Deal Snapshot	
Pre-Money Valuation	$20M
Ash's Investment	$ 4M
+ Syndicate Investment	$ 0M
= Total Series A	$ 4M
Post-Money Valuation:	$ 24M
% Ownership by Ash	16.7%

VCIC Executive Summary

Ash Ventures

Investing in:

Archer Roose

Top 5 Reasons We are Investing

1. **Strong Product/Market Fit:** Generating $5M+ in revenue in 2021 and growing 400% YoY. Have built a solid distribution pipeline, partnering with multiple tier 1 chain retailers such as Whole Foods and Walgreens.
2. **Diversified Revenue Streams:** Wholesale, D2C, subscriptions, and the JetBlue partnership channels are driving increased market size while rapidly growing brand awareness.
    a. **Top 50% 10 companies, Top 30% 5 companies.**
3. **Best-in-Class Product:** Archer Roose won blind taste test against 32 other brands and received international taste awards; high potential for both international and horizontal product expansion (e.g. spritzers, RTDs).
4. **Large Addressable Market:** $6B market with favorable tailwinds; canned wine sales are growing quickly at 75% YoY and are additionally capturing market share from traditional wine and beer sales.
5. **Seasoned Team:** Strong and diverse executive team with relevant experience in the alcoholic beverages industry; particularly impressive CEO ready to scale.

Top 5 Reservations

1. **Proposed Deal:** Their original proposal of a $800k convertible note is too small of an investment to move the needle for our fund; in order to make the deal work, we need to lead a priced Series A round.
2. **Supply Chain Limitations:** Global supply chain for aluminum cans is currently backlogged, with cans often taking 16-17 weeks to ship. Accounting for fluctuating lead times and limited grape supply can be unpredictable and may complicate the production process.
3. **Weak Branding:** Canned wine industry has many other players in the space; unclear brand differentiation which can be overcome by shift to female focus and more mission driven business
4. **Complex Distribution Process:** Challenges may arise when expanding to new geographies due to complicated distribution network and regional marketing differences.
5. **Early Industry Exits:** Standard M&A exit of alcohol brands typically occurs early in product lifecycle, making fund returning exits more difficult.

Your Overall Investment Decision:

Ash Ventures is proposing to lead Archer Roose's Series A round with an investment of $4M valuing Archer Roose at $20M pre-money. We're also reserving another $4M for future follow-on rounds.

Archer Roose is a canned wine company focused on delivering high-quality products to the millennial population, operating in the fastest growing subset of the $60 billion wine market. When speaking to experts in the space, we came to the conclusion that Archer Roose has a product that is superior to its competitors and aligns with many of their customers' values, but lacks a clear growth plan and branding image that will differentiate the product to emerge as the leader in the space. We believe Archer Roose can become the go-to drink for women, which is the primary demographic of canned wine sales. We see Archer Roose expanding into a global brand for women through expansion into the digital media space, similar to how Red Bull became the symbol of men's extreme sports.

Ryan- Our path for this growth includes wide expansion of marketing and media endeavors through efforts ranging from celebrity endorsements and social media engagements to hosting conferences, with the potential to expand their product offerings as they develop brand loyalty - positioning Archer Roose to reach an fund-returning exit.

Archer Roose is a great fit for our investment thesis, and we believe that Ash Ventures is the best investor to guide their strong team to scale the business and facilitate our upside case. Considering our past experience growing similar companies like Snapple, our diversity-focused fund, and our relationships with women's media companies like Refinery29, we will accelerate their growth and generate a great return for our fund.

Valuation Rationale:

Archer Roose has previously raised $6.5M in convertible investments. With our vision to grow Archer Roose into a globally recognized brand, we propose an investment of $4M on a $20M valuation in a series A investment. With this investment, Ash Ventures will own 16.7% of the company. It is important to note that existing convertible notes will convert into this round with all new shares issued upon conversion counted in pre-money share count. Archer Roose's valuation is based upon early signs of product/market fit (with their $5M in revenue) combined with a market analysis of financial projections for comparable business models. We value the business at

$20M pre-money, based on our market analysis and the VC method, and it is consistent with entry comps (other beverage companies raising a Series A).

Expected Return:

<u>Scenario 1 - Big Win: Multi-Channel Distribution + Successful Media Expansion = Strong IPO & Beyond</u>

In this scenario, $311M in revenue is achieved by year 7. Applying a 5.8x revenue multiple gives an implied valuation of $1.6B. This generates a return for the fund of $235M, giving a money multiple of 27.7x on our investment and an IRR of 70% over 7 years, which is the more likely time horizon given the development time necessary to build the subscription products and consumer base.

IPO Return

Years to Exit: 7	IPO Valuation: $1.6B
Total Capital Required: $49M	Ownership at IPO: 14.6%
Ash Ventures Follow-on Investment: $4.5M	Ash Ventures Expected Proceeds: $235M
Ash Ventures Total Capital Commitments: $8.5	Multiple on Invested Capital: 27.7x

<u>Scenario 2 - Modest Win: Strong Core Product Sales = Attractive Rapid Acquisition</u>

In this scenario, if Archer Roose exits through an early acquisition that is common within the space, the application of a 5.9x revenue multiple gives an implied valuation of $667M. This generates a return for the fund of $97M, giving a money multiple of 11.48x on our investment and an IRR of 80% over 5 years. While this path for exit is common in the alcoholic beverage industry with little to no subsequent rounds of funding, we believe that companies through this path exit too early and surrender large potential growth opportunities.

M&A Return

Years to Exit: 5	Exit Valuation: $667M
Total Capital Required: $49M	Ownership at Exit: 14.6%
Ash Ventures Follow-on Investment: $4.5M	Ash Ventures Expected Proceeds: $97M
Ash Ventures Total Capital Commitments: $8.5M	Multiple on Invested Capital: 11.48x

Due Diligence:

Background research covered current market size (alcoholic & non-alcoholic) along with other potential markets (digital media), competitive landscape, business model, go-to-market strategies, barriers to entry, M&A and IPO exit comps analysis (alcoholic, nonalcoholic), and entry comps analysis. We also connected with experts in the alcoholic beverage industry for further guidance, including Austin Pittman, the Founder and Chief Marketing Officer of similarly profiled Blue Norther Hard Seltzer based in Austin, TX. We also met with an investor in the food and beverage industry who briefed us on ongoing trends in the canned wine space. Our preliminary findings further informed us of the opportunity for Archer to capitalize on industry tailwinds and their strong marketing presence to transform into a beverage company with a large media arm.

In our diligence meeting with management, we concentrated on brand identity, target customers, competitive differentiation, marketing data analytics, sales, business model, and long-term growth. We sense an opportunity to further differentiate Archer Roose's product by drilling in on the business' brand identity as a woman-empowered brand and to tap into the business' clear marketing and media potential to drive monumental growth. We see convincing parallels between Archer Roose and businesses like Red Bull who have built upon their image that resonates with their target audience. With Red Bull, appealing to the male demographic by promoting a sense of masculinity and energy via television events and sporting teams led to their acceptance as a beverage-media conglomerate. For Archer, we see a similar blueprint materializing in targeting the female demographic via their messages of women empowerment, community and inclusion, and organic materials.

Key Due Diligence Remaining:

Team:

- Evaluate the CEO (currently ill) and gauge their interest in branding expansion towards women-empowerment.

Go to market strategy:

- Sustainability angle seems uncertain - Is Fair Trade certification in the works?
- What do the marketing data analytics look like (consumer habits and how they respond to brand messaging)?

Business Model:

- What is Archer Roose's quantity of supply throughout a given year? Could supply ever run out?
- CAC/LTV? Gross margin? (Peter was not sure).
- What is the average shelf life of the product line?
- What are the limitations to expansion? How much can vineyards produce? How to increase capacity beyond 1M cans? Exclusive relationships?

Deal:

- What was the valuation cap on the SAFE note round (told ~$10m, Peter was not sure)?
- What was the exact discount on conversion for the SAFE note (told ~10-15%, Peter was not sure)?

- How many granted and ungranted options do you have (~5% collectively, but need specifics)?
- What is the true capital structure? We need to talk to the CEO because they most likely own much more equity (told 20%, but very unlikely to see that level of founder dilution).

Plutoview — No Investment

Top Reasons For Not Investing

- **Youth & Inexperience:** Student founders lack experience needed to scale a highly technical company; company seems uninterested in Ash's EIR coming in as CEO or in a non-IPO exit, which could create issues in the future.
- **Existing Competition:** Unclear moat against large competitors like Zoom; highly fragmented market of similar products like cobrowse.io, acquire.io, and rabb.it; lack enough product differentiation.
- **Low Conversions:** Platform currently down with no way to test product; limited conversion of enterprise clients to paying customers, even at the lower "early-adopter" rate.

Opportunities and Strengths

- **Current Momentum:** Initial indicators of product/market fit with 60 companies in the sales pipeline and 8,771 sessions per week.
- **Large Market:** $10B+ total addressable market with favorable tailwinds; COVID will further accelerate market growth and adoption of product.
- **Growth Potential:** Multiple opportunities for product applications in different markets, including legal collaboration, education products, and growth into supporting enterprise offerings.

Brief Explanation: Despite what seems like a great idea in a large addressable market, we are not interested in investing due to Plutoview's unproven team in an industry that requires extreme skill to navigate, given the changing needs of remote collaboration. We have not seen overly-promising results from the pilot program in the number of enterprise clients converted to paying customers; in addition, we are concerned about the inherently long sales cycles that must be undertaken. We also see trouble in navigating the highly congested remote workforce industry that has recently been put under a spotlight with COVID, which will only become increasingly competitive going forward.

Pogo — No Investment

Top Reasons For Not Investing

- **Small Market:** Small initial target market of 400k potential users with the founders not looking to grow quickly into larger markets.
- **Technical Deficiencies:** Limited proof of concept (both technology and UI/UX design) when considering the complexity of the platform.
- **Limited Foresight:** Team has limited visibility into future product vision as well as their initial progress towards signing on agencies in go-to-market strategy.

Opportunities and Strengths

- **Value Proposition:** All encompassing wellness solutions that provide moat against competitors; mobile/wearable capabilities and gamified reward system further incentivize customer adoption.
- **Strong Founders:** Strong founding team with experience across sectors; best-in-class R&D team with numerous PhDs and MDs.
- **Mission Driven:** Very mission-driven founders that want to build a product that can serve a lot of members in the mild I.D. customer segment.

Brief Explanation: Although Pogo has an experienced executive team and a seemingly differentiated product idea, we are unable to invest primarily due to the small target market of only 400k potential users and a currently unproven product. While it is possible to expand horizontally into other verticals, their solution is very specific to the I.D. segment, and the founders do not have interest in quickly expanding into other markets like behavioral health that larger telehealth competitors already occupy. Additionally, they have yet to show a meaningful proof of concept, and they do not have a product-oriented team that would be suited to build and scale their mobile and wearable applications. Finally, the complex regulatory environment for the I.D. segment will make scaling the company very difficult.

Deal Snapshot	
Pre-Money Valuation	$ 20M
Ash Investment	$ 4M
+ Syndicate Investment (?)	$ 0
= Total Series A	$ 4M
Post-Money Valuation:	$ 24M
% Ownership by Team	16.7%

Ash Ventures

Investing in:

Archer Roose

Pre-Money Valuation	$20M, with shares issuable upon conversion of all outstanding notes to be counted in the pre-money share count.
Series "A" Investment	$4M in Series A Preferred Stock by Ash Ventures.
Option Pool	10% of the fully diluted post-money capitalization unallocated, with the requisite new option shares counted in the pre-money share count.
Board Structure	5 Board Seats: 1 CEO (Marian Leitner-Waldman), 1 Co-Founder (David Waldman), 1 Existing Investor, 1 Ash Ventures (Georgina Davis), 1 independent (mutually agreed upon).
Closing Conditions	Satisfactory completion of business, financial and legal due diligence.
Liquidation Preference	1X liquidation preference, non-participating, pari passu.
Dividends	Annual 6% dividend on the Series A Preferred Stock, payable when and if declared by Board.
Anti-Dilution	Broad-based weighted average adjustment.
Key Dates	Term sheet expires: 02/05/2021 Closing: 02/28/2021
Other Key Terms	Company to pay all legal, administrative, and investor counsel fees of the financing at closing, not to exceed $35,000. 30 day No Shop. Founder vesting: Recognizes 50% founder equity vested at time of closing; remaining 50% shall vest over 2-year vesting schedule monthly. All other terms based on standard and customary NVCA model terms.

Comps and Revenue:

Summary

Summary			
Method	Weighting	Median Multiple	Mean Multiple
Energy/Seltzer	40%	3.7x	3.5x
Media	20%	4.5x	5.5x
Public Comps		**5.8x**	**5.9x**
Alcoholic	40%	6.6x	6.5x
Energy/Seltzer	40%	7.0x	7.3x
Media	20%	1.8x	2.0x
Entry Comps			
Alcoholic		4.3x	4.3x

Financials	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Revenue Proj.								
Scenario IPO	$ 2,000	$ 8,000	$ 22,400	$ 51,520	$ 103,040	$ 185,920	$ 248,604	$ 311,287
Scenario M&A	$ 2,000	$ 7,000	$ 16,800	$ 35,280	$ 65,621	$ 114,973		
Bear	$ 2,000	$ 5,000	$ 9,500	$ 16,815	$ 28,586	$ 44,258		

M&A

Digital Media - M&A Comps

Company	Exit Date	EV (mm)	Rev (mm)	Rev Mult
Barstool Sports	Feb-20	$ 450	$ 100	4.5x
Refinery29	Oct-19	$ 400	$ 100	4.0x
Mobile Nations	Mar-20	$ 120	$ 16.4	7.3x
CafeMedia	May-18	$ 252	$ 33.4	7.5x
Triton Digital	Nov-18	$ 160	$ 39.9	4.0x
Average				**5.5x**
Median				**4.5x**
Min				4.0x
Max				7.5x

Energy/Seltzer(non-alcoholic) M&A Comps

Company	Exit Date	EV (mm)	Rev (mm)	Rev Mult
Core Nutrition	Sep-18	$ 525	$ 131	4.0x
Trilliant Food	Sep-17	$ 541	$ 225.0	2.4x
Tazo Tea	Dec-17	$ 384	$ 112.5	3.4x
KeVita	Nov-16	$ 260	$ 60.0	4.3x
Average				**3.5x**
Median				**3.7x**
Min				2.4x
Max				4.3x

Alcoholic Beverages - M&A Comps

Company	Exit Date	EV (mm)	Rev (mm)	Rev Mult
Babe Wine (Swish)	Jul-19	$ 45	$ 4.5	10.0x
Black Velvet	Aug-19	$ 266	$ 67	4.0x
Patron Spirits	Jan-18	$ 5,100	$ 671	7.6x
Casamigos		$ 1,000	$ 50	20.0x
Average				**10.4x**
Median				**8.8x**
Min				**4.0x**
Max				**20.0x**

Public

Alcoholic Beverages - Public Comps

Company	PE	EV/Revenue
United Spirits	41.5x	5.5x
Boston Beer Co.	66.2x	7.2x
Constellation Brands	20.9x	6.1x
Brown-Forman	38.6x	10.7x
Diageo	-	7.7x
Average	**39.6x**	**6.5x**
Median	**38.6x**	**6.6x**
Min	20.9x	1.5x
Max	66.2x	10.7x

Energy/Seltzer (non-alcoholic) - Public Comps

Company	PE	EV/Revenue
National Beverage	45.6x	6.6x
Monster Beverage	40.0x	10.2x
Coca-Cola	25.0x	7.3x
Keurig Dr Pepper	35.0x	5.2x
Average	**36.4x**	**7.3x**
Median	**37.5x**	**7.0x**
Min	25.0x	5.2x
Max	45.6x	10.2x

Digital Media - Public Comps

Company	PE	EV/Revenue
Meredith	26.3x	1.5x
The E.W. Scripps	35.1x	1.8x
Tegna	10.8x	2.7x
	24.1x	**2.0x**
	26.3x	**1.8x**
	10.8x	1.5x
	10.8x	2.7x

Entry

Entry Comps

Company	Financing Date	Pre-Money Valuation (mm)	Rev (mm)	Rev Multiple	Deal Size (mm)	Round
Spindrift	Dec-14	$ 12	$ 2	6.6x	$ 3.0	Series A
Vivant Wines	Oct-20	$ 9	$ 2	5.8x	$ 1.0	Series A
Austin Eastciders	Feb-16	$ 10	$ 4	2.7x	$ 3.8	Series B
Barr Hill	Feb-18	$ 12	$ 6	2.2x	$ 1.8	Series A
Average		$ 10.6	$ 3.1	**4.3x**	$ 2.4	
Median		$ 10.8	$ 2.7	**4.3x**	$ 2.4	
Min		$ 9.0	$ 1.6	2.2x	$ 1.0	

Cap Table & Return Analysis:

	Pre-A	2021 Series A (Preferred)		Total Post A			2023 Series B (Preferred)		Total Post B		
	Shares	Shares	Investment	Shares	%	Value	Shares	Investment	Shares	%	Value
PREFERRED											
Ash Ventures											
Series A		4,000,000	$ 4,000,000	4,000,000	16.7%	$4,000,000			4,000,000	12.8%	$ 8,333,333
Series B							960,000	$ 2,000,000	960,000	3.1%	$ 2,000,000
Series C											
Series D											
Syndicate Partners											
Pre-Seed				7,860,000	32.8%	$ 7,860,000			7,860,000	25.2%	$ 16,375,000
Seed				2,600,000	10.8%	$ 2,600,000			2,600,000	8.3%	$ 5,416,667
Series A											
Series B							6,240,000	$ 13,000,000	6,240,000	20.0%	$ 13,000,000
Series C											
Series D											
COMMON											
Founders	17,000,000			8,109,000	33.8%	$ 8,109,000			8,109,000	26.0%	$ 16,893,750
Option Pool	3,000,000			1,431,000	6%	$ 1,431,000			1,431,000	5%	$ 2,981,250
New Options											
Total	**20,000,000**	**4,000,000**	**$4,000,000**	**24,000,000**	**100%**	**$24,000,000**	**7,200,000**	**$15,000,000**	**31,200,000**	**100%**	**$65,000,000**
		Pre-Money:	$20,000,000			**Post-Money ↑**	Pre-Money:	$50,000,000			**Post-Money ↑**
		Series A Share Price:	$1.00				**Series B Share Price:**	$2.08			

	2025 Series C (Preferred)		Total Post C			Exit			
	Shares	Investment	Shares	%	Value	Shares	%	M&A Valuation	IPO Valuation
PREFERRED									
Ash Ventures									
Series A			4,000,000	10.7%	$ 19,230,769	4,000,000	10.7%	$ 71,243,735	$ 171,769,270
Series B			960,000	2.6%	$ 4,615,385	960,000	2.6%	$ 17,098,496	$ 41,224,625
Series C	520,000	$ 2,500,000	520,000	1.4%	$ 2,500,000	520,000	1.4%	$ 9,261,686	$ 22,330,005
Series D									
Syndicate Partners									
Pre-Seed			7,860,000	21.0%	$ 37,788,462	7,860,000	21.0%	$ 37,788,462	$ 337,526,615
Seed			2,600,000	6.9%	$ 12,500,000	2,600,000	6.9%	$ 12,500,000	$ 111,650,025
Series A									$ -
Series B			6,240,000	16.7%	$ 30,000,000	6,240,000	16.7%	$ 111,140,226	$ 267,960,061
Series C	5,720,000	$ 27,500,000	5,720,000	15.3%	$ 27,500,000	5,720,000	15.3%	$ 101,878,541	$ 245,630,056
Series D									
COMMON									
Founders			8,109,000	21.7%	$ 38,985,577	8,109,000	21.7%	$ 144,428,861	$ 348,219,252
Option Pool			1,431,000	4%	$ 6,879,808	1,431,000	4%	$ 25,487,446	$ 61,450,456
New Options									
Total	**6,240,000**	**$30,000,000**	**37,440,000**	**100%**	**$ 180,000,000**	**37,440,000**	**100%**	**$ 666,841,357**	**$ 1,607,760,365**
	Pre-Money:	$150,000,000			**Post-Money ↑**			**M&A Valuation ↑**	**IPO Valuation ↑**
	Series C Share Price:	$4.81							

M&A		
Revenue at Exit:	$	114,972,648
Revenue Multiple:		5.9x
Ash % Ownership		14.6%
Ash Total Investment	$	8,500,000
Ash Total Earnings	$	97,603,917
MOIC		11.5
IPO		
Revenue at Exit:	$	311,287,000
Revenue Multiple:		5.8x
Ash % Ownership		14.6%
Ash Total Investment	$	8,500,000
Ash Total Earnings	$	235,323,900
MOIC		27.7

Valution and Exit Valuation

Return Analysis	
Ash Invested Capital	$ 4,000,000
Follow-On Capital	$ 4,500,000
Total Capital Invested by Ash Ventures	$ 8,500,000
Current Round Pre-Money	$ 20,000,000
Total New Investment	$ 4,000,000
Current Round Post-Money	$ 24,000,000
Ash Ventures Ownership	16.7%
IPO Exit Revenue	$ 311,287,000
IPO Revenue Multiple	5.8x
IPO Exit Valuation	$ 1,607,760,365
M&A Exit Revenue	$ 114,972,648
M&A Revenue Multiple	5.9x
M&A Exit Valuation	$ 678,645,216
Dillution Assumption by Exit	2.0%
Current Ownership	16.7%
Ownership at Exit	14.6%
IPO Ownership	$ 222,041,060
IPO MOIC	26x
M&A Exit Ownership	$ 99,331,618
M&A MOIC	12x