



**Investor Presentation |  
March 2020**

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## Company Overview

### Who We Are

- 'Company' – founded in December 2018 – is a Southeastern based e-commerce distributor who delivers the highest quality domestic, wild-caught seafood directly to consumers via a home delivery service.
- Company is owned and financed by the sole owner and founder. With nearly a decade of experience guiding sport fishing trips and commercial fishing in Alaska, Owner recognized the need for an e-commerce platform to meet the growing demand for domestic wild-caught seafood.
- Outside of the experience of the owner, Company is uniquely advantaged through its supply chain and backend operations. Owner is the only employee and has designed the business to require few additional FTEs upon scaling.
- Company uses a third-party frozen fulfillment center to handle all pick, pack and ship ('PPS') aspects of the business. The fulfillment center is a large volume center with three facilities strategically placed around the country.
- By outsourcing this aspect of the business, Company was able to immediately compete at a national level with zero exposure in regard to facilities, packaging material, and labor. As sales grow, the cost of the product stays the same or lowers. Cost of PPS remains flat or goes down. This allows the business to truly scale.



### What we're looking for:

- Company is seeking an investment from a strategic partner for the following purposes:
  - An ~\$xx investment for a ~yy% stake in the company; capital will be used to fund marketing and ad campaign
  - To leverage the expertise and existing portfolio of a scaled investment group
  - Access to financing in the form of a revolving line of credit

With the right investor, Company is uniquely positioned to rapidly expand and drive significant earnings and returns

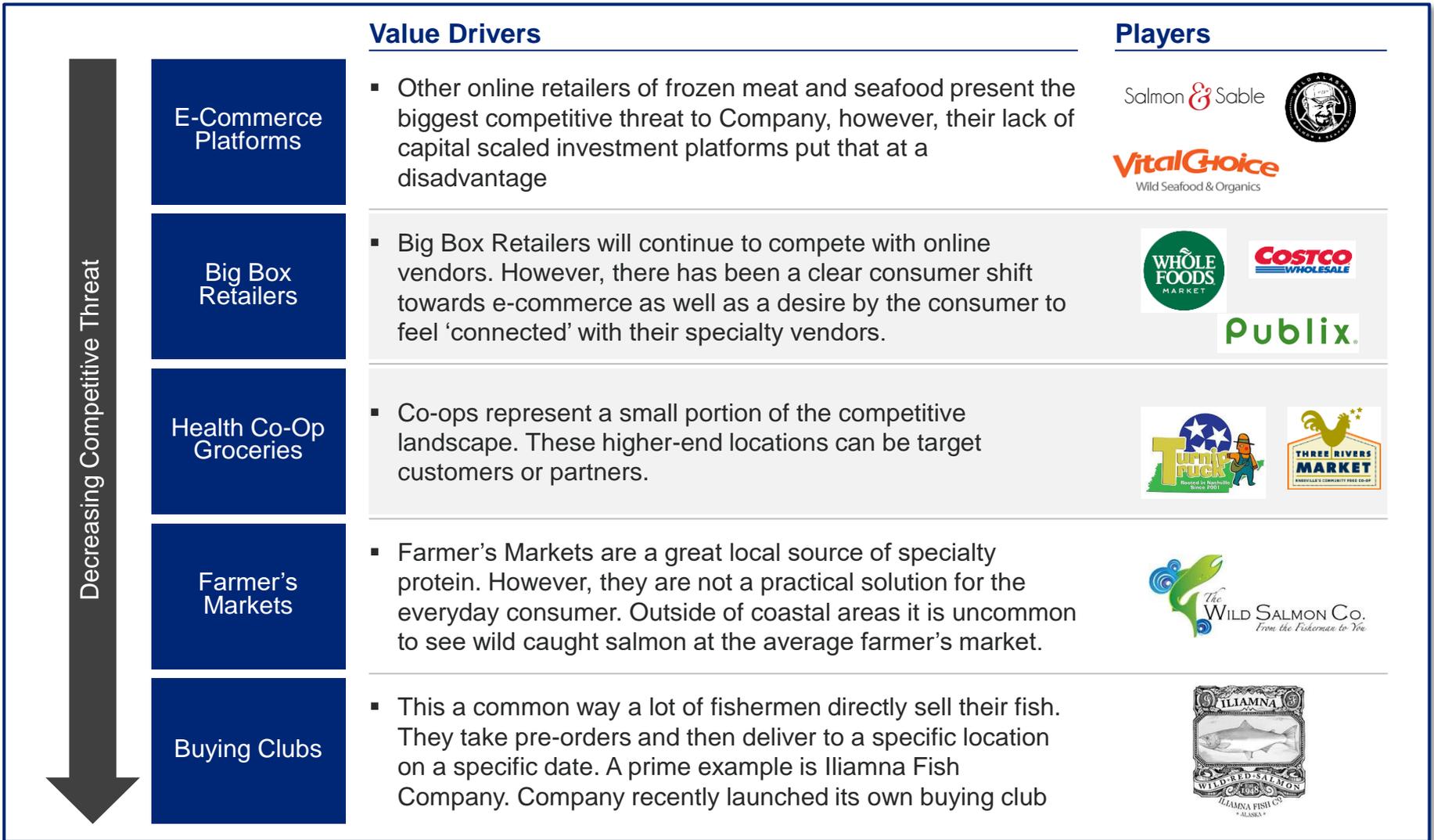
# We conducted a Total Addressable Market ('TAM') analysis to estimate the frozen seafood market size

Company's TAM gross profit ranges from \$2.8M - \$26.0M<sup>1</sup> based on variations in market capture and gross margin

Projected Scenarios			Game-Changer Scenario	
Sensitivity	Pessimistic Case	Base Case	Optimistic Case	Large Retailer
Frozen Seafood Market Annual Spend	\$8.0B	\$8.0B	\$8.0B	\$8.0B
Company Market Capture Rate	0.1%	0.2%	0.3%	1.0%
Company Revenue	\$8M	\$16M	\$24M	\$80M
Company Gross Margin	35%	40%	45%	32.5%
Illustrative Company Gross Profit	\$2.8M	\$6.4M	\$10.8M	\$26.0M
What you need to believe	Company <i>scales relatively slowly</i> and captures a minimal portion of the market	Higher sales volume, and thus an <i>expansion of GP margin drives earnings</i>	Company captures a large portion of the market and <i>realizes significant economies of scale</i>	Company becomes the <i>'distributor of choice' for a large retailer(s)</i> ; reduced margins from limited negotiating power

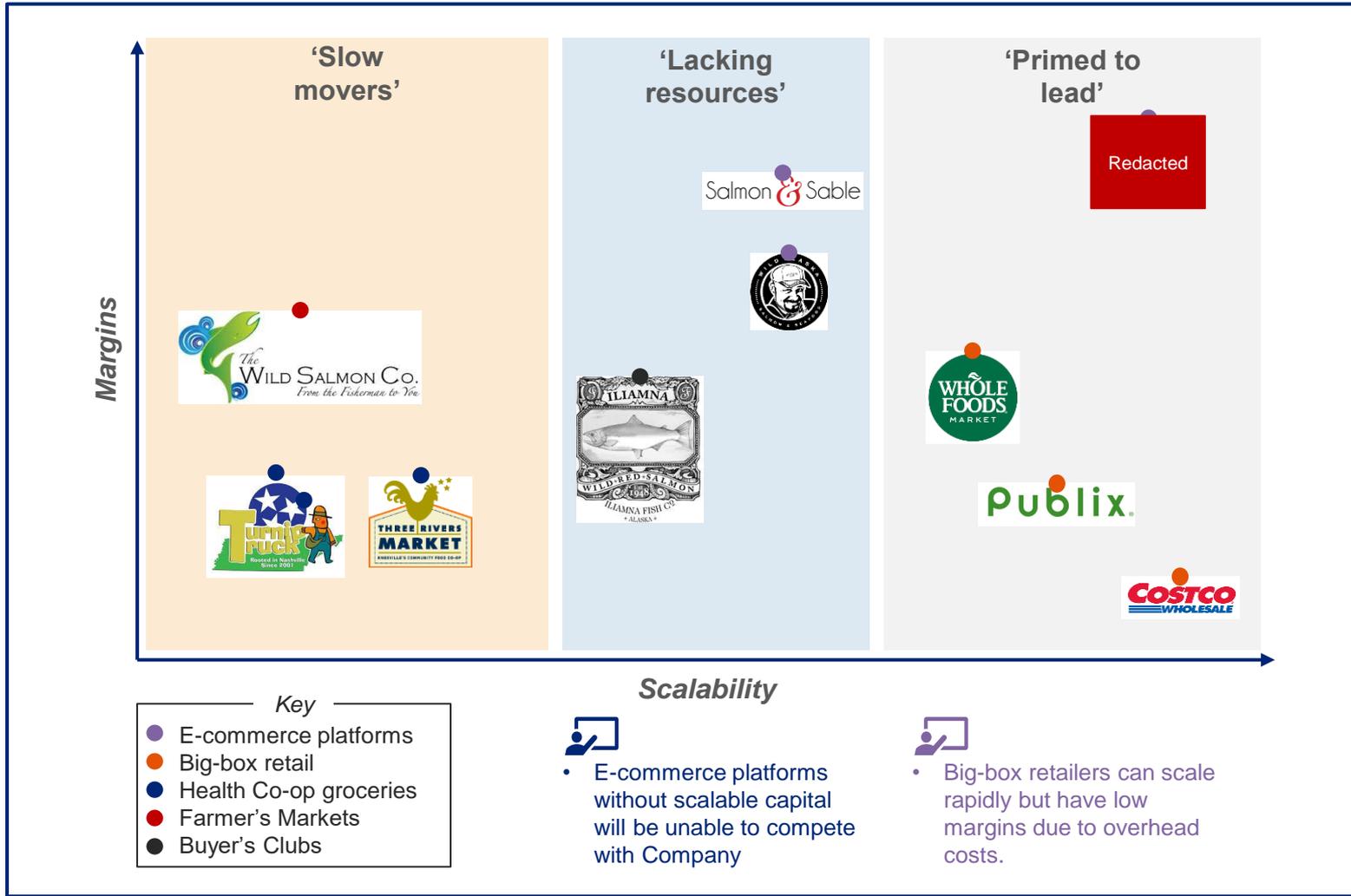
1) See Appendix for detailed breakdown and source list

# Company is uniquely positioned in the market-place



Partnership opportunity

# The e-commerce model allows for large margins and the ability to scale rapidly



## Company's automated supply chain allows the Owner to concentrate on revenue growth

- 
  - Company contacts their fisherman and authorized suppliers to place orders, based on expected demand
- 
  - Suppliers pack product into the selected Company SKU sizes
- 
  - Products and cases are labeled with the appropriate Company Label & UPC (allowing Company website to correctly communicate with 3rd party fulfillment center)
- 
  - Product is shipped from the supplier or fishermen directly to the 3rd party fulfillment center via 3<sup>rd</sup> party carries (LTL or FTL)
- 
  - Customer places an order online on the Company website and pays via Credit Card. Customer receives a receipt from Company.

**Company's automated supply chain allows the Owner to concentrate on revenue growth**

- 6**  3rd party fulfillment center receives order directly through an online portal that is connected to the Company website.
- 7**  3rd party fulfillment center picks and packs order
- 8**  Tracking information is kicked back to the Company website and tracking information is sent to the customer
- 9**  FedEx delivers order directly to the customer via FedEx home delivery (2 Day Delivery)
- 10**  Adding a robust backend website would technology would alleviate any need for manual updates of shipping information and can be entirely automated

**The entire process takes 3 – 4 days to complete**

 Denotes future technology

# Company will deploy investor capital via an advertising campaign to drive product sales and brand recognition

## Company will need to significantly improve total website visitors and conversion rates

### Current State

- The Company website had xx visitors over the 90-day period ending 03/20/20
- These visitors spent an average of one-minute on site and made yy purchases – a conversion rate of 0.81%.
- Company's conversion rate is low by industry standards. The average US e-commerce conversion rate is 2.86%

### Actions

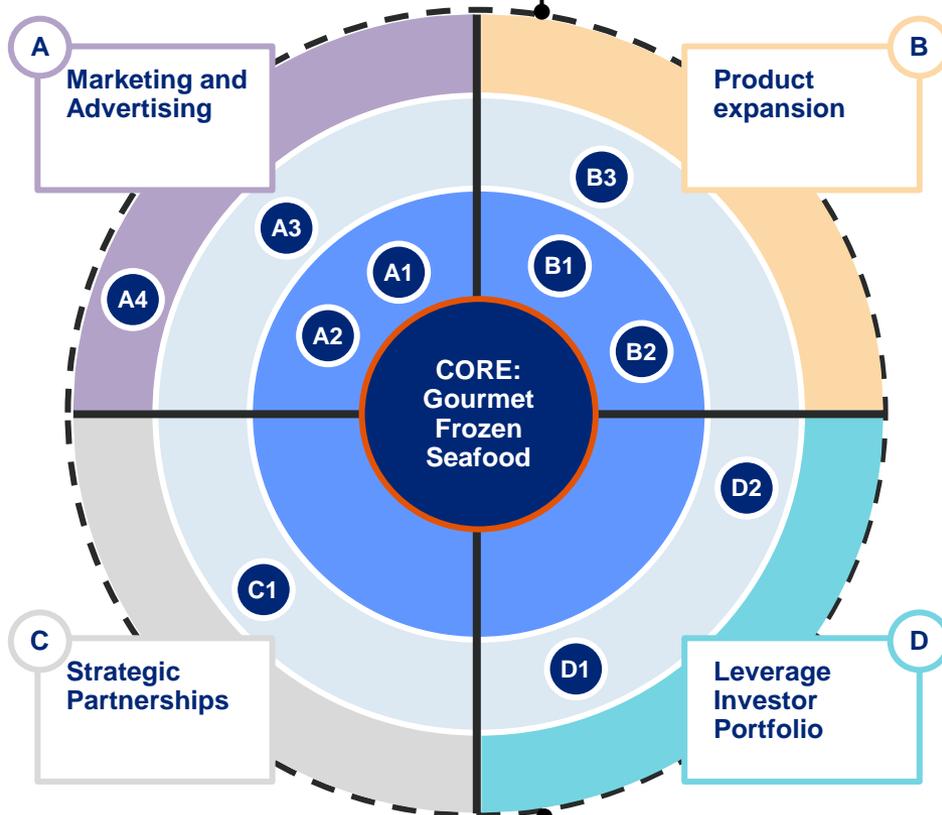
- Investment / marketing dollars would be used for social media ads and PPC campaigns. Company would offset the lack of organic traffic with paid traffic
- Conduct a series of surveys to understand target market / individuals who will spend an average \$xx for frozen seafood
- Create more professional content (photos, short clips, recipes) that would be broadcast on YouTube and social media outlets to drive traffic to the website

### Future State

- As more on-site traffic occurs, Company's rating with Google will climb
- In return, Company can reduce the amount of advertising and allocate funds to additional product launches, promotions, and product improvements
- Company's margins will expand significantly as revenue growth outpaces advertising and operating spend

# Company should consider implementing additional solutions<sup>05</sup> which compliment its core offering

## Company expansion opportunities



### Opportunity

### Description

**Gourmet Frozen Seafood**

- Fresh seafood delivered directly to consumers homes

**Marketing and Advertising**

- Run influencer and ad campaigns

**Product Expansion**

- Differentiate product offering by offering more than seafood

**Strategic Partnerships**

- Like-minded, non-competitive e-commerce partners

**Leverage Investor Portfolio**

- F&B portfolios offer cross-selling and partnership opportunities

Note: see solutions detail on subsequent pages

# Potential solutions to drive Company's sales (1 of 2)

Space	Solution	Value of / to Company	Impact	Feasibility
Marketing and Advertising	A1 Social Media ads	<ul style="list-style-type: none"> <li>Social media ads, both sponsored and through influencers, will drive product awareness, increasing traffic to the site, as well as creating customer and brand loyalty</li> </ul>		
	A2 Run PPC campaign on Google	<ul style="list-style-type: none"> <li>Spend on PPC campaigns will drive visitors to the Company site. Eventually, Company will 'rise' on the Google search returns, creating more organic traffic and sales</li> </ul>		
	A3 Create more professional content	<ul style="list-style-type: none"> <li>YouTube videos, short clips, and recipes will further drive customer awareness and brand loyalty</li> </ul>		
	A4 Re-vamp website	<ul style="list-style-type: none"> <li>Opportunity to re-vamp website will create additional conversions</li> </ul>		
Product Expansion	B1 Additional value-added items	<ul style="list-style-type: none"> <li>Value-added seafood items, such as crab cakes, salmon burgers, seasonings, and condiments create the opportunity to 'de-commoditize' products and increase consumer loyalty</li> </ul>		
	B2 Expand into other seafood food types	<ul style="list-style-type: none"> <li>Wild-caught seafood present a near endless opportunity for both full-time and limited-time offerings</li> </ul>		
	B3 Expand into other non-seafood types	<ul style="list-style-type: none"> <li>Non-traditional land animals such as axis deer and sustainable elk are natural bolt-on products</li> </ul>		

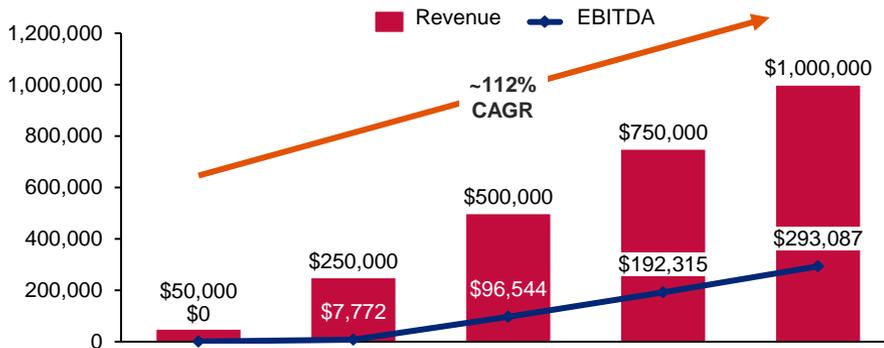
# Potential solutions to drive Company's sales (2 of 2)

Space	Solution	Value of / to Company	Impact	Feasibility
Strategic Partnerships	C1 Partnerships with other e-commerce platforms	<ul style="list-style-type: none"> <li>Company can leverage like-minded, complimentary e-commerce companies to expand product offering</li> </ul>		
Leverage investor portfolio	D1 Company owner experience	<ul style="list-style-type: none"> <li>Use F&amp;B / e-commerce experience of the owner for investor portfolio companies</li> </ul>		
	D2 Use investor portfolio products	<ul style="list-style-type: none"> <li>Sell F&amp;B products produced by investor portfolio companies</li> </ul>		

# Company is well positioned to scale rapidly, driving sales and margin expansion

Company has strong unit economics, underlying fundamentals, and is built for expansion

Increases in marketing and advertising spend will drive earnings<sup>1</sup>



	2020P	2021P	2022P	2023P	2024P
Cost of Sales	\$32,346	\$159,228	\$313,456	\$462,685	\$606,913
SG&A	\$40,000	\$83,000	\$90,000	\$95,000	\$100,000
Gross Margin	35%	36%	37%	38%	39%
EBITDA Margin	(45%)	3%	19%	26%	29%
Equity Value <sup>2,3</sup>	NA	\$6,175	\$596,537	\$1,330,886	\$2,200,785



Key takeaways

Highlights

Gross Margins

- Company posted **positive gross margins in 2m20** (~35%)
- As Company ramps sales, **gross margins will expand due to bulk-order discounts from suppliers**

Minimal Fixed Costs

- Due to the online and passive nature of the business, **fixed costs will increase very little as sales expand**, driving margin and equity value growth

Scalable Business

- Company should be **considered a volume play**. With the right buyer, Company will **implement a marketing and advertising campaign to bolster revenues**
- The **unit economics of the business are strong**, as evidenced by the average gross profit per unit sold.

Volume Play

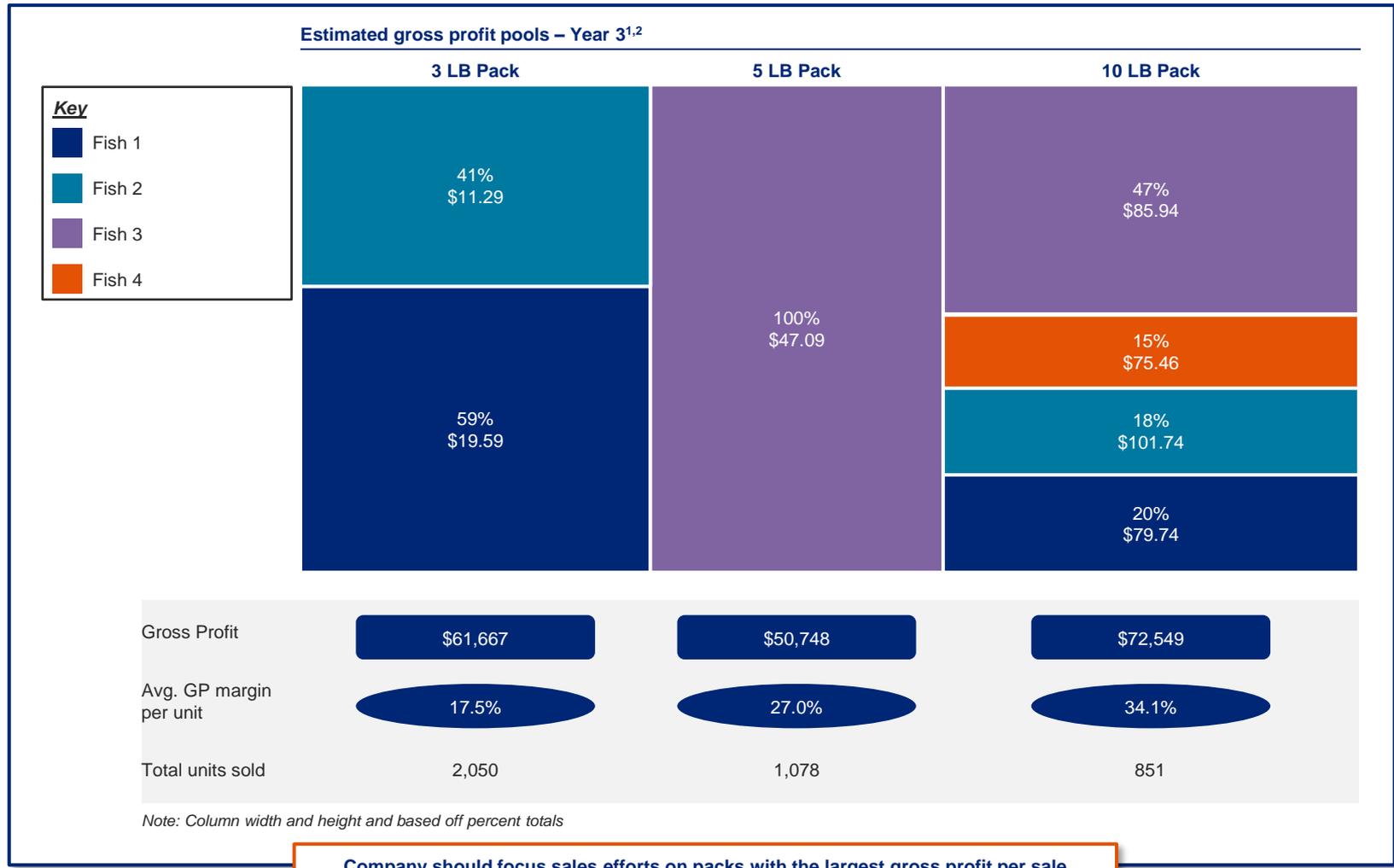
- The results of the increased sales will be two-fold:
  - Gross profit margin will increase** in conjunction with bulk-order discounts from suppliers
  - Total earnings and margins will expand** as fixed costs will remain relatively

Strategic Partner and Capital Needs

- In order to scale the business and ramp sales, **Company needs a strategic partner, as well as a capital commitment** to put towards marketing and advertising

1) Note: 2020 EBITDA is shown as \$0 for presentation purposes; 2020P EBITDA is (~\$20k) per projection model  
 2) Equity Value = (Exit year EBITDA x Exit Multiple) – Debt / Debt-Like items + Cash and Equivalents  
 3) Assumes a 6.5x exit multiple

# Where do Company's value pools reside?



1) \$185k of gross profit based on year three of projections  
 2) Profit pool size, gross profit, and gross profit margin are based on historical data

# Company offers a suite of frozen seafood options

Customers can choose from a variety of seafood sizes and portions

	<u>Size Options</u>	<u>Portion Size</u>	<u>Servings</u>	<u>MSRP</u>	<u>Gross Profit</u>
Fish 1	<ul style="list-style-type: none"> <li>3 LB Pack</li> <li>10 LB Pack</li> </ul>	<ul style="list-style-type: none"> <li>6 ounces</li> </ul>	Redacted		
Fish 2	<ul style="list-style-type: none"> <li>5 LB Pack</li> <li>10 LB Pack</li> </ul>	<ul style="list-style-type: none"> <li>8 ounces</li> </ul>			
Fish 3	<ul style="list-style-type: none"> <li>3 LB Pack</li> <li>10 LB Pack</li> </ul>	<ul style="list-style-type: none"> <li>6 ounces</li> </ul>			
Fish 4	<ul style="list-style-type: none"> <li>2 LB Pack</li> </ul>	<ul style="list-style-type: none"> <li>8 servings / bag</li> </ul>			

Denotes 'add-on' product

Note: Fish 4 are offered in 2 LB increments and are "add-on" only products unless 10 pounds are purchased

Redacted

Redacted

# Appendix

# Appendix: TAM Analysis

Description	Pessimistic Case	Base Case	Optimistic Case	Retailer Case	Rationale / Source
<b>Frozen seafood market annual spend</b>	<b>\$8B</b>	<b>\$8B</b>	<b>\$8B</b>	<b>\$8B</b>	Source: IBIS World – Prepared Frozen Fish Production Industry in the U.S. – Market Research Report
Company market capture rate	0.1%	0.2%	0.3%	1.0%	Estimates based off market research and estimated time to scale
<b>Total revenue</b>	<b>\$8.0M</b>	<b>\$16.0M</b>	<b>\$24.0M</b>	<b>\$80.0M</b>	Calculation
Company gross profit margin	35%	40%	45%	32.5%	Based of 5-year financial forecast model and current GP margins
<b>Company revenue</b>	<b>\$2.8M</b>	<b>\$6.4M</b>	<b>\$10.8M</b>	<b>\$26.0M</b>	Calculation