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BUSINESS OVERVIEW











PROOF OF CONCEPT WITH SKIN LAUNDRY FREE STANDING STORES AND SHOP IN SHOPS. IMMEDIATE NEXT STEP: WHOLESALE.

- Skin Laundry opened stores in the US and Hong Kong in 2015. YOY-like door growth average is 40%; customer conversion rates from first service to purchase of package is 47% in the US and 56% in Hong Kong
- Retail store build out investment recoups year 2;
 Store margins north of 20% indicating operation leverage and significant growth opportunity
- Skincare line major growth opportunity opening on Sephora.com in January, 2017 and in Los Angeles and New York stores in March of 2017
- \$6.5m needed to implement plan to drive global business development:
 - → Global Distribution Rollout
 - → Innovative Product Development
 - → Marketing Initiatives
 - → Operational Improvement



SKIN LAUNDRY WILL BECOME A \$200 MILLION BUSINESS BY 2021

With diligent focus on four key growth drivers: strategic global **Distribution**, innovative **Product Development**, focused **Marketing Initiatives**, and smart **Operational Improvement**, Skin Laundry will become a \$200m business by 2021.

GLOBAL DISTRIBUTION

- Global store and shop in shop expansion in key markets: US / Asia / UK
- Controlled wholesale rollout and support for skincare product line

INNOVATIVE PRODUCT DEVELOPMENT

- Employ dermatologist for product development, clinical trials and white papers
- Introduce specialized skincare
- Introduce Facial Finishers

MARKETING INITIATIVES

• Engage in strategic marketing initiatives for the first time to create brand awareness and drive consumer activity to retail and e-commerce stores

OPERATIONAL IMPROVEMENT

- Move home office to NYC
- Add CEO and Global President positions
- Add strategic sales and field support positions in conjunction with distribution rollout to support and drive business growth
- Add marketing and CRM positions to cultivate customer base, develop rich branded content for training and consumer consumption, and drive retail and e-commerce traffic





GLOBAL DISTRIBUTION







SUCCESS COMES FROM CONTROLLED & SUPPORTED DISTRIBUTION







2017 & 2018:

Focus on building three successful markets: US, UK and Hong Kong

- Grow brand awareness in these markets
- · Expand the service offering
- Create community in stores

2017 & 2018:

As brand awareness grows and Skin Laundry gains traction, methodically open free standing stores and shop in shops in key markets with field sales support:

- US: Northern California / Houston / Dallas / Boston / Chicago / Miami / DC
- **UK and HK:** Free Standing stores and evolved shop in shops with Wholesale partners

2017:

Open Wholesale stores to introduce Skin Laundry skincare

- Launch in Sephora in the US in New York and LA / Add markets in conjunction with Free Standing store openings
- Plan to open ULTA in 2018 with treatment rooms in select markets, followed by a broader distribution of just the skincare as brand awareness grows

Hire head of sales and field support staff to service the stores and train sales associates

FREE STANDING STORES

	2016	2017	2018	2019	2020	2021
SoCal/AZ	6	7	7	8	11	14
NY	4	5	6	7	10	12
Other US	-	3	9	14	18	20
HK	2	2	2	3	4	4
UK	-	2	4	6	8	8
Canada	-	-	2	4	4	4
Other Markets	-	-	-	2	2	2
Total	12	19	30	44	57	64

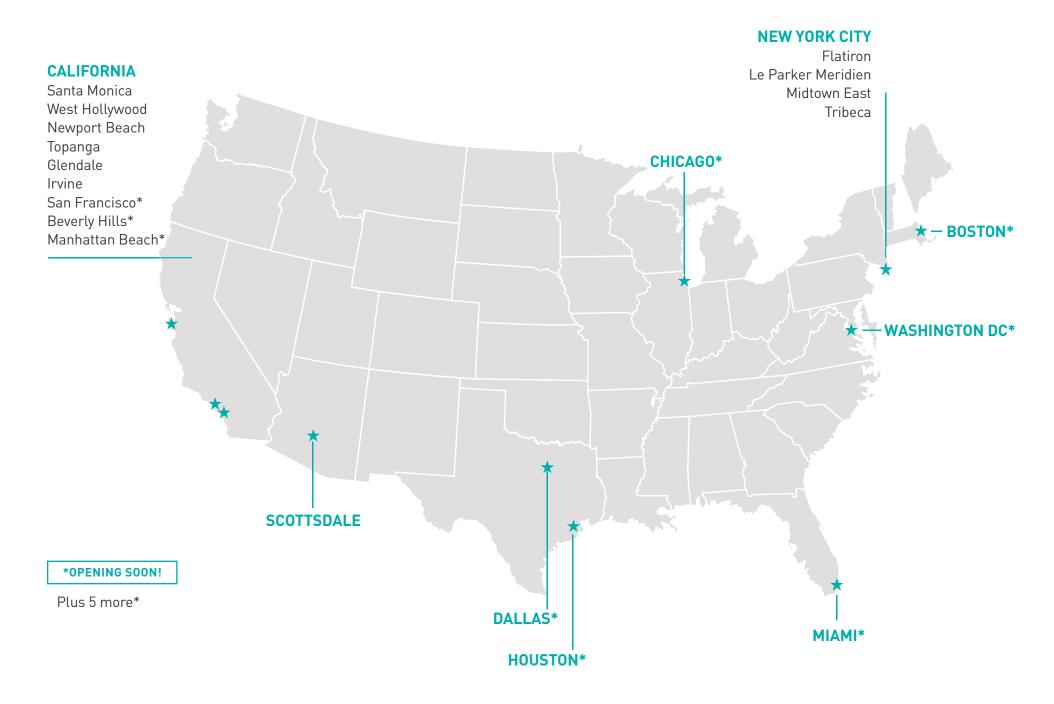
SHOP IN SHOPS

	2016	2017	2018	2019	2020	2021
SoCal/AZ	1	9	9	9	9	9
NY	1	6	8	8	8	8
Other US			51	100	100	100
НК	1	1	3	3	3	3
UK	1	4	6	6	6	6
Korea	-	-	1	2	2	2
Other Markets		2	5	10	10	10
Total	4	22	83	138	138	138

TOTAL STORE COUNT 16 41 113 182 195 202

* US wholesale numbers based on Sephora agreement

* US shop in shops reflects ULTA rollout





SKIN LAUNDRY SKINCARE = CLEAN + WELL TREATED SKIN

Review and upgrade existing skin care products; infuse with active ingredients and marketable point of difference

Hire Dermatologist for Skin Laundry to identify needs and design specialized treatment products; write White Papers and conduct Clinical Trials

Develop innovative product categories based on feedback and needs of Skin Laundry customers

Introduce Solution Skincare and Facial Finishers – the first two product categories

SOLUTION SKINCARE







- 6 hero SKU's that treat specific problem areas based on actual feedback from Skin Laundry customers and dermatologist input
- Single SKU for selling purposes targeted at time of treatment (fall 2017):
 - → Acne
 - → Spot Reducer
 - → Rosacea
 - → Dry Skin

FACIAL FINISHERS







- A collection of 5 SKU's designed for light 'finishing' coverage for the Skin Laundry customer who wants to leave with a finished face. Products designed with SPF and protective benefits
- Five SKU's designed to wear post treatment:
 - → Tinted moisturizer w/ SPF
 - → Lip
 - → Brow
 - → Mascara
 - → Cheek
- Establish skincare credibility through 2017; launch Facial Finishers in early 2018 with solid skincare foundation

PACKAGES & EVOLVED SERVICES







- Series Packages (2017)
- Replenishment Packages (2017)
- Loyalty Program (2017)



ENGAGE CUSTOMERS & DRIVE TRAFFIC

ENGAGE IN ORGANIZED MARKETING EFFORTS FOR THE FIRST TIME TO BUILD BRAND AWARENESS, ENGAGE THE CUSTOMER AND DRIVE TRAFFIC TO RETAIL AND E-COMMERCE SKIN LAUNDRY STORES.



Training: Develop intensive Skin Laundry University training program for sales team and in store staff; Create personalized feel in store; build link selling



Dermatologist: Hire and market dermatologist for Skin Laundry to guide product development, write white papers and operate clinical trials



Public Relations / Social Media: Execute aggressive public relations and social media strategy; engage influencers



CRM: Build CRM program through analysis of and communication with existing data base and cultivating retail walk in customers



Digital Marketing: Plan and activate digital strategy to drive brand awareness and site traffic

