



## **CONFIDENTIAL INVESTMENT PAPER**

November 2017



# Why Groomit?

**Groomit is the ideal solution for grooming services at your pet's home environment**

Groomit is the first on demand platform connecting pet owners and pet groomers

The need for home-based grooming services is steadily increasing driven by socio-demographic trends (single households, urbanization, busy lifestyles, convenience)







# Overview of the Opportunity

Groomit brings together pet owners and qualified groomers to safely and conveniently schedule same-day, in-home grooming appointments

## The Company

Groomit is the first on demand platform connecting pet owners and pet groomers. Owners are able to search Groomit's extensive database of local groomers to set up an appointment at a time and place of their convenience using either their mobile phone or computer.

Through Groomit's proprietary groomer selection method in combination with a community rating system, owners can rest assured they are receiving the highest quality services at a fair price. Customers can make payments via the app and set up custom preference profiles to make repeat use of the platform easy and seamless.

## Investment Opportunity

After an initial capital injection of \$ 150,000 into Groomit by its founder, the Company is now looking for a suitable investor to provide the additional funds necessary to take advantage of the extraordinarily attractive US pet industry and rollout in July 2017. The initial transaction is envisaged as a capital commitment of approx. \$ 1 million to finance the market entry in the tri-state area and provide the basis for a nationwide rollout of the platform. The Company has already identified additional markets to expand into and will raise additional funds in subsequent financing rounds.

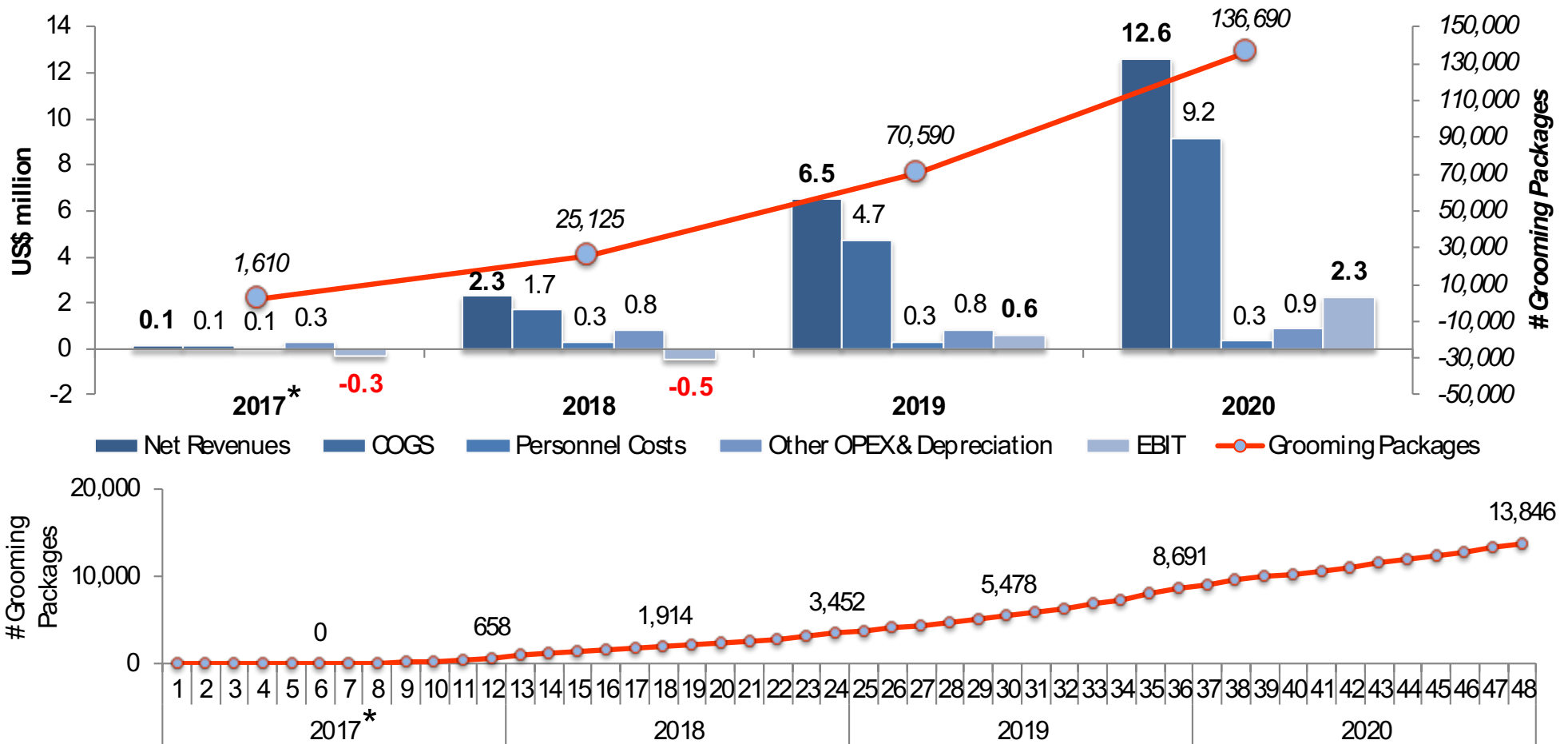
## Value Proposition

Groomit helps pet owners find real time grooming solutions by being able to schedule appointments with highly qualified selected groomers for convenient in-home grooming experiences. Groomit saves pet owners the hassle to transport their pets to grooming centers and brings the groomers to their home. The Company is forecasting EBITDA break-even within eighteen months and reaching total turnover of \$ 12.6 m with an EBIT of \$ 2.3m in the third full year of operation in the tri-state area alone.



# Financial Overview

Groomit predicts break-even after eighteen months and quick penetration of the market to achieve excellent profitability



\* Market entry in July 2017



# Management Team

GroomIt was founded by a highly experienced and qualified team with extraordinary entrepreneurial spirit



**Sohel Kapadia** CEO & Founder

Serial entrepreneur with nearly two decades of leading a ground floor built telecommunications corporation. Through his vision, he led a start-up operation to one of the leading distribution channels in the prepaid calling industry. Excellent communications skills and ethical leadership qualities to monetize opportunities, acquisitions, plan diligently and execute to achieve goals.



**Lars Rissmann** COO

15+ years of executive experience and record-breaking performance greatly increasing profits for leaders in the telecommunication industry. Results-driven, multilingual professional who spurs new business through excellent customer service and establishing long-term partnerships to increase channel revenue.



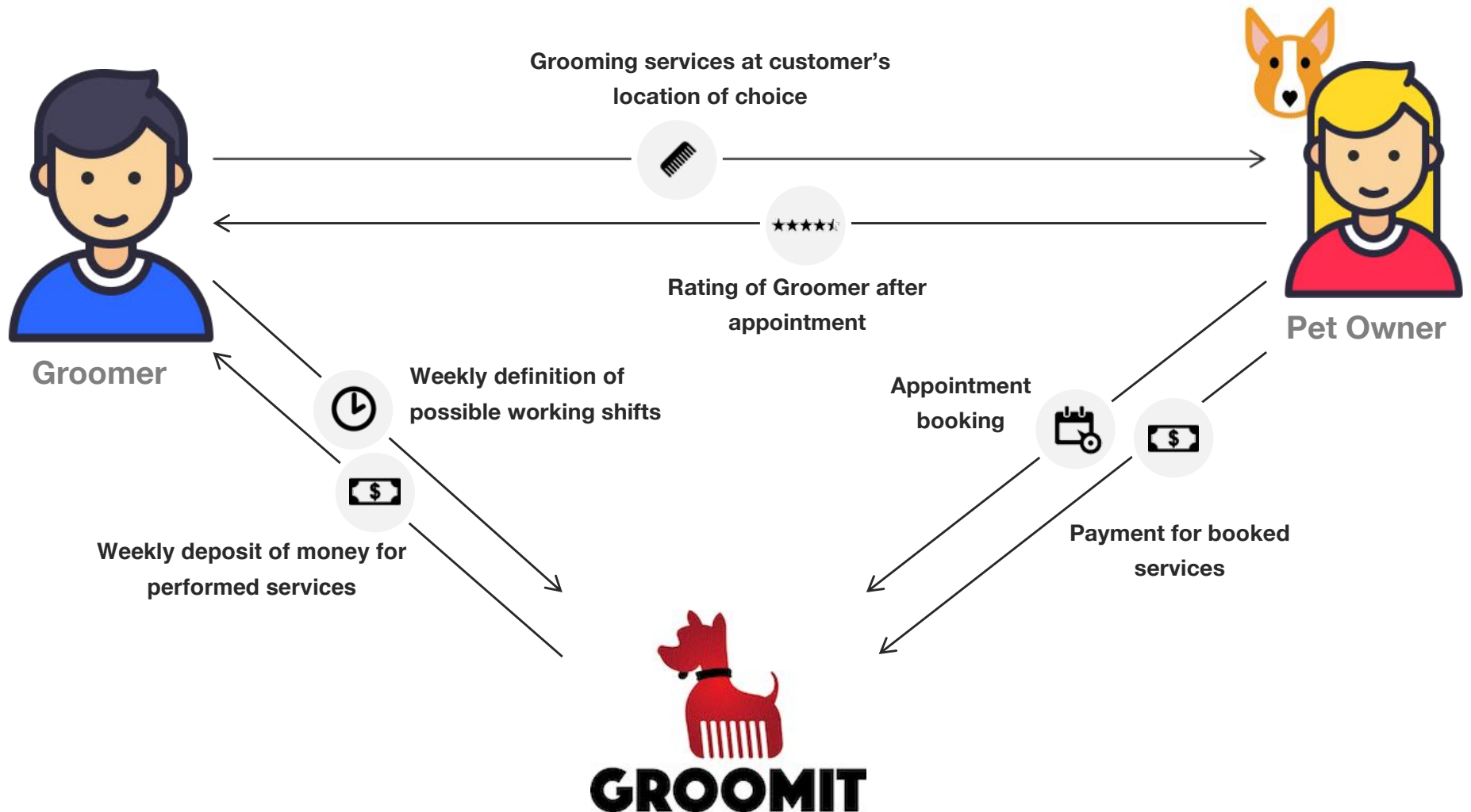
**Anna Zege** CMO & Co-Founder

Experienced sales & marketing professional with 10+ years of experience. Prior experience includes marketing for a high-end pet clothing company. She enjoys running and chess and spends time volunteering with local pet adoption centers.



# Groomit Business Model

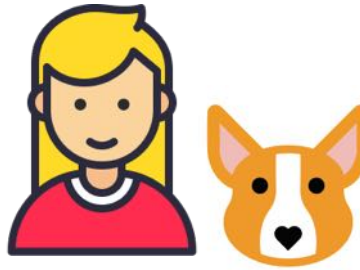
Groomit's proprietary platform enables smooth and convenient appointment scheduling





## Key Benefits

Groomit provides extraordinary value to pet owners and groomers



# Key Benefits for Pet Owners

Minimum hassle, maximum comfort

- 01**  
**Convenient appointment booking**  
and payment within app
- 02**  
**An extensive network**  
of experienced groomers is provided
- 03**  
**Top safety:**  
Groomit runs extensive background checks on groomers
- 04**  
**Insurance**  
covers all pets & property
- 05**  
**Groomers and customers rate**  
each other after the appointment, resulting in high community standards
- 06**  
**Grooming appointments**  
are held in the comfort of the pet owners homes
- 07**  
**Groomit meets each groomer in person,**  
verifies skills and provides training sessions





# Key Benefits for Pet Groomers

More Money, Less Headaches

- 01 Flexibility of working hours** Groomers can choose when they want to work on weekly basis
- 02 No need for marketing** on the part of the groomers
- 03 Discounts** on grooming products
- 04 Insurance** of the pet & property during grooming session
- 05 Customer Service** provided by Groomit
- 06 Established network** of pets & owners
- 07 Automatic weekly deposit** of earnings, into the groomers' bank account
- 08 100% of tips** can be kept, either cash or through app

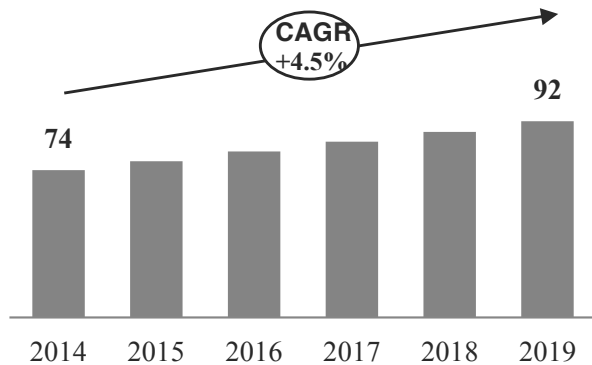


# US Pet Market Overview

US sees record pet ownership with the 18–34 age group stepping up to affect consumer trends

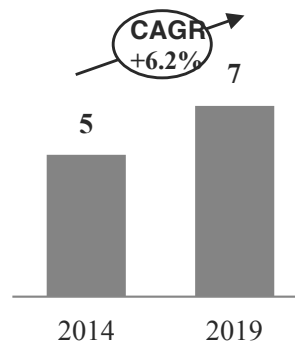
## US Pet Industry Volume

In \$bn



## Non-Vet. Pet Services Volume

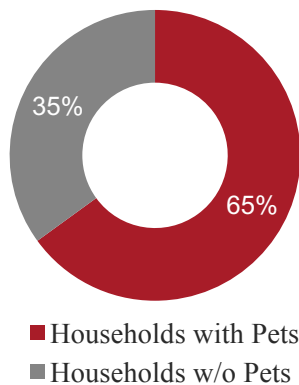
In \$bn



- The US pet industry (including food, supplies, veterinary services and non-medical services) had a volume of \$74 bn in 2014 and is expected to grow to \$92 bn by 2019.
- Non-veterinary pet-services are expected to experience an even stronger growth than the overall pet industry in the US, boasting a CAGR of 6.2% until 2019.
- Pet ownership in the US has hit an all-time high, with 78 million dogs and 86 million cats in 65% of households. 37% of pet owners are Baby Boomers, 30% are of Generation X and 24% are Millennials.
- Nearly two-thirds of Millennials (62%) are pet owners, and even among those who aren't, 43% hope to have a pet in the future. This development will boost the US pet industry even more than expected, as especially Millennial pet owners tend to pamper and spend more on their pets than their parents and grandparents.
- About two-thirds of them indicate that they are spending more on pet products than they used to and 52% of Millennial pet owners claim that they would rather spend money on pet products than buy things for themselves.

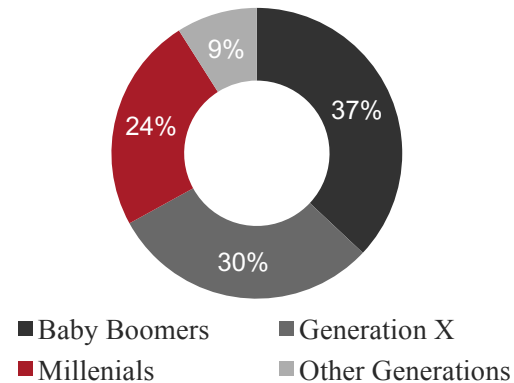
## Pet Ownership in the US

2015



## US Pet Owner Split by Generation

2015





# USA Pet Market Drivers & Trends

A number of trends support the strong growth of the pet industry which shows no signs of slowing down

## Humanization

- Whereas pets have long been considered part of the family, this has started to translate into actually treating pets more like people.
- As a result, pet owners strive to provide high-quality care for their pets.

## Premiumization

- The demand for natural food products and more specialized formulas for different life-stages, breed sizes, special needs and diet types has fueled premiumization.
- Organic and natural treats and foods, high-tech medical therapies and medicines, luxury services and even spas – nothing seems to be too good.

## US Demographics

- Baby boomers launch their real kids into the wild and often replace them with pets – and they are pampering them. Pet spending peaks between the ages of 55 and 64.
- Millennials are stepping up to influence consumer trends. They are finding their independence and have disposable income, which often results in buying pets. Moreover, this generation tends to pamper and spend more on their pets than their parents and grandparents.

## Health Benefits

- Another driving force is a greater appreciation – based on scientific research – of the bond between people and their pets.
- According to the Human Animal Bond Research Initiative Foundation (HABRI), “People are happier and healthier in the presence of animals. Scientifically-documented benefits [...] include decreased blood pressure, reduced anxiety, and enhanced feelings of well-being.”

# Groomit Service Portfolio

Groomit offers a comprehensive service to provide extraordinary value to pet owners and groomers

## Services Packages

Dog Size	Silver Groom	Gold Groom
Small Breeds	\$70	\$110
Medium Breeds	\$90	\$130
Large Breeds	\$100	\$150
Extra Large Breeds	\$110	\$200

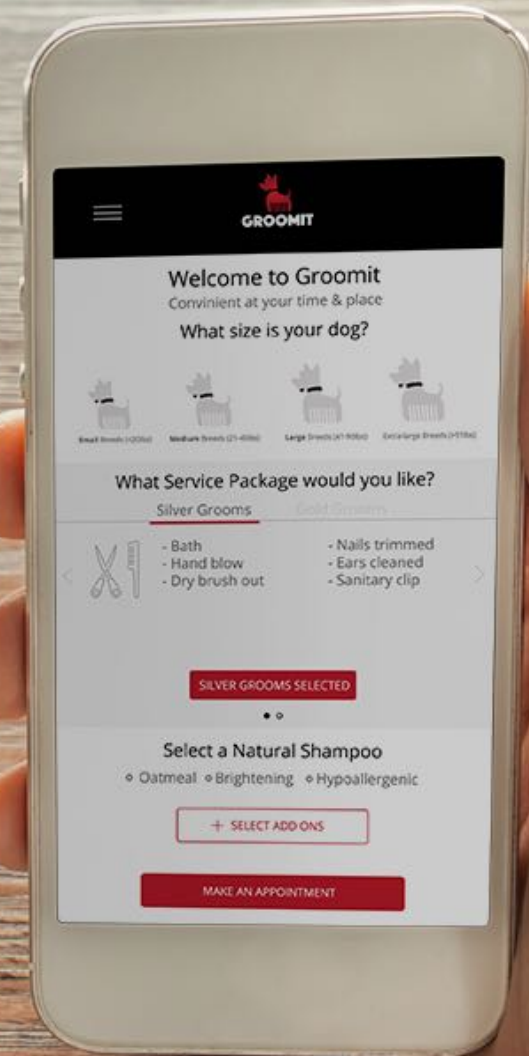
**Silver Groom** – Bath, hand blow dry, brush out, nail trim, ear cleaning, sanitary clip, rounded feet, trimming of eye area

**Gold Groom** – Bath & Conditioner, hand blow dry, brush out, nail trim, ear cleaning, sanitary clip, sanitary trim, anal gland expression, full haircut

*Choice of all natural oatmeal, whitening or hypoallergenic shampoo for both grooms*

## Add Ons

Flea/Tick K9	Anti itch spray, medicated shampoo , K9 topical waterproof solution	\$30
Nail Polish	Water-based non-toxic polish-pen, dries in under 40 seconds	\$10
Feathering	Creative grooming service featuring natural non-toxic feathers in handmade arrangements, adding a pop of color to the pet's look	\$10
Odor Removal	Freshening spray to neutralize a wide variety of odors and skunk	\$25
Teeth Brushing	Special toothpaste for dog dental health	\$15
De-Shedding	Furminator de-shedding for dogs who need a bath, haircut & extra attention to their coats to help reduce shedding.	\$30
Very Berry Face	Very popular relaxing and face brightening tearless blueberry facial, providing aroma-therapeutic and deep cleansing effects for dogs and cats	\$10





# Revenue Model

Under the standard model, Groomit keeps **35%** of the revenue paid by the pet owner as a platform fee, with the groomer keeping 65% and 100% of the tips.

Groomit charges only **20%** as a platform fee to the groomer, if the groomer signs up with an already existing client base.



# Groomit UI

## Convenient and Simple

The Groomit-app and website allows users to schedule home-based grooming appointments with maximum convenience and speed



Groomit has developed an elaborate interface which ensures that the users' and pets' profiles include all relevant information the groomer needs.



The app allows pet owners to book appointments for grooming packages and optional add ons. The pet owner is also provided with detailed information on scheduled and past appointments.



A messaging system allows to contact the groomer with whom an appointment is scheduled. Checkout is fast and easy. Secure payment can be made with credit card.

# Groomit UI

## Comprehensive and Powerful

Groomit App and website covers a wide range of services and can be accessed with superb usability

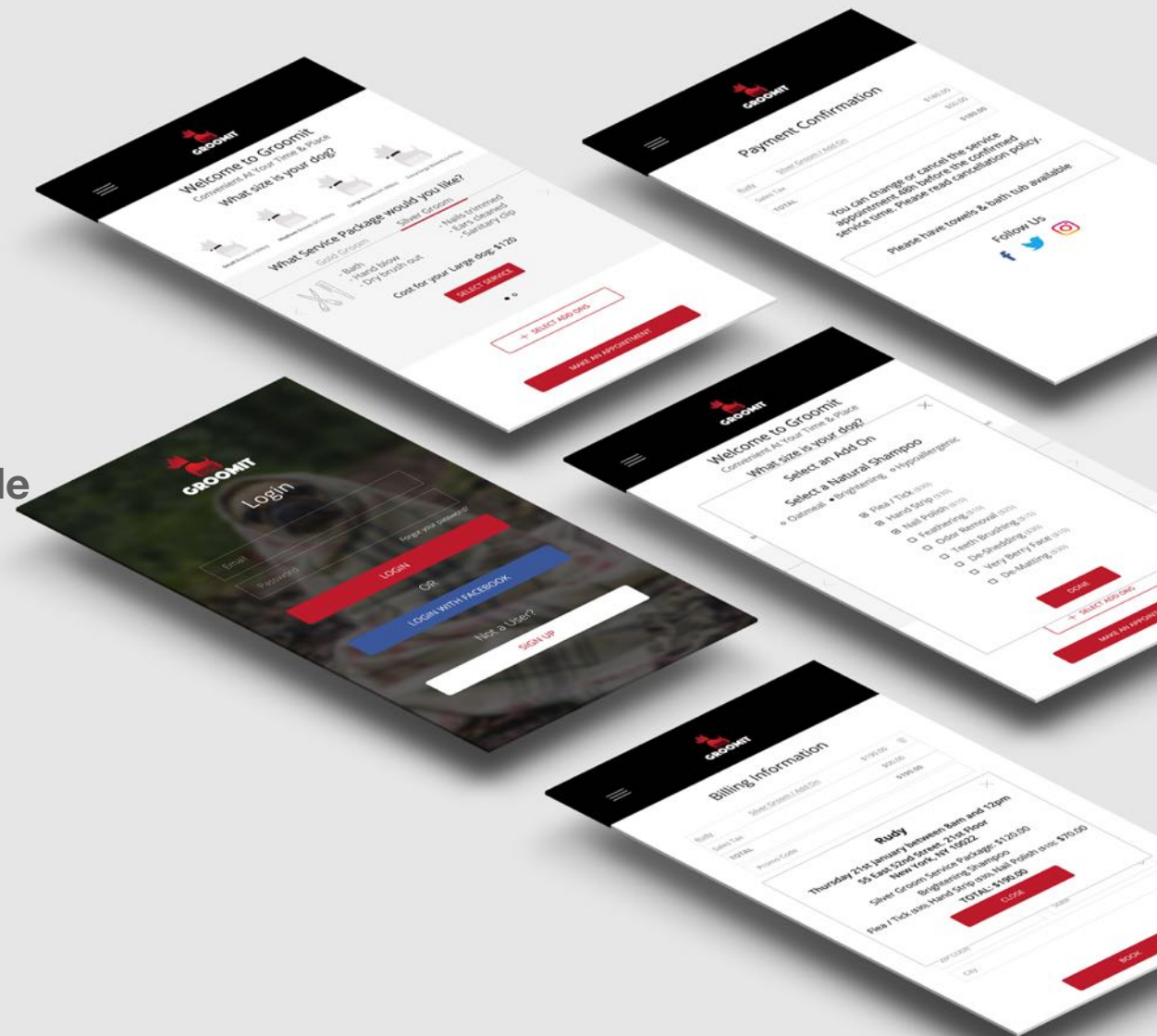
**01**  
Download in  
App Store and  
Google Play  
(July 2017)

**02**  
Easy and  
secure

**03**  
Many grooming  
combinations  
possible

**04**  
Highly flexible  
scheduling

**05**  
Quick checkout &  
secure payment





# Business Plan – Profit & Loss

in US\$	2017e*	2018e	2019e	2020e
NET REVENUES	149,275	2,316,554	6,508,054	12,602,125
Growth	n/a	1451.9%	180.9%	93.6%
Cost of Goods Sold	108,518	1,684,401	4,732,113	9,163,212
GROSS PROFIT	40,757	632,153	1,775,941	3,438,913
Gross Profit Margin	27.3%	27.3%	27.3%	27.3%
Personnel Expenses	100,000	309,000	318,270	327,818
Other Operating Expenses	258,546	797,365	816,301	836,594
EBITDA	-317,789	-474,212	641,370	2,274,501
EBITDA Margin	n/a	n/a	9.9%	18.0%
Depreciation	4,481	12,457	16,268	19,716
EBIT	-322,270	-486,668	625,102	2,254,785
EBIT Margin	n/a	n/a	9.6%	17.9%

- Highly scalable platform-based business model with the opportunity to roll out quickly into new geographic markets and related services
- Efficient scaling enables high margins with the potential for excellent growth

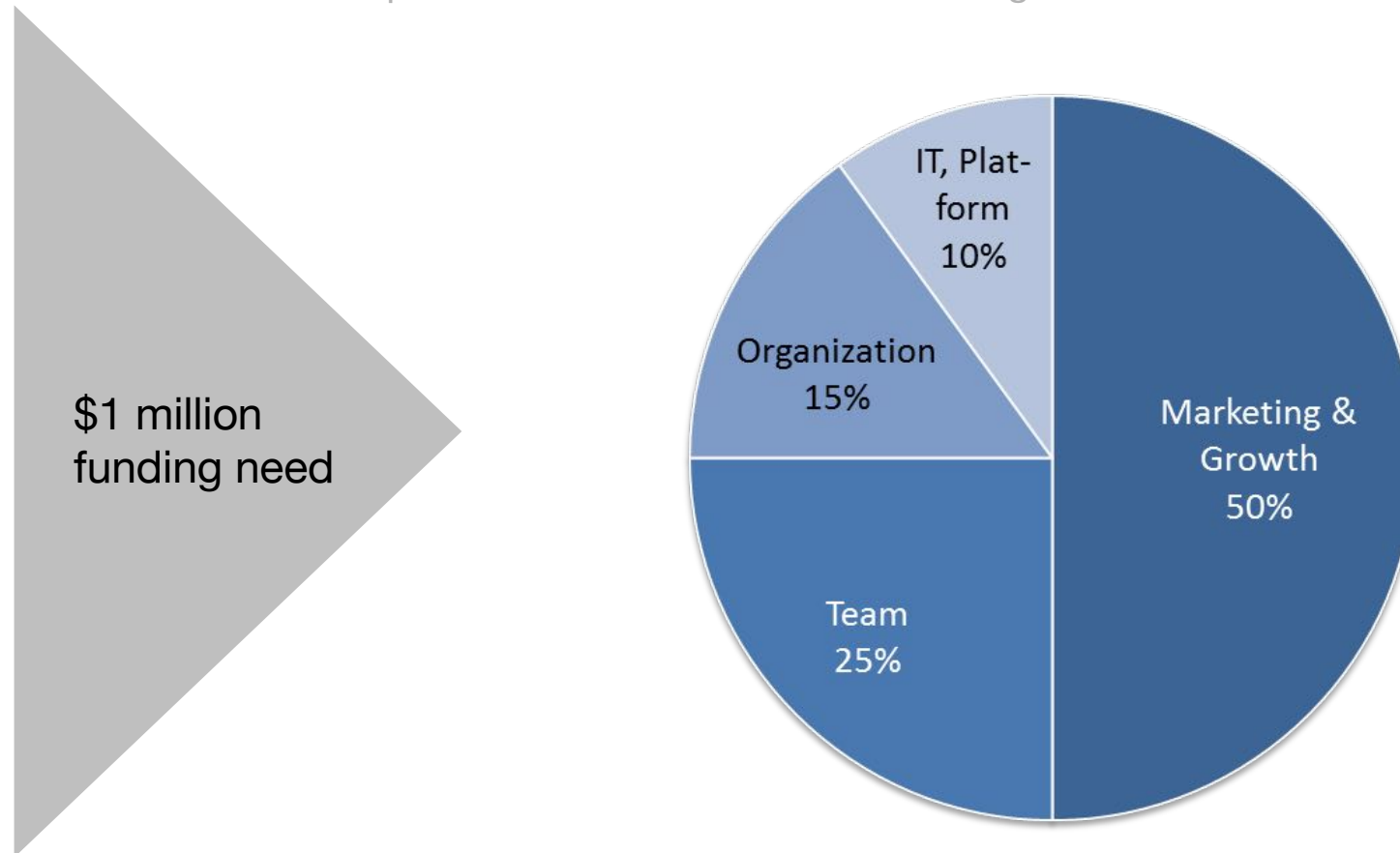
\* Market entry in July 2017





# Use of Funds from Upcoming Funding Round

The total funding requirement is needed to cover the projected cash shortfall until cash break-even is reached after approximately 18 months. This will cover the funding needs to firmly establish the Company in its first regional market (the Tri-State area). Additional funding to expand into new markets is expected to be raised in further funding rounds.



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