

fermentful

supports your gut health deliciously

Sugar Free*

Gluten Free

BIO

fermentful.com
@fermentful

Executive summary

- Fermentful operates in **rapidly growing** global healthy foods sector, offering a **novel solution** in the **emerging segment** of fermented plant-based dairy drinks.

- Fermentful has developed a **visually attractive, delicious and very healthy product line** of fermented creamy kefir drinks made **from organic green buckwheat** that has **great nutritional properties** and is **largely underutilized** in the plant-based dairy beverage production.

- There is a **solid scientific evidence** of positive impact of fermented drinks on the **human microbiome**, which has **profound influence on human health**, regulating digestion, immune function, metabolism, mental well-being, and overall vitality.

- The products are **high value added** with **superb margins** over the cost of ingredients and packaging.

- Fermentful has achieved listing of its products with several **high profile retail chains in Latvia and Austria**. There is a **strong pipeline** of ongoing negotiations with many other retail chains **in Baltics, Poland, Switzerland** and several other export markets.





Executive summary

- The team comprises **passionate inventor** of the concept and current product line, alongside with several seasoned **professionals in FMCG, production** and **finance.**

- With nearly zero marketing budget, Fermentful has achieved **regular monthly sales** of approx. EUR 5 thousand. A very **strong base for expansion has been established** and the Team has **clear plan for development** of the business to the next level.

- Fermentful is an **alumni of** highly reputable **EIT Food FAN program** and has been selected for partnership by recognized **FMCG accelerator Clever Clover**, which ensures the shortest way to listing at several retail chains in Austria and Netherlands.

- **The Company seeks for EUR 300 thousand investment to finance expansion in the Baltics and entry to Poland, Austria, Switzerland and several other European markets. The investment will be utilized primarily for increasing the production capacity (EUR 150 thousand), as well as marketing & promotion, R&D and strengthening the team.**

"All disease begins in the gut"

Said Hippocrates 2000 years ago

Reality today

>40%

of persons worldwide have **gastrointestinal disorders** or **disorders of gut-brain interaction***

*www.ncbi.nlm.nih.gov/pmc/articles/PMC4991899/

Countless studies confirm that gut health is key to maintaining and restoring health and well-being

Scientists are only just discovering the enormous impact of our gut health - and how it could hold the key to everything from tackling obesity to overcoming anxiety and boosting immunity

by Rebecca Seal

Fermented-food diet increases microbiome diversity, decreases inflammatory proteins, study finds

Stanford researchers discover that a 10-week diet high in fermented foods boosts microbiome diversity and improves immune responses.

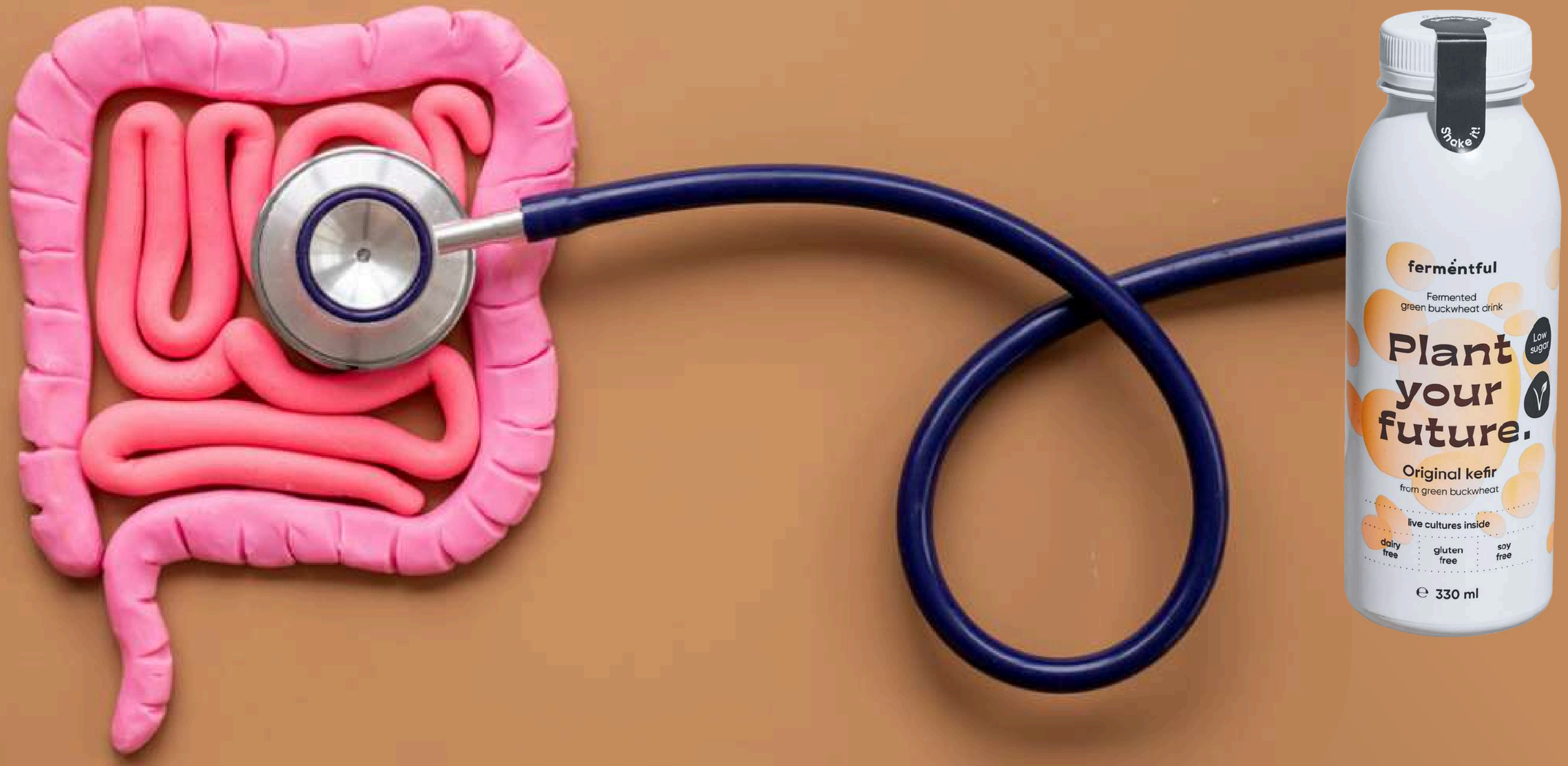
"Gut health as a macro trend will be bigger than protein."

Giles Brook, CEO and founder of Whitespace Ventures

HEALTH

Wave of ill-health coming from ultra-processed food, experts warn

OUR VISION: **fermented plant-based food is a new form natural medicine**
to restore and maintain health in sustainable way



Fermentful solution: fermented plant-based dairy drinks made from green buckwheat

- **contain complete protein** with all essential amino acids
- source of iron, magnesium, an **B-group vitamins**
- rich in flavonoids with **powerful antioxidant** properties



- **clean-label**
- source of natural **probiotics and prebiotics** (food for probiotic bacteria)
- does not contain **gluten, soy, lactose**
- **no added sugar**
- **100% organic**

We are **unlocking** the full potential of **green buckwheat through** a scientifically validated **fermentation** process



GREEN BUCKWHEAT

- allergen-free
- complete protein content
- regenerative farming



FERMENTATION

- creamy & delicious
- additional functionality
- nutrient bioavailability



fermentful

- innovative
- plant-based
- gut-friendly drink

Fermentful’s current product line



natural sea-buckthorn apple-lingonberry dark chocolate

Our flavored product line was inspired by research into the flavor preferences of health-conscious consumers. Each distinct flavor was carefully selected to boost the products' antioxidant properties, resulting in a creamy drink with harmoniously balanced sweetness.

Ongoing scientific development

Fermentful team is continuously investing in research to further strengthen the commercialization of products. Main areas of focus are encapsulation of probiotics *(research completed)*, targeted nutrition *(next step)* and fermentation of green buckwheat *(ongoing)*.

01 ENCAPSULATED PROBIOTICS

- Extend product's **shelf life up to 12 months**
- **Increase survival** in gastrointestinal transit and deliver greater health benefits
- Provide **shelf stability** which revolutionize the Fermentful product positioning in category of the plant–based dairy probiotic drinks
- **Lower competitiveness for shelf space**, as the product is suitable for room temperature storage
- **Lower the costs of transportation**
- Open the **opportunity for intellectual property** (IP) development
- Improve Fermentful's **sustainability commitment**

02 TARGETED NUTRITION IMPLEMENTATION

- **Microbiome data** driven approach to designing new products
- Increase the potential of food-as-medicine concept **targeting particular health benefits** through food

03 FERMENTED GREEN BUCKWHEAT RESEARCH

- Detailed comparison of fermented and non-fermented **dietary fiber** from green buckwheat and their **potential effects on decreasing obesity**, **inflammation**, and **cholesterol** levels.
- Exploration of the properties of short-chain fatty acids (SCFAs), particularly butyrate, in **promoting intestinal epithelial barrier function** and **increasing nutrient absorption**

Fermentful product line expansion

01 fermented plant-based dairy

kefir drinks

probiotic shots

spoonable creams







02 fermented soft drinks

water kefir



rich in gut friendly bacteria

organic

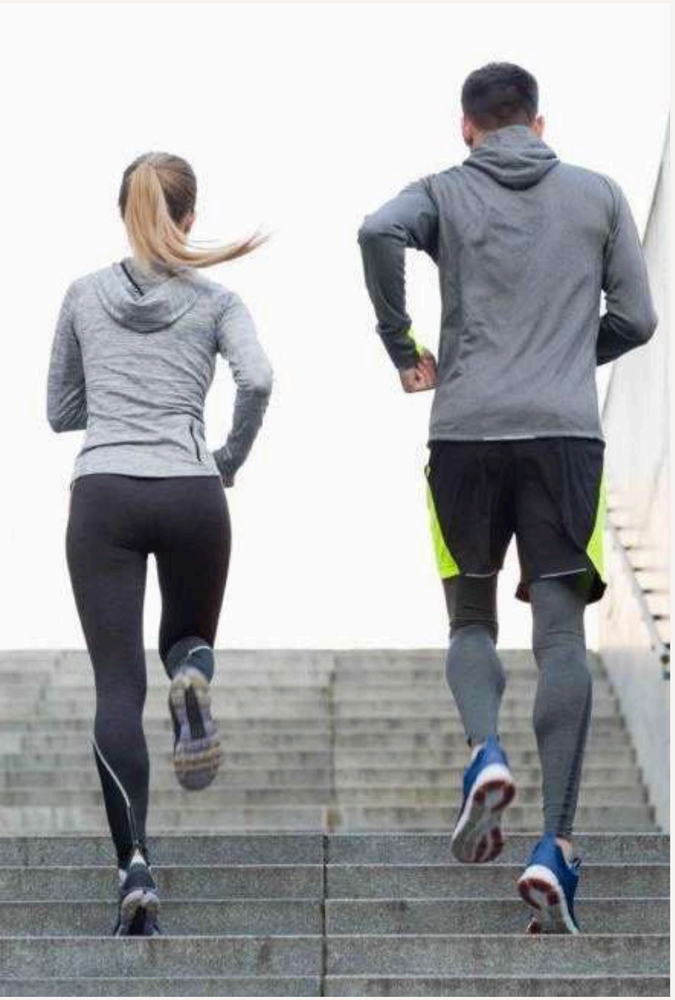
no added sugar

gluten, soy, lactose free

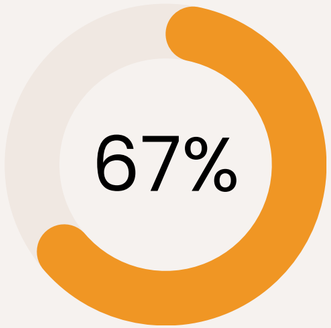
100% plant-based

clean label products

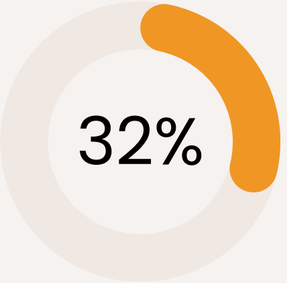
Fermentful is bringing a real value to the customers



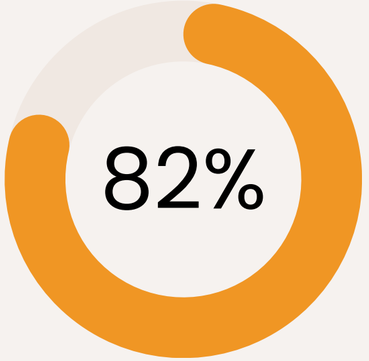




of world's population is **has food allergy - lactose, gluten**



when shopping, **searching for good for gut health** food



of consumers globally are **familiar with probiotics** and relate it to a gut health benefit

Kerry Global Consumer Survey - Digestive & Immune Heath, 2021

Testimonials by medicine professionals



Eva Moreino
family medicine doctor

I **suggest Fermentul** as a great product for anyone **with irritable bowel syndrome** or any **digestive issues**, especially to vegetarians. It can be **beneficial during antibacterial treatment** as well.



Jelena Pavlova
certified nutritionist

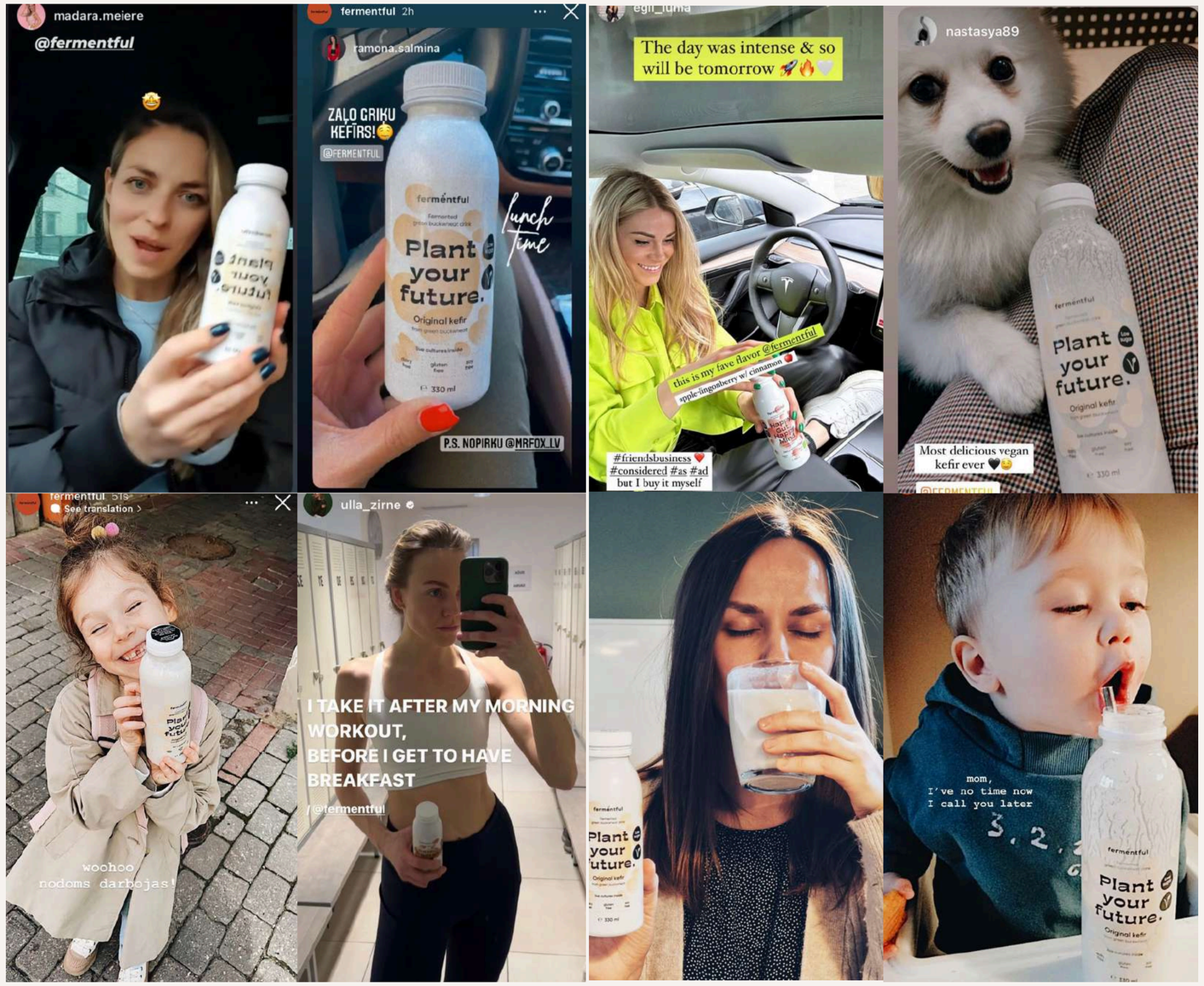
I specialize in **reducing digestive system disorders through dietary therapy**. My patients suffer from various gastrointestinal issues such as bloating, diarrhea, microbial dysbiosis in the gut, food intolerances, and hypersensitivities, among others. I have found **Fermentful** to be an **effective dietary treatment** due to its **allergen-free, lactose-free**, and **gluten-free properties**, as well as its significant amount of natural **probiotics and prebiotics**.



Lilija Kenina
family medicine doctor / psychotherapist

Improving diet can enhance not only the body's microbiome but also emotional well-being, which is crucial for individuals with digestive system disorders. I **recommend Fermentful** as a **daily dose of natural probiotic** mainly for **gut health sustaining and restoring.**

Testimonials by clients





It's amazing. I really absolutely loved it. The texture is just sooo good. And you really taste the gut health ;)

❤️



I was also very pleased! Your product is really great and absolutely enriching in a balanced diet 🤩

❤️



So today i tried the natural and it is 10/10! Perfection!

Looooved the soft snd smooth sourness and i could literally drink this everyday! 🥹🤍

❤️



100% sustainable and environment friendly

we use rPET bottles, ensuring continued recyclability

our raw material suppliers are based within EU

we utilize only organic ingredients

Certified B Corporation

on the journey of getting B-Corp certificate

Team FERMENTFUL

Passionate, experienced and energetic



Anda Penka
CEO / founder
sales and business development



Daina Eglite-Antona
new product development / biotechnologies



Roberts Stugis
co-investor
financial matters/ investor relations

Advisory team



Aline Santa Izabel
Health-tech Innovation & Entrepreneurship

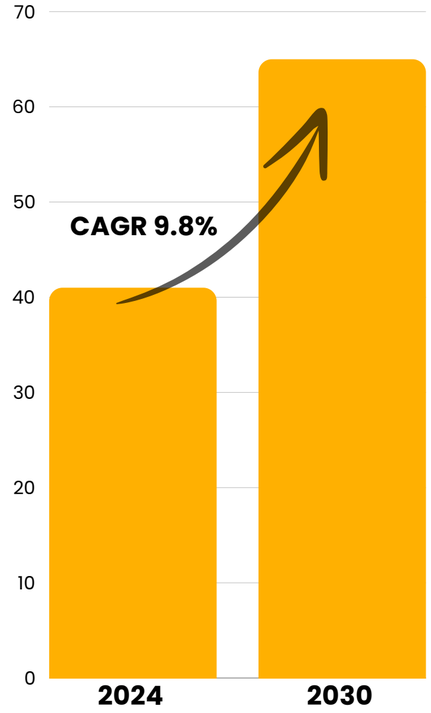


Normunds Stanevics
co-investor / former CEO of Food Union EU / CEO of Riga East University Hospital

Large and rapidly growing market

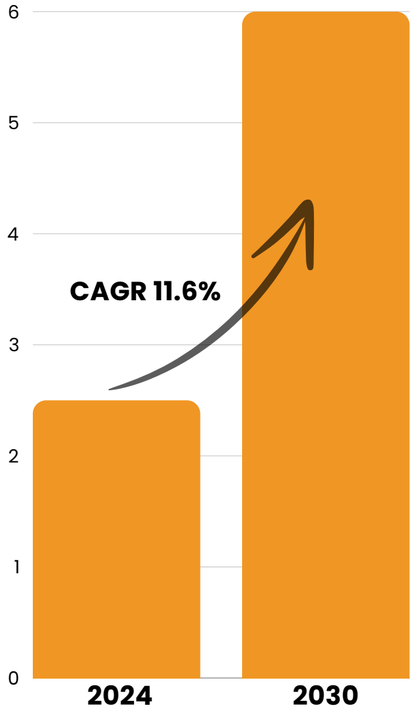
Global probiotic drink market

Estimated size (USD bn)*



Global non-dairy kefir market

Estimated size (USD bn)*



*Source: Global Market Insights, January 2024

Key players:

Forager Project (USA)
Producer of cultured non-dairy and dairy drinks from cashew nuts and oats.

Lifeway (USA)
Producer of non-dairy kefir drinks from oats.

Biotiful (UK)
Manufacturer of dairy kefir and oat kefir drinks. It is a major player in the kefir category within the EU, capturing around 70% of the UK kefir market.

COYO (AU)
Manufacturer of Dairy Free Ice Cream, Frozen Yoghurt and Yoghurt made from coconut milk.

Market dynamics:

Growth drivers:
- food-as-medicine concept
- awareness of gut-health

Opportunities:
- ambient probiotics
- targeted nutrition
- organic product adaption

Macro trend:
- growing plant based food consumption

UK kefir category is worth around £81M ($102M) and is growing around 30% a year*

There are <u>no players offering fermented drinks from green buckwheat</u>, despite its tremendous nutritional qualities

*Source: Global Food Industry News, February 2024

Milestones



2020

Inception

- product development and testing
- incorporation



2021

Validation

- acceleration @ EIT Climate-KIC
- launch of the base product



2022

Commercialization

- entry to retail stores in Latvia
- launch of 3 products with flavor
- own production facility



2023

Foundation for growth

- pipeline of potential partners
- bio certificate



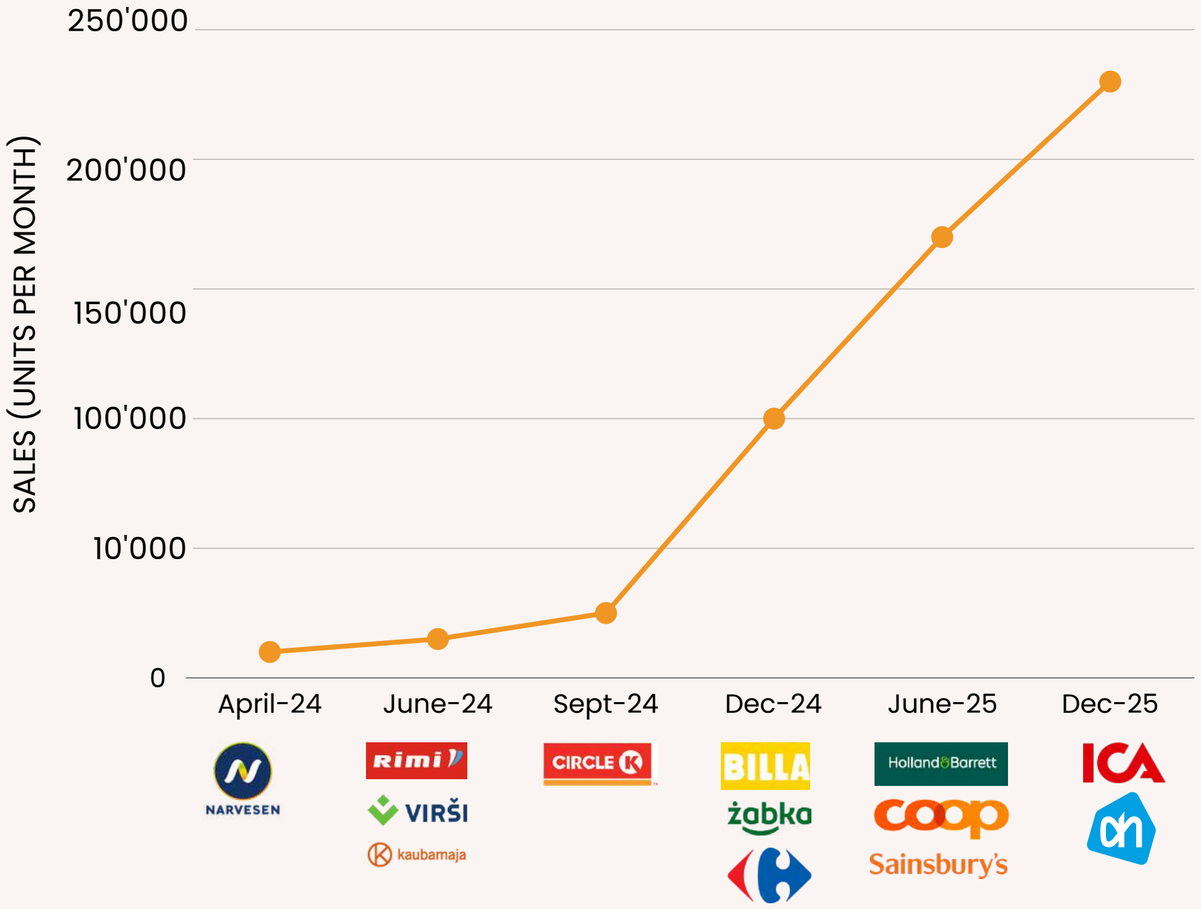
2024

Expansion

- strong representation in Baltics
- entry to Austria, Poland and Swiss markets
- building brand awareness

Sales pipeline for the next 18 months

The forecast represents a robust and reliable projection, as it is based on the existing ongoing negotiations with reputable retail chains and distributors in the Baltics, Poland, Switzerland, Austria, and several other key export markets.



Rimi (the Baltic states)
A top tier retail chain with 94 Hyper size outlets in 3 Baltic countries.
The cooperation with Rimi started in March 2022, with one Fermentful product (natural) represented in 22 Hyper stores in Latvia. It is expected to increase representation in all 37 Hyper stores in Latvia by June 2024 and 17 Rimi Hyper in Estonia and 40 Rimi Hyper in Lithuania by October 2024.

Narvesen
The largest network of small convenience stores with 25 outlets in Latvia.
The cooperation with Narvesen started in April 2024, currently acquiring 800 units of 3 listed Fermentful SKU per week/ month. It is expected to increase the sales volumes and representation in most stores in Latvia during the next few months. Successful cooperation will ensure expansion to Narvesen's Estonia and Lithuania retail chains.

Sanitex
The leading wholesale & distribution company in the Baltic countries. It's expected to start partnership by the end of June 2024 to commence Fermentful sales in Virsi and CircleK. Sanitex has been strategically selected as a partner to secure representation in Coop and Slever retail chains in Estonia (120 outlets in total), as well as in Maxima in Lithuania.

Billa (Austria)
A top tier retail chain with 1300 outlets in Austria. It's a subsidiary of German REWE Group. The cooperation with Billa started in September 2023, with Fermentful represented in 3 Billa Pflanzilla stores. Product was successful, but currently supplies have been ceased due to logistics costs. It is expected to achieve representation in all 300 Billa stores by November 2024 through strategic cooperation with FMCG accelerator Clever Clover.

Zabka (Poland)
A top tier retail chain with 9000 outlets in Poland.
The company's participation in a food-tech accelerator organized by Zabka has led to its selection among the five winning companies, sparking interest in listing its products in their stores. By the end of 2024, Fermentful anticipates achieving representation in 2,500 stores, marking a significant milestone in its growth trajectory.

Fresh Frozen Food (Switzerland)
As the leading cold chain distributor in Switzerland, FFF supplies all major players in the retail, wholesale, and foodservice industries. The partnership with Fermentful has already commenced, and Fermentful's products have been successfully presented to FFF customers. Next step - sample sending.

Financial forecast	2023	2024	2025
Sales	52	255	2.451
Cost of materials	(29)	(97)	(691)
Margin over materials cost	**23**	**158**	**1.760**
Gross margin (over materials)	*44.2%*	*62.0%*	*71.8%*
Energy	(5)	(10)	(23)
Production employees	(29)	(35)	(96)
Lease of production premises	(11)	(17)	(36)
Cost of outsourced production	-	(27)	(366)
Logistics	(7)	(16)	(136)
Gross Profit	**(29)**	**53**	**1.103**
Gross margin	*-55.8%*	*20.8%*	*45.0%*
Sales & marketing costs	(12)	(41)	(247)
Operating costs	(30)	(56)	(185)
EBITDA	**(71)**	**(44)**	**671**
EBITDA margin			*27.4%*
Grants, subsidies	24	24	24
Net Cash from operations	(47)	(20)	695

- Sales in years 2024-2025 are forecasted based on the status of negotiations with specific retailers in Baltics, Poland, Switzerland, Austria and several other export markets.
- The margin over the cost of materials will improve due to bulk purchases of ingredients and packaging.
- Sales in Poland and other export markets will be served by outsourced production facility in Europe. There are several potential partners.
- Grants and subsidies are expected at least on the same level as in 2023, however the potential support is likely to be much higher due to higher eligible expenditure.



Investments to date - **EUR 200 th.**
(by several Angel investors)
plus EU grants **EUR 68 th.**

To reach the NEXT LEVEL
we are looking for seed investment of

€ 300'000

(partly co-financed by EU grants)

investment in equipment (EUR 150 th.)

- to increase production capacity

finance operations (EUR 150 th.)

- entry to export markets
- marketing & promotion
- R&D, new product development & launch
- strengthen the team



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SALES & PARTNERSHIPS

Anda Penka, CEO / founder
anda@fermentful.com
+371 29211261

INVESTMENT OPPORTUNITY

Roberts Stugis
roberts@fermentful.com
+371 29257050

