

A top-down view of a dining table. In the center is a large white bowl filled with a salad of mixed greens, sliced chicken, cherry tomatoes, and pine nuts. To the right is a small pink bowl filled with pine nuts. In the top left corner is a colorful, patterned can of beverage. In the bottom left corner is a white bowl containing a yellow liquid, possibly soup or dressing. A silver fork is visible on the right side of the table. The table is covered with a white and green checkered tablecloth. A wooden cutting board is partially visible in the bottom left. The overall scene is dimly lit, with a dark overlay.

livefree
foods

- Introduction

Live Free Foods

Early to market specialty brand focused on serving the 46 million Americans suffering from Irritable Bowel Syndrome.

Low FODMAP Diet

The next evolution of the Gut Health market. The Low FODMAP market is 7x larger than Gluten Free, but vastly underserved.

Product Market Fit

Live Free Foods has a performing line of high quality Low FODMAP Certified condiments, sold direct to consumer and wholesale.



- The Problem

Irritable Bowel Syndrome

1 in 7 Americans suffer from a digestive disorder that causes chronic constipation or diarrhea, accompanied by bloating and abdominal pain. IBS is a chronic disease with a very low quality of life.

Leading researchers believe that IBS is caused by an alteration in a person's gut bacteria, called dysbiosis.

1 in 7

American suffer from Irritable bowel syndrome (IBS) ¹

46M People

Estimated amount of people with IBS in the U.S.

\$1.3B

Average amount spent treating IBS related issues. ²

Absenteeism

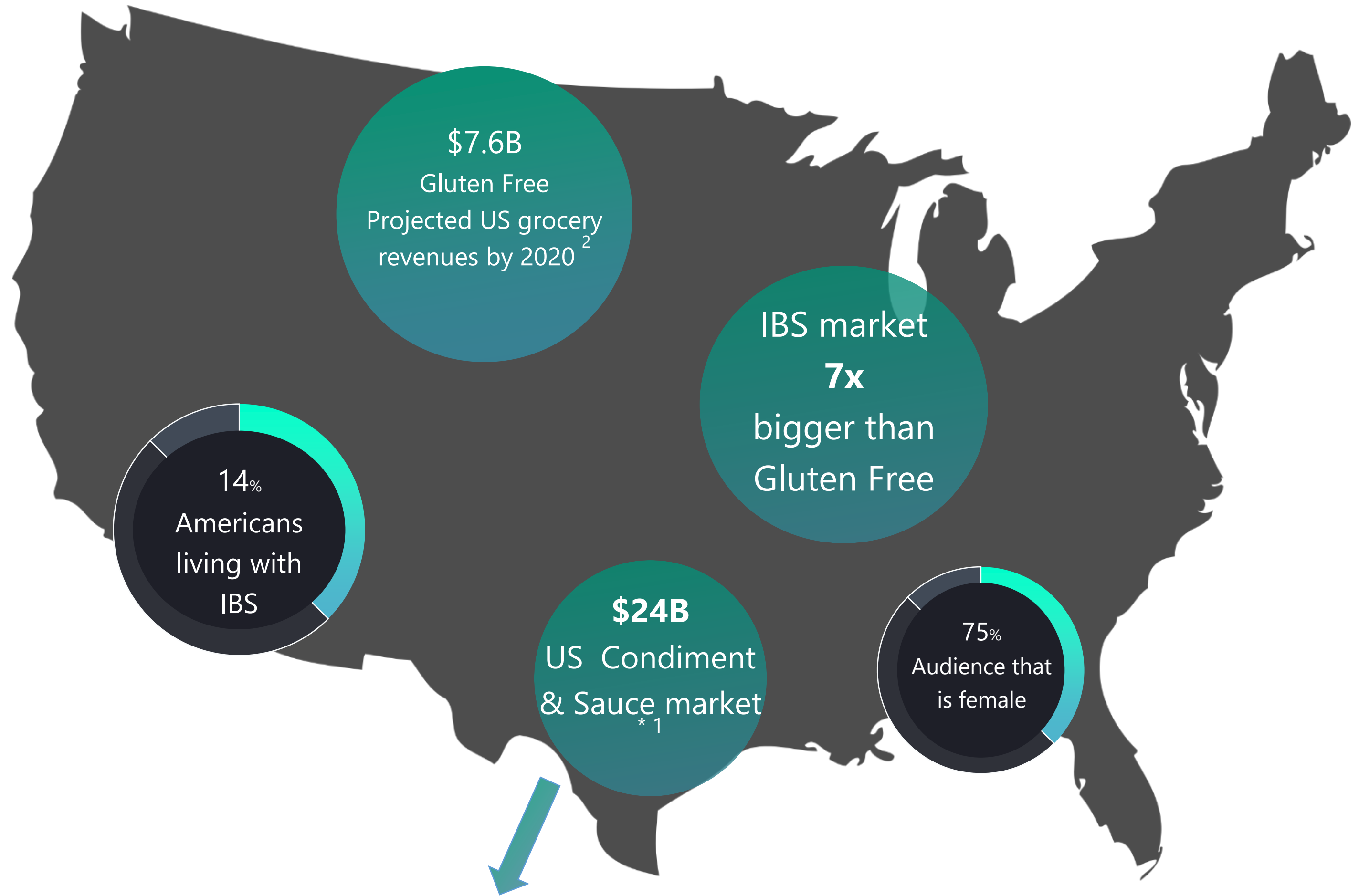
IBS is the second leading cause of Absenteeism in the U.S. ³

¹ Hungin, A. P., Chang, L., Locke, G. R., Dennis, E. H. and Barghout, V. (2005), Irritable bowel syndrome in the United States: prevalence, symptom patterns and impact. *Alimentary Pharmacology & Therapeutics*, 21

² The burden of selected digestive diseases in the United States Sandler, Robert S. et al. *Gastroenterology*, Volume 122, Issue 5, 1500 – 1511

³ Total costs of IBS: employer and managed care perspective B Cash, S Sullivan, V Barghout
Am J Manag Care 11 (1 Suppl), S7-16

- Market Analysis



* Primary drivers of US Condiment market growth: Gluten Free and Specialty Diet

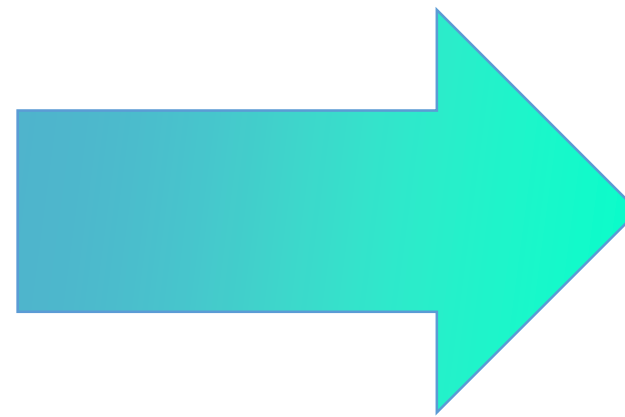
¹ Facts, Packaged. "6 Trends Driving US Condiments & Sauces Market Sales to \$24 Billion and Beyond." *Manufacturing.net*, PRNewswire, 2 Aug. 2018, www.manufacturing.net/news/2017/07/6-trends-driving-us-condiments-sauces-market-sales-24-billion-and-beyond.

² Duncan, Eric. "Topic: Gluten-Free Foods Market." *Statista*, www.statista.com/topics/2067/gluten-free-foods-market/.

- What is being done?

Low FODMAP Diet

Excluding foods high in short-chain carbohydrates called FODMAPs* has been clinically proven to manage symptoms effectively in up to 75%¹ of IBS sufferers. This is higher and safer than the leading drugs on the market.



Excluded Ingredients

- Garlic
- Wheat
- Artificial Sugars
- High Fructose Corn Syrup
- Onion
- Lactose
- Apples
- Honey
- Many more...



Multiple deaths recorded from IBS Drugs Alosetron & Eluxadolone



¹ Nanayakkara WS, Skidmore PM, O'Brien L, Wilkinson TJ, Geary RB. Efficacy of the low FODMAP diet for treating irritable bowel syndrome: the evidence to date. *Clin Exp Gastroenterol*. 2016;9:131-42. Published 2016 Jun 17. doi:10.2147/CEG.S86798

* FODMAP = Fermentable Oligo-, Di-, Monosaccharides And Polyols.

- The Problem



Compliance

Diet is difficult to follow because of lack of available products. Everything must be prepared from scratch.



Unclear Labeling

Garlic and onion, two main triggers, are often hidden in “Natural Flavors” on most grocery products.



Limited Availability

Overwhelming majority of products in grocery stores are unsafe for Low FODMAP Diet.



- Our Solution

Low FODMAP Certified Products

Live Free Foods Salad Dressings
launched February 2018.



Safety

All recipes are lab tested and certified. No uncertainty on labels.

Taste Profile

Extra focus on emulating the flavor and texture of the leading non-FODMAP brands.



★★★★★ **Low Fodmap Ranch**

By [Meg](#) on February 16, 2018

Verified Purchase

Flavor: Ranch

This dressing is delicious!! I can't eat any onion or garlic so it makes finding salad dressing very difficult. I'm so happy this product is on the market and I will be a loyal customer. Please make more low fodmap products please!!

6 people found this helpful

 Helpful | Report

★★★★★ **This stuff is really quite good. I even take a small amount with me ...**

By [Vicki H Melius](#) on March 23, 2018

Verified Purchase

Flavor: Ranch

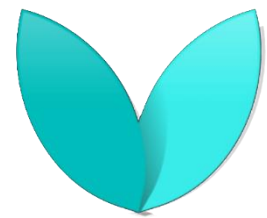
I NEVER write reviews but this is a game changer for me from a convenience standpoint. I have yet to find a premade dressing that does not have garlic. This stuff is really quite good. I even take a small amount with me when I go out to eat or take a salad for work. I order several bottles at a time and my family knows not to touch "mom's" dressing!

- Consumer Validation

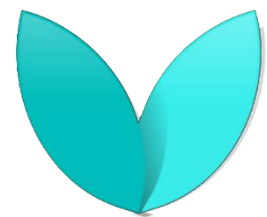
With ZERO Dollars in Marketing Spend...



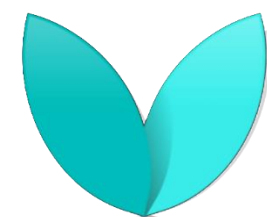
\$40,000+ Revenue YTD



4.5 Star Avg. on Amazon – higher than competing dressings



Consistently rank top 5 for “Low FODMAP” and “FODMAP Foods” on Amazon *



2,000+ Direct to Consumer Orders

* Amazon price \$9.99/bottle



• Retail Validation

- 315 cases sold and counting
- Sold in over 60+ Hy-Vee store locations
- Sold in Kroger Ship-to-Home and Vitacost.com
- Products fast tracked through Hy-Vee onboarding process, with new products pre-ordered

- Growth Strategy

Create New Products

Larger product line to create "one stop shop" mentality. Launch 7 new products in 2019.



Grow Wholesale Footprint

Use Ecommerce growth to leverage new wholesale accounts. Expand retail footprint to 1,000 stores in 2019

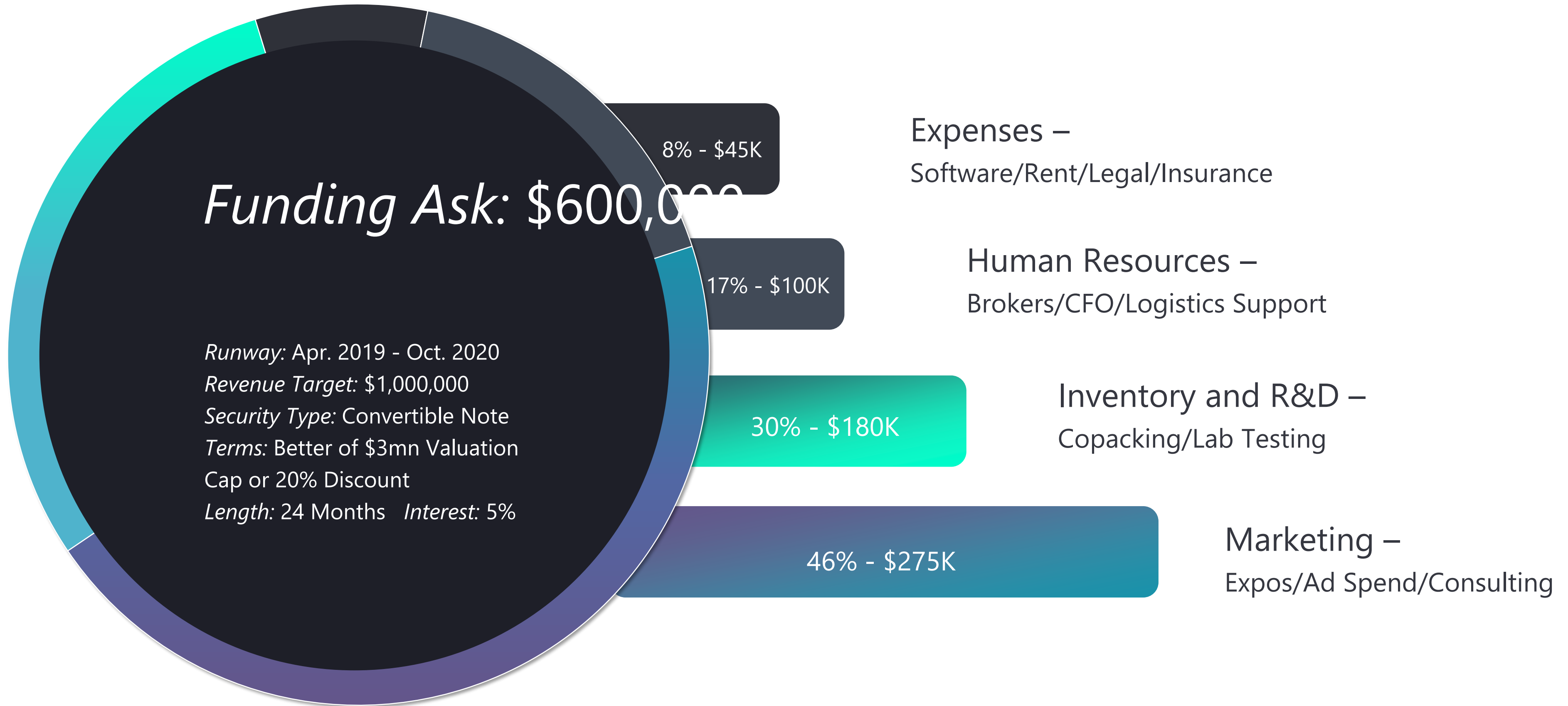
Increase Ecommerce Sales

Grow web sales to \$25,000/mo* in 2019 by spending \$5500/mo ad spend with min 4x ROAS.



* 15 Units/Day/Product

• Use of Funds



● Marketing Plan



Pull Existing Market

Concentrated digital marketing strategy to target people aware of Low FODMAP. Use AdWords, Facebook, Instagram and Pinterest to build sales funnel campaigns.



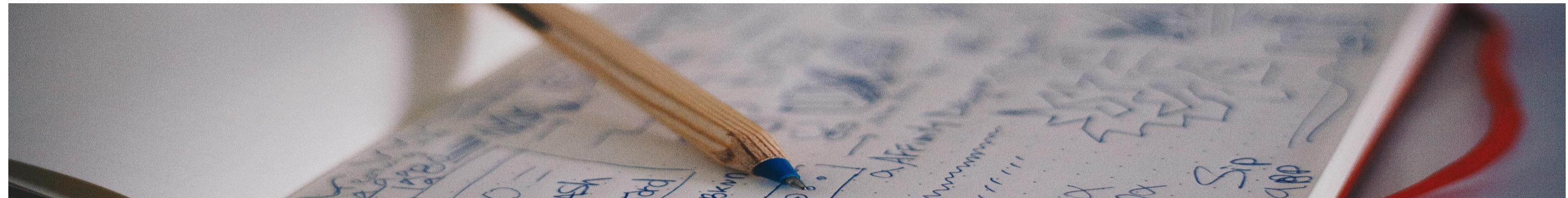
Transition Amazon to Website

Send postcard mailers to customers from Amazon to convert them to buy from website. This allows more control over marketing and higher margin.



Support Customers

Build content of recipes, guides, and other educational materials to help support existing customers.



Attend Expos

Attend Fancy Foods and Expo East/West to get exposure to larger retailer buyers.



Drive In Store Sales

Use strategic digital coupons to increase sales in store. Work with buyers and distributors to grow velocity with credits and deals.

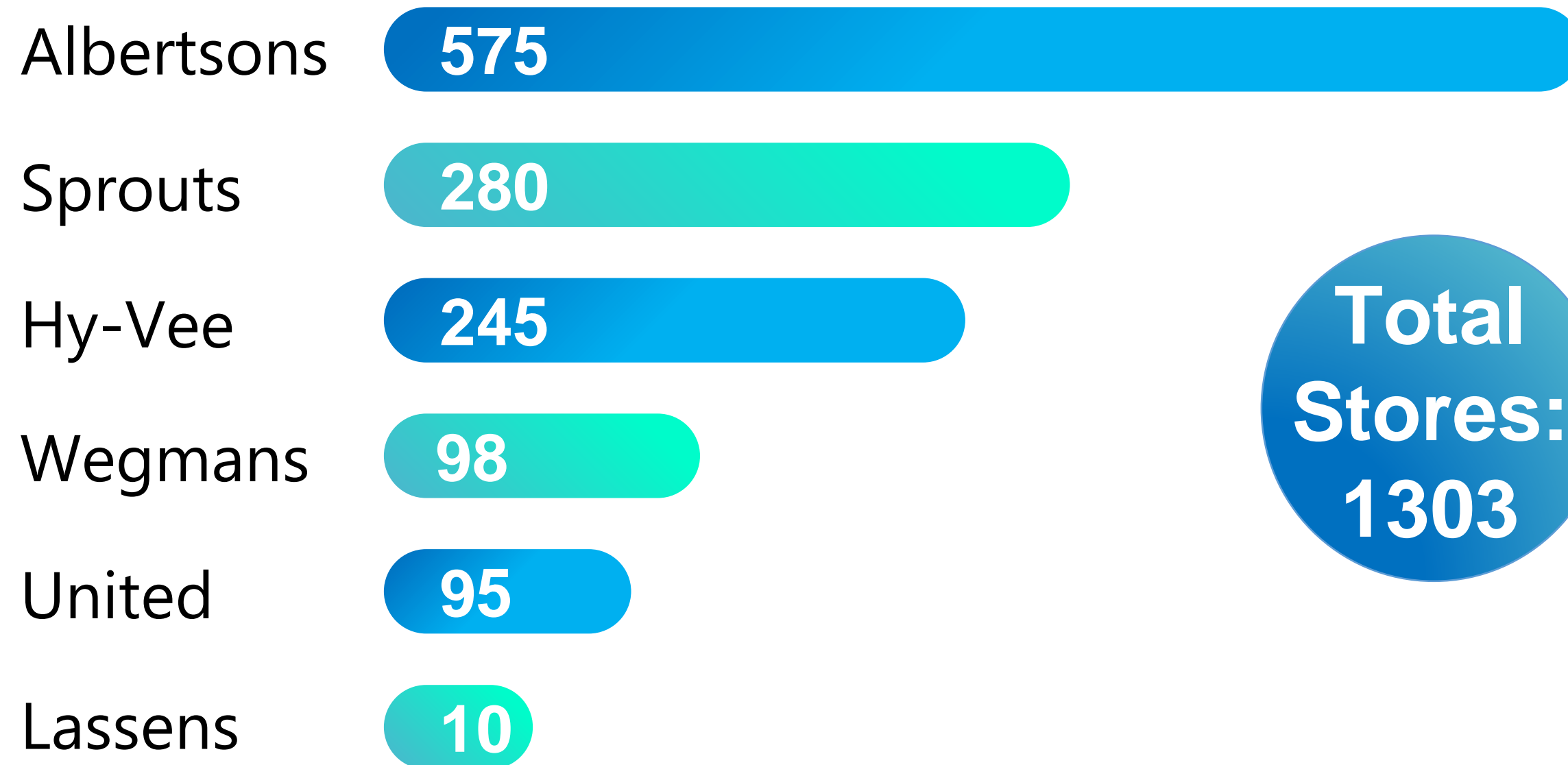


Education of Diet

Use educational materials/start guides and partnerships with medical community to help educate those suffering from IBS about the benefits of Low FODMAP. Similar to strategy used by Atkins Diet.

- Wholesale Market Opportunity

Grocers Currently Stocking Low FODMAP



Total Stores: 1303

1.5 Cases/Store

\$65,000



10 products



\$650,000

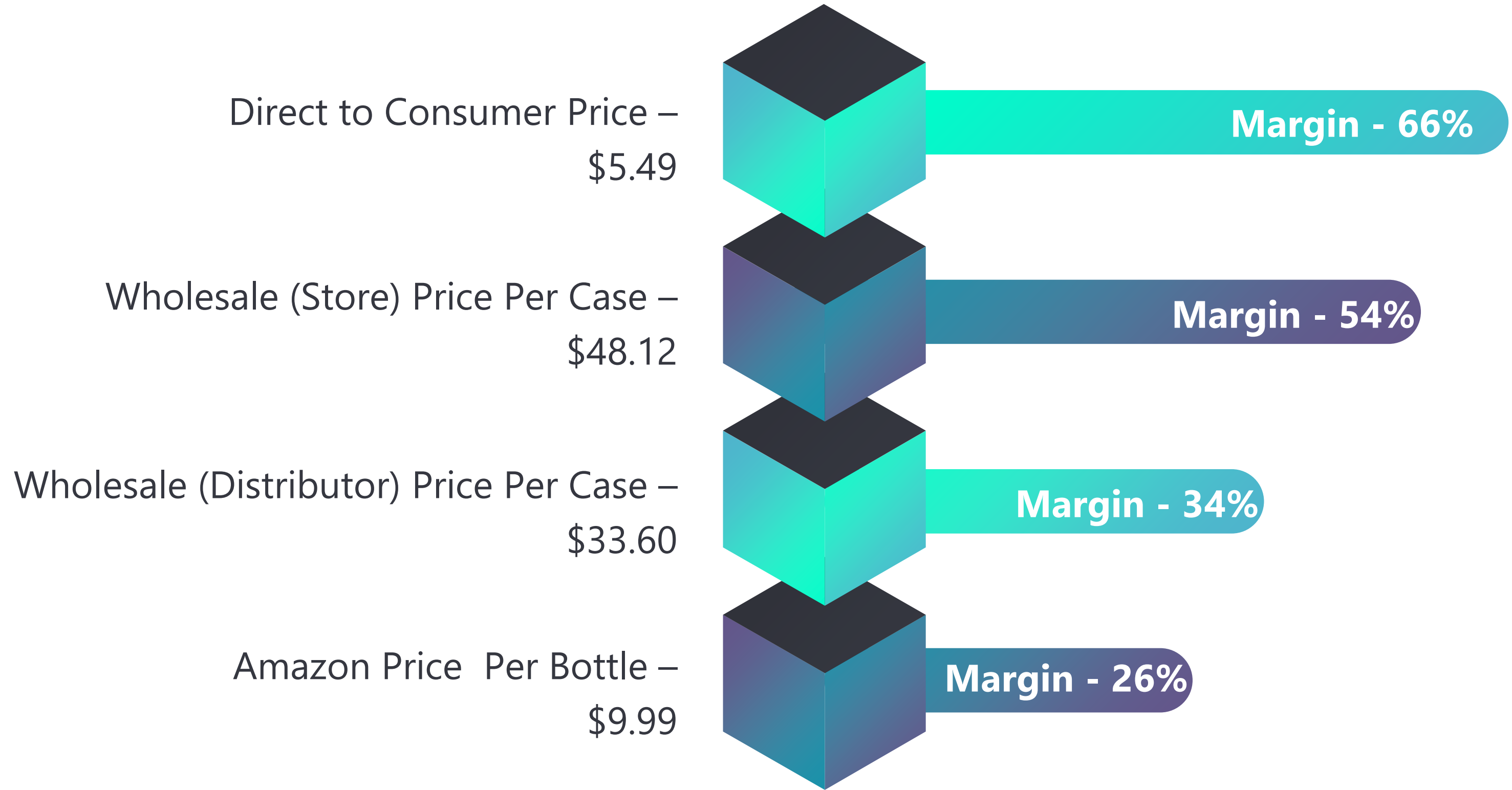


3 reorders/year

\$2.6M Gross Revenue



- Profit Margins – Salad Dressings



COGS: Bottle - \$1.86 Case (12) - \$22.32

- **Our Founder's Profile**

Scot is a United States Marine Corps veteran and alumni of the University of Florida.

The previous 5 years were spent working tirelessly as a gastroenterology pharmaceutical representative and regional trainer. He quickly became a subject matter expert, educating doctors on the diagnostic and treatment algorithms for IBS. Daily, he saw patients being set up for failure to cope with their IBS symptoms. It was there that he saw the opportunity of the Low FODMAP Diet.

Live Free Foods was born from the desire to provide IBS sufferers with the kinds of high-demand condiments that help them to live a symptom-free life without eliminating their favorite foods from their diet.



- Advisory Board



Emily Schwartz
Registered Dietitian Advisor

Specializing in nutrition for IBS, Emily develops Low FODMAP recipes and provide private nutrition counseling services through her growing food blog, "Fun with/without FODMAPS". She's a Licensed Dietitian in the State of Minnesota, a Certified Dietitian in the State of Wisconsin and a Member of the Academy of Nutrition and Dietetics. Emily is also trained and certified by Monash University, the creators of the Low FODMAP Diet.



Operation Startup
Veterans Business Accelerator

Operation Startup provides entrepreneurship education, workshops, mentoring, advising, co-working, and funding programs to early stage veteran entrepreneurs. Operation Startup is a collaboration between Hillsborough Community College and the City of Tampa.

- Why Act Now

High Demand, Low Supply

Stores are fast tracking new Low FODMAP products to fill sections.

Unclaimed Territory

Move fast to untouched categories and claim market share.



Ground Floor of a New Market

Specialty foods up 13% to \$127B¹ Get in on the ground floor of growing trend.

Quick Exits, High Multiples

Easier for large brands to acquire innovation. Typical road to exit 4-7 years with 2-5x multiplier on gross sales.

¹ "The State of the Specialty Food Industry 2017." *Specialty Food Association*, Specialty Food Association, www.specialtyfood.com/news/article/state-specialty-food-industry-2017/.



Thank you.

- Appendix: Convertible Note And Conversion Scenarios

1

Convertible Note Terms (*Round 1, Time Period: Now*)

Live Free Foods, LLC (FL): Issues convertible note up to \$600,000

20% Discount Rate, 5% Interest Rate, \$3 MM Valuation Cap, 2 Year Maturity Date.

2

Priced Equity Financing Round (*Round 2, Time Period: 0 – 2 years*)

Company does a priced equity financing to raise \$1M or more of new money (prior to the 2 year maturity of the notes), holders of convertible notes will receive the benefit of two scenarios with regards to conversion of their notes (in addition to accrued interest on their notes)

- Option 1: 20% discount to the price per share/unit of the priced equity financing; or
- Option 2: \$3 MM pre-money valuation cap

3

Conversion Explained

You can view the 20% discount as a discount to the pre-money valuation of the Company in a future round, so the note-holders convert at Option #1 in scenarios where the pre-money valuation is equal to or lesser than \$3.6M in the next round (a 20% discount gets us to the same place as a \$3M pre-money). If the valuation is above \$3.6M, then the note converts as if the investors were investing at a \$3.0M pre-money valuation in Option #2.