

BUSINESS PLAN

Omics sciences and biomedical research applied to the Mediterranean diet and physical activity.

MAGISNAT: a Spin-Off company to spread Mediterranean culinary knowledge and healthy lifestyle, and to offer dietary supplements from the typical plants of the Mediterranean diet.



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DISCLAIMER

Some of the statements contained in this Business Plan, includes information incorporated by reference, discuss future expectations and projected financial success gathered by the management, which is believed to be ultimately significant. Those statements are subjected to both known and unknown risks, uncertainties and other unforeseen factors, which could be beyond the management control.

Important factors that may cause the actual results to differ from those expressed within may include, but are not limited to:

The success or failure of the company's effort to successfully market its products and services:

- services as scheduled;
- The company's ability to maintain substantial level of returned customer and a growing referral base;
- The effect of changing legislation and government regulation.

However, the assumptions disclosed herein are those that management believes are significant to the creation and growth of the company.

CONFIDENTIALITY AGREEMENT

The undersigned reader acknowledges that the information provided by Magisnat in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Magisnat.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to Magisnat.

Upon request, this document is to be immediately returned to Magisnat.

Signature

Magisnat
Name (typed or printed)

May 1, 2022
Date

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C1. BUSINESS OVERVIEW

1.1 EXECUTIVE SUMMARY

A healthy lifestyle, particularly diet and micronutrients, is now widely recognized as a key element in improving health and avoiding chronic diseases including cardiovascular disease (CVD), diabetes, eating disorders, cancer, and epigenetic diseases. Despite this, there is little understanding about healthy lifestyles in the food business across the world, particularly in the United States, and a substantial number of individuals suffer from eating disorders (e.g., obesity).

As a result, Magisnat has decided to undertake a large-scale project aimed at educating people on how to select high-quality foods and educating them on the immense significance of the plant substances included in the Mediterranean diet. This will teach people how to prepare healthy and balanced meals, raise awareness about the possibility of micro-deficiencies in our bodies as a result of an unbalanced diet, and emphasize the importance of a balanced diet as well as the use of food supplements, and, finally, market all of their services, including their own dietary supplements.

Magisnat structured the project into three parts on a practical level.

The first is the promotion on Amazon's US platform of two supplements, Garlive Oral Spray and Garlive Recovery, which are based on natural compounds found in Mediterranean-style plants and help consumers fill nutritional deficits. Only this initial phase is addressed in the economic section of the business plan. Magisnat, on the other hand, has set out to produce culinary courses that teach people how to cook according to the Mediterranean style in the second step.

Finally, as a third and final step, it entails the development of new supplements, as well as their marketing on other platforms dedicated to the sale and direct genomic and metabolomic tests,

based on scientific research and new collaborations with internationally renowned professors, doctors, and researchers. To consumers who are not recognized for diagnostic reasons and are not FDA certified in order to raise awareness about the need of illness prevention.

1.2 VISION AND MISSION STATEMENT

Vision

Magisnat strongly believes that adopting a healthy and balanced lifestyle, based on the Mediterranean diet, is essential for achieving the well-being of the population.

In fact, his corporate dream is to spread the importance of the Mediterranean diet and integration, as a means to reduce the occurrence of diseases, such as non-communicable ones, and to combat the metabolomic deficiencies of the organism to which individuals at nowadays they are heavily subjected. People must be able to eat properly, to distinguish healthy foods from harmful ones, to know how to cook genuine dishes and to use dietary supplements correctly to make up for vitamin deficiencies.

In short, Magisnat would like to become a reference point for the research and market of dietary supplements based on natural molecules of mediterranean plant and, more generally, the greatest promoter and disseminator of the benefits of the Mediterranean diet in everyday life.

Mission

In addition to the vision, Magisnat has defined an effective and solid mission, which is divided into several crucial points:

- Marketing food supplements based on molecules present in plants typical of the Mediterranean diet, initially using only the Amazon US platform and, subsequently, other platforms dedicated to online sales;
- Spread the importance of following a Mediterranean diet and lifestyle to improve the quality of life of people;
- teach people to prepare a healthy and balanced meal through plant-based Mediterranean cooking courses;
- Offer genomics, microbiomics and metabolomics tests to help personalize healthy diets and lifestyles and to monitor any metabolomics deficiencies of individuals and the results obtained after taking dietary supplements;
- Carry out research and implement collaborations with professionals on the natural molecules of Mediterranean plants that may prove useful in the prevention of various diseases.

1.3 CORPORATE VALUES AND BUSINESS OBJECTIVES

Corporate Values

The corporate values are:

- **QUALITY:** offer dietary supplements and quality services that improve people's lives;
- **COMMITMENT:** with dedication we want to spread a healthy and balanced lifestyle that brings well-being to the population;
- **INNOVATION:** we are committed to always proposing solutions that keep pace with the needs and requirements of society;
- **RESEARCH:** thanks to continuous scientific studies and collaborations with professors, doctors and researchers worldwide, we always want to offer products,

dietary supplements, and services, such as the offer of genetic, micro biotic and metabolic tests and cooking courses Mediterranean, avant-garde and innovative;

- **ATTENTION TO THE PERSON:** for us people are really important. For this reason, it is essential to help them and provide the tools to make them feel good. From here, the need has developed to create and market dietary supplements, organize cooking courses to teach people the value of knowing how to cook healthy and genuine dishes and spreading the importance of prevention towards the manifestation of certain diseases, through the dietary supplement.

Business Objectives

Products and Services

- ❖ Marketing food supplements based on molecules present in plants typical of the Mediterranean diet at first on Amazon US and, subsequently, on other sales platforms; Reinvest part of the profit, obtained from the marketing of dietary supplements, in scientific research activities in order to obtain other products that improve people's well-being;
- ❖ Patenting and marketing genetic, metabolic and microbiomic tests to carry out prevention activities:
- ❖ Create a first counseling service for eating disorders that aims to spread the importance of the Mediterranean diet as a healthy lifestyle, specifically, which aims to educate people to adopt a correct diet and to organize cooking classes to educate people on the importance of knowing how to cook healthy foods, teaching them to read food labels to choose the most genuine ones.

Business Profitability

- ❖ Achieve 95% customers' satisfaction to foster cordial client-brand relationship and encourage word-of-mouth advertisement;
- ❖ Generate a comfortable net profit by the third year;
- ❖ Achieve a double-digit growth rate for each future year at minimum 10%;
- ❖ Achieve a maintained margin rate of 30% by year-end 2022;
- ❖ Achieve sales effectiveness through engaging all customers that come into contact with us;
- ❖ Aim to increase profitability through increase, frequency and volume of sales by attractive packages and incentives as well as other promotional initiatives and offers.

1.4 GUIDING POLICIES

The Science

Our aim is to provide better health and longevity to every individual, to guide them to thrive thanks to a healthy lifestyle. In order to do so, we have developed safe, natural, and efficient dietary supplements using a science-based approach.

Research-Driven Formulas

Among the substances contained in typical foods of the Mediterranean diet there are polyphenols and vitamins, which play a key role in preventing diseases. Thus, extensive research has been conducted and will keep being conducted on the isolation of natural molecules from plants. Subsequently these molecules have been explored to be used as effective nutritional supplements.

Dedicated Experts

Our team includes experts with wide research backgrounds, who came together to build powerful dietary supplements. All of us are committed to designing excellent nutritional products from the core ingredients, which will make a significant positive impact on improving the wellbeing of individuals.

Scientific Collaborations

For us it is essential to collaborate with professors, doctors and researchers from different countries to carry out scientific research on the natural molecules of the Mediterranean plants that can be useful in the prevention of certain degenerative diseases.

Mediterranean cooking courses

In the US-ranking, Atlanta and Georgia in general have the highest eating disorders (e.g., obesity). As a result, it is critical that we promote a healthy diet and lifestyle through plant-based cooking lessons. They seek to specifically educate and empower people to better control their diets for long-term health. Everyone should pay attention to the groups, types, and quantities of foods that should be included in a healthy diet. This will assist them in changing their eating habits using the US Health Guide, provide general nutritional advice for weight management based on the guidelines above, provide examples of wholesome and wholesome meals and snacks, encourage the use of guidelines for healthy food preparation and cooking, and finally educate people on how to read food labels for nutritional information.

1.5 KEYS TO SUCCESS

The following are what we believe to be the main keys to achieving our success:

- **Marketing**

Marketing will be our primary strength in achieving our success and will act as a competitive advantage. The goal is to make known and sell the range of food supplements that Magisnat is creating. Specifically, in a first step, we want to market the two supplements, Garlive Oral Spray and Garlive Recovery, on Amazon US, while, in a second step, increase the product line and also market it on other sales platforms.

We will employ all forms of marketing, primarily online, to achieve this sales goal and to ensure that a large population of people are informed about the uniqueness of our dietary supplement brand and its services, which will be beneficial to our patronage.

- **Professionalism**

The business will include seasoned management team of professionals, who are capable of delivering their assigned tasks in a professional way. Everyone associated with our company will appear as professional as possible, to help us achieve a great edge in the business.

Specifically, there is the desire to create collaborations with professors, doctors and researchers from all over the world, such as Dr. Stephen Thaddeus Connelly, Associate Clinical Professor at the University of California San Francisco, Dr. Pietro Chiurazzi, Medical Director of Level I at the UOC GENETIC MEDICAL Foundation Policlinico Universitario "A. Gemelli" IRCCS IRCC, Dr. Karen L. Herbst, Associate Clinical Professor at Department of Medicine, University of Arizona, D. Peng Jin, Professor and Vice Chair Department of Human Genetics, Emory University School of Medicine and Dr. John Paul SanGiovanni, Associate Professor of Precision Nutrition in the Department of Nutritional Sciences and the BIO5 Institute.

- **Exceptional Services**

We will be known for great quality products and customer service. The brand will stand out from the other dietary supplement companies in the area because of its philosophy of the “Mediterranean diet lifestyle, which can help individuals to respect healthy patterns.”

- **Recommendation**

The management team will frequently come together to brainstorm, collaborate and share new knowledge to give excellent services, thus, enhancing the confidence of our customers to refer us to friends and families.

- **Strategic Location**

Our location is selected to cover the target market. Georgia has a large population of people who we have marked as target market; these are our potential customers, therefore, making it a good location for the business that will attract several people. (Satcher D. Childhood Obesity in Georgia. Public Health Rep. 2017 Nov/Dec;132(2_suppl):7S-8S. doi: 10.1177/0033354917719442.; Status ofObsREP (georgia.gov); Russell, Steven et al. “The burden of non-communicable diseases and their related risk factors in the country of Georgia, 2015.” BMC public health vol. 19,Suppl 3 479. 10 May. 2019, doi:10.1186/s12889-019-6785-2).

Specifically, this location was chosen because in this area the highest percentage of eating disorders (e.g., obesity) in the US-ranking.

C2. COMPANY OVERVIEW

2.1 COMPANY DESCRIPTION

Magisnat (*Attachment 1. Company Brochure*) presents a wide-ranging project where the focus is on the importance of the healthy Mediterranean lifestyle, given by a balanced diet, moderate physical activity and natural integration, through supplements based on natural molecules, olive polyphenols contained in the fruits and vegetables of the Mediterranean diet.

This project is divided into three phases of crucial importance.

In the first step, Magisnat would like to start marketing the two dietary supplements, Garlive Oral Spray and Garlive Recovery, through Amazon US, in the United States, a country with a high percentage of people suffering from eating disorders.

Once the supplement market has started, Magisnat would also like to physically establish itself on American territory, setting up a real company based in Atlanta, Georgia.

Furthermore, it intends to increase its range of products, introducing up to three new supplements and to introduce the sale of omics tests (genetic, microbiomic and metabolic) to the American market, to monitor the various metabolic deficiencies in the human body.

Finally, as a final goal, the company would like to be the reference point of the American market for consulting on eating disorders and would like to create a cooking school to teach people to cook healthy and wholesome meals to improve their state of health.

To achieve this, Magisnat will make use of professors, doctors and researchers at an international level who will carry out studies and research with the aim of increasingly improving the services offered and the quality of life of people.

2.2 VALUE PROPOSITION

Magisnat develops activities aimed at promoting healthy and sustainable lifestyles, similar to the Mediterranean diet model. The philosophy of the Mediterranean diet lifestyle can help individuals to respect healthy patterns.

In particular, Magisnat:

- It would like to start marketing its dietary supplements through Amazon US and subsequently using other platforms for sale;
- Over the years, to expand the range of its products, containing high-dose natural molecules with beneficial effects present in plants typical of the Mediterranean diet;
- Offer genetic, metabolic and microbiomic tests directly to the consumer exclusively for personal research interest;
- Offer consultancy activities to people to improve their state of health, spreading the importance of prevention and food supplementation;
- Create cooking courses that teach people to make healthy and wholesome meals and courses in which you learn to read product labels and distinguish healthy from unhealthy ones;
- Establish collaborations with professors, doctors and researchers, of different backgrounds, to carry out high-level research projects relating to natural molecules and to propose services that improve people's lifestyle.

2.3 PRODUCTS AND SERVICES DESCRIPTION

Magisnat is aware that food supplementation is essential to make up for deficiencies due to unregulated lifestyles. In fact, in addition to promoting healthy Mediterranean lifestyles, it has launched a production and marketing activity of food supplements based on natural molecules,

specifically the olive polyphenols present in the typical vegetables and fruits of the Mediterranean diet. For the time being, this product range consists of two food supplements, but will expand over time.

The first two products are:

➤ **Garlive Oral Spray**

Garlive Oral Spray (*Attachment 2. GARLIVE ORAL SPRAY brochure*) is a Dietary Supplement with polyphenols naturally contained in olive tree (among the most important plants of the Mediterranean diet), among which hydroxytyrosol. The concentrated form found in this dietary supplement provides beneficial effects, supporting a healthy immune system.

This dietary supplement is not to be intended as a substitute for a varied diet and must be used as part of a healthy lifestyle. When using this product do not exceed the recommended dose (max. 8 sprays per day).

Olive leaf and olive fruit extracts:

- **BOLSTER THE IMMUNE SYSTEM:** olive polyphenols are shown to be potent immunity boosters;
- **SUPPORT CARDIOVASCULAR HEALTH:** olive polyphenols have been shown to encourage healthy cardiovascular function by supporting healthy cholesterol levels as well as artery health & function;
- **ARE POTENT ANTIOXIDANTS:** hydroxytyrosol is one of the most potent antioxidants discovered in nature;
- **SUPPORT BRAIN HEALTH:** hydroxytyrosol has been shown to exhibit neuroprotective properties;
- **HAVE EFFECTS ON MICROBES:** hydroxytyrosol and olive polyphenols have effects on bacteria, fungi and viruses. Their intake also affects the microbiota, microorganisms present in the human body.

The recommended dose of Garlive Oral Spray is two or three sprays on the back of the throat two or three times a day.

➤ **Garlive Recovery**

Garlive Recovery (*Attachment 3. GARLIVE RECOVERY brochure*) is a Dietary Supplement with hydroxytyrosol from olive tree (the concentrated form found in this dietary supplement provides beneficial effects) and vitamins. It supports a healthy immune system.

This dietary supplement is not to be intended as a substitute for a varied diet and must be used as part of a healthy lifestyle.

Olive leaf and olive fruit extracts:

- **BOLSTER THE IMMUNE SYSTEM:** olive polyphenols are shown to be potent immunity boosters;
- **SUPPORT CARDIOVASCULAR HEALTH:** olive polyphenols have been shown to encourage healthy cardiovascular function by supporting healthy cholesterol levels as well as artery health & function;
- **ARE POTENT ANTIOXIDANTS:** hydroxytyrosol is one of the most potent antioxidants discovered in nature;
- **SUPPORT BRAIN HEALTH:** hydroxytyrosol has been shown to exhibit neuro-protective properties.

When using this product do not exceed the recommended dose, which is one pill per day, preferably in the morning.

2.4 COMPANY CERTIFICATION

Our consultant on the regulatory and advertising aspects of dietary supplements is Export USA New York Corp. Our company's FDA Registration – Our Company commits to guaranteeing each and every legal, safety and quality aspect of our dietary supplements. Typically, a US agent will help in the event of an emergency related to a dietary supplement.

In case of an emergency, the FDA contacts the US Agent and no other personnel. By law, the US Agent must have a residence in the US and be physically present in the US. Our FDA Agent is Export US New York Corp (*Attachment 4. FDA Certification*).

The cornerstones of our company are transparency, traceability from the raw materials to the final products, safety of our products, and scientific evidence of their functions. This is why we reinvest in scientific research on our dietary supplements. For these reasons, our company joined the Council for Responsible Nutrition (CRN). Our company fully embraces CRN's Code of Ethics. Our dietary supplements can be found on CRN's registry.

2.5 ORGANIZATIONAL STRUCTURE

Having the right business structure is very important to us at Magisnat, and for this purpose, we have put plans in place to ensure that we employ the right human resources into the right positions who will ensure that the vision, as well as the goals and objectives of our company are achieved. We have an organizational chart that will ensure that every employee knows his or her place in the organization and knows who to report to when the need arises. This is so as to achieve an efficient work flow and make sure that productivity is not affected.

We intend to make sure that we only recruit competent hands who have experience working in the dietary supplement industry and will be able to help build our business to the level we want in the industry.

We make use of a dense network of collaborators, including professors, doctors and researchers at an international level to constantly improve research and development activities with the aim of improving the quality of life of people and to create a line of supplements with natural molecules for the well-being of individuals.

The founding group of MAGISNAT, which holds the majority of the company shares (Dr. Matteo Bertelli), is actively committed to creating a very active and transnational corporate structure. There is the desire to create collaborations with professors, doctors and researchers from all over the world, such as Dr. Stephen Thaddeus Connelly, Associate Clinical Professor at the University of California San Francisco, Prof. Pietro Chiurazzi, UOC MEDICAL GENETICS at Foundation Policlinico Universitario "A. Gemelli", Rome; Prof. Benedetto Falsini,, Foundation Policlinico Universitario "A. Gemelli", Rome; Prof. Karen L. Herbst, Department of Medicine, University of Arizona; Prof. Peng Jin, Professor and Vice Chair Department of Human Genetics, Emory University School of Medicine and Prof. John Paul SanGiovanni, Associate Professor of Precision Nutrition, Arizona University, to constantly improve research and development activities with the aim of improving the quality of life of people and to create a line of supplements with natural molecules for the well-being of individuals.

Finally, to implement partnerships with other institutes such as: Alma, International School of Italian Cuisine, which will help us to carry out cooking courses to teach people to prepare healthy and wholesome meals.

2.6 COMPANY PROFILE

Magisnat is based in Atlanta Tech Park, a curated tech accelerator focused on attracting entrepreneurs to land and expand in Georgia.

Below you can read the detailed information:

- *Headquarter: Atlanta Tech Park*, 107 Technology Parkway, Suite 801, PEACHTREE CORNERS, GA 30092;
- *E-mail:* info@magisnat.com;
- *Cem:* magisnat@pec.it;
- *Website:* www.magisnat.com.

C3. MARKET ANALYSIS

3.1 DIETARY SUPPLEMENT MARKET INDUSTRY OVERVIEW

The global dietary supplements market size was valued at USD 151.9 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 8.9% from 2022 to 2030.

In particular, the U.S emerged as a leading market for dietary supplements in the North American region owing to the higher spending capacity of the consumers and the significant presence of people with dietary problems and vitamin deficiencies. Increasing growing interest in attaining wellness, through diet and fitness, is expected to augment dietary supplements market growth over the forecast period.

Furthermore, in this period the increase in attention towards a healthy lifestyle has led many realities, including Magisnat, to invest in activities for the promotion of the Mediterranean lifestyle. Specifically, the importance of the prevention of non-transmissible has increased and, consequently, scientific research and development has also been found to be fundamental.

In fact, research and development are the key success factor for dietary supplements, which requires heavy investments.

3.2 KEY MARKET SHARE

Some of the key players in the market are Oliphenol, Longevity by Nature, ProHealth, Comvita, Pure Synergy.

The market is growing and focusing on innovation and research and development of products, based on natural molecules, in particular olive polyphenols.

These players want to improve the health and wellness of the world, through the production of natural dietary supplements, that deliver a unique formulation of polyphenols and other bio-

active ingredients, capturing the Olive's Anti-inflammatory, Anti-microbial and Antioxidant Properties.

In conclusion, the common philosophy of these companies and which makes them all competitors is to create dietary supplements that to support health and promote longevity.

3.3 SCIENTIFIC CONSIDERATIONS ON THE DIETARY SUPPLEMENTS MARKET

The ageing of the population and the effects of diet on health

The progressive global ageing of the general population, together with the limited efficacy of available pharmacological therapies for age-related diseases, calls for alternative treatments. Indeed, there is an increasing public interest for healthy diets and dietary supplements, which promote cognitive wellbeing and longevity (Cannella et al., 2009, Alles et al., 2012, Feart et al., 2015).

Understanding the biological effects of nutrition has major implications for physical and mental health, thus is of great importance for the public health sector, food product development, economic progress and consumer interest. It is now generally accepted that the diet is an important factor in promoting health and preventing chronic diseases such as cardiovascular disease (CVD), diabetes, obesity and cancer. Indeed, certain food groups demonstrated to have beneficial effects on the health of the individuals, and their combination with dietary supplements is of growing interest in the field of nutrition (Alles et al., 2012). Food products can be defined as “functional” if they improve general health and physical conditions and/or decrease the evolution of diseases, and they comprise plant foods and oily fish. Functional foods provide bioactive compounds (e.g., polyphenols, glucosinolates and antioxidant vitamins) and omega-3 fatty acids (Pallauf et al., 2013, Vauzour et al., 2010, Feart et al., 2013, Feart et al., 2015), molecules that are enriched in several food supplements recommended for

boosting the immune system, supporting cardiovascular function, and protecting cells against oxidative stress (Roll et al., 2011, Lamprecht et al., 2007, Chapple et al., 2012, Lamprecht et al., 2013, Cui et al., 2012, De Spirt et al., 2012, Esfahani et al., 2011).

The public perspective on dietary supplements

Consumer research is crucial for the product development process. Indeed, consumer acceptance, understanding and perception are essential for aligning the development of dietary supplements with consumer's needs. In this regard, Americans generally accept dietary supplements, and are prepared to include them in their diets. Indeed, they choose dietary supplements as a simple way to improve their health, and 82% of adults now consume a functional food on a weekly basis (Mintel 2013).

The global spread of NCDs and cognitive decline

Diabetes, obesity, CVD and cancer are categorized as non-communicable diseases (NCDs), because their causes are multifactorial and polygenic (Tokunaga et al., 2013). NCDs, and in particular CVD and diabetes, are on the list of top 10 causes of death in the world (World Health Organisation (WHO), 2011). Furthermore, according to WHO, obesity is the fifth leading risk for global deaths, causing every year around 2.8 million fatalities worldwide. Finally, the ageing of society is spreading cognitive decline and other dementias, among which the most common is the Alzheimer's disease, which affects approximately half a million people in the US (Alzheimer's Society, 2012). The current increase in NCDs and the associated rising cost of funding the NHS is an economic imperative that must be addressed. It is clear that poor quality diet can increase the risk of NCDs. Therefore, it is a global priority to promote healthy dietary patterns, and the use of functional food and dietary supplements could help in preventing or reducing NCDs.

Effects of the diet on NCDs

In general, increasing the daily consumption of whole-grains, fruit and vegetables, low-fat dairy, oily fish, protein (including nuts, legumes and pulses), vitamins and minerals can have a protective effect against fat mass increase and NCDs like CVD, hypertension, high cholesterol, type-2 diabetes. On the contrary, foods that are high in salt, free sugar and trans-fatty acids (TFA) should be consumed in moderation and prepared from naturally sourced ingredients. Indeed, lowering salt intake can reduce the risk of stroke, coronary heart disease (CHD) and hypertension. Moreover, cutting-down on dietary sugar intake can decrease obesity risk in adults and children. Finally, reducing total fat and TFA intake can reduce body weight and fat mass in adults and children and lower cholesterol in healthy and overweight/obese individuals.

Effects of the diet on neurological diseases

An emerging body of evidence indicates that diet plays an important role in mental health (Jacka and Berk, 2007, Jacka et al., 2013, Murakami and Sasaki, 2010). A healthy dietary pattern high in fruit, vegetables, fish, whole-grains and low-fat dairy, and low-to-moderate in red or processed meats significantly reduces the risk of depression. In contrast, Western dietary patterns rich in processed meat, high-fat dairy, refined grains, sugary beverages and desserts increased risk of depression. Moreover, free fatty-acid supplementation and exclusion of artificial food colors in the diet have a beneficial effect on mental health, reducing the risk of attention deficit hyperactivity disorder (ADHD). Finally, wrong nutritional habits during prenatal development, infancy and childhood can affect both cognitive development, cognitive function and behaviour in later life (Anjos et al., 2013, Prado & Dewey, 2014, Barker et al., 2013, Jacka et al., 2013).

Nutrients impact on diseases assessed through pathway analysis

Pathway analysis could be exploited to study effects of dietary supplements and food groups on phenotypic outcomes such as longevity, mental health, body composition and cardiovascular function. Indeed, the study of molecular pathways could help in better understanding how natural molecules can influence different regulatory mechanisms including development, immune responses, metabolic processing, hormonal control and DNA repair. These findings will have implications for public health, disease intervention, therapeutic management, nutrition-related behaviors, marketing strategy, economic growth and food development.

Molecular targets for bioactive food ingredients in cancerous cells

Several foods comprised in the Mediterranean diet have bioactive food ingredients and components that function to maintain normal cellular activity and alter the biological behavior of cancerous cells. For example, garlic is associated with autoactivation of CYP2E1, and does not affect other CYP450 isozymes. Indeed, the different responses to dietary compounds that have a role in preventing cancer may be related to the diversity of the enzymes on which they can act (Elsamanoudy et al., 2016). Genetic polymorphisms in the regulatory regions of the genes of metabolising enzymes and transporter proteins, such as AhR and PXR, may affect the total response to the bioactive food constituents (Yang et al., 2007).

To counteract the neoplastic transition, food components can act on key proteins that regulate cell cycle and apoptosis (Meeran, 2002). Cell cycle is regulated by different protein kinase complexes that are composed of cyclin and cyclin-dependent kinase molecules, and several dietary factors can adjust or modify their action (Meera, 2008). Apigenin (celery, parsley), curcumin (turmeric), epigallocatechin-3-gallate (green tea), resveratrol (red grape and berries), genistein (soybean), and allyl sulfur (garlic) have all been reported to affect the cell cycle by

different mechanisms (Elsamanoudy et al., 2016). Moreover, some bioactive dietary components may also enhance apoptosis by stimulating the free radical formation of reactive oxygen/nitrogen species in the cell (Kim, Yim & Chung, 2008). Finally, epigenetic modifications can change in response to diet, mainly by the intake of multiple food ingredients such as vitamin A and zinc (Ross, 2003), as well as methyl-deficient diets (Fang et al., 2007), genistein and related soy isoflavones.

Resveratrol, a bioactive component in red grape skins, is an anti-inflammatory molecule which has possible beneficial effects on colitis and colitis-associated colon cancer, CVD, type 2 diabetes mellitus (T2DM), neurodegenerative disorders and rheumatoid arthritis (Cui et al., 2010; Sanchez-Fidalgo et al., 2010; Choo et al., 2014; Trotta et al., 2015, 2016; Banu et al., 2016). Its anti-inflammatory effects are conveyed through the inhibitory effects of iNOS, COX-2, and NF-kB and the activation of Sirt1 (Youn et al., 2009). Moreover, resveratrol can act on the epigenetic level. Indeed, it could repress histone acetylation by activated NF-kB, and it can also inhibit histone deacetylases activity.

Beneficial effects of dietary fats

Fats are another class of molecules with promising beneficial effects. Indeed, dietary cholesterol performs an inhibitory effect on the transcription of hydroxymethyl glutaryl-CoA reductase gene. Moreover, dietary polyunsaturated fatty acids repress mRNA production of fatty acid synthase in hepatocytes by decreasing mRNA for lipogenic enzymes (Leu & Schmidt, 2008). Furthermore, dietary fats can also influence tumor progression. Fish oil consumption decreased gene expression in pathways related to mitochondrial physiology and insulin synthesis/secretion, slowed tumor growth and increased survival rates in mice with tumors (Lloyd et al., 2013). Finally, a different fatty acid composition of diets proved to modify

gene expression patterns of adipocytes, coronary artery smooth muscle, and human prostate cancer cells.

Monounsaturated fatty acids from olive oil have strong beneficial effects. Their intake lowers the expression of inflammatory genes and, consequently, reduces the atherogenic profile and the tumor progression. Supplementation with either olive oil, eicosapentaenoic acid, or docosahexaenoic acid (DHA) proved to modify gene expression, affecting the following pathways (Tsunoda et al., 2015):

- interferon signaling;
- receptor recognition of bacteria and viruses;
- G protein signaling, glycolysis, and glycolytic shunting;
- S-adenosyl-l methionine biosynthesis, and cyclic adenosine monophosphate-mediated signaling including cAMP responsive element protein 1, as well as many other individual genes, such as hypoxia inducible factor 1 alpha subunit.

Olive oil phenolic compounds

Important component of olive oil, phenolic compounds differentially expressed genes involved in inflammatory processes mediated by transcription factor NF-kB. In particular, transcription factor complex AP-1, cytokines, mitogen-activated protein kinases, or arachidonic acid pathways were all repressed by phenolic compounds, thereby switching the activity of cells to a less deleterious inflammatory profile (Camargo et al., 2010). Finally, phenolic compounds also proved to modulate levels of mRNA and miRNA, molecules implicated in metabolism, inflammation, and cancer. Thus, the consumption of virgin olive oil with phenolic compounds, either in a postprandial regimen or over a relatively short period, influences the expression of genes related to inflammation, atherosclerosis and tumors, and could have a protective beneficial effect.

Hydroxytyrosol (HT), the main phenolic compound of olive oil, has potent antioxidant, anti-atherogenic and anti-cancer properties, which result in the upregulation of numerous antioxidant proteins and enzymes, including heme oxygenase-1, glutaredoxin, and glutathione peroxidase. HT can alter the expression of transcription factors such as STAT3, STAT6, SMAD7, and ETS-1, while it can also downregulate the telomerase reverse transcriptase subunit (Rafehi et al., 2012). For cancer prevention, HT could possibly act also on the complement system, on the Warburg effect, and on chromatin remodeling (Nan et al., 2014). HT derives from oleuropein degradation, an olive oil phenolic compound which upregulates the expression of adipogenesis-repressed genes (Casado-Diaz et al., 2017).

Future perspectives - Nutritional importance of epigenetics and nutrigenetics

Epigenetics, nutrigenetics and nutrigenomics are new and interesting areas for the future development of dietary supplements. The human genome is made up of approximately three billion nucleotide pairs containing codes to control gene expression, but recently it was discovered that phenotypes can be heritable without affecting the genomic sequence. Indeed, an epigenetic trait is a “stably heritable phenotype resulting from changes in a chromosome without alteration in the DNA sequence”. The changes in chromatin structures include DNA methylation and histone modifications, and they can influence important mechanisms in many diseases such as NCDs, degenerative diseases and immune diseases. Moreover, many other diseases for which the aetiology is currently unknown could be due to epigenetic modifications. Epigenetics could be exploited for the development of personalized disease prevention and treatment strategies (Choi and Friso, 2010), and food nutraceutical components proved to be key determinants in epigenetic enzymes function, suppressing the expression of harmful genes (Tokunaga et al., 2013)

Nutrigenetics consists of three stages: nutrigenomics, microbiomics and metabolomics. The main concept of nutrigenetics is to personalize nutrition and dietary interventions at an individual level. This technology might be able to provide tailored nutrition for individuals or population groups with the same health issue, helping in the prevention or treatment of NCDs, and potentially revolutionizing health promotion, healthcare and food industry. Conceptually, nutritional genomics is still in its infancy, and it is unclear how this rapidly developing science will be accepted by society (Castle & Ries, 2007; Ronteltap, van Trijp & Renes, 2007; Moskowitz, German & Saguy, 2005). Indeed, several studies have investigated the attitudes, knowledge and the interest of people in genetic testing within the US and European countries, and they showed that health and clear consumer benefits are key motivators in the uptake of genetic testing, especially in individuals reporting personal experience of disease (Fallaize et al., 2013).

Future perspectives - Dietary habits

Although US dietary patterns are becoming healthier, including lower intakes of fat and red meat, and higher intakes of fiber, fruit and vegetables, the general population consumes more than the recommended amounts of saturated fat, added sugars and salt, and not enough fruit, vegetables, oily fish and fiber (NDNS, 2015). Both in the US and globally, household income was shown to influence dietary patterns, with lower income quintiles associating with poorer quality diets, influencing disease burden. Considering this problematic situation, the market should promote affordable and healthier food choices, in order to reduce the disease burden of dietary-related NCDs.

Physical activity (PA)

Physical inactivity is associated with increased chronic disease risk.

Increasing sedentary time and sleep is inversely related to poor health and premature mortality.

Physical inactivity prevalence is the percentage of individuals who do not perform sufficient daily PA to meet the PA and exercise guidelines of at least 150 min of moderate-intensity aerobic PA per week or at least 75 min of vigorous PA per week for adults and at least 60 min of moderate-to vigorous-intensity daily PA for children aged 5 to 17. Recent findings show an increase in physical inactivity globally.

In the United States, only 42% of children between the ages of 6–11 years meet the WHO PA guidelines. Approximately 14% of adolescents report being regularly physically inactive while only 8% of 12- to 19-year-olds meet recommended PA levels. In this same regard, 30% of adults did not engage in enough PA during leisure time. Inactivity prevalence does increase with age: 25% of young adults (18–44 years), 33% of middle-aged adults (45–64 years), 36% of older adults (65–74 years), and 53% of the elderly (≥ 75 years) are reported inactive.

Low PA levels result in harmful and even detrimental consequences. For example, if type 2 diabetic patients increase their sedentary time by just 60 min/day, mortality risk could increase by 13%. Additional problems arise with a physically inactive lifestyle including impaired circulation, osteoporosis, arthritis and/or other skeletal disabilities, diminished self-concept, greater dependence on others for daily living, reduced opportunity and ability for normal social interactions, and overall diminished quality of life.

Health benefits of Physical Activity

Many countries and organizations such as the American College of Sports Medicine and the World Health Organization (WHO) have released PA guidelines to provide science-based recommendations for PA and exercise. These guidelines are for young children, adolescents, adults, elderly, and for individuals with chronic diseases. These guidelines consider different PA dimensions (mode, frequency, duration, and intensity) and domains (leisure time, transportation, occupation, and domestic activity) to allow for individualization.

Chronic disease prevention, rehabilitation/treatment, and other health benefits of daily PA and exercise are continually being investigated with new information being found and reported. These studies demonstrated that increases in PA and physical fitness are associated with decreased all-cause mortality. Other clinical investigations also successfully depicted the dose-response curve. For example, older men and women have significantly lower mortality risk when moderate cardiorespiratory fitness levels are maintained.

Other means for optimizing bodily functioning by PA and exercise are found in the literature. Quality of life is increased when PA and exercise are included as part of the medical management plan for individuals living with chronic disease. Improved functional capacity and muscular strength, reduced inflammation, increased HDL-cholesterol, and body weight reductions are a result of PA and exercise in children and adults. The implementation of daily PA and exercise prevention interventions support an 80% reduction in CVD risk, 90% reduction in type 2 diabetes risk, 33% reduction in cancer risk, and in some cases reductions in all-cause mortality. Results from exercise-based cardiac rehabilitation programming found no effect on all-cause mortality but a greatly reduced cardiac mortality.

Health improvements seen with PA and exercise are not limited to the cardiovascular system. After becoming physically active, type 2 diabetics improve their overall insulin sensitivity and positively altered skeletal muscle proteins and enzymes associated with glucose metabolism and insulin signaling. As a result, structured exercise programming is an important part of a diabetic's medical management plan. Another health benefit example is the inverse relationship found between cancer mortality and PA and exercise. Cancer mortality rates are reduced by 7–17% with increased PA. Depression and anxiety symptoms are also improved with daily PA and exercise.

Additional health benefits exist for preventing disease complications and improved quality of life. Daily PA and exercise enhances bone health by increasing bone mineral density. These interventions are recommended in the prevention and treatment of osteoporosis and to decrease the risk of future bone fractures. Also, PA and exercise improve the immune system enabling the body to fight infectious diseases resulting in less overall susceptibility to sicknesses. As part of this immune adaptation, lymphatic function is enhanced and inflammation is reduced by decreasing inflammatory cell accumulation.

PA and exercise induce molecular adaptations in multiple brain regions, improving functional and structural neural properties, allows for enhanced learning and skill acquisition, and improves cognition in healthy adults and in neurologically disabled adults. An inverse relationship exists between the amount of PA and exercise with risk for developing dementia (including Alzheimer's) and Parkinson's disease. PA and exercise is proposed to delay the onset of those conditions and is recommended as a preventative measure for cognitive decline and as part of the treatment/management plan.

The portions of the brain most adaptable to change (i.e., memory/learning, emotion, etc.) are the first enhanced by PA and exercise. Clearly, neurological deficits in addition to mental health conditions improve with PA and exercise which in turn prevents or reduces other health conditions associated with poor stress management, depression, and anxiety.

Thus, PA and exercise provide a non-invasive means for added chronic disease prevention and treatment. Though additional physiologic, biochemical, and molecular information regarding PA and exercise health benefits are useful, important areas for future research include how to get more people to overcome PA and exercise barriers, better understand the interaction of medications with PA and regular exercise.

C4. MARKETING PLAN

4.1 MARKETING OBJECTIVES

- Promote, through marketing tools, the Mediterranean diet and a healthy lifestyle;
- Position ourselves in the American food supplement market;
- Differentiate ourselves from the competition by sponsoring our products, our scientific research and the Mediterranean diet;
- Increase the sale of food supplements and genetic, microbiomic, metabolomic tests;
- Spreading the knowledge of the Mediterranean diet, as a tool that helps people to improve the quality of life, underlining the importance of the prevention of non-communicable and epigenetic diseases;
- To establish a stable and constant customer base all over Georgia and beyond;
- To become a point of reference for the American dietary supplements market and for consultancy services regarding the adoption of a healthy lifestyle based on the Mediterranean diet.

4.2 MARKETING CHANNELS

Magisnat, to achieve the marketing objectives listed above, will use various purely online communication channels.

These tools will be the means that will allow to connect the company to the final consumer and to create a community in which we can exchange advice on how to adopt a healthy Mediterranean lifestyle, making the latter a viral phenomenon.

Specifically, the channels that will be used are:

- Social platforms (Facebook, Instagram and LinkedIn);

- Google platforms (Google Ads, YouTube, GMail);
- The Amazon platform, which offers the possibility of carrying out campaigns on product sheets;
- Sites where you can publish articles relating to our products or, more generally, to the scientific research carried out by us;
- The use of external consultants for the creation and dissemination of communication. It was thought to make use of platforms, such as Fiverr, which are incubators of professionals who offer different services to implement the communication strategy. Identify a web design to recreate Achille Bertelli's vintage advertising, thus providing a link between the two companies, past and future intertwine, and create 2D cartoon, in which the story telling technique will be used which consists in telling a story that intrigues and entertains the user and, indirectly, shows the products, explains the importance of the Mediterranean diet and the adoption of a healthy lifestyle. One film is expected to be made per month. Use figures such as nutritional bloggers, who through videos on the creation of Mediterranean recipes, illustrations or explanations on the calories contained in food, spread the importance of psycho-physical well-being in people. Finally, make use of personal trainers / models who, again through the story telling technique in the wellness field, spread the importance of physical movement to improve one's health.

4.3 OPERATIONAL PROCESS

Growth Strategy

Based on the aggressiveness of our media campaigns as well as local advertisements, our business is poised to experience unprecedented growth, especially, from the first six months from which the awareness kicked off. Again, the reviews gathered by the sales of our dietary

supplements from our customers who have enjoyed them will greatly contribute to the growth of our company.

As the popularity of our company grows, so does the need to expand. Starting out with digital sales through popular e-stores like Amazon, Etsy, and eBay. We hope to set up at least a physical location, where to create research laboratories that host researchers from all over the world to study natural molecules, design new products and find solutions against various pathologies.

To further strengthen our reputation in the industry and also offer more impactful services, we will also set up a cooking school for the Mediterranean diet.

The ultimate growth goal must be to spread a healthy Mediterranean lifestyle and to provide people with the tools to adopt it.

4.4 P'S OF MARKETING

The Ps of Marketing are basically four; they are product, price, placement, and promotions.

We have examined them in relation to our company:

Product

Provide innovative and high quality products that benefit the population.

The product range must always be updated and implemented to cover most of people's needs.

Promotion

In furtherance of our determination to promote our business and expand the scope of our present customer base, we intend to explore the following options:

- **Launching of Facebook ads:** Facebook is regarded as the biggest social media in the world. We will utilize the ads option available on Facebook to reach out to our customers. Our strategic posting of our ads will be timely and constant. This would avail prospective customers who are oblivious of our existence to have an idea of the services we offer and subsequently patronize us.
- **Use figures such as nutritional bloggers,** who through videos on the creation of Mediterranean recipes, illustrations or explanations on the calories contained in food, spread the importance of psycho-physical well-being in people. Finally, **make use of personal trainers/models** who, again through the story telling technique in the wellness field, spread the importance of physical movement to improve one's health.
- **Affiliate programs with complementary online businesses:** Affiliations with major brands and businesses is one of our marketing strategies. It is believed that an affiliation with an established brand increases our chances of gaining more ground in the market as it has the potential of positively affecting our income.
- **Search Engine Optimization on key search terms:** In a bid to strengthen our popularity with our targeted market, we shall employ the use of SEO, which in turn will help us generate more traffic, and for customers who choose to search on the internet for the best dietary supplement product in America – we will always come first.

Pricing

Our prices will be very fair as it is the basis of our existence as a dietary supplement brand. We will always ensure that the prices of our products are very competitive such that the customers can be thoroughly satisfied. We will compare our prices with what obtains in the industry at large and see that we are actually still fair with our prices as we claim.

Place

Atlanta, Georgia can be considered a huge market for our company to thrive. Georgia is generally an economically buoyant state that houses a lot of people who fall within the scope of our target market.

In fact, in this place there is a very high percentage of individuals who have eating disorders and lead an unregulated lifestyle.

We want to use our knowledge to make people feel good. Offer them services and products that cure their diseases and bring well-being to their lives.

C5. ORGANIZATION ANALYSIS

5.1 SWOT ANALYSIS

The key issues and opportunities for Magisnat raised through the research and follow-up consultations are summarised in the following SWOT analysis:

Strengths

- ❖ Clear vision of the market need: people have an unregulated lifestyle and severe vitamin deficiencies. The need arises to help individuals to implement a healthy lifestyle, to eat properly, distinguishing healthy foods from harmful ones, to learn how to cook healthy and balanced meals and, finally, to be aware of the need for a strong and valid food supplementation also with a view to prevention;
- ❖ Our quality and well-researched products and follow up services delivery will be our greatest strength;
- ❖ A great location like Atlanta, Georgia is an ideal place for such business like ours because in this area there is a high concentration of people suffering from eating disorders;
- ❖ The continuous research and rolling out of innovative products in the dietary supplement industry (creation of new innovative products/ services);
- ❖ Our products and services are directly in line with new market demands;
- ❖ Very successful Marketing strategy, differentiating us from the competition;
- ❖ High profit margins;
- ❖ Lower sales costs than the competition;
- ❖ Collaborations with professors, doctors and researchers to offer cutting-edge and innovative services and products;

- ❖ Ownership of numerous patents and the creation of relevant publications on various scientific topics:

MAGI Group owns four patent applications:

- “Methods of treating lipedema including AKR1C1 as a therapeutic target”, USA, Deposit number US 63/183,313
- “Composition for the prevention of infection by SARS-COV-2”, Italy, Italian patent application 102020000024118
- “Composition for the prevention of infection by SARS-COV-2”, International, Deposit number PCT/IB2021/052900 (***Attachment 5. Patent***)
- “Composition for the treatment of radio-induced oral mucositis”, Italy, Italian patent application 102021000023381

Our relevant publications

A non-exhaustive list of publications by the MAGI Group divided by interested pathology:

Obesity

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Weakness

- ❖ As a new entrant in the United States market, Magisnat lacks the brand equity that many of its competitors have earned over years of service;
- ❖ The struggle to appear continually on the edge;
- ❖ Large costs associated with a start-up;
- ❖ Challenges faced with quality control;
- ❖ Clear management of roles in the company (in the future).

Opportunities

- ❖ The growing industry: In the last couple of years, it was discovered that there is a huge growing opportunity in the dietary supplement industry, which we aim to tap from;

- ❖ Growing market: Magisnat is a completely exceptional brand in the marketplace. A significant percentage of the target market has still not been introduced to our kind of products and services;
- ❖ Our products and services are the biggest competitive advantage we have. Other details such as people management and all that it entails, from recruiting, training and culture to our company's purpose remains the key to winning and keeping customers;
- ❖ We will leverage the internet and utilize social media platforms as a tool to attract customers – an opportunity most of our competitors do not take seriously;
- ❖ The feel-good opportunity customers always have for a new opening business will be a great opportunity for us;
- ❖ Diversify the business (becoming a multi-product and service business);
- ❖ Enter new larger markets.

Threats

- ❖ Declining economy: Many people are becoming increasingly conservative with how their money is being spent;
- ❖ Copycat services: Certainly, other services will try to mimic the success of Magisnat, but we are confident that our products will remain unique as they have been developed through research and patents;
- ❖ Competition from already established chains;
- ❖ New competition that might enter the market;
- ❖ Trade and immigration changes may make us vulnerable.

5.2 COMPETITOR ANALYSIS

Basically, our competitors are others brand that offer similar dietary supplements products as ourselves.

The competitors are:

Industry name	Industry Url	Product Url	Ingredients	Cost	Caratteristic
<i>Longevity by Nature</i>	https://www.longevitybynature.biz/	TELOS95	olive and grapevine polyphenols	\$79.95/30 pills	proven for longevity
<i>ProHealth</i>	https://www.prohealth.com/	ProHealth Longevity, Hydroxytyrosol Extreme, 25 mg, 90 Vegetarian Capsules	olive polyphenols	\$39.90/90 pills	not proven
<i>Comvita</i>	https://www.comvita.com	Olive Leaf Extract Capsules 60 Capsules	olive polyphenols	\$24.99/60 pills	not proven
<i>Pure Synergy</i>	https://www.thesynergycompany.com/	RAPID RESCUE® \$33	olive polyphenols	\$33.99/42 pills	not proven
<i>oliphenol</i>	https://oliphenol.us	Oliphenol capsule	olive polyphenols	\$39.95/30 pills	not proven

5.3 COMPETITIVE STRATEGY

We will ensure that all our customers, to a reasonable degree, are satisfied with our products and services. We will also gather information from them in order to serve them better. This type of first-hand market research will prove invaluable in attracting more customers and retaining existing ones.

We will supplement this marketing with announcements and our website.

Our marketing channels include:

- Social media advertisement: we will create campaigns on some popular social media platforms like Facebook, Instagram, etc., where regular info is made available to customers on our services;
- Freelance professionals to create different materials to be used in our communication. In detail, we will use graphics to create 2 and 3 D videos and comic videos, male models / personal trainers to spread the importance of physical activity and for product promotion, models to emphasize that to have a healthy and beautiful body at the same level. aesthetic it is

important not to have vitamin deficiencies and, consequently, to take dietary supplements and chefs to teach the population to cook a healthy and balanced meal.

- Signage: The neighboring communities’ market could be substantial. We would like to implement:
 - Local advertisement channel, for example specific supplement marketing sites on which to post our advertisements;
 - Brochures on products and on the company;
 - Word-of-mouth.

5.4 MILESTONES

Check List	Start Date	End Date	Budget	Progress	Personnel Involved
Business Name Availability				Completed	
Business Registration				Pending	
Opening of Corporate Bank Accounts:				Pending	
Opening Mobile Money Accounts				Pending	
Application and Obtaining Tax Payer’s ID				In Progress	
Application for business license and permit				In Progress	
Purchase of Insurance for the Business				Pending	
Conducting Feasibility Studies				Completed	
Writing of Business Plan				Completed	
Drafting of Contract Documents and other relevant Legal Documents				Pending	
Design of The Company’s Logo				Completed	

Graphic Designs and Printing of Marketing / Promotional Materials				In Progress	
Purchase of Equipment; Websites				Completed	
Creating Official Website for the Company				Completed	
Creating Awareness for the business both online and in the neighborhood				In Progress	
Establishing relationship with target customers				In Progress	

C6. MANAGEMENT SUMMARY

6.1 OWNERSHIP

Dr. Matteo Bertelli is the owner and managing director of the company. He was inspired by the figure of Dr. Achille Bertelli, an Italian inventor born in Brescia in 1855 and graduated in chemistry in Pavia in 1875 specializing in the extraction of natural molecules.

Dr. Matteo Bertelli founded MAGI in Italy to study the natural compounds present in the vegetables and fruits typical of the Mediterranean Diet. Today, the MAGI laboratory in Italy aims to study the best dietary supplements for people with special needs, all with a non-profit perspective.

Magisnat on the other hand is a branch of the MAGI Group, and it that will serve as the distributing channel of MAGI's products in America. Magisnat has been launched to promoting healthy and sustainable lifestyles, similar to the Mediterranean diet model. The company will operate with a focus of influencing responsible lifestyles while capitalizing on the emerging lifestyle consumer global market by creating innovative dietary supplement products and offering novel related services.

6.2 CONTINGENCY PLAN

The owner – Dr. Matteo Bertelli has full confidence in the business and believe that it will be profitable and successful based on the substantial market desire for the business.

However, if the business fails, he would take the following measures:

- Re-strategize, analyse the reason for the initial failure and preparedly venture into it again.

6.3 FUTURE GOALS

- To become the leading dietary supplement brand in the whole of Georgia and the United States at large;
- To introduce new, innovative, and valuable products;
- Marketing omics tests to spread the importance of monitoring one's health and to teach the importance of prevention;
- Offer consultancy services on the state of well-being of people;
- Spread the importance of adopting a healthy lifestyle based on the principles of the Mediterranean diet;
- To teach people to cook healthy and wholesome foods and to know how to read food labels;
- Educate the population on the importance of using dietary supplements to combat the onset of diseases and metabolomics deficiencies
- Always reach high levels of scientific research, thanks to collaborations with distinguished professors, doctors and researchers and forge partnerships with prestigious schools and universities;
- To have a loyal and strong customer base all over the country.

C7. FINANCIAL PLAN

The following section contains financial information for **Magisnat**. Tables and charts show annual projections for the first five business years.

7.1 FINANCIAL OVERVIEW

Below is the financial overview showing the profitability of the business as the sales increases with little change in the cost. The profit is seen to increase with sales.

Financial Overview

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Total Revenue</i>	167,850.00	209,812.50	262,265.63	327,832.03	409,790.04
<i>Total Expenses</i>	131,250.00	140,687.50	158,609.38	180,136.72	207,045.90
<i>Net Profit</i>	29,280.00	55,300.00	82,925.00	118,156.25	162,195.31

7.2 PROFIT AND LOSS

The below table is the profit and loss projection for the first five business years. The sales are seen to increase each year, causing a considerable increase in the net profit too.

Profit and Loss

	Year 1	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$	\$
<i>REVENUE</i>					
<i>Garlive Oral Spray</i>	24.9	24.9	24.9	24.9	24.9
<i>Sales Quantity</i>	3500	4375	5469	6836	8545

<i>Subtotal Sales</i>	87150	108938	136172	170215	212769
<i>Garlive</i>	26.9	26.9	26.9	26.9	26.9
<i>Recovery Pills</i>					
<i>Sales Quantity</i>	3,000	3750	4688	5859	7324
<i>Subtotal Sales</i>	80700	100875	126094	157617	197021
<i>Total Sales</i>	167,850.00	209,812.50	262,265.63	327,832.03	409,790.04
<i>COGS</i>					
<i>Production</i>	16,000	20,000	25,000	31,250	39,063
<i>Total COGS</i>	16,000	20,000	25,000	31,250	39,063
<i>Gross Income</i>	151,850	189,813	237,266	296,582	370,728
<i>Gross Margin</i>	90%	90%	90%	90%	90%
<i>COSTS OF OPERATION</i>					
<i>Labor</i>	30,000	30,000	30,000	30,000	30,000
<i>Exports</i>	2,000	3,500	5,250	6,563	8,203
<i>Shipments</i>	26,000	32,500	40,625	50,781	63,477
<i>Advertisement</i>	36,000	36,000	36,000	36,000	36,000
<i>Consultants</i>	10,000	5,000	5,000	5,000	5,000
<i>Membership</i>	1,500	1,500	1,500	1,500	1,500
<i>General Costs</i>	9,750	12,188	15,234	19,043	23,804
<i>Total Operating Cost</i>	115,250	120,688	133,609	148,887	167,983
<i>Operating Income</i>	36,600	69,125	103,656	147,695	202,744
<i>Operating Margin %</i>	22%	33%	40%	45%	49%
<i>EBITDA</i>	36,600	69,125	103,656	147,695	202,744

<i>Depreciation & Amortization</i>	0	0	0	0	0
<i>Interest Expense</i>	-	-	-	-	-
<i>Tax Incurred</i>	7320	13825	20731	29539	40549
<i>Net Profit</i>	29,280.00	55,300.00	82,925.00	118,156.25	162,195.31
<i>Net Profit/Sales %</i>	17%	26%	32%	36%	40%

From the above analysis, it is projected that the business will have a total revenue of **\$167,850.00** in the first year of business activities. Every business always aspires to increase its sales. With the marketing strategy adopted, it is assumed that this will yield an increase in the subsequent years of business operations, thereby, causing the revenue for each year to increase too.

The volume of revenue influences the profit that will be made during the year, therefore revenue generated in the course of running the business results in an increase in profit made by the business after taking care of all expenses.

Chart: Profit and Loss

7.3 CASH FLOW STATEMENT

Below is cash flow statement projection for five years showing the movement of cash within the business.

<i>Cash Flow</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$	\$
<i>Cash From Operations</i>					
<i>Cash Sales</i>	167,850	209,813	262,266	327,832	409,790
<i>Subtotal Cash From Operations</i>	167,850	209,813	262,266	327,832	409,790
<i>Additional Cash Received</i>					
<i>Investment</i>	\$0.00				
<i>New Long-term Liabilities</i>	-	0	0	0	0
<i>Sales of Other Current Assets</i>	0	0	0	0	0
<i>Sales of Long-term Assets</i>	0	0	0	0	0
<i>New Investment Received</i>	0	0	0	0	0
<i>Subtotal Cash Received</i>	167,850	209,813	262,266	327,832	409,790
<i>Expenditures</i>	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Expenditures from Operations</i>					

<i>Total Operating Cost</i>	115,250	120,688	133,609	148,887	167,983
<i>Interest Expense</i>	-	-	-	-	-
<i>Tax Incurred</i>	7320	13825	20731	29539	40549
<i>Subtotal Spent on Operations</i>	122,570	134,513	154,341	178,426	208,532
<i>Additional Cash Spent</i>					
<i>Other Liabilities Principal Repayment</i>	0	0	0	0	0
<i>Long-term Liabilities Principal Repayment</i>	-	-	-	-	-
<i>Startup Expenses</i>	-	0	0	0	0
<i>Purchase Long-term Assets</i>	0	0	0	0	0
<i>Owner's Drawing</i>	14640	27650	41463	59078	81098
<i>Subtotal Cash Spent</i>	137,210	162,163	195,803	237,504	289,630
<i>Net Cash Flow</i>		47,650.00	66,462.50	90,328.13	120,160.16
<i>Cash Balance</i>	30,640.00	78,290.00	144,752.50	235,080.63	355,240.78
	30,640.00				

Chart: Cash Flow

The graph above shows an upward movement of closing cash balance which indicates that there is an increase in cash balance at the end of every period.

7.4 BALANCE SHEET

Below is the financial forecast of the balance sheet for the business. The below table shows the steady growth in the net worth of the organization, this shows that the business is a very profitable one.

Table: Balance Sheet

Balance Sheet

	Starting Bal.	Year 1	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$	\$	\$
<i>Assets</i>						
<i>Current Assets</i>						
<i>Cash</i>	-	30,640	78,290	144,753	235,081	355,241
<i>Other Current Assets</i>	0	0	0	0	0	0
<i>Total Current Assets</i>	0	30,640	78,290	144,753	235,081	355,241
<i>Long-term Assets</i>						
<i>Long-term Assets</i>	-	-	-	-	-	-
<i>Accumulated Depreciation</i>	0	0	0	0	0	0
<i>Total Long-term Assets</i>	-	-	-	-	0	0
<i>Total Assets</i>	0	30,640	78,290	144,753	235,081	355,241

<i>Liabilities and Capital</i>						
<i>Current Liabilities</i>						
<i>Accounts Payable</i>		0	0	0	0	0
<i>Current Borrowing</i>	0	0	0	0	0	0
<i>Other Current Liabilities</i>	0	0	0	0	0	0
<i>Subtotal Current Liabilities</i>	0	0	0	0	0	0
<i>Long-term Liabilities</i>	0	-	-	-	0	0
<i>Total Liabilities</i>	-	-	-	-	0	0
<i>Paid-in Capital</i>	0	0	0	0	0	0
<i>Retained Earnings</i>	0	29,280	84,580	167,505	285,661	447,857
<i>Earning</i>	0	29,280	55,300	82,925	118,156	162,195
<i>Total Capital</i>	-	30,640	78,290	144,753	235,081	355,241
<i>Total Liabilities and Capital</i>	-	30,640	78,290	144,753	235,081	355,241
<i>Net Worth</i>	-	30,640.00	78,290.00	144,752.50	235,080.63	355,240.78

Chart: Net Worth

7.5 BREAK-EVEN ANALYSIS

Break-even is the point where the business neither makes profit nor loss. This means that at break-even, the business is only able to pay up its expenses both fixed and variable cost without any excess. The essence of break-even is to determine the number of sales that could lead to profitability.

***Breakeven
Analysis***

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Fixed cost</i>	\$115,250.00	\$120,687.50	\$133,609.38	\$148,886.72	\$167,983.40
<i>Variable Cost %</i>	9.53%	9.53%	9.53%	9.53%	9.53%
<i>Gross Margin %</i>	90.47%	90.47%	90.47%	90.47%	90.47%
<i>Break Even Income Revenue</i>	127,393.56	133,404.00	147,687.41	164,574.49	185,683.33
	167,850.00	209,812.50	262,265.63	327,832.03	409,790.04

The business is seen to break the even in the first year of business activities. This means that there must be more than \$127,393.56 worth of sales in the first year before any profit can be recorded. The above analysis can be seen in the below graph showing the breakeven income and revenue.