Project Chrome

Confidential Information Memorandum

Craft Beverage Warehouse

Click the logo below to watch a company overview on YouTube:

CRAFT BEVERAGE WAREHOUSE

YouTube

www.craftbevwarehouse.com

Purpose, Confidentiality, and Disclaimer

CRAFT BEVERAGE WAREHOUSE

PURPOSE OF INFORMATION MEMORANDUM

TKO Miller, LLC ("TKO Miller") has been retained on an exclusive basis by Craft Beverage Warehouse, LLC ("Craft Beverage Warehouse", "CBW", or the "Company") to assist with the potential sale of the Company. This Information Memorandum ("Memorandum") provides basic information about the Company and its business and has been prepared for the purpose of assisting a prospective buyer with a preliminary evaluation of the Company.

This Memorandum is based upon information furnished by the management of the Company and may not contain all information that a prospective buyer may desire. However, the information contained herein is believed to be sufficient to allow a prospective buyer to form an initial concept of the Company's value and determine whether there is an interest in proceeding with further negotiations to acquire the Company.

CONFIDENTIALITY

All information presented in this Memorandum is highly sensitive and confidential. This Memorandum is being furnished only to prospective buyers who have signed a Confidentiality Agreement and who have made a specific request for information regarding the Company for the purpose of determining an interest in submitting an offer to acquire the Company. Each recipient is bound by the terms of the executed Confidentiality Agreement and, by acceptance of this Memorandum, agrees to use the Memorandum for no other purpose than a preliminary evaluation of the Company, and shall not, directly or indirectly, permit its agents, representatives, employees, officers, directors, or affiliates to use this Memorandum for any other purpose.

This Memorandum may not be reproduced, duplicated, or revealed, in whole or in part, without the prior written permission of TKO Miller or the Company. Should the recipient of this Memorandum determine that there is no further interest in pursuing an acquisition or another arrangement suitable to the Company, this Memorandum and all other information furnished to the prospective buyer by the Company or TKO Miller shall be returned promptly to TKO Miller or destroyed. Further, any and all analysis, reports, or other documentation derived or developed from this Memorandum shall be destroyed and the recipient shall confirm such destruction to TKO Miller in writing.

DISCLAIMER

This Memorandum has been prepared by TKO Miller based on information received from the Company and other sources believed to be reliable. TKO Miller has made no attempt to independently verify any such information. Neither TKO Miller, nor the Company, makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this Memorandum, and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. Any and all representations with respect to the Company will be contained in a signed Purchase Agreement.

This Memorandum includes estimates, assumptions, and financial projections believed by TKO Miller and the Company to be reasonable. There is no guarantee that these estimates or assumptions are reliable, nor any guarantee that financial results or projections contained herein will be attained. Actual financial results may differ materially from those presented in this Memorandum. In all cases, prospective buyers must rely on their own estimates, assumptions, and financial projections in their evaluation of the Company, and should conduct their own due diligence investigation prior to the consummation of any transaction.

Transaction Overview

TKO Miller, LLC is acting as the Company's exclusive financial advisor in the proposed transaction and is distributing this Memorandum to a limited number of potential acquirers. Following the distribution of the Memorandum, TKO Miller will distribute a process letter which will outline the procedure for submitting a non-binding offer to acquire the business. Interested parties will be invited to meet with management, tour the facility, and engage in further diligence in order to come to a final proposal to acquire the business. Transaction structures that result in a more favorable tax position for the sellers will be viewed more favorably when evaluating potential buyers.

The shareholders of the Company reserve the right to withhold any or all information from any party, to alter or terminate this process at any time, or to reject any or all proposals received without providing any reasons to potential buyers.

All inquiries concerning the Company must be coordinated through TKO Miller. No contact with the Company's employees is permitted without the express written consent of TKO Miller. All communications, inquiries, and requests should be directed to any of the following at TKO Miller:

Joe Froehlich
Managing Director
jfroehlich@tkomiller.com
414-431-4862

Erik Eidem
Director
eeidem@tkomiller.com
414-431-4866

Aaron Cranfill
Vice President
acranfill@tkomiller.com
414-305-3004

Jack Cahalane
Associate
jcahalane@tkomiller.com
414-431-4896

Ella Coulter
Analyst
ecoulter@tkomiller.com
314-604-8235

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Executive Summary & Investment Highlights

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Craft Beverage Warehouse at a Glance

CR8FT BEVERAGE WAREHOUSE

Key Highlights

Milwaukee, WI
Headquarters

5
Years in Business

31
Employees

2
Manufacturing Facilities

$20.6mm
2025B Revenue

$3.4mm
2025B Adj. EBITDA

190%
Revenue CAGR[1]

252%
Adj. EBITDA CAGR[1]

Company Overview

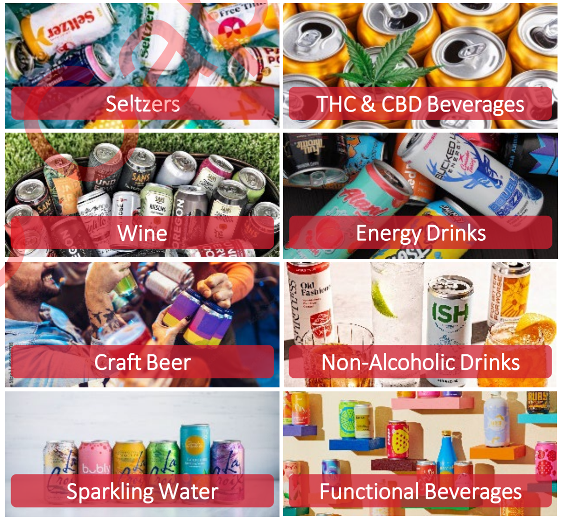
- Craft Beverage Warehouse delivers a **complete packaging solution** for the underserved small- and mid-sized canned beverage companies that lack the volume and capital resources needed to source high-quality packaging
- The Company is **integrated within its customer supply chains** and is built to assist beverage brands and co-packers alike with packaging materials procurement, print/production, and delivery
- The Company leverages **cutting-edge digital printing technology** to deliver high-impact graphics that **enhance shelf appeal**, **elevate brand presence**, and **drive consumer engagement**
- The Company's **white-glove service, reliability, and quality** make it a trusted, integral partner, leading to high retention and recurring orders
- CBW was founded and is led by **two visionary entrepreneurs** who have built a **rapidly-growing, multi-state platform** with significant runway for continued organic expansion

Core Offerings & Capabilities

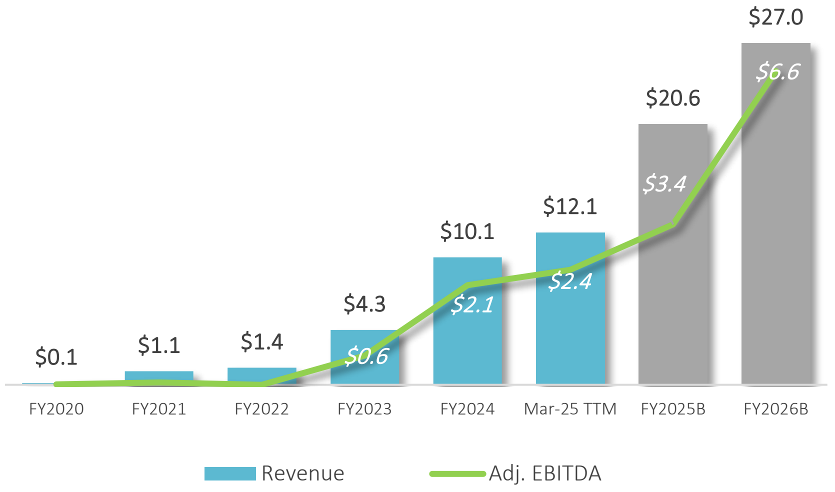
Printed Beverage Cans
Blank "Brite" Cans
Aluminum Can Ends
Plastic Can Carriers
Corrugated Trays

Digital Container Printing
Wholesale Can Distribution
Supply Chain Optimization

Variety of Canned Beverage Applications



Financial Summary ($mm)



[1]CAGR calculated using 2020 – 2024 financial performance

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The Market Opportunity

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The Problem

Small Beverage Companies Lack Access to Quality Packaging

- ✓ Because of their low volume needs, smaller beverage producers' only options for aluminum can packaging are shrink sleeves or pressure-sensitive labels (stickers)
- ✓ These options convey a lower-quality brand image and are not recyclable
- ✓ Offset printed can options are available, but only at extremely large Minimum Order Quantities (MOQs) of 250,000 cans or more

Inventory & Cash Flow Management are Challenging

- ✓ For beverage manufacturers, packaging is the most significant cost of the product
- ✓ Smaller beverage companies with multiple SKUs and seasonal specials are challenged in managing their diverse packaging needs and just-in-time production schedules
- ✓ With a lack of adequate cash flow and predictability, these companies are forced to consider low-quality packaging and the risk of excess/obsolete inventory

CRAFT BEVERAGE WAREHOUSE The Solution

Cutting-Edge, Digital Printing for Smaller Producers

- ✓ High-quality printed can options for smaller producers via direct-to-can printing
- ✓ Professional, sustainable packaging options for emerging, seasonal, or specialty brands, with MOQ requirements as low as 3,500 cans
- ✓ Cost model within 5% of shrink sleeves and labels, but still generating profitability and cash flow for follow-on growth investments
- ✓ Digital printing provides a fast turnaround solution that eliminates setup/changeover times, with shorter lead times while maintaining superior quality/reliability

Access to Turnkey Packaging Solutions

- ✓ From blank cans to complete packaging and accessories, CBW provides access to aggressively priced solutions for small beverage producers
- ✓ Sophisticated e-commerce platform to make artwork processing and ordering/supply chain management easy and automated

Craft Beverage Warehouse is the Solution

Founded Specifically to Serve This Market

CBW was founded as THE SOLUTION for small- to mid-sized beverage companies

Best-in-Class Digital Printing Capabilities

Provides the same level of high-quality printed cans at lower Minimum Order Quantities (MOQs) – 3,500 vs. 250,000 cans

Fully Built-Out E-Commerce Platform

Easy-to-use platform is fully integrated to automate artwork processing, ordering, and tracking customer behavior

One-Stop Sourcing Solution

Delivers a comprehensive packaging solution (printed blank cans and accessory products), enabling smaller producers to scale with confidence

Investment Highlights Summary

CR8FT BEVERAGE WAREHOUSE

Attractive Customer Base with Recurring Revenue
Over 85% of revenue is driven by highly consistent purchasing patterns across a variety of repeat customers, such as beverage manufacturers, co-packers, and emerging brand owners

Broad Applications Across High-Growth Beverage End Markets
The beverage industry is evolving to meet changes in sustainability and consumer demand, with CBW well-positioned to capitalize across the canned beverage sector

First-Mover Advantage in Digital Printing
CBW was founded to fill a market gap between larger packaging providers and small- to mid-sized beverage producers

Proven, Scalable Unit Model
The Company's proven business model has driven rapid organic growth and can be readily replicated in other geographic regions

Strong Financial Trajectory
CBW has demonstrated consistent growth which can now be accelerated with additional capital

Attractive Customer Base with Recurring Revenue

CBW is a Key Supply Chain and Growth Partner for Beverage Manufacturers, Co-Packers, & Emerging Brand Owners

Key Growth Partner for Emerging Brands

- ✓ Smaller beverage producers have very limited access to packaging options outside of labels/sleeves without committing to large MOQs
- ✓ A premium, high-quality can is an easy way to drive brand differentiation/shelf appeal and increase perceived value
- ✓ CBW owns the customer relationship with the brand owner and grows with them as they scale

Growing Revenue Base

- ✓ CBW serves a variety of established, emerging, growing, and seasonal beverage producers
- ✓ To help support customer retention and forecast visibility, CBW started placing larger customer accounts on volume-based contracts in FY2025

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CBW offers a single-source packaging solution that provides a compelling value proposition based on quality, speed, cost, and reliability, and is integrated into the customer's supply chain

Sticky Relationships, High Customer Retention

- ✓ CBW serves as an extension of its customers' operations by handling packaging procurement, pre-press, artwork and design, inventory management, and logistics/delivery
- ✓ Once CBW lands a customer, the quality, on-time delivery, and cost savings create a strong customer ROI
- ✓ This ROI creates high switching costs, as packaging is the most expensive part of a beverage, driving a customer retention rate of over 85%[1]

Essential Supply Chain Partner for Co-Packers

- ✓ Co-packers prefer CBW as a single-source provider to simplify, professionalize and streamline the supply chain
- ✓ Co-packers quickly realize value from CBW's short lead times (4-6 weeks vs. 10-14 weeks) and 100% on-time delivery
- ✓ Co-packer relationships are a two-way street, as CBW and co-packers can serve as lead generators and business referrals for one another

[1]CBW retains the vast majority of its top accounts across its growing and evolving customer base, with over 85% of FY23's top 20 customers returning in FY24

Broad Applications Across High-Growth Beverage End Markets

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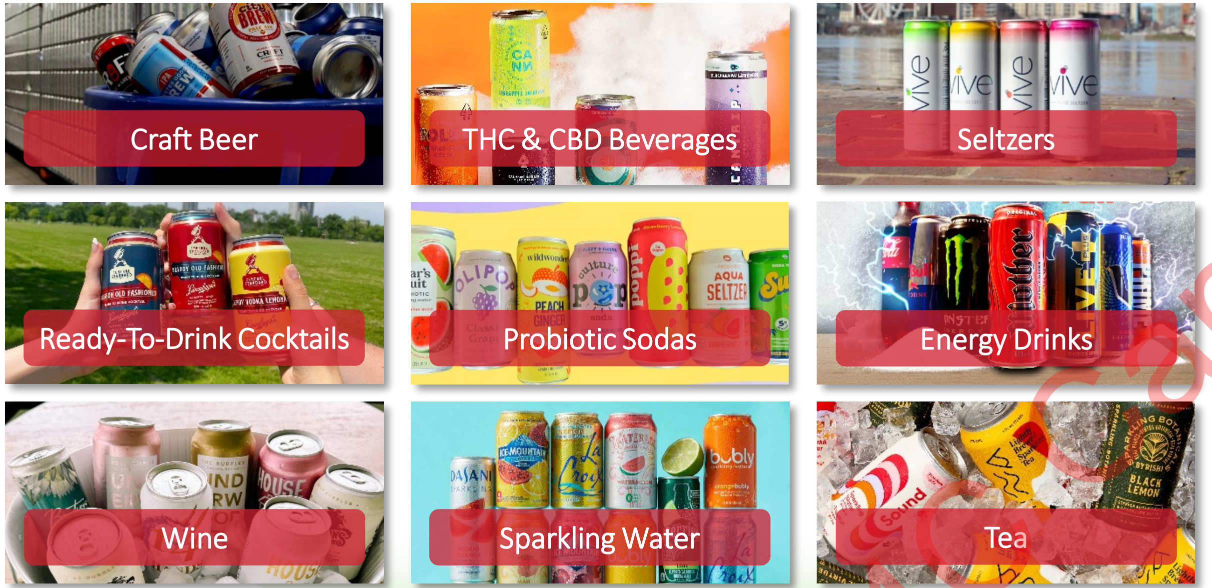
Diverse End Market Exposure Including Rapidly Growing Sectors

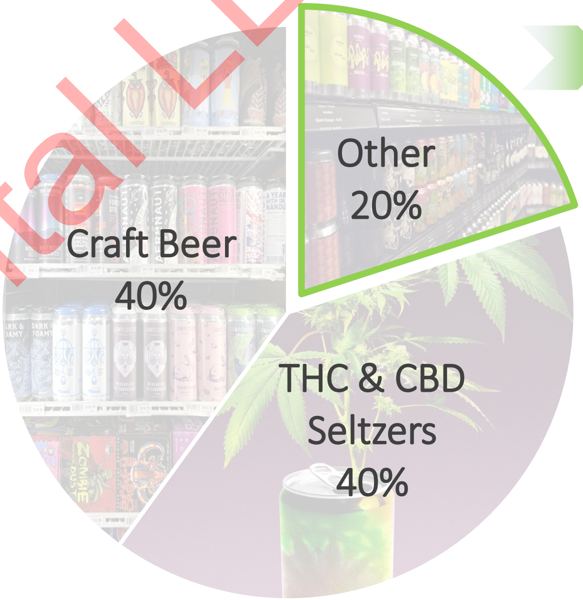
Direct-to-can printing is a far superior, more professional and sustainable alternative to shrink sleeves and labels across a broad number of applications



~$4-6 Billion

Estimated Total Addressable Market[1]

CBW's diversified end markets reduces its dependency on any single beverage sector or region



Fastest Growing Segment

- ✓ Probiotic Sodas
- ✓ Non-Alcoholic Beer
- ✓ Canned/RTD[2] Cocktails
- ✓ Canned Wine
- ✓ Sparkling Water
- ✓ Coffee/Tea
- ✓ Energy Drinks

Given the rapidly expanding number of beverage applications, management estimates the "Other" beverage segment to be ~33% of CBW's revenue share or more by the end of 2025

[1]See page 28
[2]Ready-to-Drink
Note: Pie chart based on FY2024 revenue breakdown

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First-Mover Advantage in Digital Printing

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The Beverage Packaging Industry is Shifting, & CBW is Well-Positioned to Capitalize

Beverage packaging is changing, as traditional packaging providers narrow their focus and consumer behavior continues to evolve

Shifting Consumer Preferences Drives New Beverage Market Entrants

Supply Chains Reshuffled, Creating Market Gap

Sustainability Focus Driving Shift Away From Sleeves/Labels

*In the past five years, the **beverage packaging landscape shifted** as large can manufacturers and offset printers streamlined operations to prioritize high-volume customers and **raised their MOQs** – this **created a market gap, leaving lower-volume beverage producers underserved***

Can Manufacturers/Offset Printers

CANPACK

CROWN Brand-Building Packaging

Ball

ArdaghGroup

The large aluminum can manufacturers and offset printing providers **only focus on customers with large (250,000+ can) MOQs**

The Small- to Mid-Size Market Need

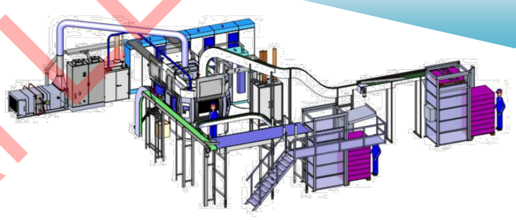
High-Quality, Printed Cans

Small- to Mid-Sized Order Volumes (3,500 to 100,000 cans)

Fast Turnaround Times

Working Capital Management

CBW was one of the first to invest in state-of-the-art digital printing equipment to cater to this new market



HINTERKOPF technology partnership

- ✓ Direct-to-can digital printing provides **high-quality, recyclable cans in smaller volumes**, which was **previously only achievable with high-volume, offset printing**
- ✓ The Company uses **best-in-class** Hinterkopf printing technology[1]
- ✓ Hinterkopf's digital printing technology is superior to any other direct-to-can digital printing; these printers are **unparalleled** by any other technology being used in the market
- ✓ CBW is one of six North American companies with access to Hinterkopf's limited equipment, creating a natural barrier for new entrants
- ✓ Hinterkopf's relationship with CBW is superb, and Hinterkopf **reserves output** for CBW
- ✓ Management believes that there is a limited time window (4-6 years) to capture **this small producer market with its best-in-class printing capabilities** before new entrants are able to enter

[1]Hinterkopf is a premier packaging equipment and technology provider based in Germany

Proven, Scalable Unit Model

CRAFT BEVERAGE WAREHOUSE

The Company's Established Playbook Proves Rapid, Nationwide Expansion Ability

The CBW Unit Model
Proven & Profitable

Normalized Run Rate in 2024

Infrastructure

Two Digital Print Lines

25k sq. ft Facility

15 Employees
3 Shifts
5 Days/Week

Attractive ROI & Cash Flows

Each new facility yields strong returns within a 2-3 year ramp

$15mm
Revenue

$3.5mm
Adj. EBITDA

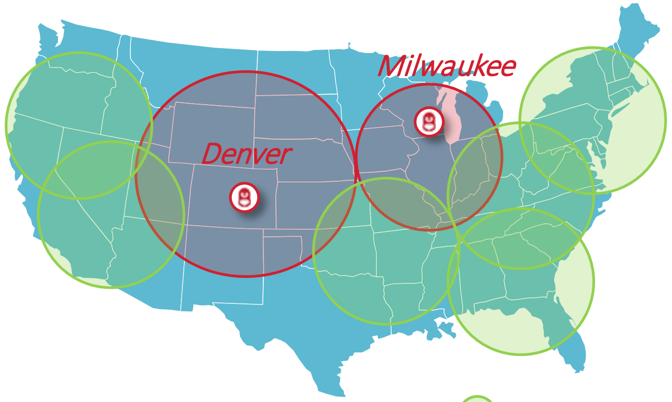
Successful Denver Expansion
Demonstrated Repeatability

Verified Growth Strategy

- ✓ Opened in Q1 2025
- ✓ Already at scale with the first print line and adding a second in summer 2025

Build National Platform
Replicate, Scale, Monetize

Replicate the Denver Model in Key Geographies



Target Regions

- ✓ Open 3-5 additional locations in the next four years
- ✓ Triple the size of the business and create a true coast-to-coast presence

Strong Financial Trajectory

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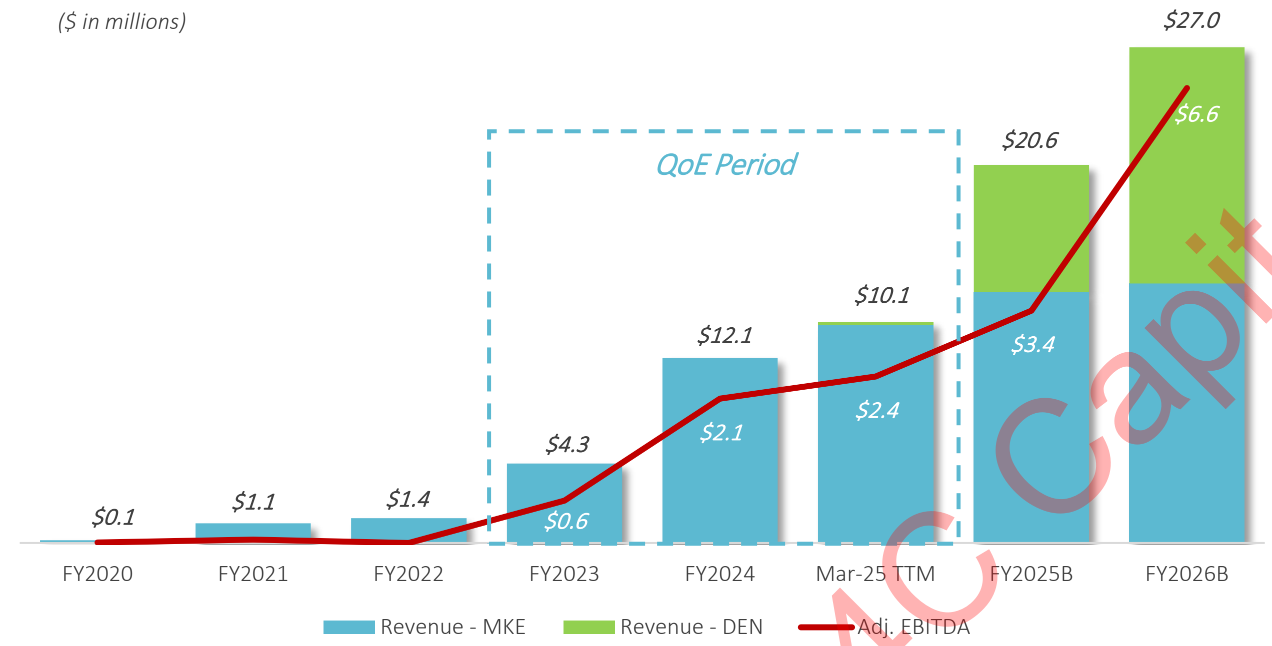
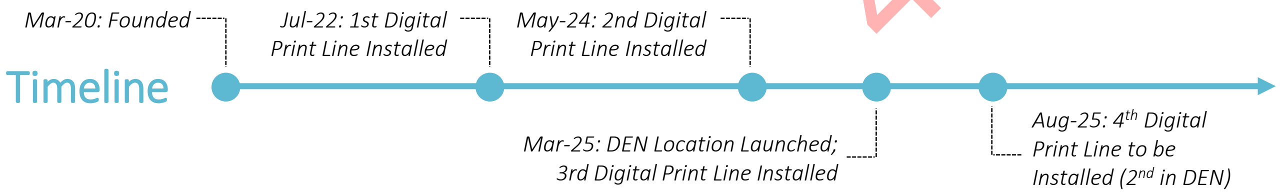
Key Stats

190%	252%	20%	1 Day
FY20-FY24 Revenue CAGR	FY20-FY24 Adj. EBITDA CAGR	Adj. EBITDA Margin[1]	Cash Conversion Cycle[1]





Uninterrupted, Attractive Growth

- ✓ Since CBW bought its first digital printer in July of 2022, it has rapidly gained market share and grown at a rate that is unparalleled within the broader packaging industry

Milwaukee Location (HQ)

- ✓ **FY2023:** In MKE's first full year of operating the digital print line, it quickly grew and tripled top-line revenue to $4.3mm
- ✓ **FY2024**: MKE added a second machine in May-24 and a third shift in Aug-24, generating more than $10mm of revenue and $2mm of EBITDA
- ✓ **FY2025:** With both machines running 3 shifts/5 days a week, MKE is expected to produce $13-$14mm of revenue and $3.4mm of EBITDA[2]

Denver Location

- ✓ **FY2025:** The DEN location, with 1 machine and 2 shifts, will be cash flow positive within 3 months of starting up and is expected to generate nearly $1mm EBITDA[2]

Strong FY2025 / FY2026 Outlook

- ✓ With the addition of the Denver facility and strong market demand, the Company has a clear roadmap to meet its budget expectations
- ✓ In FY2026, with both facilities operating at scale, management expects a 15-20% COGS reduction through volume-based savings with can manufacturers

[1] TTM Mar-25
[2] Before corporate allocation

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Company Overview

CRAFT BEVERAGE WAREHOUSE

Company History, Structure, & Transaction Considerations

Company History

2020	Recognizing the disruption in supply chains and the need for packaging for emerging beverage companies, Craft Beverage Warehouse's founders developed a plan to provide essential packaging materials to breweries that were struggling to adapt to new market conditions.	*Printers: 0* *Employees: 2*
2021	CBW's e-commerce platform was a huge growth driver early on. The innovative online platform enabled the Company to distribute cans to a broader customer base beyond local breweries, facilitating orders across the country and from other types of beverage providers.	*Printers: 0* *Employees: 2*
2022	The Company continued to experience rapid growth distributing cans, but saw the emergence of a massive opportunity for professional quality in printed cans. CBW decided to invest in digital printing equipment and quickly scaled its operations as it began offering direct-to-can printing services.	*Printers: 1* *Employees: 6*
2023	Craft Beverage Warehouse continued to streamline its operations, developing proven processes and a scalable business model as it grew its customer and employee base to support its next phase of growth.	*Printers: 1* *Employees: 13*
2024	In July 2024, the Company added a second digital print line to meet rising demand for printed cans and boost production capacity in its Milwaukee, WI facility.	*Printers: 2* *Employees: 20*
TODAY	In March 2025, CBW opened a second facility in Denver, CO, to meet customer demand. The Company is poised for continued growth, having identified additional regions for its next geographic expansion to serve customers throughout the country.	*Printers: 3* *Employees: 31*

Corporate Structure

Craft Beverage Warehouse

Entity: Wisconsin LLC

Class A Members

75% Ownership

Kyle Stephens
Michael DeGrave

Class B Members

25% Ownership

Passive Investors

Transaction Considerations

Transaction Rationale

Craft Beverage Warehouse has grown rapidly since its 2020 founding, evolving into a scalable and proven model. Management is now seeking a partner to accelerate growth and reduce founder risk through added resources, expertise, and financial backing.

Post-Transaction Considerations

The founders are excited to retain ongoing ownership and continue to execute their vision to scale the business alongside a new partner.

Leadership Overview

Craft Beverage Warehouse is run by two proven, visionary leaders that have the expertise to take the Company to its next level of growth

Highly Capable, Entrepreneurial Leadership Team

Kyle Stephens – *Co-Founder & President*

Oversees day-to-day operations that include production, finance, and administrative functions, as well as maintaining existing customer relationships

- ✓ Throughout his 15-year career, Kyle worked with beverage manufacturers either directly or as an outside service provider
- ✓ Previous experience as CFO of Good City Brewing, in which he helped scale the company from 25 to 125 employees
- ✓ 15 years of experience in accounting, finance, and closely-held business management
- ✓ Previously worked on the Transaction Services team at Grant Thornton and in public accounting at a regional firm
- ✓ University of Wisconsin – Milwaukee; BS, Accounting
- ✓ Certified Public Accountant – State of Wisconsin

Michael DeGrave – *Co-Founder & VP of Business Development*

Oversees business development, sales, marketing, web buildout, and general employee development; Michael is involved in all new customer interactions

- ✓ Experienced entrepreneur with a history of launching multiple successful businesses
- ✓ Strong business development background in retail and e-commerce
- ✓ Founded and scaled online retail merchandise company Routine Baseball LLC, achieving company year-over-year growth of 35%, and executed the sale of the Company in 2019
- ✓ Extensive experience in the development of brand assets, DTC online and digital marketing, and web development
- ✓ Robert Morris University; BS, Business Management

Product Overview

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CBW delivers premium, digitally printed cans that drive brand differentiation and shelf appeal for the lower-volume market players

Printed Beverage Cans

High-Impact Graphics
High-quality graphics compared to traditional shrink sleeve methods enables brand differentiation, drives brand-audience engagement, and increases shelf appeal

Sustainable Alternative
Aluminum cans labeled with shrink sleeves or sticker labels are not recyclable without removing the label; direct-to-can, digitally printed cans are 100% recyclable

Flexible & Cost-Effective
CBW's digital printing equipment provides greater flexibility, allowing for quick design updates and turnarounds at a price point competitive to existing shrink sleeve options

Rapid-Response Solution
CBW meets the fast-paced demands of the beverage industry, offering quick turnaround times that shrink sleeves cannot provide; CBW has operated on a 100% on-time delivery rate

85%	30-40%	178
Estimated Revenue Split	*Target Margins*	*Printed Can Customers*

CBW Digital Print-to-Can Examples

15% **Blank Cans & Ancillary Products** *Target Margins: 15-20%*

- CBW supplied blank cans as part of its original offering, and continues to do so as part of a broader offering to attract new potential customers
- The Company's e-commerce platform allows customers to place orders independently and CBW fulfills orders through can manufacturers with minimal touchpoints needed, if at all
- CBW also distributes ancillary accessories, providing a single-source solution for all beverage packaging needs

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Capabilities

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Customers choose to partner with CBW as a premium-quality, full-service provider to turn their packaging concepts into reality

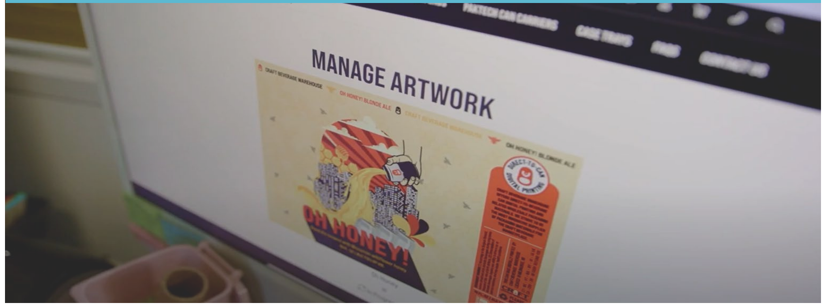
Cutting-Edge Digital Printing Equipment

- ✓ **State-of-the-art** Hinterkopf digital printers that allows for premium-quality, full-color printing directly onto cans
- ✓ **Fully automated** to allow runs as small as 3,500 cans
- ✓ **Fully variable imaging** and highly flexible, allowing ease of use for **unique designs**, limited edition, or seasonal product runs
- ✓ Up to 900 dpi[1] print and up to **102 cans per minute**
- ✓ Complete **digital workflow** with in-line print quality inspection
- ✓ **Highly automated process** is integrated into the front-end platform and requires minimal human touchpoints

One-Stop-Shop Provider

- ✓ **Streamlined printing operation** combined with ancillary product offerings offers reduced complexity for customers
- ✓ CBW can **reduce inventory holding costs** for small- to mid-sized beverage manufacturers via consolidated, smaller MOQs that don't have the cash to maintain multi-SKU inventory
- ✓ Comprehensive product offering supports **just-in-time delivery**
- ✓ **Strategically located facilities** contribute to significantly lower freight costs and quicker access to larger customers

Differentiated E-Commerce Platform



- ✓ **User-friendly e-commerce platform** allows customers to simply upload artwork, place orders, and track shipments
- ✓ **Automated** order processing contributes to **quicker turnaround times** and **higher-quality outputs**
- ✓ Customers receive quotes instantly based on their requirements, providing for fast and **easy customer conversion**
- ✓ E-commerce platform enables CBW to **track and analyze customer behavior**, offering valuable insights to order timing and leads on new opportunities

How it Works

Week 1
User logs into the CBW website, submits printed can design, and receives a physical sample within ~5 business days

Weeks 2-4
Once customer approves artwork, the order is scheduled for production

Weeks 4-6
Once scheduled, cans are printed within approximately 1-3 weeks; printed cans are packaged and shipped to the customer

=

Total: 4 - 6 Weeks
vs. competitors at 10-14 weeks

[1]Dots per inch

Customers & Markets

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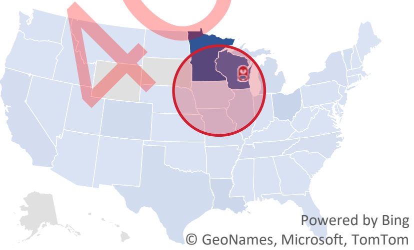
Printed Can Sales Breakdown ($000s)

Printed Can Customer	Type	# End Customers	2024 Sales	2024 Sales (%)	Tenure
Customer #1	Co-Packer	14	2,984	30%	3 Years
Customer #2	Co-Packer	13	739	7%	5 Years
Customer #3	Co-Packer	12	382	4%	3 Years
Customer #4	Brand	--	233	2%	2 Years
Customer #5	Brand	--	166	2%	2 Years
Customer #6	Brand	--	189	2%	3 Years
Customer #7	Brand	--	210	2%	3 Years
Customer #8	Brand	--	176	2%	2 Years
Customer #9	Brand	--	120	1%	4 Years
Customer #10	Co-Packer	10	60	1%	3 Years
Top 10 Printed Can Customers			$5,259	52%	--
All Other Printed Can Sales			2,657	26%	--
Total Printed Can Sales			$7,916	78%	--
Total Wholesale Sales			$1,457	14%	--
Other Revenue[1]			$735	7%	--
Grand Total			$10,108	100%	--

2024 Geographic Sales Map

- While approximately 75% of FY24 sales were within 500 miles of the Milwaukee facility, CBW was still able to service customers across the United States
- The breadth of CBW's sales footprint demonstrates how underserved the market is, with customers across the country seeking out CBW despite the distance and added cost to ship empty cans



Commentary

- Craft Beverage Warehouse maintains relationships with a customer base of co-packers, beverage brand owners, emerging beverage companies, and distributors
- The Company is diversified across numerous brands within each co-packing customer, and there is no single customer risk
  - In 2025, Customer #1 will be less than 15% of total revenue and is not a concentration concern now or going forward as the Company continues to scale
  - As CBW continues to add locations, the customer base will grow and diversify
- Order sizes vary by customer, ranging from 3,500 cans to truckloads of 250,000 cans
- CBW oftentimes converts blank can customers to digital print users by demonstrating the value of their direct-to-can digital printing capabilities, turnaround times, and by educating customers on the cost benefits through tailored pricing analysis
- The Company placed its two largest customers on annual, volume-based contracts for FY2025 and expects to expand this approach going forward

Representative Customers

[1]Other revenue includes shipping and miscellaneous revenue attributed to printed can sales

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Go-to-Market Strategy

Current Sales Strategy

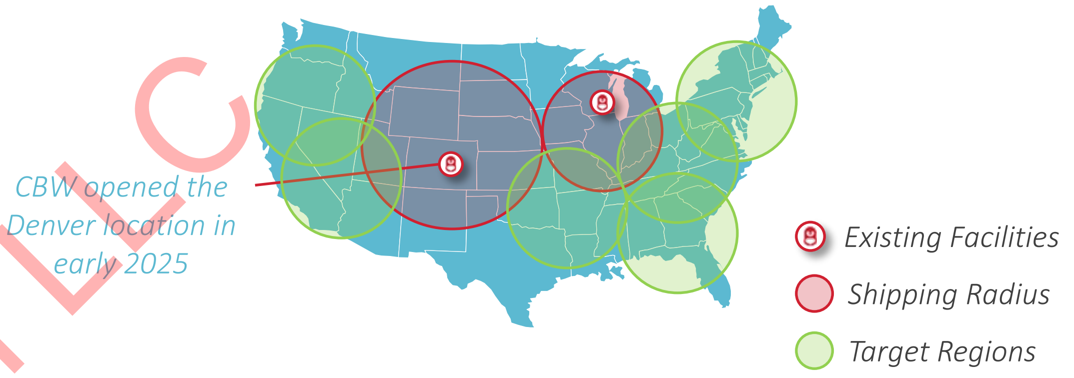
- ✓ The Company's sales have primarily been generated through inbound contacts, including the CBW website, customer referrals, vendor referrals, and word-of-mouth
- ✓ Currently, Kyle and Mike lead the limited business development efforts, leveraging their industry connections for introductions and working with co-packers to convert existing customers from labels to CBW's direct digital printing
- ✓ Timeliness and reliability are critical for beverage producers, who maintain tight production schedules
- ✓ CBW's 4-6 week lead times (vs. competitors at 10–14 weeks) give clients the flexibility to meet their varying production needs
- ✓ Adding sales resources and building out the Company's marketing activities represents an untapped avenue for new business and brand recognition

Adding Sales Resources

The Company just hired its first sales resource in Denver to handle business development and account management

Adding more sales personnel can support growth in new or untapped markets

Strategic Geographic Expansion



- ✓ Craft Beverage Warehouse initially concentrated on serving local and regional beverage companies within a 500-mile radius of its Milwaukee operation
- ✓ Adding the Denver facility expands CBW's logistical reach to a new customer base, allowing for a more efficient shipping and distribution operations in the western US
- ✓ Shipping from Denver also provides better freight routes and return load options, making long-distance shipping more efficient and cost-effective

The Company has identified several ideal potential facility expansion sites in major regional markets such as New England, Phoenix, the Southeast, and Mid-Atlantic United States

Select Target Customer Case Studies

Co-Packer: Surly Brewing Company

Background & Challenge

Surly Brewing Co., a Minnesota-based brewery, decided to make use of its excess capacity by offering co-packing services to other beverage brands. Surly was not interested in using shrink sleeves or pressure-sensitive stickers because of their lower quality and the addition of production costs in its lower-volume operations. Instead, the team needed a partner capable of providing high-quality, digitally printed cans to serve these co-packing clients.

Key Highlights

CBW now handles all digitally printed can packaging for Surly's 14 co-packing customers. The relationship has evolved to also support Surly's own specialty beverages, product launches, and new brands, including emerging categories such as THC-infused drinks. This partnership allows Surly to offer premium packaging to its clients, while CBW benefits from consistent volume, broader exposure to growing beverage brands, and a diversified overall customer base within the co-packing client.

Co-Packer: Drink Modern

Background & Challenge

Functional Factory (dba Drink Modern) is a beverage manufacturer that began offering co-packing services after expanding into a larger facility in Cleveland, Ohio. As their client base grew, they needed a partner to manage the complexities of printed can procurement and packaging, as they had limited in-house capacity to oversee artwork management and sourcing.

Key Highlights

CBW stepped in to support Drink Modern's operations by supplying high-quality, digitally printed cans and streamlining the packaging process. Currently, clients are responsible for uploading their own artwork and managing purchases through CBW's online platform. CBW is working closely with Drink Modern to evolve toward a more efficient model, similar to what was implemented with Surly Brewing, where the co-packer handles procurement centrally, potentially adding value through a service fee while improving speed coordination across brands.

For CBW and co-packers, the relationship is mutually beneficial

Co-Packers

- ✓ Access to high-quality, digitally printed cans at lower or smaller volumes, without managing printing in-house
- ✓ Faster turnaround times
- ✓ Simplified procurement, reducing internal workload
- ✓ Ability to charge a markup or service fee for packaging coordination
- ✓ Scalable support as co-packers grow or enter new beverage categories
- ✓ Introduction to CBW's rolodex of beverage brands and new business opportunities

Craft Beverage Warehouse

- ✓ Streamlined order fulfillment and centralized ordering, with fewer one-off customers
- ✓ Steady, predictable order volume from co-packing operations
- ✓ Co-packers remove a barrier of entry to customers
- ✓ Continued exposure to a variety of emerging brands

Facilities & Assets

Leased Facilities[1]

	Wisconsin Facility *3945 N 31st St.* *Milwaukee, WI 53216*	Colorado Facility *5925 Washington St., Suite 200* *Denver, CO 80216*
Square Footage	17,844 sq. ft.	24,844 sq. ft.
Year Opened	2020	2025
# of Employees	23	8
Lease Type	Unrelated Third-Party	Unrelated Third-Party
Assets	Shifts: 3 Printers: 2	Shifts: 2 Printers: 1 *Second digital printer coming online in summer 2025*
Facility Photo		

Commentary

- ✓ The Company currently operates three shifts in the Milwaukee facility, providing roughly $15mm revenue capacity per facility, or $7.5mm/print line[2]
- ✓ CBW's newly-commissioned Denver location is expected to ramp up quickly after starting operations in March, and will have three full shifts by June
- ✓ Going forward, the Company intends to locate new facilities near aluminum can manufacturers

Core Printing Assets

Hinterkopf D240.2 Digital Printer

- + *Millions of Colors or Shades*
- + *Matte and/or Gloss Finish*
- + *Photo-Realistic Graphics*
- + *Color Gradients*

- + *Mass Customization*
- + *Variable Data Printing*
- + *Spot Varnish*
- + *Printed Can Neck*

The Company currently owns three Hinterkopf printers that operate on five shifts total, and will take delivery of a 4th for installation in Denver in June/July

Aside from canned beverages, the Hinterkopf printer can be used for a variety of other digital printing applications, including food-safe packaging, cosmetic or personal care, and more

[1]As of May-25
[2]3 shifts, 5 days/week

Vendors

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Vendor Breakdown

Vendor Name	Vendor Description	2024 Spend ($)	2024 Spend (%)
Vendor #1	Aluminum Cans, Can Ends	3,358,000	64.6%
Vendor #2	Ink	1,286,000	24.8%
Vendor #3	Can Carriers	315,000	6.1%
Vendor #4	Corrugated Trays	179,000	3.4%
Top 4 Vendors		5,138,000	98.9%
All Other Vendors (2)		57,000	1.1%
Grand Total		5,195,000	100%

Commentary

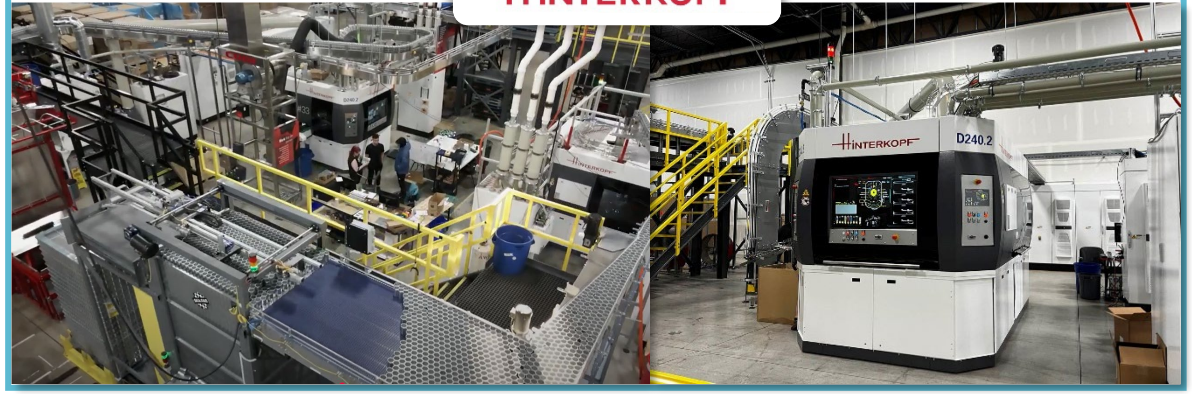
- ✓ The Company sources high-quality, proprietary inks used in the digital printing process from the equipment manufacturer
- ✓ CBW sources standard can carriers and corrugated trays at aggressive pricing
- ✓ The Company faces no major vendor or supply chain risks
- ✓ Craft Beverage Warehouse currently sources its cans and can ends through a Ball Corporation distributor (Vendor #1)
- ✓ CBW expects to reach a volume level in 2025 that will allow it to attain a per-can rebate from Ball

The Company's purchasing power will only continue to increase as it scales further, and it expects to be able to purchase cans directly from Ball in 2026, resulting in a discount of 1.5-2.0 cents per can (currently, a blank can costs ~12 cents through distributors)

Established Relationship with the Leading Printer Manufacturer

- ✓ Hinterkopf offers the leading digital printers on the market in terms of speed, reliability, and quality
- ✓ CBW maintains a close relationship with Hinterkopf, having priority access to new machines and developments
- ✓ Based on its strong relationship with Hinterkopf, the Company believes it can purchase 2-4 machines per year (Hinterkopf only produces 10-12 annually)
- ✓ This equipment moat enables the Company to increase production capacity as needed, and strengthens its competitive position in the market
- ✓ Aside from canned beverages, these printers can be used for a variety of other digital printing applications like food-safe packaging, cosmetics, and personal care products

HINTERKOPF



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Organization

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Organizational Chart

- **Kyle Stephens** – *President & Co-Founder*
  - **Michael DeGrave** – *Co-Founder & VP Business Development*
    - *Prepress Supervisor*
      - *Prepress Graphic Designer*
      - *Prepress Graphic Designer*
    - *Sales Representative[1]*
  - *Operations Manager*
    - *Plant Supervisor (MKE)*
      - *Production Supervisors (3)*
        - *Production Associates (10)*
      - *Material Handler*
      - *Assistant Plant Supervisor*
    - *Maintenance Manager*
    - *Plant Supervisor (DEN)*
      - *Production Supervisors (2)*
        - *Production Associates (4)*
  - *Executive Assistant*
  - *VP – Finance & Admin.*
    - *People & Culture Specialist[2]*

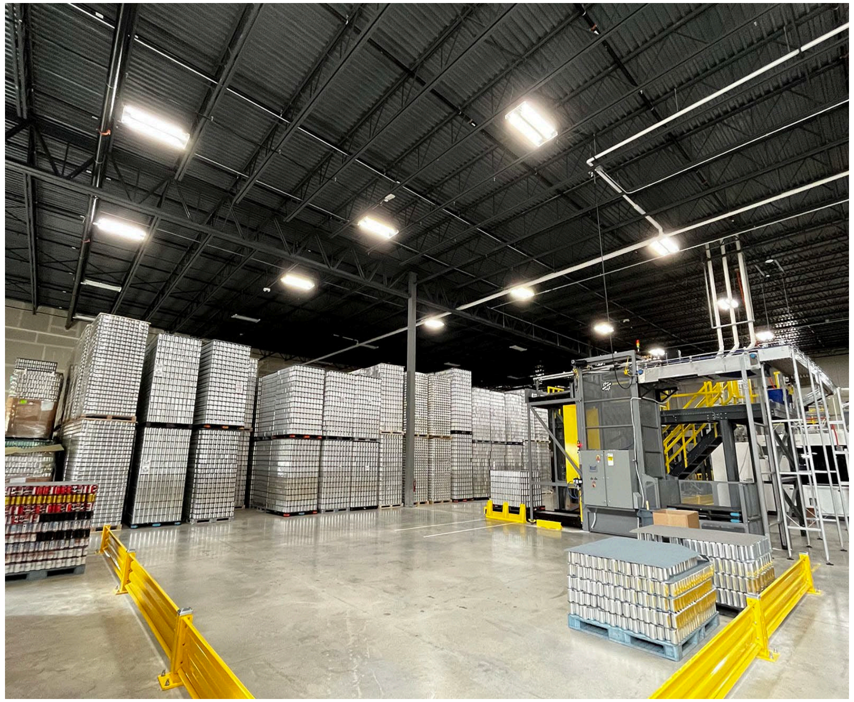
Key Stats

31	Employees	4	Leadership Team Members
20	Hourly Count	~$25.00	Avg. Hourly Rate
5	Total Shifts	2	Locations

- ✓ CBW promotes a highly desirable company culture and has confidence that it can readily attract new hires as the business scales; the Denver facility received 500+ applications in one week for six production worker positions
- ✓ The Company currently operates its shift schedule 5 days/week at both facilities – Additional capacity can be generated by adding a few workers for a 6th or 7th day

Commentary

- ✓ Each new facility requires 4 machine operators per shift, 1 plant supervisor, 1 quality control person, and 1 shipping/receiving person to operate two print lines 24/7
- ✓ A fully staffed facility running 3 shifts would utilize 15-17 people
- ✓ The training process for new hires typically involves around only six weeks of training for machine operators



[1]As of May-25
[2]In process of hiring

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Industry Overview

3

Direct-to-Can Printing Solution

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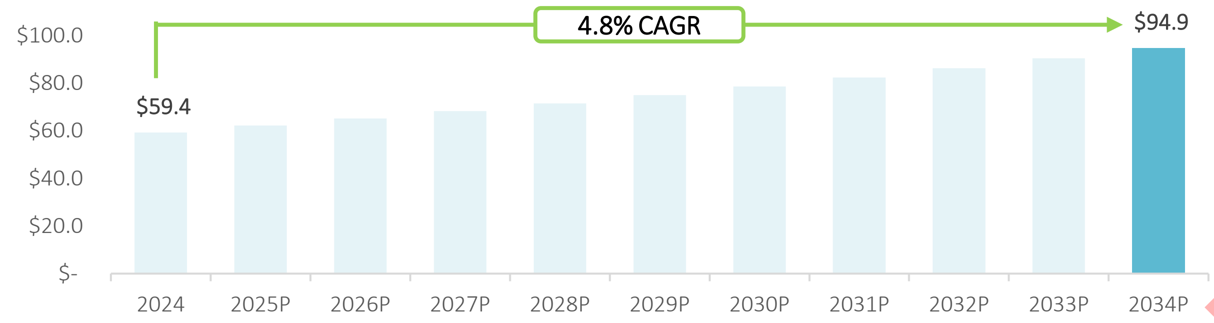
CBW benefits from strong aluminum can adoption tailwinds as brands and consumers increasingly prioritize sustainable packaging materials and methods

Global Aluminum Can Market Outlook ($USD, billions)[1]



Compelling Tailwinds Driving Aluminum Can Adoption

Highest Recyclability Value

Aluminum cans retain 94% of their material value after recycling[2], making them the most sustainable beverage packaging option across nearly every metric

Demand for Sustainable Packaging

Aluminum cans' recyclability provides a lower carbon footprint than plastic alternatives, aligning well with growing consumer demand and government regulations

Recyclability is Undermined by Plastic Labels

Increased use of plastic labels on aluminum cans contributed to a decline in U.S. aluminum can recycling rates to 43% in 2023, leading to over $1.2bn in aluminum landfilled annually[3]

New technologies like digital printing for small-batch canning allow companies to easily label their cans, while avoiding recycling pitfalls[3]; CBW is in an ideal position to cater to this market need

Current Methods of Can Packaging & Design

Volume	Method	Description	Cost	Pros	Cons
High Volume	Offset Printing	*Industry standard for mass production using plates and ink*	*$0.12-$0.13/can*	✓ *High-quality and consistent* ✓ *Cost-effective at scale* ✓ *Recyclable*	× *Slow changeover* × *Long lead times* × *Not ideal for short runs*
Low-Volume/Shorter Runs	Shrink Sleeve Labels	*Uses heat to shrink plastic film around can*	*$0.24-$0.29/can*	✓ *Full-wrap design*	× *Higher unit cost for shorter runs* × *Not recyclable unless removed from the can*
Low-Volume/Shorter Runs	Pressure Sensitive Labels	*Pre-printed adhesive labels applied like a sticker*	*$0.22-$0.26/can*	✓ *Flexible for small batches* ✓ *Easy application*	× *Lower quality* × *Lower durability* × *Not recyclable unless removed from the can*
Low-Volume/Shorter Runs	Digital Printing	*Plate-free, digital printing directly on cans*	*$0.23-$0.29/can*	✓ *Runs of any length* ✓ *Quickest changeover* ✓ *Fully-recyclable* ✓ *Premium quality and shelf appeal*	× *High initial investment*

[1]Towards Packaging
[2]Aluminum Association's 2021 Life Cycle Assessment
[3]The Aluminum Association

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Strong Trends in the Broader Beverage Market

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The overall beverage market is showing strong growth trends over the next decade, with CBW being a direct beneficiary of these upstream tailwinds

~$100 Billion
Estimated North American Beverage Market[2]

~$20 Billion
Estimated Cost Share of Aluminum Can Packaging[3]

~$4-6 Billion
Estimated Total Addressable Market[4]

Key Beverage Market Trends

Emergence of THC & CBD Beverages – *Ongoing state-to-state legalization and growing consumer comfort/preference with cannabis are driving demand for THC and CBD drinks, creating a new, premium beverage category growing at a CAGR of 18.5% from 2024-2033[5]; frequent regulatory changes make digital printing ideal for keeping packaging compliant and market-ready*

Functional Beverages – *Health-focused drinks like probiotics, adaptogens, and energy drinks are exploding on the scene as consumers increasingly prioritize better-for-you alternatives; the functional beverage market is expected to grow at a CAGR of 8.6%, reaching $339.6B by 2030[6]*

Ready-To-Drink (RTD) Cocktails Surge – *RTD cocktails are booming due to convenience, portability, varieties, and premium branding; the U.S. RTD cocktail market is expected to grow at a 14.5% CAGR from 2022-2027[7]*

Sparkling Water Premiumization – *Sparkling water has matured into a lifestyle product, with growth fueled by consumers seeking healthier soda alternatives. New entrants continue to innovate in the space with botanicals, caffeine, and more, making direct-to-can branding essential to stand out on shelves*

Non-Alcoholic Alternatives – *Brands are customizing non-alcoholic drinks as alcoholic consumption is on a decline in the U.S. for several years; "NA" beverage consumption grew by 20% in 2023 and projected to grow at 17% CAGR through 2028[8]*

As emerging beverage brands grow and multiply, so does the related packaging complexity, fueling demand for visually-distinct packaging

Emerging brands require agility to refine their products, change to meet consumer preferences, and to gain a competitive edge in the current beverage market, making CBW a necessary resource

[1]Ready-to-Drink
[2]Mordor Intelligence, Precedence Research, Grand View Research, Mintel
[3]Assumes packaging is 20% of total product cost, per Packaging Gateway
[4]Assumes 70-80% of the packaging market is served by offset printing
[5]IMARC Group
[6]Grand View Research
[7]IWSR
[8]Forbes: The Rise of Functional Beverages Among Millennials and Gen Z

Competitive Landscape

CBW bridges the gap in the can packaging market by offering high-quality, fast-turnaround solutions for underserved, lower-volume beverage companies

Digital, Shrink Sleeve, & Labels

Offset Printing

Lower-Volume, Higher Customizability

Shrink Sleeve or Label

Digital Printing

Multiple Formats

High-Volume, Low Customizability

Other Small-Volume Providers Lack CBW's Capabilities

CBW's complete packaging solution is unmatched by other small-volume competitors

- CBW's digital printing quality is on par with offset printing quality, which is typically only available to large-volume customers
- CBW is differentiated by offering a guaranteed turnaround time of 4–6 weeks vs. 10-14 weeks
- CBW is one of only two providers with a fully developed e-commerce platform to automate the ordering process

CBW is in the Optimal Market Position Among Other Competitors

CBW is built to scale and capture this underserved market

- CBW is the fastest-growing provider in the sector, and is well-positioned to capitalize on both growing demand and unmet market needs at a national level
- As a privately held company with a proven strategy and impressive growth trajectory, it is an ideal acquisition opportunity to construct a nationwide platform

CBW Focuses on Market Segments That Larger Providers Neglect

CBW fills the gap left by larger players and brings the same quality packaging solution to smaller players

- Large providers prioritize high-volume clients to fill their offset printing capacity, leaving a gap in the market for lower-volume customers that are often not as sophisticated as their larger counterparts
- CBW provides access to aggressively priced solutions for smaller beverage producers that help them with inventory procurement and cash flow management, without sacrificing quality or responsiveness

Growth Opportunities

Geographic Expansion Strategy

Proven Unit Model and Successful Denver Replication Provide Blueprint for National Expansion

Identified, Actionable Expansion Plan

Unit Economics (per facility)

Infrastructure Needs

Two Digital Print Lines ($3mm investment, each)

25k sq. ft Facility

15-17 Employees, 3 Shifts, 5 Days/Week

Attractive Cash Flows Per Location

$15mm
Revenue

$3.5mm
Adj. EBITDA

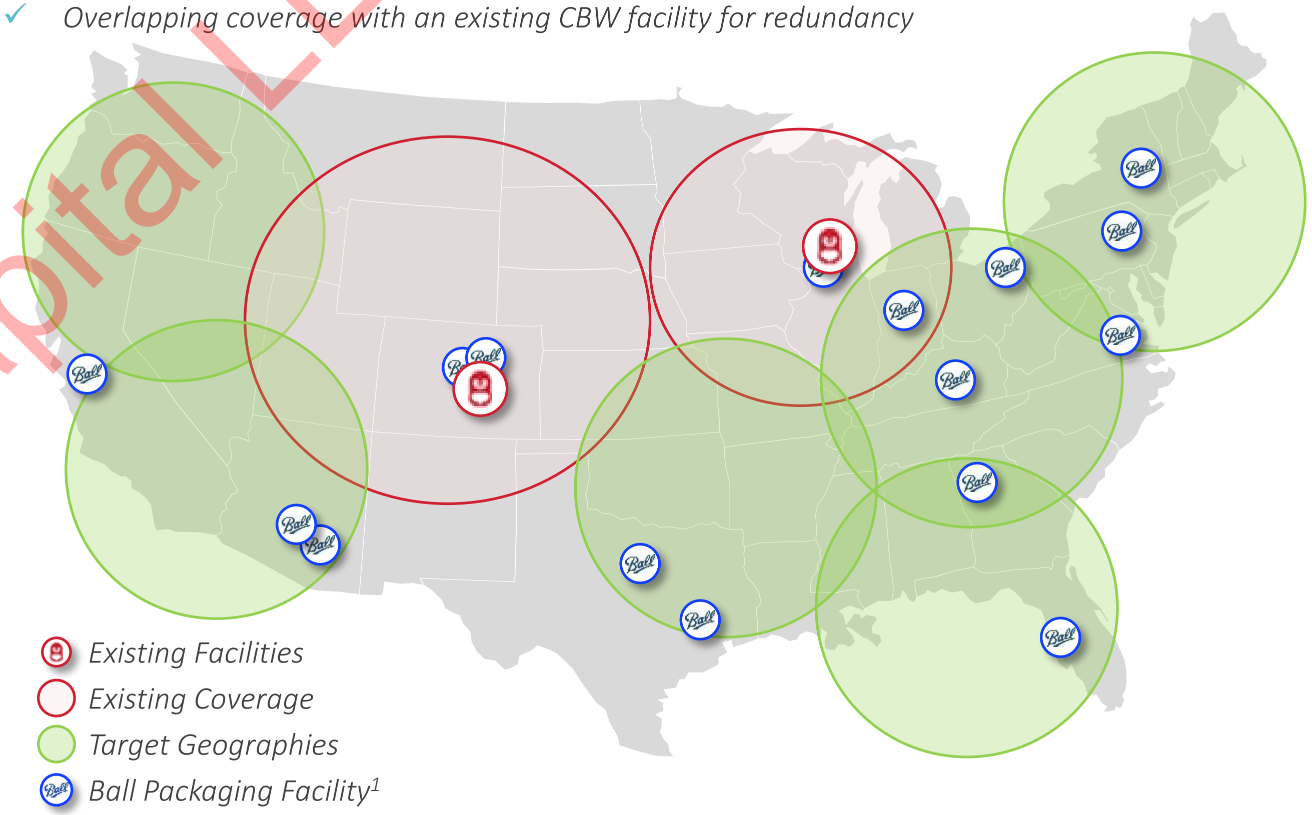
- ✓ 3 mo. to cash flow breakeven
- ✓ 2-2.5 Year payback period on $8mm total facility investment

Craft Beverage Warehouse will replicate its successful Denver expansion in multiple other target markets over the next 3-5 years to create a coast-to-coast provider

Targeted Geographies

Management has identified several attractive territories that meet the criteria:

- ✓ *Have a high density of beverage co-packers within a 500-mile radius*
- ✓ *Be within 100 miles of a can manufacturing facility*
- ✓ *Overlapping coverage with an existing CBW facility for redundancy*



[1]Ball Corporation, CBW's current can provider, used for illustrative purposes

Establish Direct Relationship with Can Manufacturers

Craft Beverage Warehouse is on the Verge of Being Able to Buy Directly From Aluminum Can Manufacturers

Year	Can Source[1]	Can Volume & Price	Commentary
2024	*Vendor #1 (Ball Corp. Distributor)*	*Can Volume: 30,000,000* *Can Cost: $0.12 Per Can*	*Historically, CBW has purchased aluminum cans through the Ball Corp. preferred partner/can distributor, at a slight markup*
2025	*Vendor #1 (Ball Corp. Distributor)*	*Can Volume: 70,000,000* *Can Cost: $0.12 Per Can* *Rebate: $84,000,000*	*CBW expects to surpass a can volume threshold required to earn a distributor rebate, estimated to be $84K in 2025*
2026	Ball	*Can Volume: 100,000,000* *Can Cost: $0.10 Per Can*	*At the time of writing the CIM, CBW is currently in contract negotiations with Ball to purchase cans directly starting in 2026*

Immediate Benefits

$1.5mm
Total Annual Cost Savings

Significant Cost Savings
Management expects direct purchasing to reduce COGS by 15–20%, increasing 2026 gross margin by $1.5–$2.0mm, with further upside as volume scales

Eliminate the Middleman
CBW would not have to continue buying cans through preferred distributors, creating a more streamlined supply chain

Maintain Customers
As customers grow and graduate to offset printing, CBW will retain the relationship as they reach maturity and service them via a dropship model with the large can manufacturer

CBW Expects to Have the Direct Purchasing Contract Formalized with the Can Manufacturer by Q3 2025

[1]Ball Corporation, CBW's current can provider, used for illustrative purposes

M&A Roll-Up Strategy

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Management has identified several potential acquisition targets that would provide immediate strategic value

Acquisition Strategy

There are several reasons why an acquisition target would make sense for Craft Beverage Warehouse as a platform:

Turnkey Operations vs. Greenfield

- ✓ Given the industry's limited digital printing capacity, CBW could quickly add customers without the time and investment to build from scratch

Add Sales Resources

- ✓ Several smaller industry participants have good sales resources and pre-existing customer and co-packer relationships to accelerate business development

Strength Through Diversification

- ✓ CBW could also gain access to larger brands and other co-packers, helping diversify the customer base and gain access to new geographies and beverage sub-sectors

Select Identified Acquisition Targets

Target	Est. Revenue	Description / Rationale
Target #1	\$50mm	Multi-site, high-volume provider with strong presence in the South region and a built-out sales function
Target #2	\$15mm	Established Midwest provider with several printers and strong relationships with big brands
Target #3	\$10mm	Less sophisticated provider in the niche, but attractive Pacific Northwest region with multiple printers

These targets alone could add over \$75 million in revenue

Financial Summary

Basis of Financial Presentation

CRAFT BEVERAGE WAREHOUSE

Financial Overview

- Craft Beverage Warehouse has a fiscal year ending December 31st
- Financial results are presented in thousands of USD (unless otherwise noted)
- The financials as presented herein are based on information received from the Company and other sources believed to be reliable (see disclaimer and notes for more detail on verification, assumptions, use of estimates, etc.)
- All financial and accounting functions are overseen by VP of Finance & Admin, Jose Saenz, and reviewed by Co-Founder & President, Kyle Stephens, which includes bookkeeping, accounts receivable, accounts payable, and other related functions
- All financial and accounting data is implemented in NetSuite ERP system as of March 2025; prior to NetSuite, the Company used QuickBooks from inception

Adjustments to Reported Financials

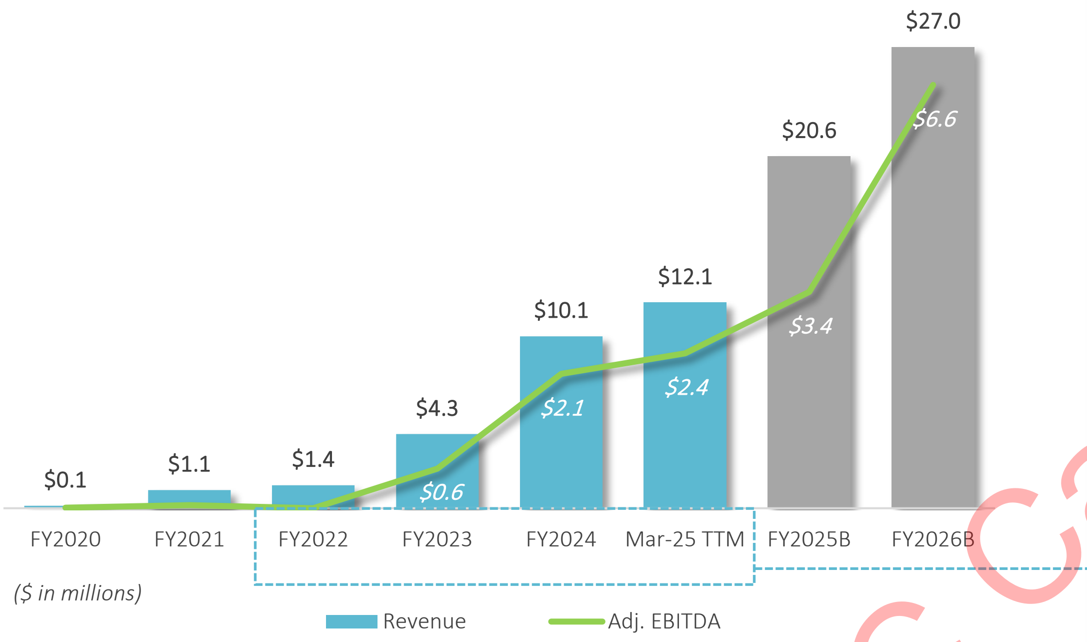
- Craft Beverage Warehouse engaged Corporate Diligence Specialists (CDS) to perform financial accounting due diligence, including a Quality of Earnings (QofE) analysis for fiscal years 2023, 2024, and YTD March 2025
- Conservative adjustments have been applied to appropriate income statement line items to represent historical operational and margin performance accurately
- The P&L includes the reclassifications and adjustments and is the basis for all financial analyses shown in the CIM

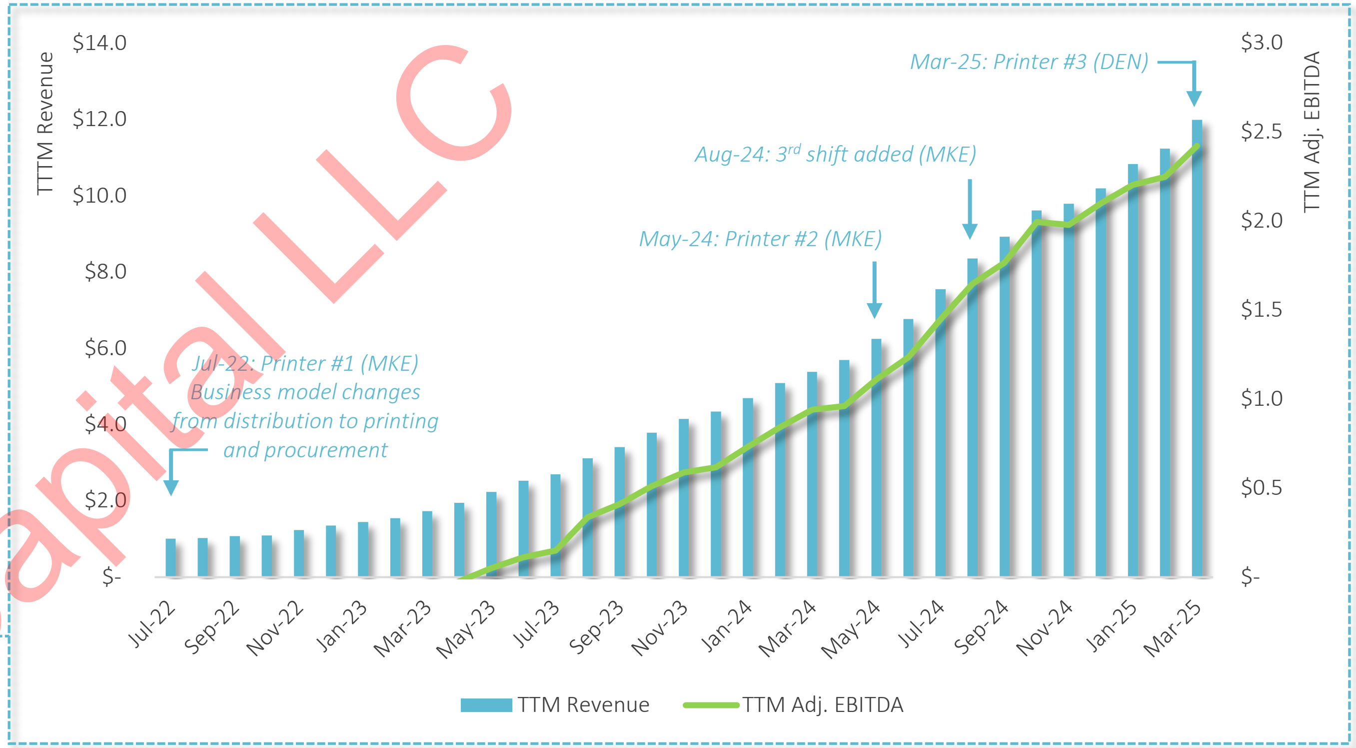
2025 – 2026 Budget

- The 2025 and 2026 projections have been prepared to be consistent with the historical trends and represent management's opinions and forecasts about the Company as of the date of these materials

Financial Profile

Compelling Financial Trajectory Driven by a Replicable Operations Strategy





Impressive Organic Growth Story with a Clear Playbook for Continued Expansion

- The Company has experienced strong organic growth since its founding, supported by strategic investments to expand capacity and grow geographically
- With the addition of the Denver facility and continued strong market demand, the Company has a clear roadmap to meet its 2025 and 2026 budgets
- Management expects immediate margin expansion in 2026 as the Denver facility continues to ramp up production and CBW begins purchasing cans directly from the manufacturer

Note: Quality of Earnings Report covers Jan-23 to Mar-25

Reported P&L

CBW Reported P&L						As % of Net Sales		
($000s)	FY23	FY24	LTM 3/25	YTD 3/24	YTD 3/25	FY23	FY24	LTM 3/25
Sales - Printed Cans	3,109	7,901	9,451	1,223	2,773	71.6%	78.4%	78.4%
Sales - Wholesale	834	1,446	1,806	227	588	19.2%	14.3%	15.0%
Sales - Shipping Revenue	333	625	682	108	165	7.7%	6.2%	5.7%
Sales - Other Revenue	64	110	115	23	27	1.5%	1.1%	1.0%
Net Sales	**4,340**	**10,082**	**12,054**	**1,582**	**3,553**	**100.0%**	**100.0%**	**100.0%**
COGS - Direct Materials	2,545	5,719	7,100	888	2,268	58.6%	56.7%	58.9%
COGS - Labor	230	681	753	102	173	5.3%	6.8%	6.2%
COGS - Shipping	300	573	616	96	139	6.9%	5.7%	5.1%
COGS - Rent & Utilities	33	72	110	6	45	0.8%	0.7%	0.9%
COGS - D&A	-	-	164	-	164	0.0%	0.0%	1.4%
COGS - Other	38	63	69	13	19	0.9%	0.6%	0.6%
Total Cost of Goods Sold	**3,148**	**7,109**	**8,812**	**1,106**	**2,808**	**72.5%**	**70.5%**	**73.1%**
Gross Profit	**1,193**	**2,973**	**3,242**	**476**	**745**	**27.5%**	**29.5%**	**26.9%**
Gross Margin %	*27.5%*	*29.5%*	*26.9%*	*30.1%*	*21.0%*			
SG&A - Salaries & Wages	226	444	522	81	159	5.2%	4.4%	4.3%
SG&A - Fringe	35	65	78	14	28	0.8%	0.6%	0.6%
SG&A - Employee Costs	**261**	**508**	**600**	**95**	**186**	**6.0%**	**5.0%**	**5.0%**
SG&A - Office & IT	74	112	162	20	70	1.7%	1.1%	1.3%
SG&A - Professional Fees	31	69	81	11	24	0.7%	0.7%	0.7%
SG&A - Bank Charges & Fees	25	61	74	8	20	0.6%	0.6%	0.6%
SG&A - Rent & Utilities	131	150	135	35	20	3.0%	1.5%	1.1%
SG&A - Travel, Meals & Entertainment	15	25	55	2	32	0.3%	0.2%	0.5%
SG&A - Marketing	30	33	44	3	15	0.7%	0.3%	0.4%
SG&A - Insurance	12	22	27	3	9	0.3%	0.2%	0.2%
SG&A - Other	1	18	27	2	11	0.0%	0.2%	0.2%
Total Operating Expenses	**580**	**997**	**1,203**	**179**	**386**	**13.4%**	**9.9%**	**10.0%**
Operating Income	**613**	**1,976**	**2,038**	**297**	**359**	**14.1%**	**19.6%**	**16.9%**
Other (Income)/Expense	511	879	888	170	180	11.8%	8.7%	7.4%
Net Income/Adjusted EBITDA	**102**	**1,097**	**1,150**	**126**	**180**	**2.4%**	**10.9%**	**9.5%**
Total Definitional Adjustments	504	952	1,114	162	324	11.6%	9.4%	9.2%
Definitional EBITDA	**606**	**2,049**	**2,264**	**288**	**504**	**14.0%**	**20.3%**	**18.8%**
Total Diligence Adjustments	11	50	158	36	145	0.3%	0.5%	1.3%
Diligence Adjusted EBITDA	**617**	**2,099**	**2,422**	**325**	**648**	**14.2%**	**20.8%**	**20.1%**
Diligence Adjusted EBITDA %	*14.2%*	*20.8%*	*20.1%*	*20.5%*	*18.2%*			

Revenue

- The Company has experienced steady organic growth and low customer turnover
- Revenue seasonality aligns with peak beverage production/consumption periods, with approximately 60% of historical annual sales generated in Q2 and Q3
- Historical revenue growth has been driven by added printing capacity
- The Company's pricing has come down as CBW has realized economies of scale, without compromising margin; this pricing strategy allows the Company to better compete with other chosen print formats
- Facility revenue has doubled year-over-year in Milwaukee and is expected to remain fixed by Q4 of 2025 with a full year of production from both digital printers

Cost of Goods Sold & Gross Profit Margin

- Gross Margins for Printed Cans are 30-40% and Wholesale products are 15-20%
- Direct Materials will continue to be the major cost driver within COGS
  - Direct Materials consist of blank cans and ink, which represent 41% and 14% of Mar-25 TTM Revenue, respectively
  - The cost of blank cans will decrease as a percentage of sales after the Company's contract negotiation with can manufacturers
- CBW's employee base has grown with the Denver expansion, and the Company has no major hiring needs anticipated for either location outside of 3-4 planned production hires to support a third shift in Denver
- Gross Margins in Denver will be temporarily compressed yet quickly rebound in Q3-Q4 2025 with increased volumes as the third shift and second printer come online

Operating Expenses & Operating Margin

- The majority of Operating Expense growth in the TTM period is tied to the Denver expansion within Employee Costs, Rent & Utilities, and Office & IT
- The other driver of OPEX growth is employee-driven, with the addition of a VP of Finance in Sep-25 to support the finance/accounting needs of both locations and the hiring of an Executive General Admin role in Mar-25 to further streamline administrative support for Kyle and Mike across locations

Adjustments to EBITDA

CR8FT BEVERAGE WAREHOUSE

CBW Adjusted EBITDA						
($000s)		FY23	FY24	LTM 3/25	YTD 3/24	YTD 3/25
Net Sales		4,340	10,082	12,054	1,582	3,553
Cost of Goods Sold		3,148	7,109	8,812	1,106	2,808
Gross Profit		**1,193**	**2,973**	**3,242**	**476**	**745**
Gross Margin %		*27.5%*	*29.5%*	*26.9%*	*30.1%*	*21.0%*
Operating Expenses		580	997	1,203	179	386
Operating Income		**613**	**1,976**	**2,038**	**297**	**359**
Other (Income)/Expense	i	511	879	888	170	180
Net Income		**102**	**1,097**	**1,150**	**126**	**180**
Definitional Adjustments						
Interest (Income)/Expense	ii	182	419	494	77	152
Depreciation & Amortization	iii	322	533	620	85	172
Definitional Adjustments		**504**	**952**	**1,114**	**162**	**324**
Definitional EBITDA		**606**	**2,049**	**2,264**	**288**	**504**
Definitional EBITDA %		*14.0%*	*20.3%*	*18.8%*	*18.2%*	*14.2%*
Diligence Adjustments						
Denver Start-Up Costs	A	-	-	84	-	84
Expensed Capex	B	6	36	48	10	22
Out-of-Period Adjustments	C	-	-	17	29	46
One-Time Legal Costs	D	-	13	13	-	-
Capitalize Labor & Overhead	E	5	2	(3)	(2)	(7)
Diligence Adjustments		**11**	**50**	**158**	**36**	**145**
Diligence Adjusted EBITDA		**617**	**2,099**	**2,422**	**325**	**648**
*Diligence Adjusted EBITDA % **		*14.2%*	*20.6%*	*20.2%*	*20.2%*	*19.0%*

**As a % of Adjusted Net Sales*

1 – Denver Start-Up Costs

- Adds back one-time start-up costs at the Denver location, primarily related to office supplies, travel, and machine-wearable parts purchases
- Additionally, this adjustment removes Denver's remaining net loss in Mar-25 as the facility was not in full production
- The Company expects a few additional start-up costs to be incurred later in 2025 as the Denver facility ramps to full capacity; these costs are not expected to exceed $100k in total

2 – Expensed Capex

- This adjustment adds back furniture and IT equipment Fixed Assets that were originally expensed upon purchase, rather than capitalized, as they fell below the Company's tax capitalization threshold of $2.5k

3 – Out-of-Period Adjustments

- The Company recorded dunnage credits and vendor rebates in Dec-24 as incurred
- This adjustment reallocates the out-of-period credits ratably throughout FY24 and accrues FY25 credits and rebates

4 – One-Time Legal Costs

- Removes legal fees incurred related to the one-time Denver facility lease negotiation (~$12.5k)

5 – Capitalize Labor & Overhead

- In Mar-25, the Company implemented a standard costing inventory system, which included the capitalization of labor and overhead costs to WIP and finished goods
- This adjustment quantifies the impact of capitalizing labor and overhead to all months prior to Mar-25, based on a 30-day DIO assumption and proportion of labor and overhead relative to material COGS

2025 and 2026 Budget Outlook

CBW Budget ($000s)	QoE-Actual Q1	Budget Q2	Budget Q3	Budget Q4	Blended FY2025	Budget FY2026
MKE - Revenue	3,380	3,593	3,618	3,105	13,697	14,152
DEN - Revenue	173	1,202	2,546	3,008	6,929	12,883
Total Revenue	**3,553**	**4,795**	**6,165**	**6,114**	**20,626**	**27,034**
MKE - Gross Profit	796	814	816	617	3,043	4,034
DEN - Gross Profit	(51)	42	466	568	1,024	3,392
Total Gross Profit	**745**	**856**	**1,281**	**1,184**	**4,067**	**7,426**
%	*21.0%*	*17.9%*	*20.8%*	*19.4%*	*19.7%*	*27.5%*
MKE - OPEX	78	87	88	78	331	345
DEN - OPEX	9	32	59	68	168	290
MKE - Depreciation	152	165	165	165	647	660
DEN - Depreciation	20	67	67	111	264	533
MKE - Location EBITDA	870	892	893	704	3,358	4,349
DEN - Location EBITDA	(40)	76	473	611	1,120	3,635
Total Pre-Allocation EBITDA	**830**	**968**	**1,366**	**1,314**	**4,479**	**7,984**
%	*23.4%*	*20.2%*	*22.2%*	*21.5%*	*21.7%*	*29.5%*
Corporate Allocation	478	562	559	556	2,154	2,238
Add backs:						
Interest Expense	152	210	210	210	782	840
Depreciation & Amortization	-	8	8	8	23	30
EBITDA Adjustments	166	36	25	23	250	-
Adjusted EBITDA	**670**	**660**	**1,050**	**999**	**3,379**	**6,616**
%	*18.9%*	*13.8%*	*17.0%*	*16.3%*	*16.4%*	*24.5%*
Budgeted EBITDA	595					
Variance ($)	*75*					

2025 Forecast

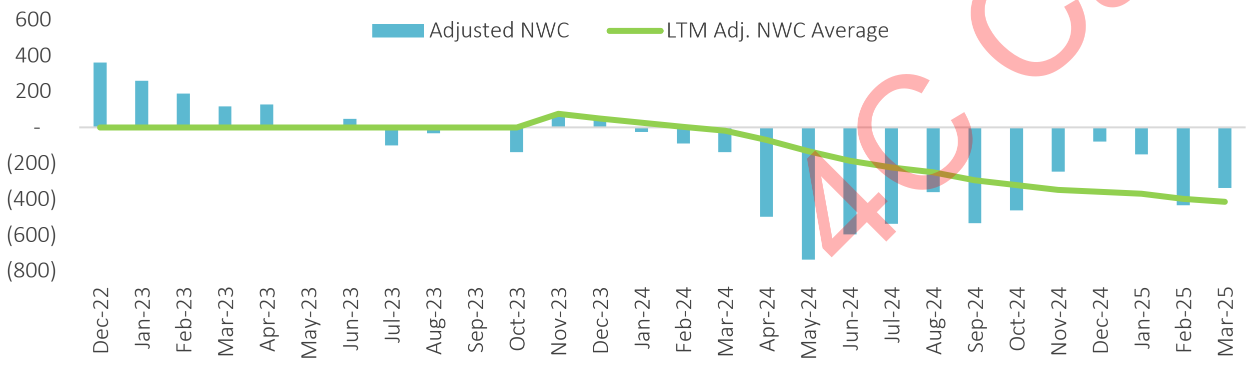
- In 2025, 65-70% of the Company's revenue will be generated by the Milwaukee location
- The Milwaukee location's strong Q1 performance helped beat its Q1'25 budget
- Margin compression in Q2 is due to the Denver location coming online, but margins will rebound in Q3 with the addition of a second Denver printer and a third shift
- The Denver location will be cash flow breakeven in May, within three months of opening
- Once the second printer arrives in Denver, CBW will only need ~3-4 additional hires to fulfill its fully online production needs and achieve the 2025/2026 projections
- By end of 2025, the Milwaukee location will have reached its stabilized run-rate, and by end of 2026, the Denver location will be near or at its stabilized run-rate as well

2026 Budget

- Growth will be driven primarily by increased Printed Can volume in Denver as utilization ramps with wholesale expected to remain 5-10% of total revenue
- Management views the expected contract with the can manufacturer to drive meaningful Gross Margin expansion
  - It is expected to yield $700K and $650k of annual Direct Material savings at the Milwaukee and Denver locations, respectively
  - The discount is also expected to drive another $50k-$100k of annual Direct Material savings on the Wholesale side of the business
- OPEX is expected to remain flat under the current two-facility operating structure, with no major hiring needs anticipated for either facility or at the corporate level in 2026

Working Capital Analysis

CBW Cash-Free, Debt-Free Adjusted Net Working Capital	Averages		
($000s)	FY23	FY24	LTM 3/25
Accounts Receivable	201	532	704
Inventory	311	393	468
Prepaids and Other Current Assets	17	45	44
Current Assets	**529**	**970**	**1,216**
Accounts Payable	253	818	1,051
Credit Card	11	21	30
Accrued Expenses	15	54	63
Deposits	200	437	487
Current Liabilities	**479**	**1,329**	**1,630**
Adjusted NWC	**50**	**(359)**	**(415)**
NWC Ratios			
DSO (AR/Adjusted Revenue)	18	19	22
DIO (Inventory/Total COGS)	35	21	21
DPO (AP/Non-Labor & Cash Expenses)	31	43	49
Adj'd NWC as % of LTM Sales	1.1%	-5.0%	-5.2%



($ in thousands)

1-2 Days

Advantageous Cash Conversion Cycle

CBW maintains a 1-day cash conversion cycle, driven by its ability to obtain customer deposits to fund its inventory requirements. Disciplined working capital management has been a focus of ownership to reinvest cash flow into new equipment to increase capacity and drive continuous, proven growth

Accounts Receivable

- The majority of CBW's smaller customers are 100% prepaid at the time of order
- The Company's terms with the two contracted customers and a few local customers that have a relationship with management are net-30 terms
- Larger customers are typically on net-45 terms
- CBW does not offer early payment discounts
- The Company has not had any significant issues with collecting payments from its customers or historical bad debt/write-offs

Inventory

- Craft Beverage Warehouse uses the FIFO method for its inventory accounting
- The Company performs monthly physical cycle counts

Accounts Payable

- CBW's typical vendor payment terms are net-60 with its can and ends supplier (the majority of purchases), and net-30 with most of the rest

Accrued Expenses

- Accrued Expenses include interest, payroll, as well as bonuses

Deposits

- Comprised of customer and dunnage deposits for all customers not on volume contracts

Capital Expenditures & Fixed Assets

CBW Capital Expenditures						
($000s)	2020	2021	2022	2023	2024	YTD 3/25
Assets in Progress	-	-	-	35	7	280
Leasehold Improvements	-	31	13	-	24	-
Printing Machinery & Equipment	-	-	3,914	50	4,160	3,755
Tooling / Die Costs	7	2	6	-	-	12
Vehicles	-	-	-	-	-	36
Warehouse Equipment	-	24	56	10	68	88
Total Capital Expenditures	**7**	**57**	**3,989**	**94**	**4,260**	**4,171**

CBW Fixed Assets				
($000s)	Dec-22	Dec-23	Dec-24	Mar-25
Printing Machinery & Equipment	3,914	3,964	8,124	11,879
Assets in Progress	19	284	3,016	322
Warehouse Equipment	80	90	158	246
Leasehold Improvements	44	44	68	68
Vehicles - Denver	-	-	-	36
Tooling & Die Costs	15	15	15	27
Fixed Assets, Gross	**4,072**	**4,397**	**11,382**	**12,578**
Accumulated Depreciation	(164)	(461)	(963)	(1,128)
Fixed Assets, Net	**3,908**	**3,936**	**10,418**	**11,451**

Capital Expenditures

- Capital Expenditures are virtually all related to growth, including new printing machines and related production equipment, improvements of equipment or manufacturing space, and additional warehouse equipment
- In 2022, 2024, and 2025, the Company added new Hinterkopf D240.2 printers for roughly ~$3.5mm each (inclusive of ancillary costs to install and prepare the space) to support the growth of new business
- The fourth Hinterkopf printer is expected to arrive in June or July at the Denver location and begin production shortly after implementation
- In Mar-25, the Company implemented NetSuite as its new ERP system (formerly it used Quickbooks)
- Due to the age of the equipment, maintenance CAPEX is nominal and has been typically expensed as incurred (less than $30k per year currently)

"Bringing Big Bank Experience to the Middle Market"

TKO MILLER

788 N. Jefferson St., Suite 550
Milwaukee, WI 53202
414.375.2660
tkomiller.com
contact@tkomiller.com