ONE PLATFORM FOR ULTIMATE BRAND GROWTH

NASDAQ: KSPN  SEPTEMBER 2021
This presentation, as well as other written or oral statements made from time to time, includes "forward-looking statements," within the meaning of the U.S. Securities Act of 1933, as amended and the U.S. Securities Exchange Act of 1934, as amended, or the "Exchange Act." Forward-looking statements are not based on historical information and include, without limitation, statements regarding our future financial condition and results of operations, business strategy and plans and objectives of management for future operations. Forward-looking statements reflect our current views with respect to future events. The words "may," "will," "expect," "intend," "anticipate," "believe," "project," "estimate," "plans," "continuing," or the negative of these words and similar expressions identify forward-looking statements. These forward-looking statements are based upon estimates and assumptions made by us or our officers that, although believed to be reasonable, are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially and adversely as compared to those contemplated or implied by such forward-looking statements.

All forward-looking statements involve risks, assumptions and uncertainties. You should not rely upon forward-looking statements as predictors of future events. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results. These risks, assumptions and uncertainties are not all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other known as well as unknown or unpredictable factors also could harm our results. All of the forward-looking statements we have included in this presentation are based on information available to us on the date of this presentation. We undertake no obligation, and specifically decline any obligation, to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur.

Any reference to financial projections in this presentation, if any, are for illustrative purposes only and are based upon certain hypothetical assumptions, which we believe are reasonable as of the date of this Presentation. The selection of assumptions requires the exercise of judgment and is subject to uncertainty due to the effect that economic or other changes may have on future events. The assumptions used for the projections in this Presentation, if any, are those we believe to be most significant to the projections.
Overview
What is the Kaspien Platform?

OUR MISSION

To optimize and grow brands on today’s leading online marketplaces

Grow your brand.
One Platform for Every Marketplace

Single, integrated back-office solution for brand growth and optimization

- Digital Marketing & Creative Services
- Inventory Management and Supply Chain
- Brand Protection
- Data & Insights
- Software & Technology
- Account Management
- Tax Compliance
Market Opportunity

OUR VISION

To be #1 in global Gross Merchandise Value (GMV) in a highly fragmented seller services market

E-Commerce Platforms We Currently Serve

- Amazon
- Target
- eBay
- Walmart
- Kroger
THE LANDSCAPE:
Online Marketplaces

An Extremely Fragmented Market
1.6+ million active Amazon sellers represent approx. $300 billion in GMV market opportunity

Third-Party Sellers Dominate the Amazon Marketplace
GMV volume continues to shift to third parties, away from Amazon Retail
62% of total GMV on Amazon was through third parties in 2020, up from 60% in 2019

Sources: Marketplace Pulse, Amazon Quarterly Results, 2020
Kaspien’s Recent History

**2013**
- **APR 2013**: GreenCupboards.com reincorporated as eTailz, Inc.; All efforts focused on Amazon 3P selling

**2016**

**2019**
- **SEPT 2019**: Kunal Chopra hired as CEO
- **OCT 2019**: Acquired by Trans World Entertainment Corporation, owner of FYE Stores, for $75M

**2020**
- **DEC 2019**: Diversified business models; Transitioned to a one-stop-shop growth platform
- **JAN 2020**: TWE sells FYE; eTailz has a sole focus on e-commerce
- **OCT 2020**: Best Places to Work Inland Northwest
- **SEPT 2020**: Rebranded to Kaspien (KSPN)

**2021**
- **JAN 2021**: $1B in Lifetime Revenue
- **MAR 2021**: Raised $13.5M to drive growth strategy

**2021-22**: Expansion to multiple marketplaces, countries & categories; Introduction to new brand acquisition strategy
Kaspien’s Opportunity

WHAT ARE SELLER SERVICES?
Seller services are companies that help brands grow and optimize on marketplaces.

As the market develops, competition and complexity will drive small sellers onto technology platforms such as Kaspien.

KASPIEN VALUE PROPOSITION
A One Stop Shop Software and Tech Enabled Services Platform for Marketplace Optimization and Growth

WHY DO THEY MATTER?
COVID-19 accelerated the e-commerce adoption.

U.S. E-Commerce Penetration (% of Retail Sales)

Source: McKinsey & Company Analysis, 2020
The Kaspien Platform

Driven by proprietary, A.I.-based software, the Kaspien platform powers predictive insights, automation, and efficient solutions that grow brands.
The Business

Retail Partnership
✓ We own inventory
✓ We sell it

Kaspien Brands
✓ We own the brands
✓ We use our platform to build our brands

Agency Partnership
✓ Partner owns inventory
✓ We sell it

Software Provider
✓ Partner owns inventory
✓ Partner sells it using our software

A comprehensive & customizable platform of software and tech-enabled services for marketplace growth

WE OWN THE INVENTORY

PARTNER OWNS THE INVENTORY
OUR PLATFORM

We Own the Inventory
Retail-as-a-Service (RaaS)

**WE SELL IT, TOO**

- We buy inventory and sell it on marketplaces such as Amazon, Target, Walmart, eBay and Kroger as a third-party seller.
- Through RaaS, we provide liquidity for entrepreneurs and SMBs looking to access major marketplaces.
- We generate profit on margin and support multiple fulfillment technologies, including dropship.

---

40% Increase
Revenue per Partner

*Fiscal 2019 to Fiscal 2020*
Kaspien Brands

WE USE OUR PLATFORM TO GROW OUR BRANDS

- We buy or incubate brands, and then identify product gaps to optimize sales strategies
- We’re vertically-integrated and high margin; powered by A.I., big data, and software

1. Identify Market Gaps
   Identify and develop Gap Reports, find pricing and market opportunities driven through data intelligence

2. Identify Contract Manufacturers
   Develop products, identify and develop our samples (R&D)

3. Order Products
   Once set-up is done, internally branded SKUs have a typical lead time of 8 weeks

4. Reorder Products
   Handle any issues present in the initial order. Rinse and repeat...

NASDAQ:KSPN 15
Brand Acquisitions
WE ADD BRANDS TO OUR PORTFOLIO

- Many of our partner brands lack the infrastructure and capabilities to scale
  - This creates ripe opportunity for acquisition
- Kaspien mines for opportunities within our partner brands
- Currently ~200 opportunities in our acquisitions funnel
Partner Owns the Inventory
Agency Partnership

PARTNER OWNS THE INVENTORY, WE SELL IT

We serve as an extension of a brand's e-commerce team, providing full service and managed services in the areas of:

- ✔️ Inventory Management & Supply Chain
- ✔️ Digital Marketing
- ✔️ Creative Services
- ✔️ Brand Control
- ✔️ Tax Compliance

207% Increase

Subscriptions Partner Base

Fiscal Year 2020
Software-as-a-Service (SaaS)

We outsource our platform software to provide brands with our proprietary technology to build their brands.

100% RECURRING REVENUE

886% INCREASE IN SUBSCRIPTION GMV FQ4 2019 TO FQ4 2020 (36.3% OF TOTAL GMV)

Our Marketplace Technology Suite

- Amazon Marketing Automation
- FBA Seller Reimbursement
- Seller & Price Tracking
- Dropship Automation
- A.I.-Driven Inventory Forecasting

= AVAILABLE AS SAAS
FOUR PRIMARY BUSINESS MODELS

A Single Platform for Brand Management

Retail Business
WE OWN THE INVENTORY

1. Retail-as-a-Service
   - Third Party (3P)
   - Dropship

2. Kaspersian Brands
   - Private Label
   - Acquisitions

Subscription Business
PARTNER OWNS THE INVENTORY

3. Agency-as-a-Service
   - Agency
   - Managed Services

4. Software-as-a-Service
   - Software
A PLATFORM BUSINESS MODEL:

Facilitating Scale and Driving Lifetime Value

The Kaspien platform of software and services creates a flywheel network effect which increases retention & facilitates scale

- Customers onboard to one or more software and/or services
- Opportunities to upsell to a comprehensive portfolio of software and services
- As a one-stop shop, Kaspien offers lower switching costs as customers move across business models
- Kaspien grows with the brand through the entire brand lifecycle, increasing customer lifetime value
Financials & KPIs
Financial Snapshot

Recent Significant Gross Merchandise Value and Revenue Increases Prove our Strong Foundation in Retail and Ramp in Subscriptions

$246MM  
2020 TOTAL PLATFORM  
Gross Merchandise Value

FY2020  
Retail Gross Revenue per Partner  
40%

FY2020  
MRR  
181%

825  
FY2020  
Total Partner Count

Q4 2019 to Q4 2020  
GMV/per Partner  
87%

FY2020  
Gross Profit  
50%
Rapid Subscription Growth on Top of Current, Stable Business
### Strong LTV : CAC Drives Growth Over Time

<table>
<thead>
<tr>
<th>Subscription</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.3x</strong> LTV to CAC Ratio</td>
<td><strong>9.5x</strong> LTV to CAC Ratio</td>
</tr>
<tr>
<td><strong>8.0 Months</strong> CAC Payback Period</td>
<td><strong>6.1 Months</strong> CAC Payback Period</td>
</tr>
</tbody>
</table>

~50% Of total Kaspien GMV is driven by Subscriptions

All data as of July 31, 2021
### Brand Services for the Entire Marketplace Lifecycle

<table>
<thead>
<tr>
<th>Brand Lifecycle Stage</th>
<th>Focus on manufacturing</th>
<th>Wants limited Amazon channel oversight</th>
<th>Wants to completely own Amazon channel and strategy</th>
<th>Wants to exit</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sells to Amazon Retail</td>
<td>• Work with limited number of 3Ps</td>
<td>• Runs SC entirely in-house; needs tools to do it well</td>
<td>• Successful PL brand currently in 3P, Agency or solo model</td>
<td></td>
</tr>
<tr>
<td>• Sells to 3Ps</td>
<td>• Sells through their own account, but outsources management to agency</td>
<td>• Sells through their own account, but outsources management to agency</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Kaspian’s Fragmented Competition

- **3P Retailers**: Spreetail, netrush, P
- **SaaS**: kenshoo, Helium10, teikametrics
- **Amazon Agencies**: bobsled, ORCAPACIFIC
- **Brand Acquirers**: perch, heyday, THRASIO

Source: Internal Analysis, Company Filings
Kaspien Can Grow Brands Wherever They Want To Go

Total Market Value Growth

Brand Growth Timeline

- FTM Brands. Might be selling themselves or using an agency
- Selling through 3P sellers. Purely transactional; no hand in Amazon strategy
- Selling through limited 3P channel; some involvement in Amazon strategy
- Own seller account, managed by Amazon agency
- Partners with Amazon Retail or a large 3P
- Diversify beyond Amazon into other marketplaces and D2C strategies

Integrated, optimized and grown through the Kaspien platform.

Retain historical data, expertise, familiarity with brand strategy and leading software no matter how the brand’s needs change.
Investment Highlights

$1B OVER RETAIL SALES
4K OVER BRANDS SERVED
60% AVG. REVENUE GROWTH IN FIRST 3 MONTHS
99% POSITIVE LIFETIME RATING
$5 MM+ RETURNED TO FBA SELLERS

Top 10 Companies Based on % of Total U.S. E-Commerce Sales

Source: Insider Intelligence, 2020
Diverse and Experienced Leadership Team

Kunal Chopra  
CEO

Mitch Bailey  
COO

Brock Kowalchuk  
CFO, Kaspien Inc.

Scott Allen  
Chief of Staff

Ed Sapienza  
CFO, Kaspien Holdings

Lisa Wideman  
Chief People Officer

NASDAQ:KSPN
Comprehensive Products and Tech Enabled Services

**SOFTWARE**
- Ad Management
- Seller Tracking
- Cost Recovery
- Inventory Management
- Dropship Automation

**SERVICES**

**CREATIVE SERVICES**
- Studio Photography
- Lifestyle Photography
- Demonstration Videos
- Brand Videos
- Design Services
- Copywriting

**INVENTORY MANAGEMENT & SUPPLY CHAIN**
- Inventory Forecasting
- Reporting
- Catalog Expansion
- Seller Reimbursements
- Supply Chain Support
- Product Preparation
- Catalog Exposure

**BRAND CONTROL**
- Price & Seller Tracking
- Unauthorized Seller Removal
- Account Shutdown Assistance
- Suspended Listing Assistance
- Proactive Listing & Marketplace Advice

**TAX COMPLIANCE**
- Sales & Use Tax Compliance

**DIGITAL MARKETING**
- Marketplace Listing Creation & Optimization
- A+ Content / Enhanced Content
- Amazon Brand Store Creation
- Review Generation & Management
- Amazon Sponsored Ads
- Amazon DSP Advertising
- Amazon Coupons
- Google Ads
- Walmart Sponsored Products
- eBay Promoted Listing
- Paid Social Campaigns
- Social Media Management
- Paid Influencer Campaigns
- Product Exchange Influencer Campaigns
Case Studies
AGENCY CASE STUDY

InBody

Inbody manufacturers and distributes a leading Smart Full Body Composition Analyzer. Prior to working with Kaspien, they struggled to unlock the potential on Amazon.com due to ineffective marketing strategies and sub-optimal supply chain management.

Kaspien’s mix of Sponsored Products, keyword optimization and effective SEO strategies have resulted in sizeable increases to revenue and material reductions to marketing spend.

65% DECREASE IN MARKETING SPEND

40% REDUCTION IN ACOS

114% INCREASE MARKETING ATTRIBUTABLE REVENUES
A large brand in the Pet Category that worked directly with Amazon Retail partnered with us as one of many sellers. During the first six months of our partnership, they enlisted our expertise to develop an optimal Amazon strategy that would allow them to maximize their profits and e-commerce market share.

BEFORE KASPIEN
- Direct relationship with Amazon Retail limited their brand control
- >50 unauthorized sellers
- Diminished brand integrity and little adherence to MAP pricing
- Pervasive counterfeit product issues
- Loss of profits through chargebacks

AFTER PARTNERING WITH KASPIEN
- 2x revenue growth YoY
- Strategic exit from Amazon Retail relationship resulted in newfound brand control
- Holistic pricing plan ensured profits and sales velocity
- Use of proprietary software reduced MAP violators and unauthorized sellers
- Identification and removal of counterfeit products from marketplace
- Marketing strategy resulted in increased market share and brand awareness, generating over 80 million impressions and 93,000 additional units sold

RETAIL CASE STUDY
Zippy Paws

Year on Year Channel Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Revenue</th>
<th>Year on Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2M</td>
<td>0%</td>
</tr>
<tr>
<td>2019</td>
<td>$4M</td>
<td>76%</td>
</tr>
<tr>
<td>2020</td>
<td>$12M</td>
<td>94%</td>
</tr>
</tbody>
</table>

NASDAQ: KSPN 35
SaaS Products
**ADMANAGER**

*Sponsored advertising management suite*

**OPTIMIZE BID MANAGEMENT**
- Utilizes A.I. machine learning to automate Amazon PPC bids across multiple designated campaigns

**AUTOMATE PROCESSES**
- Powerful digital data analytics software allows users to create unique rule sets and set manager optimizations

**CONCISE REPORTING**
- Compiles data from multiple sources to provide detailed performance reports and side-by-side metrics comparisons

**ACCESS CRITICAL DATA**
- Store and use your lifetime historical data

---

**SPONSORED PRODUCT SALES**
- $60M

**KEYWORDS MANAGED EASILY**
- 1.5M

**AVERAGE SALES INCREASE**
- 30%

**AVERAGE ACOS**
- 10%

**REDUCTION IN ACOS**
- UP TO 50%
DROPSHIP AUTOMATION
Dropship automation platform with vendor hub integrations

AMPLIFY ONLINE PRESENCE
- Expand online footprint through strategic advertisements and other products

OUTMANEUVER COMPETITORS
- Utilize dynamic tools to get one step ahead of the competition

70% YOY DROPSHIP GROWTH
23% OF ALL COMMERCE SALES

2M+ PRODUCT CAPACITY
BEST IN CLASS SUPPLY-CHAIN AND INVENTORY MANAGEMENT SOFTWARE SUITE

- Enables 3PM sellers navigate the details of managing and growing their business
- Over a decade of time in development and significant investment

ALL-ENCOMPASSING SOFTWARE

- Directly integrated with Amazon
- Management of partners and their catalogs
- Supports the identification and creation of new partnership leads
- Machine learning predictive modeling
- Backed by over a decade of data
- Built off $1B in platform sales
**CHANNEL AUDITOR**
*Amazon refunds manager*

**SIMPLISTIC AUTOMATION**
- Automates the grueling Amazon reimbursement process

**PERFORMANCE BASED MODEL**
- Collects only ¼ of the proceeds from the reimbursement – no up-front costs for subscriber

**SUCCESSFUL TRACK RECORD**
- More than $5MM collected for clients

**Case Types Managed**
- **17**

**Amazon Reconciliations**
- **$5M+**
PERISPECT

*Brand protection, price monitoring & seller tracking*

**DASHBOARD**
- Monitor brand’s online presence with graphs and actionable data

**BRAND WATCH**
- View and download price variance reports

**SELLER TRACKER**
- Access seller database and investigation tools

**CASE MANAGEMENT**
- Communicate with sellers and stay organized

---

186K+
**MONITORED SELLERS WORLDWIDE**

30MM+
**VIOLATIONS IDENTIFIED**

6
**MONITORED MARKETPLACES ACROSS 9 COUNTRIES**
Operations
Partner Acquisition

Two main approaches:

1. **Sales Outreach**

2. **Referrals**

Onboarding is similar across business models

Kaspien searches for brands that are a good fit for our platform. We show a brand how one portion of our software can improve one part of the business. Once a brand is in the door, an expanded suite of products makes sense.

Opportunity to onboard through Amazon Inventory Reconciliation – Over $5M returned to clients

- ✓ We incorporate brands into our system for no cost to them, show them how much they can save
- ✓ Data provided helps us pitch other optimization strategies through our other services

Sticky Business

Customer retention is very high – Subscription MRR increased 181% and gross revenue per partner increased 40% in 2020
A Diversified Path Towards Category Leadership

Create a More Intelligent Value Chain

- Drive more intelligence into the Kaspien value chain through automation and predictive insights

Expand Kaspien Value Proposition

- New Software Products
  - Expand platform to new software categories: listing mgmt, insights-as-a-service (IaaS), etc.
- Managed Services and Agency Expansion
  - Expand current service portfolio to other managed services
- Marketplace Expansion
  - Expand current U.S. brands and sellers to multiple U.S. and int’l marketplaces
- Geographic Expansion
  - Helping local sellers and brands go online in multiple geographies e.g., India, Mexico

Expand Customer Base

- Fortune 100 Brands
- Expand to New Categories
- Tail End Brand Portfolio
- International Brand Portfolio
- Product Development and Brand Acquisitions

Expand Private Label Portfolio
7 Leadership Principles Drive Our Culture

We are Partner Obsessed: Our customers are our partners. Every decision we make is centered around building and investing in mutually beneficial partnerships.

We are Insights Driven: Nothing matters more than insights. We use data to glean insights and to make strong business decisions. Insights are the ultimate decision maker.

We are Simple in Our Approach: We take the complicated and simplify it. Simplification keeps us aligned and focused.

We Innovate on Behalf of our Partners: We are ahead of the innovation curve at every stage. We are our partners’ incubator.

We Deliver Results for Our Partners: We set goals, we define targets and measures of success, we launch initiatives, we measure our progress, we mitigate risk, and we deliver results for our partners.

We are Owners: We are entrepreneurial minded. We make things happen. We know what’s needed to build our business and we execute. We operate with agility and urgency.

We Believe in the Power of Diversity and Teamwork: We value diversity in every way and collaborate as one team to drive the best results for our business and our partners.

“Kaspien is a place where ideas are celebrated, employees are valued, and there is always something new and exciting to learn”

“I am constantly learning, growing, and developing not only into an expert in e-commerce, but also into a complete and more well-rounded person”

Sources: Internal Analysis, Kaspien Employees