

ISSUER FREE WRITING PROSPECTUS DATED MAY 18, 2021  
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# Innovation in Aggregation

## We Build, Buy & Scale Amazon And eCommerce Brands

Q4 2022

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# Growth + Profitability

REVENUE

EBITDA



# Aggregation + Acceleration

Upexi acquires profitable, data-driven Amazon and D2C brands and injects resources into the business to improve operations, product offerings, and advertising to quickly scale revenue and increase profitability.

- Global B2C eCommerce Market (2020) was \$3.67 trillion, expected to grow at a CAGR of 9.7% from 2021 to 2028. ([Grandview Research](#))
- Amazon will account for 40% of all US retail eCommerce sales in 2022
- 1.3 million new sellers join Amazon every year, and 76% are profitable
- 25% of new Amazon sellers plan to sell their business to an aggregator
- That's **325,000 Amazon storefronts ripe for acquisition per year**
- Amazon owns more than 90% market share in 5 product categories, including health & wellness



# Privately Held **Aggregators**



- Founded in 2018
- Acquired & consolidated over 200 brands
- Raised ~\$3.4 billion
- Valuation of ~\$7.5 billion\*



- Founded in 2005
- Launched and acquired 34 brands
- Raised ~\$1 billion
- Valuation of ~\$1.2 billion\*



- Founded in 2019
- Acquired & consolidated over 70 brands
- Raised ~\$908 million
- Valuation north of ~\$1 billion

\* <https://nuoptima.com/aggregators>

<https://www.forbes.com/sites/ianmartin/2021/11/19/berlin-brands-group-raises-100-million-amid-fund-raising-rush-for-amazon-aggregators/?sh=533710b13a51>

# Our Advantages

## Data Acquisition

- We acquire brands with rich consumer data
- Advertising at a competitive CPA, with focus on customer LTV and online purchase behavior across industries
- Brand acquisitions with an already-established customer database to market other brands to
- Rely on overlapping industries to cross-sell current and new customers

## Logistic Solutions

- Upexi, CEO, Allan Marshall. Founder of XPO Logistics, formerly Segmentz.
- In-house logistics and fulfillment centers
- Current locations in California, Nevada, Florida, and Massachusetts
- Planned expansion into Texas and Tennessee
- 3PL services for clients and our own in-house brands, lowering costs and creating additional revenue streams
- Same day shipping, faster delivery, just-in-time inventory

# Our Acquisition Strategy



> \$10m Annual Revenue



Product Offering + Expansion



Healthy Profit Margins



Amazon Reviews + Ranking



Profitability with Scale



Scalability - Resources Needed



Current Team / Partners



Fiscal responsibility to our investors and shareholders



# Post Acquisition: Our Scaling Strategy



Leverage Amazon Experts to Optimize (Pricing, Listings, PPC)



SEO Optimization



In-house Programmatic Advertising



Sales Channel Expansion



DTC Branded Site Growth



Supply Chain Efficiencies



Product Innovation & Expansion

# Why Sellers **WANT** to Sell to Upexi

- Only publicly traded aggregator
- Continued upside if management chooses to stay on board
- Cash + stock tie owners to long term growth
- Access to capital resources and labor
- Easy deal process (*we aim for 30 days or less to agree on terms*)
- Proprietary, programmatic ad-tech platform to drive sales
- Proven track record of growth and profitability

# Acquisition: Vitamedica

## Entry Into Nutraceuticals

### Acquired: August 2021

Physician formulated products, recommended by over 3000 doctors, serving over 1 million patients

Amazon January 1 2021 - March 31 2021 = \$147,653

Amazon January 1 2022 - March 31 2022 = \$382,501

**160% YoY Growth during same period last year**

### Strategic Highlights:

- Top line and net income positive with **\$10M in total product sales**
- Diversifies our health and wellness portfolio and marks entrance into Expanding Product Categories
- Previous owners have stayed on board



# Acquisition: Interactive Offers

An SaaS, programmatic advertising company that has operated successfully in the fintech space for numerous years, with recent expansion into eCommerce to boost platform profits and growth

**Acquired: October, 2021**

**Business Synergy:**

- Proprietary advertising platform for in-house brand growth
- Exclusive ad network for Grove, it's clients and partners, driving additional revenues
- **\$15M+ gross advertising revenues last several years**
- Previous owners have stayed on board



# Acquisition: Cygnet Online

## Entry Into Amazon Resellers

**Acquired: April, 2022**

**Business Synergy:**

- **\$26.5 million TTM revenue**
- Branded OTC products and supplements in health, wellness, and beauty verticals
- 1200+ SKUs
- cGMP Facility in Palm Beach, Florida
- Team of Amazon sellers + logistics personnel
- Previous owner has stayed on board



# Acquisition: LuckyTail

## International Entry Into Petcare

**Acquired: August, 2022**

### **Business Synergy:**

- Amazon and eCommerce product line of pet care grooming and nutritional products
- Established presence in US, Canada, and Australia
- **\$10M+ gross revenues last several years**



# Brand Launch: Cure Mushrooms

- Launched May, 2022
- US, Organic Medicinal Mushroom Extracts
- In 2020, the global Medicinal Mushroom market size was USD 52.97 billion and it is expected to reach USD 91.19 billion by the end of 2027, with a CAGR of 7.6% during 2021-2027. (MarketWatch)
- Amazon + Shopify Storefronts



# Brand Launch: Qubes

- Initial Launch, 2021
- New formulation of leading, gummy vitamins and supplements arriving 2022
- The global gummy vitamins market size is estimated to be valued around USD 5.9 billion in 2020 and is projected to reach USD 10.6 billion by 2025, recording a CAGR of 12.5%, according to MarketsandMarkets.
- Shopify Storefronts + Amazon (coming 2022)





# Keys For Continued Growth

- Experience Management Focused on Growth with Margins
- Fiscally Responsible Corporate Culture
- Acquisitions with Multiples that Drive Growth at Sensible Costs
- In-House Brand Launches to Drive Growth with Higher Margins
- Organic Growth to Remain a Core Driver of Higher Margins
- Capital Management Plan to Maximize ROI for Shareholders