



Investor Deck

Company Overview

- Chipoy's is building a leading CPG company to target growing market opportunity; **flavored corn chips**
 - Rolled corn chips, its first product, is seeing immediate market success since launching a few months ago
 - Few products compete with the Barcel owned, market leader, Takis.
 - With relatively few competitors in the rolled chip category, Chipoy's is proving to be able to meet the market demand and is looking to increase its market share in this growing category



Company Overview

- Unlike other early-stage brands, Chipoy's has quickly achieved market penetration and its founders have significant CPG experience
 - **Manufacturing locked-in:** Developed long-term partnerships with manufacturers while maintaining optionality to increase production on an as-needed basis
 - **Tremendous demand:** Circle K entered into a private label agreement with Chipoy's after less than six months of the product being on the market; the growth in Takis demonstrates a market opportunity where there can be multiple winners
 - **Reduced supply chain bottlenecks:** Built a supply chain to reduce the impact of bottlenecks that has recently plagued the industry
 - **Locked-in pricing:** 3rd party contracts help reduce costs to maintain competitive retail pricing; ability to increase pricing in 2023 given low costs
 - **Strong industry relationships:** Created immediate sales opportunities (i.e. Circle K, Core Mark, NCD, etc.)
 - **Immediate success:** Since launch in the beginning of 2022, achieved \$1.2 million of revenues (Sept. YTD) with strong visibility to achieve \$14.5 million of revenues in 2023 and \$30 million of revenues in 2024
 - Current customers starting in Q1 '23 will be acquiring ~\$500k per month of product, without factoring in any additional products or new customers that may start in Q1 (i.e. Walmart, Food Lion, addition of 10 oz etc)
 - **Low fixed overhead costs:** Partnered with firms to handle accounting functions in order to reduce expenses and allow capital to be focused on revenue growth opportunities



Opportunity:

Market leader challenges in the market



- Taki exclusively delivers on their own route trucks, focuses primarily on drug, mass and chain grocery and bypasses Convenience Store Distributors
- Taki had a price increase over the summer, their list price on 4 oz is approximately \$1.60 per bag Increased wholesale pricing by 30% - 40%
- Domestic and international retailers have been either on allocation or complete lock-out from purchasing Takis
- Taki is limiting sales to domestic and especially international trading partners due to capacity constraints opening up numerous opportunities for Chipos
 - Taki is experiencing significant growth and having issues keeping up with demand
- Negative reaction to number of ingredients/chemicals in chips from health-conscious consumers



Why Chipoys

- Our founders are all parents and know children are consuming over a billion bags per year of chips filled with chemicals
- We come from a Convenience Store Distribution background and have seen thousands of stores and especially distributors neglected by large snack companies
- Chipoys brings authentic quality, flavor and fun to Mexican corn chips with branding that will resonate with young consumers
- The spicy rolled chip category is rapidly growing, providing Chipoys an opportunity for aggressive scale and market share capture
- The space is dominated by large, corporate-owned brands, so Chipoys stands out with an artisanal product that delivers quality unlike anything currently in the market

We prove out the “Why Chipoys” everyday as sales continue to climb and new customers are introduced to the brand. Customers are excited for the fresh, healthier alternative to Taki’s plus it has a better taste.





v.



TAKIS' struggles provide an opportunity for Chipos to capture market share by offering:

- **Increased production to meet the industry demand**

- Chipos has expanded to 3 factory producing chips with 4th machine online Jan 2023
- C-store supply to meet the industry demand outside of grocery

- **Better taste and crunch**

- Focus group and consumer feedback is overwhelming positive v. leading competitor.
- Chipos' recipe and production process produces an authentic tasting and higher quality chip

- **Better for you**

- Takis has double the amount of ingredients compared to CHIPOYS
- Chipos is working on removing Red 40

- **Know what the retailer want: smaller box counts to reduce cost outlay to retailer**

- Takis sells 24 - 40 per box vs. Chipos sells 8 - 10 per box

- **Lower pricing and higher margins**

- Taki's 4oz bag is \$1.60 versus Chipos 4oz bag is \$1.12 while offering higher margins



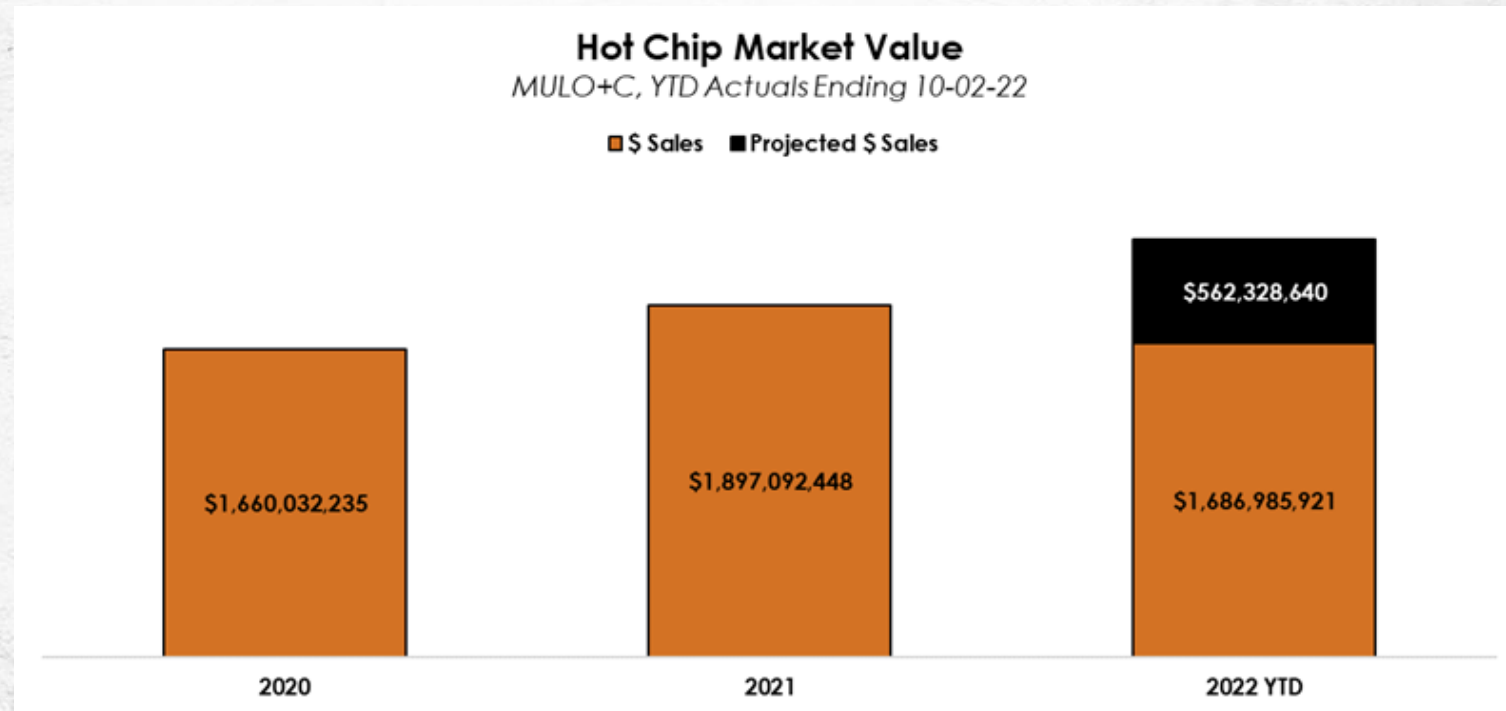


Market Overview

Market Overview:

Hot Chips are Growing Significantly in MULO+C

- Hot Chips in Multiple Outlet with Convenience Stores (“MULO + C”) have increased from a \$1.660B segment in 2020 to a projected \$1.897B segment in 2022
- The increase of +\$237M (+14.3%) from 2020 to 2021 has been increased to a projected +\$352M (+18.6%) from 2021 to 2022

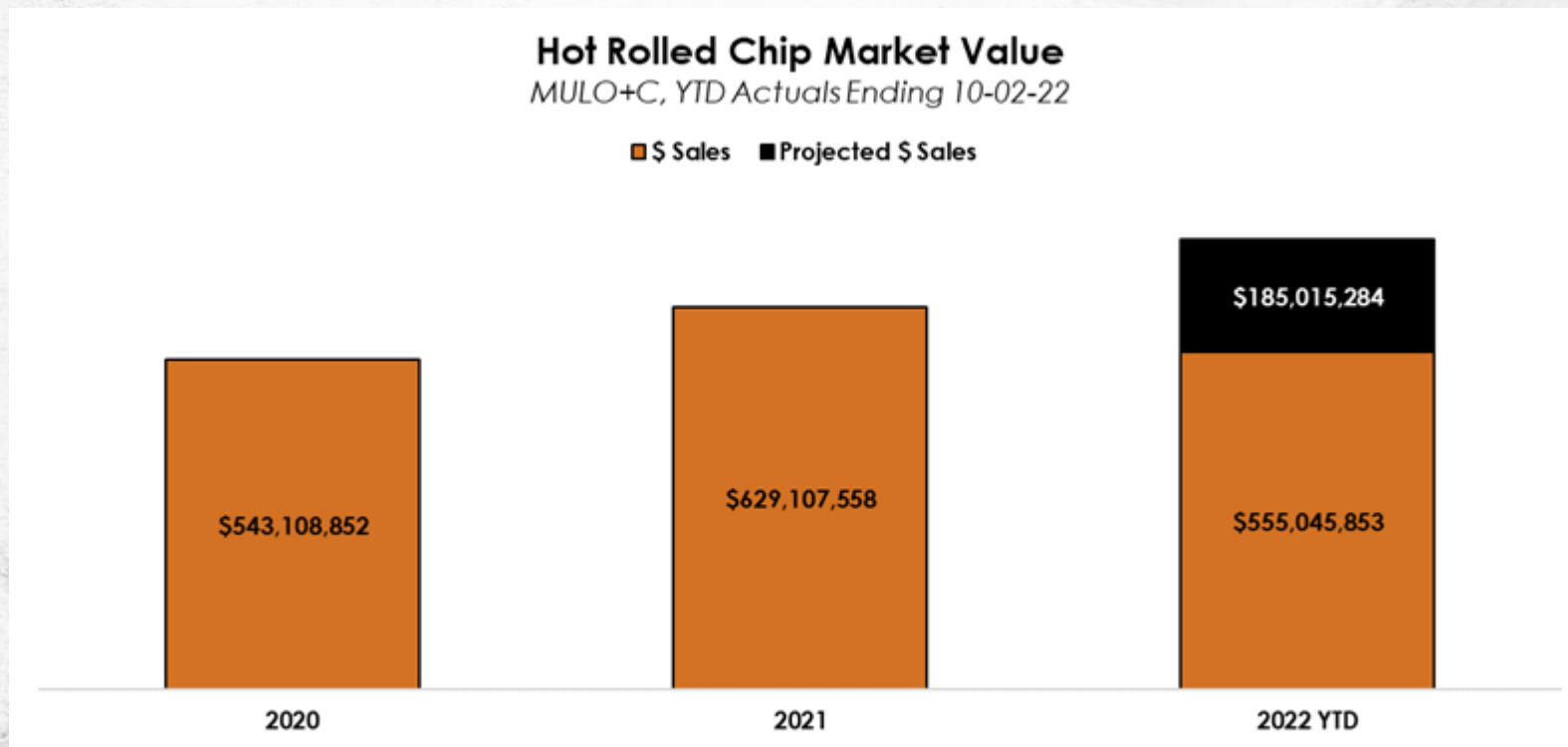


Note: MULO + C the following channels: Food/Grocery, Drug, Mass Merchandisers, Walmart, Club Stores (BJs and Sam's), Dollar Stores (Dollar General, Family Dollar, Fred's Dollar), Military DECA (commissaries) and Convenience Stores (often called C-Stores).

Market Overview:

Hot **ROLLED** Chips are Growing Significantly in MULO+C

- Hot Rolled Chips are growing in line with overall Hot Chips, increasing by +15.8% (+\$86.0M) in 2021 to a projected increase of +17.6% (+\$111.0M) in 2022
- This outpaces the Tortilla Chip market growing of +10.7% CAGR from 2020 to 2022

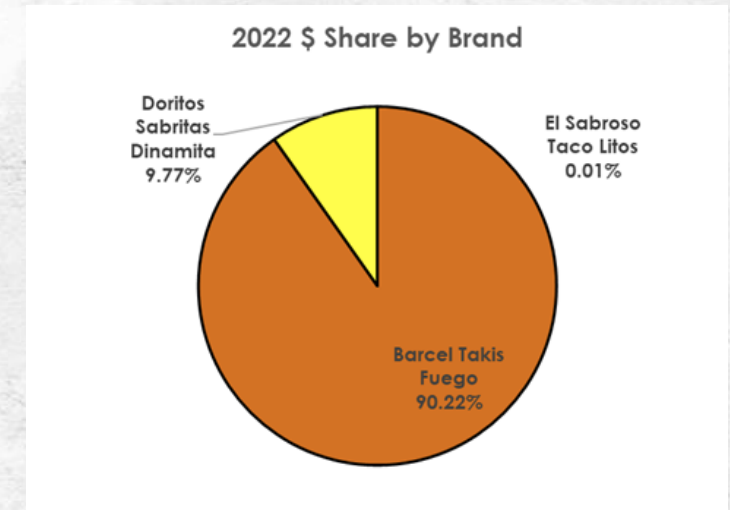


Market Overview:

Takis is Growing Market Share

- Takis market share has increased from 88.3% in 2020 up to 90.2% in 2022
- Primarily this has been from the decline of Doritos Dinamita, which has seen a loss of \$9.34M in the past two years, down by 14.7% in the same period

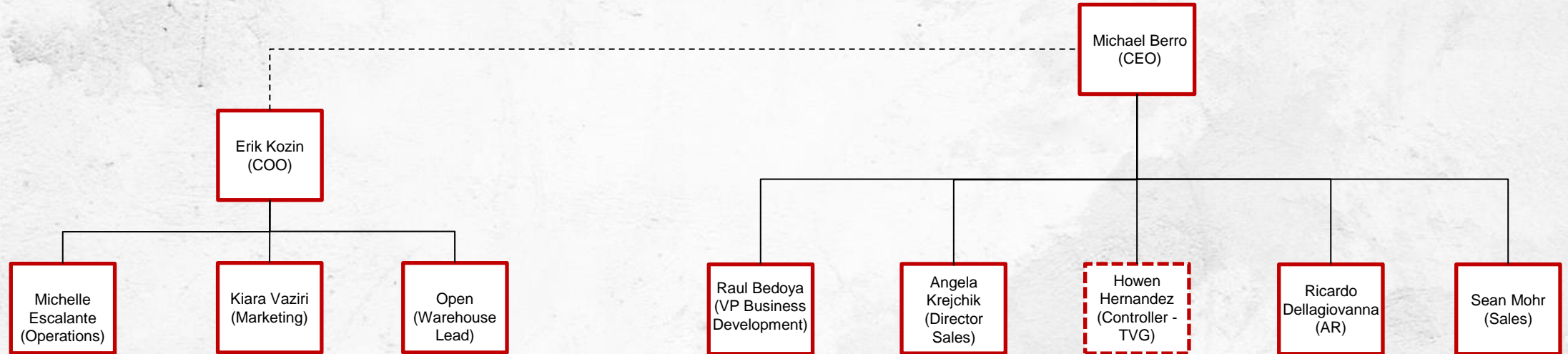
Brands	2020	2021	2022 YTD
Barcel Takis Fuego	\$479,478,653	\$565,906,835	\$500,743,785
Doritos Sabritas Dinamita	\$63,566,875	\$63,140,381	\$54,226,432
El Sabroso Taco Litos	\$63,325	\$60,341	\$55,411





Company Details

Current Org Chart



2022 Revenues

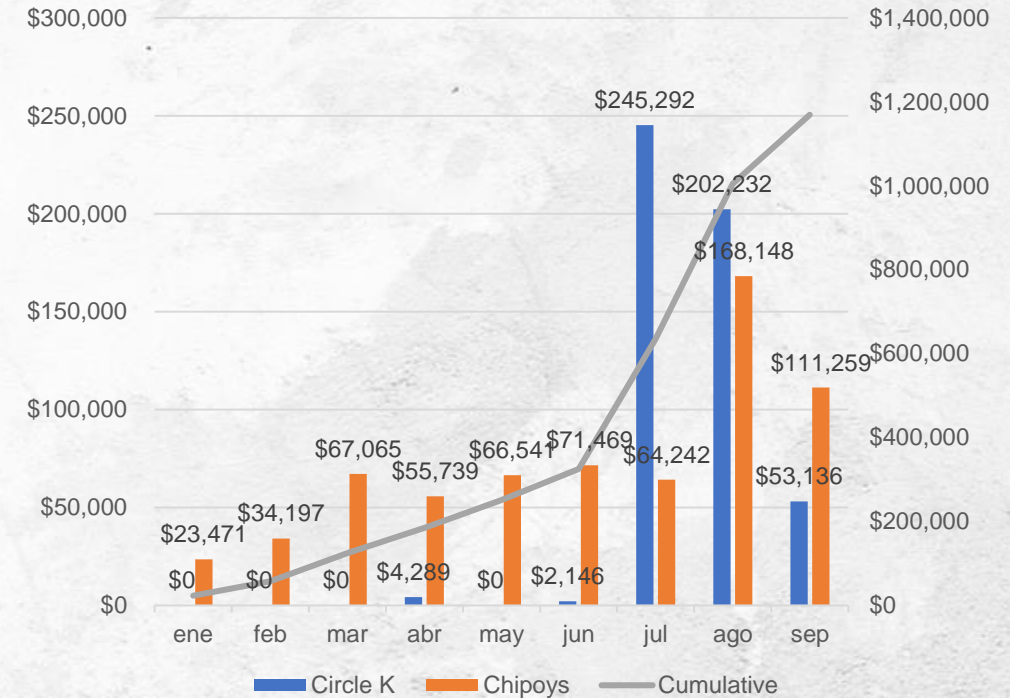
CHIPOYS

- Scaled production with summer capacity allocated to Viva Sabrosas
- Factory 3 which potentially doubles capacity opened in October
- Dot Foods and Thayer doing redistribution will open up new distributors and add seven figures in new revenue
- Spicy Ranch and Original launch in November
- 10 oz bags launch in Q1 '23
- Puerto Rico to receive first two containers in November

Circle K

- Agreement was executed April 20, 2022 to provide chips under Circle K's private label brand, *Viva Sabrosas*
- Distribution to load in stores was in July and August
- Reorders started early September
- Average store is selling 6 bags per week without any drop in Takis sell-through
- Circle K wants to expand aggressively as all sales and margins are incremental and have added 10 oz to the contract

YTD Revenues



Current Customers



- Denotes customers who committed to order product in Q1 2023.

Manufacturing / Logistics

- The management team, through its extensive background in the CPG space, utilized its relationships and knowledge of the industry to build a strong manufacturing and logistics network to ship product across the globe

Manufacturing

- Chipboys partnered with one of the few factories in Mexico with significant experience producing rolled tortilla chips
- Manufactures its products out of three factories under an exclusive manufacturing agreement
 - The three factories have a combined production capacity of 156 pallets or 13 trucks per week which is equal to \$18.7 million of annual revenue
 - Opportunity to purchase 4th factory that will increase capacity by ~170 pallets per week which is equal to ~\$20 million of annual revenue
 - Acquired additional equipment to expand capacity by adding 3 additional trucks (36 pallets) per week or an additional \$4.3 million of revenue for no additional capital costs

Logistics

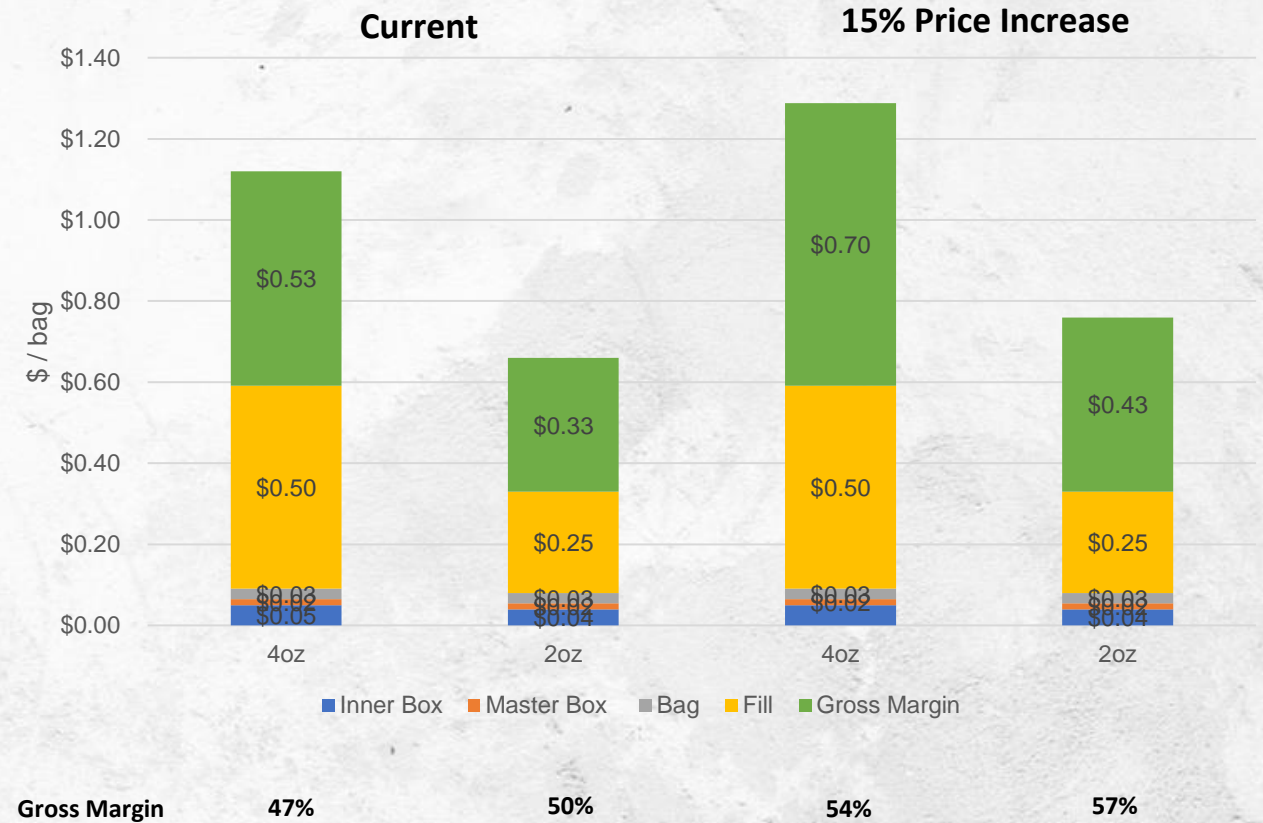
- Under the manufacturing agreement, the factory is responsible to truck each pallet to a 3PL in San Diego owned by Premar
- For a flat \$2,000/mo flat fee, Premar is responsible to unload each truck, store the product in its warehouse, and then pack the product on trucks to be shipped to its distribution partners: Core-mark, McLane Company, and Dot Foods
- Core Mark, McLane Company, and Dot Foods are responsible for distributing product to the end customer



Gross Margin Build-up

Commentary

- **Inner Box:** ability to procure boxes from China should drop pricing by 20% but not reflected in the costs
- **Bags:** bag costs have come down and have 10-14 day turnaround times to reduce supply chain issues; able to negotiate pricing with TVG as a larger buyer to reduce costs
- **Fill / Manufacturing:** able to negotiate only a small \$.005/ Oz increase due to relationship and volume growth
- **Sales:** utilizing Consolidated Sales Network (CSN) keeps sales on a variable cost basis allowing us to lock in highly competitive pricing without incurring fixed overhead
- **Pricing:** ability to raise prices by at least 15% due to Takis' 30 - 40% increase in 2023



Sales Projections

Domestic Revenue

- Walmart should be placing an order late in '22
- Food Lion Rolls out into 1,100 stores late in '22
- Chipoyo's is under review by CVS, Dollar General and Walgreens
- Spicy Ranch and Original will create incremental sales with existing customers and help open customers like HT Hackney, Weigels and others
- Dot Foods allows C-stores order flexibility which lowers risk of bringing in Chipoyo's.
- Core Mark has discussed a national roll out in Nov/Dec

Private Label

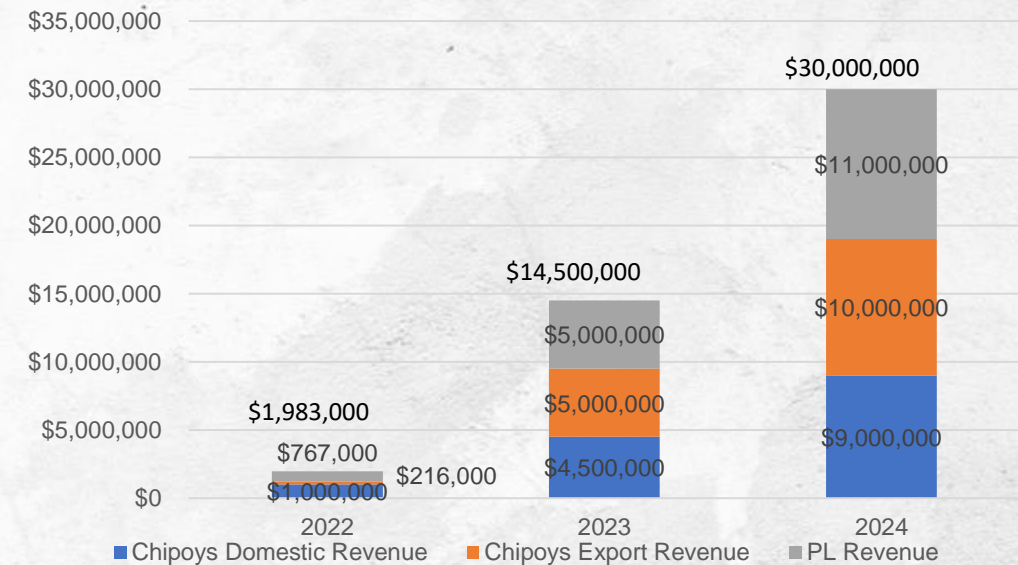
- Two items contracted with Circle K already
- Circle-K is looking to aggressively expand Viva Sabrosas into more rolled chips, conventional corn chips and tortilla chips
- Assumes Circle-K adds 6 new SKUs and adding two new items
- This does not include any revenue from Delhaize or EG Group (Cumberland Farms) who both want private label
- The jump in 2024 comes from adding more items into Circle K
- Recently received opening purchase order on 10oz bags for \$1 million in January

Export Business

- Signed contracts with UK, Puerto Rico and Saudi Arabia and already sold product to Australia
- Cost U Less will be bringing Chipoyo's to eight countries
- Adding a 10 oz later in '23 will open up incremental sales in existing exporters and help open up new items
- Once Red 40 is successfully removed it will open the EU given EU restrictions on Red 40



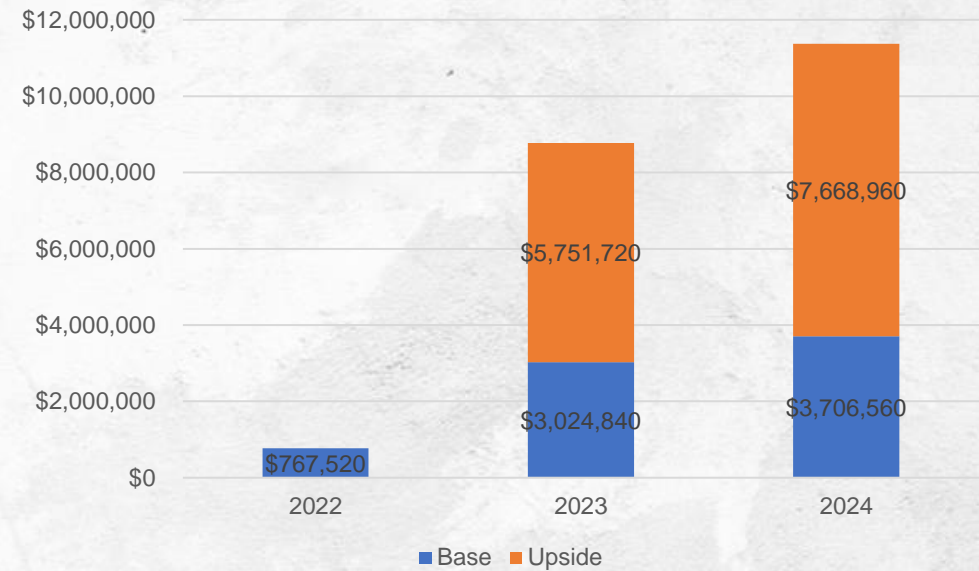
Sales Projections



Circle K

- Entered into a private label deal with Circle K where Chipoy's rolled tortilla chips would be sold across all Circle K stores
- Under the agreement, Chipoy's would sell each 4oz bag for \$.82 which equates to an ~30% gross margin
- Based on the initial feedback, Circle K is expanding to 10oz and working towards adding multiple new flavors in 2023
 - Recently received opening purchase order on 10oz bags for \$1 million in January
- Circle K has also expressed interest in developing additional products such as spicy corn chips, tortilla chips, etc
- There may also be opportunities to expand into Circle K locations outside of the United States

Sales Projections



International Opportunities

- Immediate success in the export market with contracts signed with 4 countries and seeing strong growth potential
 - All export customers will be picking up in the US/MX
- **Executed contracts**
 - UK (Envis Snacks)
 - To start with 4 containers and initial feedback from customers is very strong
 - Based on feedback from Envis, expect revenue to be between \$2 million - \$4 million per year
 - Envis Snacks also wants to help us sign up a partner company for Belgium, Holland and Luxembourg
 - Puerto Rico (Fusion CPG)
 - Master distributor of Celsius and other powerhouse brands for PR and the Dominican Republic.
 - Starting with a \$50,000 opening order and based on feedback from Fusion CPG, expect revenue to be upwards of \$1 mil per year
 - Saudi Arabia (Cluster Snacks)
 - Starting with at least 3 containers over 6 months and expect to sign a longer-term contract
- **Other Opportunities**
 - Expect to sign a contract for Germany and Switzerland
 - Two distributors in Australia have purchased with solid sell through
 - Negotiations underway to supply a distributor for Greece and Cyprus
 - Received inquiries for the Caribbean, South America, and other European countries

Sales Projections



TVG Products Partnership

- Chipoy's entered into a partnership with TVG Products, a leader manufacturer and marketer of high quality, health focus brands
 - TVG Products provides Chipoy's with critical back-office functions at reduced prices
 - Handles all back-office operations including accounting, financial statements, human resources, etc.
 - Manages the inventory system
 - Invoices customers
 - Manages working capital including AR / AP
 - Administers payments
 - Provide Audited financials
 - TVG has sold products in over 40 countries and has vast experience with international tax laws
 - Additional functions
 - Chipoy's to utilize its marketing agency
 - TVG Products procures boxes for Chipoy's in order to save on costs
 - Pay for some of the G&A costs
 - Fee arrangement
 - Chipoy's does not have to pay any cash payments to TVG until it is cash flow positive on a recurring monthly basis
- TVG® invested ~\$1.3 million into Chipoy's and owns ~23% of the Company



Founders



Michael Berro: Co-Founder and CEO

- Former President of Logic Distribution
- 14 years at HLA (large C store distributor)
- Former Convenience Distribution Association Board Member
- Involved in exits at Reliva and Dryft Sciences
- Graduate of NYU Stern School of Business (BA)



Erick Kozin: Co-Founder and COO

- Former Marketing Executive at Monster Energy Company
- 15 years of Global CPG experience
- Led global product launches in partnerships with Coca-Cola, Asahi, FEMSA, JUMEX and more
- Led global marketing initiatives in partnership with UFC, Live Nation, Marvel, FOX, EA Sports and Activision
- Consultant and advisor to VLCN (NASDAQ)
- Graduate of University of California, Santa Barbara (B.A) and University of Laverne, California (MBA)



Harris Ziskroft: Co-Founder and Advisor

- Current Executive at HRS Management / 26North
- Former Managing Director at Engine No. 1
- Former Chief Investment Officer at Pelican Advisors
- Graduate of Cornell University (BS with Honors)
- Guest Lecturer at Cornell University



Daniel Hallak, JD: Co-Founder and Advisor

- Senior Counsel at Harris Beach PLLC
- Former Assistant New York State Attorney General
- Admissions: New York
- Graduate of Arizona University (BA)
- Graduate of Touro College Jacob D. Fuchsberg Law Center (JD)
- Guest Lecturer at Touro College

