

# Liquid Oxygen Skincare

Overview Presentation 2025

Breakthrough Oxygen Science



# EXECUTIVE SUMMARY



**Liquid Oxygen**® is a science-based skincare company that has developed a **proprietary method of encapsulating stabilized oxygen** into liquids, gels, and lotions, which kills bacteria and viruses on contact

## The Acne Epidemic

- Acne is the **8th most prevalent disease** globally, affecting **50 million people** in the U.S. every year
- People with acne have a **63% increased risk** of developing depression

## The Liquid Oxygen® Solution

- Common acne is **anaerobic bacteria**, meaning it cannot grow in the presence of oxygen
- Liquid Oxygen® has developed a proprietary technology to **encapsulate oxygen** into liquids, gels and lotions
- In **9 independent studies**, all Liquid Oxygen® acne treatment products were proven to kill acne causing bacteria by **>99.999% on contact**

## The Acne Market Opportunity

- The U.S. acne treatment market was valued at **\$5Bn** in 2022 with an expected CAGR of **4.7%** between 2023 and 2030
- The leading over-the-counter acne treatment, **benzoyl peroxide**, has been shown to cause **skin irritation** and a potential to break down into **cancer-causing chemical benzene**

# COMPANY OVERVIEW



## Product

- Liquid Oxygen® is a **direct-to-consumer over-the-counter acne treatment** that is approved by the FDA
- Liquid Oxygen® has developed **37 additional SKUs** in the skincare and personal care space utilizing its **proprietary oxygen science**



## Operations

- Corporate HQ in Jupiter, Florida; operational HQ Atlanta, Georgia
- **220,000 sq ft** manufacturing facility outside Chicago utilizing **150-250 workers** to scale production
- Fulfillment Center headquartered in Plainville, MA with East and West Coast warehouse locations

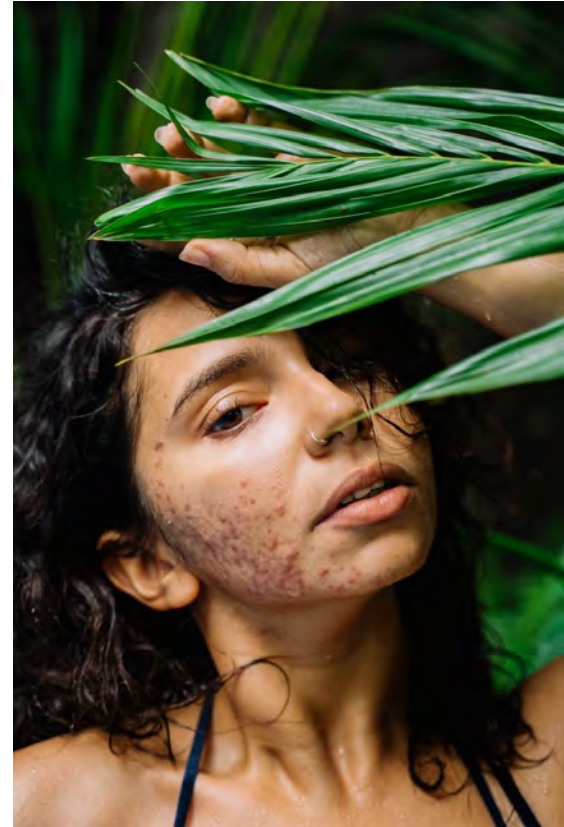
## Strategic Partnerships

- Creative strategy agency **No Fixed Address** to build brand awareness and drive sales in key markets through targeted advertising
- Leading PR and Communications agency **Praytell** to develop and execute media outreach and influencer strategy
- **PACER**, the country's largest anti-bullying organization, maximizing reach and impact on acne sufferers



# THE ACNE EPIDEMIC

- Acne vulgaris, the chronic inflammatory and recurrent skin condition, is the **8th most prevalent disease** globally, affecting more than **50 million** individuals in the U.S. every year<sup>1</sup>
- There is a **63% increased risk** of developing depression in a person with acne<sup>2</sup>
- This emotional stress can **increase inflammation** in the body, worsening acne symptoms<sup>3</sup>
- Doctors are increasingly treating acne as a **significant mental health risk**<sup>4</sup>



<sup>1</sup>Fortune Business Insights: U.S. Acne Treatment Market Size

<sup>2</sup>Risk of depression among patients with acne in the U.K.: a population-based cohort study. British Journal of Dermatology, 2018

<sup>3</sup>Healthline: *Why the Link Between Your Mind and Skin May Be Stronger Than You Think*

<sup>4</sup>Insider: *A study finally finds a link between acne and depression. Experts say it could help people with skin conditions to get mental health support*



# THE LIQUID OXYGEN® SOLUTION

- Common acne is caused by **anaerobic bacteria**, meaning it cannot grow in the presence of oxygen
- Topical dissolved oxygen applied under pressure through devices like **hyperbaric chambers** penetrates the epidermis into the dermis where oxygen is attracted to and neutralizes diseased cells
- Liquid Oxygen® has developed a **proprietary over-the-counter technology** to encapsulate oxygen into liquids, gels and lotions
- The encapsulated oxygen **kills the anaerobic acne bacteria** on the surface (epidermis), while the salicylic acid works to remove dead skin cells, allowing for **deeper penetration of the oxygen** into the dermis and sebaceous glands to kill the remaining anaerobic bacteria
- In **9 independent studies**, all Liquid Oxygen® acne treatment products were found to kill acne-causing bacteria by **>99.999%** on contact



Day 0

Day 7

Day 21



## STATE OF THE ACNE MARKET

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- The U.S. acne treatment market was valued at **\$5 Bn** in 2022 with an expected CAGR of **4.7%** between 2023 and 2030<sup>1</sup>
- **58%** of all consumers say that a product **not getting rid of acne quickly** is their top complaint about acne products<sup>2</sup>
- **46%** of consumers say their products are **too drying** on the skin<sup>2</sup>

Liquid Oxygen<sup>®</sup>'s proprietary Oxygen Science is clinically proven to kill **greater than 99.999%** of common acne bacteria on contact<sup>3</sup>

<sup>1</sup>Fortune Business Insights

<sup>2</sup>Acne: What Consumers Want, Jennifer Stansbury, The Benchmarking Company

<sup>3</sup>Consumer Product Testing Labs; Eurofins Laboratories



# THE BENZOYL PEROXIDE PROBLEM

## Acne Products Recalled for Benzene Contamination



- In March 2024, independent U.S. lab Valisure conducted a study that found high levels of the **cancer-causing chemical benzene** in 66 products containing benzoyl peroxide<sup>1</sup>
- In October 2024, the Journal of Investigative Dermatology published a study that found benzene contamination in 38 over-the-counter BPO products as high as **17x the FDA limit**
- Following these reports, the FDA conducted an investigation that resulted in **recalls for popular acne treatment products** containing benzoyl peroxide, including from **Walgreens and Proactiv**
- Additionally, the FDA has warned that products containing benzoyl peroxide can cause **local skin irritation** such as redness, burning, dryness, itching, peeling, or slight swelling as well as **serious hypersensitivity reactions** such as throat tightness, difficulty breathing, feeling faint, or swelling of the eyes, face, lips, or tongue<sup>3</sup>

<sup>1</sup>Environmental Health Perspectives Volume 132 • Issue 3 • March 2024

<sup>2</sup>Evaluation of Benzene Presence and Formation in Benzoyl Peroxide Drug Products • Kucera, Kaury et al. • Journal of Investigative Dermatology

<sup>3</sup>FDA Safety Announcement 6/25/2014

# LIQUID OXYGEN® COMPETITIVE ADVANTAGES

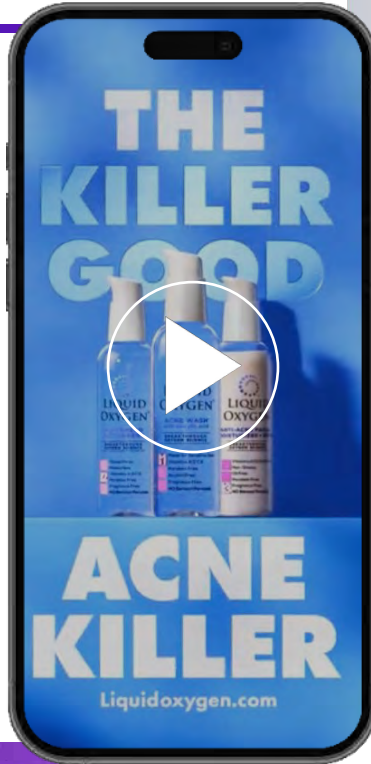


Proprietary oxygen science					
No benzoyl peroxide					
Independent studies					
No testing on animals					
Vitamins A, C, D and E					

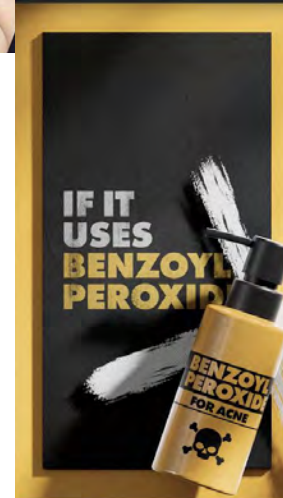
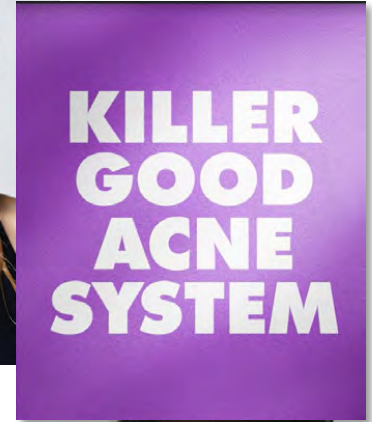
# GO TO MARKET STRATEGY



- Liquid Oxygen® is engaged with leading creative strategy agency **No Fixed Address** (NFA) who has developed a new **best-in-class DTC website** as well as a robust **social conversion ad campaign** to drive sales and brand awareness
- Additionally engaged with **audienceXpress**, a Comcast Company, for an audience-based targeted **Connected TV campaign** in 5 markets
- Partnered with PR agency **Praytell** to develop a comprehensive brand narrative and a thorough **influencer and media strategy**
- Signed with **ND Tosk Communications** to engage the professional **dermatologic community** as Liquid Oxygen advocates and execute a pilot **clinical patient study**



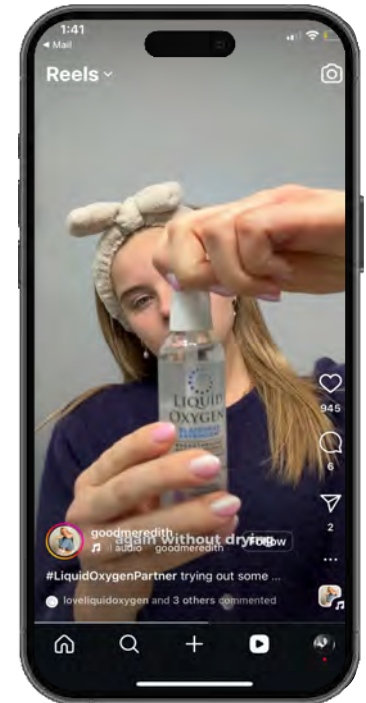
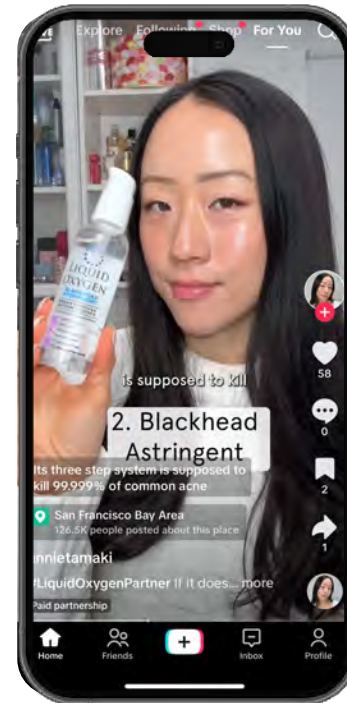
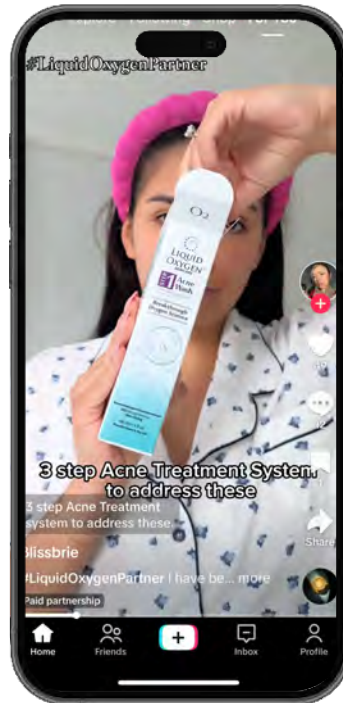
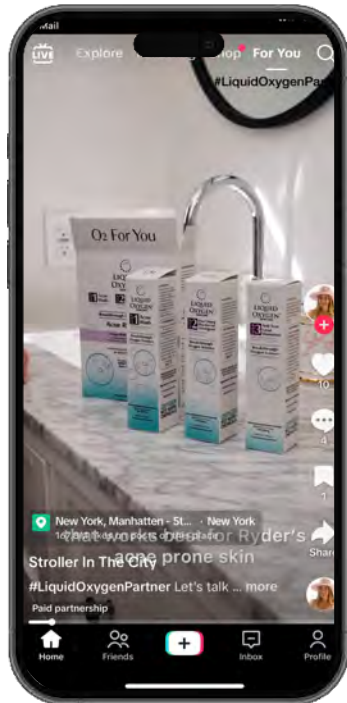
THAT'S  
THE  
PROVEN  
SCIENCE OF  
OXYGEN





# INFLUENCER CAMPAIGN

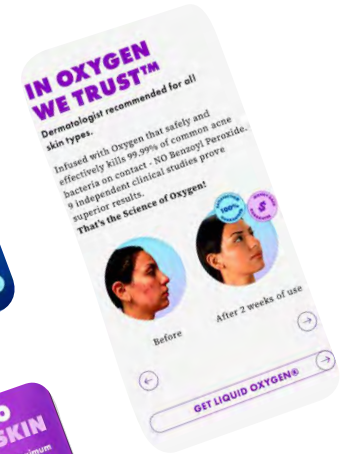
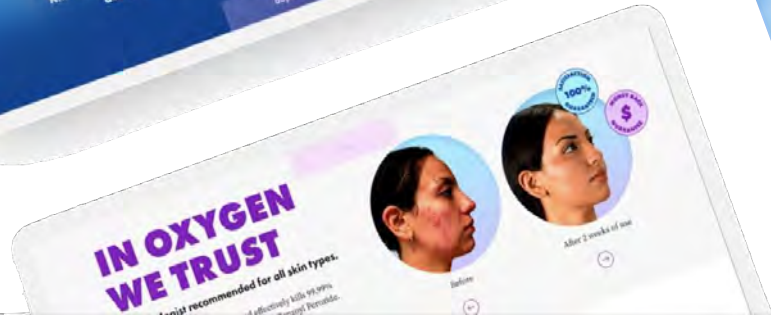
On December 16, we launched our partnership with 8 influencers who will produce a total of 48 pieces of content over the next year to directly engage audiences on TikTok and Instagram





# NEW MOBILE-RESPONSIVE WEBSITE

Liquid Oxygen® has launched a new best-in-class, **mobile-responsive website** that showcases the benefits of the 3-step acne solution, simplifies the purchase process, and provides improved analytics tracking





## RELEVANT VALUATIONS IN THE SKINCARE SPACE

### The Ordinary.

*Affordable skincare brand focused on transparent marketing of key ingredients*

- Founded in 2013 with a focus on ingredient transparency and affordability, reaching **\$50M** in sales in the first year
- Grew rapidly through a focus on **educational content and direct engagement** with consumers on social media
- The Estée Lauder Companies Inc. (NYSE: EL) first invested in 2017 and increased their stake in the company to 76% for \$1B in 2021, valuing the company at **\$2.2B**

### PAULA'S CHOICE SKINCARE

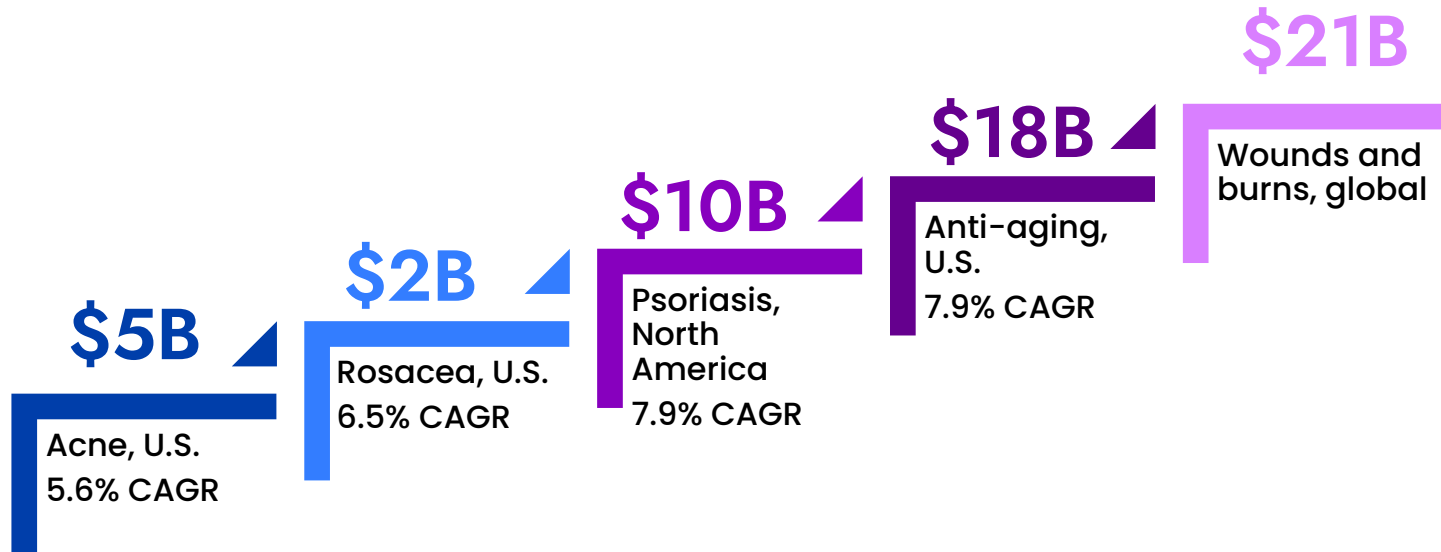
*Digital-led, research-focused skincare brand that pioneered DTC ecommerce*

- Founded in 1995 by beauty industry journalist that built an audience in skincare advice
- 2016 investment by TA Associates and Betram Capital in 2016 valued the company at **\$275M** (\$70M in net sales)
- Sold to Unilever (NYSE: PL) for a reported **\$2B** in 2021 (\$200M in 2020 net sales)
- Now one of Unilever's "Power Brands" - 30 of its biggest brands which represent just over 75% of turnover



# THE FUTURE OF LIQUID OXYGEN® SKINCARE

Liquid Oxygen® has developed **37 additional SKUs** in the skincare and personal care space including anti-aging, repair and wound care, all formulated with our **proprietary oxygen science**





# SUMMARY



## Liquid Oxygen® Innovation

Liquid Oxygen® has developed a proprietary method of **encapsulating stabilized oxygen** into liquids, gels and lotions, **killing bacteria and viruses on contact**

In **9 independent studies**, all Liquid Oxygen® acne treatment products were proven to kill acne causing bacteria by **>99.999% on contact**



## Operational Highlights

Liquid Oxygen® is lead by a team with a proven track record of **generating organic growth and operational improvement**

Liquid Oxygen operates at an **80+%** gross profit margin and **51%** of its customer base are repeat customers



## Market Opportunity

Consumers are dissatisfied with the leading over-the-counter acne treatment **benzoyl peroxide** which has been shown to cause **skin irritation** and a potential to break down into **cancer-causing chemical benzene**

Several acne treatment manufacturers and drugstore companies are facing **class-action lawsuits** for the negative health effects of benzoyl peroxide

**50M**

annual U.S.  
acne sufferers

**\$5B**

U.S. acne  
treatment market



## Growth and Exit Potential

Beauty, of which skin care is the largest category is expected to remain one of the most attractive consumer categories for M&A, given the sector's **overall resiliency and strong margins**

# APPENDIX



- Gold, Michael H, and Mark S Nestor. “**A Supersaturated Oxygen Emulsion for Wound Care and Skin Rejuvenation.**” Journal of drugs in dermatology : JDD vol. 19,3 (2020): 250-253.
- Bennardo, Luigi et al. “**Potential applications of topical oxygen therapy in dermatology.**” Dermatology practical & conceptual vol. 8,4 272-276. 31 Oct. 2018, doi:10.5826/dpc.0804a04
- Roe, David F, Gibbins, Bruce L, and Ladzinsky, Daniel A. “**Topical Dissolved Oxygen Penetrates Skin: Model and Method.**” Journal of Surgical Research vol 159, issue 1. 23 November 2009, doi: <https://doi.org/10.1016/j.jss.2009.10.039>