



THE
HEALING
COMPANY

August 14, 2023

THE HEALING COMPANY, INC.

(OTCQB – HLCO)

Industry: Health/Wellness

6-9 Mo. Price Target: \$9.00



THE HEALING COMPANY, INC.

A Burgeoning Health and Wellness Unicorn

Rob Goldman
rob@goldmanresearch.com

August 14, 2023

THE HEALING COMPANY, INC. (OTCQB – HLCO - \$3.60)	
Industry: Health/Wellness	Price Target: \$9.00

COMPANY SNAPSHOT

The Healing Company Inc. was founded with a bold aim: Bring integrated healing to the world. Compelled by the global healthcare crisis and a deep belief in a different way—one which draws on conventional medicine and ancient wisdom, science and nature—the company looks to democratize access to integrated healing methods, while helping the world evolve how it thinks about health and healthcare. To do so, the Company is building a community of powerful healing brands, identifying, acquiring, and helping scale the reach and impact of the world’s highest potential healing practices and products.

KEY STATISTICS

Price as of 8/11/23	\$3.60
52 Week High – Low	\$6.00 - \$2.20
Est. Shares Outstanding	57.5M
Market Capitalization	\$207M
Average Volume	7,044
Exchange	OTCQB

COMPANY INFORMATION

The Healing Company, Inc.
 135 W. 50th Street
 2nd Floor
 New York NY 10020

Web: www.HealingCompany.com
 Email: investors@healingcompany.com
 Phone : 866.241 0670

INVESTMENT HIGHLIGHTS

Leveraging a \$150M credit facility for M&A and a recent history of successful transactions, The Healing Company is poised to generate substantial revenue growth. HLCO has two potential deals slated to close during 2H23.

The Company boasts a strong and deep leadership team, including world-renowned health/wellness icon Dr. Deepak Chopra, along with a Chopra-founded company. This deal has brought HLCO a huge reach: 7M web traffic, a 20M social media reach, and thousands of retail doors and health/wellness practitioners.

HLCO is building an integrated health/wellness firm that seeks to improve the quality of life and enhance disease prevention for millions of people worldwide. Management is targeting science-backed brands and products seeking scale and operation as individual brands.

Targeting the \$165B supplement and nutraceuticals space, HLCO boasts a pipeline of 70+ firms with a combined revenue of \$1B+.

Our model forecasts revenue will jump from \$9.5M in fiscal 2023 to \$82M in 2024 and \$160M in 2025. This enviable growth includes organic growth, acquisitions, brand cross-sales, and lower CAC, driving operating profit.

Our 6–9-month price target of \$9 reflects a price sales multiple on 2024 projected sales. This figure could be conservative if deal closing accelerates.

COMPANY OVERVIEW

The View from 30,000 Feet

In our view, **The Healing Company Inc. (OTCQB: HLCO)** may be positioned as the next unicorn in the wellness arena. The Company boasts a strong and deep leadership team, including world-renowned health/wellness icon Dr. Deepak Chopra, along with a Chopra-founded company. With access to an enviable \$150M credit line for M&A, a history of successful acquisition integration, and a potential uplisting to NASDAQ, HLCO is primed to generate substantial revenue growth. It is rare for an early-stage, underfollowed firm to check all of the boxes as a potential industry leader. Nonetheless, we believe that HLCO could emerge as one of the segment's biggest movers in the second half of 2023, as currently targeted M&A is executed.

The Approach

The Company seeks to build an integrated health and wellness firm offering a complete line of segment-leading brands via targeted M&A with the high-level objective of improving the quality of life and enhance disease prevention for its large, diverse customer base. HLCO boasts enviable distribution capabilities, including 7M web traffic, a 20M social media reach, and thousands of health/wellness practitioners. The Company is initially targeting the acquisition of science-backed companies in the \$165B supplement and nutraceutical product segment. HLCO has already successfully closed two deals in the past year and has identified and engaged in discussions with dozens of targets in its current pipeline.

Management's business model features the operation of the acquired firms as individual brands under the Healing Company umbrella. Under this format, HLCO can create portfolio synergies such as the cross-sell and up-sell of its brands' products and services. Leveraging this approach, and by offering differentiated products such as diagnostics, content, and coaching, management seeks to first reduce the overall Customer Acquisition Cost (CAC) and ultimately enhance the Lifetime Value (LTV) of each customer to the Company.

The Deals, The Structure, The Funding

In October 2022, HLCO acquired www.yoursuper.com a leading plant-based superfoods business across US and Europe that is on a current \$15M revenue run-rate with the potential for up to \$1M EBITDA this year. In March 2023, HLCO acquired Chopra Global, the high profile, wellbeing experiences business of Dr Deepak Chopra that represents huge upside potential. At present, the Company has a \$150M M&A credit facility that can be accessed for its acquisitions, with the debt secured against EBITDA. HLCO has agreements in place for two new, imminent acquisitions along with a pipeline of 70+ targeted companies with a combined revenue north of \$1B.

Management is extraordinarily selective regarding its prospective acquisition targets. The aforementioned 70+ pipeline represents a current hit list, following the review of more than 1,000 potential M&A targets. Moreover, the Company follows a strict M&A valuation and operations strategy. For example, a typical target with a core science-backed offering and potential HLCO family synergistic characteristics should be accretive right away. In addition, valuation parameters generally represent a 1x price/sales ratio and 4x-8x EBITDA, depending upon the degree of an EBITDA margin.

Forecasts and Valuation

Since HLCO has a June 30 fiscal year, we have developed a financial model to reflect this status. Our current model calls for \$9.5M in revenue for 2023 and \$82M in revenue for 2024 with modest operating and net income profit. Given this projected financial performance, we expect that the Company will up-list to NASDAQ around the turn of the year. With the added capital and higher profile, investors can expect additional deals to close in 2024. For 2025, we project revenue of \$160M with an operating margin of 13.2%.

Our 6-9 month price target of \$9.00 reflects roughly 6.5x our 2024 fiscal year revenue target of \$82M. We believe that this figure is a reasonable price/revenue metric given the exponential forecasted growth and the huge underlying value of the leadership team which features Dr. Deepak Chopra. Moreover, we believe that both metrics could ultimately be considered conservative, if M&A occurs sooner in 2024, and if the targets generate outsized revenue growth.

HLCO: A SWIFT PATH TO WELLNESS LEADER

Rare Opportunities and Positioning

Timing couldn't be better for a focused aggregator in this space and we see enormous, favorable trends that are supporting The Healing Company strategy. There continues to be significant momentum for this category coming out of Covid - Global Wellness Institute and others continue to show significant double-digit growth for a category that is already today well north of \$4T globally. Studies from McKinsey show that for 60% of people around the world, wellness is their #1 priority in the day (<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/still-feeling-good-the-us-wellness-market-continues-to-boom>).

This is truer among Millennial and Gen Z than older generations, but at the same time there has never been a healthier, wealthier older generation that want to live healthy for longer and so the willingness to pay among all demographics is very high. These factors are combined with a significant rise in chronic diseases (diabetes, dementia, autoimmune issues, mental health issues, certain cancers etc.), over 90% of which are lifestyle driven but aren't well managed or prevented by the healthcare system today. All together these market features promise to be a market category that cannot be ignored.

This same McKinsey report also highlighted the critical unmet need for someone to connect the dots for consumers - too many point solutions and not enough integration to make a difference. Exactly the need (and white space) that Healing Co is going after and in our research we could find few (if any) competitors operating with this opportunity in mind. Historically, this has been an economy resistant category when many other more discretionary consumer spend declines.

In addition, given the opportunity for AI and wearables to potentially create personalized "precision wellness" solutions, rare potential for HLCO's positioning in this market exists. There remains a distinct lack of branded solutions to create consumer trust and by bringing them together under a trusted umbrella with the team and scientific approach, The Healing Company stands a chance of becoming that "go to" brand for integrated wellness.

Furthermore, asset prices have come down considerably from their post-pandemic highs, with [Carta.com](#) reporting Series B, C, and D businesses experienced valuation drops of up to 56% vs Q1 '22 and a significant increase in down rounds across all stages. HLCO has already proven this thesis with their first acquisition of Your Super, with the price paid was a 90% reduction on the series B valuation less than 12 months earlier. Against this backdrop, the stage is set for an aggregator that can offer a true integrated wellness set of solutions to take advantage of consumer sentiment and the ability to scale where others have not. Thus, the temporary drop in valuations have created unusual opportunities.

Trends and Strategies

The Healing Company is primed to emerge as an industry leader in integrated healing and wellness via a targeted M&A strategy that leverages an enviable \$150M credit facility from i80 Group, 2 successful transactions, highly regarded and well-known leadership, and deep distribution. In fact, it is rare that we see all the boxes being checked for a new market entrant to dominate a category in the way that The Healing Company has potential to do.

As noted above, present, a declining health span in the US has occurred due to rapidly increasing lifestyle-driven diseases. Clinicians believe that 90% of these are preventable and/or reversible. Despite this trend, only 5% of the \$4T US healthcare spend is on prevention. Conversely, a driver in the space is wellness which is forecast to jump to a \$7T market globally by 2025, as personal wellness has emerged as the number one daily priority for the majority of people globally regardless of age.

The Company seeks to build an integrated health and wellness firm offering a complete line of segment-leading brands via targeted M&A with the high-level objective of improving the quality of life and enhance disease prevention for its large, diverse customer base. The Company is initially targeting the acquisition of science-backed companies in the \$165B supplement and nutraceutical product segment. HLCO has already successfully closed two deals in the past year and has identified and engaged in discussions with dozens of targets in its current pipeline. Key prospective candidates have science-backed credibility for its products but lack the ability to properly scale.

Enter The Healing Company.

First Transaction



In October 2022, HLCO acquired yoursuper.com, a leading plant-based superfoods business across US and Europe that is on a current \$15M revenue run-rate with the potential for up to \$1M EBITDA this year. Your Super was co-founded by Forbes 30 Under 30 alumnus Kristel De Groot and former professional tennis player Michael Kuech with a mission to improve people's health with the power of super plants.

The company has sold over 5M products across the US and Europe, ranking 25th on the 2021 Inc. fastest growing companies list. Your Super is focused on two high-growth wellness sectors, superfoods and plant-based nutrition, representing more than \$200B of global market potential. With recent national retail expansion into Target, CVS, Sprouts, and The Vitamin Shoppe, the company's reach has expanded sharply. Your Super's portfolio of products is

100% organic, naturally dried superfoods without any fillers, sweeteners or artificial ingredients.

Your Super ranked #1 in the food and beverage category on Inc.'s 2021 5000 fastest growing company list, placing 25th overall with three-year revenue growth of 11,477 percent and \$180M in cumulative revenue. The acquisition was financed through a combination of cash and equity in The Healing Company. Previous investors in Your Super include PepsiCo and Beyond Meat investor, PowerPlant Partners.

The Company's most recent offering is emblematic of the brand's potential. Your Super's superfood blend, [Moon Balance](#), is now clinically proven to reduce painful periods and associated menstrual symptoms. Eighty-six percent of clinical trial participants experienced less painful periods after two months of consistent use, while 80% said their premenstrual syndrome (PMS) and menstrual symptoms had improved.

With more than 75% of women experiencing PMS, Your Super commissioned Citruslabs, one of the leading clinical research organizations in the United States, to conduct a preliminary study focused on testing Moon Balance's effectiveness in improving common menstrual cycle issues.

Topline results from the clinical trial include:

- **Reduced Pain & Discomfort:** Participants reported their menstrual cramps were less severe (by 33%), bloating symptoms improved (by 30%)
- **More Balance:** 72% reported fewer mood swings, and 69% shared they felt calmer and less stressed.
- **Improved Sleep Quality:** 66% experienced better quality sleep and 59% slept longer.
- **Increased Productivity:** 69% canceled fewer plans, missed fewer work hours and were more productive.

The Chopra Transaction, Relationship

In March 2023, The Healing Company acquired [Chopra Global](#)'s wellbeing experiences businesses, in a landmark partnership for both companies. The acquisition includes Chopra's physical product line, the Chopra meditation & wellbeing app, and licensed experiences including The Chopra Health Retreat at CIVANA Wellness Resort & Spa and the Chopra Mind-Body Zone and Spa at the Lake Nona Performance Club. Concurrently, the organizations entered into a perpetual license agreement to include the Chopra content, community, and brand.

One of TIME Magazine's Top 100 most influential people, Dr. Chopra has spent a lifetime bringing integrative healing to hundreds of millions of people, creating educational content, leading thousands of events, and developing best-in-class healing products and experiences that have changed lives worldwide. With a community of 20M social followers, 6M email database, 7M web traffic, 1M app downloads, top rated 4.9-star app, and more than 90 books authored, Dr. Chopra's reach and impact in the integrative healing movement is unrivaled. And the conversion of this reach into major revenue is largely untapped!



The guiding mission of [Chopra Global](#)—personal transformation for collective wellbeing—is anchored by his vision to empower one billion people to create a more peaceful, just, sustainable, healthy, and joyful world. Chopra Global sits at the nexus of three high growth sectors: integrative healing (\$100B market, 22% CAGR), Ayurveda (\$7B, 15% CAGR), and meditation (\$5B, 30% CAGR), and reached over 100 million people last year.

Pipeline, New Deals, Next Phase

In our view, HLCO has a vast reach via its consumer network, social media presence, along with thousands of retail doors and practitioners. This reach has already begun to bear fruit and demonstrate an innate ability to generate scale for its brand family under the Healing Company umbrella. For example, In 6 months post-acquisition for Your Super, management was able to drive the first profitable quarter in the company's history.

Management is extraordinarily selective regarding its prospective acquisition targets. The aforementioned 70+ pipeline represents a current hit list, following the review of more than 1,000 potential M&A targets. Moreover, the Company follows a strict M&A valuation and operations strategy. For example, a typical target with a core science-backed offering and potential HLCO family synergistic characteristics should be accretive right away. In addition, valuation parameters generally represent a 1x price/sales ratio and 4x-8x EBITDA, depending upon the degree of an EBITDA margin.

HLCO can create portfolio synergies such as the cross-sell and up-sell of its brands' products and services. Leveraging this approach, and by offering differentiated products such as diagnostics, content, and coaching, management seeks to first reduce the overall Customer Acquisition Cost (CAC) and ultimately enhance the Lifetime Value (LTV) of each customer to the Company.

Additional revenue streams can be generated via brands that accurately target nutrition coaching, sexual health, sleep improvement, him/hers content and products. Thus, we expect a next phase in 2024 to include these categories and could include product licensing as well. Consumers crave easy wellness solutions that highlight prevention and management is cognizant of this underlying core trend.

At present, HLCO has agreements in place for two new, imminent acquisitions along with a pipeline of 70+ targeted companies with a combined revenue north of \$1B. Going forward, we expect to see continued revenue, brand, and distribution point diversification, including with leading retailers.

THE HEALING COMPANY LEADERSHIP TEAM

Corporate Executives

Simon Belsham, Co-Founder, Chief Executive Officer

Simon's career has been focused on unlocking the opportunities of consumer technology and retail amidst evolving consumer behaviors.

Simon recently joined as CEO for The Healing Company, where he and the founding team have a vision to inspire and lead the way to a healthier world through the most effective alternative healing methods. This is following a 20+ year career as a general manager building and leading consumer tech businesses across the

US, UK, Europe and Asia. He has been CEO and President of a variety of businesses from start-up (Ocado, Fetch.co.uk, Equinox Media, notonthehighstreet.com) to e-commerce divisions of the largest companies in the world (Jet.com / Walmart, Tesco.com). Most recently Simon served as President of Equinox Media in New York, where he helped start and lead the development of a pioneering digital fitness and wellness platform, Equinox+ and the SoulCycle at-home bike.

Simon is passionate about mental and physical wellness, protecting nature, building community and sustainability. He has travelled and / or worked in more than 80 countries across all 7 continents and believes that business has an opportunity (and ultimately a responsibility) for enabling development of a fairer, more just and sustainable society.

Simon holds an MA from the University of Cambridge, UK and an MBA from the Harvard Business School.

Anabel Oelmann, Co-Founder, Director

Anabel is a certified nutritionist, through the Institute of Integrative Nutrition (IIN) in New York after graduating with an International Baccalaureate in Berlin. She has worked as a health coach and model during the past 5 years, living in NY, LA, London and Sydney represented by IMG. During her career as a health coach, she discovered the eclectic benefits of medical cannabis and witnessed its potential to alleviate symptoms and cure diseases firsthand.

She then co-founded the company Greenstein in Germany, which is a fully licensed narcotic wholesaler, being responsible for public relations and business development. Based on her passion for making alternative medicine even more accessible she founded NOEO, a direct-to-consumer brand focusing on adaptogenic herbs.

As a thought leader in the industry, Anabel saw a promising opportunity, starting 'The Healing Company', creating a platform to gather the most promising companies in the fast-growing nutraceuticals space, and to accelerate a change in the health industry.

Katie Tobias, Head of Marketing

Katie loves to run fast and build things—namely, products, brands, stories that matter to people's lives. In her >15 year career in marketing, consumer tech, e-commerce, and wellness, she has a track record doing exactly that: building evocative brands powered by efficient growth engines for high-impact products.

Katie recently joined The Healing Company as Head of Marketing, where she is deeply invigorated by the vision to bring integrated healing to the world and looks forward to expanding the reach and impact of powerful healing practices and products. Most recently, she was VP of Marketing at Equinox Media, where she brought to market the SoulCycle at-home bike and Equinox+ digital membership experience, and she held previous marketing leadership roles at Gilt and Spring.

In her free time, Katie is a yoga and meditation instructor, holding a 200-hour teaching certification from the Luminous Heart Institute, and loves to surf, spend time in nature, and explore new corners of the globe.

Katie holds an MBA from London Business School and a BBA from University of Michigan's Stephen M. Ross School of Business.

Justin Figgins, Interim CFO

Justin is a digital pioneer having led Rightmove Plc's listing on the London stock exchange and U.S. unicorn Thrasio's international expansion strategy. Justin leads M&A and Strategy for The Healing Company at its founding stage. Previously, he was Executive Vice President and Chief Commercial Officer of cxLoyalty International, an international digital loyalty company, where he expanded the business into Africa, South America and EMEA.

Prior to joining cxLoyalty, Justin was the Managing Director of the Overseas business at Rightmove Plc from 2005 to 2008 and Director of Corporate Development at Cendant Europe Ltd from 2003 to 2005. In addition, Justin held the positions of Vice President of TMT Investment Banking at Commerzbank from 2000 to 2003 in London and Vice President of Corporate Development at Prudential Financial from 1992 to 2000 based in New York.

Justin is a British citizen and graduated from the University of Rochester in 1992 (B.A. Economics & Political Science), and Cornell University in 2000 (M.B.A.). He spends his free time exploring every corner of the globe or chasing after his two daughters and golden doodle puppy.

Advisors and Investors

Deepak Chopra™, Chief Scientific Officer, MD, FACP

Founder of The Chopra Foundation, a non-profit entity for research on well-being and humanitarianism, and Chopra Global, a modern-day health company at the intersection of science and spirituality, is a world-renowned pioneer in integrative medicine and personal transformation. Chopra is a Clinical Professor of Family Medicine and Public Health at the University of California, San Diego and serves as a senior scientist with Gallup Organization. He is the author of over 90 books translated into over forty-three languages, including numerous New York Times bestsellers. For the last thirty years, Chopra has been at the forefront of the meditation revolution and his 92nd book, *Abundance* (Harmony Books) provides an enlightening guide to success, fulfillment, wholeness, and plenty, offering practical advice on how to cultivate a sense of abundance in times of fear and insecurity. TIME magazine has described Dr. Chopra as "one of the top 100 heroes and icons of the century."

Christian Angermayer, Founding Investor & Advisor

Christian is an entrepreneur, investor and film enthusiast. He is the founder of Apeiron Investment Group, his family office and merchant banking business. Apeiron focuses on Financial Services (especially fintech and crypto assets), Technology, Life Sciences, Media & Entertainment and Real Estate.

Apeiron completes deals across the entire lifecycle and balance sheet of a company, from non-listed Seed/Start Up investments to larger scale Restructuring and Special Situations deals (mostly listed). In 2000, Christian co-

founded Ribopharma (original patents for RNAi technology) which merged with US peer Alnylam in 2003 and subsequently went public.

Since then, Christian has created, co-founded and invested in numerous successful companies, has raised approx. USD 2bn for his portfolio companies and has been involved in more than 40 successful IPO- and M&A-transactions either as an entrepreneur, investor or banker/advisor. With his biotech company ATAI Life Sciences, Christian has the ambitious goal to enable people to live healthier and happier lives.

In addition to his entrepreneurial activities, Christian places great value on social, political and societal commitments. Examples of his engagement in this space are his memberships at Young Global Leader of the World Economic Forum, the Milken Institute Young Leaders Circle, The Court of the London School of Hygiene and Tropical Medicine and Global Advisory Council of the Wilson Center.

Kay Koplovitz, Board Chair

Kay Koplovitz is a pioneering businesswoman and media executive, best known as the visionary founder and former CEO of USA Network. She became the first woman to head a television network in the United States and played a crucial role in the development of satellite technology for cable television. She has significant public company experience on the boards of Oracle, Time Inc and others, and an illustrious career that has won her many awards including being recognised as one of the 50 Most Powerful Women in Business by Fortune magazine. Her legacy continues to inspire entrepreneurs as an advocate for women in business through Springboard Enterprises that she co-founded in 2000.

Steven Bartlett, Investor & Board Director

Steven Bartlett is the dynamic 30-year old founder of Social Chain, one of the most influential social media agencies in the world, which he co-founded at the age of 22. Under his leadership, Social Chain disrupted the digital marketing landscape, collaborating with renowned brands and achieving groundbreaking campaigns. Beyond this success, Bartlett hosts "The Diary of a CEO" podcast, which consistently ranks among the top business podcasts in Europe, boasting millions of listeners worldwide. Recognized for his sharp entrepreneurial acumen, Steven further broadened his influence by joining the esteemed panel of the UK's "Dragons' Den" in 2021 as the youngest ever Dragon in the show's history, cementing his reputation as a leading business figure of his generation.

Steven is particularly focused on inspiring a new generation of entrepreneurs and creators from a BAME background.

Steven has invested in and joined the board of Huel, which is the UK's fastest growing e-commerce company internationally. He's also invested in and taken a role as an advisor in atai life sciences - a biotech company working to cure mental health disorders. Other investments focus on blockchain technologies, biotech, space, Web 3 and social media.

Recently, Steven has launched two new businesses, Flight Story & thirdweb.

Steve J. Barr, Independent Board Director

Steve Barr is an accomplished finance executive with more than three decades of experience in consumer markets. Mr. Barr currently serves as the Chairman of the Board at Biome Capital Partners, which aims to build regenerative agriculture ecosystems and transform the economics of growing food and fiber. Prior to Biome Capital Partners, Mr. Barr was the President and Chief Financial Officer at iFIT Health and Fitness, which he led through a period of unprecedented growth and several acquisitions of strategic competitors in the fitness and wellbeing industry. Mr. Barr was previously PwC's Global and United States Consumer Markets leader where he advised some of the world's most iconic brands, including NIKE, Inc., Procter & Gamble, and Levi Strauss & Co. Mr. Barr is currently a Board Member at the University of Mount Union and has served on the Boards of Feeding America, the National Retail Federation Foundation, Soles 4 Souls, and the PwC Charitable Foundation. Mr. Barr has a BS from the University of Mount Union.

Ameeth Sankaran, Independent Board Director

Ameeth Sankaran is the Chief Executive Officer of Religion of Sports (ROS), an award-winning media company and studio co-founded by sports luminaries Tom Brady, Michael Strahan, and filmmaker Gotham Chopra. With Mr. Sankaran at the helm, ROS has been honored with five Sports Emmy Awards and successfully expanded its global presence following the acquisition of UK-based studio Jiva Maya. Mr. Sankaran is an Executive Producer on numerous projects, including Tom vs. Time, Greatness Code, Stephen vs. the Game, Man in the Arena, and McGregor Forever, among others. Mr. Sankaran currently serves as a Board Member of Chopra Global, a leading integrative health company empowering personal transformation for millions of people globally to expand our collective wellbeing. Prior to ROS, Mr. Sankaran spent more than 15 years as a strategy consultant and a private equity investor. Mr. Sankaran has a BS in Mechanical Engineering from the University of Texas at Austin and an MBA from Columbia Business School.

Wanja S Oberhof, Founding Investor & Advisor

Wanja is an entrepreneurial investor and sports enthusiast. At the age of 14, he started his first business, an event company. Since then, he has co-founded and invested in more than 40 companies worldwide, with his investment company WAOW. His investments included various successful IPOs ranging from social media group The Social Chain and health company Livongo to plant-based meat venture The New Meat Co. He recently served as CEO of the publicly listed The Social Chain AG, which he co-founded.

With his investment company WAOW, Oberhof founded the company builder Bridgemaker. He has been instrumental in the creation of a broad variety of tech companies in both Germany and the US. His early-stage investments include Stripe, bolt, Livongo, snowflakes, Compass Pathways, and ATAI. With the Krypto AG Oberhof started one of the first publicly listed blockchain vehicles.

He divides his time between New York and Berlin. He is an active athlete, having finished many marathons and the Ironman on Hawaii in 2018.

Demetri Argyropoulos, Founding Investor & Advisor

As Founder & Chief Executive Officer, Demetri Argyropoulos leads the vision and corporate governance for Avant Global. He is highly regarded in the global business community for his proven track record in building successful relationships based on mutual value creation.

Since founding Avant Global over two decades ago, Demetri and his partners have been involved in generating more than 20 billion in value across a range of projects and businesses. He has been a catalyst in successfully investing or co-founding over 100 new companies in various sectors.

Demetri is a Founding Investor of The Healing Company, Special Advisor to the CEO of Sandbox AQ, Co-Founder of AXIA, Chairman & Co-Founder of Avant Consumer, Visionary Founder with The Chopra Foundation; General Partner at EQUIAM; Chairman of Stanford Technologies; Co-Founder of Owl Medical (acquired by German multi-national Miltenyi Biotec), and is on the Advisory Board of bSpot, Ripple Labs, TRVLR, Naxos Apothecary, and Trainme.

Demetri was the recipient of the 2010 Gusi Peace Prize for his achievements, ideals, and values. He has been recognized as one of the “Top 40 Business Leaders Under 40” by the Pacific Coast Business Times and named as one of “Greek America’s Forty Under 40” class twice, one in 2014 and 2018. He was also awarded the 2003 National Leadership Award and 2003 Businessman of the Year Award by the National Republican Congressional Committee.

FINANCIALS SNAPSHOT

Fiscal vs Calendar Projections

(Analyst’s Note: It should be noted that we believe 2022 results are not indicative of HLCO’s core business and should not be used as a measure, growing forward. Instead, investors should review 2023 results)

The Company is off to a strong start thus far in 2023, with 3Q23 fiscal revenue rising roughly 34% on a sequential basis. Revenue for 1Q23 was \$3.2M with gross profit margin of 57%, a rate substantially greater than previous periods. HLCO achieved positive adjusted EBITDA in each of its segments, excluding one-time, non-recurring expenses. For instance, [Your Super](#), the Company’s first acquisition, demonstrated profitable growth with a second consecutive quarter of positive adjusted EBITDA, further validating management’s business model. To be conservative, our gross margin expectation for full year 2023 and 2024 remain below the 50% mark. If the figures prove to be too low, operating and net profitability would receive a meaningful boost.

For the 2023 fiscal year ending June 30, we forecast sales of \$9.5M with top-line jumping to \$82M for fiscal 2024---reflecting the addition of at least two acquisitions, and meaningful organic growth in 4Q23, including the first Chopra-branded product, Chopra Renew and Restore Detox Kit, and future products. In 2024, our model assumes a modest operating profit and comprehensive income level.

For 2025, we project revenue of \$160M. This figure reflects organic growth, cross-sales and up-sales, and new acquisitions. with a strong operating margin of 13.2% and comprehensive income of \$14.2M. Investors will note advertising and marketing are estimated to drop as a percentage of sales, representing reduced CAC each year. Importantly, our model assumes gross and operating margin improvement, aided in part by synergistic cross-

sale execution. Finally, shares outstanding are forecast to rise in 2024 due to a likely early 2024 NASDAQ up-listing, and incrementally in 2025.

HLCO's balance sheet is unusually strong, in our view, with no long term debt—a rare sight for early stage companies. This status offers the Company the leverage it needs for its \$150M credit facility to be used for the firm's M&A strategy.

RISK FACTORS

In our view, the Company's biggest risk is related to organic sales growth execution of its current and future acquisitions, namely the products that represent supplement and nutraceutical brands. Other risk factors include the ability to properly scale the business and execute accretive and strong brands to the Healing company family. A related risk is the demonstrated ability to leverage its broad and deep distribution reach on a consistent basis leading to brand cross-sales. In general, the timing and magnitude of the sales and marketing ramp, and subsequent broad implementation/utilization of its future offerings may have limited sales history. Finally, competitive risks include lower pricing, more effective sales/marketing, greater product efficacy.

The aforementioned risks could come from larger competitors, existing firms, or new entrants. Still, these future concerns are consistent with firms of HLCO's size and standing. Moreover, we believe that HLCO's seasoned management team is prepared to overcome these hurdles and generate significant top-line growth and consistent social media management implementations.

Volatility, liquidity, and market cap valuations are typical concerns for microcap stocks that trade on the over the counter (OTC) stock market. In the case of HLCO, its current market capitalization likely reflects future growth opportunities rather than recent historical business. Still, we believe the current market value may not fully reflect the underlying value of its leadership team, its large credit facility, organic growth, and future M&A. Separately, management plans to uplist to NASDAQ and raise capital to fund its growth objectives. An overriding financial benefit as a public company is the favorable access to and the availability of capital to fund product launches, consistent marketing campaigns and other initiatives. Since the proceeds of any future funding would be used in large part to advance major business development and sales, we believe that any dilutive effect from such a funding could be offset by related increases in market value.

VALUATION AND CONCLUSION

Leveraging a \$150M credit facility for M&A and a recent history of successful transactions, The Healing Company is poised to generate substantial revenue growth. HLCO has two potential deals slated to close during 2H23. The Company boasts a strong and deep leadership team, including world-renowned health/wellness icon Dr. Deepak Chopra, along with a Chopra-founded company. This deal has brought HLCO a huge reach: 7M web traffic, a 20M social media reach, and thousands of retail doors and health/wellness practitioners.

HLCO is building an integrated health/wellness firm that seeks to improve the quality of life and enhance disease prevention for millions of people worldwide. Management is targeting science-backed brands and products

seeking scale and operation as individual brands. Targeting the \$165B supplement and nutraceuticals space, HLCO boasts a pipeline of 70+ firms with a combined revenue of \$1B+.

Our model forecasts revenue will jump from \$9.5M in fiscal 2023 to \$82M in 2024 and \$160M in 2025. This enviable growth includes organic growth, acquisitions, brand cross-sales, and lower CAC, driving operating profit. Our 6–9-month price target of \$9 reflects a price sales multiple on 2024 projected sales. This figure could be conservative if deal closing accelerates.

Table I. The Healing Company, Inc.
Pro Forma Projected Income Statement: Fiscal Year
(in thousands)
Year End: June 30

	FY22A	FY23E	FY24E	FY25E
REVENUE	\$0	\$9,500	\$82,000	\$160,000
Cost of Revenue	\$0	\$5,225	\$42,640	\$80,000
Gross Profit	\$0	\$4,275	\$39,360	\$80,000
<i>Gross Margin</i>	<i>N/A</i>	<i>45.0%</i>	<i>48.0%</i>	<i>50.0%</i>
Operating Expenses:				
Advertising & Marketing	\$0	\$2,100	\$13,940	\$21,600
Shipping & Logistics	\$0	\$0	\$0	\$0
General & Administrative	\$7,014	\$8,300	\$10,660	\$18,400
Impairment intangible assets	\$138	\$0		
Professional & Consulting Fees	\$525	\$8,500	\$10,660	\$15,680
Management Fees	\$585	\$1,600	\$1,845	\$3,200
Total Operating Expenses	\$8,262	\$20,500	\$37,105	\$58,880
Operating Income (Loss)	(\$8,262)	(\$16,225)	\$2,255	\$21,120
<i>Operating Margin</i>	<i>N/A</i>	<i>N/A</i>	<i>2.8%</i>	<i>13.2%</i>
Interest expenses, net	\$2	\$400	\$1,200	\$1,800
Foreign currency gain (loss), net	\$0	\$300	(\$300)	(\$300)
Other income	\$0	\$0	\$0	\$0
Total Other Income (Expense), net	(\$2)	(\$100)	(\$1,500)	(\$2,100)
Gain (Loss) before Income Tax	(\$8,264)	(\$16,325)	\$755	\$19,020
Provision for income tax	\$0	\$0	\$38	\$5,326
Net Income (Loss)	(\$8,264)	(\$16,325)	\$717	\$13,694
Foreign curr transl adj	\$6	\$500	\$700	\$500
Total comp inc (loss)	(\$8,258)	(\$15,825)	\$1,417	\$14,194
Net Loss Per Share	(\$0.06)	(\$0.00)	\$0.00	\$0.00
Wtd. Shares Outstanding	44,001,550	59,000,000	68,000,000	75,000,000
Sources: HLCO, SEC, GSCR				

Table II. The Healing Company, Inc.

Balance Sheet: 3/31/23
(\$, thousands)

Current Assets	
Cash	\$3,087
Accts rec, net	\$501
Prepaid expenses	\$1,338
Inventory, net	\$4,024
Advances to vendors	\$129
Other current assets	\$231
Total Current Assets	\$9,310
Non-Current Assets	
Property & Equipment	\$51
Intangible assets, net	\$2,120
Goodwill	\$8,793
Security deposits	\$2
Deferred incomem tax	\$8
Total Non Current Assets	\$10,974
TOTAL ASSETS	\$20,284
Current Liabilities	
Accounts payable, accr exp	\$6,517
Accts payable-related party	\$318
Contract liabilities	\$3,166
Loan	\$4,873
Loan payable-related party	\$171
Advances payable-related parties	\$3
Other current liab	\$1,369
Sales tax payable	\$118
Total Current Liabilities	\$16,535
Non-Current Liab	
TOTAL LIABILITIES	\$16,535
SHAREHOLDER'S EQUITY	
Seed preferred shares	5
Common stock	53
Add'l paid-in capital	28,592
Deferred compensation	-3,663
Accumulated deficit	-21,061
Other comp inc (loss)	(\$177)
TOTAL EQUITY	\$3,749
TOTAL LIABILITIES & EQUITY	\$20,284

Sources: HLCO and Goldman Small Cap Research

SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 25 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

DISCLAIMER

This *Opportunity Research* report was prepared for informational purposes only.

Goldman Small Cap Research, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research* and *Goldman Opportunity Research*. The *Select* format reflects the Firm's internally generated stock ideas along with economic and stock market outlooks. *Opportunity Research* reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-sponsored micro-cap research ideas that typically carry greater risks than those stocks covered in the *Select Research* category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Research reports on profiled stocks in the *Opportunity Research* format typically have a higher risk profile and may offer greater upside. *Goldman Small Cap Research* was compensated \$4000 by a third party (TraDigital Marketing Group, Inc.) for the production and distribution of this report. All information contained in this report was provided by the Company via filings, press releases or its website, or through our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations.

Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

Separate from the factual content of our articles about the Company, we may from time to time include our own opinions about the Company, its business, markets and opportunities. Any opinions we may offer about the Company are solely our own and are made in reliance upon our rights under the First Amendment to the U.S. Constitution, and are provided solely for the general opinionated discussion of our readers. Our opinions should not be considered to be complete, precise, accurate, or current investment advice. Such information and the opinions expressed are subject to change without notice.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings, press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such

information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report or note is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed. This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with FINRA, the U.S. Securities and Exchange Commission or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.

For more information, visit our Disclaimer: www.goldmanresearch.com