

bonza



HEALTHIER DOGS. HEALTHIER PLANET

THE NEED »

'Global food system is broken, say world's science academies. Radical overhaul in farming and consumption, with less meat eating, needed to avoid hunger and climate catastrophe.' - Guardian Dec 5 2018

'Scientists push manufacturers to develop vegan pet food' - TVNZ 1News Jan 19

'Climate summit hears people in rich countries must eat less meat'

Irish Times Dec 6 2018

'Meat And Agriculture Are Worse For The Climate Than Power Generation Nobel Prize Winner Steven Chu Says' Forbes Apr 3 2019

34% of UK dog food buyers believe it is good for pets to regularly have a plant-based meal instead of a meat-based one' Mintel 7 Feb 2020

'Eating less meat is a climate priority' Channel NewsAsia Nov 20 2018

'New plant-focused diet would 'transform' planet's future, say scientists.' Guardian Jan 16 2019

'Antibiotic resistance plan to fight 'urgent' global threat.' BBC News Jan 24 2019

'Mutant bugs lurking in supermarket chicken that antibiotics have no effect on, Food Standards Agency finds' Daily Mail Sep 7 2018

'Pet food is an environmental disaster – are vegan dogs the answer?' Guardian Jun 26 2018

'D2C Pet Supplies fastest growth – 4X growth of overall eCommerce.' Shopify Dec 2019

'The hidden environmental cost of dog and cat food.' Washington Post Aug 5 2018

'Petfood is a huge opportunity for brands' TheGrocer Sep 4 2019

'ONE IN THREE PET-OWNERS KEEN TO FEED THEIR ANIMALS A VEGAN DIET.'
The Independent Mar 20 2019

BONZA IS A SUBSCRIPTION SERVICE THAT DELIVERS PLANT-BASED SUPERFOOD FOR DOGS TO ENVIRONMENTALLY CONSCIOUS ANIMAL LOVERS.

Our vision is to transform the existing story of the way we feed our 300 million pet dogs worldwide from one of unsustainable, over-consumption of animal proteins to a brand new story of sustainable, plant-based superfood that significantly reduces the environmental impact of feeding them at the same time as improving our dogs' health and animal welfare.

INVESTMENT HIGHLIGHTS »

EXPECTED GROSS REACH: 18,496 + DOGS in 4 YEARS

GROSS REVENUES: £15.7 MILLION BY 2024

GROSS MARGINS: 42% +

ADDRESSABLE MARKET: 41,000,000+

THROUGH PLAN DOGS in MARKET

Bonza is currently raising £150,000 in seed for a 25% equity share.

£25,000 of this has been pledged by a Petfood brand owner who exited recently.

An further raise of £150,000 is forecast in FY22 to provide necessary growth capital.

There is sensitivity around this raise on assumptions of MOQ's, credit limits and debtor payments.

CAPITALISING ON 5 TRENDS »

1: REDUCED MEAT CONSUMPTION

34% of UK dog food buyers believe it is good for pets to regularly have a plant-based meal instead of a meat-based one
MINTEL

2: ENVIRONMENTAL CONCERNS

Scientific research highlights the damage caused to the planet by production of animal proteins
IPPC

3: FOOD AS MEDICINE

People increasingly adopting self-health regimes - functional 'food as medicine'
MARKETWATCH

4: PET HUMANISATION

Pets now seen as starter-families by largest pet-owning cohort, Millennials
NIELSEN

5: ECOMMERCE & SUBSCRIPTIONS

D2C Pet Supplies fastest eCommerce growth - 4x growth rate of overall eCommerce
SHOPIFY

PRODUCT »

Our mission is to produce food with the lightest environmental footprint at the same time as providing a complete and balanced food that offers support for common canine health issues.

Following 13 months development with leading nutritionists, vets, veterinary academics, environmental consultants and canine herbalists globally, our product, a unique, cold-pressed, plant-based superfood with significant nutrition and nutraceutical benefits, has been finalised and is ready to proceed to production. Our principal ingredients,

including an exciting new protein source from water lentils, have been selected for their contribution to overall pet health as well as to a reduction in greenhouse gas emissions, deforestation, water and fertiliser use and an improvement in soil fertility and crop yields.

Follow-on products identified include plant-based frozen foods, functional treats supporting life stage health and wellbeing and a supplement providing nutritional completeness for dogs fed home-cooked, plant-based diets.

BUSINESS MODEL AND KEY ACHIEVEMENTS »

Current dry dog food subscription models are constrained by lack of delivery flexibility - limited to a weekly, fortnightly or monthly delivery schedule.

This model takes no account of an individual dog's consumption, resulting in a risk of under or over supply, subsequent dissatisfaction and increased churn rates.

Bonza will provide customers with a sophisticated D2C subscription service.

The timing of food deliveries will be personalised accurately using an algorithmic formula based on breed, exercise regime, weight and optimum caloric requirement ensuring that delivery schedules match rates of consumption. This mitigates a key customer frustration, under or over supply, and reduces churn rates.

- ◇ Founding team established
- ◇ Advisory board appointed
- ◇ Recipe finalised for production
- ◇ Supply chain identified & negotiated
- ◇ Manufacturing partner in place
- ◇ Eco-packaging format determined
- ◇ Brand story curated
- ◇ Warehousing and logistics planned
- ◇ Web platform selected
- ◇ Web developer briefed

TARGET MARKETS, DEMOGRAPHIC AND SIZE »

Initial target market will be the UK followed by Germany, France, Spain, Italy and the Netherlands - 41 million dogs in total.

Dry dog food value for these markets totals in excess of £19.4 billion and is expected to record CAGR of 4.2% to 2024, significantly greater than other CPG categories.

eCommerce achieved a CAGR of 25% between 2013-18 and accounted for in excess of 10% of dog food sales with the online market forecast to double by 2021.

Research shows that 45% of owners now make at least monthly purchases online - ease of delivery a major reason.

Increasing pet food sales during the current pandemic have once again demonstrated the sector's resilience.

Bonza's early adopters will include vegans and vegetarians currently feeding their dogs plant-based diets and those looking to transition their dogs to one.

Our objective is to appeal to a far broader market, flexitarian owners, who for health, environmental or animal welfare reasons are increasing their personal consumption of plant-based foods. Appealing to this sector to adopt a similar flexitarian approach to their

dogs' diets - feeding Bonza alongside current meat or fish-based food.

Research published in January 2019 determining the feeding preferences of dog owners showed that 1.6% of all dogs are fed an exclusively plant-based diet with a further 10.4% fed intermittently.

Of those not feeding their dogs plant-based food, 35% would do if nutritional completeness was assured and product was more readily available.

With more than 22,000 meat-based food SKU's and less than 60 plant-based, availability is an issue we can help solve.

More recent Mintel research (February 2020) points to a rapidly evolving market for plant-based food with 34% of UK dog food buyers believing it is good for pets to regularly have a plant-based meal instead of a meat-based one.

Britain's millennial dog owners are most likely to reduce red meat diet in their dog's diets, with 58% of this demographic believing it is healthier to limit red meat in their diets.

Similarly, 40% of millennial dog food buyers are in favour of regularly dishing up plant-based meals.

Increasing pet ownership in China, India and Brazil, and a move to commercial foods, presents significant opportunity.

BUILDING A LOYAL CUSTOMER BASE »

Our customer acquisition and retention strategy will be driven by a combination of PR, earned and paid social media and targeted advertisements on platforms Amazon and Google.

Defined revenue-based contributions to Farm Africa, Trees for Future and One Source are part of our corporate constitution and a key element of our brand's purpose led mission.

Vegan and environmental Influencers will complement our acquisition efforts.

Our social media positioning will focus on providing meaningful and relevant content to our 'early adopter' base — live Facebook Q&A sessions with vets, nutritionists and herbalists, plant-based recipes, guides to dog-friendly hotels and holiday cottages, pubs and more.

Significant partnership marketing opportunities have been identified.

Outcomes from our purpose related contributions will reinforce our 'eat good, do good, feel good' messaging.



MAINTAINING A LOYAL CUSTOMER BASE »

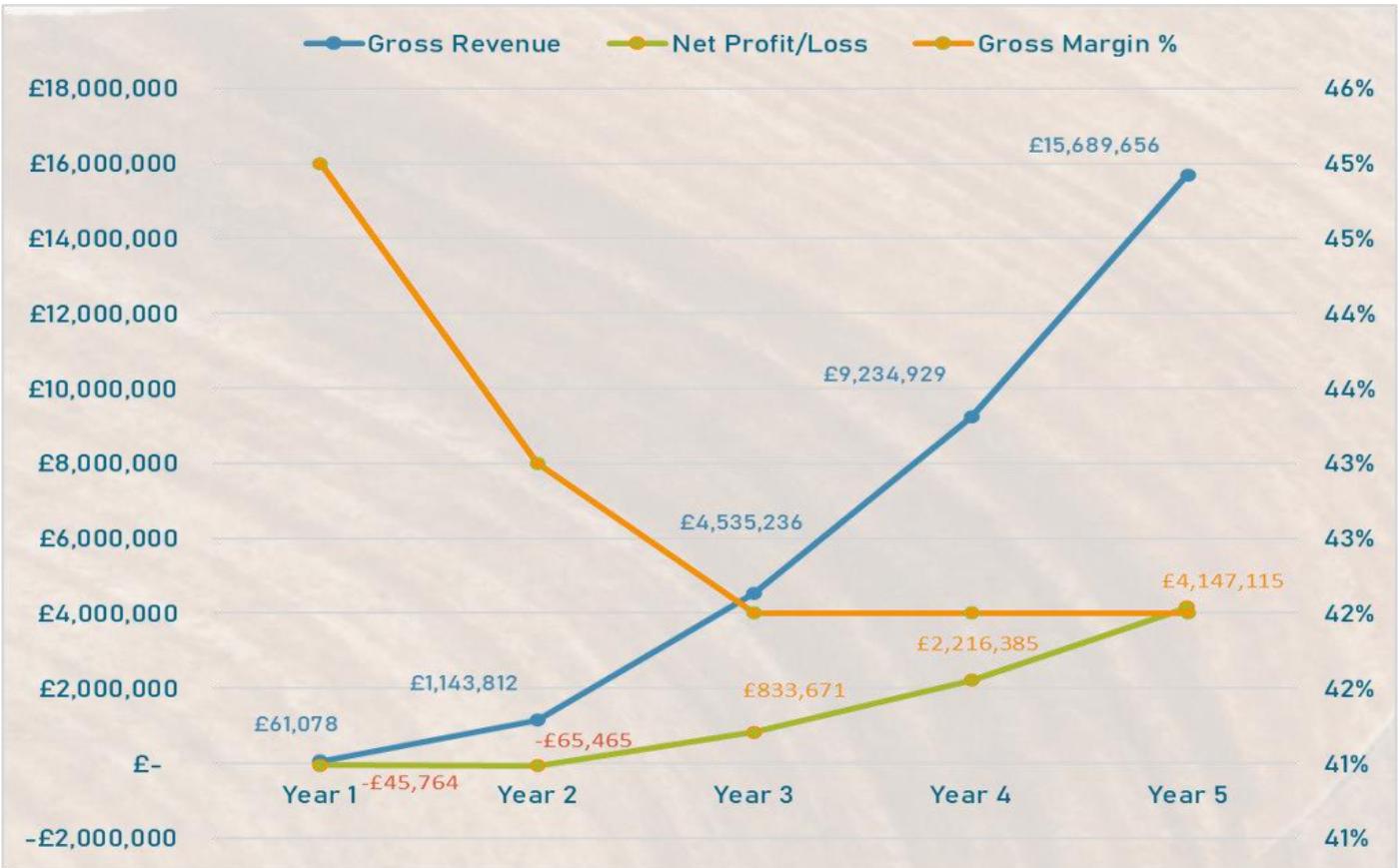
As a subscription based business, customer retention will be vital to our success. Key to satisfaction and retention will be our personalised delivery scheduling.

Purpose focused rewards for length, and renewal, of subscriptions will help to create value and promote a sense of 'tribe' loyalty and a reduction in churn rates.

No great business will thrive without communicating a shared sense of purpose and delivering an exceptional product and customer experience.

A PROMISING GROWTH TRAJECTORY »

Bonza is forecast to generate revenue of £15.7 million with a gross margin of 42% resulting in net earnings of £4.14 million in FY 2024.



EXPERIENCED FOUNDING TEAM »

Founders

Glendon Lloyd



Marcel Blok



Stu Lloyd



Advisors

Tim Lemeer



John Seymour



Graham Smith



The founders offer complementary, high level experience across Petfood, FMCG marketing and advertising and D2C eCommerce sectors necessary to execute.

Our advisory board provides relevant operational, sourcing and financial expertise

COMPETITORS »

A small number of plant-based dog foods are currently sold in the UK, EU and US markets.

The majority of these manufactured by meat-based dog food companies.

Only 2 manufacturers are UK-based, Benevo and V-dog.

UK/EU Brands:

Yarrah Vega Wheat Free Organic

Yarrah Organic Dog Dry Vega

Ami Vegan Dog Dry

Benevo Organic Vegan Dog Dry

Benevo Vegan Dog Food

Lukullus Veggi

Pitti Boris Vegetarian Complete

V-dog Crunchy Nuggets (Vegan)

V-Dog Traditional Flakes (Vegan)

Green Petfood -VeggieDog grainfree

Green Petfood - VeggieDog Light

Purina HA Hypoallergenic Vegetarian

USA Brands:

Evolution Vegan Dog Kibble

Natural Balance Vegetarian

V-Dog Vegan Kibble

Halo Holistic Garden of Vegan®

Royal Canin Veterinary Diet® Canine Vegetarian

Nature's Recipe Healthy Skin Vegetarian Recipe

Wysong Vegan Canine Formula

Purina HA Hypoallergenic Vegetarian

KetunPet Vegan

Pet Guard Vegetarian

Petto VeganFuel

Walk About Canine Exotics Vegan

Gather Endless Valley Vegan

Wild Earth

In the context of market saturation by comparison there are over 22,000 meat and fish based recipes sold globally.

COMPETITIVE STRENGTHS AND WEAKNESSES »

Strengths:

Credibility - only plant-based products

Sustainability - environmentally based recipe using novel alternative proteins

Functional Health - unique inclusion of nutraceutical botanicals and adaptogens

Packaging - no plastic used

Purpose - climate and African cooperative supplier focus

Sophisticated Subscription Model - personalised delivery scheduling

Non-allergenic-no soy, wheat, corn, rice

No Vegan Legacy - flexitarian messaging allows for broader appeal

Pricing Control - D2C provides margin maintenance and opportunity to variably price on Amazon to drive own site sales

Outsourcing - provides accurate cost control and supplier accountability

Cold-Pressed - first in market product that offers greater nutrient integrity

Cash Flow - D2C model enhances cash flow and environmental credibility

Weaknesses:

New Brand

MANUFACTURING AND LOGISTICS »

All product for the EU market will be manufactured, packed and stored in the UK by our manufacturing partner.

Our manufacturing partner can currently provide daily capacity of up to 15 tonnes providing necessary scalability.

All D2C orders for UK customers will be picked and delivered directly to the customer from manufacturer's warehouse using DPD next day delivery.

EU stock will be managed using Amazon's Pan-European service which algorithmically forecasts required stock levels for each marketplace and allocates and delivers stock accordingly. D2C deliveries in the EU will be via Amazon Prime.

USE OF FUNDS »



PURPOSE »

“We do not inherit the Earth from our ancestors; we borrow it from our children”.

Sustainability is at the heart of our business - a desire to reduce the impact feeding our dogs has on the environment and climate change.

The continent that will be hardest hit by climate change is the very continent we should be fostering as the future food basket of the world - Africa.

Our primary ingredients are all currently grown, or can be grown, in Africa.

They have been selected because of their role in rotational cropping, no-till or low till regenerative agricultural practise. They ensure a reduction of fertiliser or pesticide usage, are carbon positive and fix nitrogen in the soil, require less water to produce, improve

biodiversity, increase food security and offer a complete nutritional profile for both humans and our dogs.

Our corporate constitution mandates us to contribute 1% of gross revenue to 3 charities working in Africa in areas of significance, agricultural practise, reforestation and water access - [Trees for Future](#), [Farm Africa](#) and [The One Foundation](#).

In addition we will use the planting of trees as incentives for people to subscribe to mailing lists and as loyalty rewards for customer's subscription renewals.

It is our mid term ambition to source ingredients directly from cooperatives in Africa whose farming practises, yields and incomes we can help to improve for their benefit and the planet's.

EXIT EVENT »

There have been numerous exit events in the Petfood sector over the past 2 years. These have included Nestle Purina's buyout of Tail's com and Lilly's Kitchen and Piper PE's buyout of Forthglade. The founders foresee such an exit in realisation.

SUSTAINABLE DEVELOPMENT GOALS »

We are committed to the following UN Sustainable Development Goals

6 CLEAN WATER AND SANITATION



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



LOOK FORWARD TO HAVING YOU JOIN OUR MISSION 'DOGS FOR A HEALTHIER PLANET.'

FOR MORE INFORMATION CONTACT GLENDON LLOYD »

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