



**MIND
BODY
FORK**



Changing the way you live to eat
one meal at a time.

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Celebrity Chef Debbie Lee has had an illustrious restaurant, catering, and consulting career leading to appearances on The Food Network and cookbook deals. However, the lifestyle of a chef once known to “twice fry” anything took its toll. Vowing to change the way she would live to eat, Chef Debbie came to a culinary epiphany – that restaurant quality meals can be both healthy and delicious. Inspired by her own journey to dedicate her mind and body to the foods she consumed, Mind Body Fork (MBF) was created as a sustainable online meal delivery service focusing on a health driven lifestyle.

Mind Body Fork looks to carve out a niche between the prepare your own nutritious meal companies such as publicly traded Plated or Blue Apron and the opposite end of the spectrum of trendy tech-centric Munchery and Maple that locally delivers premade meals within a 30 minute window. Mind Body Fork’s value proposition and competitive advantage comes from taking the successful components of the market leaders and marrying them to establish restaurant quality healthy meals with the convenience of ready-made meal delivery service - scalable to reach larger regional customer bases. Consumers will also be able to utilize an online dietary and physical well-being consultant application, developed exclusively for Mind Body Fork by a professional sports team nutritionist, Dr. Cate Shanhan, to help guide customers with dietary requirements to achieve personal health goals.

Medical, health, and fitness experts continue to endorse the multiple benefits of farm fresh and sustainable dining, a practice utilized for centuries by many global countries where obesity and chronic diseases are much lower – showing that it’s safe to say what you eat matters. This has had direct impact on growing trends in Sustainable, Organic, Vegan, and Paleo types of diets, which focus on cooking from the earth, sourcing only non-GMO and hormone free products only. Cooking the way of our ancestors is certainly a hot trend in the food industry.

Additionally, hectic and time-sensitive consumers have been clamoring for convenient alternatives to the daily chore of planning, shopping, and cooking from scratch. Consumer reliance on smart phone and mobile apps for convenience, has led to a meteoric rise for on-demand meals, cook at home pre-packed ingredients and recipes, and premade meal delivery businesses. Investors are taking notice as investments have skyrocketed over \$1.5B in the first half of 2015 making it one of the top funded business sectors.

Launched in January 2015, sales have seen steady month over month with growth and forecasts exceeding initial projections leading to MBF seeking Angel Investment of \$250,000 in convertible debt for the expansion of its five (5) business segments; 1. Daily meals plans 2. Weight management & Cleanse programs 3. Bone Broth pack sales 4. Retail Café Partnership and 5. Catering Services. Each business segment was diligently vetted to match the core competency of the company with the exponential rise in consumer demand and industry forecasts.

Chef Debbie Lee continues to see the value of her culinary reputation, celebrity, and brand message leading to a successful business launch and validates the consumer demand for a new wave of healthy, sustainable and convenient online dining options. As the company continues to educate consumers on what farm fresh, healthy cuisine can be, Mind Body Fork will help lead the sustainable food movement in an affordable and interactive environment for all.



Debbie Lee – Executive Chef & President

Chef Debbie Lee is a culinary visionary and often referred to as the female David Chang. She gained a legion of fans as she reached the top three in Season 5 of “The Next Food Network Star”. “Ahn-Joo”, her clever fast-casual model of a Korean Drinking house, brought her notoriety as the queen of modern Korean gastro-pub fare. She was also the first chef from a food truck, The Poutine Truck, to be heralded as one of the top ten restaurants of the year by The Huffington Post in July 2011.

Debbie’s first cookbook *Seoultown Kitchen*, began a path to expanding her gastronomic versatility. The cookbook received critical acclaim, making *The New York Times*’ most notable cookbooks of the year list. Further accolades included a spot on the *Details Magazine* top 10 of the year and a first-time nomination from the International Association of Culinary Professionals in the international cookbook category. Her user-friendly, effortless approach to breaking down Korean flavors has been featured on media appearances such as *The Nate Berkus Show*, *Fox Morning News*, and *Martha Stewart Living*. Chef Debbie has also been featured in *Sunset Magazine*, *The Food Network Magazine*, *Los Angeles Magazine*, *Maxim*, *Zagat*, *Urban Daddy*, *Food Republic* and *Thrillist*.

However, Debbie’s demanding travel and promotional schedule, media appearances, along with running a restaurant 24/7 took a toll on her health. With an excess of over 45 lbs and a pre-diagnosis of Type II Diabetes in the summer of 2010, Debbie was faced with a physical battle shared by millions of Americans. Still, for the next two and a half years, her dedication to her career provided plenty of excuses to not eat, sleep or exercise regularly.

On January 1, 2013, Debbie made a commitment to her mind and body to reinvent her own culinary wheel. Six months into her journey, she had lost 28 lbs, and has kept the weight off! As a classically French trained chef, Debbie had to move away from the motto that fat equals flavor, and consciously look at how genetically modified fats and oils, refined sugar and processed carbohydrates were used to create a dish. Maintaining her current weight for the past two years, Debbie has re-educated her culinary palate and her knowledge of health conscious fare. She tried local meal delivery services and found several of them to be lacking in a chef driven product, and most importantly, they lacked true sustainability. As friends and colleagues started to notice her dramatic weight loss, they inquired about her new style of cooking. It was then that Debbie decided to be completely present with her current health plan and live it daily as a chef. She developed Mind Body Fork, a sustainable meal delivery service that focuses on conscious cooking while providing top shelf chef cuisine for food connoisseurs to partake.

Debbie’s new motto is “If I don’t eat it, I don’t expect my clients to either.” For that reason alone, Debbie keeps the integrity of her meals to the level of upscale restaurant dining, while committing the chemically engineered products. What she has developed is the very food she would eat or serve to her family and friends. Mind Body Fork offers a one of a kind sustainable daily meal service using local farmers, ensuring that it is truly a “farm-to-table” movement.



Bob Suruki – Executive Vice President

A key member of Mind Body Fork’s executive management team, Bob, plays a central role in directing the corporate business development activities, including strategic planning, corporate and affiliate partnerships, and technical integration. An entrepreneur and technologist, Bob has spent more than 20 years in Global Fortune 500 companies, specializing in sales and business and product development in the service, technology, and consumer products industries.

Starting his career in corporate sales for Japan Airlines American Region, Bob moved to the Sales & Marketing and Corporate Planning divisions for the North and South American markets. In 1997, an opportunity was presented to follow his interest in the emerging Technology sector where he lead and managed the Electronics and Materials division and branch office for Hitachi High Technologies America. In 2007, Bob founded Sandstone Technologies Group, utilizing global partnerships to expand cross-industry development and sales of new innovative technologies to FDA compliant consumer goods. Due to his diverse experience, Bob is sought after by start-up companies and publicly traded international corporations for consulting services to assist establishment of new enterprises, products, and distribution channels. Bob received his B.A. degree from the University of California, Los Angeles.



Dr. Cate Shanahan – Director of Nutrition

Cate Shanahan, MD is trained in biochemistry and genetics at Cornell and currently specializes in reversing chronic disease through optimal diet programs offered at the FatBurn Factory, her office in Denver, CO, and online to private clients.

Early in her career, Dr. Cate recognized pharmaceutical intervention did nothing to heal the underlying metabolic issues her Family Medicine patients in Hawaii were dealing with. Applying her knowledge of biochemistry, she identified the culinary traditions shared by all her healthiest, longest-lived patients and immediately began teaching these principles to others, with incredible healing results. These elements, became the basis of her books *Deep Nutrition: Why Your Genes Need Traditional Food* and *Food Rules: A Doctor’s Guide to Healthy Eating*. *Deep Nutrition* has been the number one bestselling book among dieticians for four consecutive years, and best selling authors including Gary Taubes, Mark Sisson, Nina Teicholz and Jimmy Moore have incorporated lessons learned from Dr. Cate into their own teachings.

Having worked as science consultant for the Los Angeles Lakers PRO Nutrition (Performance Recovery Orthogenesis) program since 2012, Dr. Cate is fast becoming the go-to guru for all things in health and sports.



Stephanie Greyson – Vice-President of Marketing and Brand Messaging

Stephanie Greyson brings more than 20 years of marketing expertise to the Mind Body Fork team. A marketing communications guru who loves innovative storytelling, Stephanie will bring the MBF brand to life overseeing branding, design, public relations, social media, and corporate social responsibility. Stephanie has worked with Fortune 500 organizations such as Intuit and Amgen, as well as small businesses, building their brand and culture so they can truly connect with customers.

At Intuit, Stephanie led an international team tasked with inspiring over 8000 employees worldwide to volunteer and give in their local communities. Stephanie has also collaborated with the United Nations as a founding partner of World Day for Diversity and Inclusion, leading the “Do One Thing for Diversity and Inclusion” campaigns. Her blend of expertise and enthusiasm will help promote the benefits and strengthen the brand of Mind Body Fork.



Nick Newton – Creative Director

Originally a journalism major with the intentions of becoming a writer, Nick fell in love with design when he took a job as an assistant art director with an international sports publication while enrolled at the University of California in Los Angeles.

Pursuing work in sports and entertainment, Nick has worked with major entertainment companies including DreamWorks and the Walt Disney Motion Picture Group, creating memorable marketing campaigns, package design and brand identities. Nick brings a dynamic combination of artistic insight and business knowledge to the creative process that will enable the Mind Body Fork brand to stand apart from competitors.



Greg Schroepel – Director of Culinary Operations

Greg Schroepel began his cooking career at Wolfgang Puck’s Spago more than 26 years ago, with subsequent stints at Granita, Eureka and as Pastry Chef at Chinois on Main. These roles allowed Greg to gain extensive fine dining experience that is important to Mind Body Fork’s mission to bring restaurant quality dining to meal delivery service.

Greg continued his passion for cooking and moved into R&D and consulting, as an R&D chef developing everything from single dishes to new concepts, working with chain restaurants, grocery stores, QSR, quick casual and casual dining segments. Tapping into his entrepreneur spirit, Greg has led catering and hospitality consulting companies and recently co-founded a product development company that works with food manufacturers to develop food products for the wholesale and retail marketplace.

Mind Body Fork is a sustainable meal delivery service focusing on farm fresh and local ingredients. Using only pasture raised animals, sustainable seafood, cage free eggs, organic and raw dairy, and primarily organic produce – the company has set themselves apart from local and national competitors. For most comparable meal delivery companies, they focus on an “all-natural” motif, which does not necessarily mean they are 100% sustainable, nor are they sugar free. What the company has created, by the vision of founder Chef Debbie Lee is no easy feat. She has also chosen to partner with well-known doctor, health expert and author Dr. Cate Shanahan. Known as the science consultant for the Los Angeles Lakers PRO Nutrition program, Dr. Shanahan is an expert in her field, along with being on the best sellers list for her books “Food Rules” and “Deep Nutrition. Chef Debbie has based the foundation of MBF’s food philosophy from Dr. Shanahan’s nutrition paradigm – aka the “Four Pillars”.

With an extremely low amount of seed money (\$51k) to test out the concept, Mind Body Fork has gained an instant following with the average customer using the service for 4 months and has grossed over \$250k within the first year. Starting in an incubator test kitchen with part-time staff, Mind Body Fork has determined the potential for scalability by integrating technology and social marketing to reach a wider critical mass, enabling the company to maximize its revenue potential.

Currently, Mind Body Fork has utilized a combination of strategic partnerships, word of mouth, and limited media outreach to gain their current customer base. By just a handful of local media appearances, guest speaking engagements, and a feature in a national publication, the company has gained an instant increase in exposure and revenue. The company realizes with the ability of technical integration, tech-centric brand awareness and lead generation through aggressive social marketing, MBF can achieve rapid exponential revenue growth potential.

Mind Body Fork plans to increase the company’s current brand awareness within Southern California starting February 2016 and will begin plans to offer delivery nationwide. Currently, the company uses in-house drivers to cover a 50-mile delivery radius and are in discussions with specialized delivery couriers that will enable growth throughout the continental US.

Mind Body Fork intends to occupy an 8000 square foot commercial kitchen space where all products will be prepared fresh daily. This location will serve as a multi-functional unit as the corporate headquarters for the company, along with production and a fulfillment center. With enough space, the company has selected this kitchen location for a few primary reasons. First, this kitchen is the sole possession of Mind Body Fork, and will not be shared with any other business. Second, with generous refrigeration, prep area and storage, will allow Mind Body Fork to run 24 hours if need be to meet customer demand. Furthermore, the location is in a central area with quick access for drivers, vendor deliveries and postal couriers. Lastly, the rent for the space has an unbelievable, pre-negotiated occupancy rate that allows for extremely cost-effective and lean operations.



MBF has also made impressive progress with retail plans. Ron Robinson, one of the forefathers of fashion, design and luxury retail goods has commissioned MBF to create a café within their Santa Monica retail store for their clientele. As fashion, fitness and food tend to go hand in hand, Ron Robinson has reached out to the company as he feels MBF offers products and services that cater to his high-profile demographic. Currently the company is planning to launch it's very first retail location of Mind Body Fork by summer 2016 in an intimate yet exclusive flagship café maximizing the potential of sales to cross-market both their target audiences. This rare proposition is very unique for any e-commerce based meal service. In fact, there has yet to be a meal service company, which has been able to have a barrier to entry via retail. Due to Chef Debbie's celebrity, notoriety and her ability to utilize her network among the entertainment industry, Mind Body Fork has automatically been positioned to trend among the tastemakers of LA.

Mind Body Fork preserves a culinary tradition of cellular healing, which dates back centuries in multiple cultures, creating a sense of connection to time honored ways from our ancestors, while promoting sustainability along with the medicinal benefits and healing powers from cooking with a conscience. MBF's farm fresh meal delivery concept combines great flavors with sound nutrition to meet your individual health goals, while making it accessible for the end user to get healthy meals delivered to their home or office. Changing the way you live to eat, one meal at a time - the company's mantra is that wholesome cooking can heal your body and prevent chronic illnesses associated with obesity.

What makes Mind Body Fork unique, is that the company's model of a virtual restaurant enables the consumer to utilize strategically devised technology, making the experience of meal delivery more attractive and "user-friendly". It's as simple as ordering online or downloading our application on a smart phone, ordering in seconds, getting notified of delivery status and most importantly, being able to use an interactive web-based calculator to help the consumer determine which meal plan is best for them. From customized nutrition consulting to weekly live blog chats with our resident doctor, MBF intends to utilize social media as a means of national outreach, to spread the word rapidly and penetrate the current market share in a cost-effective manner.



What once was an option on a food manufacturer's label has now become a mandate in order to keep in the game of national food trends. Given the current climate changing and loss of resources, the food industry is now at a point where there needs to be a responsible approach to production. Today, more consumers want to know how the restaurant industry is going to preserve the food supply chain for generations to come. Mind Body Fork is ahead of the game, in that the premise lies within the integrity of embracing the current environment, while supporting local farmers and ranches to continue the path for what is to be the "future of food". Whether it is dealing directly with the Farmer's Co-Op, ensuring that the produce practices a non-toxic and pesticide free environment to purchasing only grass-fed beef from the largest sustainable program in the country, MBF makes a vow to help in educating today's diner's with conscious cooking.

OUR MISSION

To cook with a conscience - Changing the Way you Live to Eat...One Meal at a Time.



OUR TENETS

Mind Body Fork is...

Sustainable: Farm fresh, one-of-a-kind meal delivery service focused on natural and locally sourced ingredients. Includes organic produce, cage-free eggs, hormone-free poultry, grass-fed beef, sustainable seafood, organic/raw dairy.

Educational: Meals teach out clients how to eat in a realistic way using food-forward cuisine and programs. Expert nutritionist and food coach assists for long-term learning and change.

Customizable: Menus offer a wide variety of options for both individual health and weight-management goals.

Supportive: With Mind Body Fork you're never alone. Chef Debbie and the team are dedicated to the long-term food and health journey.

Flavorful: Health-driven cuisine that is just as creative and delicious as the best restaurants in town.

Mind Body Fork offers farm fresh sustainable meal delivery service 7 days a week to your door. All meals are free of gluten and refined sugars, focusing on all natural elements from our local farms. Providing an array of options based upon individual dietary guidelines or health and fitness goals. Each of our plans offer a High Protein, Sustainable Seafood or Plant Based option to accommodate individual dietary needs. Plans are available in a 3-day trial, weekly or monthly subscription.



1. FOUR PILLARS MEAL PLAN:

Based upon the food philosophy of Dr. Cate’s four primary food categories - Meat on the Bone, Bone Broth, Fermented & Sprouted Foods, and Raw Food, this meal plan is built to maintain one’s balanced nutrition on a daily basis. Perfect for the person on the go who also yearns for health and convenience all in one, our Four Pillars Meal Plan has the perfect balance of protein-fat-complex carbohydrates. This plan includes Breakfast, Lunch, Dinner and 2 Snacks.



2. CARB CONTROL PROTOCOL:

A Grain-Free, Limited Dairy Meal Program - designed to reboot your metabolism by eliminating processed sugars and starches, and avoiding common allergens in dairy protein and grains. Inspired by our LA resident nutritionist, this high-protein meal plan is geared toward those wanting to gain energy, lose weight and reduce their processed carbohydrate intake. Clarified Butter and Ghee are included, as those contain little or no protein. This plan includes Breakfast, Lunch, Dinner and 2 Snacks.



3. OPTIMAL FAT BURNING MEAL PLAN

Devised by our resident doctor and nutritional expert Dr. Cate Shanahan, this weekly program is designed for those wanting to shed extra pounds while training the body to burn fat and calories more efficiently. The Optimal Fat Burning Plan is comprised of 3 meals to include a high-protein breakfast, a high-protein lunch, and carb-controlled dinner including protein, vegetables, and a gluten free grain.



4. BONE BROTH

One of the newest and popular beverages trends to sweep the nation is Chef Debbie’s signature bone broth made from grass fed beef or chicken bones and organic vegetables. This nutrient rich broth helps reduce inflammation, heal a leaky gut, while supporting joint, muscle and bone health. Bone Broth is also a key element in one of the most popular diets in the U.S., the Paleo Diet, which focuses on low-carbs and high protein. Available to ship in frozen form nationwide.



5. 4-DAY BONE BROTH CLEANSE

Unlike the ever so-popular juice cleanse, our comprehensive program is not intended to fast the body, but provides healthy proteins and natural fats to fuel the body. Devised by a resident nutritionist, the Bone Broth Cleanse is a 4-day program to reboot metabolism, reduce inflammation and acid in the digestive tract, and prepare the body to reach health and weight loss goals. The Bone Broth Cleanse includes a morning bone broth based soup, a nut and seed based porridge, savory hearty beef bone marrow broth comprised of grass fed beef and organic vegetables, and a light meal for dinner to include lean protein and fiber rich vegetables. Our average client loses anywhere from 1.5 - 8 lbs within the 4-day cleanse.



6. RETAIL CAFÉ PARTNERSHIP

Ron Robinson Inc., one of the forefathers of fashion, design, and luxury retail goods has commissioned Mind Body Fork to license the brand and create a café within their flagship retail store in Santa Monica, CA. As fashion, fitness and food tend to go hand in hand, Ron Robinson feels MBF offers unique and user friendly products and services that cater to their high-profile shopping demographic.

This rare and unique proposition for any e-commerce based meal service will bring tremendous exposure to the brand and direct marketing opportunities to key target audiences. There has yet to be a meal service company able to have a barrier to entry via retail, but due to Chef Debbie's celebrity and entertainment industry network, Mind Body Fork is automatically positioned to trend among the tastemakers of L.A. The café is planned to launch in late May-June of 2016.



7. CATERING SERVICE

Eating healthy is a lifestyle change, not a temporary solution. With the increased awareness of conscious cooking, Mind Body Fork has had the opportunity to not just provide daily meals for the consumer, but also showcase their "clean eats" at high-profile catered events. As one of the former Hollywood caterers, Chef Debbie has been requested to cook for clients including Jimmy Kimmel, JJ Abrams and Laird Hamilton - to name a few. Whether it is Orlando Bloom's child eating Chef Debbie's Gluten-Free Grilled Cheese, or Jimmy Kimmel enjoying Bartel's Farm Grass Fed Steak with a Piquillo Pepper Relish, Mind Body Fork has shown that eating healthy is a lifestyle, not a chore. Currently the company has an exclusive contract with Ron Robinson as the "in-house" caterer for their media events and product launches at their storefront. This brings in an average of an additional \$10k a month to add to the monthly bottom line.

A. Strategy and Implementation

- Overarching Strategy

Overview:

Mind Body Fork is an online meal delivery marketplace for consumers to order chef crafted and medically approved, farm fresh and sustainable prepared meals. Based on the concept of restaurant quality meals can be nutritious, delicious, and convenient, Mind Body Fork is a collaboration of Chef Debbie's unique culinary background and Dr. Cate Shanahan's premise of nutrition, resulting in flavor packed meals and cleansing programs ideally suited for the health, fitness, and dietary conscious consumer. With the incorporation of technology for online ordering, interactive dietary applications, and launch brand awareness campaigns, it provides an ideal avenue to extend Mind Body Forks mission "Changing the way you live to eat, one meal at a time."

B. State of the Market and Industry Trends

Driven by demand for healthier lifestyle and time sensitive consumers seeking convenience, the meal delivery sector has experienced staggering jumps in investments. While \$46M and \$25M were invested in food ordering companies in 2013 and 2012 respectively, investments spiked to \$600M in 2014. Already in 2015 investments have exceeded \$1.5B and climbing. Some investors cite food-related startups fit into their sustainability portfolios, alongside renewable energy and electric cars because they aim to reduce the toll on the environment.

While the space is becoming competitive with new companies entering the market, saturation isn't seen as a hurdle as consumers still prefer to eat in the comfort of their own homes evidenced by the \$70 Billion takeout and delivery market. Additionally for comparison, there are over 600,000 restaurants in the U.S. and the market has shown it can support multiple food concepts, especially with different and unique brand messaging and philosophy.

Meal delivery marketplaces allows chefs to operate virtual restaurants from commercial kitchens instead of brick and mortar restaurants allowing for greater creative menu planning at much lower fixed costs and wider product distributing potentials. It also allows the company to control food waste that is typical with a stand-alone restaurant. With unique value proposition of a celebrity chef, inspired by sustainable healthy meals and medical and nutritional support by an industry respected practitioner, MBF will look to carve a niche and disrupt the marketplace by incorporating technical integration to allow for optimum consumer experience and convenience.

C. Value Proposition

A large part of initial inherent value centers on three areas; first the talent, experience, and notoriety of the human pool. From founder Celebrity Chef Debbie Lee, Dr. Cate Shanahan, Best Selling Nutrition author and current Los Angeles Lakers Nutritionist, to experienced management personnel, individually the members are well accomplished and have each earned star power in their respected industries, but “the whole is greater than the sum of its parts” forming a formidable team.

Second, Mind Body Fork creates and delivers unique farm fresh prepared meals. All meals are free of gluten and refined sugar, responsibly sourced from sustainable practicing suppliers. MBF looks to help change the perception of health-driven meals as being small portioned, flavorless, and expensive.

Third, technology integration will allow consumers to conveniently browse, order, and track meals and products online as well as utilize a proprietary interactive nutrition application developed by Dr. Shanahan. The nutrition application will allow consumers to take charge of their health goals by following meal and fitness plans individually customized based on data entered into their personal nutrition calculator.

D. Marketing Plan

Over the next five years, Mind Body Fork plans to build a unique leading lifestyle food brand through strategic marketing, technology and community.

Mind Body Fork’s mission statement “**To Cook with a Conscience - Changing the Way you Live to Eat, One Meal at a Time,**” will be the mantra that spotlights how MBF supports customers to improve and sustain their health with delicious meal plans and products.

Our commitment to cooking with a conscience and supporting local farms and sustainable food practices will set us apart for many eco-conscious consumers who are passionate and mindful about their health.

Brand messages centered on these key words: sustainable, educational, customizable, supportive and flavorful will help win the hearts and minds of health-conscious consumers.

Using online and mobile apps, and the help of a nutrition expert, customers will be able to determine the best meal plans/products for their needs and get a custom meal-plan, rather than select from standard meal plan/product options offered by our competitors.

E. Marketing Objective:

Mind Body Fork's objectives for the first five years are:

- Establish Mind Body Fork as a sought after lifestyle food brand
- Develop an effective and strategically positioned e-commerce website and key retail partnerships that drive sales of products and meal plans.
- Build a marketing plan that expands brand awareness and inspires consumers to purchase nutritious meals and learn tips and trends for healthy living.
- Create infrastructure for fulfillment of retail and online food sales.

F. Pricing Analysis:

- a. The average MBF consumer spends \$64/day for food to include Breakfast, Lunch, Dinner and 2 Snacks. This averages at \$10/breakfast, \$18/lunch, \$22/dinner and \$7/snack. This is actually less than even some meals for a Fast Casual Model or Quick Service Restaurant. MBF has debunked the myth that eating healthy is costly.
- b. As the goal of MBF is to help Americans change the way they live to eat, the company has created alternative options to their programs so that each individual can customize what they actually need and can really afford. This allows for the consumer to still have healthy food options without having to use their whole paycheck on a food plan.
- c. Since the average MBF consumer uses the program a minimum of 4 months, the company has come up with cost-effective ways to motivate continuous use so that their clients can continue to afford the meals. With added loyalty discounts and promotions, MBF has been able to give back to their customer while retaining their patronage.

Competitor Analysis by Business Segment and Price Comparison

	Company	Locations Served	Price: Avg Entrée/Meal Plan MP
On-Demand Meals <i>(Prepared meals delivered within 30 minutes)</i>	Munchery	SF, LA, SEA, NY	\$9-\$15 per item
	Sprig	SF, Palo Alto, Chicago	\$9-\$12 per item
	Maple	NY	\$12-\$15 per item
	Spoon Rocket	SF, East Bay	\$8-\$9.50 per item
Cook Your Own Meals <i>(Pre-packaged ingredients with recipe cards)</i>	Blue Apron	85% of U.S.	\$9-\$10 per item
	Hello Fresh	Continental U.S.	\$9-\$10 per item
	Plated	95% of U.S.	\$9-\$15 per item
	Peach Dish	Continental U.S.	\$9-\$15 per item
Pre-ordered Prepared Meal Plans (MP) & a la carte (AC) Meals	MindBodyFork	Los Angeles/Orange Co. (Bone Broth - Nationwide)	\$35-74 per day MP \$15/per meal
	Freshly.com	Western U.S.	\$69-\$299 per week MP
	The Fresh Diet	12 States	\$35.57-\$39.99 per week MP
	Freshology	Los Angeles/Orange Co.	\$39.95-\$54.95 per week MP
	Klean LA	CA, NV, AZ	\$50-\$58 per week MP
	Paleo Delivers	Los Angeles/Orange Co.	\$40-\$70 per week MP
	Paleo on the Go	Continental U.S.	\$189-\$489 Wk MP, \$10-\$24 AC
	Palet	CA, NV, AZ	\$40-\$79 per day MP
Zen Foods	Southern California	\$45-\$65 per day MP	

G. Market Segmentation

1. Geographical

- a. Local: Will focus on capturing and servicing the Los Angeles and Orange Counties markets with in-house drivers.
- b. Regional: Expansion of sales region to cover Western U.S. beginning in early 2016 with strategic partnerships with third party shipping couriers experienced in meal deliveries.
- c. National: Bone Broth shipped in frozen form.
- d. Online vs. Retail Sales: Online sales will account for approximately 85% of the business revenue and 15% retail sales through partnership with Ron Robinson Corporation and events catering.

2. Demographic

- a. **Weight Management Consumers**
- b. **Dietary Sensitive:** Consumers with allergies or ingredient sensitivity (i.e., gluten, soy, sugar, dairy, etc.).
- c. **Time Sensitive:** Individuals and families seeking convenient healthy delivered meals.
- d. **Health Lifestyle Partners:** Nutritionists, dietitians, medical practitioners, fitness/personal trainers, corporate and individual Health & Wellness coaches.
- e. **Retail Partners:** Major retailers, distributors and big box groceries, such as Whole Foods and other larger grocery chains, who want to increase their offerings of healthy, sustainable food through Mind Body Fork's retail food line.

3. Psychographic

- a. **Lifestyle:** Consumers that practice healthy and sustainable lifestyle
- b. **Trend setters/followers:** Consumers that embrace technology for convenience and prefers to order meals via on-line and smart device applications.
- c. **Social Class:** Mid to higher income level consumers that can test various meal and nutritional plans.

4. Behavioral

- a. **Good Value:** Customers feel the healthy, flavorful, and convenient meals are a good value
- b. **Loyalty:** Feel meal plans are benefiting, like menu diversity and flavors, identify with Chef Debbie's message.
- c. **Special Occasion:** Offer meal plans as gift, look for temporary weight loss before or after holidays, weddings, social appearances
- d. **Health Conscious -** Consumers who demand food manufactures stop using sugar as the first ingredient and refrain from chemically altered food supply.

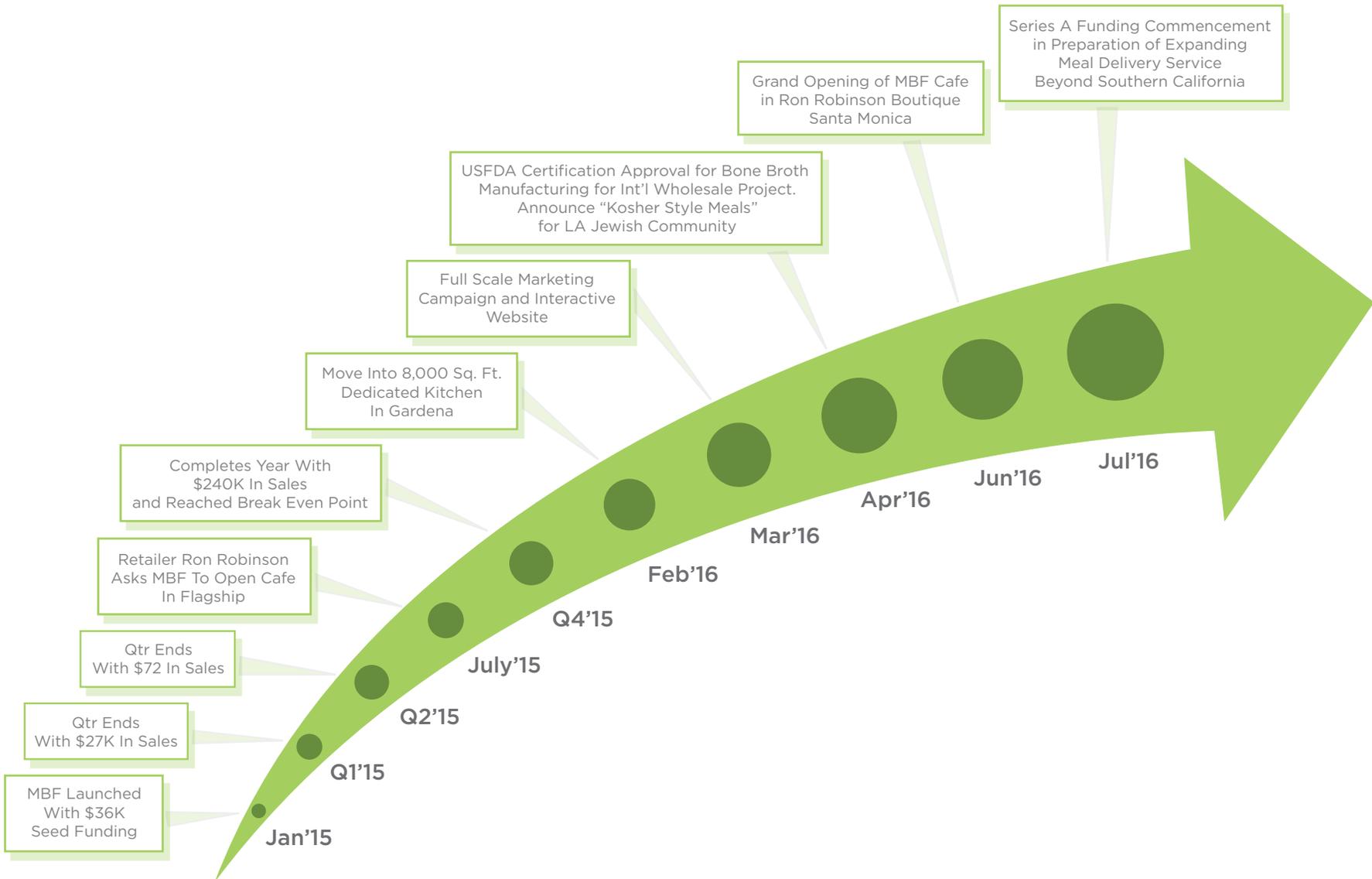
H. Marketing Assets

MBF will promote the brand and product offerings to new and existing customers using key marketing assets. This will include:

- a. **E-commerce Website: Upgrades will begin Feb'16 to include:**
 - Complete food product offerings and nutritional information
 - Social media: Blogs and podcasts
 - Customer platform functionality: Establish forum to share ideas and Q&A session with Chef Debbie & Dr. Cate
 - Subscription & Loyalty programs.
 - Customer Satisfaction/Feedback: Net Promoter Score (NPS), surveys, and testimonials.
- b. **Mobile Application: Ordering and Tracking**
- c. **Creative (banner ads, posters, cards, business cards, etc.)**
- d. **Graphic design and copywriting**
- e. **HD photography**
- f. **Product packaging**
- g. **Customer service: Phone operators and drivers**

I. Promotions:

- a. **Advertising**
- b. **Promotional Strategy**
- c. **Marketing Budget**
- d. **Publicity & Public Relations: Live demo, Food Festival participation, Catering**
- e. **Media Outreach**
- f. **Affiliate Programs and Independent Contractors:** Establish relationships with health and lifestyle experts (healthcare providers, nutritionists, personal trainers, etc.) who will promote Mind Body Fork to clients in exchange for referral commissions. Standard structure (10% initial order, 5% repeat orders).
- g. **Social Media Influencers:** Leverage relationships with champions and influencers to insert Mind Body Fork into conversations and drive share of voice with a steady beat of content and thought leadership.



Mind Body Fork Financial Overview

Mind Body Fork (“MBF”) is currently trying to raise \$250,000 in convertible debt as bridge financing to a Series A investment round. Given the recent valuations given to food delivery startups (e.g. - \$300MM to Munchery, see Exhibit 4 below), MBF expects it can command an impressive valuation for a Series A investment once it has demonstrated growing revenues and earnings (“EBITDA” or earnings before interest, taxes, depreciation and amortization).

MBF has experienced rapid growth in just one year with limited funding. With \$250,000 in debt financing, MBF will have funds to execute a plan for growth with three primary uses. First, MBF will expand production in a new 8000 square foot dedicated kitchen to achieve economies of scale with fixed costs. Second, increase brand awareness through social and traditional media for customer acquisition marketing strategies. Third, MBF will develop an effective strategically positioned e-commerce website, mobile app, and virtual nutrition education program to maximize customer convenience and experience.

PAYBACK PERIOD

MBF expects to be cash flow break even through the first 6 months of 2016 and then begin to generate positive cash flows resulting in \$100K in EBITDA once the Ron Robinson fashion boutique store opens and funds invested in marketing start to pan out with additional customers. With forecasted EBITDA of \$500K in Year 2, the hypothetical payback period based on the figures in Exhibit 1 is 15 months at which point scalability and EBITDA take off. A Series A investment may be necessary to secure additional kitchen space and talent acquisition, but that will be a good problem to have in Year 2, 3, or 4.

BREAK EVEN ANALYSIS

The break-even analysis conservatively assumes average monthly sales of \$108K, COGS of 32%, monthly labor costs of \$32K, and all other operating expenses of \$40K. With 98 customers spending an average of \$1000 per month (below the current average spend of \$2000), the business will break even. Any additional customers, increased monthly spend, or reduction in COGS or operating expenses will generate EBITDA.

EXIT STRATEGY #1 (M&A)

The most likely scenario is a merger or acquisition where a large portion or the entirety of the MBF's equity is sold to a strategic buyer (e.g. - another meal delivery, food service, food ordering platform, or food delivery company) or a private equity company that invests in the food & beverage space. As you can see in Exhibit 4, recent valuations for food delivery companies have ranged from \$75MM to \$2 billion. If you look at Exhibit 3, you will see the forecasted value of a \$100,000 convertible note given a \$25MM, \$100MM, or \$250MM acquisition price. At those prices, the note's value will be between \$2.5MM and \$8.5MM, a dramatic return on \$100,000. The valuation of the company will increase over time based on growth and industry comparable multiples (as seen in Exhibit 2), but these numbers assume no additional financing. With a Series A investment in the next few years, we believe the valuation numbers will shoot up dramatically with higher revenues and/or EBITDA driving a higher valuation.

EXIT STRATEGY #2 (IPO)

The second exit option is an Initial Public Offering where shares of MBF are sold publicly and the company becomes publicly listed on a stock exchange (e.g. - NYSE). This scenario would invariably involve multiple rounds of financing before the company goes public, so the equity would be diluted, but an IPO is likely only an option should MBF's valuation reach \$1 billion or more, so the return to early debt and/or equity investors would be substantial. Blue Apron's recent valuation of \$2 billion shows that food delivery companies can reach massive scale. Another related example is Grubhub, a food delivery and technology company, that went public in 2014 and is currently valued at around \$2 billion.

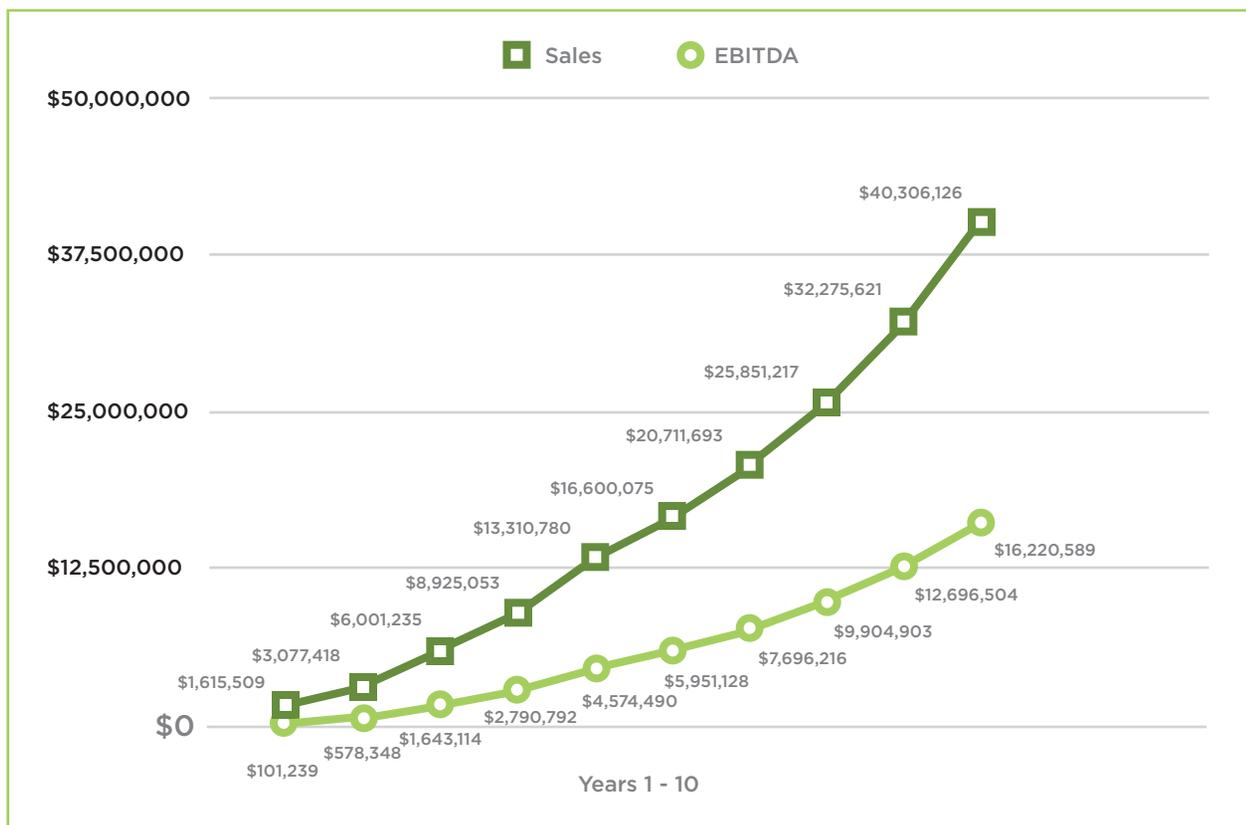
EXIT STRATEGY #3 (LIQUIDATION)

This scenario involves a partitioning of business segments, selling or licensing assets and interactive consultant application IP, recipes, and clients list to relevant buyers. This is a worst-case scenario, but convertible debt holders sit highest in the capital structure (above founder's equity) and will therefore be repaid first. The value of all of the aforementioned is forecasted to be \$250,000 or more, so the convertible debt investors, excluding any interest received, would be made whole in the event of a liquidation and would receive all of their money back.

MBF PRO FORMA INCOME STATEMENT

With a scalable, profitable model, steady growth in both sales and EBITDA are realistic expectations. The graph below (Exhibit 1) assumes \$250,000 in debt financing, 100% year over year customer growth rate ("YoY") in years 2 & 3, 50% YoY in years 4 and 5, and 25% YoY in years 6 - 10 with no additional financing.

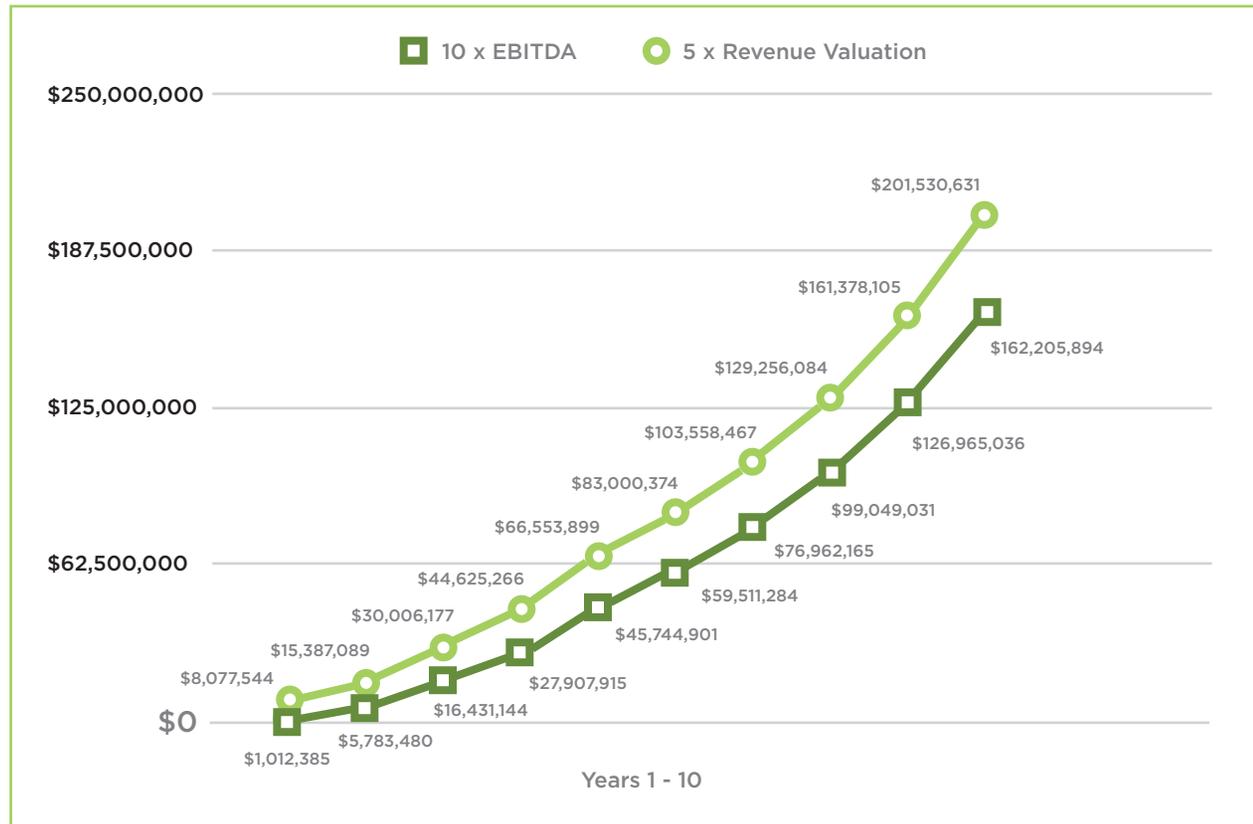
EXHIBIT 1: Sales & EBITDA Projections



MBF VALUATION

Based on Exhibit 1 forecasts and conservative industry comparables based on 10 times EBITDA and 5 times revenue, below are forecasted valuations in Years 1-10 for a potential Series A investment and/or acquisition. By Year 2, the range of pre-money valuations for a Series A investment is between \$6MM and \$15MM, but, with impressive YoY growth, those numbers are likely low. With additional financing from a Series A investment, the numbers in Exhibit 1 will go up, so the corresponding valuations below will go up. Blue Apron (Exhibit 4) was recently valued at \$2 billion, so the upside potential is there.

EXHIBIT 2: Valuation Forecasts (assuming no additional financing)



CONVERTIBLE NOTE VALUATION

The upside of a \$100,000 convertible note is massive if MBF achieves the financial forecasts covered above. With a 35% discount to a Series A investment, a \$100,000 note will be worth \$169,321 upon conversion to equity during a Series A investment. Depending on the pre-money valuation and size of the Series A investment, the equity percentage of the note will vary. Those scenarios will be covered in Exhibit 5.

As you can see below, a \$25MM exit with a \$5MM Series A valuation will result in the convertible note being worth \$2,538,462 - a healthy return on a \$100,000 investment.

EXHIBIT 3: Valuation of a \$100,000 Convertible Note With 3 Different Scenarios

Key:

Yellow Line: \$15MM Series A Valuation, \$250MM Company Exit

Green Line: \$10MM Series A Valuation, \$100MM Company Exit

Blue Line: \$5MM Series A Valuation, \$25MM Company Exit

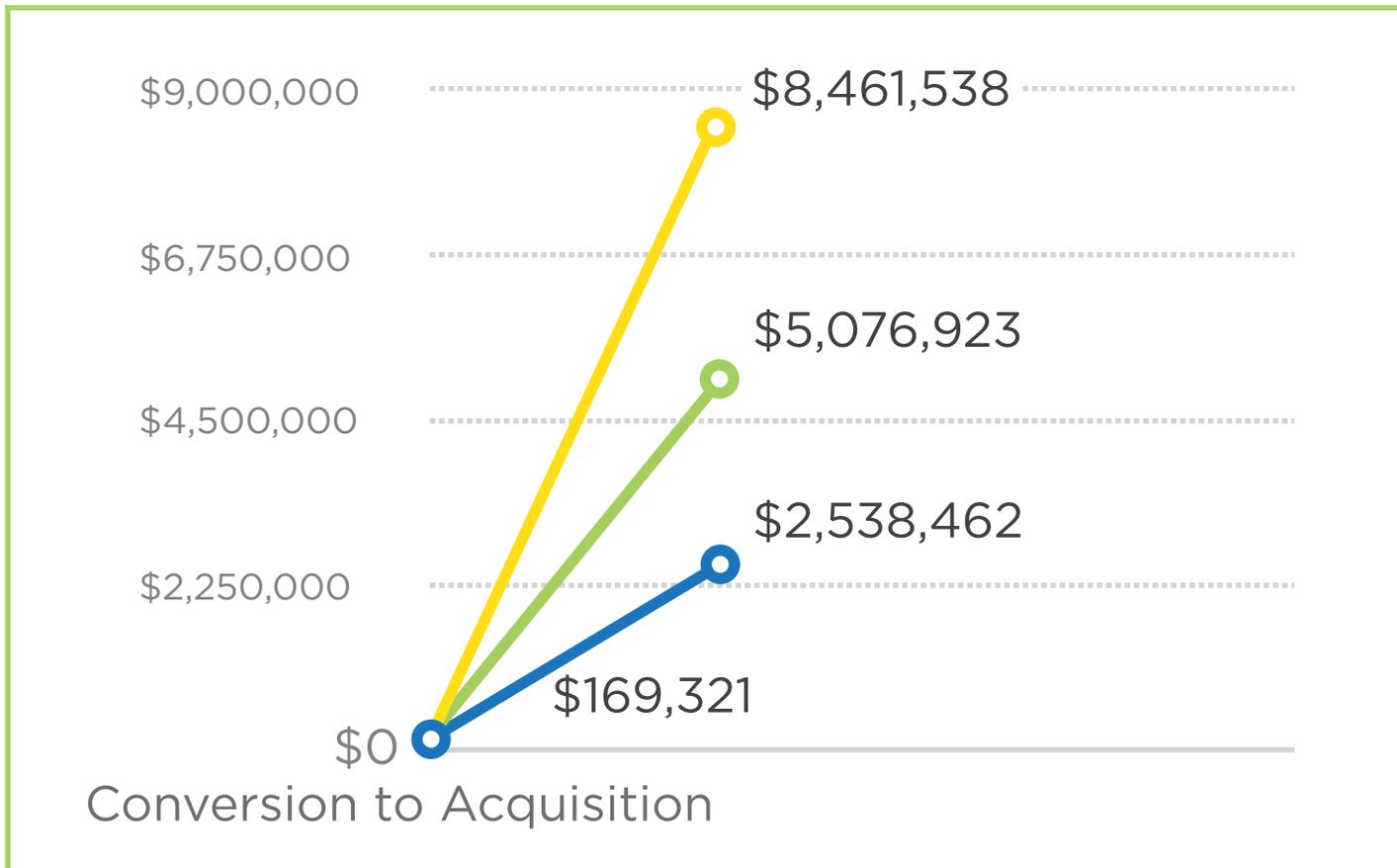
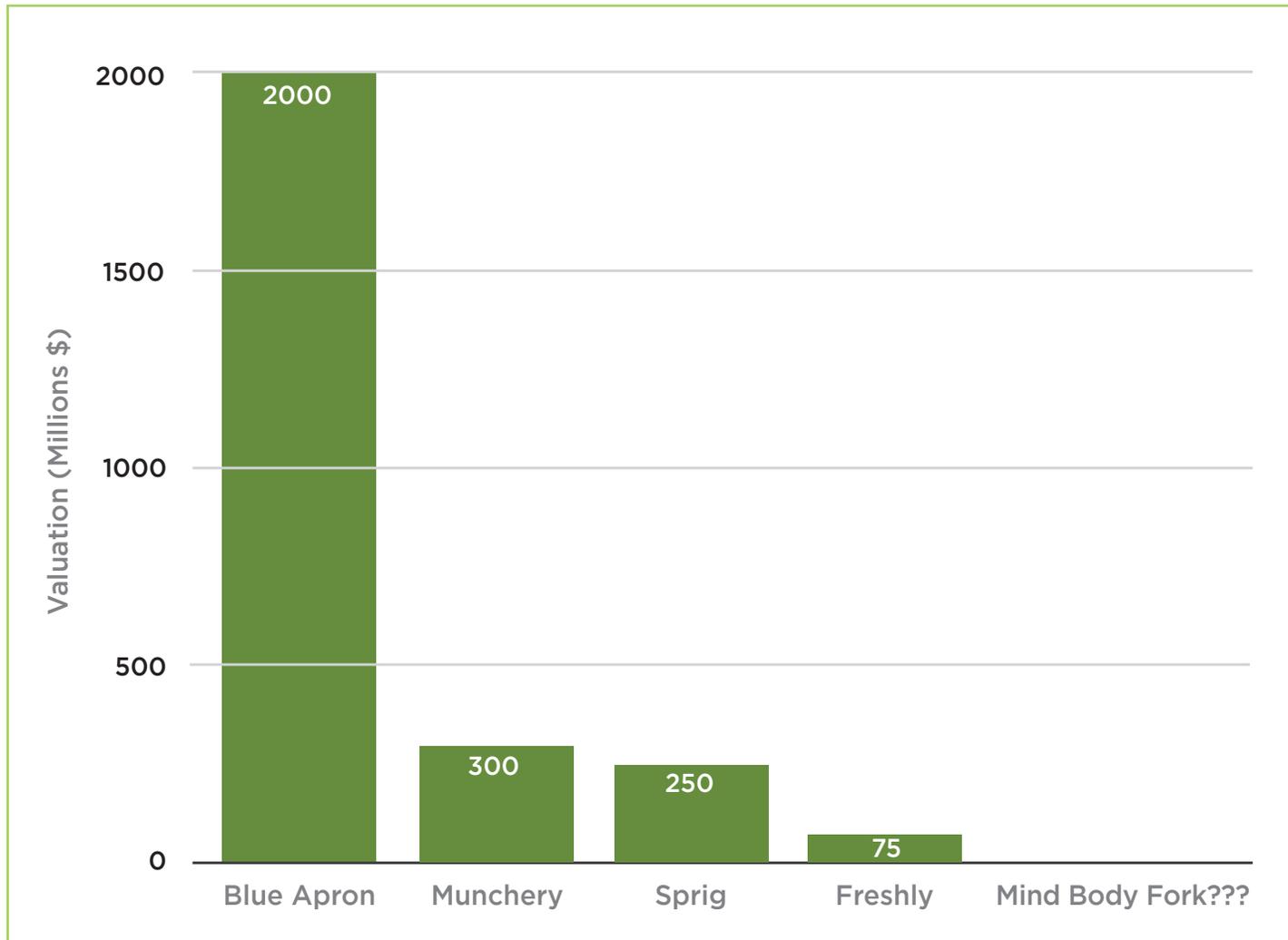


EXHIBIT 4: Valuations at other food delivery companies have been lofty in recent years.

CONVERTIBLE NOTE SCENARIO ANALYSIS:

A \$100,000 convertible note’s value and equity percentage of the company can vary greatly. The upside is massive if the company sells for \$25MM or more (see Exhibit 3 above), but other factors will impact the value and return for a convertible note debt holder. Please find four different scenarios covered below.

Scenario #1: How does pre-money valuation affect convertible debt when selling 25% of equity in the Series A investment round?

Answer: A: It only affects the ownership %.

Pre-Money Valuation	Discount % Series A	Series A	Post-Money Valuation	Post-Conversion	Post Money Value
\$1,000,000	35%	\$250,000	\$1,250,000	13.54%	\$169,231
\$3,000,000	35%	\$750,000	\$3,750,000	4.51%	\$169,231
\$5,000,000	35%	\$1,250,000	\$6,250,000	2.71%	\$169,231
\$7,000,000	35%	\$1,750,000	\$8,750,000	1.93%	\$169,231
\$10,000,000	35%	\$2,500,000	\$12,500,000	1.35%	\$169,231

Scenario #2: How does the size of the Series A affect convertible debt?

Answer: A: It only affects the ownership %.

Pre-Money Valuation	Discount % Series A	Series A	Post-Money Valuation	Post-Conversion	Post Money Value
\$5,000,000	35%	\$1,000,000	\$6,000,000	2.82%	\$169,231
\$5,000,000	35%	\$3,000,000	\$8,000,000	2.12%	\$169,231
\$5,000,000	35%	\$5,000,000	\$10,000,000	1.69%	\$169,231
\$5,000,000	35%	\$7,000,000	\$12,000,000	1.41%	\$169,231
\$5,000,000	35%	\$10,000,000	\$15,000,000	1.13%	\$169,231

Scenario #3: How does the discount % affect convertible debt?

Answer: A: It affects ownership % and value.

Pre-Money Valuation	Discount % Series A	Series A	Post-Money Valuation	Post-Conversion	Post Money Value
\$5,000,000	10%	\$5,000,000	\$10,000,000	1.22%	\$122,222
\$5,000,000	20%	\$5,000,000	\$10,000,000	1.38%	\$137,500
\$5,000,000	35%	\$5,000,000	\$10,000,000	1.69%	\$169,231
\$5,000,000	40%	\$5,000,000	\$10,000,000	1.83%	\$183,333
\$5,000,000	50%	\$5,000,000	\$10,000,000	2.20%	\$220,000

Scenario #4: What if the conversion price was capped at a \$5MM post-money valuation?

Then how does pre-money valuation affect convertible debt when selling 25% of equity for Series A?

Answer: A: Above a \$5mm post-money valuation, the % stays the same, but the value of the convertible debt increases with the valuation.

Pre-Money Valuation	Discount % Series A	Series A	Post-Money Valuation	Post-Conversion	Post Money Value
\$1,000,000	35%	\$250,000	\$1,250,000	13.54%	\$169,231
\$3,000,000	35%	\$750,000	\$3,750,000	4.51%	\$169,231
\$5,000,000	35%	\$1,250,000	\$6,250,000	3.38%	\$211,538
\$7,000,000	35%	\$1,750,000	\$8,750,000	3.38%	\$296,154
\$10,000,000	35%	\$2,500,000	\$12,500,000	3.38%	\$423,077