



True Nature Holding, Inc. (OTCQB: TNTY) is a public, development stage company focused on the consolidation of the compounding pharmacy industry through opportunistic acquisitions to create a national platform of quality-focused, profitable and efficient businesses to serve both human and veterinary markets. The concept of national organization allows for leveraging of a broader product line, operational efficiencies and economies of scale. True Nature intends to complement the non-retail compounding distribution model with retail units embedded inside existing grocery businesses and through an online “ecommerce” model. True Nature will acquire unique related technologies including a growing library of specialized drug formulations, which can be produced for stocking inventory at a 503b qualified facilities or licensed to others for mass market distribution.

Snapshot:

Incorporated in	DE, USA (“C” Corporation)
Ticker Symbol	TNTY
OTC Marketplace	OTCQB
Reporting Status	US Reporting: SEC Reporting
Audited Financials	YES
Fiscal Year End	12/31
CIK	0000802257

Security Details:

Authorized common shares	500,000,000
Authorized Preferred Shares	100,000,000
Outstanding Common Shares	15,436,666
Float	4,094,877
<i>figures as of 1 Feb 2017</i>	

Market Overview

- There are over 4,000 compounding pharmacies in US, generating roughly \$8B in total revenue (March 2016 IBIS report).
- Compounding pharmacies represent only 30-40M of estimated 3.6B prescriptions/year (IBIS January 2015), and receive less attention than other specialty pharmacy sub-segments.
- Compounding pharmacies can meet a local, “neighborhood” need (503a license) and/or produce stocking inventory for resale by doctors or hospitals (503b license).
- The market is highly fragmented- comprised of a large number of small, privately-operated businesses. None have a market share of >2.0% of total 503a market.
- Compounding is very profitable – typically 20% + pre-tax profits (PTP) for humans, over 30% for pets.
- Average revenues per compounding pharmacy \$2-\$5M, which represents an opportunity to build critical mass (\$100M+) through acquisitions in short order.
- Consolidated fill operations will likely take over from single store “back-office” operations to better utilize new cap-x requirements.
- The veterinary business avoids many of the costs and risks of regulation and insurance reimbursement. The veterinary market is wide open to novel approaches, while the human side requires a cautious approach.

Initial Acquisition Pipeline

True Nature is in negotiation for the acquisition of three (3) unique business operations. In total, they finished 2016 with over \$23M in annualized revenue. All have long operating histories and are profitable.

SOUTHEAST-3

- Three-unit compounding operation.
- \$18M in 2016 rev, up from \$15M in 2015.
- > 60% is cash business (vs. insurance reimbursement.)
- Generates 28% pre-tax profits.
- Has library of specialty formulations and intellectual property (IP).
- Will become the “Hub” and TN will expand distribution through the pending retail expansion which begins with “MIAMI” and overnight home delivery at pass-through costs.

MIAMI

- Small retail pharmacy operation, performs 30% in compounding.
- Operates inside a high-traffic Hispanic grocery chain, renting space from two (2) of the sixteen (16) store units. Each store has over 1,500 unique client experiences, and thus far current management has done nothing to leverage that built-in traffic.
- TN believes the units are where a new footprint can be established to generate around \$1M in annualized sales in the first 12 months after opening, and will reach their maximum at around \$2M in annualized sales.
- Currently the operations are thinly staffed and do not operate even 40 hours a week.
- This will represent the “Spoke,” and move any significant preparation work to a “Hub” site, either at the **SOUTHEAST-3** location, or at **FLA-1**.

FLA-1

- >\$2.7M in 2016 rev, up from \$2.5M in 2015.
- 100% cash business (no insurance reimbursement).
- Generates 25-30% pre-tax when the owners’ compensation is added in.
- 15-year operating history.
- 50% of their business is veterinary operations, an area TN will expand.
- Currently has no sales effort, no marketing and no significant presence.
- They have been size constrained by their facility size, and the lack of sales and marketing.
- In March 2017, they will move into a new space -fully compliant with the new USP 800 regulations. The new space should allow generation of > \$12M in sales and 24x7 operations.
- They will be the “Hub” for most of the Florida operations, and their specialty formations fit the older Florida market [includes HRT and their proprietary approaches for Low Dose Naltrexone (LDN)].

Statement Under the Private Securities Litigation Reform Act

As contemplated by the provisions of the Safe Harbor section of the Private Securities Litigation Reform Act of 1995, this news release contains forward-looking statements pertaining to future, anticipated, or projected plans, performances and developments, as well as other statements relating to future operations. All such forward-looking statements are necessarily only estimates or predictions of future results or events and there can be no assurance that actual results or events will not materially differ from expectations. Further information on potential factors that could affect True Nature Holding, Inc. is included in the Company’s filings with the Securities and Exchange Commission. We expressly disclaim any intent or obligation to update any forward-looking statements.