

Pizza Cruvit

(cauliflower-based products)

Investor presentation



April, 2020

Vision

#1 player in cauliflower-based products category in Israel and leading category player in select markets in Europe

Resume

- **Solution** for (a) pizza-lovers, (b) healthy lifestyle trend followers, and (c) Low-carb consumers (d) diabetes/celiac patients
- In-house-developed crusts provide **unique value** (a) low on calories, (b) very low on carbs, (c) no sugar/gluten, (d) rich on vitamins, and (e) very tasty
- **Addressable market** in Israel: (a) ca.1m pizza consumers, (b) 500k+ healthy lifestyle active followers, (c) 400k+ diabetes/celiac patients... and no competing local cauliflower producers
- **Business model**: Producer of cauliflower-based pizza crusts (expand into new cauliflower-based products)
- **Go-to-market**: (a) online Direct-to-consumer, (b) specialty shops (own distribution), (c) specialty shops/pizzerias (3rd party distribution), (d) select retail chains
- **Traction**: 03/20 revenue of ~NIS 50k (up from ~NIS 20k in 12/19), present in 10 stores, sales via TenBis
- **Forecast**: Revenue and EBIT to grow to ~NIS 15 million and 5 million (33%) by 2023E
- **Ask and uses of funds**: \$200k (equipment upgrade, staff hiring, marketing budget increase, working capital investment)

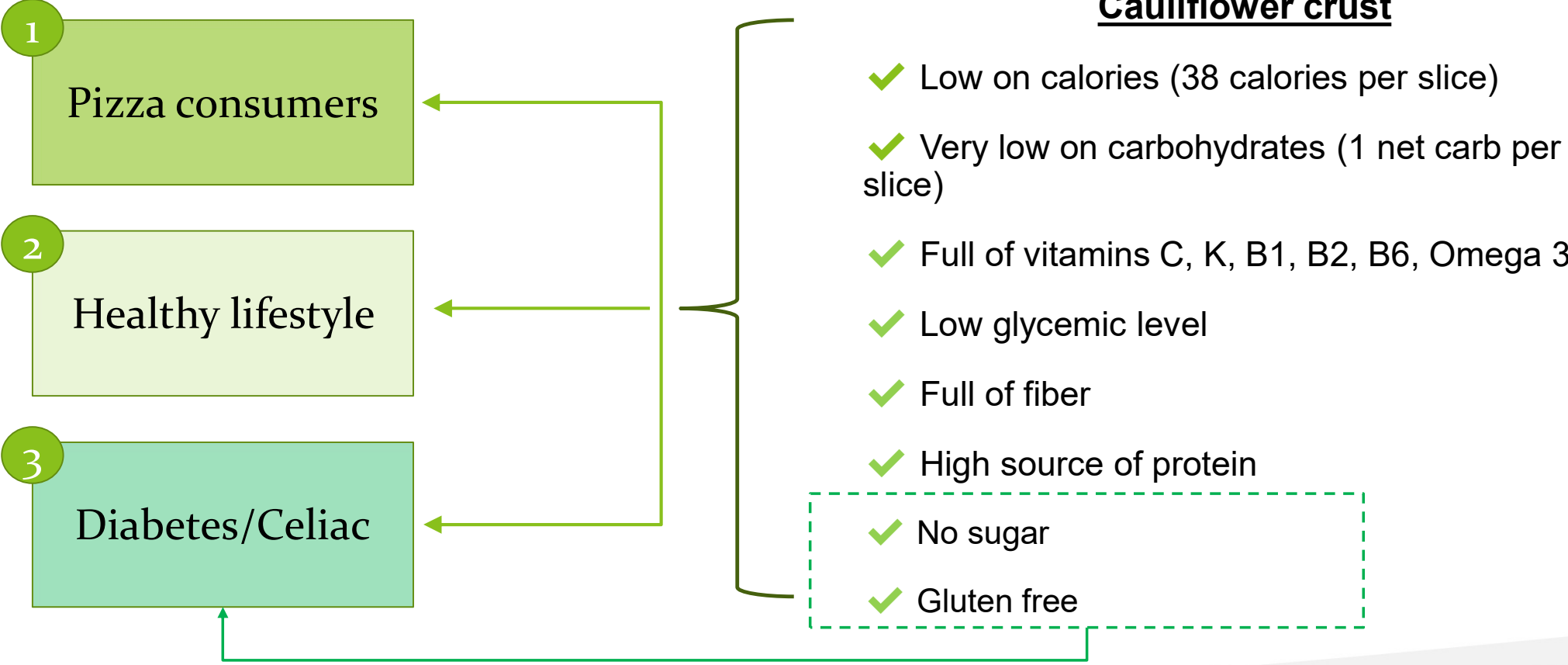
Problem

Regular Pizza is unhealthy

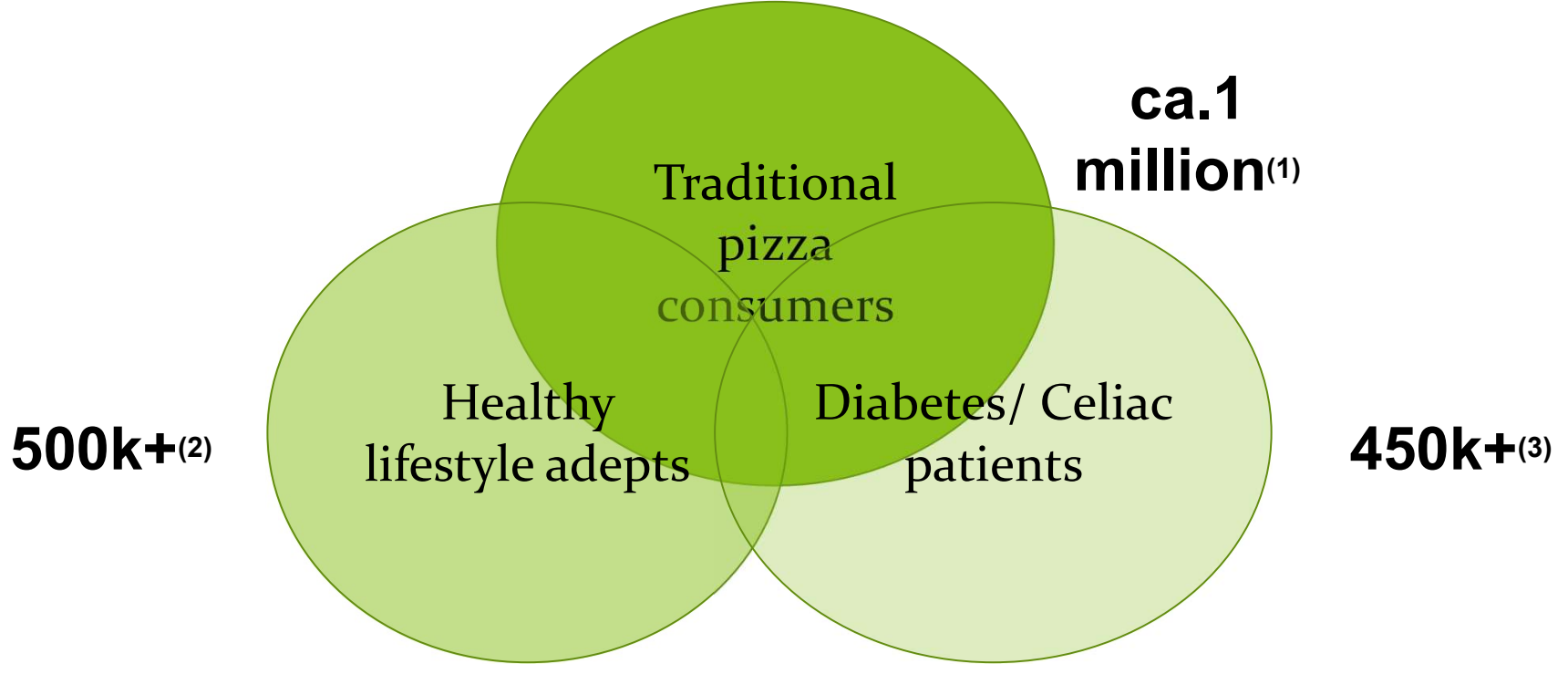
- ✗ High on calories (250 calories per slice)
- ✗ High on carbohydrates (25 per slice)
- ✗ High on sugar (5-6 grams per slice)
- ✗ Comes with gluten
- ✗ High glycemic level (GI = ca.80)
- ✗ No go for people with diabetes, gluten intolerance



Solution



Total addressable market in Israel



(1) Total pizza market size in Israel is ca.600 million NIS, assuming 60 NIS per pizza and average of 10 orders per annum
(2) Company's estimate: (a) over 180,000 members in "17 days diet on Facebook, (b) over 80,000 members in Paleo diet on Facebook, (c) ca.30,000 in Ketogenic and Gluten-free diets on Facebook
(3) Over 470,000 with Diabetes II and over 20,000 with Celiac in Israel (source: Ministry of Health)

Cauliflower products market in US



- Launched in 2017
- Sells to 8,000 stores by 2019 (up from 60 in 2018)
- Revenue to grow to ~\$100m by 2019
- **Wide assortment of cauliflower-based products**

- Launched in 2016
- Sells to 3,000 stores in 2019
- Revenue at ca.\$10-20m in 2018
- **Wide assortment of cauliflower-based products**

- Launched cauliflower-based frozen pizzas product line

- Launched cauliflower-based frozen pizzas product lines

Company introduction

- Incorporated in March 2019
- Production facilities in Or Yehuda
- Current team includes 3 full-time and 3 part-time employees
- Product development finished in August 2019
- Featured in Israeli media (Keshet, Channel 12, Ynet)
- Funding: \$60k (angel investors)



Product line and comparison vs. regular pizza



<i>(whole crust)</i>	Regular cauliflower crust (150 g)	Vegan cauliflower crust (150 g)	Traditional pizza crust - same size
Calories (#)	343	244	680
Carbohydrates	5.7	7.7	120
Vitamins	B1, B2, B6, C, K, Omega - 3		-
Gluten	No		Yes⁽¹⁾
Sugar	No		Yes/No⁽²⁾

(1) Pizzas typically have gluten, unless gluten-free
 (2) Sugar is contained in most of frozen pizzas and limited in freshly-made pizzas

Unit economics⁽¹⁾

DTC

	NIS (per unit sold)
Price	19,8
Cost of goods sold ⁽²⁾	3,9
Production workers	0,7
Logistics/delivery	5,0
Marketing/Sales	2,0
Contribution margin/%	8,2/41%

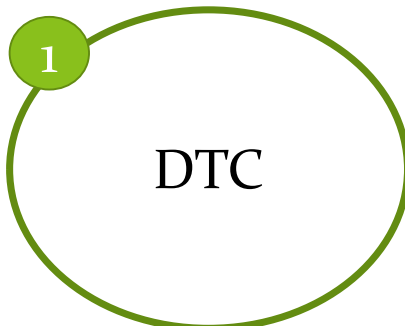
Specialty shops

	NIS (per unit sold)
Price	16,0
Cost of goods sold ⁽²⁾	3,9
Production workers	0,7
Logistics/delivery	1,0
Marketing/Sales	0,2
Contribution margin/%	10,2/64%

(1) Regular cauliflower crust, 250 grams

(2) Cost of goods sold includes: raw materials, packaging (does not include fixed costs)

Go-to-market strategy



- Online sales of products to consumers
- Average price of 19,8 NIS down to 15 NIS by 2023
- Delivery done 3rd party couriers



- Sales via 9 specialty stores as of March 2020
- Over 150 specialty stores to be targeted by 2023 (focus on Central Israel area)



- Distribution to (1) specialty stores in the North and South of Israel (up to 150)...
- ...and (2) pizzerias (up to 70) via 3rd party logistics
- Distribution fee at ~25%

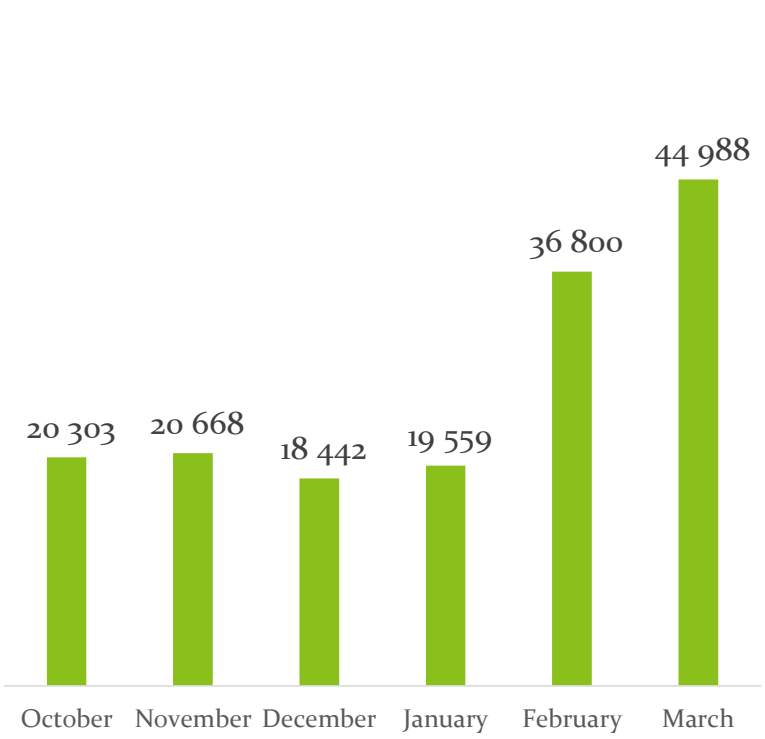


- Retail chains to be targeted with frozen crusts at 10 NIS from 2021 and down to 8 NIS by 2023

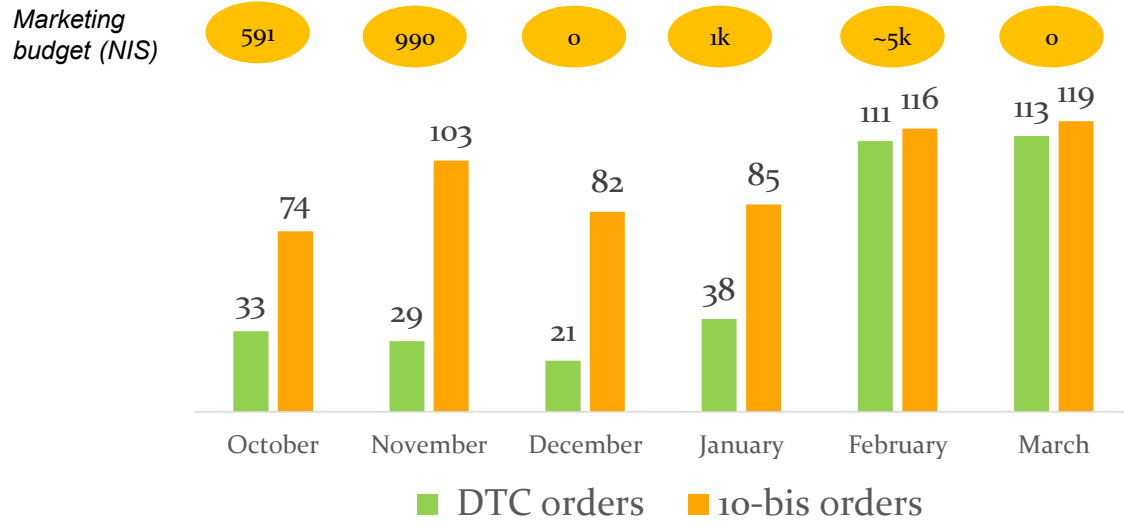
16 NIS and down to 12 NIS by 2023

Customer and revenue traction

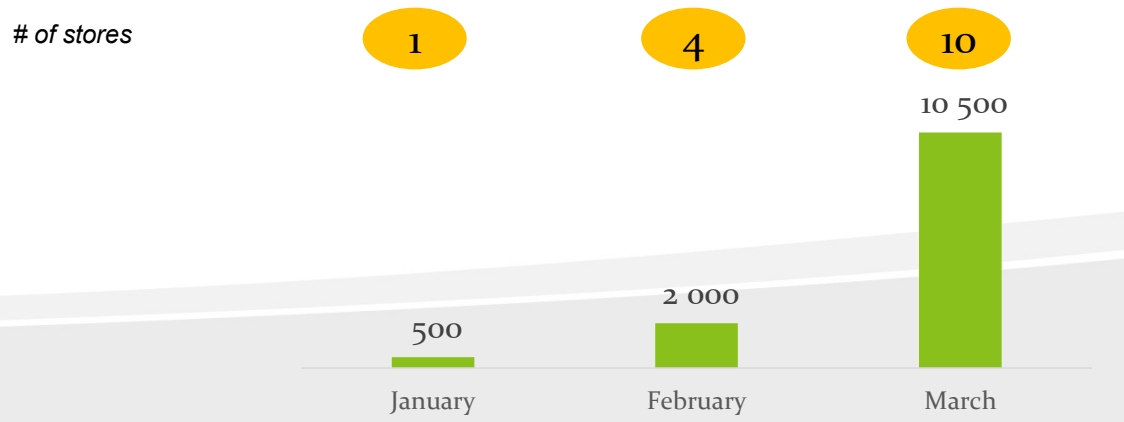
Revenue (Oct 2019-Mar 2020, NIS)



DTC/10BIS orders (Oct 2019-Mar 2020)



Specialty shops revenue (Oct 2019-Mar 2020, NIS)



Projected financials (2020-2023E)⁽¹⁾

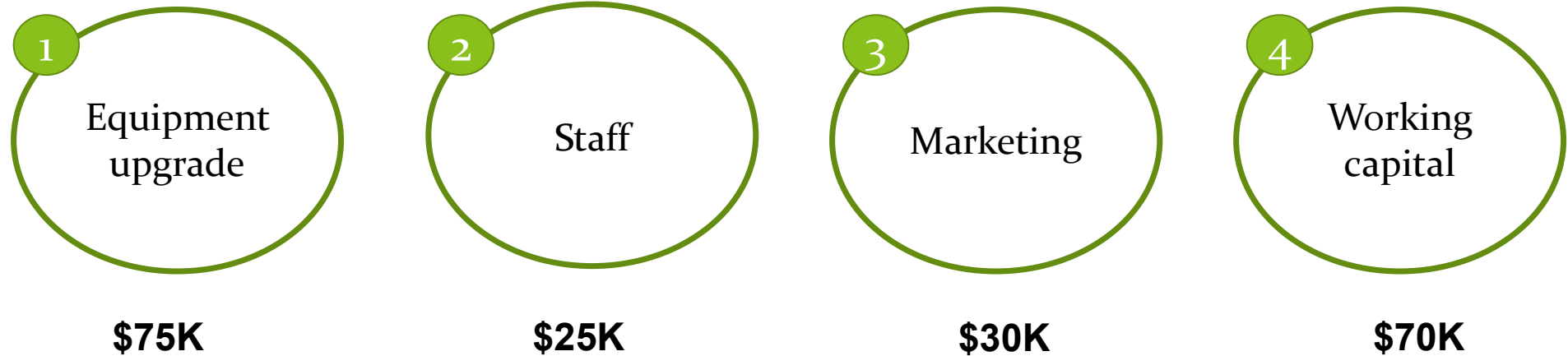
(NIS 000's)	2020 ⁽²⁾	2021	2022	2023
# of crusts	100 800	493 200	1 000 800	1 430 400
Revenue	1 153	6 074	10 732	15 264
Gross profit	687	4 361	6 580	10 010
Gross margin (%)	59,7%	71,9%	61,4%	65,6%
Marketing/sales	93	425	751	1 068
General/admin	513	2 324	3 590	3 968
SG&A costs	606	2 749	4 341	5 036
EBIT	81	1 612	2 239	4 974
EBIT (%)	7,1%	26,6%	20,9%	32,6%

(1) Israel and crusts only (no additional products assumed – proven potential to expand into tortillas, crackers, flatbreads, etc – per US-based Caulipower, Califlour Foods cases)

(2) Funding raised in 1H 2020

Ask and uses of funds

Company is raising \$200k



Thank You

Contact:

Alex Perman – CEO

+972 50 883 4825

permanalex@gmail.com

www.pizzacruvit.co.il