RiverFort Global Opportunities

Healthier options

14th April 2025

In this report we analyse the portfolio of assets that RGO is proposing to acquire from S-Ventures. Operating in the structurally growing healthier food sector, Juvela, the leading gluten-free brand, and Pulsin, a leading manufacturer of protein bars and powders, together with Market Rocket's digital selling expertise, are well placed to grow sales to c.£20m and EBITDA towards c.£3m in 2026E. We value these assets at an enterprise value of c.£30m, equivalent to 1.5x 2026E EV/Sales and c.11x 2026 EV/EBITDA.

Proposed acquisition of the assets and liabilities of S-Ventures plc

On 22 March 2024, RiverFort Global Opportunities PLC ("RGO") announced the potential acquisition of 100% of the assets and liabilities of S-Ventures plc ("SVEN"). If approved by shareholders, the transaction constitutes a reverse takeover. In this report we analyse and value the four operating businesses of SVEN, which together we refer to as the "Portfolio".

An attractive portfolio of health and wellness food brands

Operating in the structurally growing global health and wellness food sector, the Portfolio comprises healthier and gluten-free brands: Juvela, Pulsin and Purely. In addition, the Portfolio includes Market Rocket, a specialist, accredited digital agency. Together we forecast the Portfolio will generate £14.3m of Sales in FY24E, rising to over £20m in FY26E, led by the launch of Juvela's new free-from brand for retail and complemented by forecast double-digit growth at Pulsin and Market Rocket.

c.£31m estimated Portfolio EV, 1.5x 2026E EV / Sales

The proposed acquisition value of the Portfolio by RGO would be £3.5m plus net financial debt of c.£10.9m (FY24E), which RGO believes undervalues "its level of revenue and growth potential". Our forecasts show that, having restructured Pulsin and achieved £0.8m EBITDA in 1H24, we anticipate the Portfolio can generate c.£2.0m of EBITDA in FY25E, rising to c.£2.8m in FY26E, generating c.£1m of PBT and Net Income. Our comparable company valuation analysis, allowing for a 25% discount given the higher risk to forecasts as Juvela's retail brand is soon to launch, implies an enterprise value of c.£31m (and equity value of c.£18m net of debt and leases), equivalent to 1.5x 2026E EV / Sales (1.8x 2025E) and c. 11x 2026E EV / EBITDA (c.15x 2025E).

Key financial forecasts for the Portfolio

Year to 31 Dec (£'000)	1H24	2024E	2025E	2026E
Bakery (Juvela)	3,797	7,675	9,594	11,993
Plant-based nutrition (Pulsin and Purely)	1,980	3,960	4,356	4,792
Tech services (Market Rocket)	1,423	2,700	3,038	3,493
Net sales (post listing costs)	**7,200**	**14,335**	**16,988**	**20,277**
Sales growth (%)			*18.5*	*19.4*
Gross margin (%)	*55.3*	*55.2*	*56.0*	*54.8*
EBITDA	**815**	**1,045**	**2,027**	**2,762**
Adj. EBITDA margin (%)	*11.3*	*7.3*	*11.9*	*13.6*
PBT	**(515)**	**(1,386)**	**(87)**	**1,035**
Adj. PBT margin (%)	*-7.5*	*-9.7*	*-0.5*	*5.1*
Net income	**(515)**	**(1,386)**	**(87)**	**1,035**
Free cashflow	(683)	(1,829)	726	1,552
Net financial debt	(8,543)	(10,915)	(5,970)	(4,558)
Total net debt incl leases / EBITDA (x)		12.3	3.9	2.4

1H24 refers to unaudited accounts for SVEN for 6 months to 30 June 2024; Source: ED analysis and estimates

Company Data

EPIC	RGO

Shares of RGO have been suspended since 22 March 2024

Portfolio description

The four main operating businesses of the Portfolio are:

- **Juvela**, the leading UK brand serving the UK coeliac community with gluten-free foods and flours;
- **Pulsin**, a well-established plant-based nutrition brand of protein bars, protein powders and nutritional snacks;
- **Purely**, a healthy snacking brand of premium plantain crisp products; and
- **Market Rocket**, a specialist, accredited digital agency that partners with a diverse range of clients to help them maximise their online sales across multiple digital channels.

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Please refer to the important disclosures shown on the back page and note that this information is **Non-independent** and categorised as **Marketing Material**

Contents

Portfolio Investment Attractions Overview

Investment Highlights

- The Portfolio of brands operates in a large and structurally growing market as consumers want to make healthier food choices. Grand View Research estimates the UK healthy snacks market to be worth $5.7bn in 2023 and grow at a CAGR of 5.1% to 2030.
- Juvela is a market leader for gluten-free foods on NHS prescription and has recently invested in a new 14 allergen-free factory for its new free-from brand for the retail sector.
- Pulsin has been restructured to reduce costs and increase profitability leading the Portfolio to achieve positive EBITDA of £0.8m in 1H24, a margin of 11%.
- An experienced management team led by Scott Livingston (CEO) and Stephen Argent (CFO) that intends to continue its “buy to build” strategy of investing in, developing and scaling existing and complementary brands.

Risk Factors

- Cuts to NHS funding for prescriptions for gluten-free food for those diagnosed with coeliac disease could impact Juvela sales.
- Juvela’s new retail brand OAF is yet to launch and thus there is risk to our £4.5m retail sales by FY26E forecast.
- Ingredients costs have been volatile and though easing, and product recipes have been adapted, a significant change in raw material costs is a risk factor.
- Competitive markets could drive marketing costs and listing fees higher, impacting profitability and/or sales growth.
- Supply chain disruption and/or a break in contract with any of the key retailers the Portfolio supplies.
- Technology disruption, particularly any risks to distribution through Amazon.

Forecast Drivers

- The Portfolio’s 1H24 results reflect the ongoing shape of the assets (as they are currently) with 1H24 Sales of £7.2m and EBITDA of £0.8m, an EBITDA margin of 11%.
- We forecast 25% sales growth in Juvela, mostly due to the launch of the new retail brand and c.10% sales growth in Pulsin and Market Rocket leading to c.19% sales growth in FY25E and FY26E.
- We anticipate a c.55% gross margin across the brands, and some operating cost leverage leading to a c.12% EBITDA margin in FY25E rising to c.14% in FY26E, resulting in EBITDA of c.£2m in FY25E and c.£2.8m in FY26E.

Valuation Overview

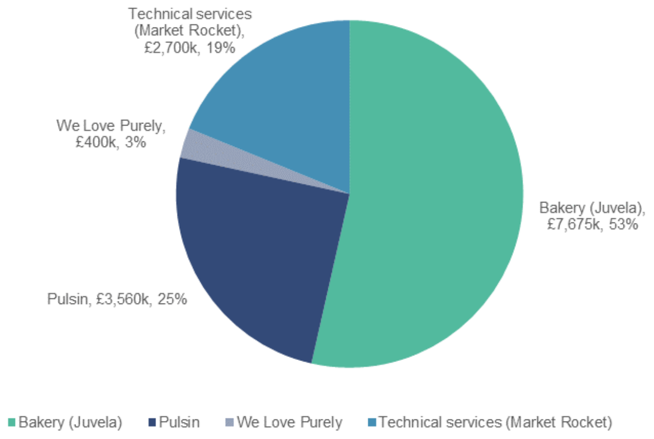
- Our approach to deriving our fair value for the Portfolio is to take the median ranges of the peer group across 5 metrics: EV/Sales and EV/EBITDA for both 2025E and 2026E and PER for 2026E.
- The average implied Enterprise Value is c.£37m. After deducting £10.9m FY24E net debt and £2m leases we infer an equity value of c.£24m.
- To this we apply a c.25% discount to reach an equity valuation of c.£18m and an enterprise valuation of c.£31m to reflect the higher risk to our Portfolio forecasts, given, for example, that Juvela’s new brand for retail is soon to launch, the key driver of the Portfolio’s sales growth.
- Thus, our fair value implies a 1.5x 2026 EV/Sales (1.8x 2025) and c.11x 2026 EV/EBITDA (c.15x 2025). With time, and delivery of sales growth and profitability, we would expect the Portfolio to be valued more highly.

Proposed acquisition of an attractive portfolio of healthy food brands

Transaction background

- RiverFort Global Opportunities plc ("RGO") is acquiring the principal operating subsidiaries of S-Ventures plc ("SVEN") and assuming S-Ventures plc debts and liabilities in an all-share deal.
- RGO is settling the purchase price at a share price of 0.75p, equivalent to £3.5m.
- RGO is also assuming £10.9m of financial debt from SVEN, giving an enterprise value of £14.4m.
- Of the £10.9m financial debt, c.£4m is from RGO, third parties and directors which will be converted to equity or cancelled as part of the transaction leaving c.£6.7m financial debt post transaction.
- RGO also has c.£3m of cash and investments on its balance sheet which will likely contribute to the enlarged group, net of IPO costs.

FY24E Sales mix for the Portfolio: Juvela is over 50%



Split of estimated £14.3m sales FY24E; Source: ED forecasts and analysis

Portfolio of 3 health brands and digital service agency

- Juvela, a leading gluten-free & free-from brand in the UK;
- Pulsin, a leading health bar and nutrition snack producer in the UK;
- Purely Plantain Chips, a premium plantain crisp producer; and
- Market Rocket, a specialist, accredited Amazon SPN* that launches, scales and optimises brands on various market platforms for a diverse range of clients.

** Service Provider Network*

Over £18m invested in the Portfolio companies

Acquired	Company	Consideration £m
14 Dec 22	S-Ventures Acquisitions / Juvela Limited	8.8
08 Apr 22	Market Rocket Limited	2.25
23 Jul 21	Pulsin Limited	7.5
22 Jan 21	We Love Purely Limited	0.2

Source: Company data

In a structurally growing market

Consumers taking greater care of what they eat, globally…

- The Global Health and Wellness food market is estimated to be worth $1,203bn in 2024, and estimated to grow at CAGR of 7.2% to 2033, according to Business Research Insights, which went on to say that since the COVID pandemic in 2020, there has been a "notable shift in consumer preferences towards healthier and immune boosting food choices".
- Healthier food takes many forms including plant-based protein (also driven by sustainability concerns over meat), organic foods, free-from foods for those with intolerances, naturally healthy foods and unprocessed or minimally processed foods (away from ultra-processed foods).
- Consumers are increasingly checking ingredients lists to avoid additives and chemicals and ageing populations are seeking to prevent obesity, diabetes, cancer, cardiovascular disease and more (source Grand View Research).

…and in the UK

- Grand View Research also estimates the UK healthy snacks market to be worth $5.7bn in 2023 and grow at a CAGR of 5.1% to 2030. Meanwhile the Coeliac UK charity estimates the UK market for gluten-free products to be worth £850m with 1 in 10 people in the UK affected by coeliac disease (though only 36% are medically diagnosed).
- Against this backdrop of increased consumer demand there has been an increase in number of producers of healthy snacks. As an example, in the case of protein bars, our analysis shows c.25 different brands available on Amazon UK, Holland & Barrett and Ocado, with Pulsin one of the leaders for number of products available.
- Increased demand for healthier food has also led to several acquisitions by the large consumer food groups looking for innovation and growth.

Pulsin succeeding in a crowded, but fragmented, market

Top brands by SKUs	Amazon	H&B	Ocado	Tesco
No of protein bars	1,000+	287	185	104
No of brands (>3 bars)	25	24	24	13
Grenade	19	34	19	21
Nakd	n/a	25	3	2
Huel	3	24	n/a	3
Pulsin	**21**	**5**	**9**	**n/a**
TREK	6	18	15	8
Optimum Nutrition	17	13	9	4
Barebells	16	4	9	7
FULFIL	10	8	3	14

No of products listed at each retailer, note can include multiple different pack sizes

Source: Company websites, ED analysis

Healthier snack producers make attractive bid targets

- Nakd and TREK bars, based in Oxfordshire, UK and founded in 2004, are owned by Natural Balance Foods, which was bought by Belgium snack food company Lotus Bakeries (67% in 2015 and a further 31% in 2020, representing 1.7x current year net sales.
- Eat Natural, based in Halstead, UK, was acquired by Ferrero, the global confectionery group, in December 2020. Giovanni Ferrero, Executive Chairman, described the acquisition as a "strategic fit as it expands into the healthier snacking market". Transaction details were not disclosed.
- Grenade, based in Solihull, UK, was acquired in March 2021 by US consumer goods group Mondelez. The deal valued Grenade at c.£200m (c. 4x 2019 i.e. historic sales of £52m, growing 37% yoy, and c.40x 2019 profits).

Source: Company websites and industry news sources

Juvela: A leader in gluten-free bakery products and more

Coeliac UK approved products, supplied on prescription

- Juvela Limited ("Juvela") is the Portfolio's largest and most profitable brand.
- It is an approved supplier of products for coeliacs and manufactures gluten-free and free-from bakery products and flours from its fully equipped factory in Pontypool, Wales. It has been operating for over 25 years and is a leader in its field. Testament to this Juvela has a very high 4.8* Trustpilot score, from nearly 2,000 customer reviews.
- SVEN acquired the business in December 2022 for £8.85m and we estimate it accounted for over 50% of the Portfolio's FY24E sales with sales of £7.7m, marginally down from £8.0m in the 12 months to December 23.
- All of its products are certified by the Coeliac UK charity and most of the current sales are from NHS prescriptions for gluten-free food, where it has c.55% share of the NHS prescription market.

** Coeliac disease is a serious autoimmune disease estimated to affect c.1 in a 100 people.*

A range of gluten-free flours and foods

Source: Company website

Gold-award winning products at the 2024 Free-From Awards

Source: Free-From Awards website

Acquired in December 2022 for £8.85m; c.1.1x EV/Sales

- The business (formerly Hero UK Limited) was acquired for £8.85m on 14 December 2022. Consideration comprised:
  - £6.4m cash, funded by two loans from Shawbrook Bank (£3.5m amortising over 4 years, coupon SONIA +5.95% and £2m repayable at end of 4 years, coupon SONIA +7%) and £0.9m from company resources;
  - £0.85m in 5m shares issued at market value; and
  - £1.585m of deferred cash consideration, payable on 1 Sept 2023, and funded by the loan from RGO PLC.

Source: Company data

New OAF brand for the retail market

Expanding into the retail market with a new brand…

- Whilst the NHS prescription market has been quite stable, with rises from annual price inflation, it is under some pressure from cuts to NHS funding. This has led to recent petitions to the UK government (March 2025).
- Juvela is also available without prescription online, and develops new products, such as its flatbreads, which are sold through Tesco and Ocado.
- Management has expanded on this and is diversifying, by introducing a new brand “OAF” for retail, building on the history and quality of the Juvela brand and catering for increasing consumer demand for free-from foods (not just from those with coeliac disease).
- Early reception to the brand has been very good with one leading supermarket intending to stock the full range with an unprecedented national listing, and other leading supermarkets expected to follow.

Source: Company data

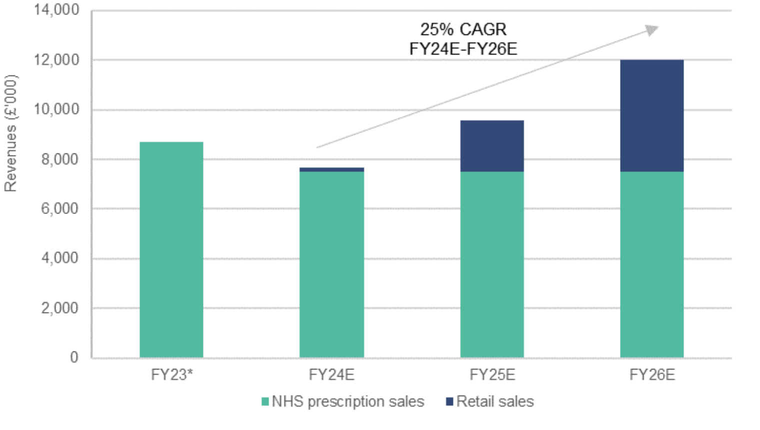
New OAF brand to launch mid- 2025

Source: Company data

…and a new 14-allergen free factory

- To support this expansion, in 4Q24 the business invested in a new allergen-free factory in Wales, near Juvela’s existing facilities.
- Whilst it’s impossible to be completely allergen free, the new factory is free from the 14 most common allergens (gluten – including wheat, rye, barley and oats, tree nuts, peanuts, milk, eggs, sesame, soybeans, celery, fish, molluscs, crustaceans, lupin, mustard, sulphur dioxide and sulphites).
- We anticipate the new factory cost c.£300k capex, incurred in FY24E.
- Whilst the success of a new product range is hard to predict with accuracy, management is anticipating “strong double-digit growth” as it expands into the retail sector. We forecast 25% CAGR in Sales with retail sales building over two years to c.£4.5m, leading to c.£12m sales for Juvela.

Expect retail sales to drive Juvela sales to £12m by FY26E



Source: Company historic data, ED forecasts and analysis

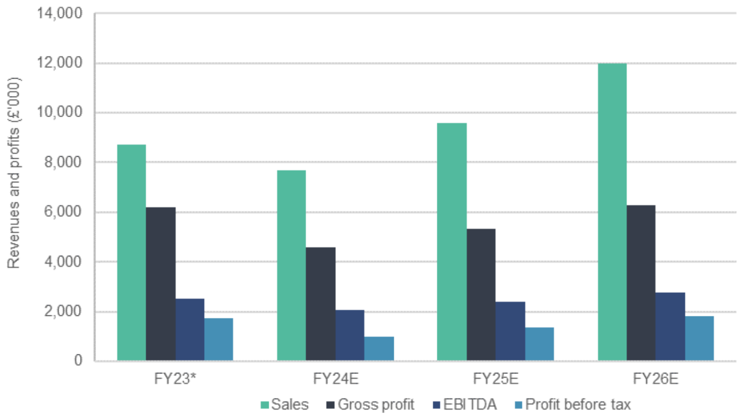
A profitable and growing business

High EBITDA margins and improving cost/sales ratios

- Juvela made sales of £3.8m in 1H24 and we estimate a similar performance in 2H24E leading to FY24E sales of £7.7m. Thereafter we forecast stable NHS sales and growing retail sales.
- Juvela is a highly profitable business with an estimated gross margin of c.60%, an EBITDA margin of 27% and a PBT margin of c.13% in FY24E.
- We expect retail sales to incur additional costs such as listing fees, marketing costs and promotional prices and as such we forecast lower, c.40% gross margins for retail sales.
- However, with some operating cost efficiencies, we forecast a still high 23% EBITDA margin for Juvela (FY26E), and with depreciation and interest leverage we forecast increasing PBT margins to c.15% by FY26E.

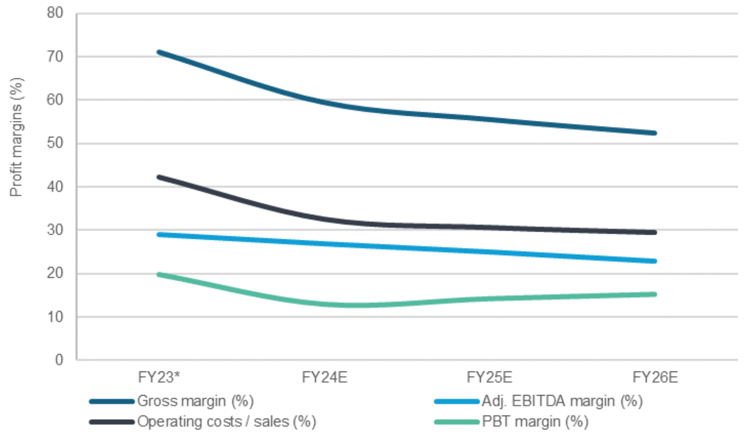
Source: Company data

25% CAGR in Sales to £12m…



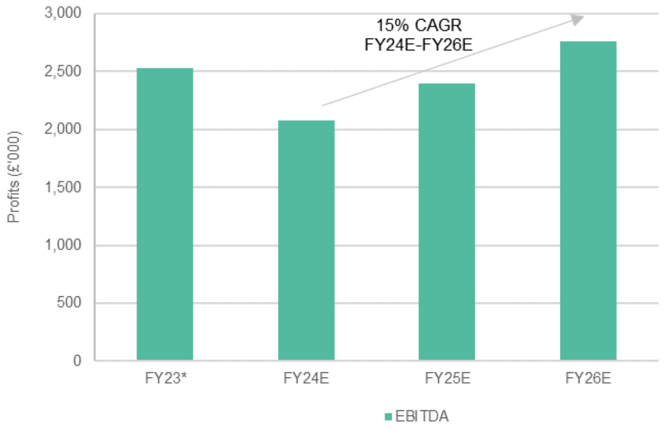
Source: Company historic data, ED forecasts and analysis

…with lower gross margin and lower operating cost/sales…



Source: Company historic data, ED forecasts and analysis

…driving 15% CAGR in EBITDA to c.£2.8m by FY26E



Source: Company historic data, ED forecasts and analysis

Plant-based nutrition: Pulsin and Purely

Pulsin is a c.£3.6m protein bar and snack brand…

- The plant-based nutrition division comprises Pulsin and We Love Purely.
- Pulsin comprises most of the division, contributing c.£3.6m sales in FY24E.
- Pulsin, an award-winning 20-year-old brand based in Gloucestershire, was acquired in July 2021 for total consideration of £6.6m (c.1.0x EV/Sales), comprising £2.4m cash, £2.1m in shares issued, £2.1m in loan notes issued and a small contingent consideration.
- Pulsin's range includes protein and keto bars, protein shakes and powders and recently launched high-fibre brownie bars. The products are typically vegan, gluten-free and high in plant-based protein (often nuts).
- 50g bars typically retail at c.£2 whilst the protein powders typically retail around £10 for c.300g. They can be found in a wide variety of retailers including Amazon, Holland & Barrett, Ocado, Tesco, Boots and others.

…that offers "feel good nutrition"

Source: Company website

We Love Purely is a c.£400k plantain crisp brand…

- We Love Purely Limited was acquired in January 2021 for £295k.
- A healthy snacking brand, it offers a premium plantain crisp product that is stocked in premium retailers such as Harrods, Selfridges, Harvey Nichols, Ocado, Holland & Barrett and others.
- Made from just 3 ingredients (plantains from Ecuador, sunflower oil and sea-salt), the snack is vegan, kosher, gluten-free, dairy-free, low in sugar, high in fibre and potassium and with no preservatives, additives or palm oil.
- It retails at £2 for a 75g bag and receives 4*/5 on Ocado's reviews.
- At 1H24, management said that Purely remains small with revenue of c.£400k p/a, which they intend to further expand once cash constraints are lifted.

…that management intends to develop with investment

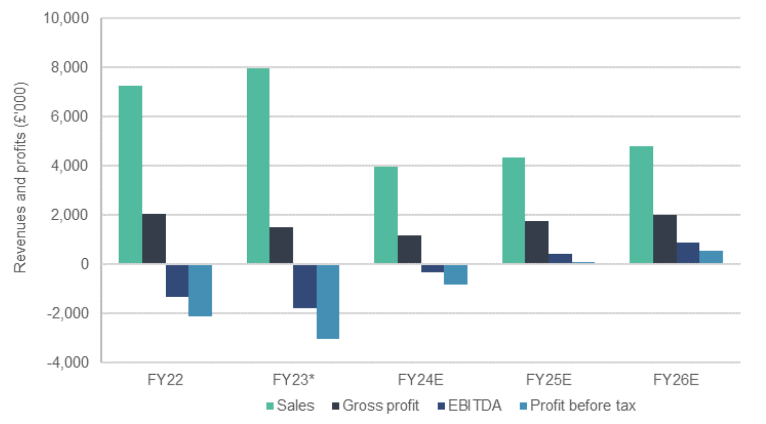
Source: Company website

Pulsin restructuring complete; improving profit trajectory

Cost pressures reviewed and operations restructured

- Historically, in addition to manufacturing its own-brand products Pulsin co-manufactured for third parties, which drove sales to over £7m p/a.
- However, this was becoming increasingly unprofitable and so the business exited its largest contract (worth over £2m) to focus on sales of Pulsin.
- Pulsin then invested in several new products, including 3 new premium flavoured protein powders, and the Amazon distribution channel with increased marketing and margin support, leading to higher own-brand sales but lower profit margins.
- Then in 2024 ingredients costs increased. For example, cocoa prices peaked in April 2024 at over £10k per tonne, partly due to droughts, heavy rains and plant disease in West Africa. Consequently, cocoa butter prices quadrupled.

Pulsin exits contract manufacturing leading to lower sales…

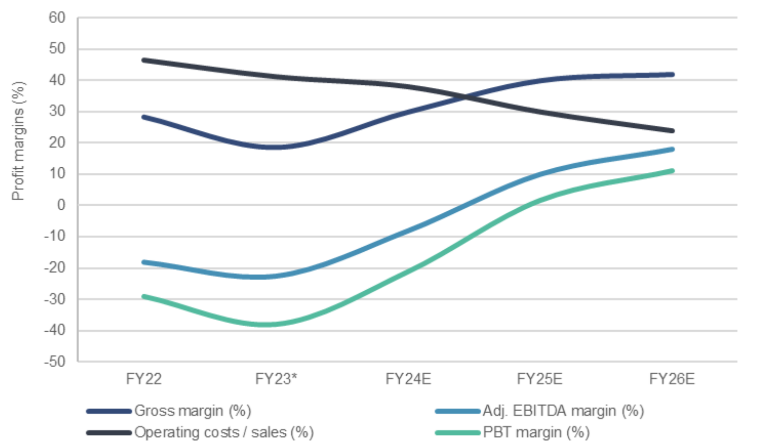


** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

Turnaround to profitability at end FY24E

- Puslin has now emerged from this period of cost pressures with a rationalised, leaner, and underlying profitable business.
- The reduction in contract manufacturing allowed Pulsin to close its costly second warehouse and reduce labour.
- Meanwhile, ingredients inflation has eased with, for example, volatile cocoa prices falling to £6.4k per tonne in April 2025 and some product recipes changed to include less expensive shea butter.
- Furthermore, a review of the supply chain and operations has led to a better managed cost base, led by a strengthened management team.
- Hence in 1H24 the division made stream-lined sales of c.£2m and was almost breakeven at the EBITDA and PBT level (£0.3k loss).

…but improved profit margins



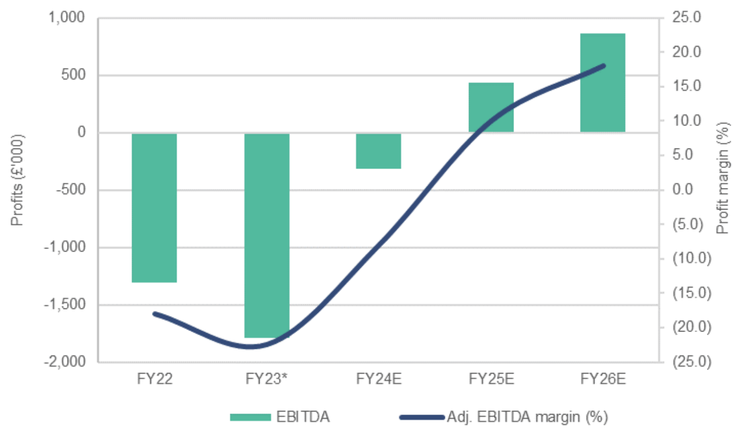
** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

Potential to invest in profitable growth

Structural profitability in sight

- As a result of the restructuring, we believe gross margins will have significantly improved, from 28% in FY22, to a low of 19% in FY23 to c.30% in FY24 and towards management's target of 40%-42% in FY25E.
- At the same time, we forecast operating costs falling from 46% of sales in FY22 to 41% in FY23 to c.38% in FY24 (including the exit costs of the factory and labour) and to a leaner 30% of sales in FY25E and down to 24% in FY26E.
- Hence from EBITDA losses of £1.8m in FY23 we forecast a step change to a 10% EBITDA margin in FY25E, rising to 18% in FY26E, equivalent to c.£440k of EBITDA in FY25E and c.£860k in FY26E.
- Pulsin's growth so far has also been held back by a lack of capital to invest in working capital.

EBITDA margins forecast to improve to high-teens in FY26E

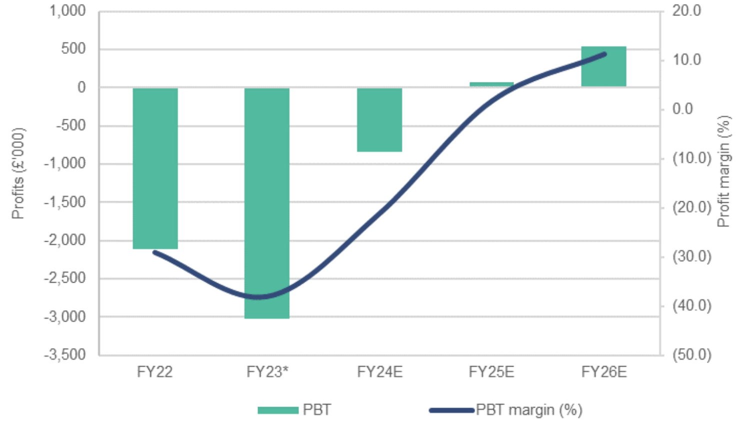


** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

Plant-based nutrition on track for 10%+ PBT margins…

- From this more stable, profitable base, and with the benefit of capital to invest, we also assume sales growth of c.10% p/a from FY25E…
- …and operating leverage over fixed costs such as depreciation of c.£350k per annum.and reducing interest of c.£100k p/a…
- …leading to PBT margins for the division rising to c.2% in FY25E and c.11% in FY26E.

… and £500k profits before tax in FY26E



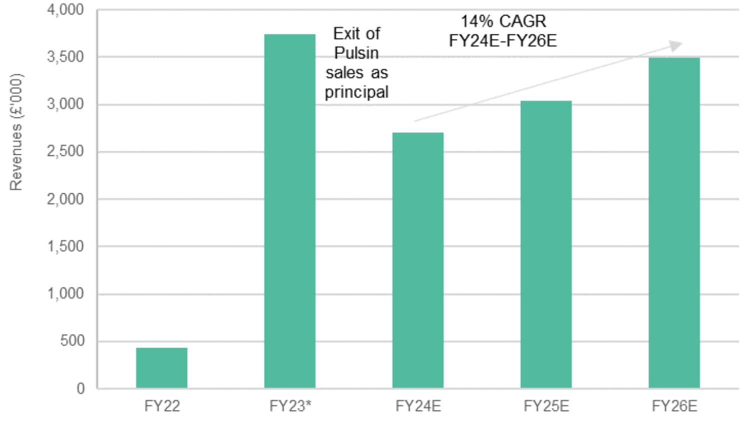
** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

Market Rocket: in-house digital agency and expertise

Bringing technological expertise to online selling

- Market Rocket Limited was established in 2019 then, led by Matthew Peck, became an award-winning and market leading digital tech company specialising in enabling clients to sell more through the Amazon platform.
- It was acquired by SVEN in April 2022 for £1.3m (c.1.6x Sales) comprising £100k cash, £673k in shares, £350k deferred cash consideration and £112k contingent share consideration.
- SVEN then went on to buy two more digital agencies in 2023 including Media Snug which comprised an experienced SEO marketing team, enabling Market Rocket to offer a full range of SEO and digital marketing services.
- Market Rocket then secured partnerships and accreditations with TikTok, Meta, Google and SEMrush in addition to being a member of the Amazon Service Provider Network and a Verified Advertising Partner.

Anticipating at least 10% sales growth from FY25E

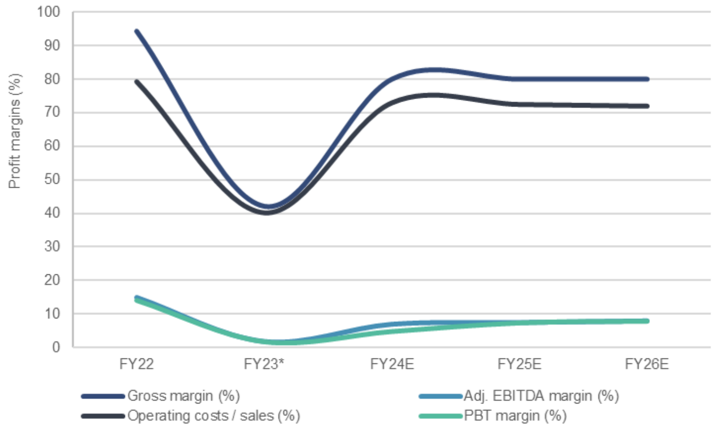


** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

From agent to principal in FY23 and back to agent in FY24…

- In FY23, Market Rocket expanded from its agency business to act as a principal, buying Pulsin stock and selling it via Amazon and other platforms.
- As a part-retailer (under its brand Marketverse), Market Rocket's sales grew to £3.7m for FY23 but with a blended divisional gross margin of 42% versus 94% in FY22 when the business was just agency fees and commissions.
- In 1H24 Market Rocket withdrew from selling as a principal and achieved £1.4m sales and a small operating profit before tax (£29k).
- For 2H24E we forecast a similar outcome leading to FY24E sales of £2.7m at a c.80% gross margin and an EBITDA margin of c.7%, leading to a small profit before tax of £130k.

…leading to the fall, and recovery, in gross margin



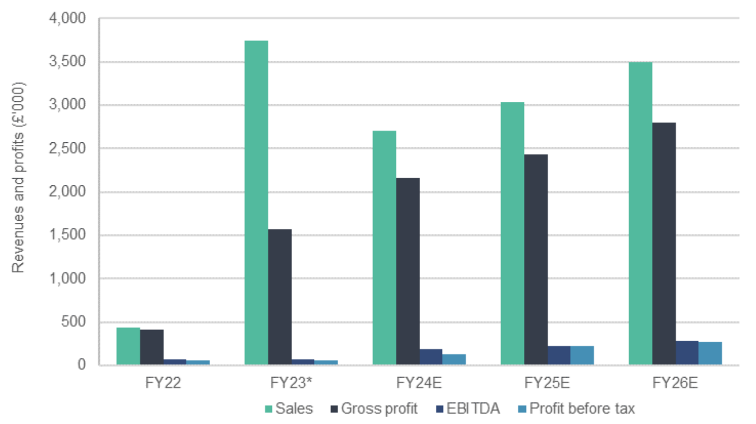
** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

Renewed focus on adding value for clients

Growth outlook for FY25E and beyond

- Market Rocket continues to thrive having accelerated adoption of AI (to prequalify leads), enhancing revenues and value for clients.
- For FY25E we forecast 12.5% revenue growth, rising to 15% in FY26E, and a c.80% gross margin on commissions and fees.
- We estimate Market Rocket made a c.5% EBITDA margin in 1H24 and assume this can continue to growth to c. 7.5% in FY25E, rising to 8.0% in FY26E.
- With little depreciation or interest for the division, EBITDA drops through to an estimated PBT of c.£275k in FY26E.

EBITDA drops through to PBT…

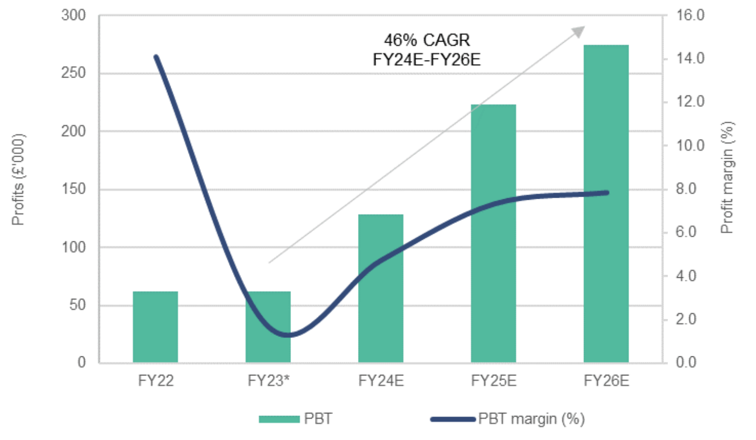


** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

Potential to increase profit margins further

- If Market Rocket were able to grow sales whilst also reducing further its cost to serve (c. 73% of commissions/fees) then the drop through to EBITDA could be significant.
- Each 1% of costs saves c.£20k, adding 0.7ppts to the divisional EBITDA margin.
- Hence operating leverage, saving 5% of costs or c.£100k would increase the divisional EBITDA margin to c.11%.

…leading to over 40% CAGR in PBT to c.£275k in FY26E



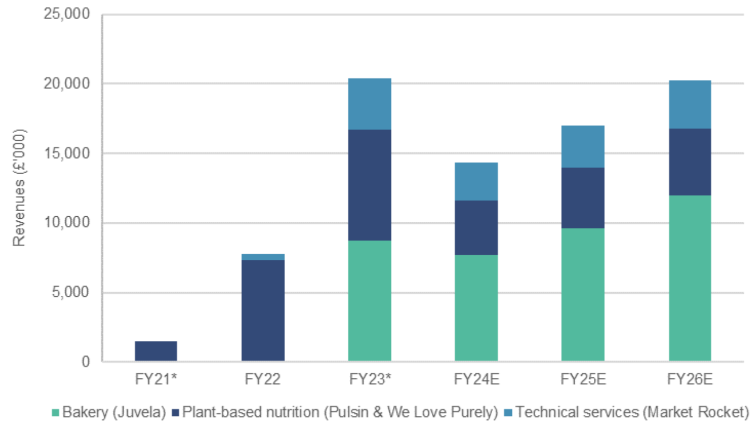
** FY23 is 15 months; Source: Company historic data, ED forecasts and analysis*

Portfolio financials and forecasts

A relatively short trading history

- Our analysis of the Portfolio and forecasts are based on SVEN's accounts. Since incorporation SVEN has reported:
  - FY21 (c.15 months to 30 Sept 2021);
  - FY22 (12 months to 30 Sept 2022);
  - FY23 (15 months to 31 Dec 2023) - the year-end was changed to make it coterminous with Juvela (consolidated for 12 months); and
  - most recently 1H24, unaudited results for 6 months to 30 June 2024.
- It is also worth mentioning that in addition to the change in reporting periods and the timing of acquisitions and closure of some discontinued investments, the change in business strategy at Pulsin and Market Rocket makes the extrapolation of historic trading figures more complicated.

FY24E Sales split 53% Juvela, 25% Pulsin and tech c.20%

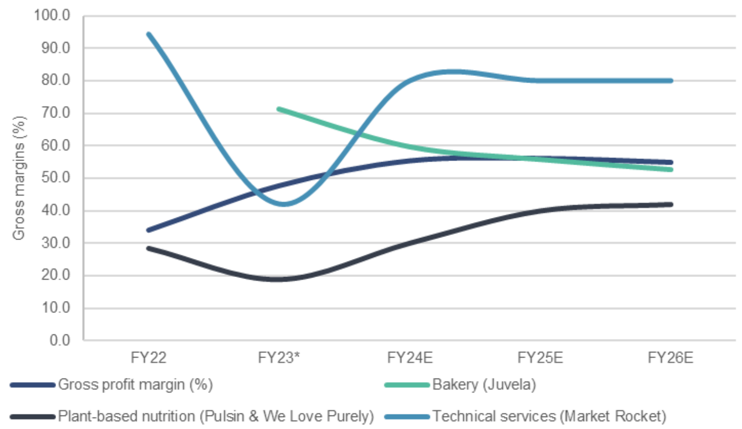


** 15 months; Source: Company historic data, ED forecasts and analysis*

EBITDA positive in 1H24 as business is restructured

- The 1H24 results reflect the ongoing shape of the Portfolio (as it is currently) with 1H24 Sales of £7.2m and EBITDA of £0.8m, an EBITDA margin of 11%.
- After group depreciation & amortisation of £0.7m and interest of £0.6m, the PBT loss was just £0.5m, which we believe can be turned around by FY26E.
- As discussed in our divisional comments, gross margin for Juvela is likely to decrease as retail sales increase, Pulsin gross margin is increasing as lower margin contract manufacturing is exited and Market Rocket gross margin is rebounding after the exit of acting as a principal, retailing Pulsin products.
- The net effect is a jump from a 47.6% gross margin in FY23 to an estimated 55% in FY24E and around 55%-56% thereafter (in-line with the 1H24 gross margin of 55.3%).

Portfolio gross margins estimated at c.55% from FY24E



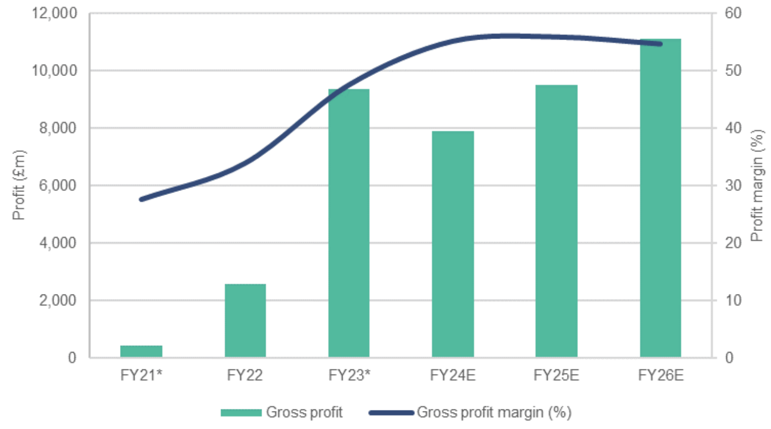
** 15 months; Source: Company historic data, ED forecasts and analysis*

The path to double-digit EBITDA margins

Portfolio EBITDA anticipated to rise to nearly £3m in FY26E

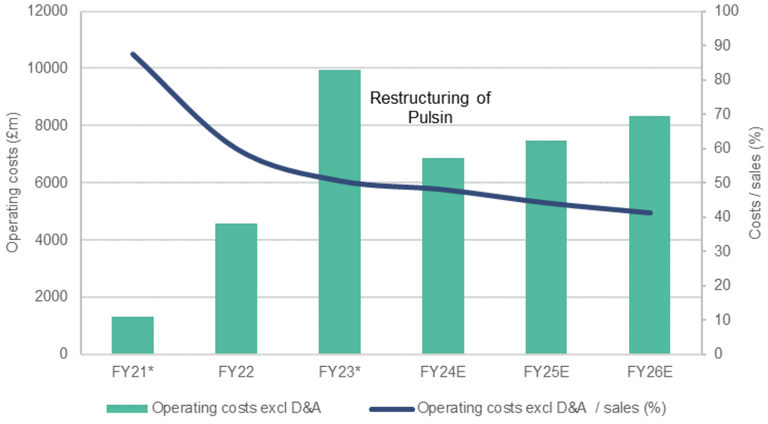
- At the same time as the gross margin is rising, we estimate operating costs (excluding depreciation and amortisation) will fall from 50.5% of sales in FY23 towards 41% of sales in FY26E, helped by the restructuring of Pulsin and economies of scale as the business grows.
- The 1H24 operating costs / sales ratio of 44% gives us confidence this is a reasonable forecast.
- The net impact is that having made £0.8m EBITDA in 1H24, an EBITDA margin of 11.3%, we forecast c.£1m EBITDA for FY24E (after some exit costs and professional fees in 2H24).
- For FY25E and FY26E we forecast a Portfolio EBITDA margin of c.12% rising to c.13.6% and EBITDA rising to an estimated £2.8m in FY26E.

Gross margin rising to c.55%, in line with 1H24



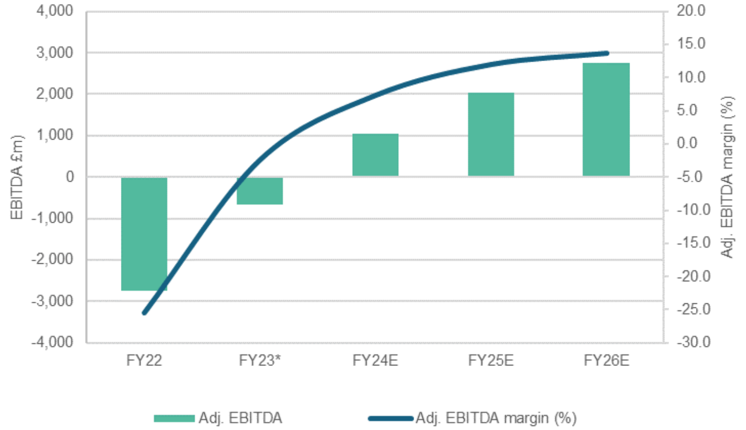
** 15 months; Source: Company historic data, ED forecasts and analysis*

Operating costs to fall towards 41% of sales (1H24 44%)



** 15 months; Source: Company historic data, ED forecasts and analysis*

EBITDA margin rising to c.14% (1H24 11.3%)



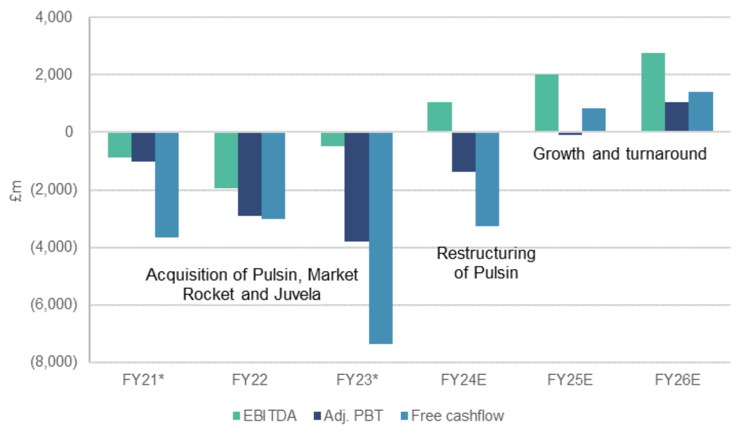
** 15 months; Source: Company historic data, ED forecasts and analysis*

Positive EBITDA drives cashflow and reduced net debt

Free cashflow anticipated to turn positive in FY25E

- The improving trajectory of EBITDA also converts into positive cashflow.
- For FY25E and FY26E we forecast a small working capital outflow and maintenance capex equal to 1% of sales with no major capital projects planned since the opening of the new Juvela factory in 4Q24.
- As such we forecast free cashflow of c.£800k in FY25E rising to £1.4m in FY26E for the Portfolio.
- For FY24E however we anticipate a £3.3m free cash outflow as the RGO and other loans were used to pay some outstanding trade payables, including the £1m outstanding consideration for Juvela.

A more profitable, cash generative outlook

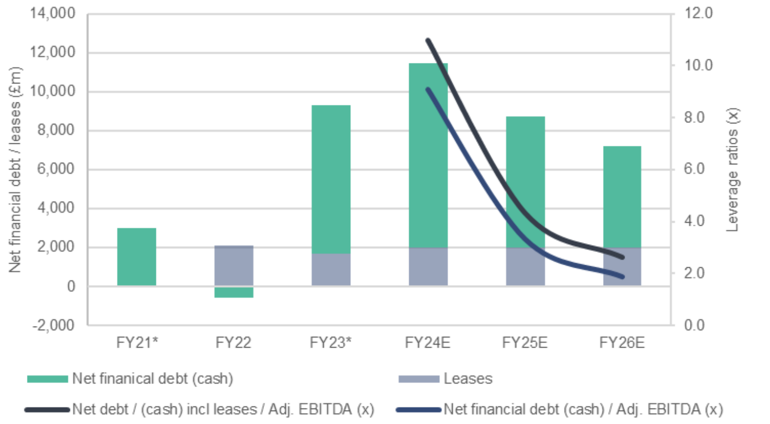


** 15 months; Source: Company historic data, ED forecasts and analysis*

Net financial debt anticipated to fall to c.£6.7m…

- As such we forecast net financial debt for the Portfolio of c.£10.9m for FY24E (and £2m of leases), falling to c.£6.0m in FY25E after the RGO and other loans are converted to equity or are cancelled.
- This implies the Portfolio's leverage ratios will fall substantially from 12.3x net debt including leases / EBITDA for FY24E to an implied 3.9x in FY25E and 2.4x in FY26E.
- RGO cash and investments will also serve to reduce net debt post-acquisition.
- We present our detailed financial forecasts in tables after discussing valuation considerations next.

…leading to leverage ratios coming down to < 3x in FY26E



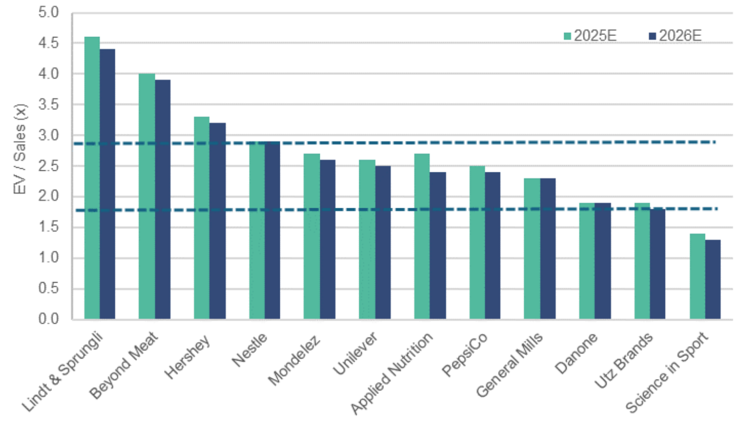
** 15 months; Source: Company historic data, ED forecasts and analysis*

Valuation considerations

Comparable companies: the mega-cap global generalists…

- In our view, investors tend to value consumer stocks on peer group multiples looking out 18-24 months to account for different growth rates and margins.
- However, choosing valuation peers for the Portfolio is a challenge as although the Portfolio operates in the wider consumer food market, most of these international consumer food producers are much larger (average market capitalisation £65bn), with low sales growth (average 2.8% Sales 2-year CAGR) and higher EBITDA margins (average 15.3% for 2025).
- Nevertheless, we have selected a basket of 10 global consumer food companies that either operate in the snacks, healthier snacks or bakery market and we include in this group Beyond Meat Inc as a plant-based food manufacturer even though it does not share the same valuation characteristics as the others (it's much smaller and loss-making).

Median EV / Sales range from 1.8x – 2.9x

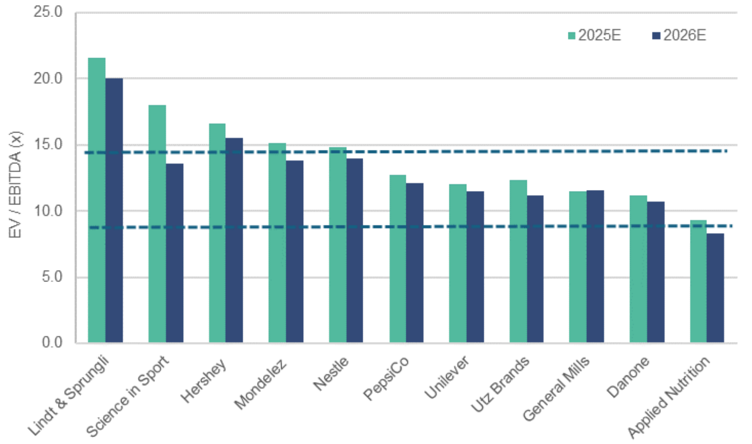


Source: KoyFin, ED analysis

…and the smaller UK specialists

- Of more direct comparison (at least to Pulsin) would be UK specialists, Applied Nutrition and Science in Sport.
- Applied Nutrition plc (market cap £275m - it listed in October 2024 with a market cap of £350m), manufactures and retails a wide variety of sports nutritional products and is forecast to grow sales at a CAGR of 14%. It also offers a high EBITDA margin of nearly 30%. It trades on 2.4x 2026E EV/Sales and a relatively low 8.3x 2026E EV/EBITDA.
- Science in Sport plc (market cap £63m) also manufactures and retails a wide variety of sports nutritional products (including under the PhD nutrition brand). It is forecast to grow sales at a CAGR of 12%, at an estimated 8% EBITDA margin. It trades on 1.3x Cal 2026E EV/Sales and 13.6x 2026E EV/EBITDA.

Median EV / EBITDA range from 11x – 15x

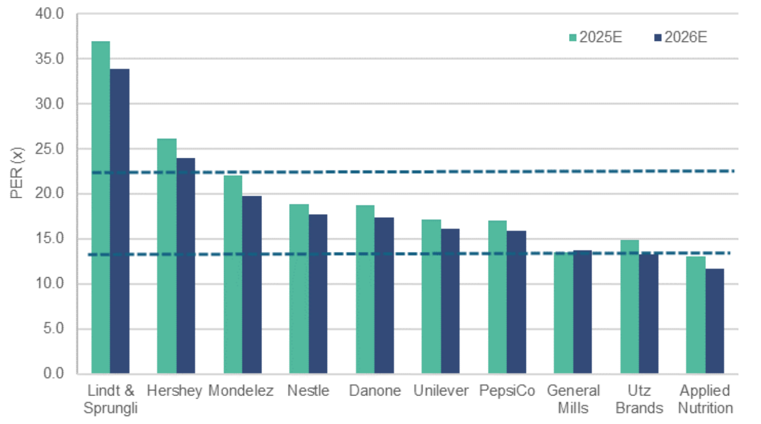


Source: KoyFin, ED analysis

Portfolio valuation: c.£18m equity and c.£31m enterprise

- Our approach to deriving our fair value for the Portfolio is to take the median ranges of the peer group (i.e. excluding the outliers) across 5 metrics: EV/Sales and EV/EBITDA for both 2025E and 2026E and PER for 2026E. We do not include PER for 2025E as we forecast a small net income loss.
- As shown in the table below, the average implied Enterprise Value at the low end is £29.5m and at the upper end is £44m, with an average of £37m. After deducting £10.9m FY24E net debt and £2m leases we infer an average equity value of c.£24m.
- To this we apply a c.25% discount to reach an equity valuation of c.£18m to reflect the higher risk to our Portfolio forecasts, given, for example, that Juvela is soon to launch its OAF brand for retail, the key driver of the Portfolio's sales growth.
- With time, and delivery of sales growth and profitability, we would expect the Portfolio to be valued more highly.

Median PER ranges from 13x – 22x



Source: KoyFin, ED analysis

Valuation range analysis suggests an EV of £36m

	Portfolio input	Metric range (x)		Implied Enterprise Value £m		
	£m	Low	High	Low	High	Average
EV / Sales 2025E	17.0	1.9	2.9	32.3	49.3	40.8
EV / Sales 2026E	20.3	1.8	2.9	36.5	58.8	47.7
EV / EBITDA 2025E	2.0	11.2	16.6	22.7	33.6	28.2
EV / EBITDA 2026E	2.8	10.7	15.5	29.6	42.8	36.2
PER 2026E	1.0	13.3	20.0	26.7	33.6	30.1
Average EV £m				**29.5**	**43.6**	**36.6**

Source: ED analysis

Portfolio valuation = 1.5x 2026E Sales / c.11x 2026E EBITDA

Valuation ratios		
Implied average equity valuation		£23.7m
Discount to average peer valuation		25%
Implied Equity Value		£17.8m
Implied Enterprise Value		£30.7m
Valuation multiples	**2025E**	**2026E**
EV / Sales (x)	1.8	1.5
EV / EBITDA (x)	15.1	11.1
PER (x)		17.2

Source: ED analysis

- The following table shows valuation metrics for our basket of 12 consumer goods companies which range from small-cap UK specialists to mega-cap global food producers.
- Most of the global companies offer modest sales growth (with the exception of Lindt & Sprungli offering 9% sales CAGR and trading on high multiples).
- Beyond Meat has collapsed from its heady 2019-2022 valuation and stands out as being loss-making, and low growth, but still trades on c.4x EV/Sales, given significant net debt (3.1x sales).

Selected Consumer Goods Comparable Valuation Metrics

Company	Market cap	Sales 2 years	EBITDA margin	PBT margin	EV / Sales (x)		EV / EBITDA (x)		PER (x)		Dividend yield
	£m	CAGR	2025E	2025E	2025E	2026E	2025E	2026E	2025E	2026E	2025E
Applied Nutrition	275	14.3	28.6	28.4	2.7	2.4	9.3	8.3	13.0	11.7	0.0%
Science in Sport	63	12.2	8.0		1.4	1.3	18.0	13.6			0.0%
Average UK specialist	**169**	**13.2**	**18.3**	**28.4**	**2.1**	**1.9**	**13.7**	**11.0**	**13.0**	**11.7**	**0.0%**
Beyond Meat	159	0.1	-19.6	-33.3	4.0	3.9					0.0%
Danone	39,426	5.2	17.3	12.1	1.9	1.9	11.2	10.7	18.7	17.4	3.1%
General Mills	24,305	-1.3	20.0	14.8	2.3	2.3	11.5	11.6	13.5	13.7	4.4%
Hershey Company	25,227	0.9	19.6	12.6	3.3	3.2	16.6	15.5	26.2	24.0	3.5%
Lindt & Sprungli	24,715	9.0	21.5	15.9	4.6	4.4	21.6	20.0	37.0	33.9	1.4%
Mondelez International	64,964	2.3	17.7	13.3	2.7	2.6	15.1	13.8	22.1	19.8	3.0%
Nestle	202,498	5.1	19.9	14.4	2.9	2.9	14.8	14.0	18.9	17.7	3.6%
PepsiCo	150,624	1.0	19.8	15.5	2.5	2.4	12.7	12.1	17.0	15.9	4.0%
Unilever	114,613	4.6	21.3	17.6	2.6	2.5	12.0	11.5	17.1	16.1	3.5%
Utz Brands	1,393	1.4	15.2	10.4	1.9	1.8	12.3	11.2	14.9	13.3	2.0%
Average consumer	**64,792**	**2.8**	**15.3**	**9.3**	**2.9**	**2.8**	**14.2**	**13.4**	**20.6**	**19.1**	**2.8%**
Average		**4.6**	**15.8**	**11.1**	**2.7**	**2.6**	**14.1**	**12.9**	**19.8**	**18.4**	**2.4%**

Note: Profits are adjusted for exceptionals; December year-end; *Source: KoyFin, ED analysis (share prices at 9 April 2025)*

Financial forecast tables

Divisional Summary								
Year-end 31 Dec, £'000	**FY21***	**FY22**	**FY23***	**1H24**	**2H24E**	**FY24E**	**FY25E**	**FY26E**
Bakery (Juvela)		104	8,722	3,797	3,878	7,675	9,594	11,993
PBN (Pulsin & Purely)	1,526	7,254	7,968	1,980	1,980	3,960	4,356	4,792
Tech services (Market Rocket)		439	3,739	1,423	1,277	2,700	3,038	3,493
Administration		4	30					
Total Net Sales Revenues	**1,526**	**7,801**	**20,459**	**7,200**	**7,135**	**14,335**	**16,988**	**20,277**
Deduct: Discontinued ops		173	801					
Sales excl discontinued	**1,526**	**7,628**	**19,658**	**7,200**	**7,135**	**14,335**	**16,988**	**20,277**
Sales growth (%)						*-30*	*19*	*19*
Bakery (Juvela)		(184)	2,529	949	1,123	2,072	2,399	2,758
PBN (Pulsin & Purely)		(1,307)	(1,789)	(30)	(287)	(317)	436	862
Tech services (Market Rocket)		66	68	67	122	189	228	279
Administration		(1,305)	(1,481)	(171)	(729)	(900)	(1,035)	(1,139)
EBITDA		**(2,730)**	**(673)**	**815**	**230**	**1,045**	**2,027**	**2,762**
Consolidation adj		1,058	(2,019)					
Deduct: Discontinued ops		(377)	(2,100)					
EBITDA excl discontinued		**(1,295)**	**(592)**	**815**	**230**	**1,045**	**2,027**	**2,762**
Bakery (Juvela)			29.0	25.0	29.0	27.0	25.0	23.0
PBN (Pulsin & Purely)		(18.0)	(22.5)	(1.5)	(14.5)	(8.0)	10.0	18.0
Tech services (Market Rocket)		15.0	1.8	4.7	9.6	7.0	7.5	8.0
EBITDA margin (%)		**(35.0)**	**(3.3)**	**11.3**	**3.2**	**7.3**	**11.9**	**13.6**

*Note: 2H24E PBN EBITDA includes some one-off costs for exiting the factory and labour; 2H24E Administration costs include c.£500k of recurring professional fees; PBN = Plant-based nutrition; * 15 months; FY21 and FY22 to Sept; Source: Company historic data, ED forecasts and analysis*

Profit & Loss Summary: Revenue to operating profit								
Year-end 31 Dec, £'000	**FY21***	**FY22**	**FY23***	**1H24**	**2H24E**	**FY24E**	**FY25E**	**FY26E**
Gross sales			**21,731**	**7,976**	**7,908**	**15,884**	**18,822**	**22,467**
Trading discounts and listing costs			(2,073)	(776)	(772)	(1,548)	(1,835)	(2,190)
Group Net Sales	**1,526**	**7,628**	**19,658**	**7,200**	**7,135**	**14,335**	**16,988**	**20,277**
Sales growth (%)						*-27.1*	*18.5*	*19.4*
Listing % of gross sales (%)			9.5	9.7	9.8	9.7	9.7	9.7
Cost of sales	(1,105)	(5,040)	(10,300)	(3,220)	(3,197)	(6,417)	(7,478)	(9,173)
Gross profit	**421**	**2,588**	**9,358**	**3,980**	**3,938**	**7,918**	**9,510**	**11,104**
Gross profit margin (%)	*27.6*	*33.9*	*47.6*	*55.3*	*55.2*	*55.2*	*56.0*	*54.8*
Other income	31	45	90	0				
Operating costs, Adj. ex D&A	(1,336)	(4,573)	(9,928)	(3,165)	(3,709)	(6,874)	(7,483)	(8,342)
Adj. EBITDA	**(884)**	**(1,940)**	**(480)**	**815**	**230**	**1,045**	**2,027**	**2,762**
Adj. EBITDA margin (%)	*-57.9*	*-25.4*	*-2.4*	*11.3*	*3.2*	*7.3*	*11.9*	*13.6*
Op. costs ex D&A / sales (%)	*87.6*	*60.0*	*50.5*	*44.0*	*52.0*	*47.9*	*44.1*	*41.1*
Depreciation of PPE	(69)	(319)	(553)	(287)	(279)	(566)	(369)	(319)
Depreciation of ROUA	(13)	(275)	(441)	(123)	(123)	(247)	(308)	(310)
Amortisation		(285)	(1,088)	(305)	(305)	(610)	(701)	(631)
Depreciation & amortisation	(83)	(880)	(2,082)	(715)	(707)	(1,422)	(1,378)	(1,260)
D&A / sales (%)	*5.4*	*11.5*	*10.6*	*9.9*	*9.9*	*9.9*	*8.1*	*6.2*
Share of post-tax associates	(1)							
Adj. Operating profit	**(967)**	**(2,820)**	**(2,562)**	**100**	**(478)**	**(378)**	**649**	**1,502**
Adj. Operating margin (%)	*-63.4*	*-37.0*	*-13.0*	*1.4*	*-6.7*	*-2.6*	*3.8*	*7.4*

** 15 months; FY21 and FY22 to Sept; Source: Company historic data, ED forecasts and analysis*

Profit & Loss Summary: Operating profit to Net income								
Year-end 31 Dec, £'000	**FY21***	**FY22**	**FY23***	**1H24**	**2H24E**	**FY24E**	**FY25E**	**FY26E**
Adj. Operating profit	**(967)**	**(2,820)**	**(2,562)**	**100**	**(478)**	**(378)**	**649**	**1,502**
Interest on financial debt	(38)	19	(846)	(578)	(297)	(875)	(578)	(307)
Interest on lease liabilities	(17)	(108)	(153)	(67)	(67)	(134)	(159)	(159)
Other finance costs			(250)					
Interest receivable & other	16	16	6	3				
Finance costs	(38)	(73)	(1,243)	(642)	(367)	(1,009)	(736)	(467)
Adj. PBT	**(1,005)**	**(2,893)**	**(3,805)**	**(542)**	**(844)**	**(1,386)**	**(87)**	**1,035**
Adj. PBT margin (%)	*-65.9*	*-37.9*	*-19.4*	*-7.5*	*-11.8*	*-9.7*	*-0.5*	*5.1*
Finance costs / sales (%)	*2.5*	*1.0*	*6.3*	*8.9*	*5.1*	*7.0*	*4.3*	*1.5*
Exceptional costs		645	(239)	27	0	27		
PBT	**(1,005)**	**(2,248)**	**(4,044)**	**(515)**	**(844)**	**(1,359)**	**(87)**	**1,035**
Tax	156	(152)	(399)	0	0	0	0	0
Adj. PAT	**(849)**	**(3,045)**	**(4,204)**	**(542)**	**(844)**	**(1,386)**	**(87)**	**1,035**
Reported PAT	(849)	(2,400)	(4,443)	(515)	(844)	(1,359)	**(87)**	**1,035**
Loss after tax for discontinued ops		(1,074)	(2,191)					
Total PAT	**(849)**	**(3,474)**	**(6,634)**	**(515)**	**(844)**	**(1,359)**	**218**	**1,005**

** 15 months; FY21 and FY22 to Sept; Source: Company historic data, ED forecasts and analysis*

Cashflow								
Year-end 31 Dec, £'000	**FY21***	**FY22**	**FY23***	**1H24**	**2H24E**	**FY24E**	**FY25E**	**FY26E**
Adj. EBITDA	**(884)**	**(1,940)**	**(480)**	**815**	**230**	**1,045**	**2,027**	**2,762**
Add back SBP charge	40							0
Change in inventories	(32)	(637)	70	585	(1)	584	(254)	(305)
Change in trade receivables	(772)	(99)	1,195	(689)	(488)	(1,177)	(406)	(893)
Change in trade payables	365	662	882	(960)	(1,105)	(2,065)	691	829
Working capital movement	**(439)**	**(74)**	**2,147**	**(1,064)**	**(1,594)**	**(2,658)**	**31**	**(369)**
Net financial interest paid	11	(59)	(956)	(339)	(536)	(875)	(578)	(307)
Interest paid on lease liabilities	(17)	(41)	(33)	(39)	(95)	(134)	(159)	(159)
Lease payments (principal)	135	(309)	(611)	(9)	(238)	(247)	(308)	(310)
Tax paid	0	(126)	0	0	0	0	0	0
Exceptionals (cash)								
Other								
Capex	(147)	(366)	(15)	(47)	(353)	(400)	(170)	(203)
M&A	(2,349)	(100)	(7,425)	0				
Disposals								
Other								
Capex	**(2,496)**	**(466)**	**(7,440)**	**(47)**	**(353)**	**(400)**	**(170)**	**(203)**
Discontinued ops cashflow								
Free cashflow	**(3,649)**	**(3,015)**	**(7,373)**	**(683)**	**(2,586)**	**(3,269)**	**843**	**1,413**
Dividends								
Share buy backs / equity issues	6,219	5,073	352	0			4,100	
Other								
Net cashflow	**2,570**	**2,058**	**(7,021)**	**(683)**	**(2,586)**	**(3,269)**	**4,943**	**1,413**

** 15 months; FY21 and FY22 to Sept; Source: Company historic data, ED forecasts and analysis*

Net debt metrics, £m

Year-end 31 Dec, £'000	FY21*	FY22	FY23*	1H24	2H24E	FY24E	FY25E	FY26E
Gross financial debt	(3,132)	(1,190)	(7,949)	(9,222)		(9,222)	(5,120)	(5,122)
Net cash	155	1,782	305	679		(1,693)	(850)	564
Net financial (debt) / cash	**(2,977)**	**592**	**(7,644)**	**(8,543)**		**(10,915)**	**(5,970)**	**(4,558)**
Leases	0	(2,120)	(1,676)	(1,811)		(1,984)	(1,993)	(2,002)
Net (debt) / cash incl leases	**(2,977)**	**(1,528)**	**(9,320)**	**(10,354)**		**(12,899)**	**(7,963)**	**(6,561)**
Net financial (cash) / Adj. EBITDA (x)	(3.4)	0.3	(15.9)			10.4	2.9	1.7
Net debt / Adj. EBITDA (x)	**(3.4)**	**(0.8)**	(19.4)			12.3	3.9	2.4

** 15 months; FY21 and FY22 to Sept; Source: Company historic data, ED forecasts and analysis*

Balance Sheet: Assets

Year-end 31 Dec, £'000	FY21*	FY22	FY23*	1H24	2H24E	FY24E	FY25E	FY26E
Property, plant and equipment	1,220	2,027	2,264	1,405		1,475	1,276	1,160
Right of use assets	1,694	1,419	1,233	1,523		1,541	1,550	1,559
Intangible assets (Goodwill)	6,658	3,898	3,463	3,462		3,463	3,463	3,463
Other intangible assets	54	2,990	7,620	7,204		7,010	6,309	5,678
Investment in jvs & associates	30	30	30	30		30	30	30
Deferred & other tax assets	199							
Non-current assets	**9,855**	**10,364**	**14,610**	**13,624**		**13,519**	**12,628**	**11,890**
Inventories	1,220	1,647	1,856	1,272		1,272	1,526	1,832
Trade and other receivables	2,122	2,599	2,882	2,619		4,059	4,465	5,358
Current tax assets	27							
Cash & cash equivalents	155	1,782	305	679		(1,693)	(850)	564
Current assets	**3,524**	**6,028**	**5,043**	**4,570**		**3,638**	**5,142**	**7,754**

** 15 months; FY21 and FY22 to Sept; Source: Company historic data, ED forecasts and analysis*

Balance Sheet: Liabilities								
Year-end 31 Dec, £'000	**FY21***	**FY22**	**FY23***	**1H24**	**2H24E**	**FY24E**	**FY25E**	**FY26E**
Bank overdraft & s/t loans	(798)	(998)	(1,513)	(2,724)		(2,724)	(624)	(624)
Trade payables and other liabilities	(1,979)	(3,263)	(5,522)	(3,456)		(3,456)	(4,147)	(4,977)
Lease liabilities		(434)	(1,676)	(1,811)		(1,984)	(1,993)	(2,002)
Current tax liabilities	(408)	(323)						
Current liabilities	**(3,185)**	**(5,018)**	**(8,711)**	**(7,991)**		**(8,164)**	**(6,764)**	**(7,603)**
Capital employed	**10,194**	**11,374**	**10,942**	**10,203**		**8,993**	**11,006**	**12,041**
Bank borrowings	(2,322)	(192)	(6,438)	(6,498)		(6,498)	(4,498)	(4,498)
Lease liabilities		(1,686)						
Trade and other payables			(439)	(440)		(440)	(440)	(440)
Non-current liabilities	**(2,322)**	**(1,878)**	**(6,877)**	**(6,938)**		**(6,938)**	**(4,938)**	**(4,938)**
Net assets	**7,872**	**9,496**	**4,065**	**3,265**		**2,055**	**6,068**	**7,103**
Shareholders' funds	**7,872**	**9,496**	**4,063**	**3,266**		**2,055**	**6,068**	**7,103**

** 15 months; FY21 and FY22 to Sept; Source: Company historic data, ED forecasts and analysis*

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