

Canned oat milk lattes co-branded with Oatly



redhatcoffee.com Austin TX [f](#) [@](#)

[Food](#) [Main Street](#) [Sustainability](#) [Product](#) [Ecommerce](#)

[OVERVIEW](#) [UPDATES](#) [WHAT PEOPLE SAY](#) [ASK A QUESTION](#)

Highlights

- 1 Annualized revenue run rate of \$800K in 2020.
- 2 We partnered with Oatly and launched our oat milk lattes in June of 2020!
- 3 Product is on shelves in Southern California, Central Texas, and NYC.
- 4 Authorized in Target stores that service a population of 30 million people.
- 5 Launched on Amazon in July 2020, H-E-B in January 2021, and Whole Foods in March 2021.
- 6 Our focus on uniquely flavored coffee beverages is in line with consumer desires.
- 7 Our health focused products are low in calories, low in sugar, gluten-free, dairy-free, all-natural.
- 8 Oat milk puts us on a path to reach global climate goals of cutting greenhouse gas emissions.

Our Team



James Darenkamp Cofounder & CFO

Spent 14 years in Corporate Finance in aerospace/defense & technology. Became a part of Red Hat Coffee in order to produce more uniquely flavored, healthy coffee alternatives to the market.

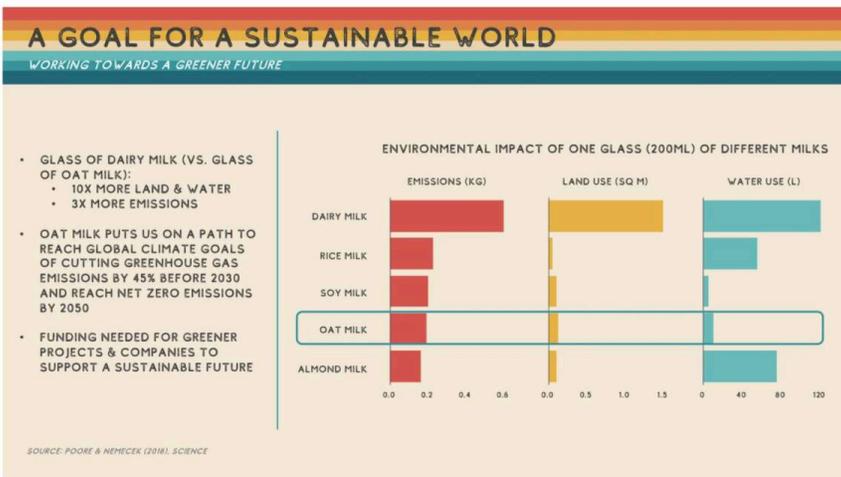
We have simple goals that we aim for relentlessly: to make coffee delicious, to only use plant-based ingredients, and to spark delight in a daily routine, all while encouraging your creative endeavors along the way. We aim to create coffee that lifts your spirits while energizing you through your lively pursuits.



Ryan King Cofounder & CEO

Spent 11 years in the U.S. Navy. Became a part of Red Hat Coffee in order to produce more uniquely flavored, healthy coffee alternatives to the market.

Pitch



WHY RED HAT COFFEE?

- WE SPECIALIZE IN UNIQUELY FLAVORED CANNED COLD BREW OAT MILK LATTES CO-BRANDED AND MADE WITH OATLY

- FOCUS ON HEALTH & SUSTAINABILITY
 - LOW CALORIE CONTENT
 - LOW SUGAR CONTENT
 - GLUTEN-FREE
 - DAIRY-FREE, USE OF SUSTAINABLY SOURCED OAT MILK
 - ALL-NATURAL INGREDIENTS
- ALL PRODUCTS ARE SHELF STABLE WITH A 1 YEAR SHELF LIFE

CORE TEAM

RYAN KING



COFOUNDER, RED HAT COFFEE

OPERATIONS
PRODUCT DEVELOPMENT
BUSINESS DEVELOPMENT
STRATEGY

JAMES DARENKAMP



COFOUNDER, RED HAT COFFEE

FINANCE
MARKETING
BUSINESS DEVELOPMENT
STRATEGY

ADVISORS

- SAM ALEXANDER – CO-PACKING, OPERATIONS
 - CEO, THE CALIFORNIA SPIRITS COMPANY
- BRET JOHNSON – SALES, MARKETING, DISTRIBUTION
 - FOUNDER, B-FUSION LLC; FORMER VP AT ROCKSTAR, PABST BREWING COMPANY, LA LIBATIONS

COMPANY TIMELINE



OPPORTUNITY SUMMARY

- HOW MUCH ARE WE RAISING?

- RAISING \$500K

- WHERE ARE WE TODAY?

- 2020 REVENUE OF \$208K, ANNUALIZED RR OF \$800K
- OUR RED HAT COFFEE BRAND CAN BE FOUND FROM CALIFORNIA TO NYC IN RETAILERS SUCH AS TARGET, H-E-B, WHOLE FOODS, AMAZON, INDEPENDENT GROCERY, AND CONVENIENCE STORES

- WHERE ARE WE GOING?

- 2021 REVENUE (EST.) OF \$1.9M (MID-CASE)
- PRODUCT, MARKET, & RETAILER EXPANSIONS

*THIS SLIDE CONTAINS FUTURE LOOKING PROJECTIONS WHICH CANNOT BE GUARANTEED

WHERE TO PLAY & HOW TO WIN

- GEOGRAPHY FOCUS

- MAJOR METRO AREAS SUCH AS SOUTHERN CALIFORNIA, NYC, AUSTIN

- TARGET MARKET

- RED HAT COFFEE - GEN Z & MILLENNIALS, LEAN FEMALE, FOCUS ON UNIQUE FLAVORS, MADE AND CO-BRANDED WITH OATLY

- RETAILERS

- BIG BOX - TARGET
- HEALTH/GROCERY - WHOLE FOODS, H-E-B
- CONVENIENCE - 7-ELEVEN, LOCAL
- ONLINE - AMAZON, SHOPIFY

- DISTRIBUTION

- UTILIZE CURRENT DISTRIBUTION NETWORK TO PUSH PRODUCTS TO RETAILERS AND ON-PREMISE ACCOUNTS

RETAILER & GEOGRAPHICAL FOOTPRINT



SOUTHERN CALIFORNIA, CENTRAL TEXAS, NYC



SOUTHERN CALIFORNIA, ARIZONA, NEVADA, HAWAII

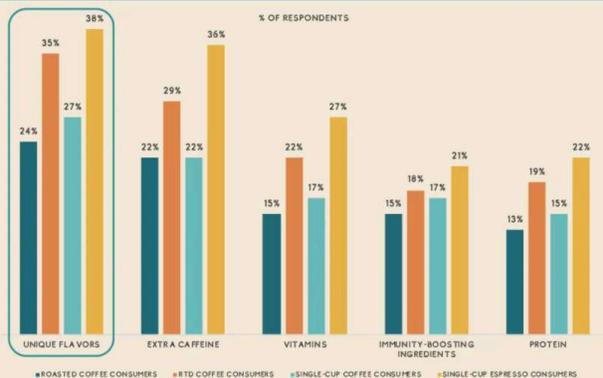


CENTRAL TEXAS



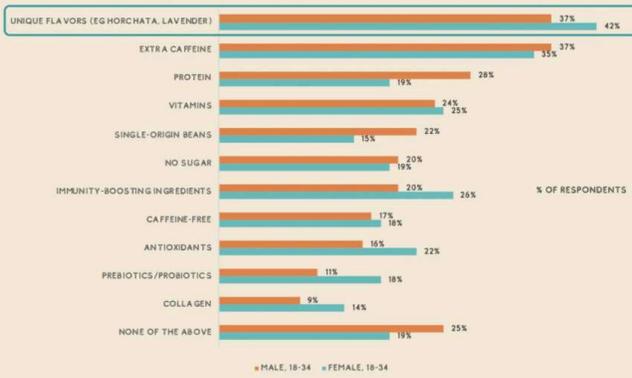
AVAILABLE NATIONWIDE (UNITED STATES)

DATA SUGGESTS INTEREST IN UNIQUE COFFEE FLAVORS



BASE: 2,000 INTERNET USERS AGED 18+ | SOURCE: LIGHTSPEED/PHINTEL (APR 2020)

DATA SUGGESTS INTEREST IN UNIQUE COFFEE FLAVORS (CONT)



BASE: 2,000 INTERNET USERS AGED 18+ | SOURCE: LIGHTSPEED/PHINTEL (APR 2020)

INDUSTRY RTD COFFEE SALES



- 2018-2019 YOY GROWTH OF 15%, OR \$0.4B

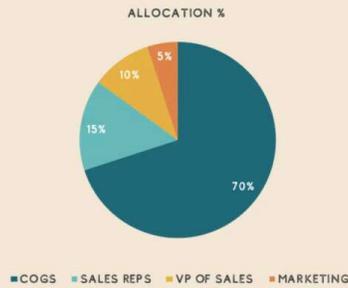
- THIS GROWTH HAS BEEN DRIVEN BY A STREAM OF INNOVATIONS IN FLAVORS, INGREDIENTS, AND ARTISANAL BREWING TECHNIQUES

2019 RTD COFFEE MARKET SIZE OF \$3.1B

SOURCE: NIELSEN RETAIL MEASUREMENT SERVICES

USES OF CAPITAL

- ALLOCATION OF CAPITAL
 - COGS - PRODUCTION COSTS INCLUDING INGREDIENTS, CANS, PACKAGING
 - SALES REPS - LA, NYC
 - VP OF SALES - SALES STRATEGY, NATIONAL ACCOUNTS
 - MARKETING - PROMOTIONS, FREE FILLS, AD CAMPAIGNS
- USES OF CAPITAL WILL ACHIEVE:
 - ECONOMIES OF SCALE TO REDUCE COGS
 - INCREASE IN ACCOUNTS
 - GROWTH IN BRAND AWARENESS



2021 FINANCIAL PROJECTIONS

	LOW CASE	MID CASE	HIGH CASE
REVENUE	\$1,309,090	\$1,875,182	\$2,556,263
COGS	\$906,293	\$1,105,877	\$1,424,531
GROSS MARGIN	\$402,797	\$769,306	\$1,131,732
GM %	31%	41%	44%
OPEX	\$468,425	\$534,017	\$595,000
OPERATING PROFIT	(\$65,628)	\$235,289	\$536,732
OP. PROFIT %	-5%	13%	21%
CASH FLOW	(\$428,599)	(\$174,856)	(\$23,782)

UNIT / ULE METRICS (MID CASE)

- CANS / YEAR - 1.0M
- PALLETS / YEAR - 318

P&L METRICS (MID CASE)

- REVENUE - \$1.9M
- GROSS MARGIN - \$0.8M
- GROSS MARGIN % - 41%
- OP. PROFIT - \$0.2M

*THIS SLIDE CONTAINS FUTURE LOOKING PROJECTIONS WHICH CANNOT BE GUARANTEED

THE OPPORTUNITY

- RAISING \$500K
- CAPITAL WILL BE USED TO FUND COGS, KEY HIRES, AND MARKETING
- THIS FUNDING ROUND WILL BE SUFFICIENT TO SUSTAIN THE ORGANIZATION WELL INTO 2021
- FUTURE FUNDING ROUNDS MAY BE INITIATED TO FUND FURTHER EXPANSION OF PRODUCTS, MARKETS, AND RETAILERS

APPENDIX

RED HAT COFFEE

FUEL YOUR CREATIVITY

- PRODUCT LINE
 - CO-BRANDED OATLY BASED CANNED OAT MILK LATTES
 - UNIQUE FLAVOR OFFERINGS – CHURRO, PEANUT BUTTER, S'MORES, ORIGINAL
- WHERE WE PLAY
 - MASS MERCHANDISERS (TARGET), GROCERY, C-STORES
- DISTRIBUTION FOOTPRINT
 - CALIFORNIA, CENTRAL TEXAS, NYC
- TARGET MARKET
 - GEN Z & MILLENNIALS, 18-35 YEARS OLD
 - FEMALE BRANDING EMPHASIS

RETAIL ACCOUNT MAPS

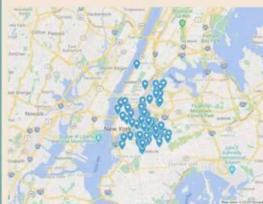
SOUTHERN CALIFORNIA



AUSTIN, TX



NEW YORK, NY



CURRENT PRODUCT LINEUP



ORIGINAL

COMBINES MODERN INGREDIENTS WITH TRADITIONAL FLAVOR. COLD BREW COFFEE MIXED WITH OATLY OAT MILK CREATES A SMOOTH AND FROTHY LATTE EXPERIENCE.

INGREDIENTS: OATLY, PURIFIED WATER, COLD BREW COFFEE

TASTING NOTES: CREAMY, NUTTY

CHURRO

SATISFIES YOUR TASTE BUDS WITH HINTS OF RICH CINNAMON AND BROWN SUGAR IN COMBINATION WITH COLD BREW COFFEE AND SMOOTH OATLY OAT MILK.

INGREDIENTS: OATLY, PURIFIED WATER, COLD BREW COFFEE, BROWN SUGAR, NATURAL FLAVORS

TASTING NOTES: RICH TASTING, CREAMY, HINTS OF WARM SPICES

PEANUT BUTTER

PROVIDES HINTS OF NUTTY FLAVOR IN COMBINATION WITH COLD BREW COFFEE AND CREAMY OATLY OAT MILK.

INGREDIENTS: OATLY, PURIFIED WATER, COLD BREW COFFEE, POWDERED PEANUT BUTTER, BROWN SUGAR, SALT

TASTING NOTES: NUTTY, CREAMY, LIGHTLY SALTED



70 CALORIES, 3g OF SUGAR

90 CALORIES, 9g OF SUGAR

110 CALORIES, 8g OF SUGAR

2021 PRODUCT RE-BRANDING (2021 Q2 LAUNCH)



RED HAT COFFEE HAS PARTNERED WITH OATLY!

- WE ARE THE ONLY RTD CANNED OAT MILK LATTES MADE WITH AND CO-BRANDED WITH OATLY
- SUPPLIER & LICENSING AGREEMENT INCLUDES USE OF OATLY NAME & LOGO FOR:
 - CO-BRANDED PRODUCTS
 - MARKETING
 - PROMOTIONAL MATERIALS
 - SOCIAL MEDIA
 - WEBSITE



TOTALLY OAT-SOME!



WHY OATLY?

- OATLY IS THE GLOBAL MARKET LEADER IN THE OATMILK CATEGORY
 - SALES OF \$200M (2019) WITH PLANS TO DOUBLE TO \$400M BY 2021*
- MORE SUSTAINABLE THAN OTHER PLANT-BASED MILKS
- CLOSEST ALTERNATIVE TO DAIRY WHEN USED IN COFFEE*
- RECEIVED \$200M IN FUNDING FROM BLACKSTONE TO FUEL EXPANSION



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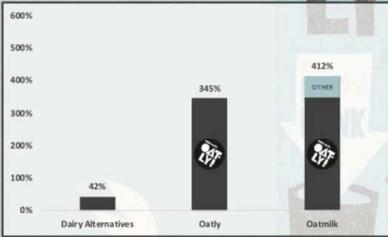
EXPANSION

*FORBES

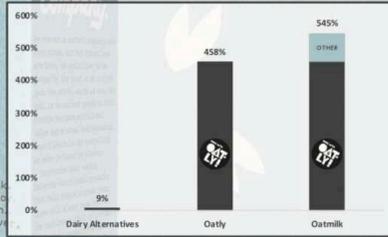
OATLY SALES PERFORMANCE



4-WEEK SALES & GROWTH*



52-WEEK SALES & GROWTH*



OATLY SALES (\$) GREW 458% OVER THE PRIOR 52 WEEKS*

*SOURCE: OATLY, FOR PERIOD ENDING 3/21/20

How much are you investing in Red Hat Coffee on these terms?

Terms:

Future Equity

\$5M \$4M valuation cap ⓘ

First \$50K will invest in a SAFE with a \$4M valuation cap and 20% discount.

I already invested

I will invest later on Wefunder

How much have you already invested in Red Hat Coffee on better terms?

What is your title and company?

What is your LinkedIn URL?

Why are you investing in Red Hat Coffee?

This will be public. See some examples of [great endorsements](#).

Red Hat Coffee's focus on uniquely flavored cold brew oat milk lattes differentiates them from their competition. They have figured out a way to put a coffee shop specialty beverage into a grab-and-go format. All of this while still focusing on health and sustainability. The company has tremendous growth ahead of them and is uniquely positioned to do well in all retail channels. They have already proven that they can land major retail accounts such as Target, Whole Foods, and H-E-B, in major metropolitan markets (Southern California, NYC, Austin, etc.). In addition, their management and advisory teams have what it takes to continuously innovate and generate a path to exit.

UPDATE INFORMATION