

# STARCO

brands

Investor Presentation  
December 2023



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## Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, relating to our business and financial outlook, which are based on our current beliefs, assumptions, expectations, estimates, forecasts and projections. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "projects," "intends," "predicts," "potential," or "continue" or other comparable terminology. Such forward-looking statements only speak as of the date of this presentation and the Company assumes no obligation to update the information included in this presentation, except as required by law. Statements made in this presentation that are forward-looking in nature may involve risks and uncertainties. Accordingly, readers are cautioned that any such forward-looking statements are not guarantees and are subject to certain risks, uncertainties and assumptions that are difficult to predict, including, without limitation, risks relating to consumer spending may decline or that U.S. and global macroeconomic conditions may worsen resulting in reduced demand for the Company's products, risks relating to changes in consumer preferences away from the Company's offerings, risks relating to the effectiveness and efficiency of the Company's advertising campaigns and marketing expenditures, including existing brands and the launch of new brands, which may not result in increased revenue or generate sufficient levels of brand name and program awareness, risks if the Company becomes subject to health or advertising related claims from its customers, competitors or governmental and regulatory bodies, and risks relating to increased competition from other nutrition providers. As a result of these various risks, our actual outcomes and results may differ materially from those expressed in these forward-looking statements.

This list of risks, uncertainties and other factors is not complete. We discuss some of these matters more fully, as well as certain risk factors that could affect our business, financial condition, results of operations, and prospects, in our Annual Report of Form 10-K for the fiscal year ended December 31, 2022, and in subsequent reports we file from time-to-time with the SEC, which are available to read at [www.sec.gov](http://www.sec.gov). Although the Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. Unless otherwise required by law, the Company also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the results of any revisions to the forward-looking statements made in this presentation.

## Non-GAAP Adjusted EBITDA

Adjusted EBITDA, which is net loss adjusted for stock-based compensation, gain on disposal of property and equipment, gain on settlements, interest and other expense, net, depreciation of property and equipment, amortization of intangible assets, (recovery) provision for doubtful accounts, and provision for income taxes and certain other items that impact the periods presented. Adjusted EBITDA is provided so that investors have the same financial data that management uses to assess the Company's operating results with the belief that it will assist the investment community in properly assessing the ongoing performance of the Company for the periods being reported and future periods. The presentation of this additional information is not meant to be considered a substitute for measures prepared in accordance with U.S. GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income (loss) and is defined differently by different companies, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. For reconciliations of GAAP Net income (loss) to Adjusted EBITDA, see our reports we file from time-to-time with the SEC, which are available to read at [www.sec.gov](http://www.sec.gov).

# COMPANY OVERVIEW

- Building a 21st century consumer products powerhouse by inventing or acquiring **behavior-changing technologies** and brands
- Grown from 1 brand in 2020, to a current **portfolio of 5 brands**
- Projected 2023 net revenues of \$66 million to \$77 million (**YOY growth 746% to 887%**)
- Employs *marketing playbook* to develop **impactful and efficient communication** plans for brands resulting in unprecedented awareness
- Long **track record of commercializing consumer products** in personal care, OTC pharma, food and beverage and spirits

**AOS**  
ART OF SPORT

  
**WHIP  
SHOTS**

**SKYLAR**  
CLEAN BEAUTY

**WINONA**<sup>®</sup>  
PURE

soylent

# LEADERSHIP TEAM

Established record of success inventing, manufacturing, marketing, and selling consumer products at scale



**ROSS SKLAR**  
FOUNDER, CHAIRMAN & CEO



**DARIN BROWN**  
CHIEF OPERATING OFFICER



**DAVID DREYER**  
CHIEF MARKETING OFFICER



**KEVIN ZACCARDI**  
INTERIM, CHIEF FINANCIAL OFFICER



BEHAVIOR CHANGING TECHNOLOGIES THAT LEAD TO

# POWER BRAND CREATION



# A PORTFOLIO OF BEHAVIOR-CHANGING BRANDS



## WHIPSHOTS

VODKA INFUSED  
WHIPPED CREAM.



## ART OF SPORT

THE WORLD'S  
FIRST ALL -  
ENCOMPASSING  
SPORTS BRAND.



## SKYLAR

HYPOALLERGENIC  
FRAGRANCE.



## SOYLENT

NON-DAIRY  
NUTRITION.



## WINONA

POPCORN SPRAY.



# BRAND ACQUISITION AND INVENTION TIMELINE

**WINONA®**  
PURE  
(Invented December '19)<sup>1</sup>



2019

**ART OF SPORT**  
(Acquired September '22)



2022

**SKYLAR**  
CLEAN BEAUTY  
(Acquired December '22)



2021



(Invented December '21)

**WHIPSHOTS™**

2023



(Acquired February '23)

**soylent**

<sup>1</sup> Initially acquired but ultimately reinvented by the Starco team.



# COMPETITIVE MOATS DRIVING LONG TERM GROWTH

## CROSS-CATEGORY MANUFACTURING CAPABILITIES

- Dedicated manufacturing partner with extensive formulary library spanning 6 consumer product categories

## GAME CHANGING TECHNOLOGIES

- On a mission to create behavior-changing brands and technologies

## DISRUPTIVE MARKETING

- Execute cutting edge pull-through strategies with globally recognized celebrity and influencer roster and multi-billion dollar marketing, media and distribution partners

## M&A AND DEAL MAKING EXPERTISE

- Management team has extensive M&A experience executing over a dozen acquisitions over the last decade

# BEST IN CLASS MANUFACTURING

Dedicated manufacturing partner, The Starco Group, provides commercial manufacturing capabilities that span 6 CPG categories



ALCOHOL



FOOD



BEVERAGE



BEAUTY



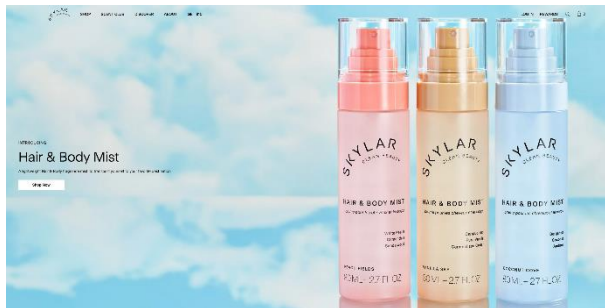
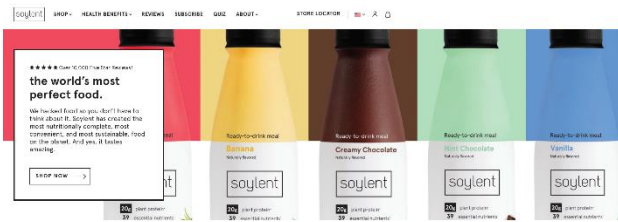
PERSONAL CARE



OTC PHARMA

# DIVERSIFIED DISTRIBUTION: WE KNOW WHAT WORKS

## DIRECT TO CONSUMER



## DOT COM RETAIL



## BRICK AND MORTAR RETAIL



Publix



# EXPANDING CATEGORIES THROUGH INNOVATION



**New Soylent Vanilla Protein Shake**



**New Hair & Body Mist**



**New Pumpkin Spice Whipshots**



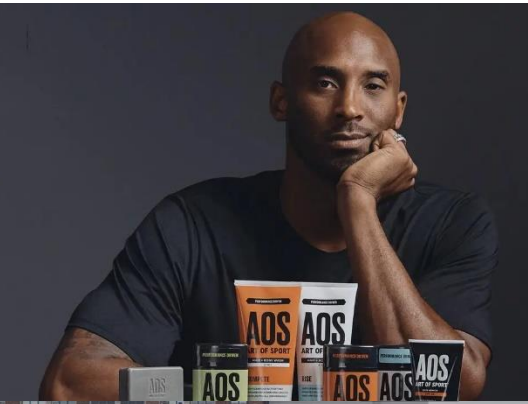
**New Sweet Caramel Popcorn Butter Spray**



**New AOS Sunscreen\***

\*IN DEVELOPMENT

# DISRUPTIVE AND EXPERIENTIAL MARKETING





# THAT IGNITES MEDIA





**6B + EARNED MEDIA IMPRESSIONS**



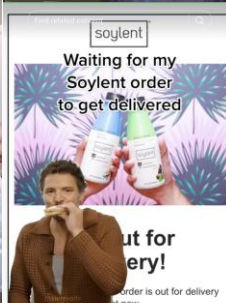
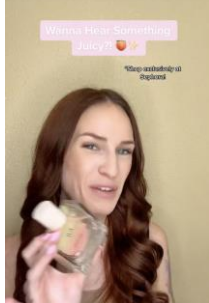
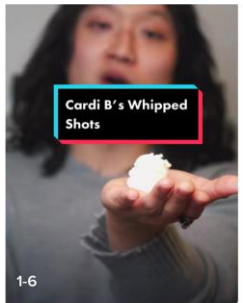
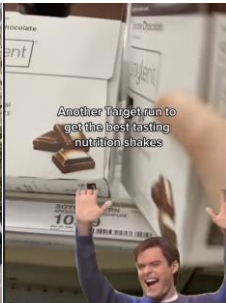
# AND CREATES BRAND EVANGELISM



300K+ FOLLOWERS



600M+ VIDEO VIEWS







# SKYLAR

## GEN Z'S ANSWER TO FRAGRANCE





# SKYLAR

**BOARDWALK DELIGHT SOLD  
OUT AT SEPHORA IN 10 DAYS**



**EXCLUSIVE COLLAB WITH  
SUMMER I TURNED PRETTY**



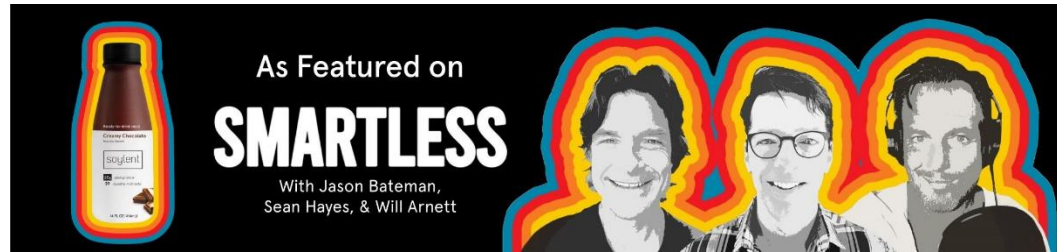
**LAUNCHED NEW  
HAIR AND BODY MIST**



# SOYLENT

#1 IN AMAZON'S READY-TO-DRINK  
MEAL REPLACEMENT CATEGORY

SOYLENT.COM SUBSCRIBERS  
AVG. LIFESPAN: 3.2 YEARS • CUSTOMER LTV:  
\$1,300+



7<sup>th</sup> largest podcast; 1.5M downloads per episode

Post-Acquisition Organization

# THE POWER OF ONE

CONSOLIDATION • INTEGRATION •  
AMPLIFICATION

# POST ACQUISITION UPDATE

## CONSOLIDATION

- Executed our strategy on becoming more efficient **incorporating a shared resource plan** across the organization, that reduced duplicative functions and streamline processes that **removed excess costs from the business.**

## INTEGRATION

- Through the integration of Soylent, Skylar, and AOS, the company has employed a shared service model, finding **many synergistic opportunities** which has enabled us to **optimize and expand our ecommerce presence and retail salesforce** while **leveraging our fixed costs and infrastructure** for long term growth.

## AMPLIFICATION

- Since the acquisition of Soylent in February 2023, Starco brands has **focused on building value** within the newly acquired brands by **increasing brand awareness efforts, doubling down on innovation, rebuilding the pipeline of retail revenue** and **stabilizing the ecommerce base.**

# 2023 MILESTONES

## January 2023

- Whipshots® announced **over 130K cases (60K in Q4) sold** and broke **1 million cans** in 2022
- Starco Brands **acquired Skylar Clean Beauty** from Upfront Ventures, a pioneer in prestige hypoallergenic fragrances distributed online and through Sephora, Nordstrom and others; acquisition **added significant revenues and synergized EBITDA**

## February 2023

- Starco Brands **acquired complete nutrition pioneer Soylent**, maker of meal replacements drinks, high protein beverages, powders and bars from Google Ventures, Andreessen Horowitz and the Production Board; acquisition positioned Starco Brands to capitalize on the projected growth of the “better for you” supplements and plant-based nutrition space

## March 2023

- Whipshots® announced **over 2 million cans sold** since its December 2021 launch
- With Starco Brands focusing on growing its retail business, **Soylent expanded distribution at Meijer** to offer its plant-based nutrition shakes in 260 stores



# 2023 MILESTONES

## June 2023

- Skylar's Boardwalk Delight eau de parfum launched and **sold out at Sephora in 10 days**, becoming the brand's most popular introduction yet
- Whipshots® racked up **three prestigious medals** in the 2023 SIP Awards, the internationally recognized consumer judging spirits competition
- Whipshots® announced a **partnership with AMC**, the nation's largest movie theatre chain, that included both distribution of its Whipshots at bars within AMC as well as brand awareness marketing support on the big screen during previews
- Skylar launched an **exclusive collaboration** with the Amazon Prime Video series hit *Summer I Turned Pretty*
- Soylent announced that it had secured **Amazon's #1 spot** in the Ready-to-Drink Meal Replacement Category
- Starco Brands **increased prices throughout portfolio**, which it anticipates to generate **\$2 million in annual revenue** growth

## July 2023

- Whipshots® announced over **3 million cans sold** in just 17 months since its initial retail launch and **expansion to 10 new states**
- Soylent announced **retail expansion throughout Canada**, to include Soylent's first entry into brick-and-mortar retail at Longos, Thrifty's and select Sobeyes
- Starco Brands provided a business update and **announced full-year 2023 guidance**

# 2023 MILESTONES

## August 2023

- Whipshots® announced **over 3 million cans sold** in just 17 months since its December 2021 launch and expanded sales to **10 new states**

## September 2023

- Skylar **expanded into haircare sector** with introduction of Hair & Body Mist line

## November 2023

- Whipshots® announced a holiday **marketing campaign with Patti's Good Life**, Patti Labelle's food and lifestyle brand, which garnered over **1 billion earned media impressions** in the first 4 days after the campaign launched
- Starco Brands issued **inaugural earnings release** for its third fiscal quarter and first nine months ended September 30, 2023

## December 2023

- Starco Brands announced a **naming-rights partnership with the LA Bowl** Hosted By Gronk. As part of the agreement, the collegiate football bowl game on December 16<sup>th</sup> will be named the Starco Brands LA Bowl Hosted By Gronk.

# FY 23 OUTLOOKS<sup>1</sup>

## Reported Net Revenue

### Net Revenue of \$66 million to \$77 million

- Represents year-over-year growth of 746% to 887%
- Driven by acquisition of Soylent in February 2023, Skylar in December 2022 and Art of Sport in September 2022 with Whipshots continuing to scale

## Adjusted EBITDA<sup>2</sup>

### Adjusted EBITDA of \$7 million to \$9 million

- Represents year-over-year growth of 159% to 233%
- Driven by improved cost management and added margins from pricing and product mix optimization

<sup>1</sup> Management estimates for FY23 as of November 14, 2023

<sup>2</sup> Adjusted EBITDA includes historical EBITDA for acquired entities. The Company provides Adjusted EBITDA guidance, rather than net income guidance, due to the inherent unpredictability of forecasting certain types of expenses such as stock-based compensation and income tax expenses, which affect net income but not Adjusted EBITDA. The Company is unable to reasonably estimate the impact of such expenses, if any, on net income. The inability to project certain components of the calculation would significantly affect the accuracy of a reconciliation. Accordingly, the Company does not provide a reconciliation of projected net income to projected Adjusted EBITDA.

**STARCO**  
brands

