ability to meet short-term obligations and suggest a healthy financial position. **Fusion** follows specific measures for revenue recognition. Despite achieving a total gross revenue of \$990,278 as of February 29, 2024, **Fusion's** revenue recognition method may appear less profitable compared to other companies due to its reliance on monthly recognition. **Fusion** primarily derives its income from out-of-network contracts, where revenue is recognized monthly. While this approach initially posed challenges, particularly in September 2023 when expenses had exceeded revenue, **Fusion's** sales team has effectively managed these issues. Looking ahead, **Fusion** anticipates exponential monthly income growth as it expands both its network of contracts as well as its online sales, eventually achieving higher revenue recognition. This growth is supported by the company's strategic approach to inventory management, capital improvements, and offering a more diverse product line. In conclusion, **Fusion** has demonstrated strong financial performance, strong liquidity ratios, and a strategic approach to revenue recognition.

FOR YEAR ENDING APRIL 30, 2024

| Fusion | | | | | | | | | | | |
|--------------------------------------|------------------|---------------------|-------------------|--------------------|--------------------|-------------------|---------------------|--------------------|--------------------|----------------------------|----------------------------|
| Profit and Loss Statement | | | | | | | | | | | |
| Month | ACTUAL August | ACTUAL September | ACTUAL October | ACTUAL November | ACTUAL December | ACTUAL January | ACTUALS February | PROJECTED March | PROJECTED April | Initial Total Projected | Current Total Projected |
| Gross Revenues | | | | | | | | | | | |
| Online Sales | \$ - | \$ - | \$ 11,433 | \$ 34,609 | \$ 51,970 | \$ 43,854 | \$ 16,334 | \$ 8,450 | \$ 7,010 | \$ 66,535 | \$ 173,659 |
| Trade Show Revenues | \$ - | \$ - | \$ - | \$ 88,324 | \$ - | \$ - | \$ 79,735 | \$ - | \$ - | \$ 120,000 | \$ 288,059 |
| Contractual Sales to non-VE entities | \$ - | \$ - | \$ 116,304 | \$ 124,973 | \$ 133,243 | \$ 44,750 | \$ 44,750 | \$ 80,000 | \$ 30,000 | \$ 650,000 | \$ 574,019 |
| Angel Investors | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 150,000 |
| Seed Money | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,000 |
| Total Gross Revenues | \$ 50,000 | \$ 100,000 | \$ 127,737 | \$ 247,905 | \$ 185,212 | \$ 138,604 | \$ 140,819 | \$ 88,450 | \$ 157,010 | \$ 1,006,535 | \$ 1,235,738 |
| Cost of Goods Sold | \$ - | \$ 40,000 | \$ 51,095 | \$ 99,162 | \$ 74,085 | \$ 55,442 | \$ 56,328 | \$ 35,380 | \$ 62,804 | \$ 402,614 | \$ 474,295 |
| Gross Profit | \$ 50,000 | \$ 60,000 | \$ 76,642 | \$ 148,743 | \$ 111,127 | \$ 83,162 | \$ 84,491 | \$ 53,070 | \$ 94,206 | \$ 603,921 | \$ 761,443 |
| Gross Profit Margin % | | | | | | | | | | | 62% |
| Operating Expenses | | | | | | | | | | | |
| Salaries | \$ - | \$ 25,640 | \$ 25,640 | \$ 25,640 | \$ 12,820 | \$ 25,640 | \$ 25,640 | \$ 25,640 | \$ 25,640 | \$ 192,300 | \$ 192,300 |
| Payroll Tax | \$ - | \$ 11,858 | \$ 11,858 | \$ 11,858 | \$ 11,858 | \$ 11,858 | \$ 11,858 | \$ 11,858 | \$ 11,858 | \$ 94,864 | \$ 94,864 |
| Freight Out | \$ - | \$ 5,136 | \$ 5,136 | \$ 5,136 | \$ 5,136 | \$ 5,136 | \$ 5,136 | \$ 5,136 | \$ 5,136 | \$ 41,088 | \$ 41,088 |
| Depreciation | \$ - | \$ 201 | \$ 201 | \$ 201 | \$ 201 | \$ 201 | \$ 201 | \$ 201 | \$ 201 | \$ 1,608 | \$ 1,608 |
| Rent | \$ - | \$ - | \$ - | \$ - | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 15,000 | \$ 15,000 |
| Advertising & Promotion | \$ - | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 128 | \$ 128 |
| Insurance | \$ - | \$ - | \$ - | \$ - | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 4,000 | \$ 4,000 |
| Utilities | \$ - | \$ - | \$ - | \$ - | \$ 476 | \$ 476 | \$ 476 | \$ 476 | \$ 476 | \$ 2,380 | \$ 2,380 |
| 401k | \$ - | \$ 1,600 | \$ 1,600 | \$ 1,600 | \$ 1,600 | \$ 1,600 | \$ 1,600 | \$ 1,600 | \$ 1,600 | \$ 12,800 | \$ 12,800 |
| Supplies | \$ - | \$ 20,763 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,763 |
| Other Payments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Expenses | \$ - | \$ 65,214 | \$ 44,250 | \$ 44,250 | \$ 35,706 | \$ 48,526 | \$ 48,526 | \$ 48,526 | \$ 48,526 | \$ 364,168 | \$ 383,524 |
| Income from Operations | \$ - | \$ (5,214) | \$ 32,392 | \$ 104,493 | \$ 75,421 | \$ 34,636 | \$ 35,965 | \$ 4,544 | \$ 45,680 | \$ 239,753 | \$ 327,918 |
| Other revenues/gains | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net income before taxes | \$ - | \$ (5,214) | \$ 32,392 | \$ 104,493 | \$ 75,421 | \$ 34,636 | \$ 35,965 | \$ 4,544 | \$ 45,680 | \$ 239,753 | \$ 327,918 |
| Corporate Income Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net income after taxes | \$ - | \$ (5,214) | \$ 32,392 | \$ 104,493 | \$ 75,421 | \$ 34,636 | \$ 35,965 | \$ 4,544 | \$ 45,680 | \$ 239,753 | \$ 327,918 |

- December 2023 pay is lower due to **Fusion** employees' time off during winter break.
- Fusion's** website was launched in October 2023, therefore no online sales were made in August or September.
- August 2023 was **Fusion's** first month but the only transaction was the seed money which was added to their account on August 31, 2023.
- Fusion** has had 3 trade shows to date. Two of them took place in November 2023 (one in person and one online) and a third one happened in February 2024. The company exceeded expectations and made more than projected at all 3 trade shows.
- The business started paying rent, insurance, and utilities in December 2023 (according to VEI policy) as they were a new firm.
- The company has exceeded expectations by surpassing the projected revenue. For example, **Fusion** had predicted to make roughly \$92,000 in December but ended up generating \$185,212 in revenue!
- Fusion** did not have to pay corporate income tax because they are an S corporation. The taxes are passed on through to their shareholders.



BALANCE SHEET

Fusion's Balance sheet demonstrates the strength of their investments, operational capital, and ability to grow sustainably. As of February 29, 2024, Fusion balances out at \$486,929. The company sits at \$464,387 in total current assets while their total current liabilities are \$229,416. They are committed to financial stability and providing a solid foundation for future endeavors, which is reflected in their retained earnings, which equal \$57,513. This money will help the firm grow their brand and change people's idea of fireworks being a fun and memorable tradition for only two holidays. All of these numbers fall within the range of a healthy and prosperous business showing Fusion's success in the market.

| ASSETS | | LIABILITIES AND STOCKHOLDER'S EQUITY | |
|--------------------------------------|------------------|---|------------------|
| CURRENT ASSETS | | CURRENT LIABILITIES | |
| CASH | \$419,602 | SALES TAX PAVABLE | \$55,319 |
| INVESTOR PROCEEDS (INCLUDED IN CASH) | \$200,000 | SALARIES PAVABLE | \$141,020 |
| INVENTORY | \$44,785 | PAYROLL TAX PAVABLE | \$25,077 |
| TOTAL CURRENT ASSETS | \$464,387 | 401(K) PAVABLE | \$8,000 |
| FIXED ASSETS | | LONG TERM LIABILITIES | |
| COMPUTERS | \$6,000 | TOTAL LIABILITIES | \$229,416 |
| ACCUMULATED DEPRECIATION | -240 | TOTAL STOCKHOLDER'S EQUITY | |
| FURNITURE AND FIXTURES | \$3,881 | COMMON STOCK | \$200,000 |
| ACCUMULATED DEPRECIATION | -155 | RETAINED EARNINGS | \$57,513 |
| EQUIPMENT | \$13,600 | TOTAL STOCKHOLDER'S EQUITY | \$257,513 |
| ACCUMULATED DEPRECIATION | -544 | TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | \$486,929 |
| TOTAL FIXED ASSETS | \$22,542 | AS OF FEBRUARY 29, 2024 | |
| TOTAL ASSETS | \$486,929 | | |

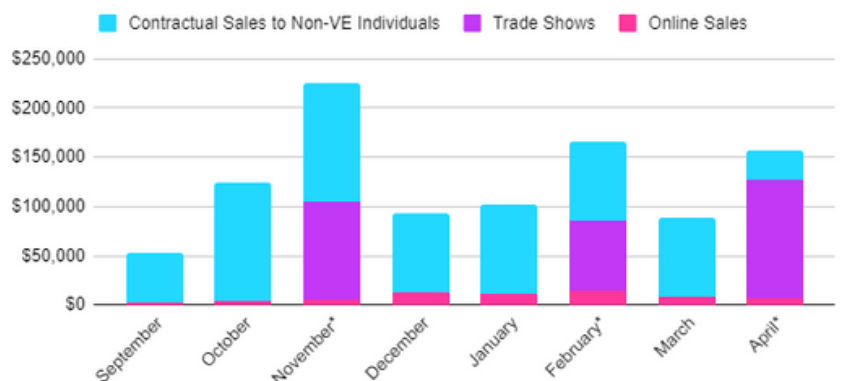
SALES PROJECTION SUMMARY

Fusion originally predicted to make \$1.06 million in VE purchases by the end of April 2024. But thanks to Fusion's sales team, the current projection as of February 29, 2024 is roughly \$1.24 million. The projected sales were determined by reviewing Fusion's trade show schedule and analyzing customer numbers and their purchasing power.

Fusion has secured many sales contract with companies such as *Manifest Events* (\$137,940), *JBM and Associates* (\$127,538), *International Ballet Academy* (\$27,811), which provide the company with over \$464,019 in total out-of-network sales.

Fusion is averaging \$165,046 in revenue monthly. Fusion has consistently exceeded sales projections each month, demonstrating the effectiveness of their market research and viability of the company. For example, in the month of January, Fusion accumulated 70% more revenue than originally projected.

Online Sales, Trade Shows and Contractual Sales to Non-VE Individuals



*Months where Fusion participated in trade shows held by Virtual Enterprises International





APPENDIX



CITATIONS

Business Rationale

1 <https://www.epa.gov/air-trends/air-quality-national-summary#:~:text=In%202022%2C%20about%2066%20million,of%20acids%2C%20and%20visibility%20impairment>

2 <https://www.statista.com/statistics/276629/global-co2-emissions/>

3 <https://www.hsph.harvard.edu/c-change/subtopics/coronavirus-and-pollution/>

4 <https://www.theguardian.com/environment/2020/apr/20/air-pollution-may-be-key-contributor-to-covid-19-deaths-study>

5 [https://www.climate.gov/news-features/understanding-climate/climate-change-global-temperature#:~:text=Earth's%20temperature%20has%20risen%20by,0.20%C2%B0%20C\)%20per%20decade](https://www.climate.gov/news-features/understanding-climate/climate-change-global-temperature#:~:text=Earth's%20temperature%20has%20risen%20by,0.20%C2%B0%20C)%20per%20decade)

6 <https://www.wwf.org.uk/learn/effects-of/climate-change#:~:text=Global%20warming%20is%20likely%20to,C%2C%20most%20ecosystems%20will%20struggle>

7 <https://climate.nasa.gov/vital-signs/ice-sheets/#:~:text=Antarctica%20is%20losing%20ice%20mass,adding%20to%20sea%20level%20rise>

8 <https://concernusa.org/news/bangladesh-underwater-humanitarian-crisis/>

9 <https://www.wbcsd.org/Overview/News-Insights/Member-spotlight/Consumers-say-their-environmental-concerns-are-increasing-due-to-extreme-weather-study-shows-they-re-willing-to-change-behavior-pay-12-more-for-sustainable-products#:~:text=To%20get%20a%20broad%20sense,levels%20of%20concern%20about%20sustainability>

Problem Statement

10 <https://earth.org/environmental-impact-of-fireworks/>

11 <https://portal.ct.gov/DEEP/Air/Planning/Particulate-Matter/Particulate-Matter-Fact-Sheet#:~:text=Particulate%20matter%2C%20or%20PM%2C%20is,seen%20as%20soot%20or%20smoke>

Solution Statement

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Company Overview

13 <https://www.fool.com/the-ascent/personal-finance/articles/americans-spend-how-much-on-fireworks-each-year-the-amount-may-astound-you/>

Company Culture

14 https://www.oxfordlearnersdictionaries.com/us/definition/american_english/culture_1

SWOT

15 <https://insights.bu.edu/marketplace-how-much-profit-do-fireworks-stands-make/#:~:text=The%20average%20markup%20for%20fireworks,rake%20in%20revenue%20of%20%24300.>

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17 <https://www.disneydining.com/top-10-mind-blowing-facts-about-walt-disney-world-fireworks/>

18 <https://www.marketplace.org/2022/12/16/how-much-profit-do-fireworks-stands-make/>

19 <https://worldpopulationreview.com/state-rankings/fireworks-laws-by-state>

Economic Conditions

20 [https://www.bea.gov/data/gdp/gross-domestic-product#:~:text=Gross%20Domestic%20Product%2C%20Fourth%20Quarter%20and%20Year%202023%20\(Second%20Estimate\)&text=Real%20gross%20domestic%20product%20\(GDP,real%20GDP%20increased%204.9%20percent.](https://www.bea.gov/data/gdp/gross-domestic-product#:~:text=Gross%20Domestic%20Product%2C%20Fourth%20Quarter%20and%20Year%202023%20(Second%20Estimate)&text=Real%20gross%20domestic%20product%20(GDP,real%20GDP%20increased%204.9%20percent.)

21 <https://www.forbes.com/advisor/investing/demand-pull-inflation/>

22 <https://www.nerdwallet.com/article/investing/inflation#:~:text=Rate%20is%203.1%25.-,Here's%20Why%20It%20Matters,help%20when%20making%20financial%20decisions>

23 <https://www.investopedia.com/terms/u/unemploymentrate.asp>

24 <https://www.forbes.com/advisor/personal-finance/unemployment-rates-by-city/#:~:text=What's%20a%20good%20unemployment%20rate,is%20good%20for%20the%20economy.>

25 <https://huntscanlon.com/why-there-are-6-million-unemployed-and-10-million-job-openings/#:~:text=Data%20from%20the%20Bureau%20of,6.5%20million%2C%20said%20Executives%20Unlimited.>

Competitive Analysis

26 <https://www.zambellifireworks.com/>

27 <https://www.marketplace.org/2023/07/03/fireworks-by-the-numbers/>

28 <https://www.ibisworld.com/industry-statistics/employment/fireworks-retailers-united-states/#:~:text=There%20are%207%2C948%20people%20employed,years%20between%202018%20and%202023.>

29 <https://www.businessresearchinsights.com/market-reports/fireworks-market-100487>

30 <https://www.mensjournal.com/entertainment/the-insiders-guide-to-buying-fireworks-for-july-4-2018>

Virtual Analysis

31 <https://insights.veinternational.org/categories>

32 <https://veinternational.org/2021-22-annual-report/>

Target Market

33 <https://www.businesswire.com/news/home/20220621005065/en/A-Large-Majority-of-Americans-Are-Willing-to-Pay-More-for-Sustainable-Products-Study-Finds>

34 <https://stacker.com/south-carolina/south-carolina-5-state-spending-most-fireworks>

35 greenvilleeconomicdevelopment.com/economy/market-conditions/

36 <https://realestate.usnews.com/real-estate/slideshows/the-fastest-growing-places-in-the-us>

Marketing Mix

37 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4144270/>

38 <https://civicscience.com/3-key-social-media-trends-among-gen-z-and-millennials/>

39 <https://carnegieendowment.org/2023/09/05/polarization-democracy-and-political-violence-in-united-states-what-research-says-pub-90457>



BANK STATEMENT

US Network Bank

Account details

Account: Fusion (Budget Checking) - 631157239

Period: from 02/01/2023 until 02/29/2024

[Download account details \(Excel\)](#)

| Date | Name/Description/Acct# | Ref# | Amount | Balance |
|---------------|--|---------|-------------|--------------|
| Feb. 29, 2024 | B Rafiq (US03022), Schnecksville, PA VE Checkout transaction #870472 02/29/2024 06:39 PM CT Acct #631281924 | 7389225 | \$240.75 | \$419,602.13 |
| Feb. 29, 2024 | Yeimi Servin Rendon (US06242), Stem, NC VE Checkout transaction #869617 02/29/2024 09:10 AM CT Acct #631197966 | 7387278 | \$5.35 | \$419,361.38 |
| Feb. 29, 2024 | Jeffrey Ng (US014868), Fresh Meadows, NY VE Checkout transaction #869531 02/29/2024 08:33 AM CT Acct #631218777 | 7387110 | \$2,535.90 | \$419,356.03 |
| Feb. 29, 2024 | Johnny Zheng (US014868), Fresh Meadows, NY VE Checkout transaction #869529 02/29/2024 08:32 AM CT Acct #631222812 | 7387106 | \$2,535.90 | \$416,820.13 |
| Feb. 28, 2024 | Maria Valdez Herrera (US015685), New York, NY VE Checkout transaction #867627 02/28/2024 09:54 AM CT Acct #631222995 | 7378215 | \$123.05 | \$414,284.23 |
| Feb. 28, 2024 | Pierre Rouvery (US015218), Greer, SC Pay Period: 2/13-2/27 Acct #631158448 | 7373437 | -\$1,187.00 | \$414,161.18 |
| Feb. 28, 2024 | Nicole Ruschel (US015218), Greer, SC Pay Period: 2/13-2/27 Acct #631160000 | 7373435 | -\$1,187.00 | \$415,348.18 |
| Feb. 28, 2024 | Matthew Wise (US015218), Greer, SC Pay Period: 2/13-2/27 Acct #631159975 | 7373433 | -\$1,040.25 | \$416,535.18 |

SHAREHOLDER AGREEMENT

SHAREHOLDER AGREEMENT

THIS SHAREHOLDER AGREEMENT made this 4th day of September 2023, BETWEEN:

Automate America of Troy, MI
OF THE FIRST PART

and

Stevenson Tax & Accounting of Greer, SC
OF THE SECOND PART

and

Larson Financial of St. Louis, MO
OF THE THIRD PART

and

Fusion of Greer, SC
(the "Corporation")
OF THE FOURTH PART

BACKGROUND:

A. The Corporation is incorporated under the South Carolina Business Corporation Act of 1988 (the "Act").

B. The Act permits the Shareholders to enter into a shareholder agreement in writing to restrict the powers of the directors of the Corporation to manage the business and affairs of the Corporation

Page 1 of 12

h. "Share" or "Shares" refers to one or more shares in the capital of the Corporation;

i. "Shareholder" means any one of the Shareholders who is or later becomes a Shareholder in the Corporation;

j. "Shareholders" mean any two or more of the Shareholders who are or later become Shareholders in the Corporation.

Shareholder Agreement

2. This Agreement restricts the Board's power to manage and supervise the Corporation to the extent necessary to effect the Shareholders' objectives as such objectives are set out in this Agreement and transfers such powers to the Shareholders. The Shareholders acknowledge that to the extent the Board's powers are restricted and transferred to the Shareholders, the obligations and liabilities of the Board, and the individual directors thereon, are also transferred to the Shareholders.

By-laws and Articles

3. The By-laws will be read as being subject to the provisions of this Agreement. The By-laws will not be amended or repealed except by written Agreement of all of the Shareholders.

4. The Articles will be read as being subject to the provisions of this Agreement. The Articles will not be amended or repealed except by written Agreement of all of the Shareholders.

Warranties

5. The Corporation warrants that as of the date of this Agreement, all issued and outstanding Shares are owned as follows:

| Name | Number of Shares | Class |
|----------------------------|------------------|-------|
| Automate America | 5,000.00 | A |
| Stevenson Tax & Accounting | 5,000.00 | A |
| Larson Financial | 5,000.00 | A |

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44. Headings are inserted for the convenience of the Parties and for the purpose of interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa. Words in the neuter mean and include the masculine and feminine and vice versa.

45. This Agreement will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns, as the case may be, of the Parties.

46. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

47. Time is of the essence in this Agreement.

48. The Parties will do all acts and things and execute all documents that are reasonably necessary or advantageous to enforce this Agreement according to its tenor and intent and each Party will bear that Party's own expenses in connection with the same.

49. All dollar amounts in this Agreement refer to US Dollars, and all payments required to be paid under this Agreement will be paid in US Dollars unless the Parties agree otherwise.

50. No Party will be liable in damages or have the right to terminate this Agreement for any delay or default in performance if such delay or default is caused by conditions beyond that Party's control including, but not limited to acts of God or government restrictions, wars, insurrections, natural disasters, such as earthquakes, hurricanes or floods and/or any other cause beyond the reasonable control of the Party whose performance is affected.

IN WITNESS WHEREOF the Parties have executed this Agreement on this 15th day of February, 2024.

Automate America (Shareholder) Stevenson Tax & Accounting (Shareholder)
Per: Heather Wallace (SEAL) Per: Ricky Stevenson (SEAL)

Larson Financial (Shareholder) Fusion (Corporation)
Per: Bedford Otey (SEAL) Per: Stephanie Kanasathan (SEAL)

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*Cover page, share allocation and signature page for our shareholder's agreement.



OUT OF NETWORK CONTRACTS



794 Hammett Bridge Road, Geer, SC 29650
P:(864) 355-7886
fusion.sc@fusionfireworks.com

Business Contract

This agreement is effective as of date of agreement between International Ballet Academy and Fusion on 10/04/2023. The parties hereby agree to the following terms and conditions.

OUR BUNDLES:

Spice up your performances with the Main Event bundle. There are 25 Little Betty (3 inch fireworks shells) and 15 Big Boy (5 inch fireworks shells) aerial fireworks. We include Ground Blooms in the colors of Green Bean Machine, Pizza Palooza, Gallivanting Goldfish, Smurf Storm, Pink Panther, and Booming Bananas (green, red, orange, blue, pink, and yellow respectively). The bundle features 500 of our Sparklers and Fountains of each color mentioned above. It also features 15 packs of 200 Snag Pops, 100 Firecracker Strips, and 100 Hotshots (roman candles).

Celebrate your donors and employees with the Fusion Birthday bundle. It consists of 50 Sparklers, 10 Confetti Poppers, 3 of our Big Boy 5 inch fireworks shells, and 2 of our Little Betty 3 inch fireworks shells. There are 4 Fountains in the colors of Green Bean Machine, Pizza Palooza, Smurf Storm, and Pink Panther (green, red, blue, and pink). Our bundle also features 2 Firecracker Strips, 10 of our Hotshots, and 7 Shooter Poppers.

Take your holiday shows to the next level. Our New Year's bundle brings in the new year with a bang. It consists of 3 Little Betty and 5 Big Boy aerial fireworks. It also contains 300 Sparklers, 20 Confetti Poppers, 15 Hotshots, and 5 Firecracker Strips. 9 Fountains are incorporated in the colors of Pink Panther, Gallivanting Goldfish, and Smurf Storm (pink, orange, and blue).

www.fusionva.com



International Ballet Academy hereby agrees to purchase the items below, supplied by Fusion.

| Item 001 | Quantity | Unit Price (\$) | Extended Price (\$) |
|----------------------|----------|-----------------|---------------------|
| Main Event Bundle | 10 | \$1955.00 | \$19,550.00 |
| Birthday Bundle | 25 | \$255.00 | \$6,375.00 |
| New Year's Bundle | 10 | \$355.00 | \$3,550.00 |
| Bulk Discount | | | \$1,663.75 |
| Total | | | \$22,811.25 |

www.fusionva.com



TERMS AND CONDITIONS: - This contract agreement may be canceled with 90 days written notice. The period of this contract is a one time purchase on the date of agreement. Title and ownership of this agreement is non-transferable to any other party.

Fusion guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. Fusion hereby agrees to honor the firm-fixed prices stated above during the period of the contract agreement with no consideration for economic price adjustments.

CANCELLATION: - The Contract may not be canceled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recovery and all associated litigation fees.

RENEWABLE OPTIONS: - After the signing of this agreement, either party may offer to negotiate optional months.

CORPORATE COMMITMENT: - By signing this agreement, International Ballet Academy hereby agrees to offer the expertise of its officers as advisors to Fusion. This mentoring will assist in the successful operations of Fusion, thus protecting your valued investment in our product.

The signatures below represent the authority to fully execute this agreement.

Liz Archer
Signature of International Ballet Academy Representative 10-4-23
Date

Makayla Oley
Signature of Fusion Representative 10-5-23
Date

www.fusionva.com



794 Hammett Bridge Road, Geer, SC 29650
P:(864) 355-7886
fusion.sc@fusionfireworks.com

Business Contract

This agreement is effective as of date of agreement, between @meaganbly Makeup and Fusion from 12/01/2023 until 02/29/2024. The parties hereby agree to the following terms and conditions.

OUR BUNDLES:

Our Main Event bundle consists of 25 Little Betty (3 inch fireworks shells) and 15 Big Betty (5 inch fireworks shells) aerial fireworks. We include Ground Blooms in our colors of Green Bean Machine, Pizza Palooza, Gallivanting Goldfish, Smurf Storm, Pink Panther, and Booming Bananas (green, red, orange, blue, pink, and yellow respectively). The bundle features 500 of our Sparklers and Fountains of each color mentioned above. There will also be 15 packs of 200 Snag Pops, 100 Firecracker Strips, and 100 Hotshots (roman candles).

Our Fourth of July bundle celebrates our independence with 3 of our spectacular Little Betty and 3 of our Big Betty aerial fireworks. There are 8 Fountains in our colors of Green Bean Machine, Pizza Palooza, Gallivanting Goldfish, and Smurf Storm (green, red, orange, and blue). We also include 4 Ground Blooms, 200 Sparklers, 3 packs of 200 Snag Pops, 20 Confetti Poppers, 5 Firecracker Strips, and 20 Hotshots.

Our New Year's bundle brings in the new year with a bang. It consists of 3 Little Betty and 5 Big Betty aerial fireworks. It also contains 300 Sparklers, 20 Confetti Poppers, 15 Hotshots, and 5 Firecracker Strips. 9 Fountains are incorporated in our colors of Pink Panther, Gallivanting Goldfish, and Smurf Storm (pink, orange, and blue).

www.fusionva.com



Meagan Ely Makeup hereby agrees to purchase the items below, supplied by Fusion.

| Item 001 | Quantity | Unit Price (\$) | Extended Price (\$) |
|-----------------------|----------|-----------------|---------------------|
| Main Event Bundle | 20 | \$1955.00 | \$39,100.00 |
| Fourth of July Bundle | 50 | \$395.00 | \$19,750.00 |
| New Year's Bundle | 50 | \$355.00 | \$17,750.00 |
| Bulk Discount | | | \$6,725.00 |
| Total | | | \$50,425.00 |

www.fusionva.com



TERMS AND CONDITIONS: - This contract agreement may be canceled with 90 days written notice. The period of this contract is spread over three months starting in December of 2023 until February 2024. Title and ownership of this agreement is non-transferable to any other party.

Fusion guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. Fusion hereby agrees to honor the firm-fixed prices stated above during the period of the contract agreement with no consideration for economic price adjustments.

CANCELLATION: - The Contract may not be canceled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recovery and all associated litigation fees.

RENEWABLE OPTIONS: - During the final month of this agreement, either party may offer to negotiate optional months.

CORPORATE COMMITMENT: - By signing this agreement, @meaganbly Makeup hereby agrees to offer the expertise of its officers as advisors to Fusion. This mentoring will assist in the successful operations of Fusion, thus protecting your valued investment in our product.

The signatures below represent the authority to fully execute this agreement.

Meagan Ely
Signature of Meagan Ely November 30, 2023
Date

Makayla Oley
Signature of Fusion Representative 12/1/2023
Date

www.fusionva.com



794 Hammett Bridge Road, Geer, SC 29650
P:(864) 355-7886
fusion.sc@fusionfireworks.com

Business Contract

This agreement is effective as of date of agreement, between JEM & Associates and Fusion from 10/09/2023 until 10/31/2023. The parties hereby agree to the following terms and conditions.

OUR BUNDLES:

Our Main Event bundle consists of 25 Little Betty (3 inch fireworks shells) and 15 Big Betty (5 inch fireworks shells) aerial fireworks. We include Ground Blooms in our colors of Green Bean Machine, Pizza Palooza, Gallivanting Goldfish, Smurf Storm, Pink Panther, and Booming Bananas (green, red, orange, blue, pink, and yellow respectively). The bundle features 500 of our Sparklers and Fountains of each color mentioned above. There will also be 15 packs of 200 Snag Pops, 100 Firecracker Strips, and 100 Hotshots (roman candles).

Our Fourth of July bundle celebrates our independence with 3 of our spectacular Little Betty and 3 of our Big Betty aerial fireworks. There are 8 Fountains in our colors of Green Bean Machine, Pizza Palooza, Gallivanting Goldfish, and Smurf Storm (green, red, orange, and blue). We also include 4 Ground Blooms, 200 Sparklers, 3 packs of 200 Snag Pops, 20 Confetti Poppers, 5 Firecracker Strips, and 20 Hotshots.

Our New Year's bundle brings in the new year with a bang. It consists of 3 Little Betty and 5 Big Betty aerial fireworks. It also contains 300 Sparklers, 20 Confetti Poppers, 15 Hotshots, and 5 Firecracker Strips. 9 Fountains are incorporated in our colors of Pink Panther, Gallivanting Goldfish, and Smurf Storm (pink, orange, and blue).

www.fusionva.com



JEM & Associates hereby agrees to purchase the items below, supplied by Fusion.

| Item 001 | Quantity | Unit Price (\$) | Extended Price (\$) |
|-----------------------|----------|-----------------|---------------------|
| Main Event Bundle | 50 | \$1955.00 | \$97,750.00 |
| Fourth of July Bundle | 50 | \$395.00 | \$19,750.00 |
| New Year's Bundle | 50 | \$355.00 | \$17,750.00 |
| Bulk Discount | | | \$4,725.00 |
| Total | | | \$122,525.00 |

www.fusionva.com



TERMS AND CONDITIONS: - This contract agreement may be canceled with 90 days written notice. The period of this contract is spread over three months starting in October of 2023 until December 2023. Title and ownership of this agreement is non-transferable to any other party.

Fusion guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. Fusion hereby agrees to honor the firm-fixed prices stated above during the period of the contract agreement with no consideration for economic price adjustments.

CANCELLATION: - The Contract may not be canceled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recovery and all associated litigation fees.

RENEWABLE OPTIONS: - During the final month of this agreement, either party may offer to negotiate optional months.

CORPORATE COMMITMENT: - By signing this agreement, JEM & Associates hereby agrees to offer the expertise of its officers as advisors to Fusion. This mentoring will assist in the successful operations of Fusion, thus protecting your valued investment in our product.

The signatures below represent the authority to fully execute this agreement.

Jacqueline McGuinness
Signature of JEM & Associates Representative 10/2/23
Date

Makayla Oley
Signature of Fusion Representative 10/3/2023
Date

www.fusionva.com





774 Homestead Bridge Road, Greer, SC 29615

Phone (864) 355-7888

<https://www.fusionevents.com>

Business Contract

This agreement is effective as of date of agreement, between Leigh Allison Kelley and Fusion on 10/28/2023. The parties hereby agree to the following terms and conditions.

OUR FIREWORKS

Our Remittance bundle for all things remittance consists of 5 of our Big Boy 1 inch fireworks shells, and 1 of our Big Betty 1 inch fireworks shell, each one of our Pink Panther and Peace Palooza, adding up to 5 Remittance in the colors of pink and red alongside 50 Sparklers, 50 Morning Glory Sparklers, and 4 of our Strawberry Poppers.

Our Sparklers feature the regular photo bundle with bonus fireworks, making it more budget-friendly. We are also replacing the candles, which are the same, with a bamboo alternative. Fusion Sparklers are reusable and recyclable, so sit back and enjoy!

Our Sparklers feature a type of firework which produces a jet of sparks, usually lasting between 15 and 60 seconds. Our firework Sparklers are long lasting and produce a very colorful spray of silver or gold sparks with an impressive height and manageable smoke levels.

Simply stand about five feet away from the 5 inch and 3 inch shells. After lighting the shell and dropping it into the mortar, the lead and spark travel through a small tube in the firework in the tube, lead is increased and both the subterranean boom, launching the firework and creating a brilliant display.

www.fusionevents.com



Leigh Allison Kelley hereby agrees to purchase the items below, supplied by Fusion.

| Item 001 | Quantity | Unit Price (\$) | Extended Price (\$) |
|---------------------------|----------|-----------------|---------------------|
| Remittance Bundle | 50 | \$35.00 | \$1,750.00 |
| Item 009 | Quantity | Unit Price (\$) | Extended Price (\$) |
| 1 inch Big Betty (1 pack) | 5 | \$18.00 | \$90.00 |
| Item 010 | Quantity | Unit Price (\$) | Extended Price (\$) |
| 4 inch Big Betty (1 pack) | 4 | \$45.00 | \$180.00 |
| Item 08 | Quantity | Unit Price (\$) | Extended Price (\$) |
| Fireworks (3 pack) | 300 | \$25.00 | \$7,500.00 |
| Item 09 | Quantity | Unit Price (\$) | Extended Price (\$) |
| Sparklers (20 pack) | 1,000 | \$15.00 | \$15,000.00 |
| Bulk Discount | | | \$1,950.00 |
| Total | | | \$14,480.00 |

www.fusionevents.com



TERMS AND CONDITIONS - This contract agreement may be canceled with 90 days written notice. This is a one time payment in November of 2023. Title and ownership of this agreement is non-transferable to any other party.

Fusion guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. Fusion hereby agrees to honor the firm fixed prices stated above during the period of the contract agreement with no consideration for economic price adjustments.

CANCELLATION - This Contract may not be canceled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recovery and all associated litigation fees.

RENEWABLE OPTIONS - During the final month of this agreement, either party may wish to negotiate optional renewal.

CORPORATE COMMITMENT - By signing this agreement, Leigh Allison Kelley, hereby agrees to offer the expertise of its officers as advisors to Fusion. This mentoring will assist in the successful operations of Fusion, thus protecting your valued investment in our product.

The signatures below represent the authority to fully execute this agreement.

Leigh Allison Kelley 11/28/2023
 Signature of Leigh Allison Kelley Date

Melinda Gray 11/28/2023
 Signature of Fusion Representative Date

www.fusionevents.com



774 Homestead Bridge Road, Greer, SC 29615

Phone (864) 355-7888

<https://www.fusionevents.com>

Business Contract

This agreement is effective as of date of agreement, between Manifest Events and Fusion on 10/28/2023. The parties hereby agree to the following terms and conditions.

OUR BUNDLES

Spice up any celebration with our Mini Event bundle. These are 25 Little Betty (1 inch fireworks shell) and 15 Big Boy (1 inch fireworks shell) aerial fireworks. We include Ground Blasts in our colors of Green Stars, Machine, Peace Palooza, Glistening Goldfish, Small Stars, Pink Panther, and Morning Remittance (green, red, orange, blue, pink, and yellow respectively). The bundle features 500 of our Sparklers and 500 of our color mixers above. There will also be 15 packs of 500 Snap Pops, 100 Firecracker Straps, and 200 Tinkles (green mixers).

Take your holiday events to the next level. Our New Year bundle brings in the new year with a bang. It consists of 5 Little Betty and 5 Big Boy aerial fireworks. It also contains 500 Sparklers, 50 Confetti Poppers, 15 Hushers, and 5 Firecracker Straps. Treatments are compensated in our colors of Pink Panther, Glistening Goldfish, and Small Stars (pink, orange, and blue).

Turning 2023 into 2024? Here at Fusion you are never too old to party. Kick off the day with our similar accessories and thank the party all with our Big Boys. They're so bright, you'll be able to see them without your glasses!

Our Remittance bundle for all things remittance consists of 5 of our Big Boy 1 inch fireworks shells, and 1 of our Big Betty 1 inch fireworks shell, each one of our Pink Panther and Peace Palooza, adding up to 5 Remittance in the colors of pink and red alongside 50 Sparklers, 50 Morning Glory Sparklers, and 4 of our Strawberry Poppers.

www.fusionevents.com



Manifest Events hereby agrees to purchase the items below, supplied by Fusion.

| Item 001 | Quantity | Unit Price (\$) | Extended Price (\$) |
|----------------------|----------|-----------------|---------------------|
| Adult Holiday Bundle | 45 | \$255.00 | \$11,475.00 |
| Item 005 | Quantity | Unit Price (\$) | Extended Price (\$) |
| New Year Bundle | 75 | \$200.00 | \$15,000.00 |
| Item 004 | Quantity | Unit Price (\$) | Extended Price (\$) |
| Remittance Bundle | 50 | \$35.00 | \$1,750.00 |
| Item 008 | Quantity | Unit Price (\$) | Extended Price (\$) |
| Mini Event Bundle | 60 | \$295.00 | \$17,700.00 |
| Bulk Discount | | | \$7,260.00 |
| Total | | | \$53,980.00 |

www.fusionevents.com



TERMS AND CONDITIONS - This contract agreement may be canceled with 90 days written notice. The period of this contract is spread over three months starting in November of 2023 until January of 2024. Title and ownership of this agreement is non-transferable to any other party.

Fusion guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. Fusion hereby agrees to honor the firm fixed prices stated above during the period of the contract agreement with no consideration for economic price adjustments.

CANCELLATION - This Contract may not be canceled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recovery and all associated litigation fees.

RENEWABLE OPTIONS - During the final month of this agreement, either party may wish to negotiate optional renewal.

CORPORATE COMMITMENT - By signing this agreement, Manifest Events, hereby agrees to offer the expertise of its officers as advisors to Fusion. This mentoring will assist in the successful operations of Fusion, thus protecting your valued investment in our product.

The signatures below represent the authority to fully execute this agreement.

Carleigh Peeler 10/28/2023
 Signature of Manifest Events Representative Date

Melinda Gray 10/26/2023
 Signature of Fusion Representative Date

www.fusionevents.com

ANGEL INVESTORS



870 East Sasser Rd., Greer, SC 29615

September 4, 2023

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Jillian Berg:

Please accept this letter of support as my intention to invest \$50,000 in Fusion. 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:

- 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.
- Reviewed company projections and assumptions.
- 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, Fusion 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.

Roby Stevens

Phone: (864) 918-4817
Email: rstevenstax@gmail.com



1409 Allen Dr Suite 2, Tay, NY 14825
(815) 523-2164

09-06-2023

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Jillian Berg:

Please accept this letter of support as my intention to invest \$50,000 in Fusion. 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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I am looking forward to working with Fusion. Their team is diligent and respectful and they demonstrate a passion for their mission. I am confident in their success.

Sincerely,
Heather F. Wallace
Heather Wallace
CEO
860-766-7010
heather@automateamerica.com



PO Box 1818 Greer, SC 29615
(864) 918-6622

01-17-2023

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Jillian Berg:

Please accept this letter of support as my intention to invest \$50,000 in Fusion. 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,
Bridget L. Gray
Name: Bridget Gray
Role in Business: Partner & Advisor
Phone: 864-548-1816
Email: bridget@larsonfinancial.com

Incorporated under the regulations of Virtual Enterprise International

Stevenson Tax

5,000 SHARES COMMON STOCK - PAR VALUE \$10 EACH
This certificate that represents 5% of the registered holder of 1,000 shares of the above-named Corporation fully paid and non-assessable. Transferable only on the books of the corporation by the holder named in person or by attorney.

upon surrender of this certificate properly endorsed.

In witness whereof, the said corporation has this certificate to be signed by its duly authorized legal representative and the corporate seal of Virtual Enterprise International to be hereunto affixed.

This 18th day of September of 2023

Incorporated under the regulations of Virtual Enterprise International

Automate America

5,000 SHARES COMMON STOCK - PAR VALUE \$10 EACH
This certificate that represents 5% of the registered holder of 1,000 shares of the above-named Corporation fully paid and non-assessable. Transferable only on the books of the corporation by the holder named in person or by attorney.

upon surrender of this certificate properly endorsed.

In witness whereof, the said corporation has this certificate to be signed by its duly authorized legal representative and the corporate seal of Virtual Enterprise International to be hereunto affixed.

This 18th day of September of 2023

Incorporated under the regulations of Virtual Enterprise International

Larson Financial

5,000 SHARES COMMON STOCK - PAR VALUE \$10 EACH
This certificate that represents 5% of the registered holder of 1,000 shares of the above-named Corporation fully paid and non-assessable. Transferable only on the books of the corporation by the holder named in person or by attorney.

upon surrender of this certificate properly endorsed.

In witness whereof, the said corporation has this certificate to be signed by its duly authorized legal representative and the corporate seal of Virtual Enterprise International to be hereunto affixed.

This 17th day of January of 2024



SALES MATERIALS



EST. 2023
FUSION
 SALES MATERIALS

📧 FUSION.SC@VEINTERNATIONAL.ORG
 (864) 355-7888 📞 WWW.FUSIONVE.COM 📷 @FUSIONSC.VE
 784 HAMMETT BRIDGE RD. GREER, SC 29650



FUSION BANNERS

RETRACTABLE BANNERS FOR TRADE SHOWS



PRODUCT OFFERINGS

- CONGRATS!** \$185
- GENDER REVEAL** \$185
BOY OR GIRL. MAKE YOUR GENDER REVEAL SOMETHING YOU WILL NEVER FORGET!
- ROMANTICS** \$115
WIN OVER THE LOVE OF YOUR LIFE WITH A PERFECT WAY TO PROVESS YOUR LOVE
- THE MAIN EVENT** \$1955
A DAZZLING DISPLAY PERFECT FOR YOUR COMPANY'S MAIN EVENT
- TAILGATE** \$185
BECOME A WINNER AND BEAT YOUR RIVAL AS YOU LIGHT UP THE SKY ON GAMEDAY



HOLIDAY BUNDLES

- NAUGHTY BUNDLE** \$265
ON THE NAUGHTY LIST? NOT ANY LONGER AFTER YOU LIGHT THESE UP!
- NICE BUNDLE** \$265
SHOW SANTA YOU CARE. BOTH ABOUT YOUR LOVED ONES AND THE ENVIRONMENT
- NEW YEAR'S** \$685
ILLUMINATE THE NIGHT SKY AS THE CLOCK STRIKES 12:00!
- BIRTHDAY** \$255
PERFECT FOR IF YOU'RE TURNING TWENTY FIVE OR SEVENTY FIVE
- FOURTH OF JULY** \$895
ONE UP YOUR NEIGHBORS LOUDLY FOURTH OF JULY SHOW WITH THIS PERFECT BUNDLE



FUSION FLYERS

HOW IT WORKS

THE FIRE TRIANGLE

YOUR BEST FRIEND AND SOCIAL IMPACT



SALES CATALOG

Fusion Fireworks

Our Bundles



OUR BUSINESS CARD

📞 (864) 355-7888
 📧 @fusionsc.ve
 📍 The Hammett Bridge Rd Greer, SC 29650
 🌐 fusion.sc@veinternational.org
 📱 visit our website

📺 FUSIONVE.COM 📷 @FUSIONSC.VE
 ORDER ONLINE BY VISITING OUR WEBSITE OR CODE ABOVE



EMPLOYEE EVALUATION AND RECOGNITION



Employee Evaluation Form

Employee Name: Juliette Method Department: Operations Date: Sept 15, 2023

| | |
|--|----------------------|
| Skills and Knowledge | |
| Comprehension of job duties and responsibilities | 1 2 3 4 5 6 7 8 9 10 |
| Requires minimal supervision | 1 2 3 4 5 6 7 8 9 10 |
| Ability to develop new skills and perform well | 1 2 3 4 5 6 7 8 9 10 |
| Quality of Work | |
| Produces accurate and thorough work | 1 2 3 4 5 6 7 8 9 10 |
| Completes work assignments on time | 1 2 3 4 5 6 7 8 9 10 |
| Consistent | 1 2 3 4 5 6 7 8 9 10 |
| Inclusiveness | |
| Treats everyone with respect and consideration | 1 2 3 4 5 6 7 8 9 10 |
| Accepting of other viewpoints | 1 2 3 4 5 6 7 8 9 10 |
| Overall works well with others | 1 2 3 4 5 6 7 8 9 10 |
| Initiative | |
| Ability to get work done before the deadline | 1 2 3 4 5 6 7 8 9 10 |
| Willingness to seek out work | 1 2 3 4 5 6 7 8 9 10 |
| Takes responsibility of resolving problems early | 1 2 3 4 5 6 7 8 9 10 |
| Attendance | |
| Communication | 1 2 3 4 5 6 7 8 9 10 |
| Effort | 1 2 3 4 5 6 7 8 9 10 |

Comments:
Adapts well to different assignments. Happy to help anyone.

Employee Signature: Juliette Method Supervisor Signature: Kayden Campbell

<https://www.fusionve.com>



Employee of the Month November 2023



Grace Wallace
Sales Executive

Congratulations to VE's November Employee of the Month for the 2023-2024 year! Grace has been a vital member of our team this past month. Scoring top 10% nationally, Grace delivered an excellent Elevator Pitch at the Southern Region Leadership Conference, placing 3rd overall. She is always willing to help and is more than happy to accept new challenges. She is a bright presence in the office and is very kind to everyone. Grace has had a great impact on the company this month and we are grateful for her addition to our team!



Employee of the Month December 2023



Cali Stevenson
CEO

Congratulations to VE's December Employee of the Month for the 2023-2024 year...Cali Stevenson. Cali is our fearless leader and does not settle for anything less than perfection. She has led the team to a 3rd consecutive State Championship and along with the rest of the team, has her eyes set on winning the Natty this year. Cali is a great leader and makes sure all deadlines are met on time. Her ability to network has helped the team secure a steady profit for the company. Having worked in finances and sales in previous years, she knows everything VE and we are grateful for that. Cali is a great boss and even better person. Thank you Cali for making Fusion a great place to work.



Employee Evaluation Form

Employee Name: Avery New Department: Marketing Date: 02/12/2024

| | |
|--|----------------------|
| Skills and Knowledge | |
| Comprehension of job duties and responsibilities | 1 2 3 4 5 6 7 8 9 10 |
| Requires minimal supervision | 1 2 3 4 5 6 7 8 9 10 |
| Ability to develop new skills and perform well | 1 2 3 4 5 6 7 8 9 10 |
| Quality of Work | |
| Produces accurate and thorough work | 1 2 3 4 5 6 7 8 9 10 |
| Completes work assignments on time | 1 2 3 4 5 6 7 8 9 10 |
| Consistent | 1 2 3 4 5 6 7 8 9 10 |
| Inclusiveness | |
| Treats everyone with respect and consideration | 1 2 3 4 5 6 7 8 9 10 |
| Accepting of other viewpoints | 1 2 3 4 5 6 7 8 9 10 |
| Overall works well with others | 1 2 3 4 5 6 7 8 9 10 |
| Initiative | |
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| Willingness to seek out work | 1 2 3 4 5 6 7 8 9 10 |
| Takes responsibility of resolving problems early | 1 2 3 4 5 6 7 8 9 10 |
| Attendance | |
| Communication | 1 2 3 4 5 6 7 8 9 10 |
| Effort | 1 2 3 4 5 6 7 8 9 10 |

Comments:
Great leader, always on task, organized and very helpful.

Employee Signature: Avery New Supervisor Signature: Kayden Campbell

<https://www.fusionve.com>





Core Values

- Communication
- Teamwork
- Responsibility
- Respect
- Accountability
- Commitment
- Support
- Self-sufficiency

Company Culture

Fusion strives to ensure we act responsibly to our colleagues, our customers, our society and our environment. To achieve our objectives, all employees need to be committed to our mission.

OUR MISSION IS TO CELEBRATE MOMENTS, SPARK MEMORIES, SUSTAIN THE ENVIRONMENT AND LIGHT THE FUSE TO A BRIGHTER FUTURE THROUGH THE SALE OF OUR ECO-FRIENDLY FIREWORKS.

We aim to give everyone a chance to contribute to all aspects of our business. All voices are heard. Employees are expected to grow both personally and within the company. We must be **educated** on our products so that we can **educate** our customers. Respectful communication is crucial to success.

Must Do's

1. Come into the office with a welcoming attitude.
2. Always do your work to the best of your ability and hold others accountable.
3. Communicate with your team EVERY DAY.
4. Know that you can grow and expand within your role.
5. Business is FUN so enjoy it.

Employee Signature _____ *Avery New*

