



FAMILY OFFICE INSIGHTS
facilitated by The Bavelas Group

Peer Insights

R E P O R T

Q&A with Barbara Cook

CEO of Undercover Colors.

Principle Series:

Please join Family Office Insights for this luncheon on Wednesday, May 9th at 12PM. If you care to join us, please email admin@familyofficeinsights.com.

Family Office Insights sits down with Barbara Cook, CEO of Undercover Colors to discuss her cutting edge “lateral flow” technology and how the company uses a unique and proprietary hybrid test based on the lateral flow principle to identify the presence of drugs in a wide range of beverages with a mission to prevent Drug Facilitated Sexual Assault (DFSA) and crime. These crimes are a rapidly increasing global phenomenon, which will affect some 300 million people in 20 countries; Undercover Color’s mission is to make the world a safer place.



Family Office Insights is a voluntary, “opt-in” collaborative peer-to-peer community of single family offices, qualified investors and institutional investors. If you care to learn more, and perhaps join the community, you are welcome to visit us here at FamilyOfficeInsights.com.

Q: Tell us about your background and your company, Undercover Colors.

A:

I wish I could say that my journey was planned, but it wasn't. I only knew I didn't want to be the doctor my parents wanted me to be!

I began my retail career with Marks & Spencer, which at the time, was the most successful retailer in the world. I joined their graduate management program and became the youngest senior manager in the company's history. During my time there, I learned all aspects of the retail industry and the process of getting a product into stores and into consumers hands: financial, buying, merchandising, operations and human resources. Most of my peers were in their 40s—I was 25 years-old and the only female in my position.

From there, I worked with some of the most well known brands in the world. I was general manager of the first wholly-owned Starbucks region outside of the U.S., which started out in the UK and expanded into Europe because of our success. I ran T-Mobile's Retail Division and then Gap's European business, which included introducing Banana Republic to the UK. After that, I was invited to move to the U.S. and lead Gap's North America Stores and Operations, which at the time, was the largest retail job in the world. My first global president role was with Hudson Jeans where I led the sale of the company to Joe's Jeans.

In summary, I've been working in corporate structures for over 30 years and have a deep knowledge of how to manage brands, how to connect with millennial consumers and how to transfer brick-and-mortar sales into the e-commerce space. For example, a major reason why we were able to sell Hudson Jeans in less than a year (originally it was a three-year plan) is because we were able to master the shift to e-commerce.

For me, a consistent performance indicator is the reduction in costs. For example, I saved \$60 million in Gap payroll while still achieving the highest employee engagement score the brand has ever had. As a result, Gallup has sponsored me to write a book on leadership and motivation.

Why Undercover colors? I was looking for something that was more significant and had a deeper meaning than driving the top and bottom line only. You can't move away from those two aspects of business, but I wanted to be involved in something more important for mankind. This new venture is more reflective of my engagement with millennials.

Q: How did this come about?

A: I had wondered where I might find the right opportunity and eventually it found me! Through a series of pure coincidences, I ended up having a call with Marjorie Kaufman who is the Chairman of Undercover Colors' board. The rest is history!

Undercover Colors is a double impact mission-driven business that protects both women and men from being taken advantage of via a spiked beverage known as DFSA (drug facilitated date rape). The two founders did an amazing job of putting this company together. This started as a quest to make the DFSA problem go away. I think this whole notion of being able to go out, change a culture and empower people

to make decisions is incredible and very real. And here we are, four years later, with a technologically advanced product that is dedicated to protecting people. It's a product designed to underpin our commitment to personal safety. It has a science that is unique (with several patents pending) that identifies a series of drugs in a wide range of drinks in under a minute.

We're at a stage where we're ready to take this to market in the fall of this year. Our primary focus is to give people the opportunity to feel safe by giving them control in a world where drug facilitated sexual assault and other crimes are growing at a rapid rate globally.

Q: Who is your target market? Who can benefit from Undercover Colors?

A: We have some startling facts to bolster this: 1 in 6 freshmen, both men and women, will be subject to date rape by drugs. This is not just a college issue, but also an issue for any adult. For the business and leisure traveler, 140 American tourists reported being drugged abroad. For single individuals who are on online dating platforms, our product empowers them to be safe when they go out to meet people for the first time in real life.

We've made a product that is easy to use and works for everybody in simple accessories—it can either adhere to the back of a phone or be used as a key fob. We also know through our testing that we're the most accurate and quickest test available for a large range of drinks on the market.

Q: How are you different from your key competitors? Who are your key competitors?

A: We don't really have any competitors. There are a few products on Amazon like a beer coaster tool, but nobody is going to walk out for a night on the town with a coaster in their hand. You bring your keys and phone out every single time, so our product is discrete and realistically functional. We've conducted some studies to test the accuracy of these existing products and there are a lot of areas where testing can go wrong. For instance, any interference from liquid on a sweating glass, or the table, makes the reading false. In the Journal of Toxicology Volume 31, it states that based on independent studies, 1 in 3 of these competitors are false. To date, we haven't had any scientific fails and we're still continuing to test it more broadly for extra measure.

Q: What are some of the challenges you face in your industry?

A: One of the challenges is breaking into a market, which is what we're doing—that is always hard no matter what the company is. Secondly, there is no baseline or road map for what we're doing – no previous model that can be followed and adjusted accordingly. There aren't any barrier-type challenges, but just interesting conversations to be had. For example, there's dialogue about which shelf you'd put this kind of product on in a store given that it could fit in multiple places. Those are the types of conversations we're having and working to answer in the most accurate way.

Also, if you're making something that's never been made before, then how do you make it? Manufacturing equipment doesn't exist—you have to start from scratch. We are unashamedly disrupting the convention around being proactive when it comes to safety, both emotionally and economically. The impact of rape is actually quantifiable in dollar signs in the U.S. A report says that within a lifetime of rape victims, the government will pay \$1 trillion in costs – whether they be medical or whatever else. The cost of the survivors to businesses and lack of productivity is a staggering \$1.2 trillion. There's not only the human element, but there's also a tangible, real financial cost associated with this type of pervasive crime.

Q: How are you changing the landscape of your industry?

A: I think we're privileged to be able to make an impact on a widespread, dangerous, social problem through disruptive technology and innovative design, none of which, could have happened without our spectacular team at Undercover Colors.

Most surprising is the amount of people who have their own stories—from a retired UA Ambassador who told us his personal story, to almost every one of our vendors and many of our investors. The extreme statistics speak for themselves.

Q: How much are you looking to raise and who is your ideal investor?

A: We're seeking \$7 million to get our DFSA (Drug-Facilitated Sexual Assault) product to market in Q3 of this year, as well as to assist in what we can do next with this platform.

This technology is so spectacular and is based on lateral flow, which was invented by Rob Campbell in the early 80s and is responsible for saving millions of lives around the world and creating a multibillion dollar industry. Rob Campbell visited our offices and described our technology as extraordinary, transformative and so innovative that it will make a tangible difference. I want to make sure we optimize this version of lateral flow as the next generation of that technology.

We have the ability to use this platform technology to build a much broader diagnostics business including Veterinary and Medical opportunities. We have a unique spread of potential new business divisions to optimize shareholder value and then of course the commensurate exits that would create. This \$7 million will get us across the finish line to launch the DFSA product and also get us to a “works like” veterinary diagnostics product that we have planned

Across our first three rounds, we've had a very diversified range of shareholders. While 70-80% of our shareholders are individual investors, some are key leaders in very large companies. Up until now, we've had no venture capital or corporate sponsorships. We don't have a minimum investment per se, but the average lowest investment in the last round was \$150,000. We oversubscribed at every round thus far and are willing to continue to do so.

At the moment, we're going to our prior key investors who have been on the journey with us since the beginning. Currently, we're in week two of talking to people and are looking to close this raise in May. We've received very enthusiastic responses from those we've spoken to and foresee closing this round in 6-7 weeks from now.

Q: What's your mission?

A: Our mission is to make the world a safer place by putting people in power and in control. People should not be frightened to go out and have a good time anywhere in the world. With all of our opportunities and advancements, we can – and are looking to – make the world a safer place.

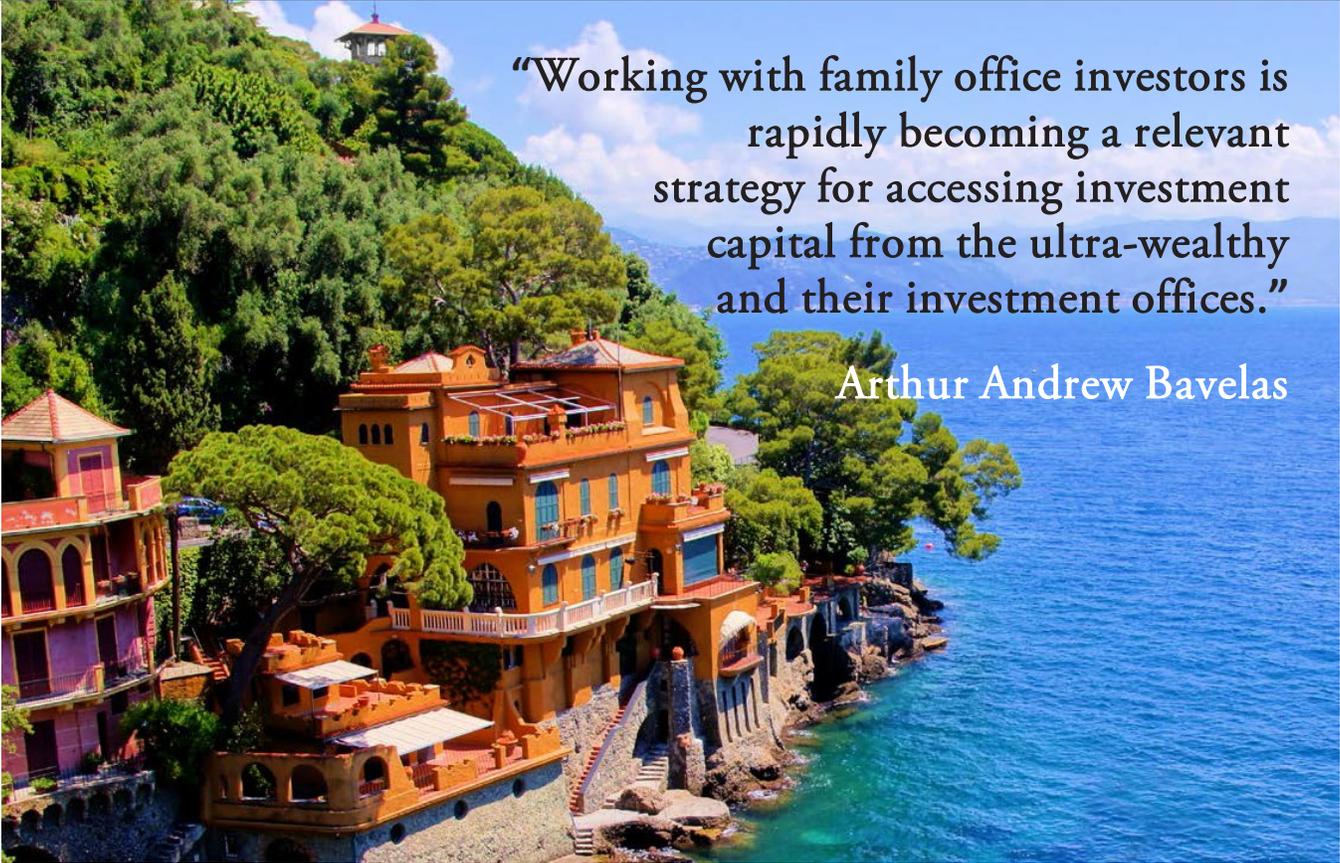
Q: What's next for you?

A: As mentioned, we believe we can enter the veterinary market with our technology fairly quickly as well. We have over 60 years of lateral flow experience and everyone on our team has worked in every single sector with the best brands. The richness we bring binds us together and because of that, we're able to go to market reasonably quickly. When I look at our timeline, I think that by 2024, we can really impact the medical and veterinary world. For the immediate future, we're going to market in September, which is perfect for back-to-school. With the immense response so far, we may dabble in high school pre-orders.



Barbara Cook is a transformational dynamic leader as a global executive in the consumer space. A strategic thinker her results driven approach to growth and business development has led to a highly successful track record of leading startups, turnarounds, acquisitions and sales uniquely across multiple sectors from Food Services and Mobile Telephony to Apparel and Accessories. With her proven performance as a leader within the C-suite in her roles as CEO of a Private Business, President of a PE held company and as a President of a division of a publicly held company and now as CEO of Biotech business, she has experience in PE, Corporate and Global practice. She also has deep operational knowledge, managing billion-dollar P&Ls through to \$10m startups, responding to seasonal consumer trends on a digital platform, refining operations and coordinating execution across geographies, including North America, Europe and China . Her communication style makes her a natural fit for the crossover between the biotech industry and the commercial world and she passionately believes that "a mission driven product binds an organization in an exceptional way". As a leader, Barbara is thoughtful, inspirational and approachable, with high engagement and respect among peers and teams. She is currently writing a book on leadership and motivation.

If you have any questions, please contact Barbara at barbara.cook@undercovercolors.com.



“Working with family office investors is rapidly becoming a relevant strategy for accessing investment capital from the ultra-wealthy and their investment offices.”

Arthur Andrew Bavelas