



OKelvin

*What you see
it's what you taste*

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MISSION

It is known that we eat and taste with our eyes first. So our company **OKelvin** has been founded to protect humans' health, while guaranteeing the best tasting experience, with simple and visual feedbacks.

We design a new generation of labels, called **Bright Tags™**, that aim at showing directly to the consumer if specific goods match the ideal conditions for human consumption.

We dream of a world of "Smart Goods with Smart Labels", where our Bright Tags enable the monitoring of the "right" temperature for a vast variety of goods (wine, groceries, water, drugs).

We believe in the authenticity of taste, the creation of authentic and virtuous sociability, the attention to environment, biodiversity and sustainability.

PHILOSOPHY

We put our customers' shoes to understand what their necessities are and try to find real solutions.

Our products talk about food, but not only: they talk about Flavour with a capital F and about intrinsic Italian quality and talent. We analyze problems of production, do meticulous researches on raw materials, and, consequently, develop our products as

complex projects. Each of us has been on his own specific professional path for years.

We are **innovators**, although many of us dedicate themselves to the recovering of traditional methods. Indeed, we consider us to be designers striving to surprise humanity.

We have noticed that temperature affects many aspects of our life, for example the flavour of water, meat and biscuits, the change of the chemical structure of drugs and the organoleptic characteristics of the wine.

We have decided to start studying how temperature affects **wine**, because we have proper knowledge in this field and we have received a lot of good feedbacks about our idea from important local wineries.

Temperature emphasises the aroma and fragrance of the wine, so high or low

temperatures are responsible for changing the characteristics of the wine that are fundamental for best tasting.

Bright Taster™ guarantees the best experience possible and makes the customer feel special emotions.

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EXECUTIVE SUMMARY

What you see is what you taste. The pleasure of tasting at the right temperature.

PROBLEM

The temperature is responsible for changing the chemical structure of many substances or products, making them unfit for the proper human consumption. The tasting properties of wine can be affected by temperatures too high or too low.

Moreover, drugs, groceries, PET bottles, if exposed to unexpected temperatures, can release harmful substances and become dangerous for humans' health.

SOLUTION

We're proud to introduce **Bright Taster™**, the firstborn of a new breed of Bright Tags™ that aim at showing directly to the consumer if specific goods match the ideal conditions for human consumption.

Bright Taster™ is an innovative tag, fully designed by our Company OKelvin, that shows directly - with a visual feedback - the right temperature to taste every type of wine, without opening the bottle.

It can be applied on the wine bottle, as a stand-alone tag or embedded in the existing labels by the wine producer. It's made up of a complex structure of thermochromic pigments, sensitive to temperature, that

change colour when heated up or cooled down. Only when the temperature is right for the consumption, the tag gives a positive feedback to the consumer.

BUSINESS MODEL

Our customers give value both to high quality and refined experience. Our business model has two sides, both business-to-consumer and business-to-business.

On the **business-to-consumer** side, the price (in the range of € 2,00 per pack) reflects the uniqueness of the product, so margins are relatively above market standards. Design and production are controlled by our Company, following our craftsmanship philosophy. Our product is available in selected stores and wineries, through the web and direct sales too.

On the **business-to-business** side, we grant a producing/selling license to selected partners, assuring us a percentage of the earnings.

The sales team work on a strong presence online, fostering our brand awareness and the storytelling of your innovation philosophy throughout social networks and traditional websites.

Moreover, we've an exclusive agreement with "Italianism", which is an important Italian design brand that creates new patterns for our packaging.

WHY WE ARE SPECIAL

In SWOT analysis we have compared our product with wine thermometers. The label we have designed offers a lot of advantages: it is really simple, it has an elegant design, a lower price, it has been submitted to water solvent treatments and it is also recyclable. We're aware that our concept and our technology (**patent pending**) creates a new niche in the market.

TRACTION

Thanks to the agreement with an industrial partner, it has been proven that our tag can be produced on a large scale. For the time being, we have sold it to consumers and we have received an orders and pre-orders from important wineries.

SOLD ITEMS: 82 packs

REVENUES: 138 €

LOOKING BACK

We have achieved all of **our goals**: creating a new concept, promoting a sustainable and healthy culture in general, improving our business skills as a team (and doing all of that profitably), creating a complicated technology in co-operation with specialists and enterprises. The product is still in continuous development.



COMPANY OVERVIEW

Dear Fellow Shareholders,

It's a long way from a school course to a successful enterprise.

However, we managed to get to know the entrepreneurial everyday life related to practice and to gain experiences for life. As students, this is not a simple task.

Through the foundation of our Company **OKelvin**, we learned how our action affects economic, social and ecological issues.

Our company is composed of **chemistry students** and for this reason we decided to develop an idea based on science.

From the beginning we have focused on the problems caused by temperature and we have noticed that it is important for wine tasting.

It is also responsible for changing the chemical structure of drugs, it can cause the release of toxic substances into water from PET bottles and modify meat and vegetables.

We have decided to create a tool that is able to protect customers' health and guarantee the best tasting experience. We have looked for a partnership which could realise our project and we have found the A.M.B. S.p.A located in San Daniele del Friuli, which is a leading Italian firm.

We have met the company managers, including Mr. Tomba, our dream coach, in order to solve any problem related to production.

After several months in which we have done lots of research, we have analysed our competitors and modified our product many times because we wanted to create something simple, elegant and intuitive, we have finally made our dreams come true because our partnership has produced Bright Taster on a large scale.

We immediately understood the real economic value for all the stakeholders.

It has immediately attracted the world of wine, in fact we have made an interview with a well-known Italian wine magazine called "Mangiavino".

We would like to expand our philosophy of quality all over the world with other products for monitoring medicines, water bottles and food.

We know there is immense talent within our company, and we will be able to leverage it to the extent that we continue to foster a collaborative environment that brings out the best in each other.

We would like to say that we are proud of the experience we have made together.

We believe OKelvin has great possibilities of becoming a real and profitable company with good market success.

On behalf of all students I hope you will enjoy reading our annual report.



PRODUCT

How many people in the world drink wine? Most of them are real wine lovers.

How can they provide the best wine tasting experience without a sommelier?

Is it enough to follow the old myth: white wine chilled, red wine at room temperature ...no real movement in between?

Serving temperature is one of the critical elements in appreciating a wine.

Why is the temperature of wine so important? The temperature you serve your wine at absolutely makes a difference to how your wine tastes.

Wine tastes different at different temperatures. Bitter flavors from tannin and alcohol are more pronounced when a wine is warm, masking the natural fruit and acid flavors. On the other end of the spectrum, if you chill a wine too much, the acid flavor dominates, completely masking the tannin, alcohol and fruit. The wine at the optimum temperature will be balanced and all the subtle flavors and aromas will shine.

If you have gone to a lot of trouble to select a wine that suits your guests, it makes sense that you would want to serve it at its very best. What can you do?

WE HAVE THE RIGHT SOLUTION FOR YOU

Bright Taster: simplicity of use, given by the consumer-friendly design and thermochromic inks which the label is composed of and the immediate information about the right temperature that guarantees the best wine testing experience.

Bright Taster will let anyone taste a Friulian Chardonnay at the right temperature, whether the consumer is a wine lover or an inexpert person that just wants to enjoy the special wine taste.

THE SIMPLICITY OF USE

Bright Taster should be placed on wine bottles; based on the temperature the design drawing will change its shapes and will show the customer an ideal temperature, the best moment for tasting. The label works using thermochromic inks.

These particular paints can fade away reversibly as soon as they reach the temperature at which they are set.

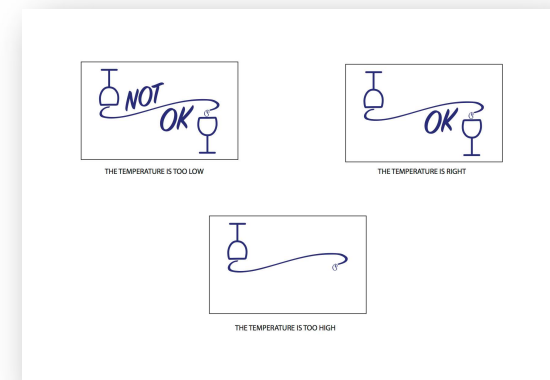
The product can show three different images related to temperature, one for “too cold”, one for “too hot” and one for the right temperature at which the wine should be tasted.

The prototype that we have tested is suitable for wines with the best tasting temperature between 10 °C and 14°C; so

white wines aged in oak barrels. Here is how *Bright Taster* works:

- When the wine is TOO COLD the label will show the whole image.
- When the wine is at the RIGHT TEMPERATURE the word ‘NOT’ won’t be visible.
- When the wine is TOO HOT the words ‘NOT’, ‘OK’ and the glass at the bottom won’t be visible.

The label is composed of four layers: a layer of polyethylene attached to the layer



of polypropylene through an adhesive film and the ink layer stamped inside the polypropylene layer.

OUR SHORT TERM PLAN

We are designing the main improvement

directions:

- improvements in label drawing will become more visible to the customer and more appropriate to the industrial process;
- make Bright Taster recyclable by removing the polyethylene layer;
- new labels that can cover different ranges of temperatures for red and sparkling wines;
- development of other products that change organoleptic composition with changes in temperature, like medicines and PET bottles.

INTELLECTUAL PROPERTY

We started the examination for design patent filling with the registration office.

COST OF OUR PRODUCT

We have calculated the cost of our product considering all its ingredients. The overall calculation for 33,333 labels in a 1,000-meter reel is 70 euros, which gives us the unit label price of 0,002 euro.

This price includes the materials the label is composed of, which are 4 paints, the polyethylene and the polypropylene films and the glue.

The following label shows the materials which are used, their %m/m and their

price/kg.

Material	Quantity (%m/m)	Price (€/kg)
White	90 %	4,50 €/kg
Blu	4 %	4,50 €/kg
Thermochromic which disappears at 10°C	2 %	75,00 €/kg
Thermochromic which disappears at 14°C	2 %	35,00 €/kg
Water	2 %	
Polypropylene		1,90 €/kg
Polyethylene		3,65 €/kg
Glue		1,50 €/kg

PRODUCTION

Once finished the in depth researches for the right solution that can guarantee the accuracy in the temperature measured for the wine in the bottle the Production group together with the Research & Development, focused on the selection of the partner company to jointly develop the designed product.

We identify the main features of the label that monitor the temperature using thermochromic substances:

- Versatile
- Immediate
- Easy to be produced
- As eco-friendly as possible



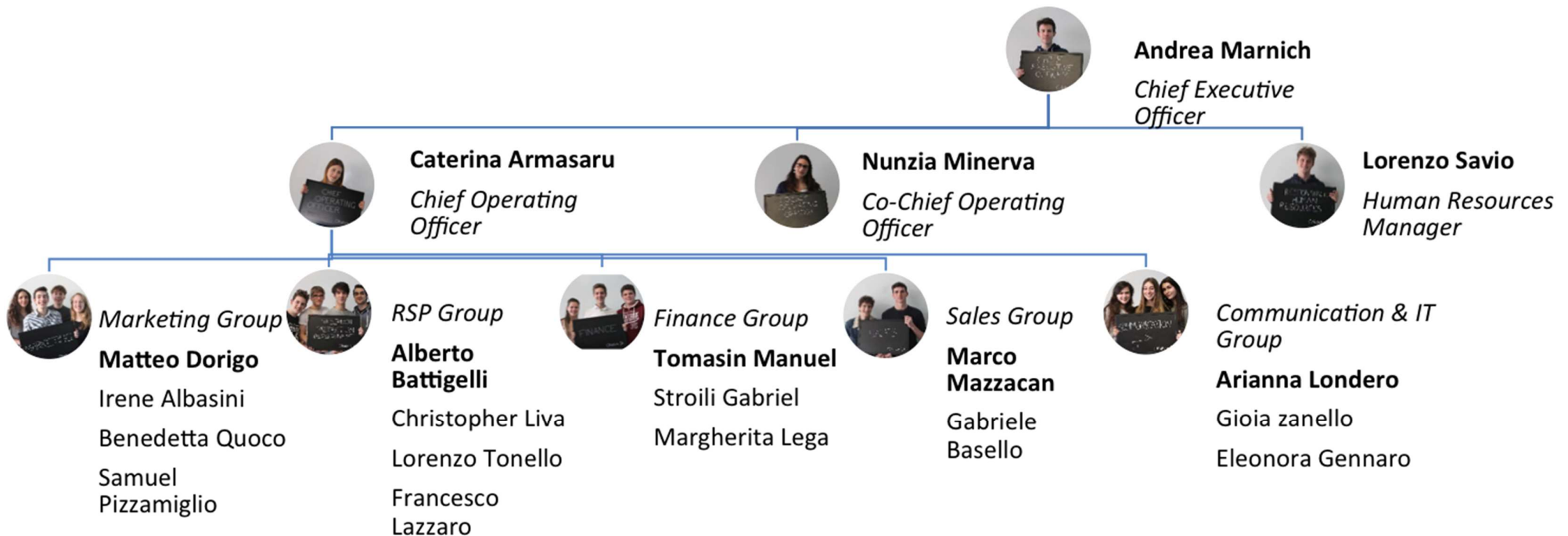
COMPANY ORGANISATION

OKelvin's activities have been organised by the CEO, the COO and the Co-COO, but they have been carried out only with the help of every manager and through the cooperation among the components of several groups. We think team is very important because without it our product wouldn't have existed.

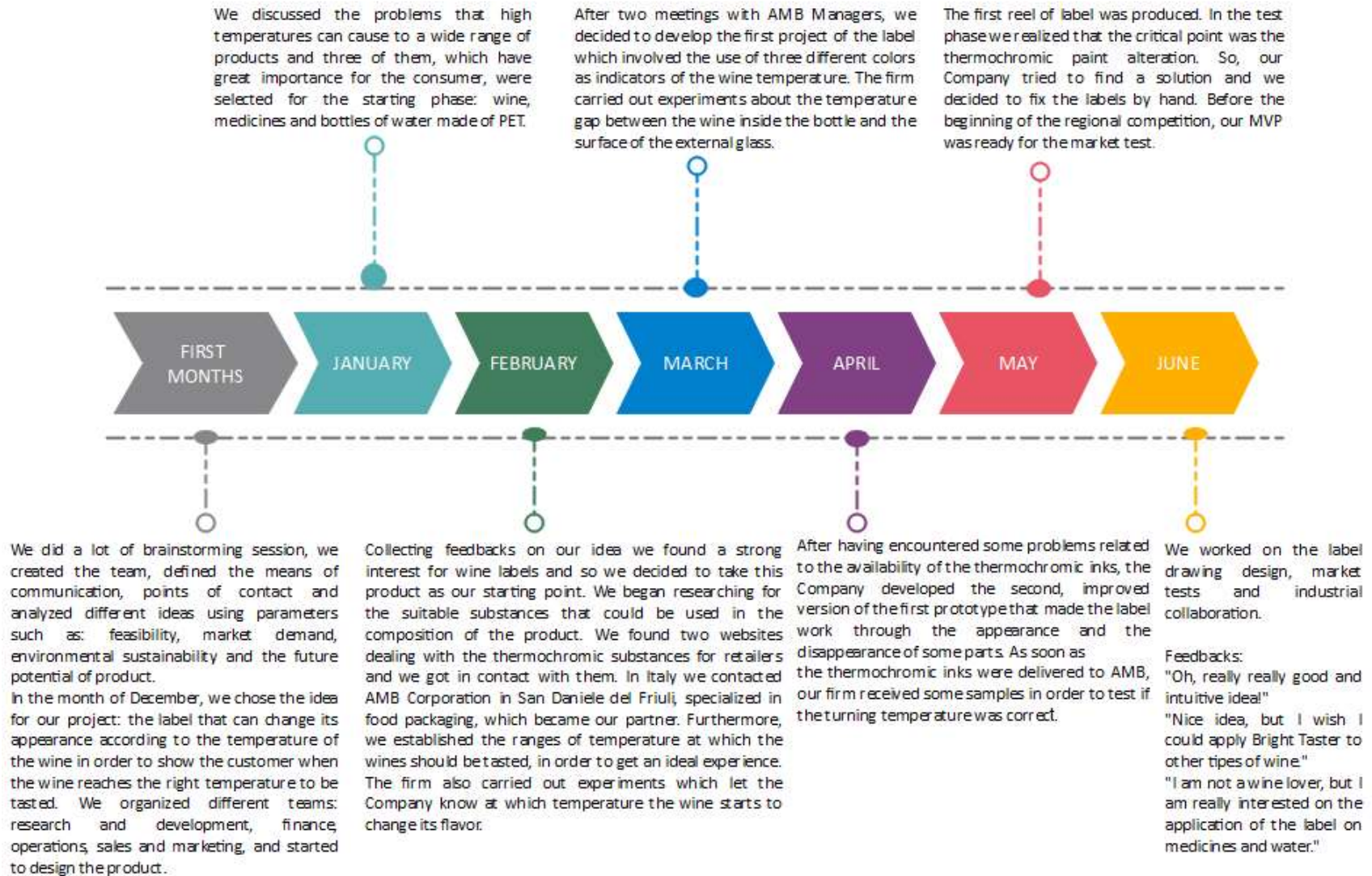
We have been working during school lessons and we have also used "Trello", which is a web platform and other web tools, which have helped us to work together from home.

During this year, we have matured a lot because this project has allowed us to work

in a team, to appreciate other mates' work and collaborate with people different from us. We have learnt how to solve problems and respect various opinions. We have also interacted with people that considered us real entrepreneurs, which made us feel more confident and gave us more energy to achieve our goals



OPERATIONAL PERFORMANCE



MARKETING



Our customers give value both to high quality and refined experience. Our business model has two sides, both business-to-consumer and business-to-business.

On the business-to-consumer side, the price (in the range of 2,00 euros per pack) reflects the unique-ness of the

product, so margins are relatively above market standards. Design and production are controlled by our Company, following our craftsmanship philosophy. Our product is available in selected stores and wineries, through the web and direct sales too. On the business-to-business side, we grant a producing/selling license to selected partners, assuring us a percentage of the earnings.

PROMOTION

“The Internet is like a wave; you either learn to swim with it or you sink.” – Bill Gates

Currently, those words are more than important, especially for businesspeople. Every effective marketing strategy requires a professional internet presence. Always keeping in mind this

relevance from the very first moment, we spent considerable time on the production and design of our Facebook page and our website. This website was fundamentally revised in May after the success at the regional competition. We also established an online shop with a customer-specific calculation of shipping costs. Especially, as the techniques of viral marketing offer endless creative possibilities, an Instagram-channel was registered, too. Those chances were seized, for example, by publishing our specifically produced campaign that was first presented on our shareholder's meeting. Likewise, we always keep our customers up-to-date about important events through our website and social networks, strengthening their bond with our company. The production of all the media such as the online shop, flyer, posters etc. ranks among our field of responsibility. Quite recently - apart from our social campaigns - we finalized and released a corporate video.

CORPORATE IMAGE

Our logo has been created in such a way that it can reflect the refined contest of the wine industry. The symbol of Bacchus (the Roman god of wine) is the core of our logo and the colours we have chosen represent the viticulture world. It shows how our firm works with colours and temperatures. Even our slogan represents how

OKelvin works. The marketing group has worked in order to give the firm a refined image. Business cards and roll up design have been created so that they can grab potential clients' attention, the same is for the brochure where you can find all the information about OKelvin. Besides, our stand promotes our company in the best way.

PACKAGING



The packaging has been created in order to satisfy the most demanding customers' needs, but also the requirements of the company we will collaborate with.

At the moment, we are working with a very popular Italian brand: “Italianism”. “Italianism” worked with the collaboration and the sponsorship of the Ministry of Foreign Affairs and International Cooperation, with the ADI Association for Industrial Design, with the “Crusca” Accademy, with “Treccani” and with dozens of universities and institutes from all over Italy. “Italianism” offered to help us creating three new patterns for our Premium packages. The packages will use particular materials: ecological papers formed by the latest generation materials, made up of raw materials

and special processes, in order to follow our green behavior. This is very important for our firm because "Italianism" is a very famous brand which promotes young new talents as we are.

We are aware of the fact that today's action creates the future of tomorrow's world. It is in our own interest to assure a positive development of our company. Therefore, we are operating in a responsible and sustainable way. If there is no future, there is no wave to swim on.

SALES AND PROMOTION

Student company OKelvin has arisen the interest of different players in the market, especially of Wine producers in Friuli region.

We have also been contacted for an interview for "Mangiavino" magazine.

The most important factors which demonstrate our success are market demand even though our MVP was ready only at the end of May.

We still haven't started the industrial production of our product, but so far we have sold 82 packs which we were able to produce at school. Moreover, we have received an important order for 50 packs that we will deliver before or after the competition in Belgrade.

Selling activities are related to the market tests we have performed by getting feedbacks on price and such a great interest reinforced our commitment to continue with our project and to prepare the structure for further growth.

Regarding the "go to market" strategy, our sales

and marketing department has developed different assumptions for two market segments B2B and B2C.

The B2B market is mainly related to the wine producers that will be interested in bigger quantities of our product without particular requirements regarding the packaging. The margin we have estimated is about 20%.

The B2C market is related to the final consumer, a wine lover or foodie that aims to create the best wine tasting experience for himself or for his special guests. He likes sophisticated experience, wine pairings, gourmet feast and is craving for knowledge about a culture's cuisine. He is very careful about details: even packaging plays an important role. We will design a pack made of apple peel, 100% recyclable, that will be ready to be shown next July.

In the three events where we had the opportunity to test the price of 2 euros for 6 labels and of 1.50 euros for 3 labels, we performed the margin of 47%. We earned 138 euros.

The price of the product has not been set considering only the costs for raw materials, but it also takes into account the potential value that our product creates for the customer.

At the same time, we are working on the collaboration with a few wine producers in the Friuli region in order to test the B2B segment.

FINANCE

The financial statement of OKelvin is related to the first year of operations and covers the period Feb - June 2017.

This period includes different activities that we performed during our challenging journey.

We will reassume the most important milestones reflected in our Financial Statement.

After the first period of feasibility studies and market researches we start to design our prototype. To finance our project the whole team has been engaged in our first "Call for Shareholders". In the month of February, we successfully placed 713 shares of our Company for the total amount of 713€ that we invest in our first prototype. We placed other 287 shares, for the same price, in the following period; the total amount of Shareholders Equity at the end of period is 1.000€. Most of the direct costs have been covered by our main partner companies AMB that provided us with the raw materials and ingredients for the experimentation phase. We covered the costs for testing phase, amount equal to 54,18 euro: thermometers, brushes and wine bottles

It took us 2 months to create our first prototype ready to be tested. Analysing the output and comparing it with the client requirements we discovered the gap that we had to solve and to address correctly and so we undertake the working pattern for continuous improvement process.

At the end of May we have our MVP ready to be tested. We decide to start our market validation in the protected environment of the JA National competition in Milan. Aware of the necessity to protect our Intellectual property we started the examination for design patent filling with the registration office. For this reason we didn't test our Go to market strategy but we use the opportunity of the JA closed event to have some feedbacks from the client.

Operating expenses are related mostly to marketing material and the production costs used for promotion activities. Our idea was to test also the assumption related to customer Experience. We made an important investment of 487.18 euro to design and create our stand as

PROFIT AND LOSS in €	18/06/2016
Sales	138
Purchase Raw materials	(54)
Closing Stock	1
Other Direct Cost	(175)
GROSS PROFIT	(90)
Operating Costs	
Salaries	0
Rent&Hire	0
Marketing & Promotion Cost	(717)
Travel Cost	(10)
Miscellaneous Expenditures	(19)
EBITDA	(836)
Ammortisation	
Net profit	(836)
Tax*	0
Profit after tax	(836)

BALANCE SHEET in €	18/06/2016
Current Assets	
Stock	1,0
Debtors	0
Cash at Bank	0
Cash in Hand	162,7
(A)Total Current Assets	164
Current Liabilities	
Bank Overdraft	0
Loans	0
Creditors	0
Corporation Tax Payable	0
(B)Total Current Liabilities	0
Balance (A-B)	164
(D) Issued Share Capital	1.000
(E) Profit after tax	(836)
Total Shareholders Equity (D+E)	164

a wine caller where our client would live the fulfilling experience of wine tasting at the right temperature. Furthermore, we sustained some cost to dress our professionals at the stand. Remaining 230€uro we invest in domain registration for our Website and for our business card.

Our marketing office handle the entire process of packaging. They carefully selected the supplier for the packaging that better enhance our value proposition in consideration of the specific characteristic of B2C market.

We didn't pay any personnel cost in this period, because we consider our efforts as an investment in Brand and product development and also in credibility of our Shareholders (that we want to evolve in future). According to the Italian law, we are allowed not to pay taxes (VAT, Income Tax*). You'll find here after the Profit

and Loss and Balance Sheet reports.

FUTURE POTENTIAL

During our student company activities, we have constantly kept in mind that we want to continue with our ideas and products.

For us the future has already started. After researching our business niche and market possibilities, we see our company as a leading player in our niche market. To achieve this, we need to: promote awareness – exhibitions in Italy and Europe, positive feedbacks, to continue social networking, website (for international customers); improve distribution channels – stores, store chains, wineries, etc.; look for new business partners to decrease the costs; submit design patent; extend our technologies to new products with the aim to protect the costumers' health.

We strongly believe this project can grow in terms of profitability and structure and create more positive results, liquidity and resources to return to our shareholders and to invest in future development of our Company.

We estimate the capital seeking in 50K euros that will cover the initial investment in operations and promotional activities.

Our professors, mentors and business advisors are helping us out in order to make the extra mile in transforming this school project in a real venture.

OK Kelvin

The logo consists of a brown female symbol (a vertical line with two horizontal bars) positioned vertically. From the top of the vertical line, a brown stem curves upwards and to the right, ending in a large, open brown circle. Three green leaves are attached to the stem. To the right of this graphic, the word 'Kelvin' is written in a sans-serif font. The 'K' is brown, matching the graphic. 'e', 'l', 'i', 'n' are black, and 'v' is red.