

INVESTOR PRESENTATION



bring out the natural beauty in your hair

The Illumai Investment Summary

- Illumai is a meaningfully different, patented, bio-science-based approach to healthy, beautiful hair & skin. Addresses “white space” in a \$60b market globally
- Invented by [Michael Zasloff](#), MD, PhD, an internationally recognized medical scientist; former Director at NIH, Dean of Research at Georgetown Medical; products refined for consumer use by [Mario Russo](#), a top 100 salon in Boston
- Strongly positive reactions from users ([consumer testimonials](#)) ([salon testimonials](#))
- Alpha test last year was mis-positioned as “luxury” line; led to unacceptable results
- After thorough research and analysis, a new brand positioning as the world’s first “Biome Care System” for hair (and later, for skin) has been developed by our brand leader, [Diggi Thomson](#), the former director of brand at Unilever; we can dominate this completely new category of care owing to patents, know-how, pure play, first-mover, trademark and other advantages.
- Over \$1m of development so far; seeking \$500k for e-commerce tests of new biome care positioning to demonstrate “market traction.”
- Afterwards, we will seek Series A funds to expand online marketing, explore direct response TV and retail distribution, extend product line & build brand recognition.

Agenda

- Problem with hair care today
- Illumai – the first SYSTEM solution
- The Brand
- The Go To Market / Market Development Plan
- Team
- Financial Perspectives
- Conclusion

Hair Care Today: Dissatisfied Users

Facing A World Of **Symptom** Solutions

Flat Fly Aways
Faded
Dandruff Oily
Split Ends
Lifeless
Dull Irritated
Scalp
Frizzy

**Chronically
Dissatisfied
Consumers**



***A bewildering array
of hair-type products
and condition-specific
solutions with constant
proliferation of “new”
products aimed at trends***

**The symptoms are in fact those of an
underlying systems issue ...**

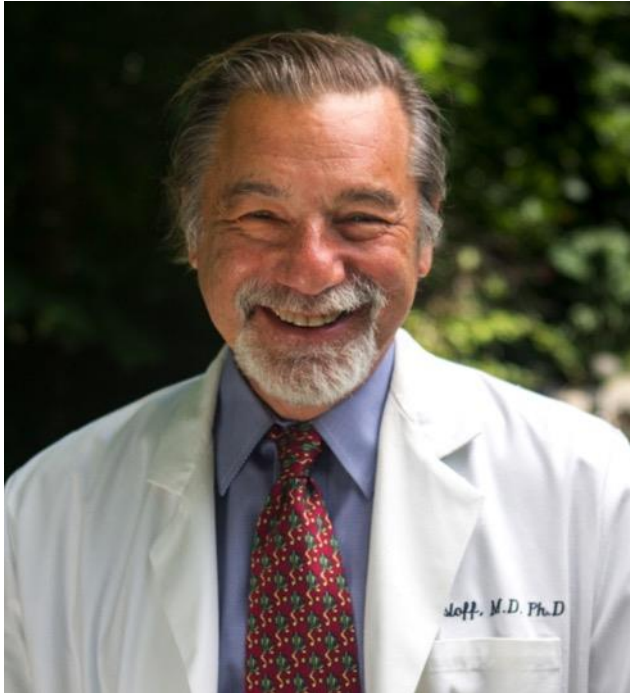
**that no one has fully understood and
been able to effectively address ...**

... until now

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Michael Zasloff, M.D., Ph.D.



- **Pediatrician, Geneticist, Immunologist**
 - Former Department Director, Genetics, N.I.H.
 - Former Dean of Research, Georgetown Med
 - Founder, publicly traded pharmaceutical co.
- **Medical Research Scientist**
 - 47 patents, hundreds of peer-reviewed papers; scores of speaking engagements
 - Featured in “100 New Scientific Discoveries” [book](#) published by Time Magazine
 - 25 years of biomedical research into the self-healing mechanisms of skin & microbiome
- **Chairman & Founder of illumai**

*When confronted with the “**symptom** solutions” in hair care today, Dr. Zasloff invented an entirely new approach, inventing a **systems** solution that really works →*

Symptom Solutions vs. Systems Solution

Example: Treating Type II Diabetes

Symptom Solution

Insulin Injections



Quick Temporary Fix
Underlying Condition Remains

System Solution

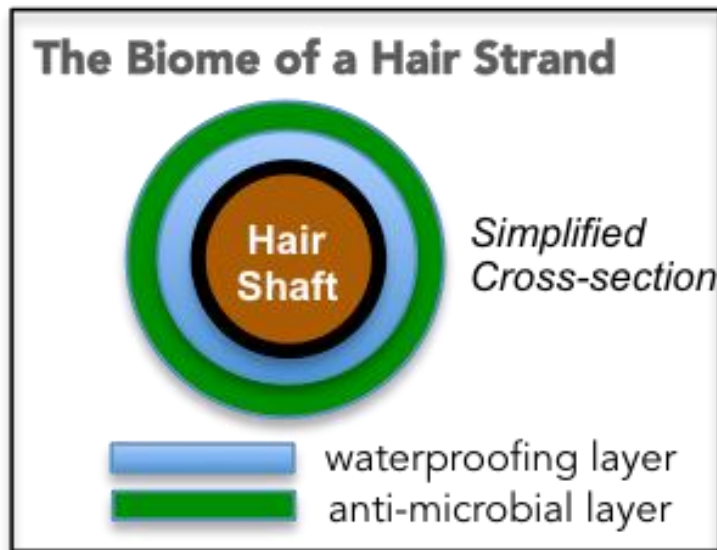
Diet and Exercise



Symptoms Disappear
Sustainable Long Term Solution

The System Is The Solution:

First, Respect The Biome

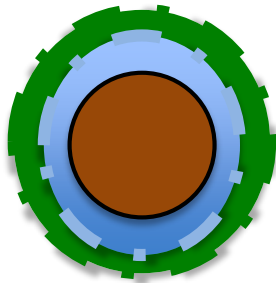


The “**biome**” is the natural, living, self-healing ecosystem of skin/scalp cells, follicles, hair strands, and the peptides, proteins, moisturizing oils & microbiome that protect our skin and hair from damage and infection. It’s composed of two critical subsystems produced by the body:

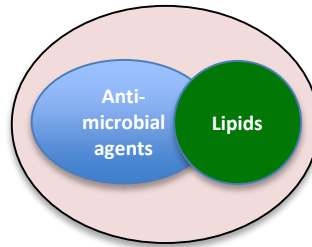
- A **water-proofing layer** of natural lipids (oils and waxes) that prevent moisture loss
- An **anti-microbial layer** of peptides and proteins that create an environment friendly to the good microbes (and hostile to the bad ones) that colonize all living surfaces

When the biome is in balance, we experience a healthy, irritation-free scalp, and hair that is shiny, soft, full, manageable, resilient, strong and healthfully beautiful

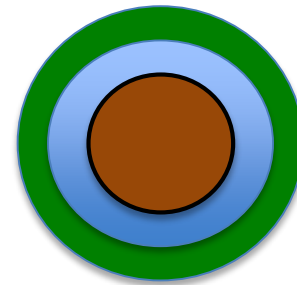
The Biome Regenerates Itself When We Don't Mess With It



Biome experiences
depletion & damage



Lamellar packets are
released from the skin,
coating skin, scalp, hair

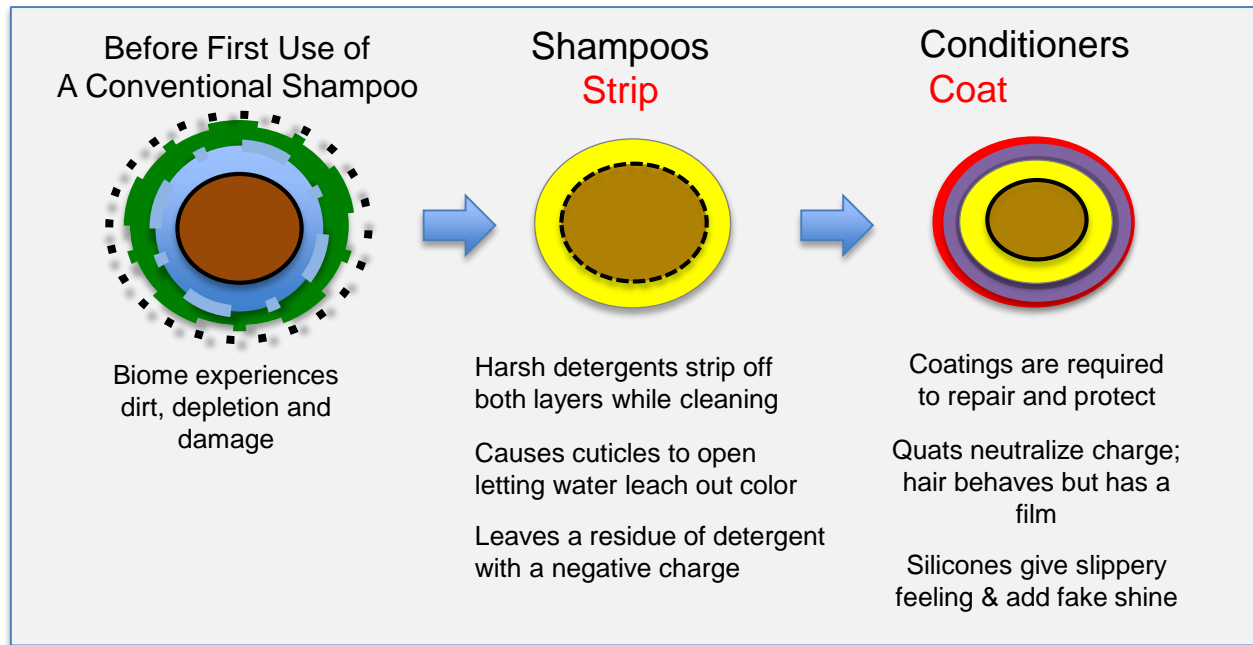


Biome is repaired
& reinforced

- Like our immune systems, when the biome experiences wear and tear or is attacked, the skin produces 'care packages' for the biome
- The problem: modern human lifestyles overwhelm this self-healing process with "insults" -- hair dye, detergents, pollution, flat irons, styling, etc.

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The Damage-Mask Cycle of **All** Other Hair Care Products



- Scalp health is compromised, leading to dryness, flaking and irritation
- Hair strand's integrity is compromised so depletion & damage continue
- These products emulsify the lipids, flush the peptides & poison the microbiome. Then, they paint over the damage with an artificial shine

Introducing Illumai: a SYSTEMS Solution

the first brand to care for the (eco)system behind ALL naturally healthy hair & skin



**Symptoms
Disappear**

**Array of
Products
Not Needed**

illumai®
biome care system



Fly Aways
Flat
Faded
Dandruff
Split Ends
Oily
Lifeless
Frizzy
Dull
Irritated
Scalp

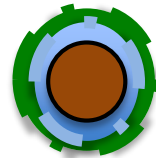
The Illumai Biome Care System



A 3-step system designed to restore & maintain the integrity of your biome in order to promote a naturally healthy scalp and bring out the natural strength and beauty in your hair

Cleanse

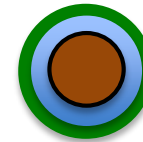
Non damaging shampoo
with **XO-70®**



Effective cleansing
that leaves the biome
intact

Nurture

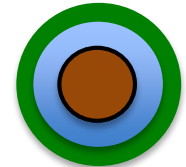
Restorative conditioner
with **Isoleucine**



Targeted repair of
wear and tear of both
layers of the biome

Protect

Finishing leave-In spray
with **Lipid Complex**



Overall reinforcement
of the biome's
protective layers



Refined For Consumer Use at Salon Mario Russo



- [Mario Russo](#) ranked [“top 100 US Salon”](#) (Elle)
- The stylists at Salon Mario Russo tested the various Illumai formulations during an extensive product development period
- Dr. Zasloff adjusted the formulations
- Goal: Products that ordinary consumers could use at home, between salon visits, to maintain healthy, beautiful hair
- Result: Success

Extraordinary, Remarkable Results

No matter what symptoms you start with, Illumai restores your “high-school hair” by bringing your biome back into balance.



- Dry → moisturized
- Oily → normal
- Fading → no leaching of color
- Dull, lifeless → shiny, vibrant
- Flat → weightless volume
- Scalp irritation, flakes → gone
- Frizz → gone
- Flyaways → gone
- Curls → restored

Note: We can demonstrate and prove each of these claims and have testimonials supporting all of them.

From Great Product To Great Brand



To make a great brand, you need two things:

1. A **great product** you can buy
 - Dr. Zaslavoff invented it: Illumai
 - Mario Russo refined it for consumers
2. A **compelling idea** you can buy into
 - Diggi Thomson created that: the first “Biome Care System for the hair” – a systems solution creating **healthy** beauty

Brand Wheel: for Creative Team



Alpha Error – 2014 Launch as “Luxury”

Illumai Mood Board - 2014



Agenda

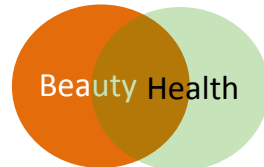
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Beta Launch: 4Q2015 - 2016

Handle	Job To Be Done	Big Picture Strategies	Measureable Objectives
Try, Buy 'n Tell	Get dissatisfied 'non-compromising Natalie' and other product lover segments (next slide) to trial the products, then buy and finally to reorder and tell their friends	<p>Sampling-first, direct-to-consumer marketing strategy based on 'fishing where the fish are'</p> <p>Fast cycle learning on the most effective targeting, messaging and brand mix content in order to maximize ROI</p>	<p>Conversion Metrics</p> <ul style="list-style-type: none"> - Visitor to samplers - Samplers to purchasers - Purchasers to repurchasers - Purchasers to referral/recommendation - Customer Acquisition (CAC) - Lifetime Value (LTV) - CAC / Revs on first sale (marketing liquidation factor)
Own the Biome	Be the brand that establishes and 'owns' the idea of Biome Care in the minds of consumers	<p>Develop & consistently deploy compelling, distinctive & scientifically sound brand equities and consumer-friendly content related to the Biome</p> <p>Obtain credible 3rd party endorsers of the illumai science & health benefits</p>	<p>% of survey respondents with unaided/aided association between illumai and Biome (Care)</p> <p>1+ health-related org endorsement</p> <p>1+ bioscience-related org endorsement</p>

Who? Brand Lovers & Product Lovers

"Non-Compromising Natalie"

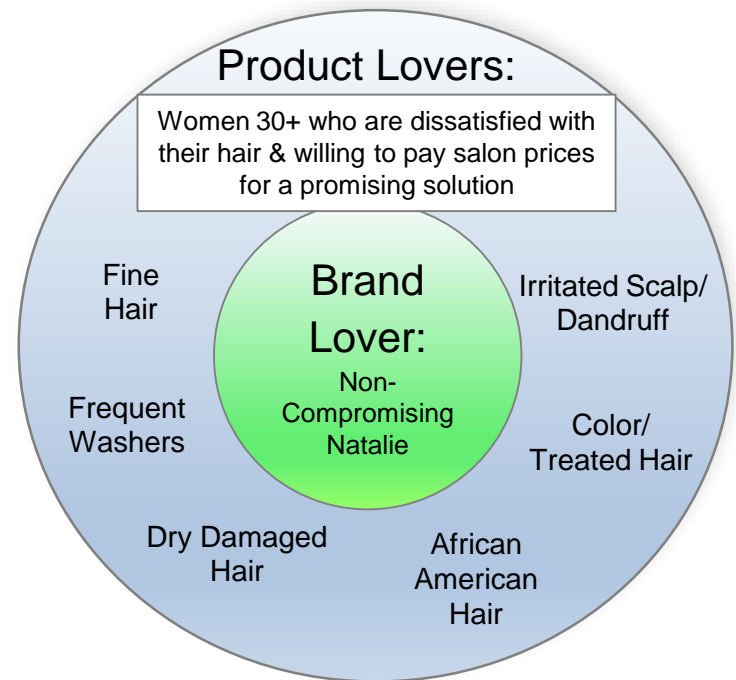


She cares very much about her appearance and wants to look as youthful as she feels,

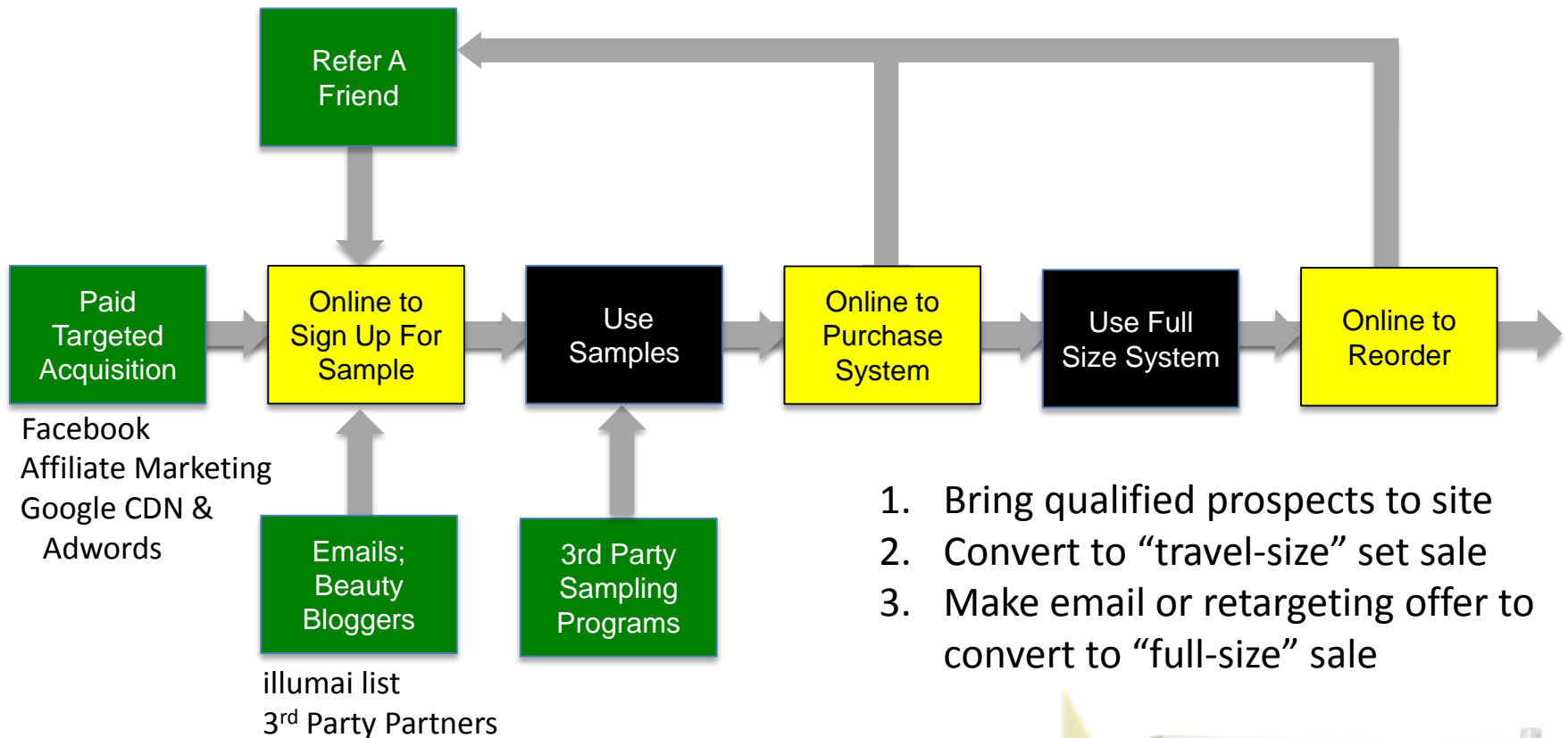
But not at the expense of her health. She cares about what she puts in and on her body and will make the extra effort to find, and pay more for, products that she believes deliver on both beauty and 'better for you' benefits.

She looking for simple, smart solutions
She has a 'I'm busy / got a lot going on' mindset, so is looking for great results with the least effort.

Demographic center of gravity is late 30's/early 40's, with above average income and a college education.



Try, Buy 'n Tell Programs



Travel-Size



Regular-Size

Programs for “Try, Buy ’n Tell”

- Paid Acquisition – Facebook, Google, Pinterest, Email, Outbrain, Retargeting
- Referral Program – e.g., give 10, get 10
- Organic – content marketing, SEO, PR
- Affiliate Program – by permission only
- Blogger, Vlogger – PR/reviews, paid placement, guest posts, affiliate
- Social Media Plan – liking, sharing, ongoing engagement; also some Paid
- Conversion Goals
 - To “travel-size” sample and then to regular-size set
 - Directly to regular-size set
 - To refer a friend and/or promote on social media
 - To reorder

Beta Launch: Fast Cycle Learning

- Segments – start with 3 most promising segments
 - Look for Non-compromising Natalie (esp. non-toxic concerns)
 - Color concerns; Keratin or Brazilian concerns
 - Fine hair, weighed down
 - Dull, lifeless hair
 - WEN users
 - Scalp irritation, dryness, flaking
 - Frizz, flyaways, fried hair, damaged hair
 - African American hair
 - Frequent washers (esp. people who work out)
 - Need for speed --- women who need to finish hair fast in the morning
- Price Points: \$69 (regular)/\$59(discounted); or \$59/\$49; or \$49/\$43
- Marketing messages and creative assets
- See full “Marketing Plan and Programs” document for more.

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The Team

- CEO – Wayne Willis
- CSO – Michael Zasloff
- VP Product – Mario Russo
- VP Marketing – candidates TBH upon funding
 - in the meantime, relying on Diggi Thomson, consultants and outsourced services
 - agency identified ... just add money
- VP Delivery – Elizabeth Slotta
- Salon Management – Maria Fei (Mario Russo)

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Assumptions / Forecast

- Online Assumptions
 - Blended CAC declines with referral, organic and social
 - COGS declines with learning curve and scale economies (volume benefits)
 - Price declines over time
- DRTV and Retail
 - As marketing messages and mix get refined, we can present Illumai in retail & on TV in cost effective ways
- Forecast available on request (Excel model)

Investment Summary

- Delivers truly healthy, beautiful results, addressing women's chronic dissatisfaction with their hair. No more "bad hair days"
- Disruptive, patented product based on cutting edge science developed by world class scientist and nationally ranked stylist
- Uniquely positioned in "white space" of Biome care and growing awareness of beauty products harmful to health.
- Proceeds used to validate market traction of biome care position; if successful, this will create a huge new market (Biome Care)
- Biome Care position can be dominated with patents, pure-play position, first-mover advantages, trademarks, community and brand
- Experienced, passionate, competent team, fully committed
- Attractive pricing on Convertible Note, capped at 2013 Series Seed valuation level (\$5.8m)
- Contact CEO, Wayne Willis, wayne@illumai.com, (650) 428-1395

APPENDIX

Competition

- There are literally 100's of lines and 1000's of products; market is very fragmented.
- When ANY class of competitor says “how are you different/better?” we just go to their weakness
- Any sulfate or sul-fate based system destroys the biome, damages the hair, leaches color and requires a quat/silicone conditioner.
- Any natural, organic or botanical product struggles to provide full cleaning, often has silicones and preservatives
- Any “conditioning cleanser” leaves a oily residue.
- We go to our strengths – very clean, no nothing bad for you, strengthens hair, healthier scalp and hair. Basically, we say “try it; you'll like it.”

Market Sizing – USA

- Retail Outlets (source: IRI, FY 2014)
 - Shampoo \$3.1b, up 3.7%
 - Conditioner \$1.4b, up 3.2%
 - Treatment (not color) \$0.6b, up 9.3%
- Salon Channel (source: PBA Shipment Survey, 2014)
 - Shampoo, Conditioner, Leave-In \$0.73b, up 3.6%
- TV, Internet
 - Wen reportedly does \$600m in retail sales, half on shopping channels and half from infomercials
 - No reliable statistics but we estimate direct-to-consumer sales of shampoo and conditioners on TV and online exceed \$2.5b