INVEST IN **SOUND FOODS**

Forming Nutrition-rich Whole Foods Using Ultrasonic Waves

soundsnacking.com Los Angeles CA

Featured Investors

Alexander Daniel SIROKY

Syndicate Lead

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SOUND Foods has delivered a true advancement in food manufacturing that delivers the promise of good technology: more from less. Their captive tech creates better, unique food products using a fraction of the energy and costs that current manufacturing techniques require. It's a platform with significant amounts of optionality and applications, and scalability beats everything else out there. The challenges of bringing this tech to market and grabbing a customer base have been deftly and adroitly executed by Don, David & team. I strongly believe that SOUND Foods is ushering in a new wave to the benefit of consumers/customers and investors alike.

Invested $25,000 this round & $200,000 previously

Highlights

1. $6M+ Military order in hand for 2024
2. Veteran founded

Our Team

Don Dillon CEO

David Cho CCO

Pitch

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The food technology that the US Warfighter needs
and that the American consumer has been waiting for.

Warfighter is carrying impossible loads

Food is both "fuel" and additional load for the entire Soldier weapon system

60-100 pound loads, cannot sacrifice armor, ammunition, communications or batteries

Standard MREs (Meals Ready-to-Eat) are too bulky for 3 day missions; "field stripping"

Current Military First Strike bars require heavy use of syrups & fillers to achieve 3 year shelf life

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Current bar production process

Designed for candy bars, requires taste, texture or nutritional compromises to the product

Requires high filler or sugar binding matrix for slab & roller production process

Results in overly chewy texture & need for sugars or chemical flavors to mask taste of fillers

Requires large footprint & large batch sizes; multiple heating steps impact final taste & texture

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Invented a new way of making bars & food

Ultrasonic agglomeration of whole & powder ingredients, literally making food with sound

No fillers; ingredients selected for taste, texture, or nutrition; Coconut Almond flavor

Instantaneous forming at low temperature, small production footprint & any batch size

Calorically dense, real food taste & texture; 50g & 300 cal vs. 65g & 274 cal First Strike Bar

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Ukraine has transformed Military Feeding

Complete change in priorities & urgency; largest nutritional payload in smallest package

Previous focus on comforting the Warfighter & reminders of home; MRE pizza & candy

Near peer threats have placed focus on reduced size & weight; will have to carry 7 days of food

Priority on maintaining a warm industrial base for Food like with Weapons & Ammunition

Superior Military & Consumer products

$6M+ Military order in hand for 2024 with wide range of other products in development

Coconut Almond bar specified for 2 of 24 MRE menus in **2024**
2.5M units
$6M+ revenue

$60M SOM

Coconut Almond bar also specified for advanced Close Combat Assault Ration (CCAR) launching in 2024

$10M SOM

Replacing desserts, coffee kits & caffeinated gum to reduce weight & volume of individual & group MRE components

$500M SAM

US Consumer snack bar market

$800M TAM

Revenue in pipeline is expected, but not guaranteed.

Competition limited by current processes

Syrups & fillers for shelf life & moist mouth feel reduce caloric density & ruin texture

Vacuum microwave drying expensive & ingredient limited

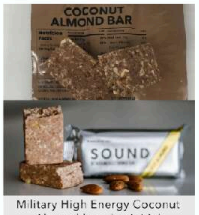
MRE bars have to use syrups; SOUND can process with high fat

MRE components are outdated; cookies vs. Cookies & Cream bar

Consumer bars taste & texture suffer after 3 years in storage

Great taste, texture & clean burn experience

One-of-a-kind experience driven by the patented technology, process & ingredients



Military High Energy Coconut Almond bar also initial consumer launch flavor

Cookies & Cream, Maple Mocha, SMORES, & Chicken & Quinoa currently in Army evaluation

Finalizing Vegan Vanilla, High Protein Mocha, Cheddar Cheese Cracker, & Coffee caffeinated

Phased approach to different business models

Positioned for a desired phased approach to B2B Military, DTC, Licensing & Wholesale

Military: Fulfill 2024 2.5M unit, $6M+ order to demonstrate capacity

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Expand flavors and number of MRE Menus

→

Partner to develop new products across Military Feeding platforms

→

Explore other government outlets

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* in 000s	2023	2024	2025	2026	2027	2028
Military Revenue*	$825	$5,250	$12,900	$25,740	$43,460	$61,820
Military Units Sold	250,000	1,750,000	4,000,000	9,000,000	16,000,000	22,900,000
Ready-to-Eat Combat Assault Ration (CCAR) Units	10,000	100,000	1,000,000	1,000,000	2,000,000	2,500,000
MRE (12.5M Units @ Menus)	200,000	1,500,000				
MRE (5.75M Units @ Menus)		100,000	3,450,000			
MRE (5.5M Units @ 4 Menus)			400,000	4,600,000		
MRE (7.5M Units @ 4 Menus)				800,000	9,200,000	
MRE (8.25M Units @ 12 Menus)					1,200,000	13,800,000
MRE (9.25M Units @ 16 Menus)						1,600,000
Other Direct Military & Grid Sales		1,500,000	2,000,000	3,000,000	4,000,000	5,000,000
Military Unit Price (Avg)	$2.33	$2.50	$2.55	$2.60	$2.65	$2.70
Military Gross Profit*	$213	$4,425	$9,360	$17,550	$23,983	$33,825
Military GM%	26%	84%	72%	68%	55%	55%
Consumer DTC Revenue*	$23	$1,050	$2,550	$3,250	$4,000	$6,250
Consumer DTC Units Sold	10,000	500,000	1,000,000	1,500,000	2,000,000	2,500,000
Consumer DTC Unit Price (Avg)	$2.33	$2.10	$2.25	$2.20	$2.40	$2.50
Consumer DTC Gross Profit*	$4	$423	$945	$1,125	$2,400	$3,125
Consumer DTC GM%	26%	40%	45%	35%	60%	50%
Consumer Wholesale Revenue*	$13	$5,150	$4,400	$6,600	$9,600	$17,500
Consumer Wholesale Units Sold	10,000	2,500,000	4,000,000	6,000,000	8,000,000	13,000,000
Consumer Wholesale Unit Price (Avg)	$1.33	$1.26	$1.10	$1.10	$1.20	$1.25
Consumer Wholesale Gross Profit*	$1	$425	$884	$1,518	$2,288	$3,000
Consumer Wholesale GM%	16%	28%	21%	25%	23%	24%
Big Food Licensing Revenue*	$3	$500	$1,300	$2,000	$4,000	$8,000
Big Food Licensing Gross Profit*	$3	$500	$1,300	$2,000	$4,000	$8,000
Big Food Licensing GM%	100%	100%	100%	100%	100%	100%
Total Revenue*	$855	$12,900	$25,360	$38,590	$61,060	$88,580
Total Gross Profit*	$215	$5,925	$11,389	$19,143	$32,511	$48,750
Total Expenses*	$533	$6,000	$6,300	$8,000	$10,000	$13,000
% Growth		200%	50%	32%	25%	20%
EBIT	-$318	$3,925	$5,089	$11,143	$22,511	$36,750
EBIT Margin %	-21%	13%	20%	29%	36%	41%
Full-Time Headcount	2	3	4	5	6	8
Avg Revenue / Employee*	$273	$4,300	$6,340	$7,718	$10,510	$11,073
Founder Funding: ($2M pre-2022)						
Investor Funding* (1M pre-2023)	$2,000					
Cash (end of Period)*	$1,715	$3,916	$5,620	$11,143	$22,511	$36,750

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Forward-looking projections cannot be guaranteed.

Team needed for this particular startup

Don Dillon
Founder & CEO (Full Time)
U.S. Navy Veteran
Former investment banker & private investor
Founder of glass construction company

David Cho
Product & Marketing (Full Time)
Nike strategy & brand marketing
Adidas product marketing, GTM & DTC
Two previous consumer food startups

Rachel Zemser
Food Science
Food & Culinary Scientist
Food Science Innovation Lab
Big brand & startup experience

Steve Moody
Military Feeding
Former Director Combat Feeding Directorate
15 years in DoD Combat Feeding
24 years as US Army Warrant Officer

John Kowalchik
Military Food Production & Sales
Former CEO, Warnick Foods
7 of 3 MRE assemblers
Former CEO, Baxters North America

Tim Herren
Ultrasonic Technology
40+ years of ultrasonic welding experience
Former West regional manager for Branson
Leading ultrasonic welding manufacturer

SOUND 11

$2M Seed B for Consumer business models

Sharpen consumer product range, storytelling & GTM capabilities

Partnered with leading Military food producer to leverage their Equipment, Ingredients & Labor

Raised $1M Seed A in Fall 2022 for small scale Consumer launch in Q1

This round gets SOUND to cash flow positive, payments from MRE assemblers in Q1 2024

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