

NUTRAFORMIS



INVESTMENT PLAN

MAY 2021

NUTRAFORMIS – READY TO LEAD THE COLLAGEN MARKET

- **2020/21 Revenue = £959,000**
- **Two collagen brands in high growth markets**
- **Proven customer base with high repeat purchase rate and customer lifetime value**
- **TRR Nutrition endorsement agreement with Sir Andy Murray**
- **LQ Collagen currently sold in over 1000 stores across Holland & Barrett and Boots**

THE NEXT STEP FOR NUTRAFORMIS IS AN EXCITING PARTNERSHIP WITH THE HUT GROUP WHICH PROVIDES THE BUSINESS WITH ACCESS TO PROVEN GLOBAL ECOMMERCE EXPERTISE AND A LEADING PLATFORM FOR FAST AND EFFICIENT GROWTH. KEY BENEFITS INCLUDE:

- Efficient scalability and international expansion to drive sales revenue to £14m by 2024/25
- Expertise in subscription generated revenue
- Sampling opportunities across the THG network including Lookfantastic.com and Glossy Box
- Ecommerce management and operations creating the perfect platform for strong brand growth

NUTRAFORMIS – DEVELOPING PRODUCTS THAT IMPROVE PEOPLE’S LIVES

Combining scientific research and innovation to create a range of leading health, beauty and sports nutrition supplements.

ONE BUSINESS – 2 BRANDS



LQ COLLAGEN – FOR A HEALTHIER AND HAPPIER YOU

LQ Collagen has a leading range of high strength collagen supplements that support health, wellbeing and beauty. The range includes delicious and convenient individually bottled liquid shot drinks, and easy to mix powders.

Our LQ Collagen liquid shots range is 17-25% better value than our direct competitors, while the powder formats have the largest serving size and competitive, high strength formulations.

We are committed to developing innovative products. Products that truly improve the health and beauty of the people that use them. Products that work from the inside out. Products which are backed by science.



TRR NUTRITION – COLLAGEN FOR ATHLETES

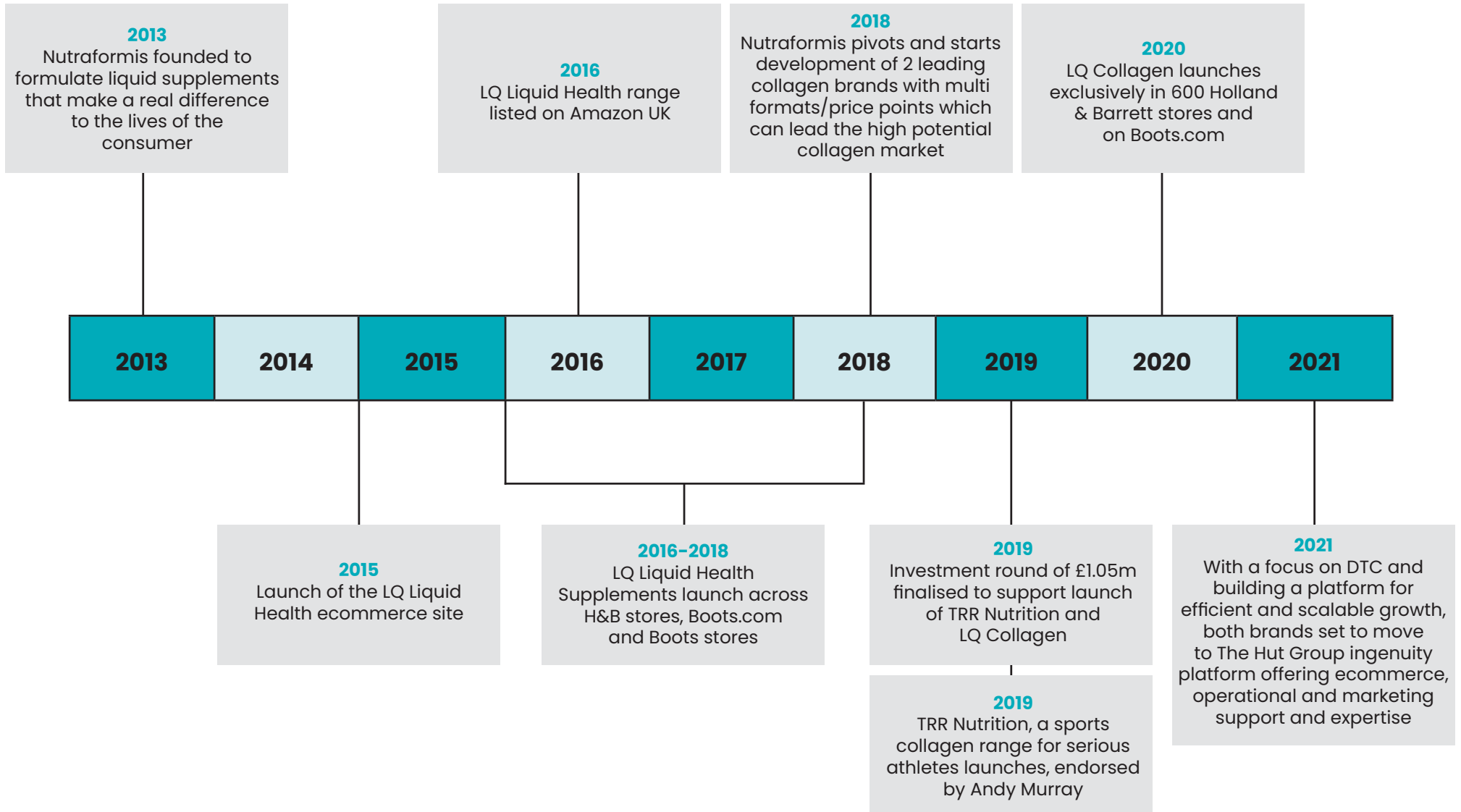
A WORLD-CHAMPION, AN ELITE SPORTS DOCTOR, AND ONE OF THE BEST NUTRITIONISTS IN THE WORLD.

At TRR Nutrition we create collagen supplements for serious athletes. We leverage the expertise of a select team of world-class sports professionals, the best in the field.

These experts believe, as strongly as we do, in the importance of the role nutrition plays for high-performance athletes.

Team TRR consists of Andy Murray, Dr Eva Carneiro and Glenn Kearney. They work in partnership with us to help research, develop and formulate sports supplements for those that take sports as seriously as we take nutrition.

NUTRAFORMIS TIMELINE



THE ROLE OF COLLAGEN

Collagen is the most abundant protein in your body and is the major component of connective tissues that make up several body parts, including tendons, ligaments, skin, and muscles. Collagen has many important functions, including providing your skin with structure and strengthening your bones.

In our adult years, our bodies begin to produce less collagen. This process begins when we are around the age of 30 and accelerates in our 40s – leading to the inevitable visual and noticeable signs of aging. Collagen loss is a natural process, but other factors such as exposure to UV, pollution, and lifestyle choices can lead to early or more intense signs of aging.

HOW DOES COLLAGEN LOSS AFFECT OUR BODIES?

Collagen supplementation is the only way to absorb collagen directly and this process can stimulate the bodies own production of collagen. Hydrolysed collagen is collagen that has been extracted from its original source and broken down into smaller molecules to make it easier for us to absorb into our bodies. Before hydrolysatation, collagen is typically extracted from bovine, porcine or marine sources.

Skin

Collagen provides firmness and structure to our skin. As collagen breakdown dominates over production with age, our skin becomes dehydrated and thinner, and signs of aging start to appear.

Bones

Aging creates wear and tear on the joint cartilage, reducing their well-functioning. This results in joint discomfort, making it harder for us to stay active as we age.

Joints

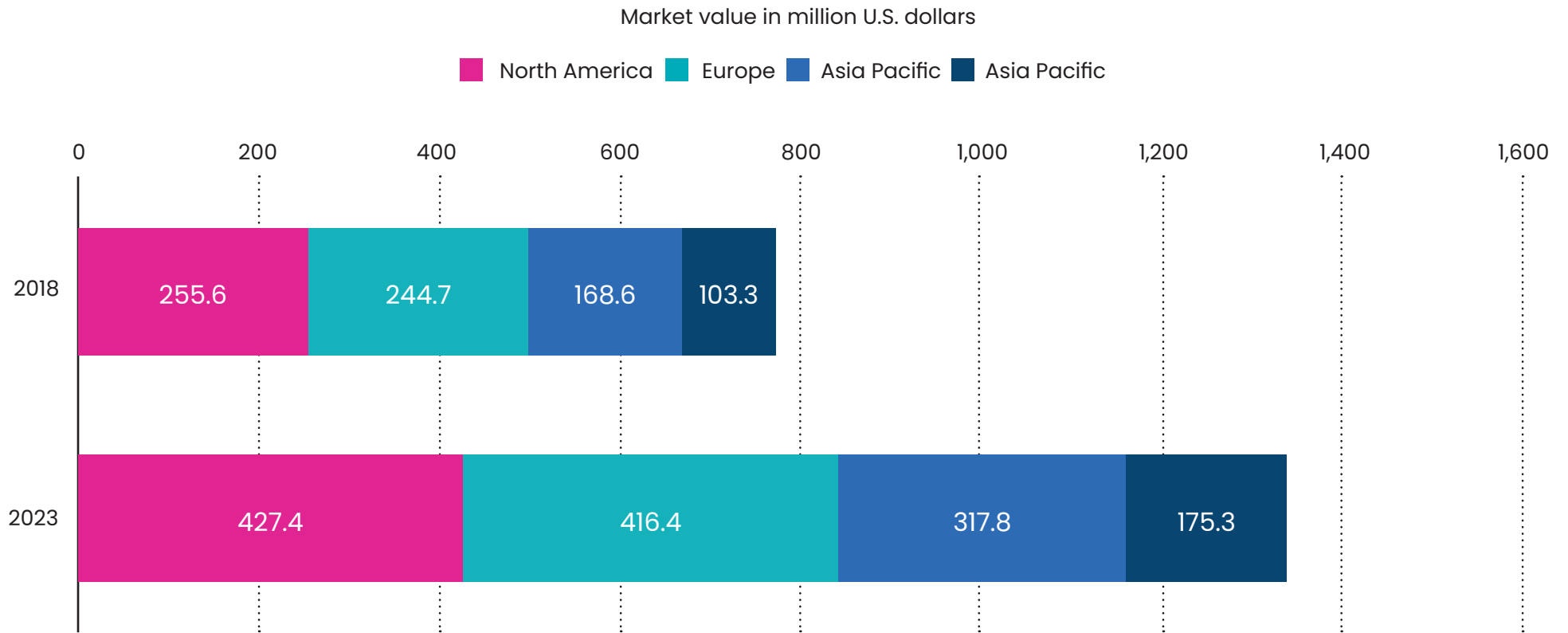
Aging wears and tears on the joint cartilage, reducing their well-functioning. This results in joint discomfort, making it harder for us to stay active as we age.

Muscles

The loss of collagen by aging means a gradual reduction of it in the connective tissue that bundles muscle fibers into a strong and functioning muscle. Aging is linked to decreased muscle strength and function, which affects our balance, gait, and overall mobility.

COLLAGEN PEPTIDES MARKET VALUE WORLDWIDE 2018 AND 2023, BY REGION (IN MILLION U.S. DOLLARS)

GLOBAL MARKET VALUE OF COLLAGEN PEPTIDES BY REGION 2018-2023



Source(s): Statista estimates; MarketsandMarkets; ID 962591

THE COLLAGEN MARKET LANDSCAPE IN 2021

THE CURRENT UK COLLAGEN SUPPLEMENT MARKET IS FRAGMENTED AND LEADING BRANDS HAVE NICHE PRODUCTS THAT FOCUS ON JUST ONE FORMAT AND SECTOR.

BEAUTY

Liquid:

Gold Collagen, Absolute Collagen, Imedeem, Skinade, Perfectil, Fountain



Pills:

Perfectil, Imedeem, Beauty Beneath, Seven Seas, Perfect 7



Gummies:

Nature's Bounty, Sugar Bear Hair



Powders:

Vital Proteins, Dose, Wellgard, Hunter & Gatherer



NUTRAFORMIS OFFER



JOINTS & BONES

Liquid:



Pills:

Jointace, Seven Seas



Powders:

Wellgard, Garden of Life



NUTRAFORMIS OFFER



SPORTS NUTRITION

Liquid:

Science In Sport, Proto-Col, Nutrition X



Pills:

Proto-Col, Jointace



Powders:

MyProtein, Bulk Powders



NUTRAFORMIS OFFER



NUTRAFORMIS IS THE ONLY BRAND TO OFFER POWDER AND LIQUID FORMATS (WITH PILLS COMING SOON) ACROSS ALL SECTORS

**THERE IS AN OPPORTUNITY TO
LEAD THE COLLAGEN MARKET**

**NUTRAFORMIS HAS THE EXPERTISE
AND THE PLATFORM TO ACHIEVE THIS**

HOW NUTRAFORMIS WILL LEAD THE COLLAGEN MARKET




| | |
|-----------------------------------|--|
| HOW | We offer a range of collagen products across liquids and powders formats |
| PRICING | The range of formats and price points we offer makes collagen more accessible and affordable to a wider audience than the competition |
| ECOMMERCE & OPERATIONS | The Hut Group Ingenuity partnership provides the business with the ecommerce, operational and marketing expertise to drive strong DTC sales plus fast, scalable access to new international markets. |
| RETAILER DISTRIBUTION | LQ Collagen has already secured distribution in Holland & Barrett, Boots.com and Boots |
| EXPERTISE AND ENDORSEMENT | We are experts in collagen supplementation and sports nutrition and are supported with key endorsement from Sir Andy Murray and Dr Eva Carneiro |
| INNOVATION | Strong product pipeline in place ready for launch in 2021/22 |
| MANUFACTURING RELATIONSHIP | Allows 'fast to market' opportunities with low cost R+D |
| BUILD ON THE FOUNDATIONS | LQ Collagen and TRR Nutrition are established brands with traction in the market which provides a solid platform for the next phase of growth |

LQ COLLAGEN – SKUs AND DISTRIBUTION

SKIN HAIR NAILS

| | | |
|--|---|---|
| <p>SKIN HAIR NAILS MAX</p>  <ul style="list-style-type: none"> • 7,000mg marine collagen • 8 key active ingredients • Resveratrol and hyaluronic acid • Biotin and selenium • Passion fruit flavour • 10 x 50ml daily shot | <p>SKIN HAIR NAILS 25ML</p>  <ul style="list-style-type: none"> • 5,000mg marine collagen • 6 key active ingredients • Hyaluronic acid • Biotin and selenium • Passion fruit flavour • 10 x 25ml daily shot | <p>SKIN HAIR NAILS POWDER</p>  <ul style="list-style-type: none"> • 10,000mg marine collagen • 5 key active ingredients • Hyaluronic acid • Biotin and selenium • Passion fruit flavour • 20 x 15g servings |
|--|---|---|

JOINT CARE

| | | |
|--|--|---|
| <p>JOINT CARE MAX</p>  <ul style="list-style-type: none"> • 2,000mg marine collagen • 8 key active ingredients • Glucosamine and chondroitin • Ginger and hyaluronic acid • Copper, vitamin C and E • Cherry flavour • 10 x 50ml daily shot | <p>JOINT CARE 25ML</p>  <ul style="list-style-type: none"> • 1,500mg marine collagen • 6 key active ingredients • Glucosamine and ginger • Hyaluronic acid • Ginger, copper and vitamin C • Cherry flavour • 10 x 25ml daily shot | <p>JOINT CARE POWDER</p>  <ul style="list-style-type: none"> • 5,000mg marine collagen • 8 key active ingredients • Glucosamine and magnesium • Hyaluronic acid • Ginger, vitamin C and E • Cherry flavoured • 20 x 15g servings |
|--|--|---|

MARINE COLLAGEN

| | |
|---|--|
| <p>MARINE COLLAGEN 25ML</p>  <ul style="list-style-type: none"> • 5,000mg marine collagen • Tropical fruits flavour • 10 x 25ml daily shot | <p>MARINE COLLAGEN POWDER</p>  <ul style="list-style-type: none"> • 12,000mg marine collagen • Chocolate flavour • Just add water or add to a smoothie • 20 x 15g servings |
|---|--|

INNOVATION
2021

COLLAGEN POWDERS
MARINE



COLLAGEN POWDERS
BOVINE



CURRENT DISTRIBUTION:

5 products in 660 H&B stores.
7 products on H&B online

5 Products on Boots.com

LQ Joint Care Max in 550 Boots stores



HOLLAND & BARRETT



TRR Nutrition – SKUs AND DISTRIBUTION



Created by leading sports doctors and world class nutritionists to support joint and bone health. Scientifically formulated for serious athletes who push their bodies to the limit.

Each 50ml shot or 15g powder serving contains seven high-quality key ingredients including 10,000mg of marine collagen, turmeric, ginger, hyaluronic acid, glucosamine, copper and vitamin C which help support your joint and bone health.



CURRENT DISTRIBUTION:

TRR NUTRITION



TRR is a premium collagen supplement for athletes and the target customer favours purchasing online. The size and weight, especially for bulk buying, makes online purchasing the natural choice. Selling direct from the TRR platform gives the business information and control over full customer acquisition and the sales process.

ECOMMERCE CUSTOMER ANALYTICS – NO ORDINARY SUPPLEMENTS!

**High average
basket size:**

TRR = £90.22
LQ = £60.52

**34% repeat
purchase rate**

LTV of a customer

TRR = £135
LQ = £115

(ex VAT, shipping, fees)

CUSTOMER TRACTION

TRR Customers
18.5% buy 3 times +

LQ Customers
13.4% buy 3 times +

Both brands convert
10% of customers into
long-term repeat business

THE HIGH BASKET SIZE, LIFETIME VALUE AND REPEAT PURCHASE RATE, COUPLED WITH THE STRONG FORECASTED GROWTH FOR THE COLLAGEN SUPPLEMENT MARKET, PROVIDES A SOLID PLATFORM AND REINFORCES THE OPPORTUNITY FOR LQ AND TRR.

The Hut Group

THG / INGENUITY

THG are experts in eCommerce fulfilment, providing the platform **and** specialist resources to rapidly build & scale consumer brands. They have a proven track record of providing a catalyst for strong growth and for building brand leaders.

THE PARTNERSHIP WITH THG WILL:

- provide the expertise to market & distribute our product range → reducing the time to value on our investment
- provide access to THG's massive buying power in media & distribution → postage savings alone will cover the cost of moving to the THG platform
- build on our influencer and affiliate network and maximise Andy Murray's endorsement of TRR Nutrition
- allow expansion into new territories within 6 weeks → EU, USA and Asian markets

THG & NUTRAFORMIS PARTNERING TO SUPERCHARGE GROWTH

KEY FOCUS: SUBSCRIPTIONS

The THG Ingenuity platform will allow the business to have a ‘best in class’ subscription offering supported by a team who are experts in delivering results. The subscription model will allow our brands to develop long-term relationships with our customers, and provide the consumer with extra value through cheaper prices and an improved customer experience. The subscription model provides an increased customer LTV and recurring revenue.

The THG trading strategy also delivers in these key areas:

| BRAND ENGAGEMENT | | CUSTOMER ENGAGEMENT | | CUSTOMER VALUE | |
|------------------------------|---|--------------------------------|---|----------------------------------|--|
| Brand Experience | Enhanced brand experience through greater use of content to educate customers. | Product Selector & Gift Finder | Site interface to match products to pre-defined customer requirements. | Bundles | Additional discounts via multiple product purchase; mixed product or same product. |
| Exclusive Content | Gated content drives repeat traffic around brand or product. | Gifting | Product bundles in gift boxes as part of range. | Loyalty | Registered customers accrue points via purchase. |
| Community | User generated content, social feeds; editorial articles. | Customer Service, Self-service | Utilising customer service agents in a consultative capacity for product recommendations. | Gift With Purchase | Free gift with purchase (from own brand or other partnership brands) |
| Exclusives/ Limited Editions | Product exclusives and limited editions that are available to buy only through the D2C site for a limited time. | | | Mix & Match | Buy multiple products from merchandise or grooming range with a fixed price. |
| Personalisation | Ability to customise product to deliver added-value at a higher price point. | | | Subscriptions | Automatic ordering renewal within fixed parameters. |
| | | | | Delivery Options & Free Delivery | Free delivery incentives to increase minimum spend threshold, |

CORE TEAM



Paul Davison – Founder and Managing Director

Paul started NUTRAFORMIS in 2013 having previously taken two liquid beauty supplements from product development to market, including a market leading supplement. Paul has the knowledge, experience and contacts needed to build and grow brands with market leading sales. With 16 years' experience of brand marketing, NPD, finance and operations, he has hands on experience across all business functions required to continue to drive the brands to become market leaders.



Emil Stickland – Digital and Marketing Director

Emil joined the company in April 2018 to lead on the digital marketing and ecommerce. Emil has a wide range of ecommerce experience across several different industries, from the best-selling toy in the world (the Rubik's Cube) to fashion houses. He is also one of the founders of the Institute of Ecommerce, providing cutting edge training and advice in the area.



Antonio Riccio – Digital and Marketing Executive

Antonio joined in September 2019 and supports both Paul and Emil in the day to day marketing and operations.



Gordon Drennan – Part time CFO

Gordon brings years of experience both as a Chartered Accountant in public practice and as the FD/CFO of a diverse range of businesses from Johnson Matthey Group and a range of SME businesses.

SUPPORTING ROLES The business is supported by a team of part time freelancers who support the business across PR, design, social and managing the Brand Ambassador campaigns.

KEY FOCUS FOR 2021/22

CHANNEL FOCUS FOR Q1/Q2

Brand Ecommerce Platforms - THG

- Set up and launch new THG Ingenuity ecommerce platforms

Amazon UK

- New agency partner.
- Sales Revenue forecast £480,000
- Collagen supplement monthly revenue on Amazon UK is £1.38m per month
- Target: Gain 5-10% share of UK market

Brand ecommerce platforms

- High average basket size: TRR = £90.22 LQ = £60.52 (ex VAT, shipping, fees)
- 34% repeat purchase rate
- 10% of customers become regular high value customers
- LTV of a customer TRR = £135 LQ = £115

Grow Retailer Sales of Current LQ Collagen Core Bestsellers

- Holland & Barrett stores (600 stores)
- Boots.com
- Boots stores - Joint Care Max (550 stores)

GROWTH OPPORTUNITIES FOR Q3/Q4

Amazon EU

- Open up new Amazon channels in Europe

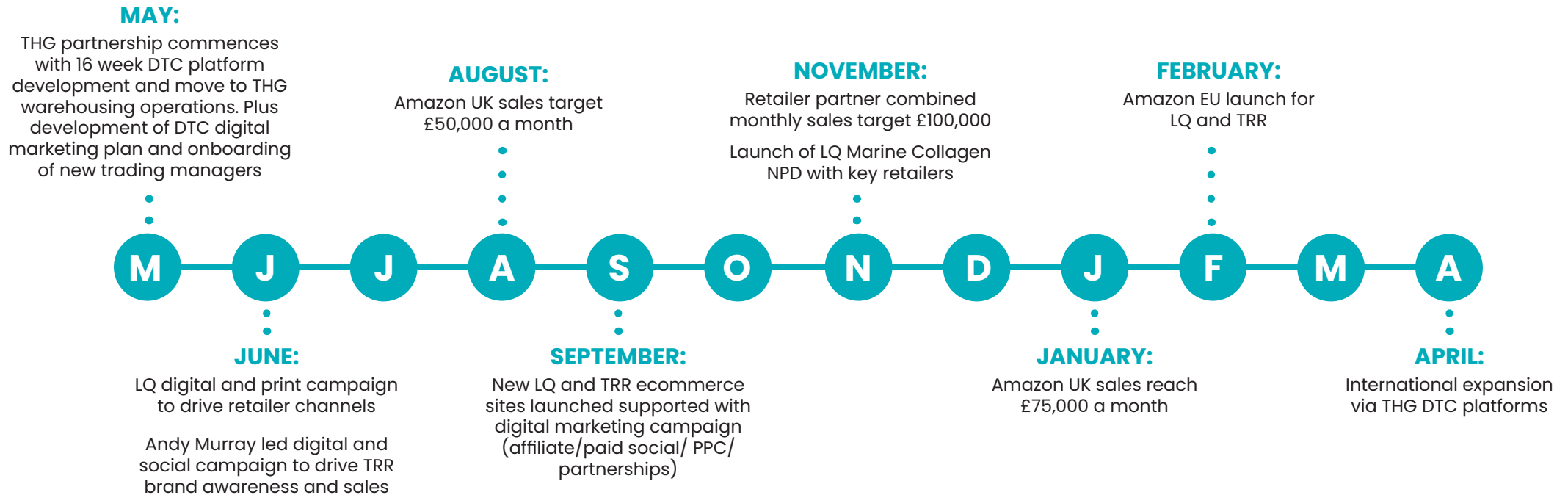
NPD

- LQ Collagen Marine Collagen Powders
- TRR Collagen Powders For Athletes

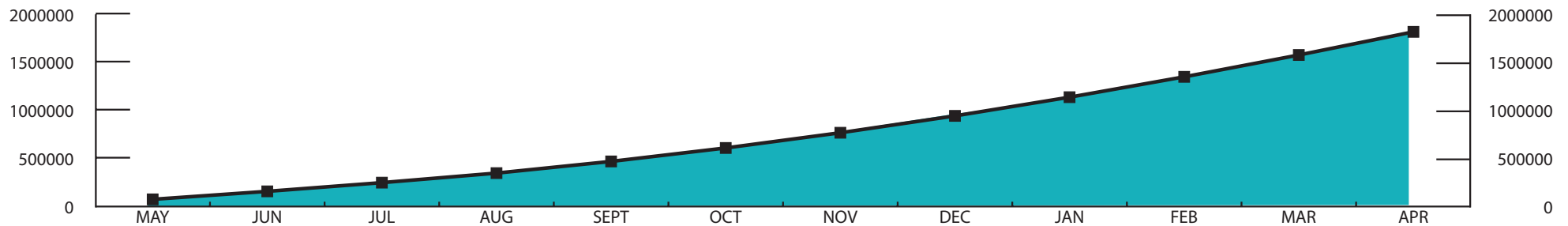
Expand Distribution in Retailers

- Boots stores and H&B courting our NPD

2021/2022: DRIVE EXISTING CHANNELS AND STRENGTHEN CORE RANGES



2021 CUMULATIVE SALES REVENUE (£)



2021 INVESTMENT ROUND

The business is looking to raise £1.2m to support the significant growth plans starting May 2021

HOW WE WILL USE NEW FUNDS TO DRIVE BOTH BRANDS TO MARKET LEADING POSITIONS

COMMENCE THG INGENUITY PARTNERSHIP

- Launch the new DTC platforms for LQ and TRR
- Onboard the new DTC trading managers
- Plan and start THG/Nutraformis digital marketing campaigns

DRIVE SALES:

- Focused and efficient marketing driving brand awareness and conversion
- LQ Collagen: Retailer promotional support for current and NPD launch, print campaign, sampling, digital and social / influencer
- TRR Nutrition: Andy Murray endorsed 'Collagen for Athletes' campaign. Specialist press, sampling, digital and social

NEW LAUNCH OPPORTUNITIES:

- LQ Marine collagen powder range launched with key retailers
- Amazon and DTC Bovine Collagen range
- TRR new formats

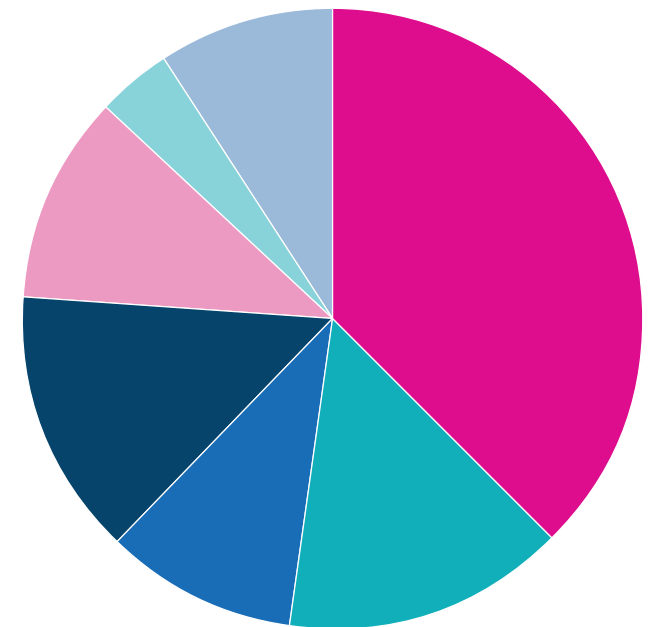
NEW HIRES:

- Bring in expertise from THG partnership: 2 X Trading managers, 1 x Marketing managers
- Nutraformis will bring on Operations executive
- Recruit Chair to Board

CASHFLOW:

- Funding stock for launches and sampling campaigns

USE OF FUNDS (%)

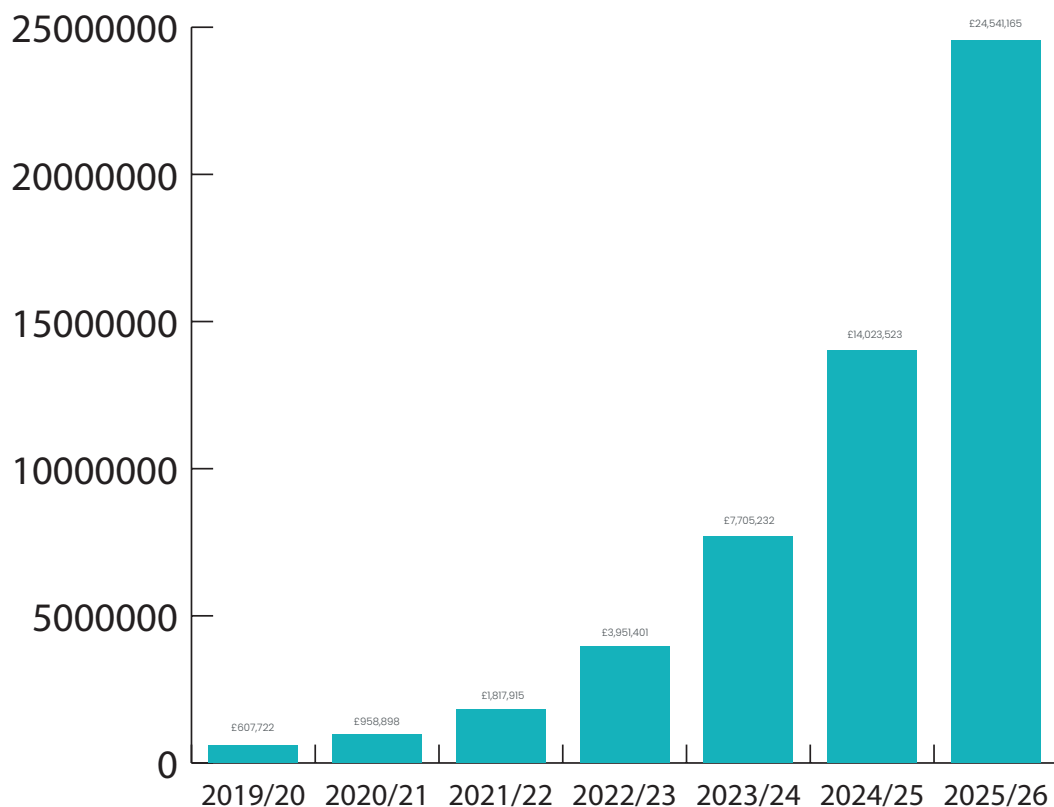


| | |
|--------------------------------|-----|
| Marketing/PR | 38% |
| Endorsement/Social Influencers | 15% |
| Payroll | 10% |
| THG Platform/Fees | 14% |
| THG Trading/Marketing Managers | 11% |
| Legal/Finance/Freelance | 4% |
| G&A | 9% |

FIVE YEAR FORECAST

| Year End (April) | 2019/20 (actual) | 2020/21 (actual) | Accelerating Growth on THG Platform »» »» »» »» | | | | |
|-------------------|------------------|------------------|---|-----------|-----------|------------|------------|
| | | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Sales Revenue (£) | 607,722 | 958,898 | 1,817,915 | 3,951,401 | 7,705,232 | 14,023,523 | 24,541,165 |
| Gross Margin (£) | 255,487 | 344,105 | 804,853 | 1,835,762 | 4,006,721 | 7,572,702 | 13,988,464 |
| Gross Margin (%) | 42% | 36% | 44% | 46% | 52% | 54% | 57% |
| EBITDA (£) | -724,555 | -838,242 | -816,464 | 34,609 | 847,576 | 2,383,999 | 5,153,645 |

SALES REVENUE (£)



KEY HIGHLIGHTS:

2021/22 Sales Revenue
= £1.8m

2022/23 EBITDA
= £35,000

5 year Sales Revenue
= £24.5m

4 year EBITDA
= £2.38m

EXIT STRATEGY

The focus for Nutraformis is to establish itself as the leader in the collagen supplement market. The preferred exit strategy would be acquisition within 3 to 5 years.

We are positioning Nutraformis to be attractive to Consumer Product Private Equity groups and large multinationals seeking access to the LQ Collagen and TRR Nutrition brands in one of the fastest growing consumer segments.

The 2020 acquisition of a majority stake in US company Vital Proteins by Nestle Health Science is evidence of this approach by the global multinationals.

Nutraformis has recently attracted interest from several leading Private Equity groups who specialise in consumer products, plus a FTSE 100 multinational who is keen to enter the collagen supplement market. Their interest provides testament to the achievements to date across both brands and these relationships will be nurtured over time as the business matures.

Nestlé Health Science Acquires Vital Proteins

Nestlé Health Science (NHSc), a global leader in the field of nutritional science, has agreed to acquire a majority stake in Vital Proteins, America's top-selling collagen brand. This is the first major acquisition of a collagen-based wellness company to date. Vital Proteins was founded in 2013 by Kurt Seidensticker based on the belief that whole-food-based collagen nutrition is fundamental to maintaining overall health and longevity. Since launching, Vital Proteins has become the leading collagen brand in America, growing their [annual sales above \\$100 million](#) within the span of four years. The company's brand's portfolio includes over 150 collagen-based supplements, vitamins and food and beverage products.

Vital Proteins complements NHSc's other vitamin, mineral, supplement and wellness brands, including Atrium Innovations, Garden of Life, Pure Encapsulations and Persona. "This is an exciting opportunity for Nestlé Health Science to enter a growing area of nutrition with a successful brand," said Greg Behar, CEO of NHSc. "The collagen nutrition market is growing, and Vital Proteins has shown its strength by becoming a full lifestyle brand which will perfectly complement our other vitamin, mineral and supplement brands."



Forster Chase
VENTURES

Forster Chase Ventures
Warnford Court
29 Throgmorton Street
London EC2N 2AT
T: 0203 886 0866
W: www.forsterchase.com

For further information, or to schedule a meeting,
please contact:

Andrew Breach, Partner
Forster Chase Ventures
E: andrewbreach@forsterchase.com
M: 07855806128

NUTRAFORMIS

Nutraformis Ltd
11 Hammersmith Terrace, London
W6 9TS
United Kingdom