

BIOVITAL

Your Way to Wellness

Business Plan

2020-2021



biovitalve



215-951-2315



BioVitalVE



biovitalincorporated.wixsite.com/biovital



BioVitalVE



biovitalincorporated@gmail.com



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Executive Summary



A common individual is unlikely to understand the most overlooked health concern in the United States—yet, curing it is as simple as drinking a glass of water... literally. However, this issue is not rooted in dehydration itself—it all starts at what the individual knows, or their own perception of knowing. Each year, almost 520,000 Americans are hospitalized for chronic dehydration, and 10,000 of them die. The ugly truth is that nearly three quarters of these individuals are unaware of their dehydrated state (1). BioVital Incorporated acknowledges this issue and is devoted to combating it, as a company that not only focuses on improving the pinnacle of health and wellness of our consumers but providing them with safer and more convenient alternatives to health-concerning technologies.

BioVital Inc. came into fruition in September of 2020 in the city of Philadelphia, where we are poised to make a lasting impact on the health and wellness industry. We have chosen to situate our company in the City of Brotherly Love because of the multitude of growing industries, as well as the numerous economic incentives for doing business. BioVital Inc. has also filled the role of a C-Corporation in order to protect our employees and officers from legal liability as well as other economic advantages such as to raise capital by selling stock and to engage in foreign business transactions.

Adding to the internally structural solidity of our company, we employ eight associates directed by four officers that report to the CEO in our employment structure. We have found that this strategically organized system works effectively for communication. Our diverse team of employees have all been selected for their respective positions for each of their idiosyncratic skills and abilities to contribute to our company, as well as our shared passion to uphold BioVital Inc.'s mission: to provide our customers the opportunity to enhance their wellbeing, make health easily accessible, and set realistic goals through the monitoring of hydration.

Our initial product has been designed with respect to the various hydration related health concerns relevant today. According to a study done by Tech Wellness, Apple Watch and FitBit are largely attributed to consumers' skin irritation and exposure to electromagnetic field (EMF) radiation (2). On top of health concerns, the research structure for EMF radiation is alarmingly limited and muddled with research bias. Additionally, these products are too expensive and out of reach to several people as well as a large portion of the market.

Fortunately, the BioVital team has designed our debuting product, HydroWear, a wearable chip that measures hydration levels from the sodium and electrolyte concentrations in sweat and appropriately relays the information to a user-friendly interface on a phone app. The chip itself can

Executive Summary

be safely and comfortably worn through hypoallergenic adhesives and reusable wrist-bands, without the worry of EMF radiation emission. Hydrowear's function relies on a process of facilitating a voltage gradient on the skin called iontophoresis through which biomarkers found in sweat are transported through the outer epidermis as its permeability increases. To ensure safety for our users, hydrogen-based electrodes have been built into Hydrowear's sensors which prevent currents from causing skin irritation and injury.

Our team's diligence and belief in our product has consistently proven to bear fruit. Our target market being 13 to 19 year olds with a special focus on student athletes, BioVital has evidently struck a chord with a steady flow of customers, most of whom are teens, both within and out of the VE Economy; we have already exceeded our break-even point, which our aggressive projections initially projected to hit towards the middle of March—we have achieved this in February of 2021, over a month prior to these projections. This is due to our strong channels of sales revenue, particularly in regional, national, and international VE Trade Shows where our exceptionally talented sales staff consistently bring in substantial sales. For example, we sold over \$380,000 of Hydrowear in February during our most recent trade show. Additionally, having made over \$1,000,000 dollars in sales already, our young company exudes expectations for success in the fiscal years to come.

BioVital Inc. is currently positioned for success, with a clear and optimistic outlook for the future. In the years to come, we provide informative resources with the intention to educate more people about the importance of hydration and the need to be able to track hydration. In the long run, we also hope to diversify our product line that will aid our customers with products and tools with health and wellbeing beyond hydration, as well as establish strategic alliances with other businesses in order to push for the use of Hydrowear through reciprocating advertisements, promotions, and consistent sales on both sides.

With both feet wedged deep within the market and a promising plan for the future, BioVital is already creating a name for itself as a prominent brand in the health and wellness-tech industry, and there is no sign of slowing. Our team is determined to continue surpassing projections, research and develop new products, make more connections, educate prospects, and hone our strengths as well as keenly improve our weaknesses.

There is no turning back from the Hydration Revolution.

Sincerely,



Sean Park, Chief Executive Officer





Customer Empathy & Pain Points

Upon surveying a diverse population of high school students, it was discovered that 74% of students did not know when they were dehydrated, which is concerning because over 75% of Americans experience chronic dehydration, whether it's at the workplace, home, or school (3). After research, it was found that dehydration often raises a multitude of mental health concerns such as foggy memory, irritability, stress, lack of motivation, and unproductiveness (4). In contrast, maintaining hydration levels has proven to improve overall health in ways often unseen by individuals (5). Upsides to staying hydrated includes boosted metabolism, decreased risk for kidney stones, feeling energetic, and removal-filtration of toxins stored in the body which leads to clear skin and decreased risk for diseases (6).

Solution Statement

In order to address this issue at its core, we realized that we needed to find a way to make hydration information accessible so that one knows when to replenish with fluids. Upon extensive research in the technological advancements of chip-readers and natural hydration indicators, we developed HydroWear, a wearable chip that can be worn on a customizable reusable wristband or attached to the skin via an adhesive patch, and measures electrolyte and sodium concentrations in the skin/sweat to relay hydration information onto a user-friendly interface on a phone app. Hydrowear is a viable product both in and out of quarantine. Essentially, this technology benefits those that use it because, frankly, everyone can benefit in their health from being hydrated!

Goals and Strategies

Short Term Goal (one year): BioVital Incorporated is striving to reach \$1.25 million in gross sales this fiscal year from participation in four regional, national and international trade shows, substantial Out of Network Sales, social media, and website sales.

Strategy: Educate prospects about benefits of using Hydrowear's services in response to an extreme push for at-home workouts due to COVID, and capitalize on this demand by pushing individual sales through our platforms mentioned above.

Short Term Goal (1 Year):

Penetrate the world's largest fitness tracker market, China, and make BioVital a prominent international name.

Strategy: Register a trademark in China in order to protect BioVital from intellectual property theft. Work with a local Professional Employment Organization to begin selling in China quickly. Use BioVital's distinct logo and colors to market and make our brand recognizable.



Long Term Goal (2 Years):

Diversifying our product-line and making BioVital a prominent name in the health and wellness industry.

Strategy: We have begun the data collection process for our next product. This entails contacting and incentivising past customers to tell us what they want next from BioVital. The research and development team has gone through a thorough ideation process, leaving us with exciting prospective product ideas. We have decided that our next product will continue on the mission of helping our customers find their way to wellness. As such, we have agreed to remain in the technology sector of the health industry.

Long Term Goal (3 Years):

Form a business partnership with an insurance company, such as Blue Cross, and implement an incentivized paid program to workout while wearing Hydrowear to track hydration via social media, newsletters, and consistent sales on both sides.

Strategy: Demonstrate the substantial amount that insurance companies can save for each of the thousands of patients that is not hospitalized from chronic dehydration

About the Business

Company Overview

Each year, almost 520,000 Americans are hospitalized for dehydration, and 10,000 of these individuals die. BioVital Incorporated acknowledges this issue and is devoted to combating it. BioVital exists as a company that not only focuses on improving the pinnacle of health and wellness of our consumers, but providing them with affordable and easy-to-use alternatives to overpriced technologies in order to conveniently set realistic goals. According to a study done by Tech Wellness, Apple Watch and FitBit are largely attributed to consumers' skin irritation and exposure to EMF radiation. On top of health concerns, the research structure for EMF radiation is alarmingly limited and muddled with research bias. Luckily, the BioVital team has designed our debuting product, HydroWear, a wearable chip that measures hydration levels from the sodium and electrolyte concentrations in sweat and appropriately relays the information to a user-friendly interface on a phone app. The chip itself can be safely and comfortably worn through skin-friendly adhesives and reusable wrist-bands, without worry of EMF radiation emission. Hydrowear's function relies on a process of facilitating a voltage gradient on the skin called iontophoresis through which biomarkers found in sweat are transported through the outer epidermis as its permeability increases. To ensure



safety for the user, hydrogen-based electrodes have been built into Hydrowear’s sensors which prevent currents from causing injury to the skin.

C-Corporation

We are a C-Corporation because it protects our employees and officers from legal liability in the event of litigation, and allows us to raise capital by selling stock by having an unlimited amount of shareholders. Being a C-Corporation also allows for more growth in a shorter period of time, and gives our company a flat tax rate as opposed to a variable one. Additionally, we are able to take Hydrowear to the international stage which ultimately boosts revenue far more than as an S-Corporation.

Philadelphia Based

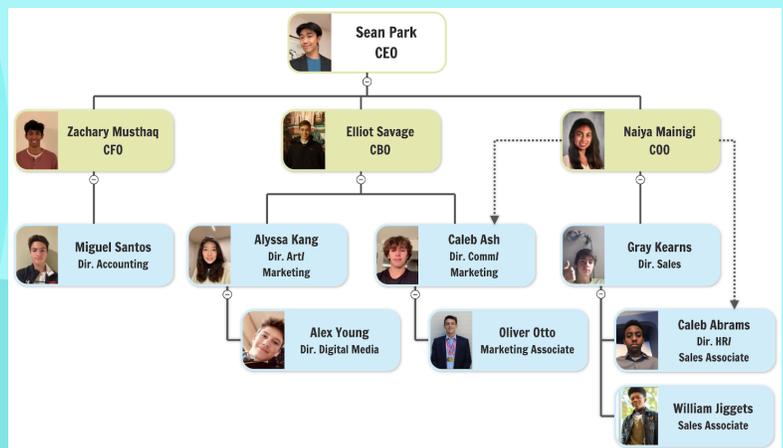
BioVital Incorporated. is located in Philadelphia because of the city’s large number of fast growing companies, and the many economic incentives for doing business, such as the many grants, programs, and tax credits. The city provides many opportunities within itself, but also allows BioVital a prime location between New York City and Washington DC, which leads to further company growth. BioVital Incorporated was initiated in 2020 as a new firm for the purpose of helping our prospects find their “Way to Wellness”.

Mission Statement

Our mission at BioVital is to provide people the opportunity to enhance their wellbeing, make health easily accessible, and set realistic goals through the monitoring of hydration. Our job in improving health through hydration will not be done until the number of critically dehydrated individuals in the U.S. drops from 520,000 to zero.

Organization

Our employment organization is traditional. We employ eight associates and four officers that report directly to the CEO. Each Chief Officer leads their respective departments and communicates in tandem with the executive team. We are able to utilize the many talents of our employees to complete multiple tasks at once, and work together as departments. We have found that this synergy works effectively for communication and organization.





Strengths

Arguably BioVital's most prominent strength resides in its employees. We are a team of like minded individuals who are motivated by our desire to improve health through hydration and carry out business with respect to our mission statement. Hydrowear also does not emit health-concerning EMF radiation which is a competitive advantage over other health-related technologies. Furthermore, in addition to our primary market of 13-19 year olds, Hydrowear appeals to a broad range of people within the VE market, such as our secondary market of adults at trade shows, and our tertiary market of out of network sales. In addition, our company exudes diversity which is crucial to sustain an inclusive and friendly work environment. As a company in the health and wellness-tech industry, we thrive in a currently unsaturated yet growing market, which shows promise for exponential growth.

Weaknesses

However, like any new company, we've identified areas for improvement. New to a market scrambling with companies that have just recognized the value of the hydration industry, we lack branding reputation. Our plan to address this is to continue enhancing our brand to make BioVital a titan of not just hydration, but the health and wellness industry. Additionally, because our staff is small and limited work-hours, deadlines are a greater constraint to our company. However, we utilize the many talents of our employees to take on multiple tasks and supervise their peers in our employment organization, designed to maximize productivity and workflow speed.

Opportunities

Nonetheless, BioVital no doubt faces opportunities for boundless success. We harbor regional, national, and international trade shows where we are given the chance to directly sell HydroWear products with the touch of our premium customer service. Additionally, our direct competitors have yet to launch their products, so we have a competitive head start in the hydration-technology industry! We have also formed business alliances in order to take advantage of reciprocating promotions and sales opportunities. We plan on continuing to expand our connections in the years to come, as we begin to pursue larger-scale partnerships. Finally, the continuous increase in popularity of wearable technology and its increasing subconscious correlation to physical health will likely result in a great portion of potential prospects becoming drawn to the idea of tracking hydration with Hydrowear.

Threats

Our largest external threat is the competition that we face against other businesses that sell products with similar services to those of Hydrowear. With regard to the similarities and differences



between other products and Hydrowear, our research department has implemented several unique features in our product, and our marketing team highlights the multiple advantages to Hydrowear (view competitive analysis). Additionally, our target markets' lack of understanding the importance of hydration and purchasing Hydrowear would inevitably lead to static interest. We plan on continuing to market with the intention to appeal towards our primary market and partnering with fitness companies to gain traction in the market. Additionally, prospects may express concern about the security of data procured from hydration analysis. We assure all customers we only collect information for the sole benefit of our users, on our encrypted and password protected devices and servers, offering a customizable security setting that allows you to control with whom you share your information.

S

- Motivated Employees
- EMF Radiation
- Broad Markets
- Diversity
- Unsaturated & Promising Industry

W

- Lack of Branding Reputation
- Small Staff & Limited Work Hours

O

- Trade Show Success
- Head Start in Industry
- Business Alliances
- Increased Popularity

T

- Similar Competing Products
- Markets' Misunderstanding Importance of Hydration
- Data Security

External Environment

Competitive Analysis

BioVital offers consumers a product that no other company in the VE world does. The indirect competition does not offer the same products that we do. Companies like &Joy (Limberg, Belgium) sell a Samsung Galaxy Smartwatch that has moderate health tracking abilities, but Hydrowear offers more, with the ability to track hydration levels. Another example of this is Cynosure (Oak Ridge, Tennessee), a company that offers the CT Watch, which is essentially an Apple Watch. However, while still not providing a product with the same abilities as Hydrowear, they also sell a variety of

External Environment



products in different industries, meaning they are unable to invest as much time into marketing said product as we are. In the VE economy, BioVital is a titan of the health industry. The average VE health company has just under 275,000. BioVital has made over \$1,000,000 to date.

	BIOVITAL	NIX BIOSENSORS	SWEATI	SIXTY SMART BAND	AURA STRAP & APP	WATERMINDER APP	GARMIN VIVOSMART 4	APPLE WATCH
INSTANTLY TRACKS HYDRATION	✓	✓	✗	✓	✓	✗	✗	✗
USES A MOBILE APP	✓	✓	✓	✗	✓	✓	✓	✓
NOTIFIES USER WHEN IT'S TIME TO DRINK	✓	✗	✗	✗	✗	✓	✗	✗
WEARABLE TECHNOLOGY	✓	✓	✗	✓	✓	✗	✓	✓
CAN SHARE INFO WITH MEDICAL/ HEALTH PROFESSIONALS	✓	✓	✓	✗	✗	✗	✗	✓

Current Economic Conditions

In 2020, the U.S. economy took a drastic turn for the worse. The unemployment rate, which had been on a ten-year decline, jumped to a high of 15% due to pandemic layoffs. Additionally, as can be seen in the chart above, the U.S. GDP (which had been growing quarter to quarter in both 2018 and 2019) dipped into negatives in the beginning of 2020. The near 30% decline in the U.S. GDP from 2020 Q1 to 2020 Q2 is a clear indication of an economic recession (7). Quarantine hit small businesses especially hard, as an estimated 60% of them closed permanently (8). Fortunately, BioVital avoided the economic downturns of 2020 by pushing online sales and keeping fundraising private - helping us steer away from potential stock market losses. Additionally, we were able to capitalize on a beneficial prime rate of 3.25% to negotiate our \$150,000 loan, a value that was likely also influenced by the recession (9).

In 2021, the U.S. economy has made a strong bounce back. According to the February Jobs report, the nation's unemployment rate has dipped down to an impressive 6.2% and employers added 379,000 jobs, which are two positive signs that the labor market, and the economy at large, are making a positive strides (10). Furthermore, with total retail sales being the strongest on record, many analysts



are projecting the economy to continue to grow past pre-COVID levels in the coming months which we expect will only benefit our company. (11)(12) That said, even if the current positive projections end up not coming to pass, any form of economic recuperation will benefit our sales as money becomes less tight and spending increases amongst average consumers.

Industry Analysis - VE

With only indirect competitors, BioVital commands the VE hydration industry. Internationally, there is no competitor whose product serves the same purpose or customer base as HydroWear. Our anticipated demand for HydroWear has ramped up as the year has progressed. The two main reasons behind our increase in anticipated demand are an unprecedented volume of sales from trade shows and a shift to warmer and athletics-friendly weather.

Though there is no hydration competition, there are competitors who use similar technology for similar purposes. Fellow health company Slouch Away (California, USA) uses an adhesive patch to improve posture for its consumers. Thrive Inc. (Michigan, USA) sells a watch that monitors basic health and fitness. On Guard Sports Apparel even manufactures clothes that are designed to prevent common sports injuries. BioVital is in good company when it comes to wearable technology in the VE economy, but we stand alone in our mission to improve health and productivity through hydration. Our impressive profitability can be attributed to buying wholesale, allowing us to keep the cost of goods sold low, and selling HydroWear at a higher price due to our distinguished software, technology, and app platform.



Industry Analysis - Real World

The real world industry of fitness trackers is one of the fastest growing consumer electronic product markets on the planet. The fitness tracker market stood at a global market value of \$30.41 billion in 2019, and is expected to grow at a CAGR of 15% which, for best understanding, would be an increase to \$91.98 billion by the end of 2027. The growth of the market is headlined by health-conscious members of the younger generations, who in the U.S., specifically strive to drive down currently skyrocketing chronic disease rates in the general population (13). The incline of the fitness trackers can only be an advantage for BioVital's line of HydroWear, as the most common consumer of the industry perfectly coincides with our primary target market. In terms of competition, the fitness tracker industry is led by some familiar names along with a few international giants -- Apple, Samsung, Fitbit, Xiaomi (China) and Huawei (China) being the top five (14). While the five comprise a significant portion of the market (68% to be exact), competition for BioVital still remains relatively low because none of those companies have created a product focused on specifically hydration yet.

Target Market & Segmentation

BioVital directs marketing efforts primarily towards 13-19 year olds with a special focus on student athletes. Our marketing is directed at student athletes as our product best benefits those involved in competitive sports. HydroWear's statistics can better inform these student athletes on their hydration. Additionally, we target VE students making above \$25,000 annually because we recognize that our product is a luxury, not a basic necessity. For comparison, the 2021 poverty line in the United States is \$12,880 (15). However, Hydrowear is far more affordable than other health related technologies, so it is set to be in reach of more consumers that normally would not be able to afford other luxury items.

BioVital's secondary target market is adults at trade shows with VE credit cards, an avenue that has proven to be lucrative for us. Our tertiary target market consists of adults who purchase through out-of-network contracts, which has also proven to be a crucial sales channel for us. Given our sales will be made on the VE marketplace, our primary target market fits well with the technologically savvy generation. Over 98% of Generation Z has a smartphone, and this familiarity with mobile apps allows our target audience to have easy time using HydroWear (16).

BioVital Incorporated has a broad consumer demographic, ranging from young teenagers looking to improve their athletic ability, likely for a school or club sports team, to those over retirement age simply looking for a way to maintain health. By targeting this trait, Hydrowear will appeal to a much more comprehensive subpopulation than any simple age group or income range. Through social media including Instagram, direct mail, and our website, BioVital Incorporated will be able to connect with this target population of smartphone users and push the Hydrowear product to the forefront.

Marketing Mix



Product Description

Hydrowear is a chip that is both simple and stylish, and can be attached to an adhesive patch, wrist band, or any article of clothing with a clip, all of which is included with the chip. The wrist band comes in many different materials such as leather, silicone, and metal. The chip connects to the Hydrowear app on your phone and will alert the user when they are dehydrated. It will determine how hydrated or dehydrated the user is by tracking the micronutrients, such as electrolytes, chloride, and sodium, in the user's sweat.

Price

There are five different price options: the \$5,000 Olympics package (56 Individual Plus units and Coach's Hub), \$3,000 Elite package (32 Individual Plus Units and Coach's Hub), \$1,950 Team Package (20 Individual Plus Units and Coach's Hub), \$100 single Individual Plus unit (Data share), and a \$75 single Individual unit. These prices are meant to create benefits in buying in bulk. In fact, bundle pricing plays a major role in our sales, making up almost 90% of all out-of-network sales. Pricing also gives Hydrowear a competitive advantage since it costs anywhere from \$55 to over \$700 cheaper than similar 'band' or 'watch' style competitors.

BioVital employs a pricing strategy that effectively presents HydroWear as an affordable and desirable product. Our firm uses pricing for market penetration in the sense that HydroWear costs less than competitors with similar products like FitBit or Garmin (17). Along with these strategies, we will also offer discounts and events in the future to further drive up sales.

PACKAGE	UNITS	PRICE	COACH'S HUB
INDIVIDUAL	1	\$75	X
INDIVIDUAL PLUS	1	\$100	X
TEAM	20	\$1950	✓
OLYMPIC	32	\$3000	✓
ELITE	56	\$5000	✓

Placement

HydroWear is conveniently placed on our website, at VE Trade shows, and on social media, making it easy for customers to purchase our product. With out of network contracts, trade shows, and other sources such as our website making up 55.9%, 31.6%, and 12.5% of total sales respectively, BioVital



has many different sales channels. We drive sales to our website and tradeshows through social media, which has proven to increase sales among our primary target market.

Promotion

BioVital Incorporated's marketing goals entail attracting new customers and generally increasing sales. More specifically, the team wants to sell to at least 50 first time customers

each month. In order to go about reaching this goal to increase sales, tactics will include social media posts, direct messages, promotions, and comments intended to boost awareness for our brand. The sales team will also be using phone calls, regional and international trade shows, and relying on user testimonials by mouth to promote HydroWear. BioVital's social media presence will focus on connecting with users inside the target market as well as those in secondary or tertiary markets. Creative social media posts that incorporate HydroWear into popular trends as well as updates will be sent out whenever they fit as a way of connecting with the audience and as a form of unique engagement. In order to further increase sales, we aim to maintain past customers through social media, direct contact through email, and constant engagement at trade shows.

Social media and website promotions will also be a fantastic way to communicate updates and promotions with existing and potential customers. Promotions will occur throughout the various holidays and celebrations, with special attention on the transition period of mid December to mid January. This timeframe in particular will boost sales as BioVital will take advantage of the product's attraction as a gift, customers' increased spending power, and New Year's resolutions as they will supplement demand. Additionally, promotions will be held in correspondence with sports events (like the Olympics, the Euros, the NBA/NFL playoffs and finals, etc.) where there will be heightened attention to sports, specifically sports performance.

Furthermore, social media will provide a platform to hold giveaway style raffles once the customer base grows large enough to be able to sustain one. These raffles will provide extra incentive to not only purchase new products, but to restock on bands and patches for existing Hydrowear users. Lastly, the existing Hydrowear consumers will receive a bi-weekly direct mail which will include various updates about our brand and company. Updates will include information regarding upcoming promotions, links to our website social media accounts, and customer specific suggestions such as, for example, when to restock on bands and patches. Together, this set of tactics will allow the





company to not only attract new customers, but also allow existing customers to expand their Hydrowear collection.

Positioning

Hydrowear is clearly marketed as a hydration specific product that the consumer will utilize and depend on for their personal hydration needs. It is the best product that caters towards tracking the user's hydration. With comfortable wearability and a simple, intuitive interface, Hydrowear stands above all other wearable tech trackers. It is ultimately a unique, cost-conscious, fascinating piece of technology that sits comfortably in the VE market. We have found that all targeted markets enthusiastically purchase our product because the prospect of improving athletic and intellectual performance through hydration is very appealing.

Risks

BioVital's greatest risk is the coronavirus pandemic. In March 2020, every major sports league postponed competition, with colleges and high schools following suit. Since most schools are still not in person, it will be difficult to promote our "Team" package of HydroWear, as teams are meeting far less frequently, if at all. Our target market may not see the immediate advantage to our product because they would not be able to use it like it was intended due to the pandemic. However, our marketing strategy has accounted for this risk, as we will focus more on the individuals that can use HydroWear to track at-home workouts. Our focus will still be on the large schools that can distribute our product to all of the student athletes, but that marketing campaign will have to be postponed until sports resume as "normal."

Another major risk BioVital faces as a startup is generating enough revenue to sustain our company. This being said, BioVital has virtually solved this common problem through our incredible performance at trade-shows and with our out-of-network contracts. These initial sales have allowed us to shift our focus from company sustainability towards company growth.

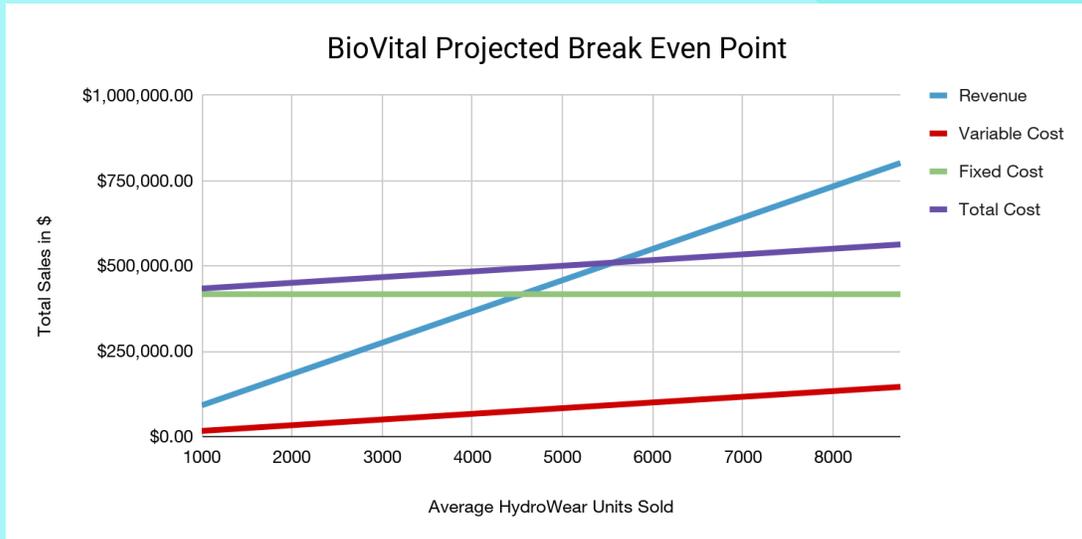
Corporate Social Responsibility (CSR)

BioVital Incorporated strives to support our community and enact positive change. Our company works hard to ensure that everyone learns the importance of hydration and how it can greatly impact their lives. 80% of consumers are more likely to purchase from a company that gives back and supports the community (18). Our marketing department uses the BioVital social media accounts to post hydration facts and educate our followers on the importance of hydration. Our sales department offered a hydration pop-up presentation to the GFS community, which taught the benefits of hydration, and what next steps can be taken to improve their overall health. By targeting high schoolers, we are teaching our primary target market the importance of keeping their body healthy. BioVital's consumers are the main focus, and their support is what helps our company grow.

Financial Planning



Break-Even Analysis



In terms of our major assumptions, we created an “average” unit that allowed us to most accurately determine our break-even point. From our first month of sales, it became clear that individual sales were composed of two-thirds HydroWear Individual Plus’ and one-third HydroWear Individuals. Using the prices of \$100 for the plus and \$75 for the standard, we calculated that the “average sale price” of our individual units is \$91.67. The same calculation was done with the cost of goods sold for the two products, now utilizing values of \$20 for the plus and \$10 for the standard which gave us an “average COGS” of \$16.67. Utilizing these two averaged values, we ended up calculating an average profit rate of 81.81. To determine our estimated fixed costs on the year, we extracted many values from our initial cash budget, the largest of them being payroll, rent, equipment, and legal fees.

BioVital Inc. broke even on February 11th during the VE February National Virtual trade show. During that day, the company hit \$510,200.90 in total sales which is equivalent to 5,565 of our average HydroWear units. The amount surpassed the current costs of the company, which included part of an expected \$417,421 in annual fixed cost.

Summary Profit & Loss Statement

Actual:

As of February 28th, BioVital has generated \$971,966 in total sales revenue. After subtracting the cost of goods sold for the product, the company possesses \$784,942 in gross profit. Finally, after deducting company operating expenses to date, we hold \$545,035 in net income.

BioVital Incorporated	
Profit and Loss	
May 1, 2020 - February 28, 2021	
	TOTAL
Income	
Sales of Product Income	971,966.98
Total Income	\$971,966.98
Cost of Goods Sold	\$187,024.00
GROSS PROFIT	\$784,942.98
Expenses	
Payroll Expense	205,918.80
Sales Tax Expense	30,373.49
Tradeshaw Deposit	2,000.00
Utilities Expense	1,615.00
Total Expenses	\$239,907.29
NET OPERATING INCOME	\$545,035.69
NET INCOME	\$545,035.69



Projection:

By the end of the fiscal year, April 30th, BioVital maintains ambitious and aggressive projections. We foresee a total of \$1,686,420 in total revenue amounting to a total cost of goods sold of \$305,555 on the year. After subtracting the cost of goods sold from total revenue, we are left with a total gross profit of \$1,349,136 and a gross profit margin of 81.8%. Finally, using our calculated \$417,421 in total company operating expenses, we will finish the year with an expected net income of \$931,715.

BioVital Incorporated - Profit & Loss Summary	
Dated for End of Fiscal Year - 4/30/2021	
Total Revenue:	\$1,686,420
Total COGS:	\$305,555
Total Gross Profit:	\$1,349,136
Gross Profit Margin:	81.8%
Total Operating Expenses (no COGS):	\$417,421
Net Fiscal Year Income:	\$931,715

Sales Projections Summary:

Month	October	November	December	January	February	March	April	Total
Out of Network Contracts	\$0	\$150,000	\$0	\$0	\$277,250	\$0	\$0	\$427,250
Trade Show Sales	\$0	\$41,545	\$61,890	\$84,084	\$388,246	\$50,000	\$440,000	\$1,065,765
Online/Direct Sales	\$0	\$7,391	\$7,025	\$19,463	\$82,526	\$17,000	\$60,000	\$193,405
Total	\$0	\$198,936	\$68,915	\$103,547	\$748,023	\$67,000	\$500,000	\$1,686,420

October: The company was still onboarding employees and establishing business procedures during October. Therefore, sales were not ready to be made until next month.

November: The first month of sales was a welcome sight for us. To get the process started, COO Naiya Manigi negotiated an \$150,000 out-of-network contract with her mentor, Kristina Loeffler of Bayer Pharmaceuticals. The contract allowed us to promptly cover the month's expenses. In November, our company also learned the power of trade shows, as we pulled in \$45,000 straight from the trade show POS and an additional \$7,000 in arranged deals with other VE firms as can be seen in the online sales row. Due to the immense volume of the out-of-network contract, BioVital was able to end the month with a positive cash flow of \$109,754.

December: In December, BioVital was able to build upon November's sales. We curated a holiday-driven marketing campaign that enabled us to produce over \$60,000 in sales from the December National trade show. Though as the firm paused for winter break sales began to settle down. Due to the two-week break but still month-long expenses, BioVital finished December with a negative net cash flow of \$3,418.

January: The sales dip of the winter break hiatus trickled into January, as the company bank account remained nearly stagnant for the entire first two weeks of the month. Though as the January NY Metro trade show rolled around, the team picked up a sense of urgency. We sold over \$84,000 at the trade show and negotiated an estimated \$10,000 in VE deals in the one day, nearly \$40,000 more than we



originally projected. January also marked the first month that the company made significant “unsolicited” sales, meaning that they weren’t directly negotiated rather drawn in from our passive advertisements on social media.

February: The month of February was by far the greatest month in terms of financial success for the company. BioVital dealt out over \$748,000 of HydroWear in the month, headlined by a near \$500,000 dollar day (including online + trade show POS) on February 11th - the day of the February National trade show. Additionally, February happened to be the month when two of our ongoing out-of-network contracts were finalized, one with mentor Mina Fader of the Baker Retailing Center and another with mentor Tess Candell, founder of Fit.Tess Health & Wellness. All in all, using a massive influx of revenue, BioVital was able to close out February with a positive cash flow of \$537,187.

March: While it will be near impossible to replicate the business’ sales performance of February, our projections for March still remain aggressive. Largely backed by anticipated sales from March’s trade show, we project to hit \$85,000 in sales for the month. Since we have nearly reached the cap for fiscal year out-of-network sales, we do not expect any more deals with out-of-network mentors during the last two months. However, non-direct online sales are expected to increase as BioVital solidifies itself as a titan in the VE market. The absence of out-of-network sales will likely result in a smaller positive net cash flow for the month of March, expected to be around \$13,000.

April: BioVital will finish the fiscal year with a projected month of sales similar to the record-breaking month we had in February. We expect to capitalize on a two-day appearance at this year’s Virtual Youth Business Summit, where the opportunities to mediate reciprocal deals with fellow VE companies will be plentiful. We project to sell around \$500,000 of HydroWear in the month and conclude with a positive net cash flow of nearly \$400,000.

With nearly \$1 million in the bank as of February 28th, we are proud to have nearly reached such a significant financial milestone. Combined with the company’s dedication to keeping liabilities low, this allows for our current assets to far eclipse our current liabilities (without equity) and is represented with a strong quick ratio of almost 17.9, indicating BioVital’s strong liquidity

Balance Sheet

BioVital Incorporated ↗	
Balance Sheet	
As of February 28, 2021	
	TOTAL
▼ ASSETS	
▼ Current Assets	
▶ Bank Accounts	\$990,812.24
▶ Accounts Receivable	\$0.00
▶ Other Current Assets	\$34,115.78
Total Current Assets	\$1,024,928.02
TOTAL ASSETS	\$1,024,928.02
▼ LIABILITIES AND EQUITY	
▼ Liabilities	
▶ Current Liabilities	\$55,758.28
▼ Long-Term Liabilities	
\$150,000 Loan from VE	150,000.00
Total Long-Term Liabilities	\$150,000.00
Total Liabilities	\$205,758.28
▼ Equity	
Common Stock	20,000.00
Opening Balance Equity	50,000.00
Retained Earnings	
Net Income	749,169.74
Total Equity	\$819,169.74
TOTAL LIABILITIES AND EQUITY	\$1,024,928.02



position and general financial security. Our current assets beyond cash on hand include inventory and office equipment (furniture, computers, etc.). An accumulated depreciation of 5% has been applied to all office equipment in the hopes of more accurately estimating their value. The company's current liabilities are made up of sales tax, payroll, and payroll tax which BioVital pays at the beginning of each following month from which it was incurred.

As of February 28th, the company boasts \$1,024,928.02 in total current assets and \$55,758.28 in total current liabilities, with just under \$750,000 in net income.

Projection

By the end of the fiscal year, April 30th, we expect to have \$1,686,420 in total revenue, \$305,555 in total cost of goods sold, and \$1,349,136 in total gross profit, as can also be seen in the Profit & Loss Summary. Included on the BioVital's projected balance sheet is also the company's operating expenses for the end of the year. Our main expenses appear to be payroll, rent, legal fees, and other (taxes, loan payments, trade show deposits and more), each of which are paid monthly.

BioVital Projected Balance Sheet	
Dated For The End of Fiscal Year - 4/30/2021	
Assets	
Company Bank Account	\$1,342,886
Depreciated Assets	\$6,250
Total Assets	\$1,349,136
Liabilities & Equity	
Operating Expenses	
Net Payroll	\$371,000
Equipment	\$7,500
Rent	\$11,200
Utilities	\$1,320
Legal Fees	\$10,500
Other	\$15,901
Total Liabilities	\$417,421
Revenues	
Total Revenue - Out of Network Contracts	\$427,250
Total Revenue - Trade Shows	\$1,065,765
Total Revenue - Website/Direct	\$193,405
Total Revenue	\$1,686,420
Total COGS	\$305,555
Gross Profit	\$1,349,136
Net Income	\$931,715
Total Liabilities & Equity	\$1,349,136

Appendix

A. BioVital's Company Bank Account Balance as of 2/28/21

Account details				
Account:	BioVital Incorporated (Budget Checking) - 630814856			Download account details (Excel)
Period:	from	09/07/2020	until	02/28/2021
<input type="button" value="Show"/>				
Date	Name/Description/Acct#	Ref#	Amount	Balance
Feb. 28, 2021	Nathan Miller.24124.24124 (US012464), Fenton, MI VE Checkout transaction #558212 02/28/2021 11:07 PM CT Acct #630823871	5483450	\$112.34	\$990,812.24



B. BioVital's Out-Of-Network Contract



BIOVITAL

INCORPORATED

31 West Coulter street,
Philadelphia, PA 19144
1 - (215) - 951 - 2300

Business Contract

This agreement is effective as of date of agreement, between Krista Loeffler and Biovital Incorporated. The parties hereby agree to the following terms and conditions:

DESCRIPTION OF SERVICE/SUPPLIES:
Hydrowear units: a chip attached as a patch or on a band that will monitor the users hydration levels, then notify a mobile phone application when the user is dehydrated.

Ms.Loeffler hereby agrees to purchase the items below, supplied by Biovital Incorporated.

Item 001	Quantity	Unit Price (\$)	Extended Price (\$)
Hydrowear	1500	100.00	
			Total: \$ 150,000

TERMS AND CONDITIONS - This contract agreement may be canceled with 90 days written notice. The period of this contract is from the effective date unless modified in writing 90 days in advance on any agreed delivery dates stated in the agreement. Title and ownership of this agreement are non-transferable to any other party.

Biovital Incorporated guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. **Biovital Incorporated** 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 the recovery and all associated litigation fees.

RENEWABLE OPTIONS – During the final period of this agreement, either party may offer to negotiate optional years.



BIOVITAL
INCORPORATED

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

<p><u>Naiya</u> Signature of Biovital Incorporated</p> <p>Naiya Mainigi, Chief Operating Officer Printed Name / Title</p> <p><u>Krista Loeffler</u> Signature of Representative</p> <p><u>Aaron Preetam</u> Signature of (Virtual Enterprise Firm Representative)</p> <p>Aaron Preetam Printed Name and Title</p>	<p><u>11/14/20</u> Date</p> <p><u>267-386-6425</u> Phone Number</p> <p><u>913-903-8153</u> Phone Number</p> <p><u>11/15/2020</u> Date</p> <p><u>215-951-2300</u> Phone Number</p>
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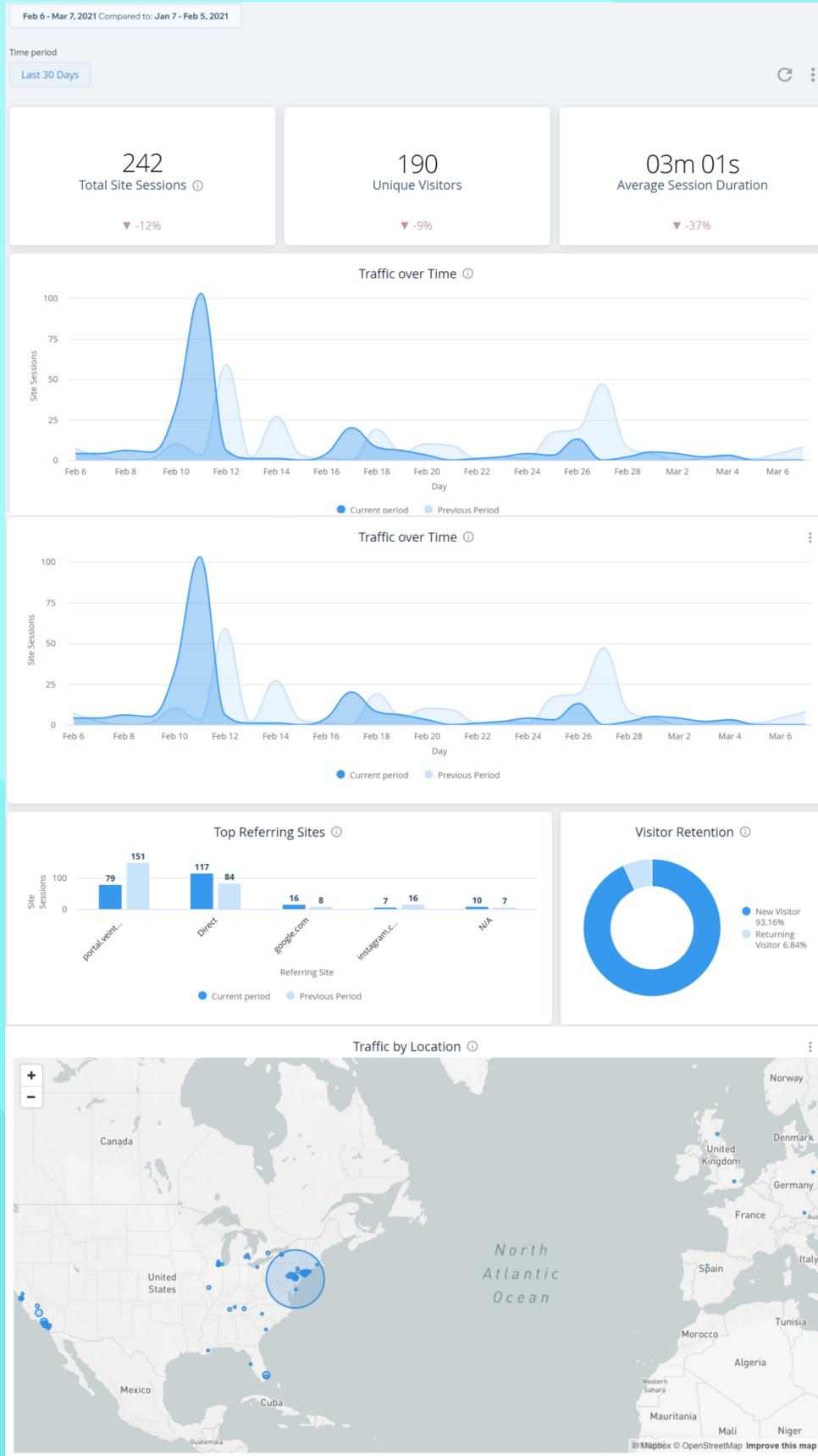
C. Loan Amortization Schedule

		Reference Files	
INCORPORATED		Virtual Enterprises International Loan Amortization Table	
Loan Information		Summary	
Loan Amount (Principal)	150,000	Rate (per period)	0.4375%
Annual Interest Rate	5.25%	Number of Payments	60
Term of Loan in Years	5	Total of Payments	170,873.85
# of Payments per Year	12	Total Interest	20,873.85
Payment Type	end of period		
Monthly Payment	(\$2,847.90)		

No.	Principal	Interest for the Period	Total Balance Outstanding	Payment for the period	Principal Reduction	Revised Balance
1	150,000	656.25	150,656.25	2847.90	2191.65	147,808.35
2	147808.35	646.66	148,455.01	2847.90	2201.24	145,607.12
3	145607.12	637.03	146,244.15	2847.90	2210.87	143,396.25
4	143396.25	627.36	144,023.61	2847.90	2220.54	141,175.71
5	141175.71	617.64	141,793.35	2847.90	2230.25	138,945.46
6	138945.46	607.89	139,553.34	2847.90	2240.01	136,705.45
7	136705.45	598.09	137,303.53	2847.90	2249.81	134,455.63
8	134455.63	588.24	135,043.88	2847.90	2259.65	132,195.98
9	132195.98	578.36	132,774.34	2847.90	2269.54	129,926.44
10	129926.44	568.43	130,494.87	2847.90	2279.47	127,646.97
11	127646.97	558.46	128,205.43	2847.90	2289.44	125,357.53
12	125357.53	548.44	125,905.97	2847.90	2299.46	123,058.07
13	123058.07	538.38	123,596.45	2847.90	2309.52	120,748.55
14	120748.55	528.27	121,276.83	2847.90	2319.62	118,428.93
15	118428.93	518.13	118,947.06	2847.90	2329.77	116,099.16
16	116099.16	507.93	116,607.09	2847.90	2339.96	113,759.19
17	113759.19	497.70	114,256.89	2847.90	2350.20	111,408.99
18	111408.99	487.41	111,896.41	2847.90	2360.48	109,048.51
19	109048.51	477.09	109,525.60	2847.90	2370.81	106,677.70
20	106677.70	466.71	107,144.41	2847.90	2381.18	104,296.52
21	104296.52	456.30	104,752.81	2847.90	2391.60	101,904.92
22	101904.92	445.83	102,350.75	2847.90	2402.06	99,502.85
23	99502.85	435.32	99,938.18	2847.90	2412.57	97,090.28
24	97090.28	424.77	97,515.05	2847.90	2423.13	94,667.15
25	94667.15	414.17	95,081.32	2847.90	2433.73	92,233.42
26	92233.42	403.52	92,636.95	2847.90	2444.38	89,789.05
27	89789.05	392.83	90,181.88	2847.90	2455.07	87,333.98
28	87333.98	382.09	87,716.06	2847.90	2465.81	84,868.17
29	84868.17	371.30	85,239.46	2847.90	2476.60	82,391.57
30	82391.57	360.46	82,752.03	2847.90	2487.43	79,904.13
31	79904.13	349.58	80,253.71	2847.90	2498.32	77,405.82
32	77405.82	338.65	77,744.47	2847.90	2509.25	74,896.57
33	74896.57	327.67	75,224.24	2847.90	2520.23	72,376.34
34	72376.34	316.65	72,692.99	2847.90	2531.25	69,845.09
35	69845.09	305.57	70,150.66	2847.90	2542.33	67,302.77
36	67302.77	294.45	67,597.22	2847.90	2553.45	64,749.32
37	64749.32	283.28	65,032.60	2847.90	2564.62	62,184.70
38	62184.70	272.06	62,456.76	2847.90	2575.84	59,608.86
39	59608.86	260.79	59,869.65	2847.90	2587.11	57,021.75
40	57021.75	249.47	57,271.22	2847.90	2598.43	54,423.32
41	54423.32	238.10	54,661.43	2847.90	2609.80	51,813.53
42	51813.53	226.68	52,040.21	2847.90	2621.21	49,192.31
43	49192.31	215.22	49,407.53	2847.90	2632.68	46,559.63
44	46559.63	203.70	46,763.33	2847.90	2644.20	43,915.43
45	43915.43	192.13	44,107.56	2847.90	2655.77	41,259.67
46	41259.67	180.51	41,440.18	2847.90	2667.39	38,592.28
47	38592.28	168.84	38,761.12	2847.90	2679.06	35,913.22
48	35913.22	157.12	36,070.34	2847.90	2690.78	33,222.45
49	33222.45	145.35	33,367.79	2847.90	2702.55	30,519.90
50	30519.90	133.52	30,653.42	2847.90	2714.37	27,805.52
51	27805.52	121.65	27,927.17	2847.90	2726.25	25,079.28
52	25079.28	109.72	25,189.00	2847.90	2738.18	22,341.10
53	22341.10	97.74	22,438.84	2847.90	2750.16	19,590.94
54	19590.94	85.71	19,676.66	2847.90	2762.19	16,828.76
55	16828.76	73.63	16,902.38	2847.90	2774.27	14,054.49
56	14054.49	61.49	14,115.97	2847.90	2786.41	11,268.08
57	11268.08	49.30	11,317.37	2847.90	2798.60	8,469.48
58	8469.48	37.05	8,506.53	2847.90	2810.84	5,658.63
59	5658.63	24.76	5,683.39	2847.90	2823.14	2,835.49
60	2835.49	12.41	2,847.90	2847.90	2835.49	0.00
Totals		20,873.85		170,873.85	150,000.00	



D. BioVital Website Analytics as of 3/7/21





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