
eaze
Cannabis On Demand
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Eaze is the largest direct-to-consumer cannabis retailer in California

5.7M+	**725k+**	**$190M+**	**$125M+**
Deliveries Completed	Customers Served	2020 Transaction Value	2020 Revenues
~$13B	**$95**	**60%**	**85%**
Total Addressable Market	Average Transaction Value	of Network Owned by Eaze	Total California Population Serviced in Active Territories

Note: Data as of May 2020. 2020 figures are combination of actuals and projections

Eaze had strong core growth metrics in 2019

$176M ⬆ 78%
Gross Transaction Value

$133M ⬆ 71%
Gross Merchandise Value

2.0M ⬆ 71%
Return Customer Deliveries

298k ⬆ 68%
New Customer Deliveries

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Eaze is transitioning from a marketplace to a vertical retail operator

MARKETPLACE	VERTICAL RETAILER
Poor liquidity/cash & mis-aligned retail partners	Positive working capital & reduced cost
Inconsistent supply chain & control of brand	House brands, optimization to maximize profit
No direct access to consumer payments	Ownership of networks & last-mile distribution

This transition requires two key steps: depot consolidation and private-label brand launches

DEPOT CONSOLIDATION

$75M+ → **$120M+**

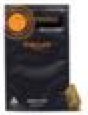
Increase in Revenue → *Increase in Cash Collections*

- 95%+ of dispensaries by July 2020
- Centralize operations and reduce back office redundancies (e.g., Finance, HR, etc.)
- Optimize operations / profitability

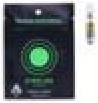
PRIVATE LABEL BRANDS

$125M × **40%** × **15%** = **$7.5M**

Est. 2020 Revenue × *Target Menu Share* × *Margin Improvement* = *Cost Savings*



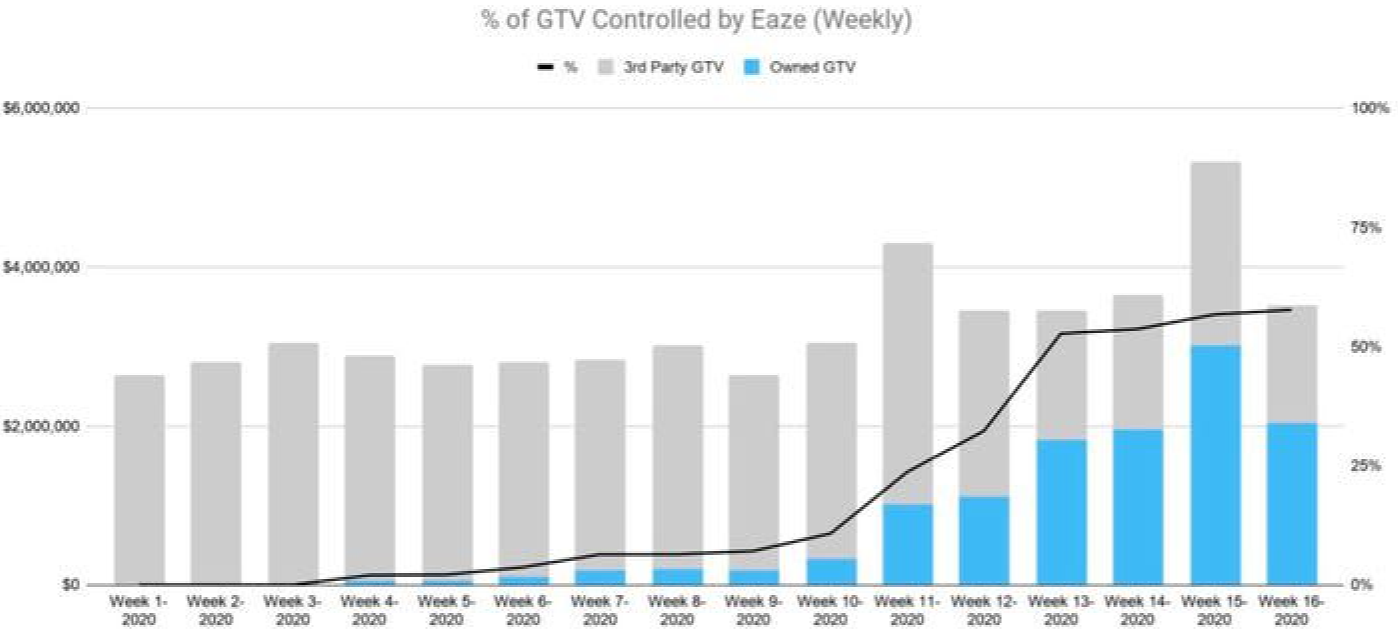
$20
Mango Sherbert
Circles



$15
Pink Lemonade
Circles

$9
Birthday Cake 1g Preroll
Circles

Depot consolidation: Eaze now controls ~60%+ of GTV[1]



[1] Gross Transaction Value equals total product costs plus taxes and fees.

Private label brands: Eaze private label creates 15% incremental margin and now represents ~12% of GTV[1]

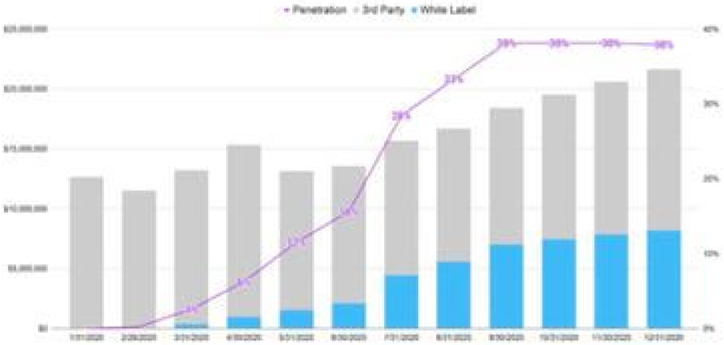
Margin Improvement

HOUSE BRAND MARKUP

Capturing Additional Value through Private Label

	COST	WHOLESALE	RETAIL	MARGIN
House Brand	$7.50	$12.00	$30.00	75.00%
3rd Party		$12.00	$30.00	60.00%

% of GTV



[1] Gross Transaction Value equals total product costs plus taxes and fees.

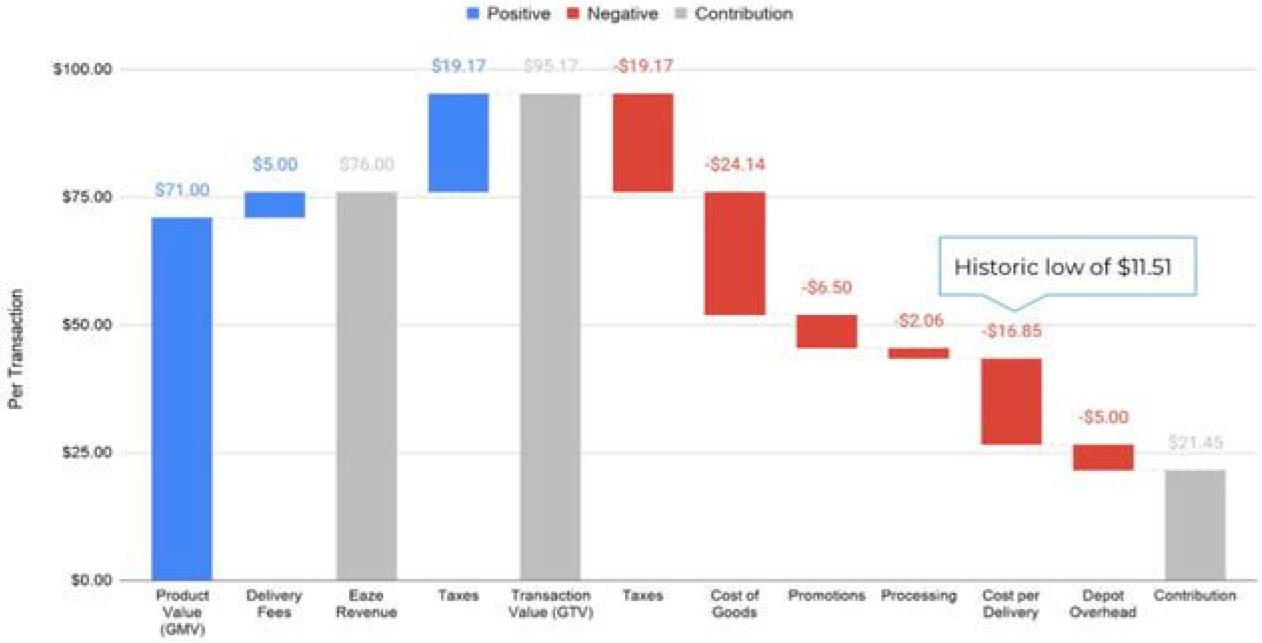
High category penetration enabling Eaze private label brands to grow ownership of GTV

~25% penetration vaporizer category

~25% penetration flower category

Note: Vaporizer shows penetration of SF dispensary and flower shows penetration of LA dispensary.

As we take control of depots and build private label brands, our contribution margin improves to 25%+



[1] Gross Transaction Value equals total product costs plus taxes and fees.

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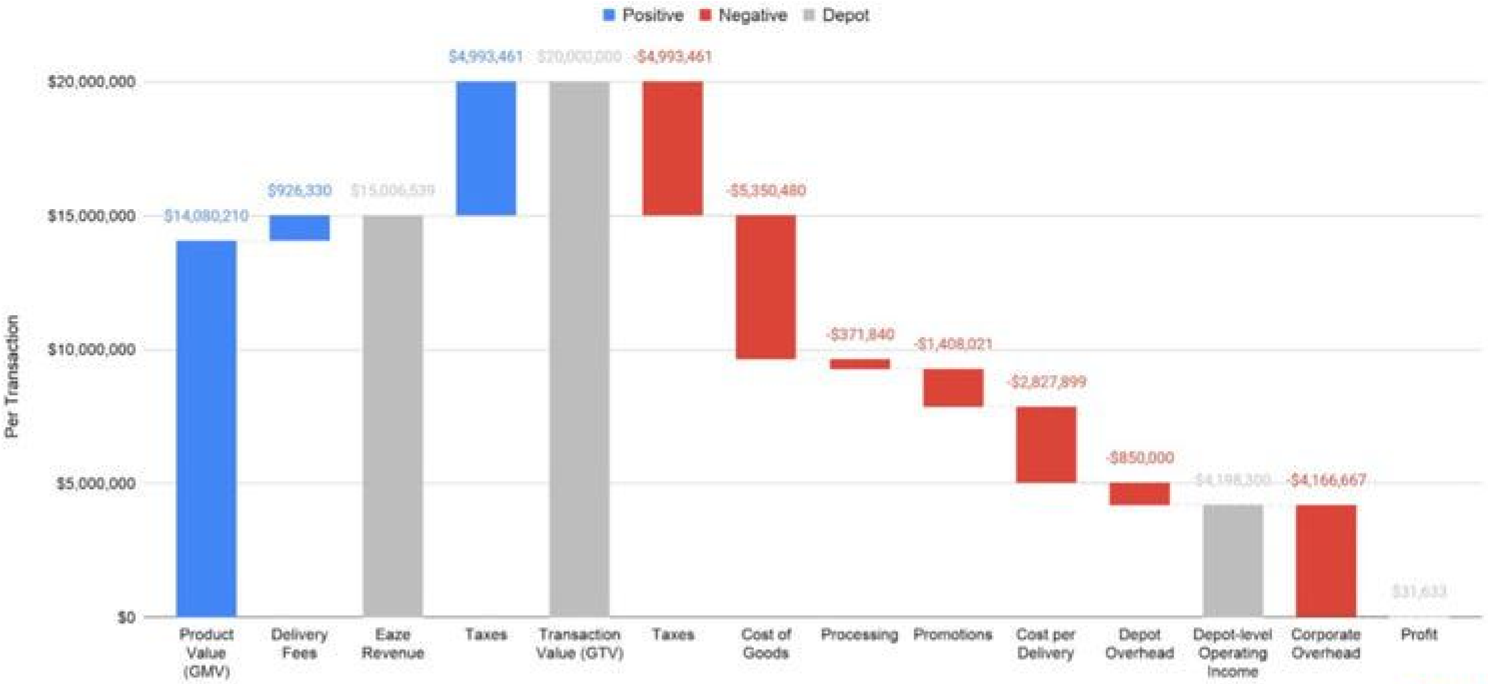
EBITDA positive at ~$20M of GTV[1] per month



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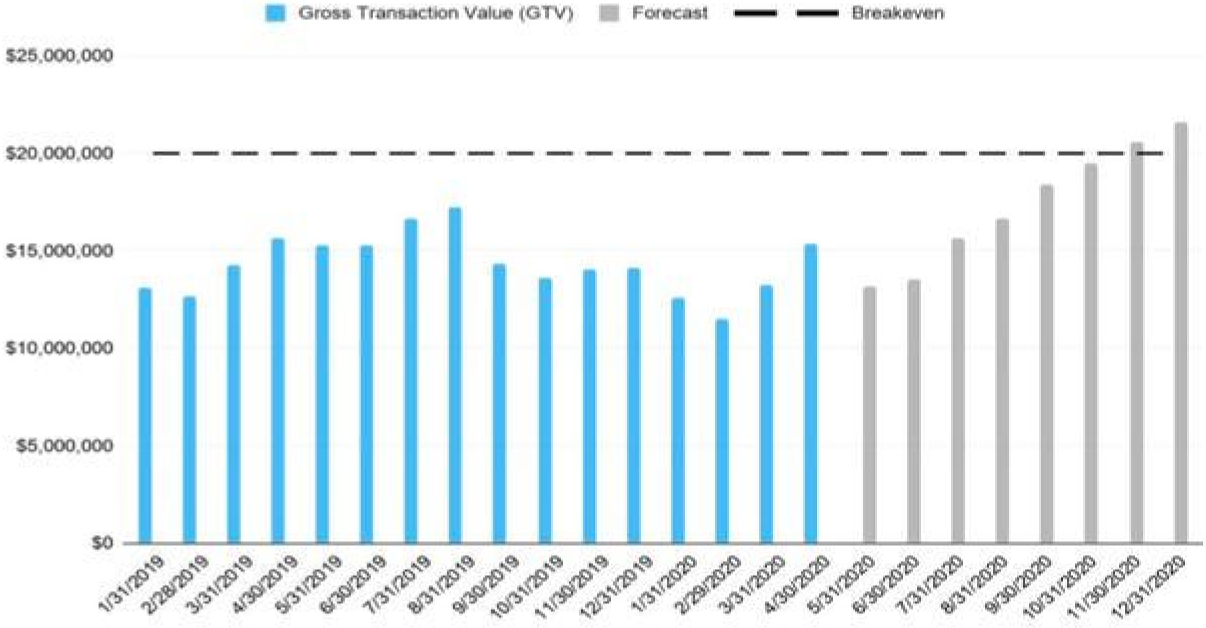
[1] Gross Transaction Value equals total product costs plus taxes and fees.

Expect to reach $20M in GTV[1] in Q4-2020 with increased marketing in 2H-2020 after network consolidation



[1] Gross Transaction Value equals total product costs plus taxes and fees.
Note: Blue represents actual gross transaction value as of April 30, 2020, while gray represents forecasted gross transaction value.

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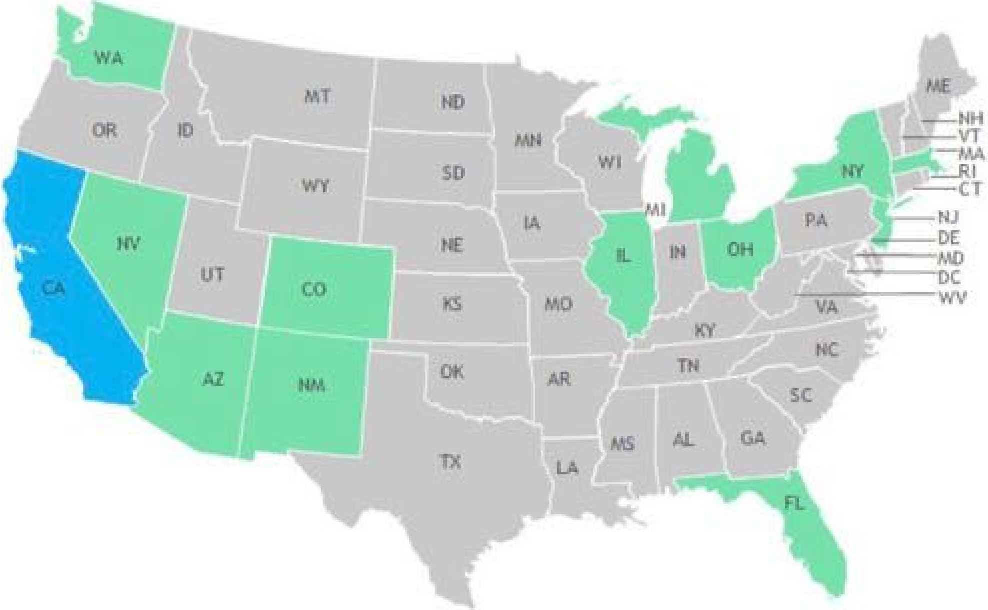
After we reach EBITDA positive in California, we will lift and shift model to other states



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Our differentiated tech, strong brand, and data-driven marketing will enable us to be successful out of state

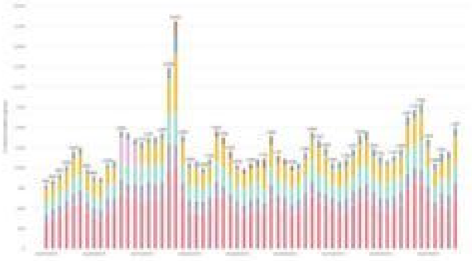
Differentiated Tech

Proprietary, differentiated and scalable tech gives us a competitive advantage

Recognizable brand

Recognizable brand with high affinity (e.g., 75 net promoter score)

Data-driven marketing



Largest customer database provides data advantage to scale in new markets

Management team

Ro Choy
Chief Executive Officer

CEO of BitTorrent and Business Leader at Ebay

Megan Miller
Chief Operating Officer

Vice President of Loggly, Docusign

Andrea Lobato
Chief Legal Officer

Dir. of Compliance at Lyft and Dir. of Legal at Judicata

John Curtis
Chief Financial Officer

CFO of Pacific Gateway Concessions, Leadership at Syniverse

Nick Fasano
Chief Revenue Officer

VP of Sales at Localytics, Axceler, and Rapid7

David Mack
SVP Comms & Public Policy

Sr. Director of Public Affairs at Lyft

Akshay Vyas
VP Technology

Vice President of Engineering at Quid, Head of UI Engineering at Docker

Cory Azzalino
SVP Finance

Restructuring CEO at DYME, Investor at Prudential Capital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