



BIOVITAL

INCORPORATED

Your Way to Wellness

Financial Overview

2020-2021

Instagram: biovitalve

Facebook: BioVitalVE

Twitter: BioVitalVE

Email: biovitalincorporated@gmail.com

Website: <https://biovitalincorporated.wixsite.com/biovital>

Company Overview & Financial Highlights:

BioVital Inc. presents technological innovations to the ever-growing Health & Fitness industry and guides customers on “*Their Way to Wellness*”. The firm was established in September 2020 as a C-corporation, giving the company significant legal protection and the ability to raise capital by selling stock. The company’s first line of products, HydroWear, tackles the national issue of personal dehydration. Through a chip sensor and smartphone application, BioVital’s HydroWear provides real-time hydration analytics to customers to confirm they’re properly hydrated.

Stationed at 31 W. Coulter Street, just outside of Philadelphia, BioVital’s headquarters is geographically advantageous by being near a major metropolitan area. Philadelphia is a budding city that has plenty of networking opportunities for young tech startups like the company itself. This year, however, the business has shifted away from an emphasis on in-person or brick and mortar sales, to a more online-based approach. BioVital will draw most of its sales through virtual trade shows, website traffic, direct sales, and out-of-network contracts.

BioVital is positioned in a prime industry at an opportune time. The global Health & Fitness industry recently eclipsed \$100,000,000,000 in market value and has grown at a steady 3-4% CAGR for the past decade, with no signs of decelerating.¹ More specifically, BioVital falls into the category of wearable fitness technology and trackers, with products like the Fitbit, Garmin, and Apple Watch. The narrower industry of fitness trackers is projected to reach nearly \$63,000,000,000 in 2021 end-user spending, as part of the technology sector.² BioVital’s target customer is a health-centered American, with a special attention to youth athletes and teams (ages 13-19) as per VE target market guidelines.

To get initial operations running, BioVital secured a \$150,000 small business loan at a fixed 5.25% annual interest rate over five years, and an additional \$20,000 in start-up funds directly from the VE office during the month of October. In November, BioVital began to make sales.

¹ “*Fitness has exploded into a nearly \$100 billion global industry as more people become obsessed with their health*”, Biron, Bethany, Business Insider, September 3rd, 2019

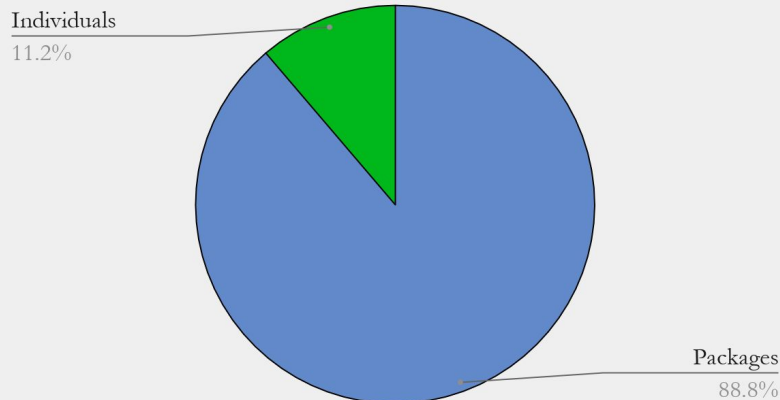
<https://www.businessinsider.com/fitness-has-exploded-into-a-nearly-100-billion-global-industry-2019-9>

² “*Fitness trackers - Statistics & Facts*”, Tankovska, H., statista.com, October 22nd, 2020

<https://www.statista.com/topics/4393/fitness-and-activity-tracker/>



November Regional Tradeshow Sales Breakdown



To leverage deals with multi-sized athletic teams, BioVital has sold HydroWear through individual units and three group packages. Using a sample size from the November NY Metro Virtual trade show, BioVital projects in-network sales revenue to be roughly 11% individual units and 89% packages.

In terms of projections, BioVital is expected to perform outstandingly. Fiscal year sales revenue is estimated to be \$742,000, netting around \$200,000 in profit after the company breaks even in March. The majority of BioVital sales will come in waves as a result of large out-of-network contracts and trade show day sales. In November, COO Naiya Manigi inked BioVital's first out-of-network deal valued at \$150,000, to get the sales rolling.

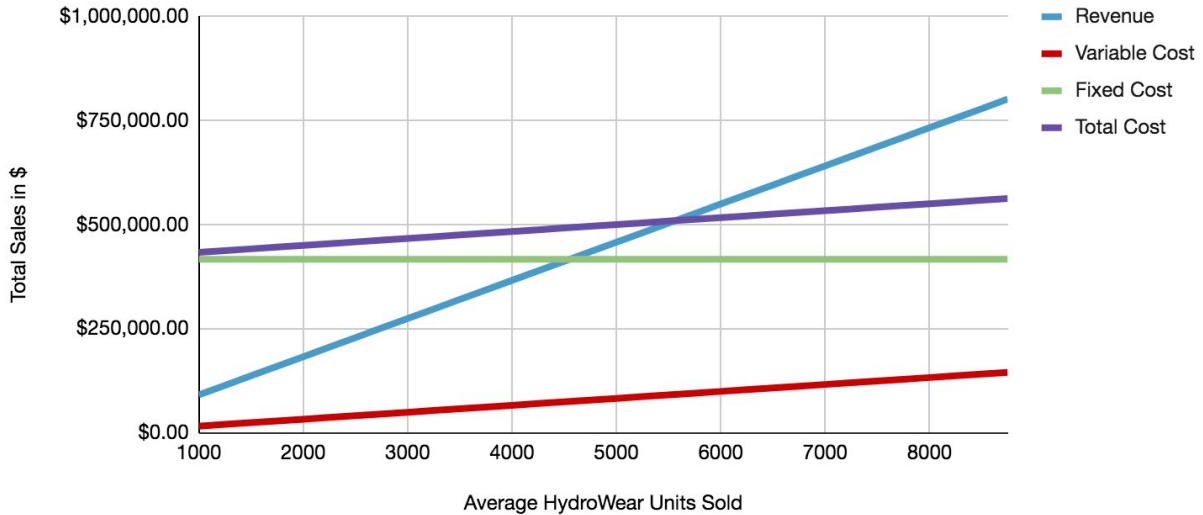
BioVital is able to hit impressive financial achievements due to HydroWear's favorable profit margin. The HydroWear Individual, one of BioVital's bestsellers, holds a profit margin of 86.7%, with a selling price of \$74.99 compared to the manufacturing price of just \$10. The company's more advanced counterpart, the HydroWear Individual Plus, holds a profit margin of 80%. Considering a 2:1 sales ratio derived from trade show samples for the HydroWear Individual Plus and HydroWear Individual respectively, the total gross profit margin shakes out to about 81.8%.

BioVital has already shown the company's ability to generate revenue, and future projections are only on its side. Breaking even and making a profit in the first fiscal year of operations is already a monumental feat, yet BioVital constantly keeps the vision of growth and expansion in mind.



Break-Even Analysis:

BioVital Projected Break Even Point



| | | | |
|--------------------------------------------------|--------------|-------------------------------------|--------------|
| Break even point in sales dollars: = | | | |
| Average selling price x Breakeven point in units | | | |
| Total sales at break even = | \$510,200.90 | | |
| Break even point in # of sales: | | | |
| Breakeven point in units = Fixed costs/(Average | | Average selling price per sale | \$91.67 |
| Breakeven point in units = | | Average cost of goods sold per sale | \$16.67 |
| 5,565.63 | | Average profit rate | 81.81520672 |
| | | Annual Fixed Cost | \$417,421.92 |

Key Assumptions when making Break-Even:

The average selling price per sale is in terms of only individual unit sales. The value of \$91.67 was determined by averaging the HydroWear Individual Plus price of \$100 and HydroWear Individual price of \$75 in a 2:1 ratio given by the regional trade show sample. The same steps were taken for the average COGS, meaning the 2:1 ratio was again used to calculate the value. The annual fixed cost was determined by multiplying October's fixed costs, and it includes all expenses listed in the VE assignment, except for the COGS.



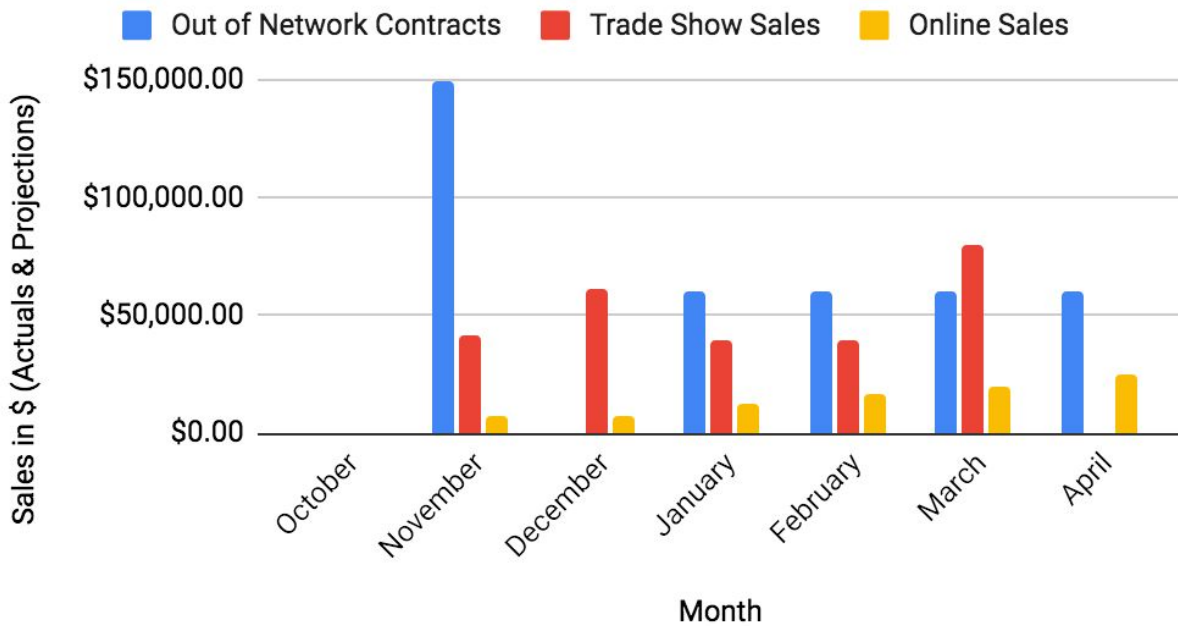
Sales Projections:

| Month | October | November | December | January | February | March | April | Total |
|--------------------------|---------|--------------|-------------|--------------|--------------|--------------|-------------|--------------|
| Out of Network Contracts | \$0.00 | \$150,000.00 | \$0.00 | \$60,000.00 | \$60,000.00 | \$60,000.00 | \$60,000.00 | \$390,000.00 |
| Trade Show Sales | \$0.00 | \$41,545.42 | \$61,889.95 | \$40,000.00 | \$40,000.00 | \$80,000.00 | \$0.00 | \$263,435.37 |
| Online Sales | \$0.00 | \$7,391.00 | \$7,024.94 | \$13,000.00 | \$17,000.00 | \$20,000.00 | \$25,000.00 | \$89,415.94 |
| Total | \$0.00 | \$198,936.42 | \$68,914.89 | \$113,000.00 | \$117,000.00 | \$160,000.00 | \$85,000.00 | \$742,851.31 |

*Blue indicates the actuals, green indicates the projections

*Sales did not begin until November, explaining the zeros in October

BioVital Monthly Sales Breakdown



A bar chart to visually interpret the projections table from the table above.



Balance Sheet:

*Note: Date for spreadsheet is past 12/30/20 to make adjustments for greatest accuracy

| BioVital Incorporated | |
|--------------------------------------------|---------------------|
| Balance Sheet | |
| As of January 15, 2021 | |
| | TOTAL |
| - ASSETS | |
| - Current Assets | |
| - Bank Accounts | |
| Cash | 283,115.13 |
| Total Bank Accounts | \$283,115.13 |
| - Accounts Receivable | |
| Accounts Receivable (A/R) | 0.00 |
| Total Accounts Receivable | \$0.00 |
| Other Current Assets | \$34,115.78 |
| Total Current Assets | \$317,230.91 |
| TOTAL ASSETS | \$317,230.91 |
| - LIABILITIES AND EQUITY | |
| - Liabilities | |
| - Current Liabilities | |
| Other Current Liabilities | |
| Pennsylvania Department of Revenue Payable | 0.00 |
| Total Other Current Liabilities | \$0.00 |
| Total Current Liabilities | \$0.00 |
| Long-Term Liabilities | \$150,000.00 |
| Total Liabilities | \$150,000.00 |
| - Equity | |
| Common Stock | 20,000.00 |
| Opening Balance Equity | 0.00 |
| Retained Earnings | |
| Net Income | 147,230.91 |
| Total Equity | \$167,230.91 |
| TOTAL LIABILITIES AND EQUITY | \$317,230.91 |



Income Statement (Profit & Loss):

*Note: Date for spreadsheet is past 12/30/20 to make adjustments for greatest accuracy

| BioVital Incorporated | |
|---------------------------------|---------------------|
| Profit and Loss | |
| May 1, 2020 - January 15, 2021 | |
| | TOTAL |
| - Income | |
| Sales of Product Income | 257,683.01 |
| Total Income | \$257,683.01 |
| - Cost of Goods Sold | |
| Cost of Goods Sold | 51,676.00 |
| Inventory Shrinkage | -51,676.00 |
| Total Cost of Goods Sold | \$0.00 |
| GROSS PROFIT | \$257,683.01 |
| - Expenses | |
| Payroll Expense | 78,078.61 |
| Sales Tax Expense | 30,373.49 |
| Tradeshaw Deposit | 2,000.00 |
| Total Expenses | \$110,452.10 |
| NET OPERATING INCOME | \$147,230.91 |
| NET INCOME | \$147,230.91 |

Relevant Projected End of Fiscal Year Summary Profit & Loss Values

| BioVital Incorporated |
|--------------------------------------------|
| Summary Profit & Loss |
| Dated for End of Fiscal Year - 4/30/2021 |
| |
| Total Revenue: \$742,851 |
| |
| Total COGS: \$145,050 |
| |
| Total Gross Profit: 619,136 |
| |
| Gross Profit Margin: 81% |
| |
| Total Operating Expenses: \$543,550 |
| |
| Net Fiscal Year Income: \$199,301 |



Cash Budget:

| Description | October | November | December | January | February | March | April | Totals | Totals |
|--------------------------------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Cash balance at beginning of period: | 0 | 114750 | 224504 | 221086 | 247245 | 294614 | 360393 | | |
| Receipts of cash: | | | | | | | | | |
| Sales | 0 | 199000 | 68914 | 113000 | 117000 | 160000 | 85000 | 475000 | 199000 |
| Loan proceeds | 150000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150000 |
| Investor proceeds | 20000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20000 |
| Total receipts | 170000 | 199000 | 68914 | 113000 | 117000 | 160000 | 85000 | 475000 | 437914 |
| Beginning balance + cash receipts | 170000 | 313750 | 293418 | 334086 | 364245 | 454614 | 445393 | 1598338 | 777168 |
| Payments: | | | | | | | | | |
| Cost of goods | 0 | 32000 | 11081 | 28600 | 13400 | 38000 | 15000 | 95000 | 43081 |
| Net Salaries | 53000 | 53000 | 53000 | 53000 | 53000 | 53000 | 53000 | 212000 | 159000 |
| Rent | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 6400 | 4800 |
| Accounting and legal fees | 0 | 0 | 750 | 750 | 750 | 750 | 750 | 3000 | 750 |
| Utilities | 0 | 0 | 264 | 264 | 264 | 264 | 264 | 1056 | 264 |
| Interest - Loan | 650 | 646 | 637 | 627 | 617 | 607 | 598 | 2449 | 1933 |
| Other | 0 | 2000 | 5000 | 2000 | 0 | 0 | 2000 | 4000 | 7000 |
| Total payments | 55250 | 89246 | 72332 | 86841 | 69631 | 94221 | 73212 | 323905 | 216828 |
| Cash balance at end of period: | 114750 | 224504 | 221086 | 247245 | 294614 | 360393 | 372181 | 1274433 | 560340 |
| Net increase or decrease in cash | 114750 | 109754 | -3418 | 26159 | 47369 | 65779 | 11788 | 151095 | 221086 |

*Blue columns indicate actuals, Gray columns indicate projections

BioVital's Firm Bank Account Balance:

| Account details | | | | |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------|--------------------------------------------------|
| Account: | BioVital Incorporated (Budget Checking) - 630814856 | | | Download account details (Excel) |
| Period: | from 01/07/2020 | until 12/15/2020 | Show | |
| Date | Name/Description/Acct# | Ref# | Amount | Balance |
| Dec. 15, 2020 | Mitchell Finkelstein.24196.24196 (US012033), Cupertino, CA VEI Checkout transaction #522812 12/15/2020 09:28 AM CT Acct #630820511 | 5321226 | \$112.34 | \$283,115.13 |
| Dec. 14, 2020 | Elliot Savage.23077.23077 (US013269), PHILADELPHIA, PA Reciprocal Deal Refund Acct #630835772 | 5316950 | -\$4,960.00 | \$283,002.79 |
| Dec. 14, 2020 | Naiya Mainigi.23071.23071 (US013269), PHILADELPHIA, PA Reciprocal Deal Refund Acct #630833915 | 5316948 | -\$3,000.00 | \$287,962.79 |
| Dec. 12, 2020 | VE Online Trade Shows, New York, NY Invoice number 210673, National Online Trade Show, Thu, December 10, 2020 Acct #630887292 | 5315995 | -\$5,000.00 | \$290,962.79 |
| Dec. 11, 2020 | Nuapps, Fresh Meadows, NY Reciprocal Deal Acct #610436899 | 5312127 | -\$30,000.00 | \$295,962.79 |

As of December 15th, 2020, BioVital holds \$285,115.13 in its firm bank account, outperforming initial projections and well-prepared for future expansion.

