

**BUSINESS CONCEPT** 



# The Story

## "You've got to start with the customer experience and work back toward the technology - not the other way around" Steve Jobs

#### Ancient Craft, New Beginnings....

Despite being the oldest technology in the book, charwood cookery is one of the hottest (excuse the pun) trends to hit today's social media savvy affluent demographic. With impetus from the Slow Food, farm2table, and the craft beverage movements, charwood cookery is a return to our roots, a rustic, primal style of cookery practiced worldwide and inspired by the distinct flavors that only happen with scorchingly hot steel and fire. From Atlanta to Singapore to Sydney to London to Napa, folks are returning to the artistry of charwood cooking. They are refining their cooking skills, sourcing locally, and exploring recipes from the world's four corners.

#### Evolutionary....

Cooking with fire on a gridiron traces its history to the Romans and their commercialization of charcoal production. In the 1920's Henry Ford and his brother-in-law, Ed Kingsford, popularized small portable grills and the charcoal briquette. The 1950s brought us the Weber Kettle, a buoy converted to a grill. Using a "diesel-fuel" accelerant made the poor-quality briquettes easy to light. It ruined the taste of food, which ushered in the gas grill (aka "backyard microwave"), offering convenience at the expense of taste and finish. Post-Vietnam introduced the mushi-kamado, a re-purposed rice cooker fired by natural charcoal. Although very bulky and incredibly difficult to master, it did produce great-tasting food. The kamado brought natural charcoal back to the outdoor cooking scene. Pellet smokers (aka "backyard air-fryers") appeared in the late eighties providing a convenient way to add smoke flavor. Since the '20s, when Ford introduced his grill, hundreds of millions of outdoor "grills" have been sold, but except for the original Ford grill, most of them have been air-convection style cookers cooking with hot air, just like a home oven.

#### Quad®....

Quad<sup>®</sup> is a charwood grill in its most accurate definition. Its radical design and innovative technologies are the first substantive changes in outdoor cooking in 35 years. The US Patent office recognizes our innovations by issuing four patents, protecting both the appearance of the Quad<sup>®</sup> and its function. The foundational element of Quad<sup>®</sup> is the large (250 sq.in) laser-carved carbon steel gridiron. Its patented design provides simultaneous conduction and radiant cooking. Four venturi regulate airflow for 1000° gridiron surface temps providing the perfect sear. Cultural portability, compact design, and lightweight make it the ideal global direct-to-consumer product. Constructed with aluminum, stainless steel, and case-hardened steel, Quad<sup>®</sup> carries a lifetime warranty.

# Synopsis

ORIGINS: <u>Culinary Exploration</u>... Lucia and Ray Palermo, lifelong culinary explorers, were on a quest to cook an authentic paella that requires a wood fire and scorching heat. Ray constructed an initial prototype that performed flawlessly. Many iterations later, that prototype morphed into Quad<sup>®</sup> "Simply, The Best Charwood Grill on the Planet."

**COMPANY:** <u>Digitally Native Vertical Brand (DNVB)</u>... Quad<sup>®</sup> was founded by Ray Palermo and Todd Malloy in 2019. The company manufactures and markets QuadGrill<sup>®</sup>, the proprietary anchor product thru our online store: https://quadgrilling.com.

STAGE: Launch Ready... Market tested, manufacturing, 3rd party fulfillment, and the online store are in place. Selling will begin in late 2023.

IP: QuadGrill®... Protected by multiple design and utility patents and the registered trademark "Quad®" and service marks.

MARKET: Worldwide... Charwood grilling is an established cooking behavior used in the six continents' trendiest restaurants and homes. Quad's is shippable *small package* worldwide. Grill sales in the US have shown steady year-over-year increases, with 20 million a year being sold in the US alone.

**COMPETITION:** Generic Products... Higher-end gas grills and pellet smokers

**TARGET DEMOGRAPHIC:** <u>Up-Market</u>... A 30-60-year-old professional/entrepreneur comfortable with online buying who utilizes the online community for affirmation. They are culinary explorers, well-traveled, experienced in craft foods and beverage, and homeowners.

PRICING: Low Premium... QuadGrill's MSRP is \$849.

**VALIDATION:** Well received... Over 850 Quad branded products in a beta release across 38 states and six countries.

**PRODUCT:** Nonpareil... QuadGrill® is a US made charwood fired grill providing hassle-free grilling perfection w/o electricity, petroleum products, cell phones, add-ons, special fuels or hacks. Quad® is full-size, versatile, and carries a lifetime warranty. An hour after receiving the Quad®, a rookie can grill like an iron chef.

## Quad®>ICWF Secret Sauce

## "Simply, the Best Charwood Grill on the Planet!"

- Open Fire Grilling (High Radiant + Conduction Heat)
- Quad Gridiron (Patented Carbon Steel Grate)
- **Venturi** (1,000° Gridiron Temp, Side Draft System)
- **Technology/Build** (Patented, Best in Class, Lifetime Warranty)
- Full Size/Go Where You Go (Tabletop, 35lbs., 250+ in. Surface)
- **EZ Clean** (Self Cleaning Gridiron & Easy Dump Fire Bowl)
- **Social** (Fast, Engaging, Open to All the Senses & Shareable)
- Charcoal/Wood Fuel (Adds Texture, Flavor & Complexity)



No Electricity, No Petroleum, No IoT, No Hacks, No Special Fuel

# DNVB (Digitally Native Vertical Brand) > UX\*

Autonomy & Control From Manufacturing Thru \*User Experience



- Year-round Availability
- One-Click Source
- Develop Long-Term Repeat Consumers
- Manage Retail Pricing
- Facilitate New Product Offerings



- Anytime/Anywhere Ordering
- Direct Response Marketing
- Customized Offerings

## Competitive Advantage >IP





#### **Four US Patents**

Utility 10,058,210 Design D772,648 Design D934,612S Utility 11,344,146



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Reg. No. 4,773,428
Registered July 14, 2015 washing from the particular from the first fir

#### Trademark<sup>®</sup>

Reg.#4,773,428



#### Validated Market

850+ Quad Branded ProductsDelivered to:38 States 6 Countries



# Competitive Advantage > Marketing

### **Direct 2 Consumer\* - No Middleman**

- User Centric Design
- 1 on 1 w/Customer
- Pricise Customer Targeting
- Access to the Global Market
- Higher Margins
- Rapid Feedback from Marketplace
- Agile Market Response



<sup>\*&</sup>quot;Direct-to-customer businesses remove steps in the shopper journey, allowing brands to own the relationship between their product and the consumer. This seemingly personal approach deepens customer relationships and builds both trust and loyalty, especially with the option of membership perks and a strong payments strategy." ADYEN 2021

## Competitive Advantage>Scalable

### No Significant Barriers to Scalability

- Utility & Design Patents Issued
- High \$\$ Gross Margin
- Small Pkg Shippable Worldwide (FedEx, UPS, DHL)
- US Production/Short Supply Chain
- Cultural Portability/Worldwide Utility
- Strong Customer Lifetime Value w/Consumables



# Competitive Advantage > Disruption

## **Capture Global Market**

#### **Grill Sales/US**

- Currently 85% Occur In "Brick & Mortar"
- 20+ Million Units Annually
- 25% Are Replacement Grills
- Online Grill Sales CAGR 9.3%\*

### Usage (US)

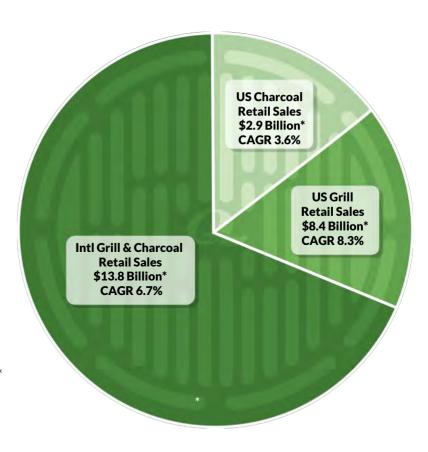
- 63% Grill Year-round
- 700+ Mill Charcoal Grilling Events/Yrly
- 77% of 25-34 Year Olds Grill Away From Home

### Grill Ownership/U.S.

- 72% Households Own Grills
- 1.6 Grills per Household
- 3.5 yr. Average Grill Lifespan
- 49% Households Own Charcoal Grill
- 61% Households Own Gas Grill

#### **Established Consumer Behavior**

- Charwood Cooking is Ubiquitous Worldwide
- eCommerce (D2C) 2012-2021 Sales up 260%\*\*



<sup>\*</sup>Grandview Research

# Competitive Advantage > Current SSDD\* Offerings



















## \*Same Stuff Different Day-Recycled-Additive-Stagnant

- Sold in "Brick and Mortar" Stores
- Seasonal Offering/ Unavailable Year-round
- Products Pass Through a 3-4 Tier Supply Chain
- Commodity Products=Rush To The Bottom Pricing
- Shipped Unassembled/Often LTL
- Specialty Fuel Required

- Very Limited User Interaction/Support
- Products Have Steep Learning Curve
- No Company Sponsored Peer 2 Peer Interaction
- Old Designs (Copycat, Re-Purposed Rice Steamer, Oil Barrel, Buoy)
- Connected > Propane/Electric/WiFi/BluTooth