

# **ThreePeaks Brands**

Science • Nutrition • You

**Business Plan**

**Financial Supplement**

## Financing

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<b>Name</b>	ThreePeaks Brands, Inc.
<b>Formation</b>	C Corporation Registered in the State of Nevada
<b>Address</b>	Registered agent William R. Urga, Attorney at Law Joley Urga Woodbury & Holtus 50 S. Stephanie Street, Suite 202 Henderson, NV 89012
<b>CPA</b>	Thomas W. Goodwin, Managing Partner Goodwin Partners, LLP 200 Summit Drive, Suite 210 Burlington, MA 01803
<b>Structure</b>	50% debt 50% equity
<b>Debt/Equity</b>	1:1
<b>Valuation</b>	\$1,000,000 (Free cashflow model (FCF) and Data Stats Value Index multiple for foodservice companies)
<b>Stock</b>	10,000,000 shares authorized (par value \$.01) 1,000,000 shares issued
<b>Shareholders</b>	Richard Merriam or GCI Worldwide, Inc. and/or GCI USA, Inc. 510,000 preferred shares (dividend \$.05/share) (Section 1202 founders stock ratably vesting over 5 years) Richard Kozlenko 130,000 common shares (Section 1202 founders stock ratably vesting over 5 years) Carleton Prince 130,000 common shares (Section 1202 founders stock ratably vesting over 5 years) Andrew Salis 130,000 common shares (Section 1202 founders stock ratably vesting over 5 years) Vicki Babcock 50,000 common shares (Section 1202 founders stock ratably vesting over 5 years) Jethren Phillips 50,000 common shares (Section 1202 founders stock ratably vesting over 5 years)

**Equity**

Richard Merriam or GCI Worldwide and/or GCI USA  
 \$100,000  
 Richard Kozlenko  
 \$130  
 Carleton Prince  
 \$130  
 Andrew Salis  
 \$130  
 Vicki Babcock  
 \$50.00  
 Jethren Phillips  
 \$50.00

**Rationale**

Richard Merriam or GCIW and/or GCI USA is investing \$100,000 in exchange for 100,000 preferred shares of stock in ThreePeaks Brands, Inc.

As preferred shares, this puts the investor in “First Position” should any liquidation occur.

Moreover, this investment carries an annual dividend of \$.05/share, which is equivalent to an annual interest rate of 5%.

This dividend is earned for as long as the investor retains the shares, so it could potentially earn far greater return than an equivalent debt obligation.

The other shareholders are buying common shares at par value but are contributing “sweat equity” and are taking reduced or no salaries for a period of time.

**Debt**

\$100,000 loan from SBS Food Group repayable over 5 years at a simple annual rate of 5%--but because the loan amount meets a threshold established by SBSFG, the first installment of the loan is deferred for at least one year until the end of December 2023.

\$70,000 as a line of credit from Richard Merriam or GCIW and/or GCI USA repayable over 5 years at a simple interest rate of 5%.

This line will be drawn upon only as needed, and the management of ThreePeaks Brands forecasts the company will be self-sustaining and cashflow-positive no later than the 2Q23, at which point any outstanding debt will be retired and the line will be cancelled.

<b>Corp Officers</b>	Andrew Salis	President
	Carleton Prince	Secretary/Treasurer
	Richard Kozlenko	Director

**Initial Staff** ThreePeaks Brands, Inc. will begin operations with 4 fulltime staff:

Richard Merriam	Chairman of the Board (non-employee)
Andrew Salis	Chief Executive Officer (CEO)
Carleton Prince	President & COO
Rickard Kozlenko	EVP & Director Science & Prod. Dev.
Vicki Babcock	VP & Assistant Director Product Dev.
Jethren Phillips	Consultant (non-employee)

**Salaries** Initial salaries will scale-up over 12 months as follows:

	4Q22	1Q23	2Q23	3Q23
Andrew Salis	33.3%	66.6%	100%	100%
Carleton Prince	0%	33.3%	66.6%	100%
Richard Kozlenko	0%	33.3%	66.6%	100%
Vicki Babcock	0%	33.3%	66.6%	100%

**Employees** Positions will be added as business needs dictate:

Director of Operations	4Q23
Director of Sales	4Q23
Administrative support	2Q23
Brand Manager HD	1Q24
Brand Manager BS	1Q24
Other Consultants	4Q22

**Options** The capital structure of ThreePeaks Brands, Inc., as outlined above, allows the company to issue stock options to employees as bonuses and to ensure retention as well as to new hires as an incentive.

**Capital** Moreover, this structure, with 10,000,000 shares authorized but only 1,000,000 issued, allows the company to raise additional capital for operations, expansion, or acquisition.

**Benesweet** Benesweet will be owned by ThreePeaks Brands, Inc. Rick Merriam or GCI Worldwide and/or GCI USA will benefit from this ownership in two ways: (1) As the largest shareholder of ThreePeaks Brands, Inc., and (2) as owner(s) of GCI Nutrients, which will be the sole-source supplier insofar as possible for all ingredients used in ThreePeaks Brands products.

Moreover, Benesweet is not an ingredient. It is a product. It is a customizable nutritional delivery system. And it is the “engine” that drives the differentiation of all ThreePeaks Brands products.

ThreePeaks Brands will advertise and promote Benesweet as an integral part of all our product advertising. And thereby, Benesweet will gain broad market awareness and preference.

The tag line will be “*Made Better with Benesweet.*” That is, whatever the product is, it is better because it contains Benesweet.

This is a true, provable, and exclusive superiority statement.

This is the “Intel Inside” strategy. Whether the computer was made by HP or Dell or Lenovo, it worked better because it had Intel chips inside.

So whether products are made by ThreePeaks Brands or by other food manufacturers, “*Made Better with Benesweet*” provides reassurance to the customer that the product is better—for their health, for their families, for their kids.

Moreover, this allows us, after review of our market position and business strategy at the time, to introduce to the retail market Benesweet-branded products that reinforce the distinctiveness of the positioning:

- Benesweet “On-the-Go” packs (StickPacks)
- Benesweet by the Bag
- Benesweet Better Chocolate Chips
- Benesweet Better Chocolate Bars
- Benesweet Better Protein Bars

## **GCI**

ThreePeaks Brands will license Benesweet to GCI Nutrients at a favorable and preferred rate, adding value to the brand and establishing GCI as the go-to source for Benesweet.

ThreePeaks Brands staff will also be present at appropriate ingredient trade shows to support Benesweet as an industrial product available from GCI Nutrients.

GCI Nutrients, as a strategic partner with ThreePeaks Brands, will further benefit from ThreePeaks Brands’ relationships with its various customers, particularly the U.S. military and government, which are significant targets for all of ThreePeaks Brands products including Benesweet.

These relationships, following the strategies outlined in the ThreePeaks Brands Business Plan, will establish a market presence for our products that could only otherwise be achieved by major investments from major manufacturers.

But by building from the foodservice/business-to-business position first, then leveraging those successes into the retail/consumer space, ThreePeaks Brands and Benesweet will be using “guerilla” strategies to win in the David vs. Goliath environment.

**Exit**

ThreePeaks Brands, Inc. will be conducting its business with a goal of achieving some liquidity event by 2027, five years hence. That might be a public offering, but if we are as successful as we plan to be, it will more likely be an acquisition by a large national or global company already in this space and looking to acquire unique and distinctive brands in a niche space.