



At a time when most segments of the U.S. food products industry remain stagnant, nutraceuticals are a notable exception. Generally considered to include all food and dietary supplements having some health or medical benefit, this niche market is expected to accelerate its growth of recent years, buoyed by a proliferation of new products and an insatiable consumer appetite for a healthier life.

As this market continues to mature and consumers become more educated, producers must increasingly rely on innovative formulation technologies that can enhance nutrient benefits in existing products and/or adapt those nutrients to entirely new products.

Marathon Shores, LLC represents a Midwestern based Company that is uniquely positioned to satisfy this demand utilizing its proprietary nanodispersion and nanoparticle technologies to provide these key benefits:

- o Increase formulation opportunities by stabilizing dispersions of water insoluble ingredients in water-based products (essential oils, nutrients and colors).
- o Extend shelf-life by reducing oxidation at the molecular level (fish oil, beta-carotene).
- o Increase bioavailability by enhancing nutrient absorption characteristics (coenzyme Q10).
- o Maximize the intended effect and user benefits by anchor ingredients to a specified surface (flavors, sunscreens, and insect repellents).
- o Control the release rate of encapsulated actives (mouthwash, fragrances).

Growth Opportunities

In addition to the Company's existing applications, Management anticipates a new contract (valued at \$1,800,000) for its CoQ10 product. The finished products would be sold exclusively in one of the nation's largest retailers and management anticipates repeat orders would be filled on a monthly basis.

A Unique Opportunity

Marathon Shores, LLC believes that the Company's proven ability to develop a continuous stream of new applications for its core technologies make it an outstanding investment opportunity.

Originally funded by private investors, the Company is seeing equity investment up to \$2,000,000 to facilitate accelerated growth through the addition of business development, research and administrative personnel.

Summary Financial Information

(000's omitted)

	2010	2011	2012	2013	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Sales	\$ 1,281	\$ 1,865	\$ 2,363	\$ 3,114	\$ 10,485	\$ 11,534	\$ 12,687	\$ 13,956
Gross Profit	\$ 378	\$ 331	\$ 544	\$ 985	\$ 4,955	\$ 5,451	\$ 5,763	\$ 6,339
Gross Margin	30%	18%	23%	32%	47%	47%	45%	45%
EBITDA	\$ 89	\$ (52)	\$ 97	\$ 443	\$ 3,721	\$ 4,169	\$ 4,390	\$ 4,869

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