



**BLACK RIFLE
COFFEE COMPANY**

**INVESTOR
PRESENTATION**

NOVEMBER 2021



COFFEE

CONTENT

COMMUNITY

DISCLAIMER

Disclaimer

This investor presentation (this "Presentation") is for informational purposes only to assist interested parties in making their own evaluation with respect to the proposed business combination (the "Business Combination") among SilverBox Engaged Merger Corp I or one or more of its affiliates ("SilverBox") and Authentic Brands, LLC (together with its subsidiaries, including Black Rifle Coffee Company LLC, the "Company") or one or more of its affiliates. The information contained herein does not purport to be all-inclusive and none of SilverBox, the Company or their respective affiliates makes any representation or warranty, express or implied, as to the accuracy, completeness or reliability of the information contained in this Presentation. Neither the Company nor SilverBox has verified, or will verify, any part of this Presentation. The recipient should make its own independent investigations and analyses of the Company and its own assessment of all information and material provided, or made available, by the Company, SilverBox or any of their respective directors, officers, employees, affiliates, agents, advisors or representatives. This Presentation does not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed Business Combination. This Presentation shall also not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any securities, nor shall there be any sale of securities in any states or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities will be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, or an exemption therefrom. You should not construe the contents of this Presentation as legal, tax, accounting or investment advice or a recommendation. You should consult your own counsel and tax and financial advisors as to legal and related matters concerning the matters described herein, and, by accepting this Presentation, you confirm that you are not relying upon the information contained herein to make any decision. The distribution of this Presentation may also be restricted by law and persons into whose possession this Presentation comes should inform themselves about and observe any such restrictions. The recipient acknowledges that it is (a) aware that the United States securities laws prohibit any person who has material, non-public information concerning a company from purchasing or selling securities of such company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities, and (b) familiar with the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Exchange Act"), and that the recipient will neither use, nor cause any third party to use, this Presentation or any information contained herein in contravention of the Exchange Act, including, without limitation, Rule 10b-5 thereunder. This Presentation and information contained herein constitutes confidential information and is provided to you on the condition that you agree that you will hold it in strict confidence and not reproduce, disclose, forward or distribute it in whole or in part without the prior written consent of SilverBox and the Company and is intended for the recipient hereof only.

Forward-Looking Statements

Certain statements in this Presentation may be considered forward-looking statements. Forward-looking statements generally relate to future events or SilverBox's or the Company's future financial or operating performance. For example, projections of future Revenue and Adjusted EBITDA and other metrics are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "intend", "will", "estimate", "anticipate", "believe", "predict", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by SilverBox and its management, and the Company and its management, as the case may be, are inherently uncertain and are inherently subject to risks, variability and contingencies, many of which are beyond the Company's control. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of negotiations and any subsequent definitive agreements with respect to the Business Combination; (2) the outcome of any legal proceedings that may be instituted against SilverBox, the combined company or others following the announcement of the Business Combination and any definitive agreements with respect thereto; (3) the inability to complete the Business Combination due to the failure to obtain approval of the stockholders of SilverBox, to obtain financing to complete the Business Combination or to satisfy other conditions to closing; (4) changes to the proposed structure of the Business Combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the Business Combination; (5) the ability to meet stock exchange listing standards following the consummation of the Business Combination; (6) the risk that the Business Combination disrupts current plans and operations of the Company as a result of the announcement and consummation of the Business Combination; (7) the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain key relationships and retain its management and key employees; (8) costs related to the Business Combination; (9) changes in applicable laws or regulations; (10) the possibility that the Company or the combined company may be adversely affected by other economic, business, and/or competitive factors; (11) the Company's estimates of expenses and profitability; and (12) other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in SilverBox's final prospectus relating to its initial public offering dated February 25, 2021 or in other documents filed by SilverBox with the SEC. There may be additional risks that neither SilverBox nor the Company presently know or that SilverBox and the Company currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. Nothing in this Presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither SilverBox nor the Company undertakes any duty to update these forward-looking statements or to inform the recipient of any matters of which any of them becomes aware of which may affect any matter referred to in this Presentation. The Company and SilverBox disclaim any and all liability for any loss or damage (whether foreseeable or not) suffered or incurred by any person or entity as a result of anything contained or omitted from this Presentation and such liability is expressly disclaimed. The recipient agrees that it shall not seek to sue or otherwise hold the Company, SilverBox or any of their respective directors, officers, employees, affiliates, agents, advisors or representatives liable in any respect for the provision of this Presentation, the information contained in this Presentation, or the omission of any information from this Presentation. Only those particular representations and warranties of the Company or SilverBox made in a definitive written agreement regarding the transaction (which will not contain any representation or warranty relating to this Presentation) when and if executed, and subject to such limitations and restrictions as specified therein, shall have any legal effect.

DISCLAIMER (CONT'D)

Non-GAAP Financial Measures

This Presentation includes projections of certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Gross Profit, Average Unit Volume ("AUV") and certain ratios and other metrics derived therefrom. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies. The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

Use of Projections

This Presentation contains financial forecasts with respect to the Company's projected financial results, including Revenue and Adjusted EBITDA, for the Company's fiscal years 2021 through 2023. The Company's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this Presentation. These projections should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

Industry and Market Data

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company's industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk. Any trademarks, servicemarks, trade names and copyrights of the Company and other companies contained in this Presentation are the property of their respective owners.

Important Information About the Proposed Business Combination and Where to Find It

In connection with the proposed Business Combination, a registration statement on Form S-4 (the "Form S-4") is expected to be filed by a newly-formed holding company ("Pubco") with the SEC that will include a proxy statement of SilverBox that will also constitute a prospectus of Pubco. SilverBox's stockholders and other interested persons are advised to read, when available, the Form S-4, including the preliminary proxy statement/prospectus and the amendments thereto and the definitive proxy statement/prospectus and other documents filed in connection with the proposed Business Combination, as these materials will contain important information about SilverBox, Pubco, the Company and the Business Combination. This Presentation does not contain all the information that should be considered concerning the proposed Business Combination and is not intended to form the basis of any investment decision or any other decision in respect of the Business Combination. When available, the definitive proxy statement/prospectus and other relevant materials for the proposed Business Combination will be mailed to stockholders of SilverBox as of a record date to be established for voting on the proposed Business Combination. Stockholders will also be able to obtain copies of the preliminary proxy statement/prospectus, the definitive proxy statement/prospectus and other documents filed with the SEC, without charge, once available, at the SEC's website at www.sec.gov.

Participants in the Solicitation

SilverBox, Pubco and their respective directors and executive officers may be deemed participants in the solicitation of proxies from SilverBox's stockholders with respect to the proposed Business Combination. A list of the names of those directors and executive officers and a description of their interests in SilverBox is contained in SilverBox's final prospectus related to its initial public offering dated February 25, 2021, which was filed with the SEC and is available free of charge at the SEC's website at www.sec.gov. Additional information regarding the interests of such participants will be contained in the proxy statement/prospectus for the proposed Business Combination when available. The Company and its directors and executive officers may also be deemed to be participants in the solicitation of proxies from the stockholders of SilverBox in connection with the proposed Business Combination. A list of the names of such directors and executive officers and information regarding their interests in the proposed Business Combination will be included in the proxy statement for the proposed Business Combination when available. INVESTMENT IN ANY SECURITIES DESCRIBED HEREIN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY OTHER REGULATORY AUTHORITY NOR HAS ANY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. The Company and SilverBox reserve the right to negotiate with one or more parties and to enter into a definitive agreement relating to the transaction at any time and without prior notice to the recipient or any other person or entity. The Company and SilverBox also reserve the right, at any time and without prior notice and without assigning any reason therefor, (i) to terminate the further participation by the recipient or any other person or entity in the consideration of, and proposed process relating to, the transaction, (ii) to modify any of the rules or procedures relating to such consideration and proposed process and (iii) to terminate entirely such consideration and proposed process. No representation or warranty (whether express or implied) has been made by the Company, the SilverBox or any of their respective directors, officers, employees, affiliates, agents, advisors or representatives with respect to the proposed process or the manner in which the proposed process is conducted, and the recipient disclaims any such representation or warranty. The recipient acknowledges that the Company, SilverBox and their respective directors, officers, employees, affiliates, agents, advisors or representatives are under no obligation to accept any offer or proposal by any person or entity regarding the transaction. None of the Company, SilverBox or any of their respective directors, officers, employees, affiliates, agents, advisors or representatives has any legal, fiduciary or other duty to any recipient with respect to the manner in which the proposed process is conducted.



BR
C/C
BLACK RIFLE
COFFEE COMPANY

EXECUTIVE SUMMARY

THE TEAM

Black Rifle Coffee Company



Evan Hafer

Chief Executive Officer and Founder

Founder, visionary, and innovative leader since the company's founding in 2014



Tom Davin

Co-Chief Executive Officer

Experienced CEO with 30+ years of proven leadership experience across consumer, retail, lifestyle, and restaurant brands



Greg Iverson

Chief Financial Officer

Financial executive with significant public company experience in the education, consumer, and ecommerce sectors



Toby Johnson

Chief Operating Officer

Seasoned operating executive with experience across CPG manufacturing, supply chain, sales, and marketing functions



SilverBox Engaged Merger Corp I



Joe Reece

Executive Chairman

Experienced investor with 30 years of experience across investment banking, private equity investing, and corporate law



Duncan Murdoch

Chief Investment Officer

Private equity investor with 25 years of experience with investment teams across various industries



WE ARE AMERICA'S COFFEE™

1 ROASTED IN
THE USA

2 VETERAN
CONTROLLED

3 ~50% OF EMPLOYEES
ARE VETERANS OR
VETERAN SPOUSES

Our Mission

**Black Rifle Coffee Serves
Premium Coffee and
Content to Active Military,
Veterans, First Responders,
and Those Who Love
America**

OUR COMMITMENT TO VETERANS



\$3M+

of coffee will be donated to military and first responder units in 2021

\$1.2M+

will be given to charitable organizations in 2021

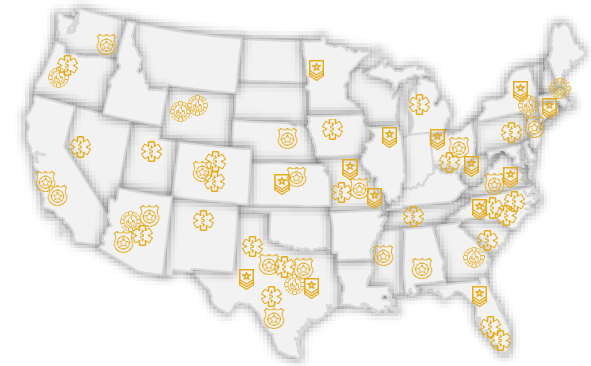
10,000 Veterans

long-term hiring goal

Black Rifle Coffee and SBEA Will Together Donate 530,000+ Shares to the Black Rifle Coffee Company Foundation at Closing

18.5 million Veterans comprise 7% of US adult population¹
Underemployment rates are ~16% higher²
Approx. 50,000 Veterans are homeless³
Veterans suffer from mental health issues at a much greater rate³
18 to 22 US Veterans commit suicide daily³

1. U.S. Bureau of Labor and Statistics. ([Link](#))
2. ZipRecruiter Veteran Survey. ([Link](#))
3. "US Veterans and their unique issues: enhancing health care professional awareness". ([Link](#))



Black Rifle Coffee selects local heroes annually and donates \$5K to a charity of their choice



LEADING SPONSORSHIP AND FULL ALIGNMENT

Fully Financed Transaction With Innovative Backstop Structure and Alignment

- \$300 million in commitments (@ \$10.00/common share), led by \$100 million commitment from Engaged Capital, will satisfy minimum cash condition
- Actual amount funded by PIPE/backstop investors will be between \$200 and \$300 million, depending amount of cash retained from SPAC trust
- 20m earn-out shares to existing BRCC shareholders; 1.2m founder shares cancelled and 1.2m founder shares subject to earn-out¹

Unique Expertise Supporting Growth of Public Companies

- Deep bench of executives with significant experience leading public companies as CEO, CFO or Board Members
- Engaged Capital has a track record of supporting growth of public companies, including Medifast, Rent-a-Center and SunOpta

Deep Relevant Sector Experience

- Significant experience in e-commerce, restaurants, packaged foods, consumer marketing, subscription-based businesses, and other relevant businesses

Significant Transactional Experience

- Members of SBEA management team have led numerous IPOs, follow-on offerings and SPAC transactions, and have deep investor relationships

Support for BRCC's Mission

- SBEA and BRCC will together donate 530,000+ shares to the BRCC Foundation

1. For both BRCC and SBEA earn-outs, 1/2 earned at \$15 and 1/2 earned at \$20, if VWAP for 20 days in a 30 day period is met at such thresholds within 5 years and 7 years, respectively.
 2. Represents companies where a member of the SBEA management team, Board of Directors or Advisory Group served in a senior leadership role or at the Board level.



SILVERBOX
CAPITAL



SBEA: INSTITUTIONAL SPAC PLATFORM

- Formed based on a shared vision between SilverBox Capital and Engaged Capital with intent to sponsor a series of SPACs
- Led by Joe Reece, former Head of US Investment Banking at UBS and Steve Kadenacy, former President & COO of AECOM (NYSE: ACM)
- Members of SBEA management team worked together previously at Boxwood Merger Corp., which completed its business combination with Atlas Technical Consultants (NASDAQ: ATCX)

ENGAGED CAPITAL

- Asset manager deploying a concentrated private equity-style investing strategy in small and mid-cap publicly traded companies
- Led by Founder and CIO Glenn Welling, former Relational Investors Partner and former Group Head / MD at Credit Suisse
- Works closely with its portfolio companies, frequently with Board representation, with a constructive mindset and an investment team that has worked together for over a decade

DEEP RELEVANT EXPERIENCE²



WHY WE BELIEVE BRCC IS A GREAT INVESTMENT

Authentic and Passionate Focus on Company Mission

- Company mission drives customer loyalty and employee retention
- Experienced management team dedicated to the company's mission
- 530,000+ shares to be donated to the BRCC Foundation

Mission-Driven Lifestyle Brand with Loyal Customer Base

- Attractive lifestyle brand with loyal and growing customer base
- Large and differentiated social media following
- Net promoter score of 78

Massive Market Opportunity in Coffee and Beyond

- \$45B+ total US coffee market with estimated \$28B+ SAM in coffee¹
- Track record of successfully extending brand (e.g. ready-to-drink and Outposts)
- Clear opportunity to expand market beyond coffee and merchandise

Attractive Omnichannel Model with Multiple Venues for Growth

- Direct-to-Consumer subscription business with low churn
- Growing wholesale business with expanding roster of retail partners
- Canned ready-to-drink (RTD) product now Top 4 brand ~18 months after launch
- Expanding base of retail coffee shops ("Outposts") with attractive unit economics

Highly Scalable Platform Primed to Deliver Profitable Growth

- 2021E revenues of \$230M, growing at 40% compared to 2020A Revenue and with 40% gross margins
- Growth investments mask underlying profitability near term
- Pipeline of initiatives targeting medium to long-term margin expansion

1. Based on a third-party modeling as of June 2021.
2. Based on third-party survey as of June 2021.

BRCC Key Metrics

78

Net Promoter Score²

3.4B+

FY 2020 Social
Media Impressions

~50%

Veteran Employees
or Veteran Spouses
as of October 2021

Selected Retail Partners



Cabela's



CVS pharmacy



Publix



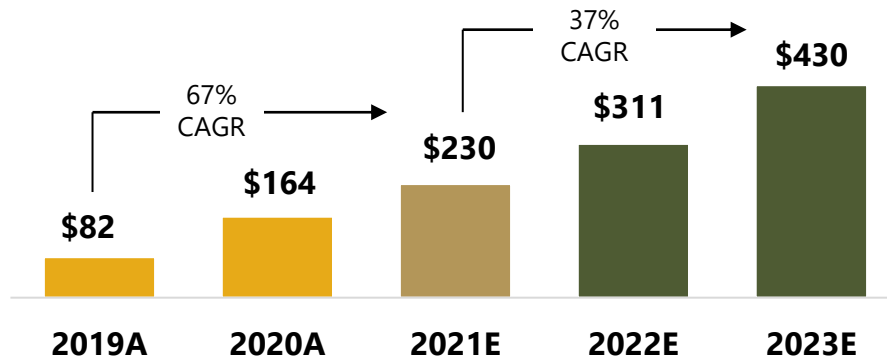
7-ELEVEN



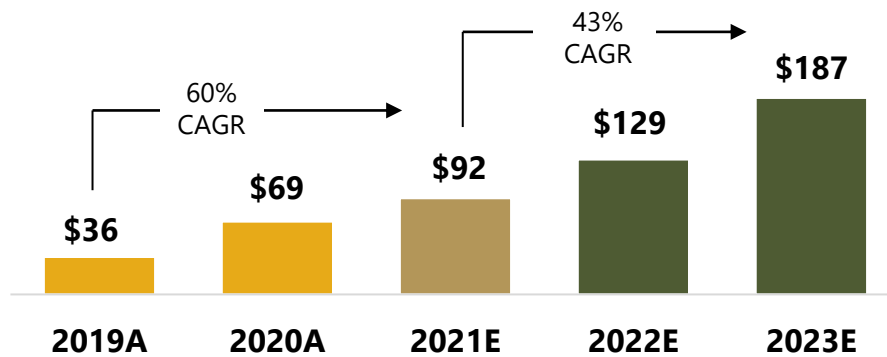
Walmart

STRONG FINANCIAL PROFILE

Net Sales (\$ in millions)



Gross Profit (\$ in millions)



Gross Margin 43% 42% 40% 41% 44%

Revenue Growth & Profitability Underlined by Strong KPIs

1.9M+

Cumulative Customers and Growing

270K+

Active Coffee Club Subscribers

Top 4

RTD Coffee Brand in C-Stores¹

16

Outposts Expected to Open by FYE 2021²

\$2.5M+

Target AUV for Outposts

1. BRCC Management research data.
2. 7 outposts were open as of June 30, 2021.

WHAT WE DO



**MISSION-DRIVEN
LIFESTYLE BRAND**



**HIGH QUALITY
COFFEE & PRODUCTS**



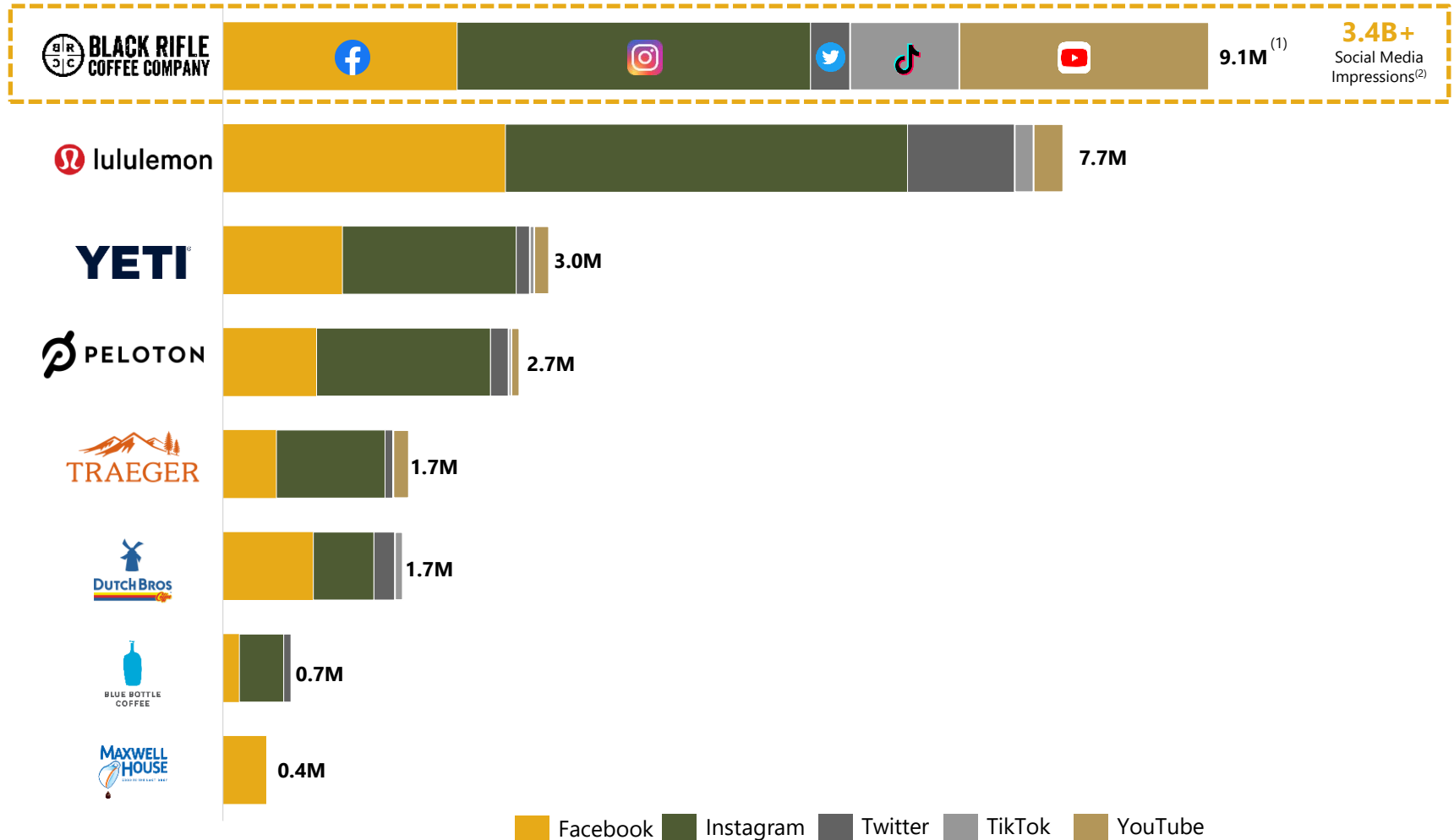
**DIGITALLY NATIVE
OMNI-CHANNEL**

Devoted to cause-related content that **INFORMS, INSPIRES, ENTERTAINS, and builds our community**

Great coffee that consumers love, and **high-quality merchandise** that enables our community to showcase the brand

Omni-channel business model with branded experiences that deliver community, quality, convenience, and value

WE HAVE A LARGE AND LOYAL SOCIAL MEDIA FOLLOWING THAT LOVES INTERACTING WITH OUR CONTENT



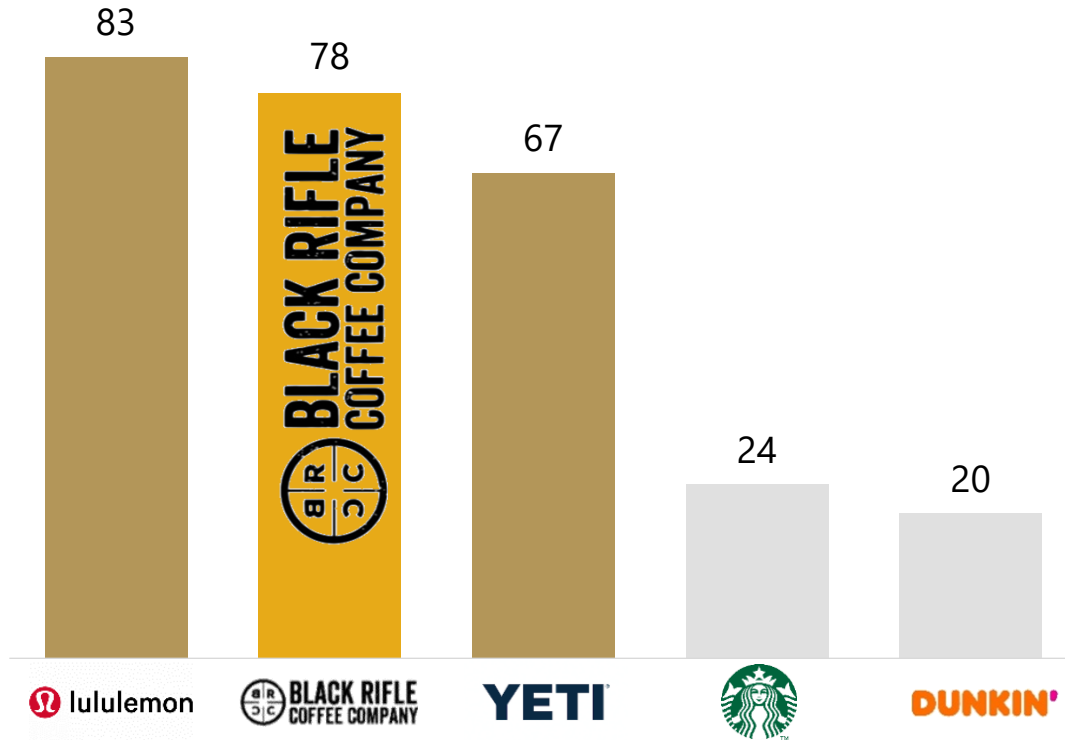
Note: Social Media Followers by Brand as of October 2021.

1. Includes Mat Best, Evan Hafer and Heather Lynn followers.

2. December 2020. Includes over 1.6 billion impressions organically driven by BRCC consumers themselves on various social media platforms.

OUR CUSTOMERS LOVE BLACK RIFLE COFFEE COMPANY

Net Promoter Score¹



Black Rifle Coffee's NPS is on Par with Best-in-Class Lifestyle Brands and is Significantly Higher Than That of Other Coffee Leaders

1. Based on third-party surveys.
2. Company Website.

★★★★★

February 2021

"Great flavor on all blends.. Far superior to SBUX, Green Mountain, Dunkin' and other brands.."²



★★★★★

December 2020

"Proud and humble to be part of what you're doing here! America should do so much for our brave vets! Thank you."²



★★★★★

January 2021

"I've been drinking canned coffee for years and this is the first one I've ever truly enjoyed. The ingredients are high quality, and the flavor is amazing!"²



★★★★★

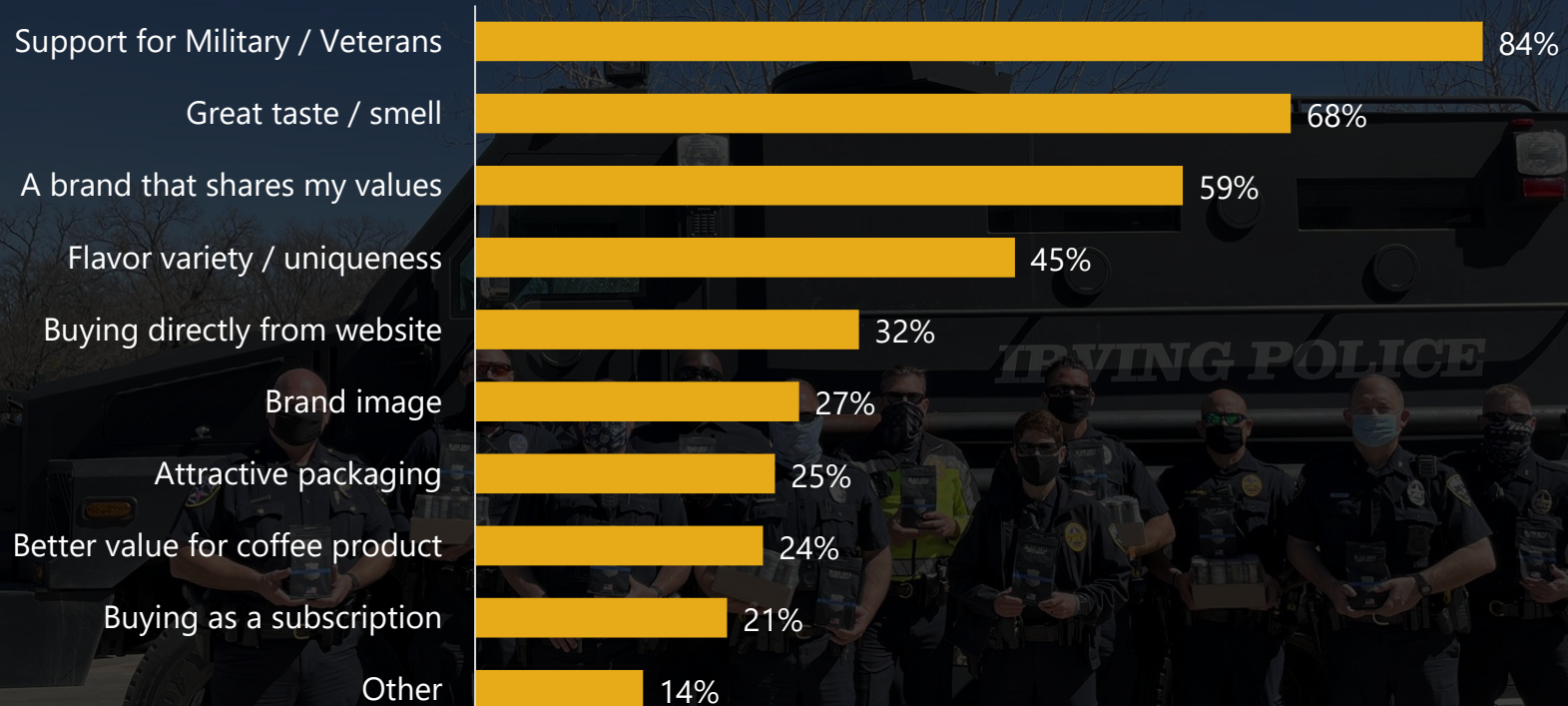
December 2019

"Keep doing what you're doing love the fact that you're supporting veterans as an army man who suffers from PTSD and depression it means the world"²



SUPPORT FOR OUR MISSION AND OUR PREMIUM QUALITY COFFEE DRIVE EXCEPTIONAL CUSTOMER RETENTION

Top Reasons Our Consumers Purchase Black Rifle Coffee¹

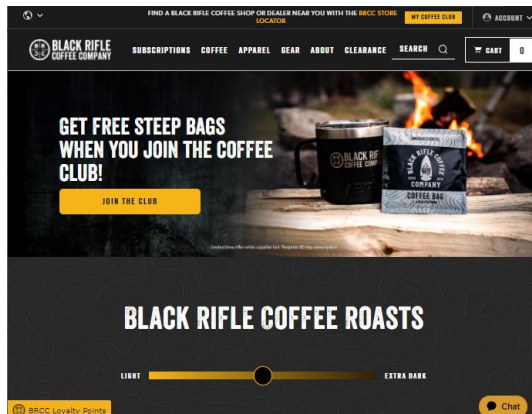


Our Premium Quality Coffee and Taste Drives Exceptional Customer Retention

1. Based on third-party survey as of September 2020.

POWERFUL OMNI-CHANNEL STRATEGY DRIVES GROWTH

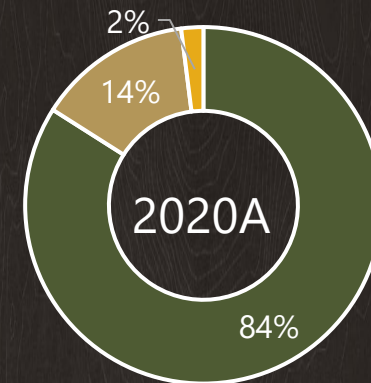
DTC



Outposts



Revenue Mix

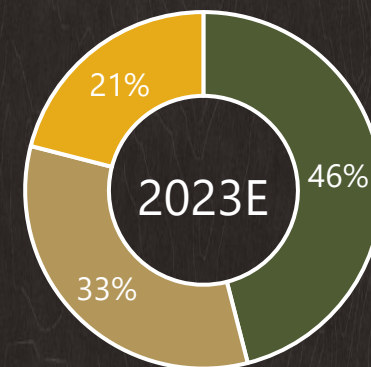


Wholesale

Wholesale Coffee/Merchandise

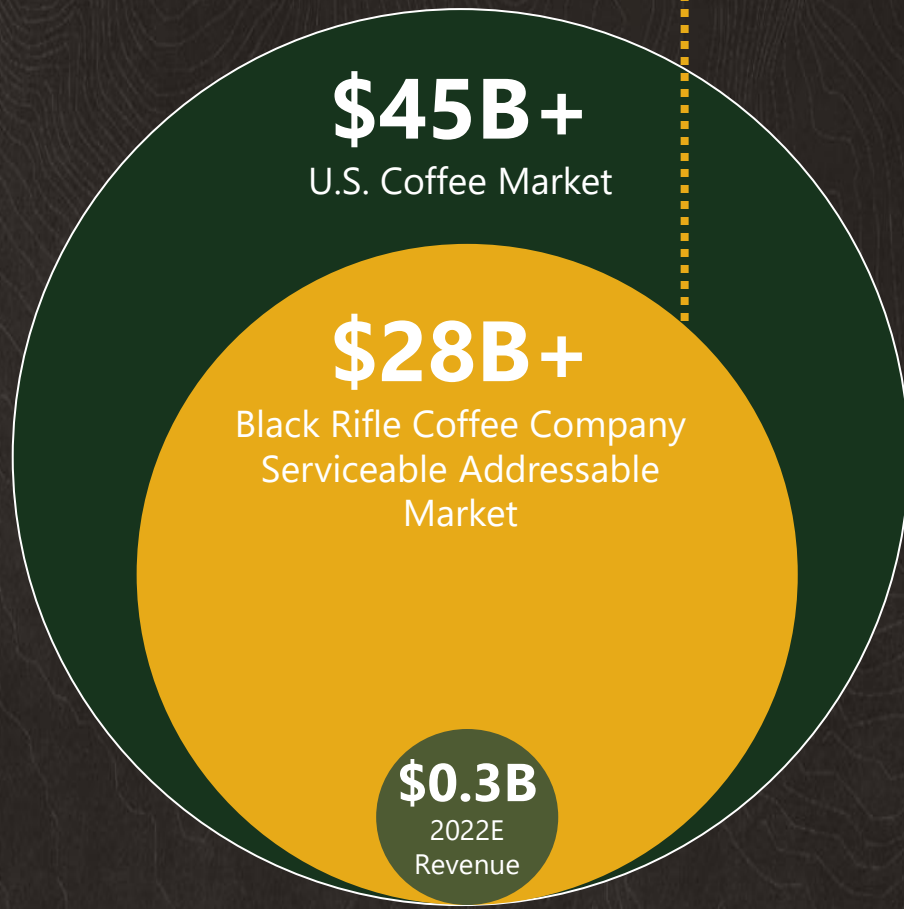


RTD

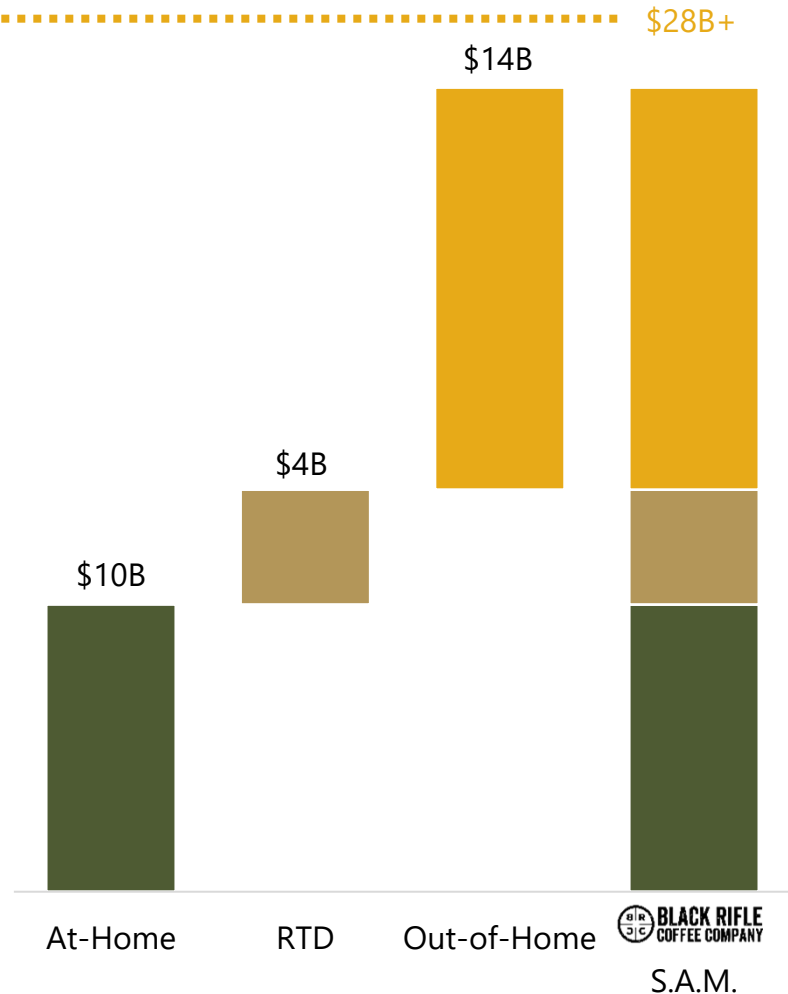


■ DTC ■ Wholesale ■ Outposts

LARGE MARKET OPPORTUNITY...



BRCC Serviceable Addressable Market¹

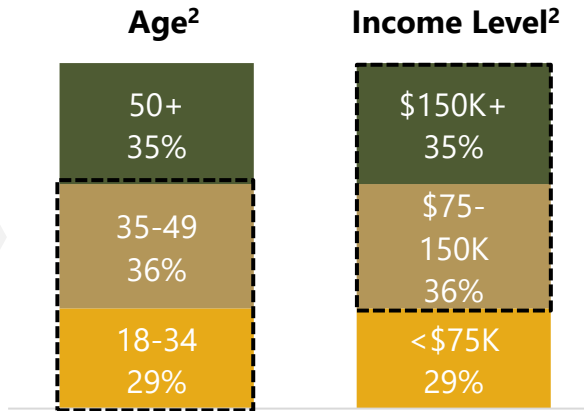
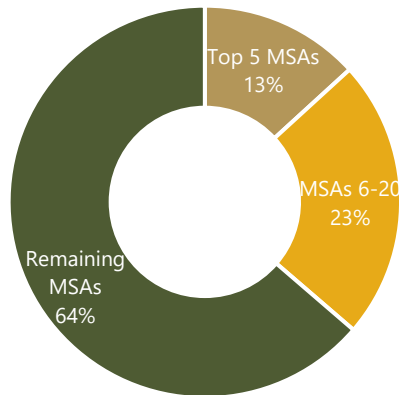


Source: BRCC Management, Stax Market Study.
1. Based on third-party models as of June 2021.

...WITH PROVEN ABILITY TO REACH A BROAD, DIVERSE AUDIENCE

Black Rifle Coffee Company's Customer Base Reaches All Geographies...¹

...And Reflects Highly Attractive Demographics



BRCC's customer base skews **younger** and is **more affluent** than the general population

...From Coast to Coast

Rank (2020 DTC Sales) ¹	Market (MSA)
1	New York – Newark – Jersey City
2	Dallas – Ft. Worth – Arlington
3	Los Angeles – Long Beach – Anaheim
4	Washington – Arlington – Alexandria
5	Phoenix – Mesa – Scottsdale
6	Houston – The Woodlands – Sugar Land
7	Chicago – Naperville – Elgin
8	Philadelphia – Camden – Wilmington
9	Seattle – Tacoma – Bellevue
10	Atlanta – Sandy Springs – Roswell

44

MSA's with sales over \$500K¹

Mission-driven brand messaging focused on Veterans, Military, and First Responders, with a total addressable population of **114M³** across a broad cross-section of America

1. Represents 2020 BRCC DTC dollar sales in 388 Metropolitan Statistical Areas (MSAs). MSAs do not include outlying rural areas, and therefore do not capture the entirety of the U.S. population.
 2. BRCC Management. Represents existing BRCC customers.
 3. Stax Market Study as of June 2021.
 4. Stax Market Study as of June 2021. Represents existing BRCC customers across all channels.

BLACK RIFLE COFFEE COMPANY UTILIZES A THREE-PRONGED STRATEGY TO CRAFT A UNIQUE BRAND

Inspire

"We take pride in the coffee we roast, the Veterans we employ, and the causes we support."

Inform

"We want our audience to love coffee as much as we do, so we simply inform them on all the awesome facets to coffee that we can think of."

Entertain

"The entertain vertical is probably the first thing they think of when they think "Black Rifle Coffee Media." It's the irreverent humor the brand was built on, it's the slow-motion explosions, and the signature positivity we bring to the internet."

Engaging Our Community with High-Quality Content Produced In-House



JUL 21, 2019

IN SEARCH OF THE REAL ROSIE THE RIVETER

By Tim Cooper
Do you remember Rosie? She was a young woman in her mid-20s when the U.S. was pulled into World War II in 1941. The iconic poster of her flexing her bicep and clenching her fist has captured the imagination of millions of patriots ...



It's Who We Are: Amanda Higgins

3,030,289 views • Dec 4, 2017

20K 238 SHARE SAVE ...



It's Who We Are: Omar 'Crispy' Avila Pt 2

220,189 views • Oct 19, 2018 • Omar 'Crispy' Avila Pt 2 ...

SHOW MORE

9.5K 40 Share Save ...

56 2 COMMENTS

READ MORE >>

MOST POPULAR ARTICLES



THE DAY A US NAVY F/A-18 HORNET SHOT DOWN ONE OF THEIR OWN PILOTLESS AIRCRAFT

JUL 12, 2021 By Matt Fratus



OPERATION RED WINGS THROUGH THE EYES OF THE NIGHT STALKERS

JUL 26, 2020 By Joshua Skovlund



8 FASCINATING STORIES SURROUNDING D-DAY YOU PROBABLY DIDN'T KNOW ABOUT

JUN 06, 2019 By Matt Fratus

FOCUS ON DELIVERING HIGHEST QUALITY COFFEE



Light Roast



Medium Roast



Dark Roast



11 oz. RTD



15 oz. RTD



Cold Brew Packs



Rounds



Instant Coffee

LOYAL AND ENERGIZED CONSUMER BASE DRIVES SIGNIFICANT MERCHANDISE SALES¹



Hats



Accessories



Drinkware



Shirts



Hoodies



Equipment



Women's



Blankets

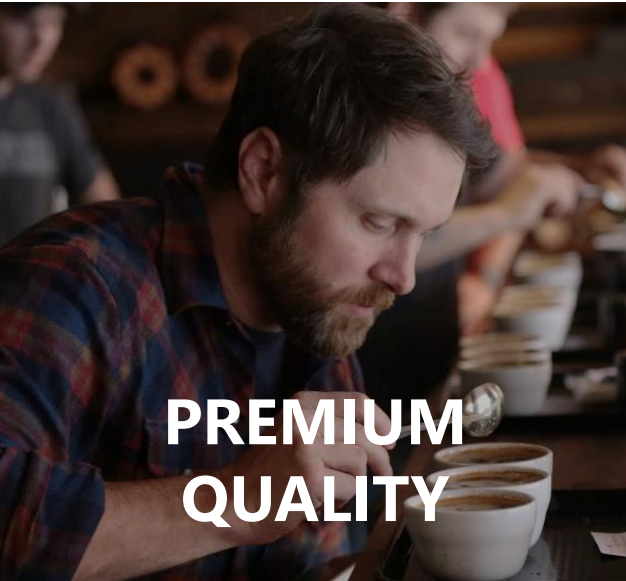


Thermoses

Note: Products are representative and not all-inclusive.

1. Grounds / whole beans revenue accounted for approximately 60% of 2020 revenues, single serve revenues accounted for approximately 21% of 2020 revenues, ready-to-drink revenues accounted for approximately 6% of 2020 revenues and merchandise revenues accounted for approximately 12% of 2020 revenues.

FOCUS ON HIGHEST-QUALITY PRODUCTS THAT DELIVER ON TASTE AND DRIVE BRAND LOYALTY



**PREMIUM
QUALITY**



**SUPERIOR
FLAVOR**



**ROASTED IN-
HOUSE DAILY**

Superior Coffee

Premium Arabica Beans

All of our beans have an 83-Point grade or higher

+18%¹

Black Rifle Coffee's Average

Outperformance vs. Peers on Key Flavor Criteria

Owned Roasting Facility

Our State-of-the-Art Equipment Guarantees Freshness and Offers Significant Capacity for Expansion

1. Average percent of respondents rating BRCC with highest ratings relative to peers. Based on third-party survey as of September 2020.

DEEP, TALENTED LEADERSHIP TEAM WITH EXTENSIVE EXPERIENCE



Evan Hafer

CEO / Founder

Founder, visionary, creative and innovative leader



Tom Davin

Co-CEO

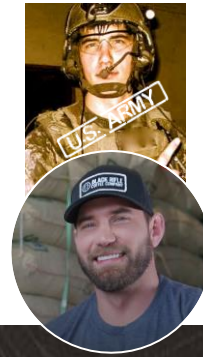
Seasoned strategic leader optimizes and scales the business



Greg Iverson

CFO

Leads long-term business and financial planning



Mat Best

Exec. Vice President

Leads branding and creative content



Toby Johnson

COO

Builds and leads revenue channels and core operations



Kim Ellis

Head of Development

Head of real estate development for outposts



Dan Kaepernik

VP of Retail Operations

Defines and scales retail operations



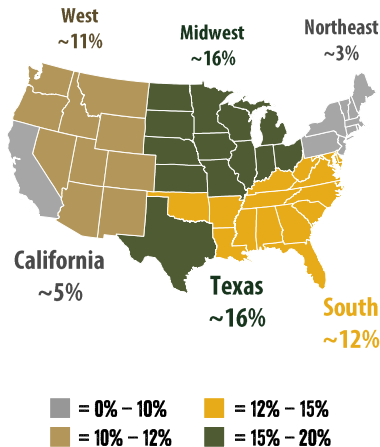


GROWTH STRATEGY

MULTIPLE GROWTH VECTORS WITH DETAILED TACTICAL PLANS

1

Continue Growing Our DTC Business



Significant Opportunity to Drive Aided Brand Awareness

\$4B

Online Coffee Market Size²

2

Experiential Retail ("Outposts")

45%+

Cash-on-Cash Returns from Outpost Locations¹

1,300+

Outpost Whitespace Opportunity²

3

RTD and New Product Innovation

100K+

Points of Distribution by 2023E

\$4B

RTD Coffee Category²

4

Expansion of Wholesale Distribution

~5K

Potential Wholesale Target Locations Excluding Current Customer Locations

\$10B

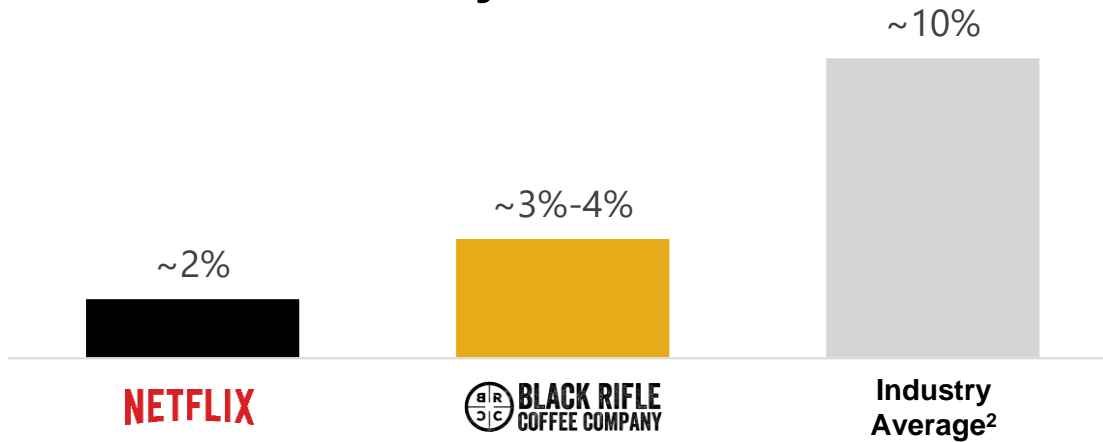
At-Home Coffee Market and Growing²

1. Cash-on-Cash return is calculated as estimated AUV times estimated 4-wall margin divided by the estimated cost to build each outpost.
 2. Based on third-party models as of June 2021.

LEADING COFFEE SUBSCRIPTION MODEL WITH HIGH RETENTION

1

Monthly Churn Rates¹



270k+

active coffee club subscribers

>4x

attractive LTV / CAC results in profitable growth and flexibility to increase spend⁴

\$22

average at-home coffee spend per purchase

BRCC's subscription service provides a recurring revenue stream with strong customer retention relative to other subscription businesses³



LIGHT COFFEE DRINKER

1 Cup / Day for 1 Person
(2) 12oz Bags / Month



MEDIUM COFFEE DRINKER

2-3 Cups / Day for 1 Person
(3) 12oz Bags / Month

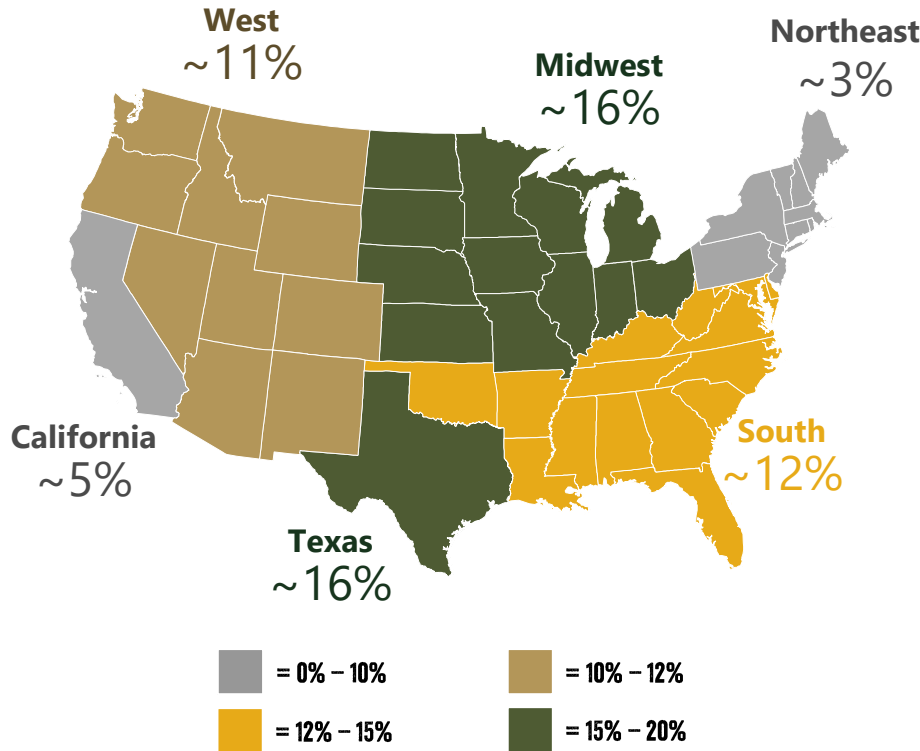


HEAVY COFFEE DRINKER

4+ Cups / Day for 1 Person
(4) 12oz Bags / Month

1. Source: BRCC Management, SBEA Estimates, SEC filings and publicly available market data.
 2. Source: Recurly Research. Represents average for Consumer Goods companies, as defined by Recurly Research.
 3. More than 40% of BRCC's 2021E revenue is expected to come from recurring subscriptions.
 4. CAC is digital ad spend / total new customers (sub and non-sub) as of December 2020.

BRAND AWARENESS PRESENTS SIGNIFICANT GROWTH OPPORTUNITY

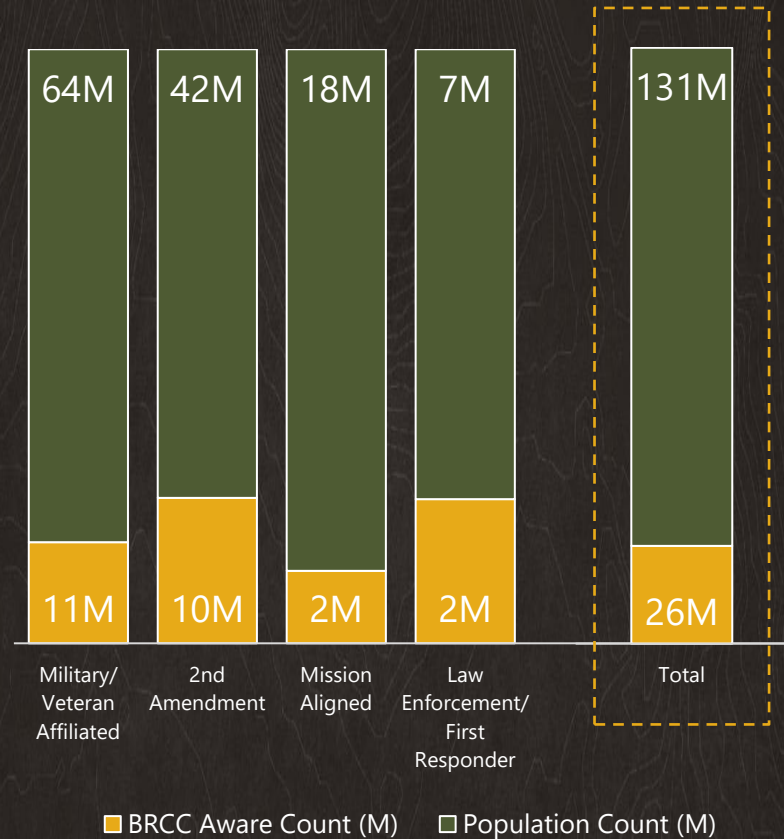


BRCC has grown revenues beyond \$200M with brand awareness that does not exceed 16% in any region

Source: BRCC Management as of September 2020, Stax Market Study as of June 2021.
Note: Represents aided brand awareness.

1

Awareness Building Targeted By Audience



Significant whitespace remains for increasing awareness among Veterans

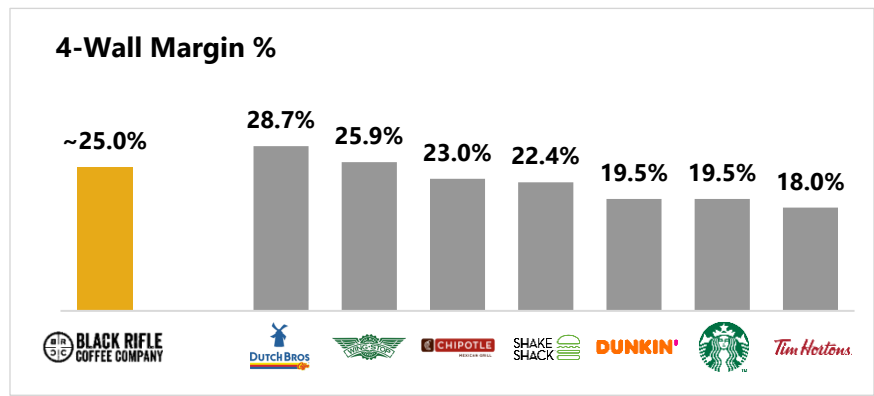
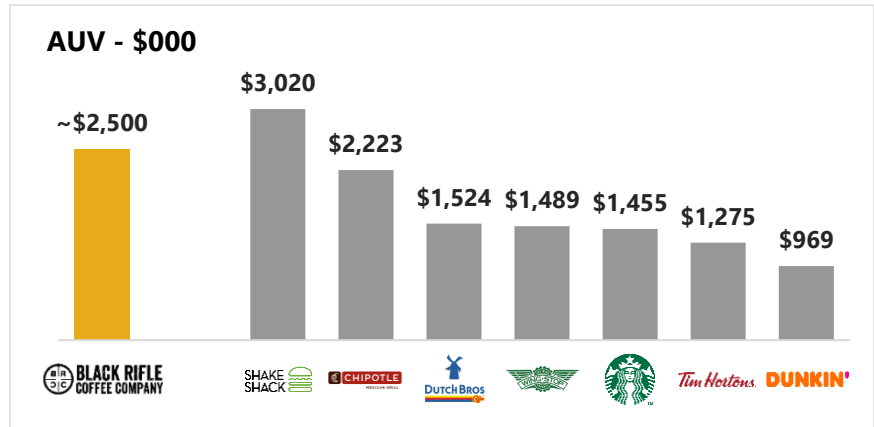
BRCC OUTPOSTS ARE REDEFINING THE BRAND EXPERIENCE

Outpost Highlights

<p>\$12 to \$13</p> <p>Average check</p>	<p>~48% / ~52%</p> <p>Merchandise / Beverage & Food Sales Mix</p>
<p>45%+</p> <p>Cash-on-Cash Returns²</p>	<p>~\$1.4M</p> <p>Cost to Build³</p>



Unit Economic Benchmarking¹



Outposts offer high margin beverages for instant consumption, with add-on bagged coffee and merchandise sales driving AUVs among the highest in quick service

Source: BRCC Management as of October 2021, Company filings and Wall Street Research.

1. Benchmark peer metrics based on pre-covid (2020) figures, except for Dunkin which is based on their last public filings using 2019 figures.

2. Cash-on-Cash return is calculated as estimated AUV times estimated 4-wall margin divided by the estimated cost to build each outpost.

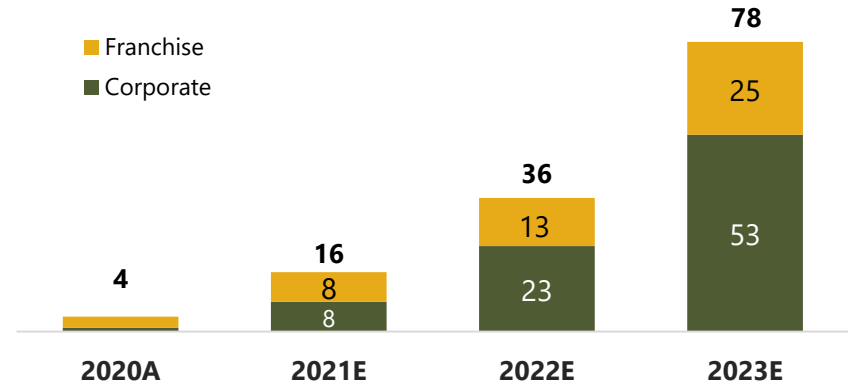
3. Excludes pre-opening costs of ~\$100k.

LONG RUNWAY FOR OUTPOST EXPANSION

Priority Markets

	Total Addressable Population	Target by 2023	Long-Term Outpost Potential ¹
Phoenix, AZ	5.1 mm	13	40+
Dallas-Ft. Worth, TX	7.3 mm	13	40+
Houston, TX	6.2 mm	9	40+
Charlotte, NC	3.1 mm	3	25+
Washington, D.C.	6.5 mm	6	25+
Salt Lake City, UT	3.6 mm	7	15+
San Antonio, TX	2.3 mm	7	10+
Norfolk, VA	1.9 mm	3	10+
Total Other	292.2 mm	17	1,095+
Total U.S.	328.2 mm	78	1,300+

Outpost Growth – Management Forecast



Outpost Pipeline Map



Extensive pipeline of potential outposts with a clearly defined real estate development strategy

Source: BRCC Management, SBEA Estimates as of December 2020.

1. JLL Real Estate Development Assessment for BRCC.

SIGNIFICANT OPPORTUNITY IN READY-TO-DRINK PRODUCT

Current RTD Product Portfolio

11 oz.
offerings



15 oz.
offerings



Significant opportunity to expand the
product portfolio and introduce new SKUs

\$4B+

Addressable market¹

0 to 33,000+

Doors in BRCC distribution
in less than 18 months

All 4 SKUs

In the top 30 RTD SKUs
(\$/%ACV) despite being
introduced ~18 months ago

<20% Penetration

in C-stores²

Top 4 Brand

in coffee / energy coffee
category in C-stores²

650%

YoY revenue growth through
June 2021³

RTD Launched

in Club stores
Q3 2021

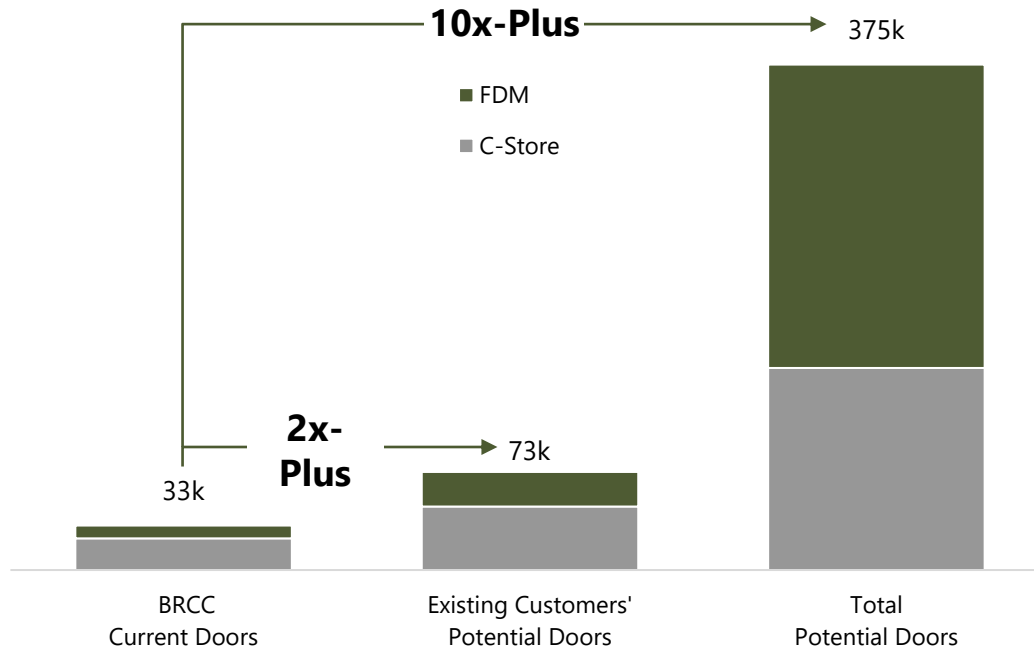


1. Stax Market Study.
2. BRCC Management research data as of August 2021.
3. BRCC Management research data.

RTD EXPANSION & RETAIL PIPELINE

3

Long-Term Potential Distribution



19% ACV for 11oz RTD ¹	17M+ Cans by 2021E	\$2.8M+ Increase in C-Store Sales since June 2020	33K+ Doors across U.S.
---	------------------------------	---	----------------------------------

Significant opportunity for expansion via increasing distribution points

Source: BRCC Management research data as of August 2021.

1. All commodity volume which is a measurement of a store's total sales of all products relative to the sales of all relevant retailers in a given territory.

Selected National Retail Accounts



Recent Customer Wins



ILLUSTRATIVE GROWTH POTENTIAL IN SKUs



2 SKUs, 2 Facings

Initially, both 11oz. SKUs with one facing each



4 SKUs, 4 Facings

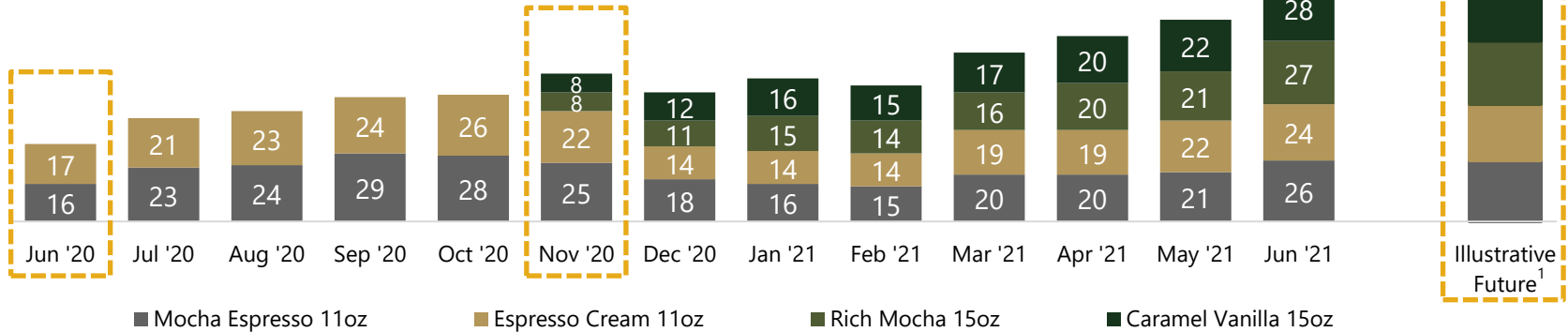
Two 15 oz. SKUs added, each with one facing



6 SKUs, 8 Facings

Two new SKUs introduced; two SKUs receive second facing

Case Study: Growth in VPO / SKU in National Chain, > 400 Doors



Note: VPO/SKU is volume per outlet per SKU.

1. Current management forecasts for 2023E assumes <3 SKUs per RTD Door.

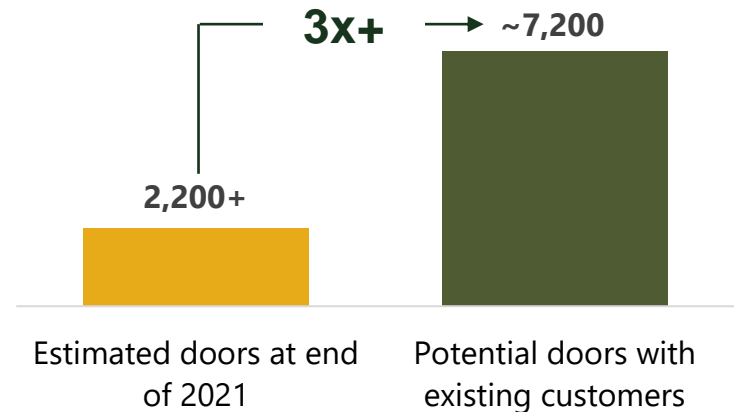
WHOLESALE COFFEE AND MERCH PRODUCTS EXPANDING NATIONWIDE



Rapidly expanding reach in retail through unique coffee products and merchandise¹

Source: BRCC Management.
1. Management expects to have 10 wholesale partnerships by the end of 2021.

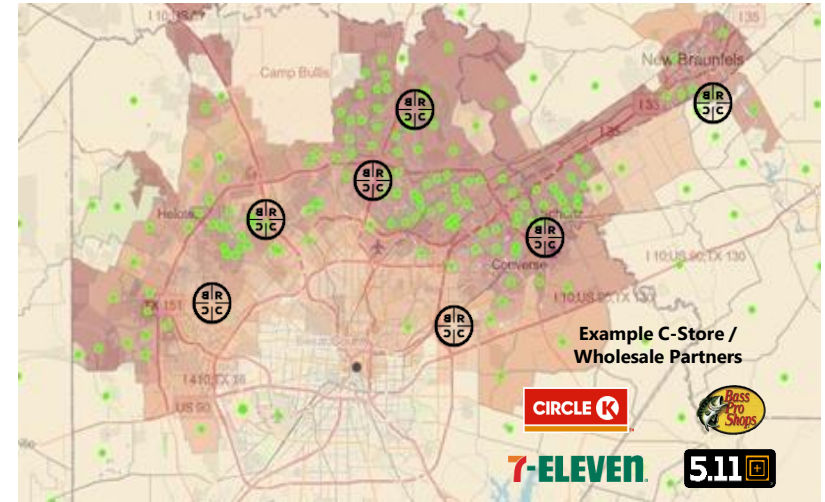
Existing Outdoor, DIY & Lifestyle Chains Partnership Examples



BRCC'S OMNI-CHANNEL FLYWHEEL IN ACTION: SAN ANTONIO

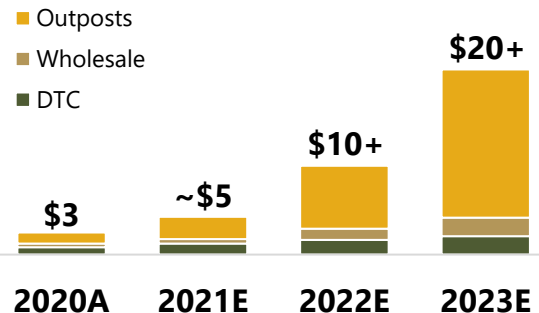


San Antonio Market: 2023E



● Highest Likelihood BRCC Customers ○ BRCC Outpost target location

San Antonio Market Revenue Outlook (\$M)



Significant overlap of Outpost and DTC consumers¹

Opening new Outposts often leads to increase in DTC sales²

Source: Black Rifle Coffee Company Management, JLL Market Study; Stax Market Study.

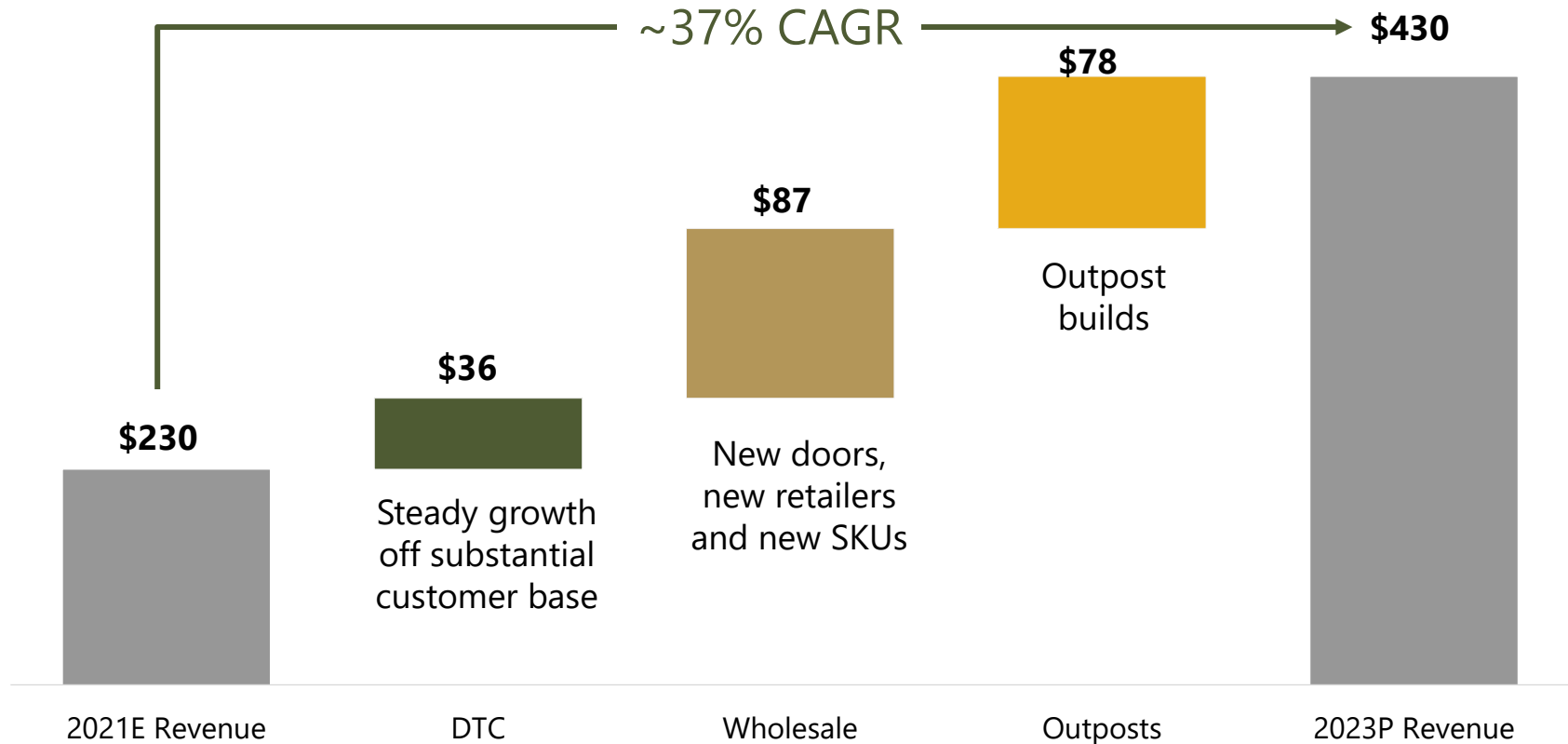
Note: These projections are for illustrative purposes only and estimate the San Antonio market in 2023 at run-rate. They should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of risk factors. Actual results may differ materially from those presented.

1. Based on a survey conducted by management of 145 customers in San Antonio, approximately 90% of Outpost consumers also purchased DTC

2. After the opening of the San Antonio Outpost, significant incremental DTC revenue growth was observed in the 5-minute drive time area from the Outpost location, compared to the rest of Texas, excluding San Antonio.

ADDING IT ALL UP: 2021E-2023E REVENUE GROWTH BY CHANNEL

(\$ in millions)



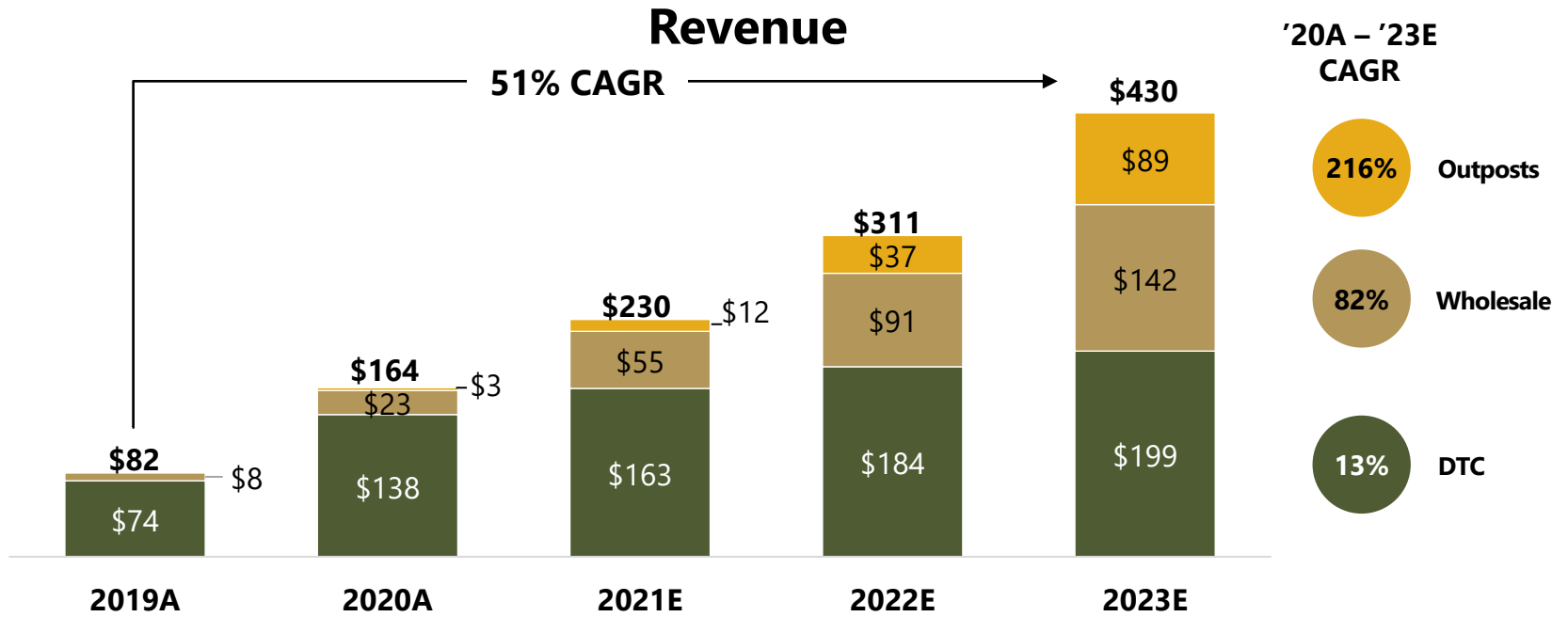
Expansion of wholesale and unit growth of high-return Outposts are expected to account for ~82% of BRCC's revenue growth through 2023



FINANCIAL OVERVIEW



EFFICIENT AND PROFITABLE OMNI-CHANNEL MODEL

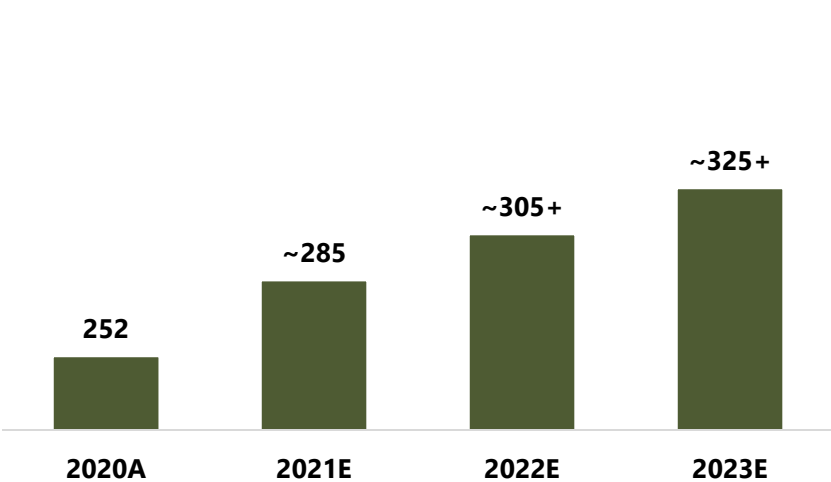


Revenue Mix

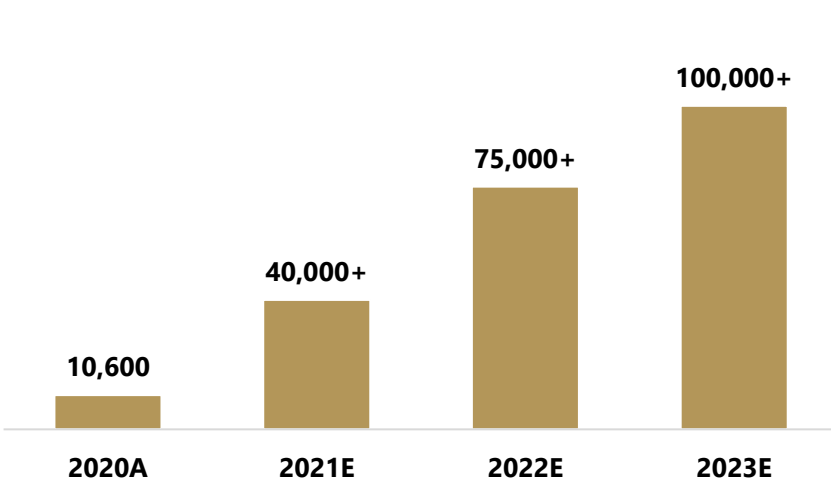


EXPANDING CONSUMER TOUCHPOINTS ACROSS THE U.S.

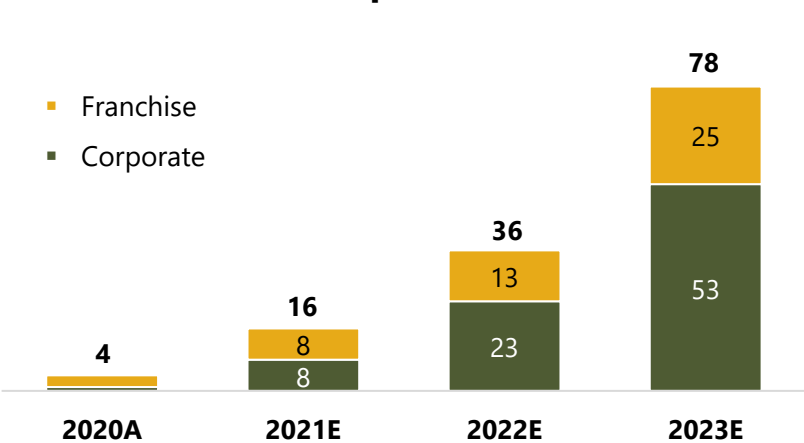
DTC Subscribers (000's)¹



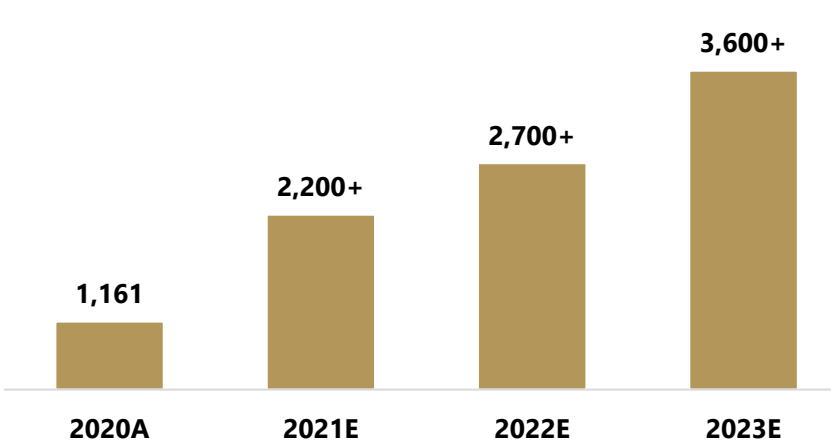
RTD Doors¹



Outposts¹



Wholesale Doors¹

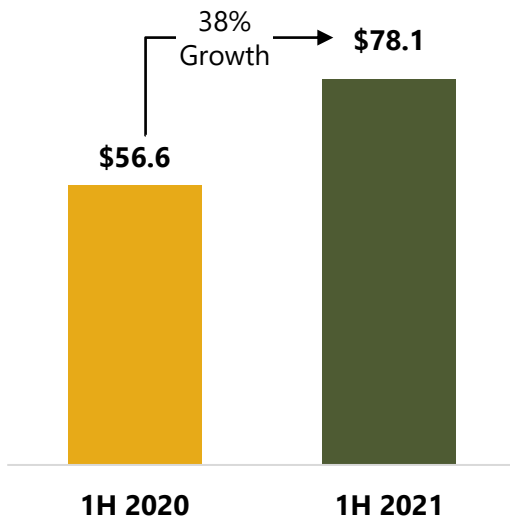


Source: BRCC Management.
1. As of end of period.

STRONG MOMENTUM HEADING INTO BACK HALF OF 2021

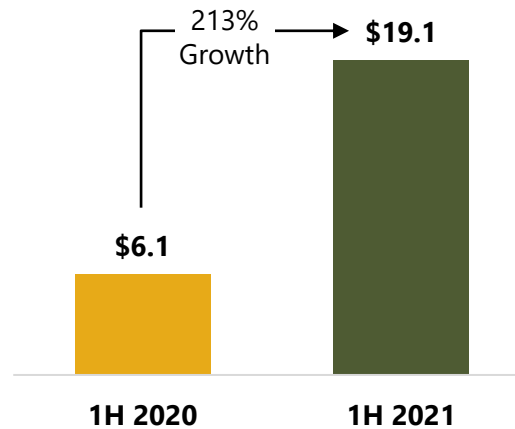
Channel Revenue (\$ in millions)

DTC



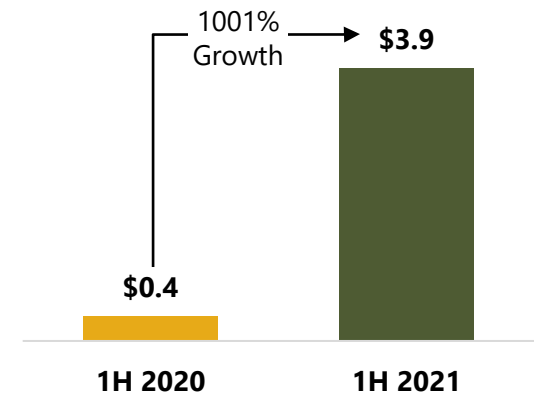
- Efficient media and marketing platform supports high LTV customer growth
- High retention subscription model

Wholesale



- Bass Pro / Cabela's partnership validates wholesale model will scale
- Strong success with RTD launch

Outposts

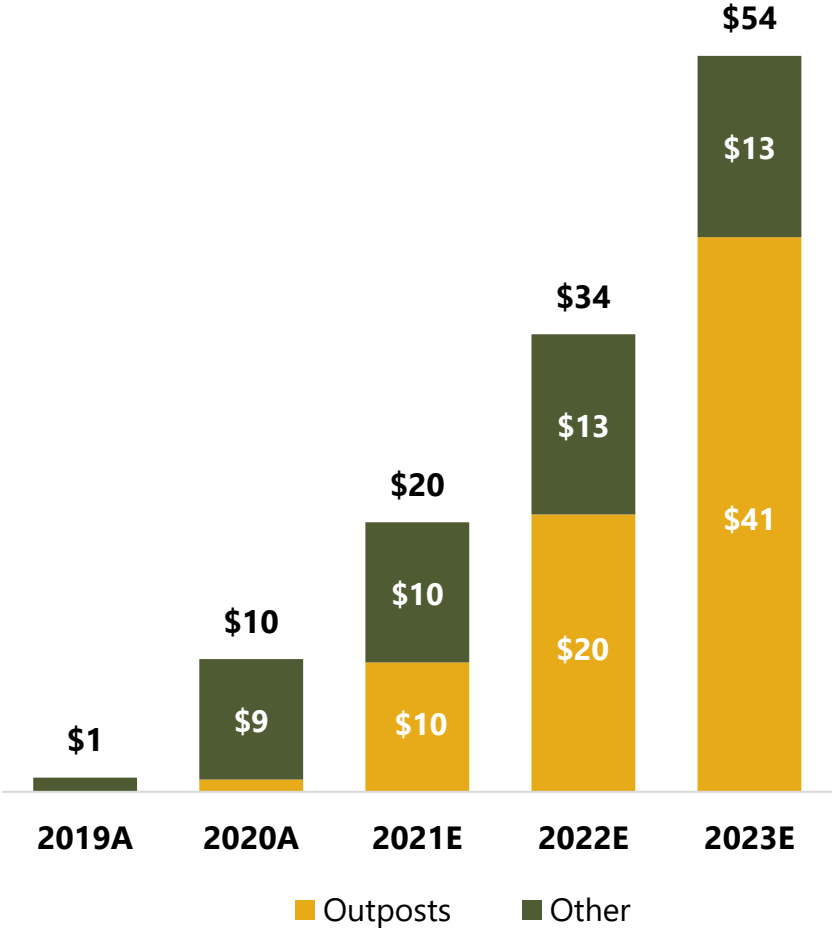


- Proven Company and Franchise Outpost concepts
- Three Company and Four Franchise Outpost locations as of 6/30/21

INVESTING TO SUPPORT GROWTH

CapEx

(\$ in millions)



- \$61 million of Outpost capex in 2022 and 2023 combined creates ~\$110 million of first year high margin revenue
- Strong cash-on cash returns of 45%+ on Outpost investment
- Other capex in 2021-2023 predominantly relates to building capacity in coffee roasting to stay ahead of demand

Note: Figures reflect management estimates.

LONG-TERM GOALS



Annual Revenue Growth

~30%



Gross Margin

~45%



EBITDA Margin

~20%

[Subtitle]

TRANSACTION OVERVIEW AND VALUATION

TRANSACTION HIGHLIGHTS

Fully Financed Transaction from \$300 million of Common Equity Commitments From Innovative Backstop Structure

- \$300 million in commitments (@\$10.00 / common share), led by \$100 million commitment from Engaged Capital, will satisfy minimum cash condition
- Actual amount funded by PIPE/backstop investors will be between \$200 and \$300 million, depending amount of cash retained from SPAC trust

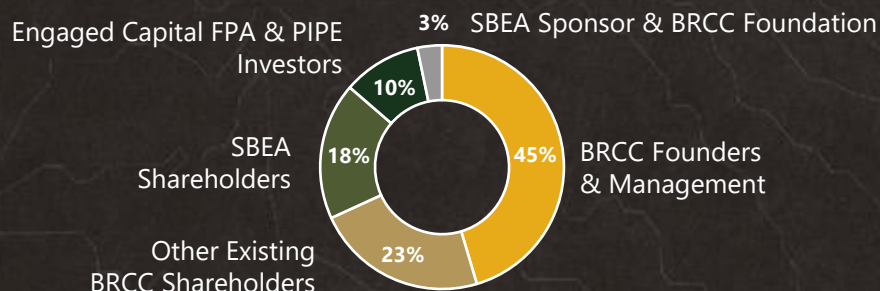
Transaction Supports BRCC Mission as a Veteran-Controlled Company

- Company to be re-organized as a Public Benefit Corporation
- BRCC founders, management, and existing BRCC shareholders to continue own 68% of the company¹
- Transaction will provide up to \$225 million¹ of cash for growth, including Veteran-focused hiring
- SBEA and BRCC to donate 530,000+ shares to the BRCC Foundation

Alignment via Earn-Out and Founder Share Adjustments

- 20m earn-out shares to existing BRCC shareholders; ~1.2m founder shares cancelled² and ~1.2m founder shares subject to earn-out¹
- For both BRCC and SBEA earn-outs, ½ earned at \$15 and ½ earned at \$20³

Pro Forma Ownership¹



1. All statistics assume no redemptions from SBEA cash in trust and are presented before impact of vesting of 21.2m shares subject to earn-outs described in footnote #3. The transaction will be structured as a customary "Up-C" transaction structure with existing owners of BRCC holding economic, non-voting interests in an LLC and non-economic, voting interests in the public company and all other shareholders holding economic, voting interests in the public company. Excludes 11.5 million public warrants and approximately 6.3 million sponsor warrants.

2. Approx. 1.2m shares will be forfeited at closing. An additional approx. 2.1m shares are subject to a downward adjustment in the event that the gross proceeds from the transaction (cash in trust + FPA/PIPE/backstop proceeds) are less than \$445 million.

3. 50% of shares subject to earn-out will vest if VWAP for 20 days during a 30-day period is \$15 or above within a 5 year period, and remaining 50% of shares will vest if VWAP for 20 days during a 30-day period is \$20 or above within a 7 year period.

4. Price per share is shown in actual units, not millions.

Sources (\$ in millions)¹

SBEA Cash in Trust	\$345
Engaged Capital FPA	100
Common Equity PIPE	100
Rollover Equity	1,306
Existing Cash on Balance Sheet	10
Total Sources	\$1,861

Uses (\$ in millions)¹

Cash to Balance Sheet	\$225
Repay Existing Debt and Preferred	161
Secondary Proceeds	118
Rollover Equity	1,306
Transaction Expenses	51
Total Sources	\$1,861

Capitalization (in millions)¹

Pro Forma Shares Outstanding	191.4
x Common Equity Price per Share ⁴	\$10.00
Pro Forma Market Capitalization	\$1,914
Less: Pro Forma Net Cash	(\$203)
Total Enterprise Value	\$1,711

BRCC HIGHLIGHTS: DEFINING THE OPPORTUNITY VS PEER GROUP

- 1 Powerful mission-led lifestyle brand with loyal customer base and broad appeal in coffee and beyond
- 2 Scalable, omni-channel platform with strong subscriber base and significant “white space” to expand brand reach throughout \$45B+ TAM
- 3 Multiple avenues to growth trajectory (>35%) – In the very early innings of both RTD and Outpost growth strategies
- 4 Profitable and highly capital efficient business model, with strong gross margins (>40%) and attractive cash-on-cash returns

HIGH GROWTH FOOD & BEVERAGE



- Top tier growth
- Product innovation
- Leading growth profiles coupled with strong margins

Median '23E Revenue Growth: 37.3%

DTC LIFESTYLE BRANDS



WARBY PARKER



- Consumer / lifestyle focus
- Direct-to-consumer with strong customer relationships
- ESG / mission-driven brands
- Taking market share in “dormant” industries

Median '23E Revenue Growth: 24.1%

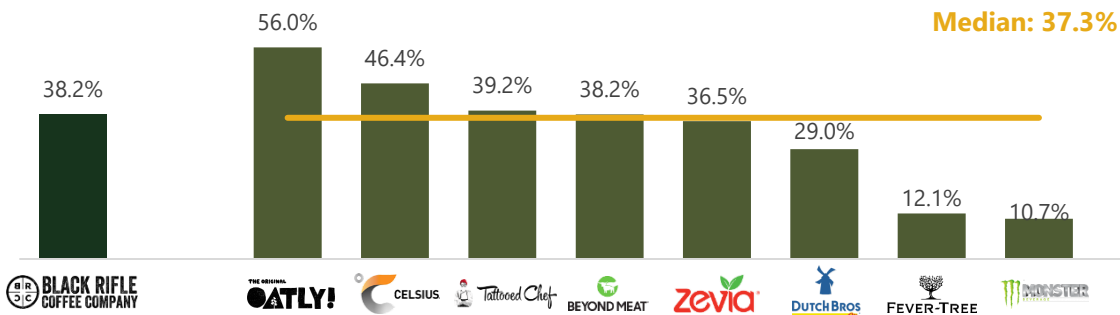


'23E Revenue Growth: 38.2%

OPERATIONAL BENCHMARKING

HIGH GROWTH FOOD & BEVERAGE

CY 2023E Revenue Growth

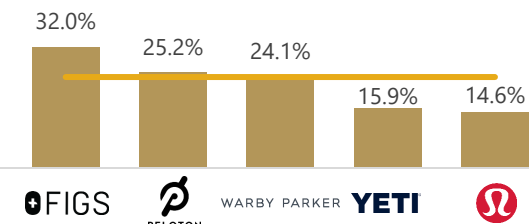


CY 2022E Revenue Growth

35.4% 85.1% 59.8% 35.0% 47.1% 29.3% 35.7% 15.7% 9.7%

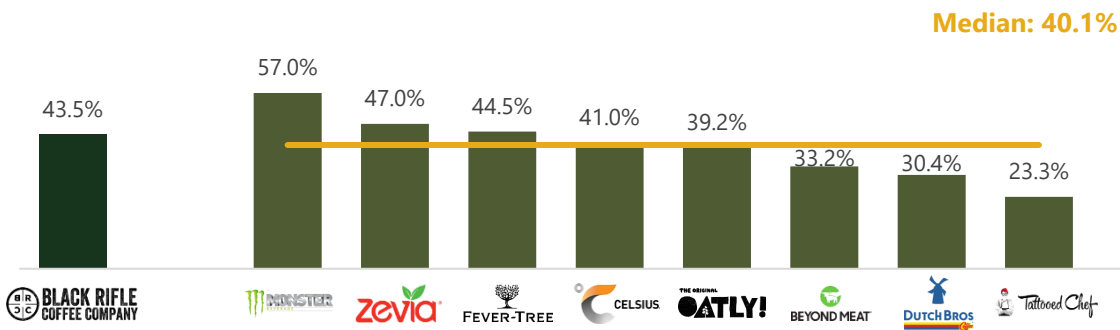
DTC LIFESTYLE BRANDS

Median: 24.1%



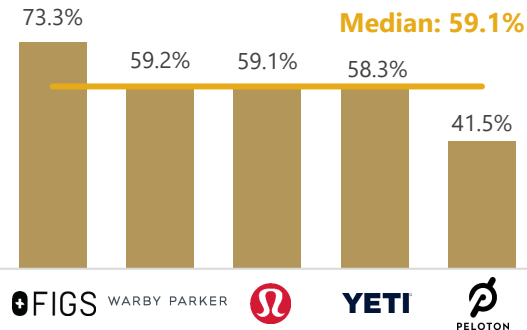
32.7% 30.7% 26.1% 16.1% 17.5%

CY 2023E Gross Margin



CY 2022E Gross Margin

41.3% 57.2% 46.0% 43.6% 42.3% 36.3% 33.6% 31.6% 22.0%



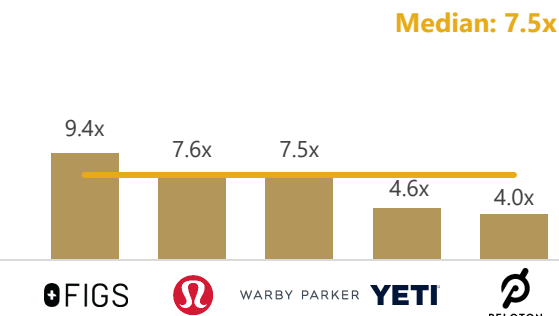
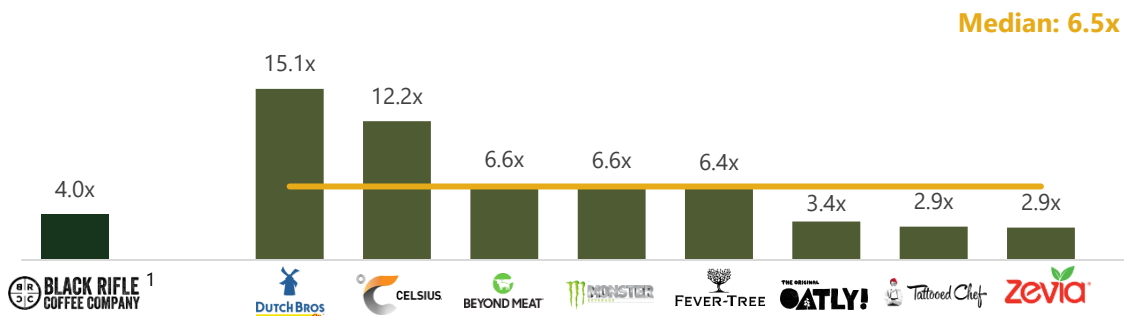
72.6% 59.4% 58.4% 58.5% 37.8%

VALUATION BENCHMARKING

HIGH GROWTH FOOD & BEVERAGE

DTC LIFESTYLE BRANDS

Enterprise Value / CY 2023E Revenue

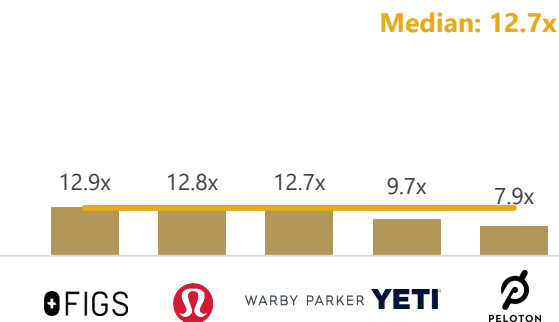
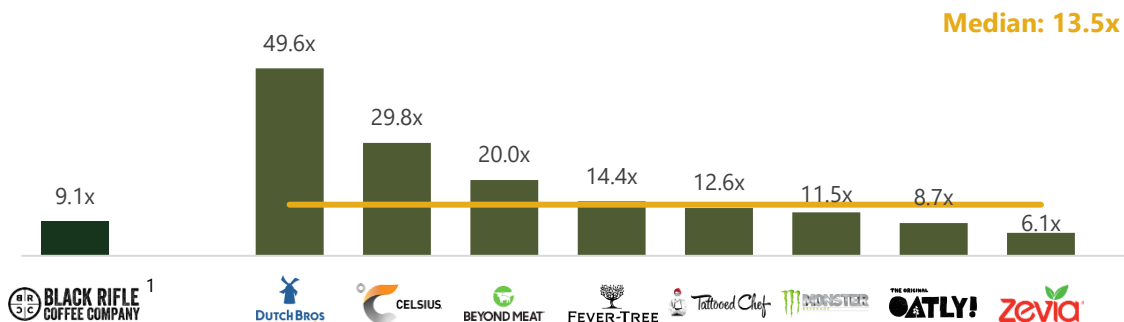


Enterprise Value / CY 2022E Revenue

5.5x 19.5x 17.9x 9.2x 7.3x 7.2x 5.3x 4.1x 3.9x

12.4x 8.7x 9.3x 5.3x 5.0x

Enterprise Value / CY 2023E Gross Profit



Enterprise Value / CY 2022E Gross Profit

13.3x 61.6x 42.3x 27.4x 16.5x 18.6x 12.7x 14.6x 8.5x

17.1x 14.8x 15.7x 13.4x 9.1x

1. BRCC valuation multiples exclude impact of earn-out shares and warrants.
 Source: Factset and company filings. Market data as of October 29, 2021.
 Note: BRCC enterprise value based on a nominal share priced of \$10.00 per share.



CONCLUSION

BLACK RIFLE COFFEE COMPANY: AMERICA'S COFFEE™

LOYAL AND GROWING COMMUNITY

- Mission-driven, lifestyle brand
- In-house content driving massive social following
- Broad geographic and demographic appeal
- Battle-tested leadership living the lifestyle

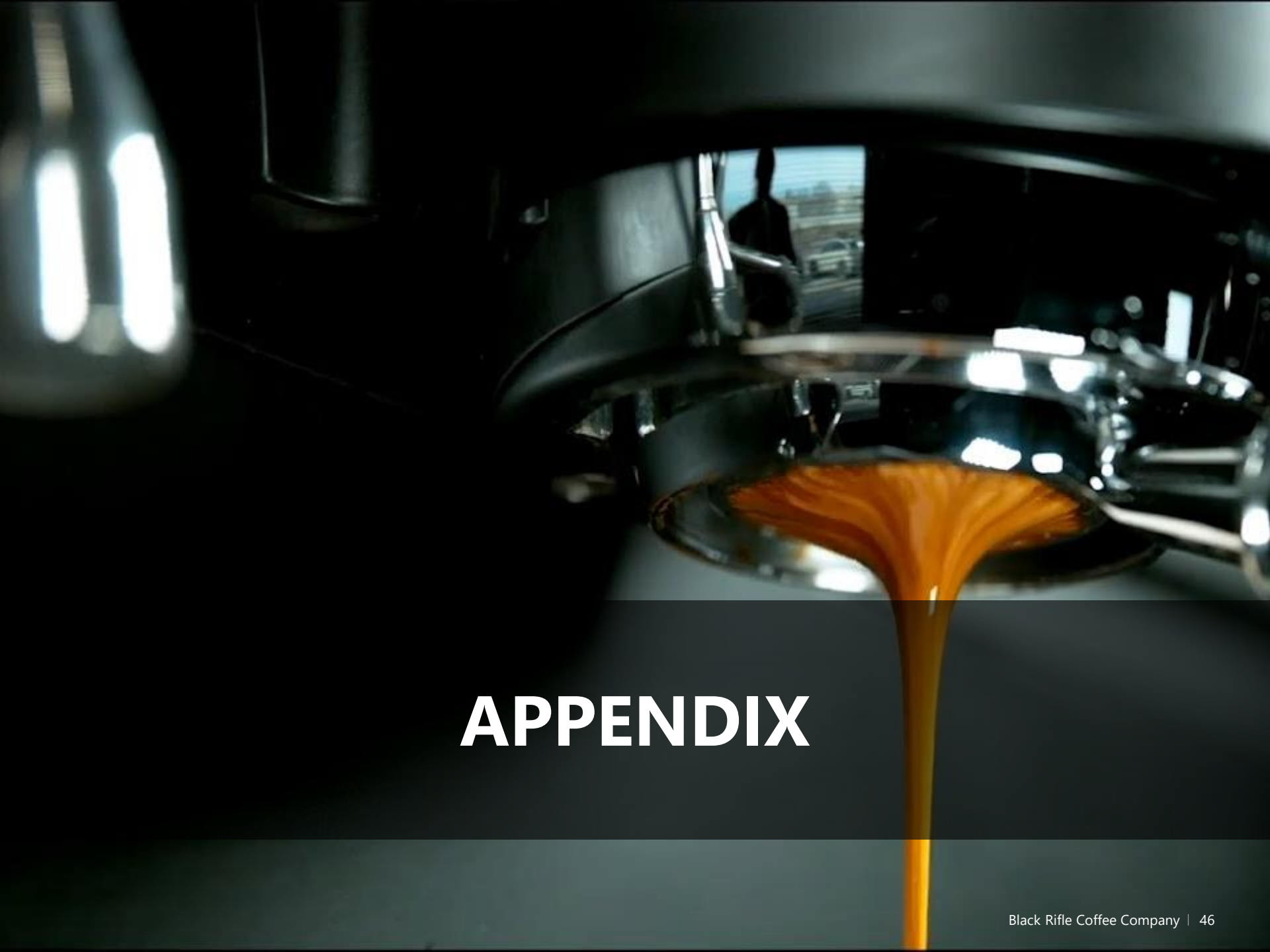
PROVEN OMNI-CHANNEL FLYWHEEL

- Digitally native
- Leading coffee subscription program
- Premier specialty retail partners
- RTD rapidly scaling in c-store & mass
- Outposts delivering exceptional experience and economics



LARGE MARKET OPPORTUNITY

- Premium coffee
- Ready-to-drink
- High-quality merchandise

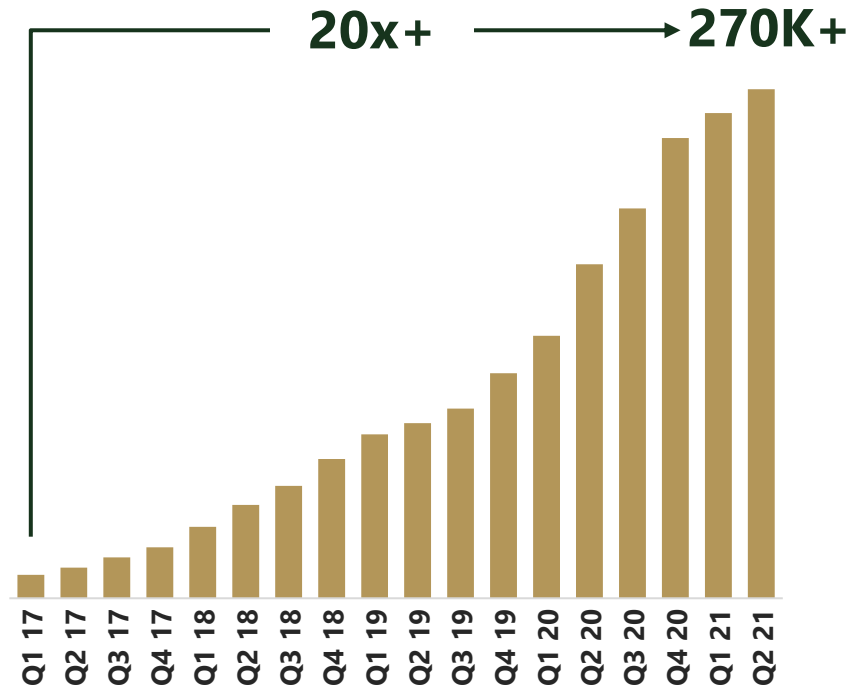


APPENDIX

DIGITALLY-NATIVE BRAND WITH RAPIDLY GROWING SUBSCRIBER BASE

Technology-Driven
Consumer Insights

Ending Subscribers
Q1 2017 to Q2 2021



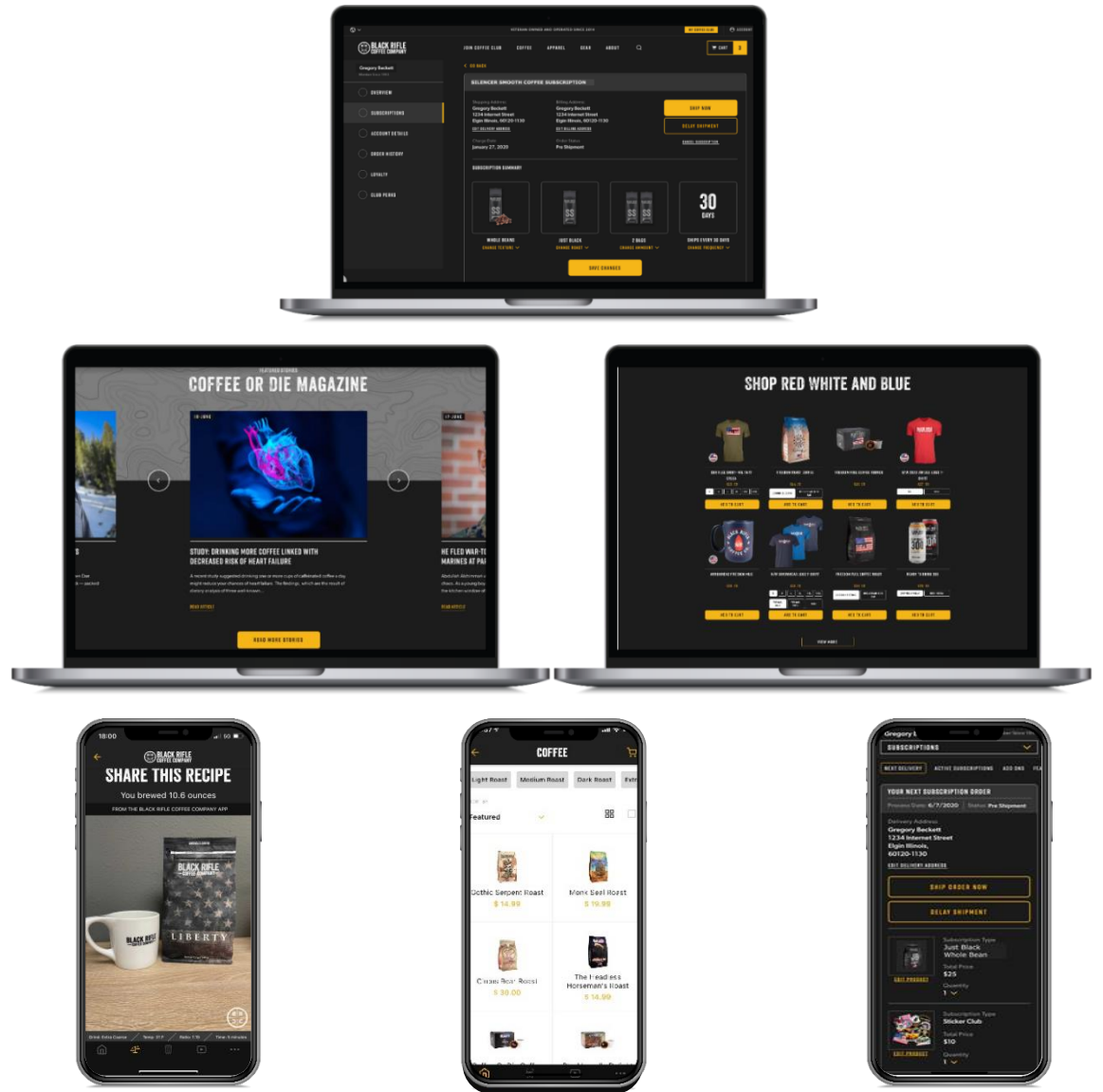
BRCC utilizes targeted KPI monitoring tools to optimize marketing initiatives and drive greater brand reach

BRCC's proprietary KPI monitoring drives targeted marketing dollars to increase subscribers and customer spend

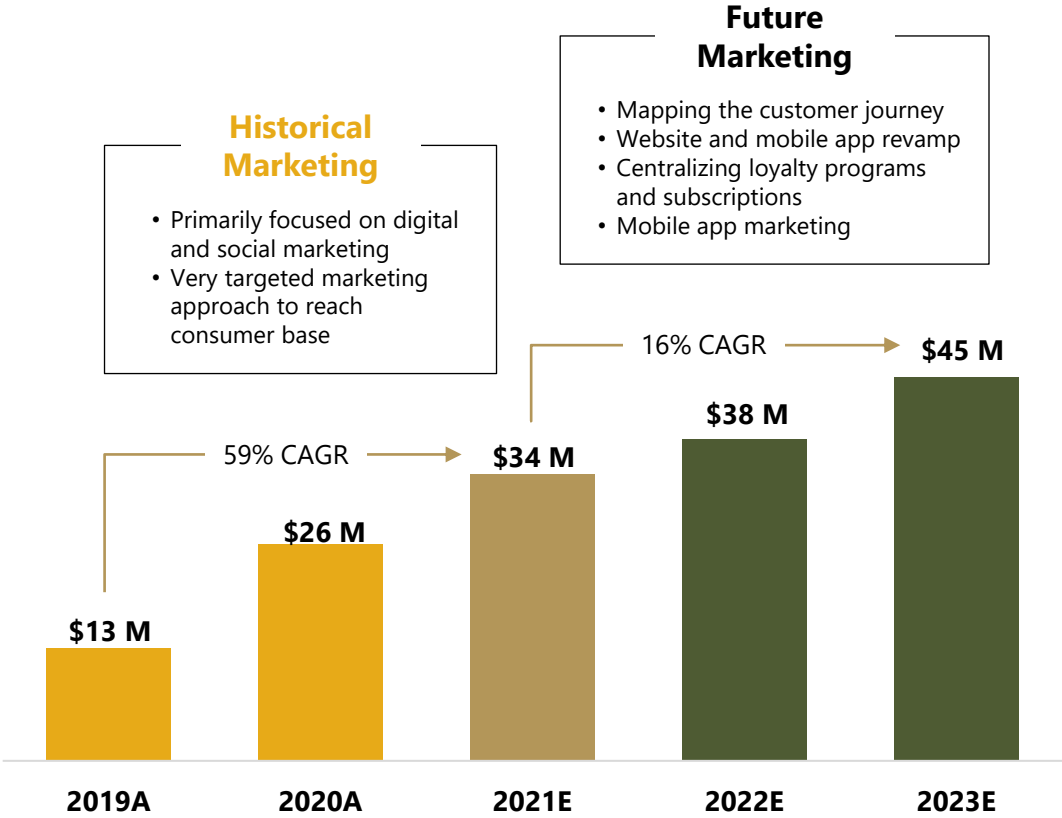
INVESTING TO FURTHER ENHANCE THE DIGITAL OMNI-CHANNEL EXPERIENCE

KEY INITIATIVES

- Investment in mobile capabilities to enhance customer access, choice and control
- Enhanced engagement applications to increase customer interactions and retention
- Further integrate BRCC content sources to strengthen brand affinity
- A mixed merchandise subscription experience to drive AOV
- Overall improvements to tech stack and data architecture to drive innovation and efficiency



OPPORTUNITY TO LEVERAGE BLACK RIFLE COFFEE'S HIGHLY-EFFICIENT MARKETING



70%
Website Sales From Owned Sources

7%
Conversion Rate From Unpaid Web Traffic¹

5x
Return On Advertising Spend²

Near-Term Opportunity to Accelerate Growth Through Additional Marketing Spend

1. Based on Google Analytics.
2. Calculated as E-commerce revenue divided by advertising spend for FY 2020.

ASCENSION INTO TOP 4 BRAND IN RTD COFFEE IN ~18 MONTHS

RTD Product Ranking – Convenience¹



BRCC has risen into #4 position in the category in <18 months with <20% penetration in 11oz SKUs and <10% penetration in 15 oz SKUs in C-stores

RTD SKU Ranking by \$ / % ACV – Convenience¹

Rank	Item
1	Starbucks Frapp Vanilla 13.7oz
2	Starbucks Frapp Mocha Low Fat 13.7oz
3	Java Monster Mean Bean 15oz
4	Starbucks Frapp Caramel 13.7oz
5	Java Monster Loca Mocha 15oz
6	Starbucks Frapp Mocha 9.5oz
7	Starbucks Doubleshot Vanilla 15oz
8	Starbucks Frapp Vanilla 9.5oz
9	Starbucks Frapp Original 13.7oz
10	Starbucks Doubleshot Mocha 15oz
11	Starbucks Double Espresso Cream 6.5oz
12	Private Label Salted Caramel 13.7oz
13	Private Label Mocha Low Fat 13.7oz
14	Private Label Vanilla Cappuccino 13.7oz
15	Starbucks Frapp Toasted White Chocolate 13.7oz
16	Black Rifle Coffee Company Rich Mocha 300 15oz
17	Black Rifle Coffee Company Caramel Vanilla 15oz
18	Starbucks Doubleshot White Chocolate 15oz
19	Java Monster Salted Caramel 15oz
20	Starbucks Frapp Brown Butter Caramel 13.7oz
21	Dunkin French Vanilla 13.7oz
22	Dunkin Mocha 13.7oz
23	Black Rifle Coffee Company Mocha Espresso 11oz
24	Starbucks Vanilla Sweet Cream 9.6oz
25	Black Rifle Coffee Company Espresso with Cream 11oz

All 4 of BRCC's RTD SKUs are within top 25 as measured by \$ / % ACV

1. For a 4-week period ending August 2021 per BRCC Management research data. % ACV shown are for top selling brand SKUs. % ACV is all commodity volume which is a measurement of a store's total sales of all products relative to the sales of all relevant retailers in each territory.

FINANCIAL SUMMARY

Summary P&L	2019A	2020A	2021E	2022E	2023E
(\$ in millions)					
DTC	73.6	137.7	163.2	184.2	199.4
Wholesale	7.7	23.4	55.3	90.6	141.9
Outposts	0.8	2.8	11.5	36.6	89.1
Total Revenue	\$82.1	\$163.9	\$230.1	\$311.4	\$430.4
<i>(%) Growth</i>		99.6%	40.4%	35.4%	38.2%
(-) COGS	(\$46.4)	(\$94.5)	(\$138.4)	(\$182.8)	(\$243.1)
<i>(%) Sales</i>	56.5%	57.7%	60.1%	58.7%	56.5%
Gross Profit	\$35.7	\$69.4	\$91.7	\$128.6	\$187.3
<i>(%) Margin</i>	43.5%	42.3%	39.9%	41.3%	43.5%
(-) Marketing	(\$13.3)	(\$25.5)	(\$33.7)	(\$37.9)	(\$45.2)
<i>(%) Sales</i>	16.3%	15.6%	14.7%	12.2%	10.5%
(-) SG&A	(\$22.5)	(\$37.5)	(\$64.4)	(\$99.5)	(\$139.6)
<i>(%) Sales</i>	27.4%	22.9%	28.0%	32.0%	32.4%
(-) Non-Recurring Transaction Expenses	--	(\$0.6)	(\$3.7)	(\$1.5)	--
Operating Income	(\$0.1)	\$5.8	(\$10.2)	(\$10.4)	\$2.5
<i>(%) Margin</i>	(0.1%)	3.5%	(4.4%)	(3.3%)	0.6%
(+) Other Income (Expense)	\$0.1	(\$0.2)	--	--	--
(+) Depreciation & Amortization	\$0.9	\$1.4	\$2.3	\$3.8	\$6.7
EBITDA	\$0.9	\$6.9	(\$7.9)	(\$6.6)	\$9.2
<i>(%) Margin</i>	1.1%	4.2%	(3.4%)	(2.1%)	2.1%
Adjusted EBITDA	\$1.3	\$11.4	\$0.6	\$0.6	\$15.1
<i>(%) Margin</i>	1.5%	6.9%	0.3%	0.2%	3.5%
Retail Capex	--	(\$1.4)	(\$9.5)	(\$20.4)	(\$40.8)
Other Capex	(\$1.0)	(\$8.4)	(\$10.3)	(\$13.3)	(\$13.3)
(-) Total Capex	(\$1.0)	(\$9.8)	(\$19.8)	(\$33.7)	(\$54.1)

Note: 2019A-2021E do not include \$6M in estimated public company costs. SG&A includes salaries / wages, corporate G&A, and outpost labor, occupancy, operating costs, and above store management costs. Note: We define EBITDA as net income (loss) before interest, state income taxes, depreciation and amortization expense. We define "Adjusted EBITDA" as EBITDA, adjusted for stock-based compensation expense, capital raising activities, and costs associated with implementation and material developments to our enterprise systems.

EBITDA ADJUSTMENT DETAIL

(\$ in millions)

	Fiscal Year				
	2019	2020	2021E	2022E	2023E
Net Income	(0.8)	4.3	(12.1)	(11.6)	1.2
Interest Expense	0.7	1.0	1.9	1.1	0.9
Tax Expense	0.0	0.2	0.1	0.1	0.4
Depreciation and Amortization	0.9	1.4	2.3	3.8	6.7
Reported EBITDA	\$0.9	\$6.9	(\$7.9)	(\$6.6)	\$9.2
1 Non-Cash Equity Based Compensation	0.1	3.3	4.4	5.7	5.9
2 ERP System Implementation Costs	0.2	0.6	0.4	-	-
3 Non-Recurring Transaction Expenses	-	0.6	3.7	1.5	-
Adjusted EBITDA	\$1.3	\$11.4	\$0.6	\$0.6	\$15.1

1 Reflects non-cash equity compensation paid to our employees and a wholesale partner under a marketing services agreement.

2 Represents non-recurring costs associated with the implementation of our enterprise resource planning (ERP) system.

3 Represents non-recurring accounting, legal, financial advisor and other costs associated with the Business Combination and our preferred equity capital raise in 2020.

SUMMARY KEY RISKS

Risks Related to the Company's Business

- The Company's success is dependent upon evolving consumer preferences and tastes, and shifts in consumer spending, lack of interest in new products, or changes in brand perception can negatively affect consumer demand for the Company's products.
- The Company's success is dependent upon certain financial conditions and any number of factors outside the Company's control could negatively impact the Company's results of operations. These factors include, but are not limited to, fluctuations in the cost and availability of real estate, labor, raw materials, equipment, transportation, shipping, pricing pressure, changes in consumer preferences, natural or man-made disasters, pandemics, social unrest, war, political instability, adverse litigation outcomes, or changes in consumer discretionary spending. Money available for consumer discretionary spending may be affected by job losses, inflation, higher taxes, changes in federal economic policy, and other macroeconomic or political events.
- The Company may not always be successful in its marketing efforts. Failed marketing campaigns can incur costs without the benefit of attracting new customers or realizing higher revenue. Failure to attract new customers or retain existing customers, or failure to do so in a cost-effective manner, may result in an inability to increase sales and harm to our business.
- The Company relies heavily on social media to advertise and engage with the Company's customers. Using social media platforms for advertisements carries a number of associated risks, including dependence on the third party platforms to maintain their platforms in a manner that benefit the Company's marketing strategies. Additionally, the Company is subject to the laws and regulations that govern the use of these platforms and is subject to the risks of improper use.
- Launching and promoting new products is expensive and time-consuming and the Company may not always succeed in bringing new products to market.
- The Company may not be able to compete successfully with other producers and retailers of coffee. Some of the Company's competitors are longer-established, have greater brand recognition, and have substantially greater financial, technological, roasting, sale, distribution, and other resources.
- The Company has a limited operating history and therefore it may be difficult to evaluate future risks and challenges.
- The Company is heavily dependent on its direct to consumer channel for success, and this channel relies on third party logistics to succeed. Decrease in success of the direct to consumer channel or any failure or impediment on behalf of third party logistics providers could harm the Company.
- The Company relies on its wholesale business partners to effectively distribute its products. Failure on behalf of its third party partners to effectively manage or distribute the Company's products, such as by effectively displaying or presenting our products, grow or promote the brand, provide satisfactory consumer experiences, or fulfill their contractual obligations could harm the Company. Failure by the Company to maintain and develop these business relationships could harm our business.
- The Company relies on co-manufacturers to supply some of its products, and a loss of one or more of these partners, or failure of these partners to fulfill their contractual obligations, could harm the Company.
- The Company's growth strategy depends in part on opening new retail coffee shops. The success of new shops is dependent on a variety of factors, including, but not limited to, consumer preferences, availability of retail space, leasing conditions, construction and equipment costs, and local permitting, licensing, zoning, and other requirements and regulations. There is no guarantee that new retail shops will be successful, and new retail shops could entail high costs without realized profits.
- The Company has experienced rapid growth and increased demand for its products. Failure to properly manage this growth and manage the Company's relationships with its various business partners, or failure to accurately forecast our results of operations and growth rate, could harm the Company's operating results.
- The Company's brand and reputation are critical to its success, and any publicity, regardless of accuracy, that portrays the Company negatively could adversely impact operating results. Negative publicity may arise for various reasons, whether true or not, including, but not limited to, complaints about product quality, safety, or sanitation; company policies; adverse litigation; employment practices; employee actions; actions taken by customers; social media posts; and actions taken by third party business partners. For instance, the Company has recently received negative publicity arising out of the presence of the Company's logos on apparel worn at politically charged events and there is no assurance that any such negative publicity will not occur again in the future which could harm our business.
- The Company plans to expand into new domestic and international markets, and failure to successfully integrate into these new markets could affect the Company's profitability.
- The Company is subject to the risks associated with leasing space subject to long-term non-cancelable leases and with respect to real property that the Company itself owns.
- The Company relies in part on the success of its franchise partners, over whom the Company has limited control with respect to their operations. Failure on behalf of the Company's franchise partners to successfully manage their franchises or effectively represent the Company and its brand could harm the Company's business results.
- The Company relies on a number of third parties in the supply chain of coffee, store supplies, or merchandise to produce or deliver its products, and failure by these third parties to efficiently operate could adversely impact the Company.
- The Company is heavily dependent on the market for high-quality Arabica coffee beans and other commodities, and changes in these markets that increase costs or reduce supply, such as through adverse weather, natural disasters, crop disease, political unrest, and other economic conditions, could harm the Company's operating results.
- The Company relies on its employees to provide a high-quality customer experience, and any failure on behalf of the Company to cater to the consumer experience could harm the brand.

SUMMARY KEY RISKS (CONT'D)

Risks Related to the Company's Business (Cont'd)

- The Company's results of operations are subject to seasonal and quarterly variations, which could cause the price of our common stock to decline.
- The Company must maintain adequate operational and financial resources, especially if the Company continues to grow, in order to maintain its current market performance.
- The Company depends on cash generated from our operations to support our growth, and we may need to raise additional capital, which may not be available on acceptable terms.
- The Company depends heavily on information technology and its ability to process data in order to sell goods and services. Failure to protect against software or hardware vulnerabilities, as well as disruption, for any reason, to these information technology systems, could result in operating losses, privacy and security breaches, loss of customers, liability, damage our customer and business partner relationships, and other significant reputational, financial, legal, and operational consequences.
- Pandemics or disease outbreaks, such as the COVID-19 pandemic, could adversely affect the Company's business by disrupting supply chains, negatively impacting consumer preferences and spending, and reducing foot traffic to the Company's retail coffee shops and wholesale business partners.

Risks Related to the Company's Brand

- The Company promotes itself as a supportive member of the veteran and military community, and actively participates in this community through donations, hiring commitments, and other events. Failure by the Company to maintain this strong branding could negatively impact the Company's business. Additionally, any other factors which may negatively impact perception of the brand, including factors listed elsewhere in this summary, may harm the Company.
- The Company holds various forms of intellectual property, including trademarks, trade names, and service marks. The Company's success is partially dependent upon its ability to build brand recognition using these marks and to protect its intellectual property from infringement and misuse.
- The Company is subject to a variety of food safety regulations, and failure to adequately maintain food safety or quality, or reports that the Company had safety issues or failed to implement proper safety measures, whether true or not, could result in loss of customers, regulatory warnings, food recalls, and other adverse outcomes that could impact the Company's profitability.
- The Company possesses personal, financial, and other confidential data from customers and employees, and if that data is compromised or lost, even through the actions of third parties, the Company could be subject to litigation, liability, and reputational damage.

Risks Related to People and Culture

- The Company's success relies heavily on its ability to hire and retain qualified employees, and changes in the availability and the cost of labor could harm its operating results.
- The Company depends on its executive officers and other key employees, and the loss of one or more of these individuals, or the inability to attract and retain suitable replacements, could harm the Company's business.
- If the Company's employees were to unionize, and if collective bargaining agreement terms were significantly different than current compensation agreements, the Company's operating results could suffer.

Risks Related to Regulation and Litigation

- The Company is subject to numerous statutory, regulatory, and other legal requirements regarding accounting practices. Failure to comply with these requirements, or changes in these requirements, could negatively impact the Company's operating and financial results.
- The Company is subject to taxes by the U.S. federal, various state, and various local tax authorities. Changes in the Company's tax liability could negatively impact the Company's operating and financial results.
- The Company and its vendors collect, store, process, and use personal and payment information and other customer data, which subjects us to a variety of laws, regulations, and industry standards relating to data processing, protection, privacy, and security. The actual or perceived failure by the Company, its customers, or its vendors to comply with such laws, regulations, or industry standards may harm the Company's results of operations.
- The Company is subject to laws and regulations from the FDA and FTC governing food and beverage labeling and misleading advertisements. If the Company mislabels its products or advertises in a way that is untruthful or misleading, the Company may be subject to liability.
- The Company is subject to laws and regulations that govern the display and provision of nutritional information of its products. Failure to comply with these requirements or adverse consumer perceptions based on health information could negatively impact the Company's operating results.
- The Company and its franchise partners are subject to various other federal, state, and local laws and regulations not listed above. These laws include the FLSA, FMSA, and ADA, as well as laws relating to food and beverage safety, zoning, licenses and permits, employment, and franchising, among others. Failure to comply with applicable laws and regulations could result in liability for the Company.
- Beverage and restaurant companies have been the target of class action lawsuits and other proceedings. The Company, as a participant in this market, is subject to those same risks, whether liable or not. Lawsuits and proceedings are costly, divert management attention, and could result in negative public perception, regardless of the validity of claims, and therefore implementation of any proceedings could harm the Company.

SUMMARY KEY RISKS (CONT'D)

Risks Related to Public Company

- The Company's management team has limited experience managing a public company.
- It is possible that the Company's internal control over financial reporting is not effective because it cannot detect or prevent material errors at a reasonable level of assurance. The Company's past or future financial statements may not be accurate and it may not be able to timely report its financial condition or results of operations, which may adversely affect investor confidence in the Company and the price of the common stock.
- The Company will incur increased costs as a result of operating as a public company, and its management will be required to devote substantial time to new compliance initiatives and corporate governance practices.
- Upon closing of the Business Combination, the public company will be a "controlled company" within the meaning of the applicable exchange rules and, as a result, will qualify for exemptions from certain corporate governance requirements. The stockholders of the public company will not have the same protections afforded to stockholders of companies that are subject to such requirements.
- You may not have the same benefits as an investor in an underwritten public offering.

Risks Related to Business Combination

- The benefits of the proposed Business Combination may not be realized to the extent currently anticipated by the Company or SilverBox, or at all. The ability to recognize any such benefits may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees.
- The costs related to the Business Combination could be significantly higher than currently anticipated.
- The consummation of the Business Combination is expected to be subject to a number of conditions and, if those conditions are not satisfied or waived, any definitive agreement relating to the Combination Agreement may be terminated in accordance with its terms and the Business Combination may not be completed.
- SilverBox's directors and officers may have interests in the Business Combination different from the interests of SilverBox, the Company or their respective stockholders.
- The Business Combination will result in changes to the board of directors of the Company that may affect the strategy of the combined company.
- SilverBox's sponsor has agreed to vote in favor of the Business Combination, regardless of how SilverBox's public stockholders vote. As a result, approximately 20.0% of SilverBox's voting securities outstanding, representing the SilverBox voting securities held by SilverBox's sponsor, will be contractually obligated to vote in favor of the Business Combination.
- The ability of SilverBox's stockholders to exercise redemption rights with respect to a large number of outstanding SilverBox's Class A common stock could increase the probability that the business combination would not occur.
- SilverBox's board of directors did not obtain a third-party valuation or fairness opinion in determining whether or not to proceed with the Business Combination and, as a result, the terms may not be fair from a financial point of view to the Public Stockholders.