

SMÁRI™

INVESTOR PRESENTATION

APRIL 2020

A man with a full beard and glasses is wearing a dark jacket with a large, light-colored fur-lined hood. He is looking directly at the camera.

A note from our founder.

Thanks so much for taking the time to look at our business and what we are doing to conquer the energy drink aisle.

I'm incredibly excited about what we will accomplish.

Smári

MISSION



We restore bravery with functional energy drinks disguised as delicious coffee.



We are here to conquer the functional coffee category, as vikings do.



THE PROBLEM



We all need more energy.



Energy drinks do not taste good. Period.



Energy drinks are not good for your health. Period.



People either avoid energy drinks due to bad taste, or they should avoid them due to bad ingredients.



THE SOLUTION



Kaffi is energy that not only tastes great, but is also great for you.



Flavor is king, and that's where Kaffi truly shines.

BEVNET

“Kaffi Icelandic Protein Coffee is a new ready-to-drink dairy-based line that is being launched by the company behind Smári Icelandic Yogurt. Announced in January 2019, the line features three flavors, including Iced Mocha, New Orleans, and Keto Latte.

The basic premise behind these products is to bottle up the benefits of Icelandic skyr (Smári's core yogurt product) but deliver it with less tartness to appeal to a broader audience. To that end, the brand has certainly succeeded. The products taste rich but smooth.”

“Review: Kaffi Icelandic Protein Coffee”, BevNET, 28 Mar. 2019



KAFFI TICKS ALL THE BOXES



	KAFFI	Bulletproof	Picnik	Stok	Bolthouse	1850
PRICE	\$4.99	\$4.99	\$4.99	\$5.19 (48oz)	\$2.79	\$2.28
CALORIES	110	150	170	120	190	170
PROTEIN	10g	11g/8oz	8g/8oz	11g/8oz	16g/8oz	9g/8oz
SUGAR	1g	(5g of sugar alcohol)	1g/8oz	13g/8oz	24g/8oz	26g/8oz
CAFFEINE	150mg	150mg/8oz	130mg/8oz	80mg/8oz	not stated	not stated

TARGET CUSTOMER



We call our target customers Joe and Lizzie.



Joe is 22. He lives a fast-paced life, but not necessarily a healthy one. He drinks Kaffi for the immediate boost of caffeine, plus the protein helps him skip a meal or two.



Lizzie is 33. She also has a fast-paced, active lifestyle, but focuses on her health much more than Joe. She drinks Kaffi pre-workout or after yoga class. She appreciates the healthy attributes of Kaffi, which are rare in an energy drink.



MARKET OPPORTUNITY



Coffee is **\$14.4B** market in US. RTD is the fastest growing segment of coffee.

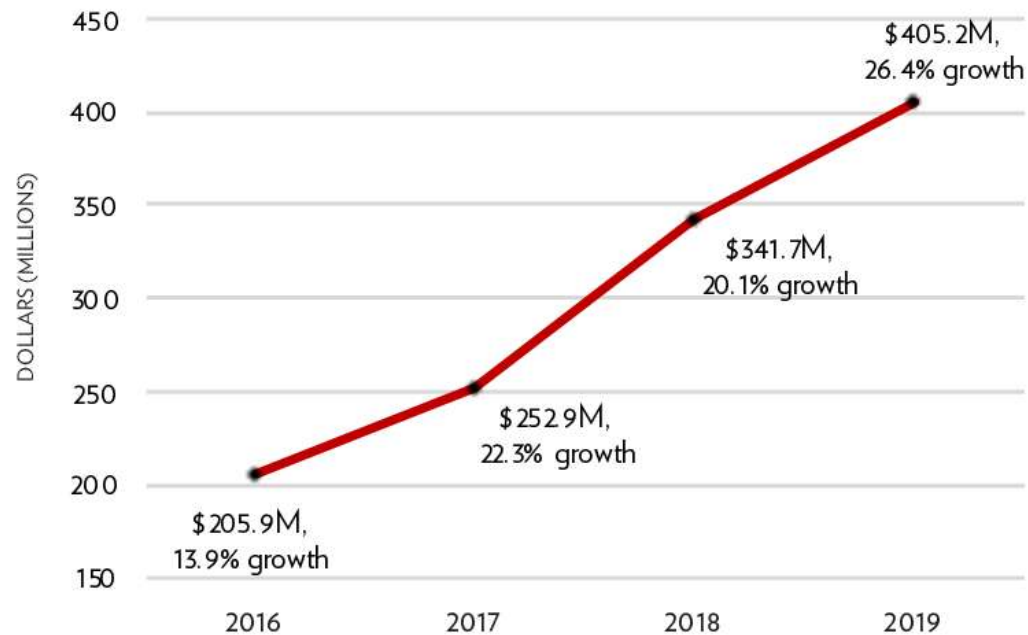


72% of Americans drink coffee. Of those **43%** drink coffee daily.



Millenials drink **2x** as much coffee as Gen X. More than half Millenials drink cold coffee.

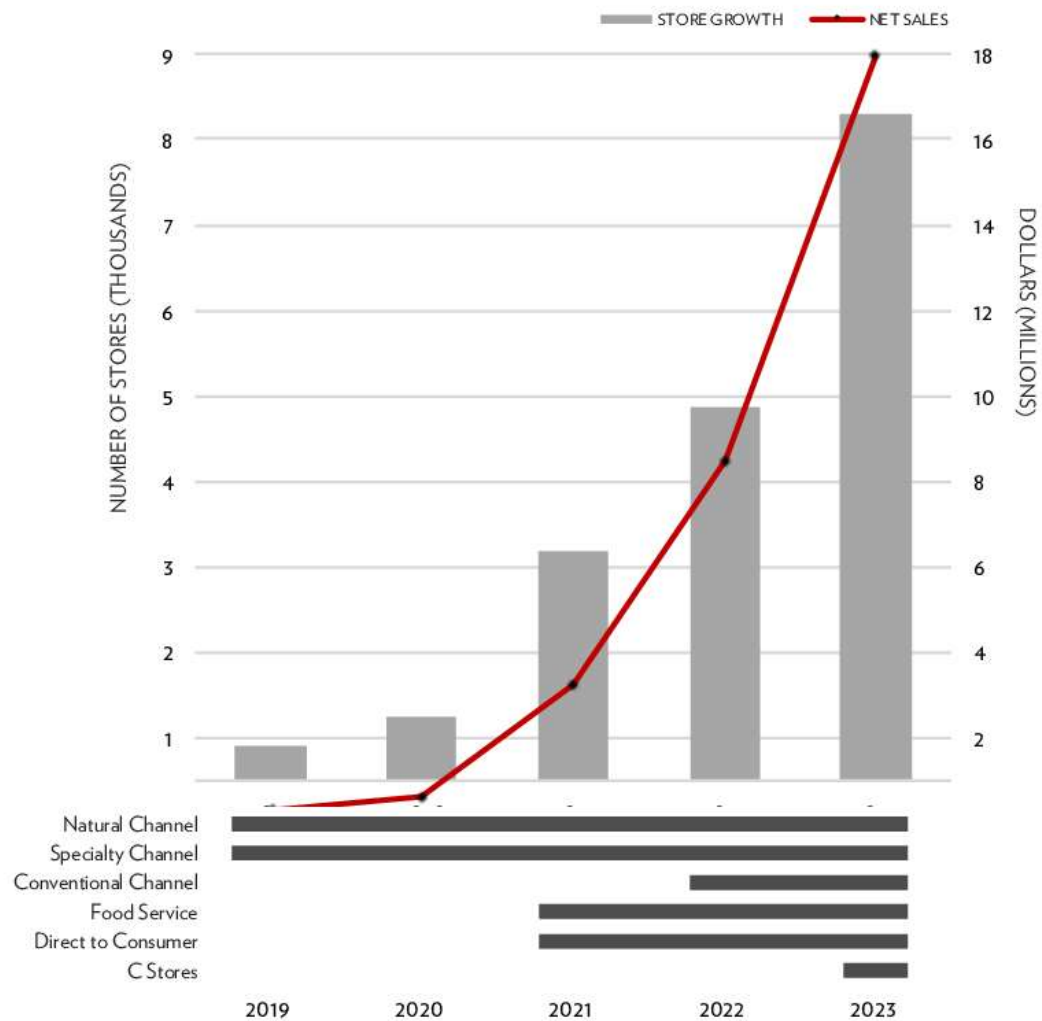
REFRIGERATED RTD COFFEE SALES



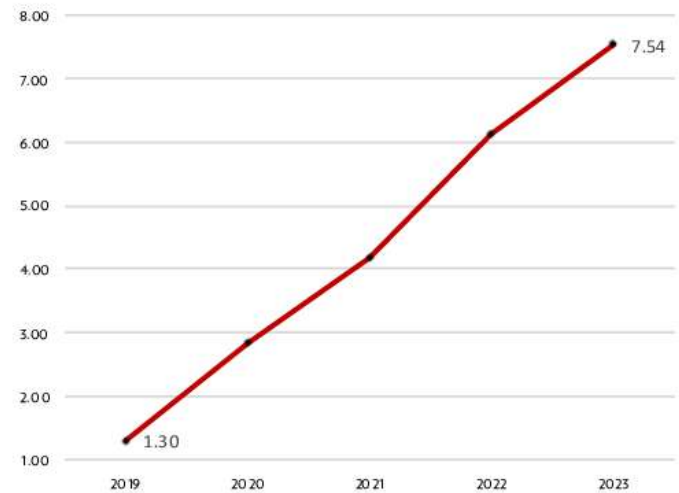
18.56% CAGR 2016-2019

GROWTH DRIVERS

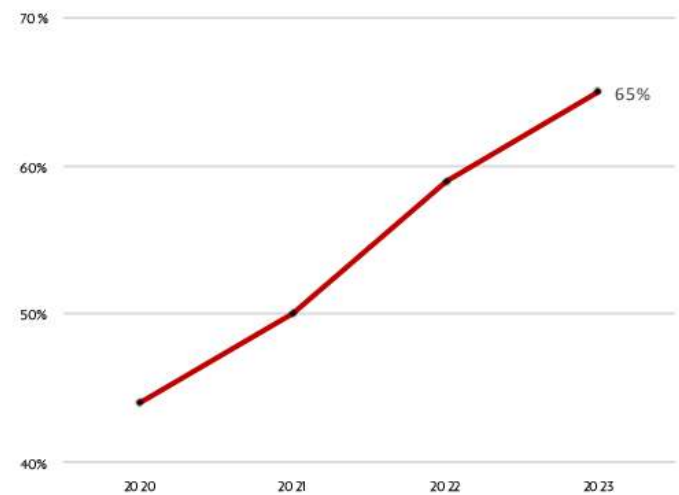
STORE GROWTH & NET SALES



AVERAGE TURNS



PRODUCT MARGINS



*These are forward-looking figures that cannot be guaranteed.

SUCCESSES TO DATE



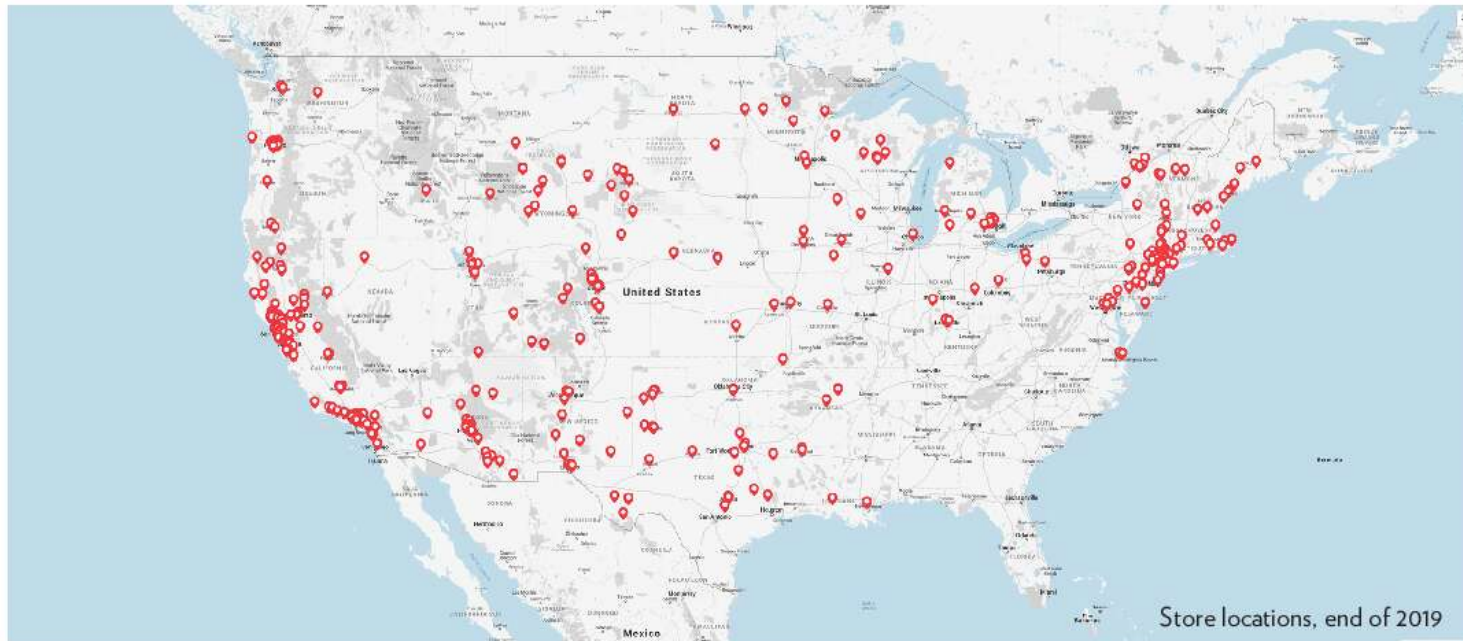
Launched 2019.



Sprouts Innovation Program in December 2019



Kroger Innovation Program in January 2020.



USE OF FUNDS



We are raising a convertible note of \$1.07M, followed by a \$3-\$4M priced round at the end of 2020 or beginning of 2021.



Funds are for:



Building brand awareness.



Shopper activation.



Building out the team.



Working capital.



FINANCIALS

YEARLY SUMMARY

	2019	2020	2021	2022	2023
Gross Revenue	358,914	819,095	4,122,056	10,933,334	21,866,669
Less: Trade Spend	(55,369)	(198,752)	(905,451)	(2,424,005)	(3,936,000)
Net Revenue	303,545	620,343	3,216,604	8,509,329	17,930,668
COGS	333,268	462,509	2,057,732	4,519,103	7,653,334
Gross Profit	(29,722)	157,834	1,158,873	3,990,226	10,277,334
Gross Margin	-10%	25%	36%	47%	57%
Expenses:					
G&A	249,531	338,670	368,217	447,206	717,227
Payroll	440,962	521,254	693,486	824,056	1,793,067
Sales & Marketing	297,727	758,841	1,387,722	3,344,959	5,020,587
Total Operating Expenses	988,220	1,618,765	2,449,425	4,616,221	7,530,881
Net Profit / Loss	(1,017,942)	(1,460,930)	(1,290,553)	(625,995)	2,746,454
Cash	275,604	(1,121,202)	(2,594,528)	(2,417,425)	329,029
Trade Spend of GM	-15%	-24%	-22%	-22%	-18%
Product Margins	7%	44%	50%	59%	65%
Revenue Growth %		128%	403%	165%	100%
Number of Stores	398	755	2669	4366	7789
Average Turns	1.3	2.85	4.18	6.12	7.54

*These are forward-looking figures that cannot be guaranteed.

5 REASONS TO INVEST IN SMÁRI, INC.

- 🪲 Delicious, innovative product that's good for you.
- 🪲 Emerging, incredibly fast growing category, that grew 26.4% YOY.
- 🪲 Seasoned, passionate entrepreneur.
- 🪲 Early traction and interest by key retailers.
- 🪲 Segment is known for great multiplies and large acquisitions at exit.





THANK YOU!

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OUR LAWYERS MAKE US DO THIS...

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