Business Plan
Bonžur LLC
Larissa Stanberry, President/CEO
January XX, 2016

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Executive Summary
Business Description

Bonžur LLC (pronounced bonzhoor) is a Washington-based limited liability company formed in 2014 to develop, manufacture, and distribute an original food product - žur (pronounced zhoor). It is owned and operated by Larissa Stanberry, sole proprietor of the business. The company is located in Puget Sound (Lynnwood, WA) in a metro area with high-income consumers of specialty and natural food products.

Plant-based foods are a fast growing category; more people than ever before are looking to include non-dairy alternatives in their daily diets. Although plant-based milks and frozen desserts (soy, almond, coconut, etc.) have shown consistently strong growth over the past few years, dairy yogurts remain a top choice for breakfast and refrigerated snack items.

Bonžur will manufacture a quality plant-based product as an alternative to traditional dairy yogurts. With the intent to build a nationally recognized brand, Žur Oat Pudding will be available on grocery shelves and served in schools, hospitals, and college cafeterias – first regionally, then nationally.

Product Description

Inspired by an old family recipe, Žur Oat Pudding is a delectable cooked pudding that can serve as a nourishing breakfast, healthy snack, or quick lunch. Žur is high in soluble fiber and was traditionally used to help digestion, quiet inflammation, and improve sleep.

Made from high quality, organic, plant-based ingredients Žur Oat Pudding contains no diary, soy, eggs, gluten, or genetically engineered ingredients. Žur is a prebiotic product naturally high in soluble fiber. The main ingredients include powerful antioxidants and have been shown to promote digestion and heart health in scientific studies. Žur is a cultured probiotic product and contains beneficial bacteria that improve intestinal health. The tartness of the probiotics is balanced by just a touch of sweeteners and flavored with fruit juice or puree and spices.

Žur Oat Pudding will debut four original flavors: lemon, cinnamon, banana, and chocolate. The flavors have been carefully developed through multiple revisions – and sampled by hundreds of potential consumers – to ensure the flavor, quality, and consistency of the product. A healthy and nutritious pudding with a silky smooth consistency and refreshing taste, Žur is packaged in single-serve containers for convenience and portion control.

The product line offers a wide range of expansion opportunities as well, into seasonal flavors, additional sweet and savory options, packaging for baby food, and sport snacks and drinks, and protein shakes.

Major Strengths

Žur Oat Pudding, our first product line, is a “better for you” product. Consumers perceive oats to be a healthy food, they are free from common allergens, and provide a plant-based alternative to dairy products.

We are sourcing organic ingredients locally and regionally as much as possible and, to date, consumer feedback has been overwhelmingly positive.

Because we are working with strong manufacturing and distribution partners, we are receiving advice and support from experts in production and distribution of “short-shelf-life” refrigerated products.
Major Weaknesses

Žur Oat Pudding is a new type of product and new to the market with a formulation that doesn’t fit conventional segment descriptions. We anticipate the need for consumer education in the form of demos and sampling in supermarkets as well as outreach to the blogger community.

We acknowledge that we will face competition for shelf space from established companies in the refrigerator case and that we have a limited product mix compared to competitive products.

As a start-up company, Bonžur is currently self-funded by the owner, and we recognize that limited capital may mean that we will not be able to capitalize on growth opportunities. We are currently seeking investments from family, friends, and angel investors.
Manufacturing and Operations

Co-Packer

Bonžur will enter into a co-packing arrangement with Island Spring Organics Inc., an established food producer on Vashon Island, WA, that has been manufacturing healthy soy-based products since 1976. Island Spring’s Letter of Intent regarding a co-packing relationship can be found in Appendix X.

Island Spring operates a 4,000 square foot manufacturing plant that includes storage, processing equipment, blast freezer, and refrigerated storage. Island Spring is a USDA-certified organic food processor.

The company is an industry leader in manufacturing practices and food safety and consistently receives an excellent grade by an independent audit from ASI Food Safety. Bonžur and Island Spring Organics are currently developing a HACCP (Hazard Analysis Critical Control Point) Plan for the manufacture of Žur Oat Pudding.

Luke Lukoskie is an owner and CEO of the Island Spring. Luke built the company from ground up from his first batch of tofu manufactured in a utility shed to the state of the art plant in operation today. Luke strives to provide a positive work environment and development opportunity for the employees.

Island Spring has a team of experienced, well-trained, highly-skilled, and dedicated employees including an administrative assistant, mechanical engineer, a quality assurance manager, an IT specialist, a driver, and plant employees.

Island Spring location is in close proximity to large, high-per-capita consumption markets of Western Washington and Oregon and Northern California. With time additional processing capacity will be built in the eastern half of the US to minimize the distribution costs to large Eastern markets.

Production and Packaging

Currently Island Spring has a Hinds-Bock SP-64 filler, which can process approximately 20 cups per minute in a semi-automated fashion. To reduce the cost of production and to prepare for growth, we will lease an automatic rotary filling machine, which can process about 30 cups/min.

The filler will be coupled with sealing equipment that incorporates a nitrogen flush as the seal applied is to ensure an extended shelf life.

The rotary filler will provide sufficient output to fulfill the distribution orders as we launch the product. As demand increases, we will add more efficient, high-capacity inline fillers that would quadruple the output without adding extra staff.

When we begin full production, the product will be packaged into individual, single-serve 5.3 ounce (150 gram) cups heat sealed with a foil lid. The preprinted cups (ready to be filled and sealed) and foil seals will be supplied by XXX.

The quotes for the packaging and filling machines are located in Appendix XX.
Market Analysis

The Opportunity

Consumer choice. Today American customers are busier than ever balancing a hectic schedule of work, family, personal activities, and professional events. Working couples, busy students, and soccer moms all look to packaged healthy foods as a convenient on-the-go breakfast, quick snack, or meal alternative for office, home, sports, or travel.

Foods we used to consider snacks now offer healthy yet indulgent options for many “eating opportunities.” When choosing a breakfast, snack, or meal, consumers are selecting foods that are “better-for-you” and contain all natural, organic ingredients, raw cane sugar, natural flavors, and are minimally processed.

Key preferred characteristics for products described as “better-for-you” are:

- Nutritious: whole grain, high-protein, high-fiber products.
- Sustainable: Products made from fair-trade, responsibly sourced, local or regional ingredients.
- Products that are: low in salt, sugar, fat, calories, and carbohydrates, non-GMO, gluten-free, and contain no high-fructose corn syrup, artificial colors, or preservatives.

Current status. Refrigerated snacks are a $22 billion industry in North America and yogurt is the largest segment. In 2017, the US yogurt market is expected to reach $9.3 billion. With 50% market share, Greek yogurt is the strongest yogurt category. First introduced to American consumers in 2007 by Hamdi Ulukaya, a Turkish entrepreneur and a founder of Chobani, Greek yogurt production grew 729% from 2010 through 2014.

Clearly the competition for today’s refrigerated snack dollar is strong. However, consumers are looking for new alternatives to conventional dairy and non-dairy yogurt products; they are tired of walking through supermarket aisles and seeing “me-too” products.

Business opportunity. To capitalize on consumer demand for healthy and wholesome products, companies are introducing a range of new products that include grain-based foods (primarily quinoa and/or oatmeal), blended yogurts with oats or granola, and specialty plant-based puddings with chia and flax seeds.

At the same time, plant-based diets are on the rise with consumers looking for healthy, nutritious, and delicious plant-based products to add to their menus. WhiteWave Foods, a marketer of plant-based beverages, has identified more than $2.7 billion worth of potential business in the US market in plant-based yogurts, creamers, and frozen desserts, a category it says is largely under-developed.

This untapped market potential has encouraged our team at Bonžur LLC to develop Žur Oat Pudding, a nutritious portable snack and easy-to-eat meal alternative, and bring it to market.

Our goal is to build a nationally recognized brand to manufacture and distribute Žur Oat Pudding, a wholesome, healthy, and delicious option for breakfast, snack on the go, or guilt-free indulgence for dessert. In a market dominated by milk-based and conventional seed-based products, Žur Oat Pudding is a unique, oat-based food that will appeal to a wide range of consumers.
Bonžur may be a small company, but we have big plans. After all, as the Hartman Group says, “It’s small that really counts today: two-thirds of the growth in the food industry in 2014 came from small food companies.”

Industry Trends

American consumers are making a multitude of choices when shopping, and at the dairy case they must decide between dairy versus nondairy products, animal- or plant-based foods. In September 2015, at the Barclays Global Consumer Staples Conference in Boston, WhiteWave Foods CEO Gregg Engles reported that in comparison to dairy beverages, plant-based beverages have seen an increase in household penetration from 18% in 2010 to 31% in 2015.

With all the mixed messages and competing claims about healthy foods, the American public is questioning food choices and seeking healthy nutritious products on the retail shelves. Younger consumers are reaching for snacks to accompany – or substitute for – their meals, and the “better-for-you” category is set to benefit.

According to the 2014 forecast by NPD Group, a market research company covering consumer behavior in 21 industries including food consumption, snack foods eaten as main meals will grow by 5% over the next five years. The strongest growth will be in the better-for-you categories like bars, yogurts, and fresh fruit.

Mondelēz International Foodservice’s “2014 Snacks and Desserts Trend Report” suggests that:

- Parents concerned about children’s health are exploring nutritional snack options and introducing kids to multicultural foods at a much younger age.
- Consumers seek more information about where their food comes from and how it is produced, and that includes snacks and desserts.
- Tart foods, e.g. probiotic, fermented, lemon-based or pickled, are attracting attention.

The Hartman Group’s A.C.T. “Food Culture Forecast 2015” identified the following product-related trends:

- High protein, fresh, and less processed, “free-from” foods (e.g., dairy-free), nutrient dense, and easy-to-eat hand-to-mouth healthy snacks.
- 28% of consumers look for minimally processed foods, 26% seek foods that contain only ingredients they recognize, and 25% watch for products that are local or have the shortest list of ingredients.
- Consumers are seeking digestive “superfoods,” alternative “slow carbs,” and lower-sugar-content energy foods.

Given these trends, Žur Oat Pudding has a strong market potential for the following reasons:

- Its taste and consistency appeal to consumers: it is slightly tart, creamy, with a touch of sweetness.
- It is made with a small number of quality, organic ingredients all familiar to consumers: oats, garbanzo beans, probiotic cultures, lemon juice, raw cane sugar, and spices.
- The pudding is high in protein and soluble fiber and presents a nutritious choice.
- It is “better-for-you” because it is gluten-, dairy-, GMO-, and egg-free, and low in sugar and sodium.
- The product is minimally processed.
- All Žur ingredients are perceived by consumer to have health benefits. This perception is reaffirmed by scientific studies of many of the ingredients on cardiac and digestive health.
Target Market

Our primary market target is a health-conscience consumer 19-50 years of age looking for a quick, nutritious breakfast, snack, or guilt-free dessert. Our consumers may include couples, working singles, students, and families with kids.

Based on the 2014 Hartman Group Research on grocery shopper trends, the role of primary shopper in modern households is now shared between men and women. Men now constitute 43% of primary household shoppers. For decades, women had most of grocery shopping responsibility. To leverage these new shopping habits, our market target includes both genders.

While the largest segment of the refrigerated snack category – yogurt – is still strong and growing, consumers are looking for healthy, plant-based alternatives that are high in nutrients, less processed, “free-from” allergens (e.g., dairy- and wheat-free, non-GMO), and conveniently packaged.

As the shift to consume snacks with meals – as well as between meals – takes hold, the market expansion of better-for-you snack products will continue to grow, particularly as younger generations (19-50 years) have a positive attitude toward snacking and a desire to eat more healthfully (see Figure 1).

Millennials (19-33 years) are taking an active stance towards their health and are more focused on community, social issues, and humane treatment of animals than their older counterparts. According to the Hartman Group, they are significantly more likely to opt for foods made with natural ingredients and that are labeled non-GMO, organic, allergen-free, and locally grown or manufactured.

The research also indicates that compared to Boomers (51-68 years), Millennials are strongly influenced by foods with “better-for-you” claims. They are more likely than other generations to pay attention to packaging that calls out organic, allergens, certifications, and the “back story” or narrative about the company and/or the product.
Secondary Market

Our secondary target includes institutions such as hospitals, schools, colleges, and universities. These institutions have a steady demand for conveniently packaged, single-serving snack products.

Moreover, 550 hospitals and medical centers nation-wide have signed the Healthy Food in Health Care Pledge since it was launched in 2006. The pledge signifies an institutional commitment to serve local, nutritious, sustainable foods in patient meals and hospital cafeterias.

In Washington state, the Physicians for Social Responsibility also have asked medical institutions to:

• Purchase Organic, Food Alliance, Salmon Safe, and Fair Trade certified foods.
• Support local farmers.
• Seek sustainable product lines and encourage innovation.

On campuses, college students are demanding high-quality, nutritious meals and snacks. College cafeterias are now offering vegan/vegetarian entrees and allergen-free foods to meet the needs of students with alternated food preferences and food intolerance. Campus dining operations are supporting local agriculture, purchasing sustainably farmed meat and fish, using eco-friendly food containers, and composting food waste.

Figure 1 - Generational Differences in Package and Label Reading
Žur Oat Pudding fulfills the requirements of both consumers and institutions. Consumers are looking for healthy snacks, desserts, or meal alternatives on grocery shelves. And colleges, universities and health care institutions are looking for products that fit the needs of patients, students, staff, and the public that depend on them for daily meals and healthy snacks. Žur meets those needs as a:

- **Probiotic**, low calorie, slightly tart, creamy, oat pudding.
- Gluten-, dairy-, and egg-free product, that is low in sugar and sodium.
- High in soluble fiber and easily digested snack.
- Minimally processed food made from a short list of recognizable organic ingredients.
- Indulgent offering that comes in four different flavors conveniently packaged in single-serving cups.

**Long Term Market Opportunities**

To ensure sustainable growth and expansion of the company, Bonžur has identified three long term market opportunities including:

- Pursuing Asian American consumers
- Developing snack products for children
- Developing prepared baby food

Žur Oat Pudding is positioned to take advantage of these opportunities due to universal appeal of oats as healthy and nutritious product, organic formulation, quality ingredients, and rigorous quality and safety practices that are being developed. The product is versatile and can be easily reformulated to appeal to a new customer demographic.

**Pursuing Asian American Consumers**

According to US Census Bureau, the Asian population was the fastest growing race group in the US between 2000 and 2010. The Asian population includes Asian Indian, Chinese, Filipino, Korean, Japanese, Vietnamese or other detailed Asian responses. The population reported Asian alone or Asian with combination with other race increased by 46% from 2000 to 2010 (US Census report: https://www.census.gov/prod/cen2010/briefs/c2010br-11.pdf).

Nearly 75% of Asian population lives in ten states and the majority is concentrated in the West including California (5.6mil) and Washington (0.6 million). The Asian population in WA state grew 53% from 2000 to 2010. The Chinese population is the largest detailed Asian group across the country; other Asian groups in WA and CA metropolitan areas also include Asian Indian, Korean, and Filipino (see Figure X below).

According to the Nielsen’s Asian-American consumer report: (REF: “Asian-Americans: Culturally Connected and Forging the Future,” http://www.nielsencommunity.com/report_files/nielsen-asian-american-report-june-2015.pdf), Asian-American buying power increased 7% from $718 billion to $770 billion in 2014 and continues to rise. It is expected to reach $1 trillion by year 2018 and currently exceeds the economies of all but 18 countries worldwide. With life expectancy on average being 8.6 years more than the estimated 78.7 years’ expectancy of non-Hispanic whites, Asian Americans have greater effective buying years which presents substantial advantage for long-term marketing strategies.

Nearly 28% of Asian-Americans live in a multigenerational household, contributing to a diverse shopping list that reflects the age, health and dietary habits of the entire family. In the younger population (<18 yo), 75% are US born, effectively bridging the cultures and exerting a strong influence on the US mainstream.
Furthermore, Asian-Americans are selective shoppers and will spend more on foods that support a long-standing tradition of holistic well-being. Asian-Americans are 31% more likely than average to buy organic foods and are 23% more likely to evaluate the nutrition of products. As compared to Caucasian Millennials, Millennial Asian-American women still discriminate as heads of households making shopping and budgetary decisions while looking for quality and value. Asian-Americans value high-quality products and are brand loyal shoppers.

While rice remains a staple grain in diet of all Asian countries, oats are becoming a popular breakfast food among Asian consumers. To take advantage of increasing demand from Asian consumers, mills are expanding to produce value-added oat products, such as rolled oats, quick-cooking oats, instant oats and kiln-dried hulled oats. Asian consumers are concerned with their dietary intakes and increasingly looking up to products rich in fiber to balance the fat intake in their diet.

According to the researchers at the Ohio State University, most Asian-Americans follow a traditional Asian diet including on occasion American foods, particularly breads and cereal. Dairy consumption amongst Asians is rather low, with the exception of ice cream. Calcium comes from tofu and small fish eaten with bones. A breakfast at and Asian-American house can include hot cereal, bread, fruit juice, soy milk, fruit, nuts, rice porridge, pickled eggs, sweet potatoes.

Reaching Asian-American consumers is critical to marketers across industries and is essential for long-term success. Positioned in a Pacific Northwest, Bonžur recognizes the importance and buying power of the Asian American consumers. Our company has a unique opportunity to establish brand loyalty. Dairy-
free and grain-based, Žur Oat Pudding features ingredients very familiar to Asian American consumers. A limited market sample of our product was performed by Asian American tasters who all gave high marks for the product and express the willingness to buy it.

Our prospective demographic outreach strategy to attract Asian-American consumers includes:

1. **Developing flavors appealing to the Asian-American palette.** From our four lunch flavors, cinnamon, lemon, and chocolate are universally appealing. In addition, we are in the process of developing flavors unique particularly palatable to Asian palette including adzuki Žur and honey ginger Žur. The sample products were well received by our loyal Asian tasters. Their suggestions included adding a touch of cinnamon to the adzuki flavor and toning down the ginger in the recipe. They also thought that the products would be appealing to their children.

2. **Educating Asian-American consumers and building brand loyalty.** We will partner with an experienced marketing firm to organize in-store tasting events for Asian supermarkets in the Pacific Northwest Area, media outreach and educational events. Our potential distributor R&K serves a number of prominent Asian stores in Seattle and Portland area, most notably Uwajimaya chain. Together with our marketing firm we will design and implement the efficient marketing outreach campaign to educate the consumers about the product, its benefits and use.

**Developing Snack Products for Children**

According to “The Kids Food and Beverage market in the US, 7th Edition” report by Packaged Facts (http://www.packagedfacts.com/Kids-Food-Beverage-7937804/), the children’s food and beverage market is $23 billion segment that accounts for about 4% of the overall US food and beverage market (worth $639 billion).

Growth of kids’ food and beverage sales is outpacing that of the total market: 4.4% from 2012-2013 vs 2.9% of traditional food and beverages in the same categories. Moreover, the kids’ food market is still in its infancy and presents remarkable opportunity to introduce innovative product lines adapted for kids tastes and preferences. Packaged Facts forecasts sales of kids’ food and beverage to grow to a value of $29.8 billion by 2018. The growth will be driven by economic recovery, new product development, and increased demand for health and wellness products suitable for kids.

This makes children an important demographic group for food and beverage manufacturers. Marketers race to capitalize on this age group to build long-term brand loyalty. The kids’ food and beverage market is broad and complex. While targeting the child consumer, companies must gain acceptance and loyalty by the customer – the parent.

The Millennial parents are tech-savvy, sophisticated customers who are looking for quality, value, healthy, organic, sustainable foods and snacks that are also attractively packaged and appealing to their children. Taste alone is not sufficient to qualify food as kids’ product. The product must also by nutritious and entertaining. According to the latest report by Packaged Facts, snacks are the second product category in which marketers have a strong tendency to target kids. For products to sell, they should appeal not only to kids but to their moms,

Žur Oat Pudding is a natural fit for quality, nutritious kids’ snack. Our preliminary market testing showed that children found Žur appealing and tasty. Moreover, parents are very receptive of the product, provided its short list of ingredients. Parents and children perceive oats to be healthy and better-for-you product. Borrowing a page from existing yogurt marketing, Žur Oat
Pudding can be reformulated and packaged to appeal to children. Pouches and tubes are the obvious packaging, easily accessible and convenient for school lunches and on-the-go snacks.

Developing Prepared Baby Food

The baby food market sales value in North America has been steadily increasing in the past eight years. The United States has the largest markets sales value over $7 million in 2015. Baby food includes dried baby food (e.g. rice, oat, buckwheat cereal), prepared baby food, snacks, and beverages. While in terms of value, milk formula constitutes 2/3 of the market, prepared baby food is identified as the most promising product segment in the market (Allied Market Research “World Baby Food – Market Opportunities and Forecasts, 2014-2020,” https://www.alliedmarketresearch.com/packaged-food-market). Market share of organic weaning food in the US is about 21% and the retail sales of organic baby food were about $460 million, not including baby formula.

Increasing time constraints among working parents, urbanization, and a considerable increase in the number of working women are the key factors driving the wider adoption of prepared baby food. The growth of the baby food market is also closely coupled with the growing awareness for nutrition and quality. Growing concerns regarding the use of pesticides in food products are creating larger demand for organic and premium baby food.

Žur Oat Pudding is a unique product that requires only a slight reformulation of the original recipe to become an organic prepared baby food product. Single-grain cereal is typically the first solid food given to the baby. Many parents typically start with rice cereal, followed by oat cereal and proceed by adding fruit and vegetables to the diet. Oats are naturally sweet which makes them more appealing to an infant. Oats are perceived as a healthy choice, and rightly so.

We will explore the packaging option. Introduced only a few years ago, pouch packaging is a convenient container for storing baby food. The smooth and soft consistency of the Žur Oat Pudding makes pouch packaging an attractive alternative.

Long Term Development Strategy

Žur Oat Pudding will initially be produced under contract by Island Spring Organics, a manufacturing plant in Vashon, WA. To accommodate national expansion including an extended product line would require a new state-of-the-art plant. By our rough estimation, a $200 million, 500,000 square foot manufacturing facility would suffice to house the multiple manufacturing lines, warehouse, distribution center, and administrative offices. All development and expansion will be planned and designed to accommodate the demand for the product, reduce shipping costs to eastern and central US, and provide the flexibility to introduce new products.

Twin Falls, Idaho, is an attractive location for the prospective plant. The city is in the Pacific Northwest region and close to major freeways with easy access to metropolitan areas of Washington, Oregon, California, Idaho, and Montana. Both Chobani and Clif Bar built their new processing plants in Twin Falls. The presence of two plants in the area indicates the presence of qualified, experienced workforce. In addition to its convenient location, Twin Falls Urban Renewal Agency finances the relocation and addition of new infrastructure including roads and utility lines.

Bonžur will strive to follow the best green manufacturing practices and environmentally-friendly processes when building and operating the facility. The efforts will include designing an energy-efficient buildings and repurposing manufacturing byproducts to generate power.

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SWOT Analysis

SWOT analysis – examination of strengths, weaknesses, opportunities, and threats – is a process that identifies the internal and external factors that will affect the company’s future performance. Strengths and weaknesses are internal factor, while opportunities and threats deal with factors external to the company.

Strengths
• Oat products perceived to be healthy by consumers.
• Free from common allergens (dairy, wheat, soy, eggs).
• Vegan alternative to dairy products.
• Quality organic ingredients sourced responsibly and locally.
• Overwhelmingly positive consumer feedback.
• Strong manufacturing and distribution partners.

Weaknesses
• New product, new to the market.
• Formulation doesn’t fit conventional segment descriptions.
• Limited product mix compared to the variety of competitive products.

Opportunities
• High demand for convenient, healthy, plant-base snacks.
• Strong secondary markets such as school and campus dining as well as healthy care food service, looking for healthy, nutrient-dense snacks and breakfast alternatives
• Product line expansion: sweet and savory flavors, baby food, sport snacks and drinks.

Threats
• Inability to source organic ingredients, particularly juices and purees, at a consistent price.
• Competition for shelf space from established companies.
• Risk of failure - about 85% of new food products fail.
• Inability to capitalize on grown opportunities.

Mitigation

We have identified risks in the form of weaknesses and market threats, and present the following opportunities to mitigate those risks.

Weaknesses
• New product, new to the market.
  Because Žur is an entirely new product being introduced to the market, one that doesn’t have a complementary competing product, we will need to invest in both sampling and demo programs and initial price discounts to encourage consumers to try the products.
• Formulation doesn’t fit conventional segment descriptions.
  Žur is neither a yogurt (dairy or non-dairy) or egg and/or milk-based pudding, so it doesn’t really fit a conventional segment description in the dairy case. Because there are a few new products that are also difficult to categorize, like Chia Pod, we anticipate a new category of grain-based puddings is emerging.
• Limited product mix compared to the variety of competitive products.
  While companies like Chobani have literally hundreds of SKUs to offer in the yogurt/Greek yogurt
segment, we believe that 4 flavors will give us a good presence on the shelf. We will offer a variety of flavors should give options to a wide range of consumers. At the same time, we will continue our R&D efforts to add new flavors such as Northwest Berry Blend and Banana.

Threats

- **Inability to source organic ingredients, particularly juices and purees, at a consistent price.** We are currently purchasing fresh-squeezed lemon juice from supplier in Hood River OR and are considering sourcing juices and purees from a British Columbia company. Citrus, berries, and tropical fruits are seasonal and our cost will vary depending on the country of origin. We will need to purchase these products under contract rather than through spot buys to ensure consistent price and availability.

- **Risk of failure - about 85% of new food products fail.** Bringing new food products to market is a high-risk endeavor, however we have carefully chosen our manufacturing and distribution partners, our suppliers, and our retail partners to improve our opportunity for success. The initial response to the product from hundreds of consumers in sampling situations indicates that there is a strong interest in a non-dairy, oat-based, low salt, low sugar, low fat, refrigerated snack pudding as an alternative to both dairy and non-dairy yogurts.

- **Inability to capitalize on growth opportunities.** Because we are self-funded and have no large investors, we may not be able to scale quickly enough and expand both production and product offering should we see rapid adoption of Žur Oat Pudding. We are currently seeking investors to ensure we have the management staff, manufacturing equipment, and marketing programs in place to capitalize on our potential.

Sustainability and Environmental Impact

Žur Oat Pudding is all plant-based product and has considerably lower environmental impact when compared to animal-based snacks. The plant-based ingredients used in this product require less energy, land, and water resources than animal-based products such as the milk used in yogurt.

Table X following provides a comparative analysis of production and environmental impact costs for Žur and dairy yogurt, which we consider to be a key competitor. Grain and milk production costs have been rising steadily due to higher consumer demand, rising incomes, expansion of Asian markets, increased cost of production, and changing environmental conditions. While the production costs of oats and milk, the primary ingredients in Žur and dairy yogurt, respectively, were comparable in 2000, the cost of milk production outpaced that of oats in the past few years.

The most drastic difference in costs between the primary ingredients is in greenhouse gas (GHG) emissions. GHG emissions are primary contributors to climate change. The GHG emissions of milk production are nearly eight times higher than that of oats, is mainly due to dairy cows and their manure. Furthermore, unsustainable dairy farming and feed production can lead to environmental degradation and, in some cases, irreversible damage.

Furthermore, the manufacture of Žur Oat Pudding and yogurt leads to very different byproducts. The only byproduct of Žur manufacturing is grain pulp. The pulp can be repurposed as ingredient in baking, granola bars, composting, or animal feed. In comparison, manufacturing of dairy yogurts, in particular strained types such as Greek or Icelandic style, creates acid whey that contains lactose, lactic acid, and milk salts. As an organic byproduct, the whey has to be disposed safely. Simply dumping it into a water system would lead to the oxygen exhaustion in the water due to oxidative decomposition of organic matter.

*Confidential*
Comparison of production and environmental impact costs between Žur Oat Pudding and dairy yogurt.

<table>
<thead>
<tr>
<th>Primary Ingredient (PI)</th>
<th>Žur Oat Pudding</th>
<th>Dairy Yogurt</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL production cost per 100kg:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>$19</td>
<td>$45</td>
</tr>
<tr>
<td>2000</td>
<td>$10</td>
<td>$12</td>
</tr>
<tr>
<td>Greenhouse gas emissions, in kg of CO2 per 100kg of yield:</td>
<td>26*</td>
<td>205</td>
</tr>
<tr>
<td>Organic byproducts</td>
<td>Grain pulp</td>
<td>Whey</td>
</tr>
<tr>
<td>Byproduct utilization:</td>
<td>Baking ingredient, animal feed</td>
<td>Toxic, dispose with care</td>
</tr>
</tbody>
</table>

*Estimated from emissions for barley, wheat, rye.

**Table 1 - Production and Environmental Impact Costs**

**Competition**

The North American snack food industry is big business. Snack food is categorized into four types: salty, refrigerated, confections, and vegetable/fruit products. From 2013 to 2014, snack sales grew 2% to $128 billion. From this, the refrigerated snack section, which includes yogurt, was $22 billion.

When introducing Žur Oat Pudding, we are looking at two main competitor categories:

- Refrigerated snack foods – particularly yogurt, fruit purees, and grain-based or alternative puddings
- Shelf-stable snack foods – especially squeezable pouches for children and adults

Yogurt is one of the most popular refrigerated snack foods. Over 95 percent of Americans perceive yogurt as very or somewhat healthy and are trying to include it in their daily diet. From 2000 to 2013, annual per capita consumption of yogurt more than doubled reaching 27.5 half pint containers.

Shelf-stable snacks (e.g. fruit, vegetable, and chia purees) are competing for the same customer base as refrigerated snacks. Pouches have been extremely popular for babies, infants, and toddlers and have begun to move up the “age continuum” to acceptance by adults. Early adopters have been serious athletes eating pouched snacks during endurance events and post-workout.

Žur Oat Pudding is a novel addition to a selection of refrigerated single-served snacks, a unique alternative similar to chia puddings. However, its preparation, flavor, and texture make it more similar to yogurt.

Packaged in a single serving 5.3-ounce cup and selling for about $3, Žur Oat pudding offers a unique, nutrient-dense alternative to dairy-based foods, while providing a product free from dairy, gluten, and eggs.

Our competition falls into three primary product categories, both in the refrigerator case and shelf-stable packaging, see the following table (Table 2 – Competing Product Analysis): yogurt and yogurt-based products, fruit purees and smoothies, and grain-based products. These are as varied as fruit and vegetable juice thickened with tapioca flour, chia seeds with fruit and coconut milk, grains and nuts mixed with Greek yogurt, and oatmeal with fruit juice.

*Confidential*
### Competing Refrigerated and Shelf-Stable Snack Products and Breakfast Alternatives

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Product Name</th>
<th>Ingredients</th>
<th>Package Type</th>
<th>Target</th>
<th>Fluid Oz.</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit Purees and Smoothies</td>
<td>Fruigees</td>
<td>Fruit and vegetable juice, thickened with tapioca flour</td>
<td>Pouch</td>
<td>Adults</td>
<td>3.5</td>
<td>$1.99</td>
</tr>
<tr>
<td>Fruit Purees and Smoothies</td>
<td>GoGo SqueeZ</td>
<td>Fruit, vegetables</td>
<td>Pouch</td>
<td>Kids</td>
<td>3.2</td>
<td>$1.19</td>
</tr>
<tr>
<td>Fruit Purees and Smoothies</td>
<td>Peter Rabbit Organics</td>
<td>Fruit, vegetables</td>
<td>Pouch</td>
<td>Kids</td>
<td>4.0</td>
<td>$1.69</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Chia Pod</td>
<td>Chia seeds, fruit, coconut milk</td>
<td>Cup</td>
<td>Adults</td>
<td>6.0</td>
<td>$3.25</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Chia Pod Oats</td>
<td>Wholegrain oats, chia seeds, fruit, coconut oil - &quot;heat and eat&quot;</td>
<td>Cup</td>
<td>Adults</td>
<td>7.7</td>
<td>$3.39</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Kashi Overnight Muesli</td>
<td>Oats, rye, barley, chia, flax add milk or juice - &quot;soak overnight, eat next morning&quot; - dry weight</td>
<td>Cup</td>
<td>Adults</td>
<td>2.0</td>
<td>$2.95</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Mamma Chia</td>
<td>Fruit, vegetables, and chia</td>
<td>Pouch</td>
<td>Adults</td>
<td>3.5</td>
<td>$1.79</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Munk Pack</td>
<td>Oatmeal, quinoa, flax, and fruit</td>
<td>Pouch</td>
<td>Adults</td>
<td>4.2</td>
<td>$1.89</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Plum Organics</td>
<td>Fruit, vegetables, oats, quinoa, navy or black beans</td>
<td>Pouch</td>
<td>Kids</td>
<td>4.0</td>
<td>$2.39</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Shine Organics</td>
<td>Fruit and chia</td>
<td>Pouch</td>
<td>Adults</td>
<td>4.2</td>
<td>$1.69</td>
</tr>
<tr>
<td>Grain-based Products</td>
<td>Umpqua Oats</td>
<td>Oatmeal - dry weight - cooks in 4 min.</td>
<td>Cup</td>
<td>Adults</td>
<td>2.6</td>
<td>$2.69</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Blue Hill Veggie Yoghurts</td>
<td>Yogurt, carrot, sweet potato, beet, butternut squash, tomato, parsnip</td>
<td>Cup</td>
<td>Adults</td>
<td>5.3</td>
<td>$2.89</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Bolthouse Kid's Fruit Tubes</td>
<td>Yogurt and fruit</td>
<td>Tube</td>
<td>Kids</td>
<td>2.0</td>
<td>N/A</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Chobani Greek Yogurt Oats</td>
<td>Oats, quinoa, buckwheat, amaranth, chia, Greek yogurt</td>
<td>Cup</td>
<td>Adults</td>
<td>5.3</td>
<td>$1.29</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Earth's Best</td>
<td>Yogurt and fruit smoothies</td>
<td>Pouch</td>
<td>Kids</td>
<td>4.2</td>
<td>$1.49</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Brand</td>
<td>Ingredients</td>
<td>Container</td>
<td>Audience</td>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------</td>
<td>--------------------------------------------------</td>
<td>-----------</td>
<td>----------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Plum Organics</td>
<td>Fruit, vegetables, yogurt, grains (quinoa, barley, amaranth, millet)</td>
<td>Pouch</td>
<td>Kids</td>
<td>4.0</td>
<td>$1.79</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Stonyfield Greek and Chia</td>
<td>Greek yogurt, chia seeds</td>
<td>Cup</td>
<td>Adults</td>
<td>5.3</td>
<td>$2.79</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Yoatz</td>
<td>Fruit, yogurt, oats, chia, or flax</td>
<td>Cup</td>
<td>Adults</td>
<td>5.3</td>
<td>$1.99</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>YoCrunch</td>
<td>Greek yogurt, Kellogg's cereal - mix-in</td>
<td>Cup</td>
<td>Adults</td>
<td>4.7</td>
<td>$1.29</td>
</tr>
<tr>
<td>Yogurt-based Products</td>
<td>Zen Monkey</td>
<td>Oats, fruit, Greek yogurt</td>
<td>Cup</td>
<td>Adults</td>
<td>5.3</td>
<td>$1.99</td>
</tr>
</tbody>
</table>

Table 2 - Competing Product Analysis
Product Differentiation

Choosing flavors for an initial launch of an entirely new product is particularly challenging. Considering the competing products available, we carefully selected flavors we believe will have wide consumer appeal. According to FONA International, a food flavor development company, the three top flavors of yogurt – globally – are plain, strawberry, and vanilla.

We will launch with four flavors – three that are appropriate as a breakfast alternative as well as a snack, and a fourth that is a dessert alternative:

• Lemon – Žur Lemon Oat Pudding is by far the most popular of the four formulations we tested. The color is a rich creamy yellow, resembling lemon curd, and the taste is presents a balanced sweet/tart combination.
• Banana – Žur Banana Oat Pudding is a delicately fragrant cream-colored pudding that provides a flavor balance that is appealing eaten alone or with fruit and nuts.
• Cinnamon – Žur Cinnamon Oat Pudding presents a traditional cinnamon flavor with a hint of molasses, reminiscent of oatmeal cookies.
• Chocolate – While we conducted consumer testing of both chocolate and chocolate mint, we believe that a simple chocolate profile will have the widest appeal. The selected formula – Žur Chocolate Oat Pudding – provides a rich creamy pudding that we present as a “guilt-free treat” for snacks and (in recognition of the near universal appeal of chocolate pudding) dessert.

Our taste testing took place over multiple weekends at a local farmers market, where we received input from nearly 300 people including adults across all generational groupings and representing a wide variety of ethnicities and countries of origin. The response was overwhelmingly positive:

• “I love the lemon, it’s like lemon curd.”
• “My daughter is lactose intolerant, this is a great choice for her.”
• “I’m always looking for vegan alternatives. Where can I buy this?”
• “The chocolate tastes terrific. It would be a great dessert!”
• “I could put the lemon in a baked pie shell and have a lemon pie.”

Modern consumers are expecting more from their food and are becoming more democratic when it comes to decisions about food. To keep consumers engaged, we will roll out seasonal flavors – such as chocolate mint and pumpkin – that will be available for limited time intervals.
Pricing Strategy

Žur Oat Pudding is both a new type of product and new to the market with a formulation that doesn’t fit conventional segment descriptions. And we recognize that we face competition from established companies in the refrigerator case, who can offer hundreds of product varieties in the same space. We believe that we have a unique product and product that will support a price premium because Žur is:

- A “better-for-you” product containing all natural organic ingredients, raw cane sugar, and natural flavors.
- A nutrient-dense alternative to dairy-based foods, free from milk, gluten, and eggs.
- A product that is nutritious, grain-based, high in protein, and high in fiber.

Competitive Cost Per Ounce Comparison.

Using Table 1- Competing Product Analysis (previous) as our source data, we compared the Žur suggested retail price to 19 products in three categories: yogurt-based (9 products compared), fruit purees (3 products compared), and grain-based refrigerated snacks (8 products compared).

<table>
<thead>
<tr>
<th></th>
<th>Yogurt-based (N=9)</th>
<th>Fruit Puree (N=3)</th>
<th>Grain-based (N=8)</th>
<th>Žur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>$0.38</td>
<td>$0.42</td>
<td>$0.48</td>
<td>$0.56</td>
</tr>
<tr>
<td>Average</td>
<td>$0.39</td>
<td>$0.46</td>
<td>$0.49</td>
<td>$0.56</td>
</tr>
<tr>
<td>Max</td>
<td>$0.55</td>
<td>$0.57</td>
<td>$0.60</td>
<td>$0.56</td>
</tr>
<tr>
<td>Min</td>
<td>$0.24</td>
<td>$0.39</td>
<td>$0.40</td>
<td>$0.56</td>
</tr>
</tbody>
</table>

Table 3 - Competitive Cost Per Ounce

The grain-based products, which are the most similar to Žur, are costliest per ounce. While the fruit smoothies and purees in pouches are primarily targeting children, the “adult” alternatives are more expensive, thus increasing the median and average prices in that category.

At the same time, the yogurt-based products in cups are the least expensive per ounce. We are aiming for a retail price of approximately $3 for a 5.3-ounce cup, which results in a price per ounce higher than the median and average of the grain-based products.

Margins and Markups

The calculations of wholesale, distributor, and retailer margins (including Whole Foods Markets, which takes a higher markup), are based on percentages derived from written or verbal communication with distributors and other food processors and manufacturers. These estimates have been reviewed by R&K and deemed appropriate for our purposes in this plan. Final margins will be established upon product launch.

Bonžur’s wholesale margin is expected to be considerably lower than the target 38% in the beginning and it will increase as production efficiency improves and efficiencies of scale result in lower raw material costs.

At the point of initial launch, we will set our wholesale price at $1.29, which results in a small gross profit of approximately $0.09 per container.
Cost/Pricing Structure

<table>
<thead>
<tr>
<th>Channel margins</th>
<th>Margin</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your wholesale margin</td>
<td>38%</td>
<td>1.61</td>
</tr>
<tr>
<td>Distributor margin</td>
<td>28%</td>
<td>1.39</td>
</tr>
<tr>
<td>General Retailer Margin</td>
<td>40%</td>
<td>1.67</td>
</tr>
<tr>
<td>Whole Foods Margin</td>
<td>42%</td>
<td>1.73</td>
</tr>
</tbody>
</table>

“Cost Plus” Analysis

<table>
<thead>
<tr>
<th></th>
<th>Markup</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your product cost</td>
<td>$1.20</td>
</tr>
<tr>
<td>Your wholesale price</td>
<td>$1.93</td>
</tr>
<tr>
<td>Distributor price</td>
<td>$2.68</td>
</tr>
<tr>
<td>Retail price</td>
<td>$4.47</td>
</tr>
<tr>
<td>Whole Foods Retail price</td>
<td>$4.63</td>
</tr>
</tbody>
</table>

Target price analysis

<table>
<thead>
<tr>
<th></th>
<th>“Divider”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target retail price</td>
<td>$2.99</td>
</tr>
<tr>
<td>Target distributor price</td>
<td>$1.79</td>
</tr>
<tr>
<td>Target wholesale price</td>
<td>$1.29</td>
</tr>
<tr>
<td>Target product cost</td>
<td>$0.80</td>
</tr>
</tbody>
</table>

Table 4 - Pricing Policy - Cost Structure

Definitions:

- **Product Cost (COG)** – Our cost of goods to manufacture, package, and prepare our products for distribution. Does not include shipping charges, all products are FOB Island Spring Organics, Vashon, WA.
- **Wholesale Price** – Our production costs plus a 38% margin; our price to our distributors. As noted, our margin will be considerably lower during the initial months of product launch.
- **Distributor Price** – The distributor’s price to their customers: the retail and/or food service buyer; we have validated R&K’s margin with them.
- **Retail Price** – This is the “Manufacturer’s Recommended Retail Price,” which may or may not be the actual final price charged by the retailer. Our margin estimates have been also validated by R&K and the Whole Foods Market margin comes from documents provided by Whole Foods.

Discounts, Credits, and Promotional Allowances

Because Žur Oat Pudding is an entirely new product being introduced to the market, one that doesn’t have a directly complementary competing product, we will need to invest in both sampling and demo programs and initial price discounts to encourage consumers to try the products.

We anticipate the following discounts, credits, and promotional allowances:

- **New Item/Free-Fill** – We have authorized R&K to provide a case of each SKU at a 50% discount to stores taking on Žur Oat Pudding for the first time. R&K will receive 50% off invoice on agreed volumes needed to stock each store.
• **Introductory Pricing** – R&K will receive 15% off invoice for the first 60 days after launch on additional inventory needed replenish stock for store shelves.

• **Credits/Chargebacks for Unsold/Out-of-Date Stock** – we will apply credits to R&K invoices to cover unsold/out-of-date stock for the first 3 months of 3% against the orders for the lemon and chocolate flavors, and 5% for the vanilla and cinnamon flavors. The delivery and return of products will be closely monitored (initially weekly, then monthly) to fully understand the sell-through of Žur products and to offer the opportunity to eliminate or replace product variations.

• **Financing** – Terms will be extended to net 60 days for the initial inventory shipment to R&K for product launch, after which the terms will be 2/10, net 30.

• **Sample Programs** – R&K will charge back the manufacturers invoiced price for any samples provided to retail buyers prior to bringing them on as customers.

• **In-Store Demos** – Bonžur will provide staff to do introductory in-store demos during the product launch period: months 1-6 of the first year.

• **Shipping:** FOB, Island Spring Organics, Vashon, WA

### Distribution Strategy

We will partner with R&K Foods, Inc., a local distributor of superior natural food products, to bring the product to retail, restaurants, and food service locations. R&K specializes in short-shelf-life refrigerated food products and R&K operates a 100% refrigerated fleet.

The company is located in close proximity to dense urban areas and easy access to the interstate highway system. Currently, R&K delivers products to over 550 accounts in Western Washington, the Portland Metropolitan Area, and the San Francisco Bay Area, from warehouses in each of the respective markets.

### Sales Strategy

#### Sales Objectives

**Geographic market.** Our initial geographic target to market Žur Oat Pudding is along the I-5 corridor from the Canadian border through western Washington and western Oregon to California’s San Francisco Bay area. We will take a phased approach by first selling into Seattle, then the Portland metro area, and finally expanding into northern California.

We have estimated that there are approximately 455 independent groceries and co-op food markets in our target area, and R&K Wholesale Natural Foods, our selected distributor, currently serves approximately 550 retail, restaurant, and institution locations. By applying an estimated penetration percentage, we have arrived at an initial target of 77 stores (see Table X, following).

<table>
<thead>
<tr>
<th>Store Type/Location</th>
<th>Total</th>
<th>Penetration</th>
<th># Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Markets - Seattle Area</td>
<td>130</td>
<td>20%</td>
<td>26</td>
</tr>
<tr>
<td>Independent Markets - Portland Area</td>
<td>80</td>
<td>20%</td>
<td>16</td>
</tr>
<tr>
<td>Independent Markets - SF Bay Area</td>
<td>200</td>
<td>10%</td>
<td>20</td>
</tr>
<tr>
<td>Co-op Markets - Oregon</td>
<td>11</td>
<td>50%</td>
<td>6</td>
</tr>
<tr>
<td>Co-op Markets - Washington</td>
<td>19</td>
<td>50%</td>
<td>10</td>
</tr>
<tr>
<td>Co-op Markets - Northern CA</td>
<td>15</td>
<td>50%</td>
<td>8</td>
</tr>
<tr>
<td><strong>Prospective retailers</strong></td>
<td><strong>455</strong></td>
<td><strong>50%</strong></td>
<td><strong>77</strong></td>
</tr>
</tbody>
</table>
Žur Oat Pudding is a premium “better for you” product. We anticipate our penetration of natural food markets and co-ops will be higher than independent general market food retailers. We have also estimated our penetration will be higher in markets in the Seattle and Portland areas than in the San Francisco Bay area, partly because the product is manufactured in Seattle and made from products primarily sourced in the Pacific Northwest. This “local” halo will have more impact in Seattle and Portland than San Francisco.

**Sales rank.** We organized a number of sampling events to determine consumer preferences and finalize flavor profiles. Two large sampling events took place at the Magnolia’s Farmer’s Market in Seattle on September 12th and 26th. In addition, we also organized a number of smaller private sampling parties.

The sampling was done in two formats:
- **A/B:** customers were asked to choose between the two variations of the same flavor;
- **Preference:** customers were asked to choose their favorite flavor.

To keep consumers engaged and attentive, the sampling design was simple and did not include collection of demographic data. From our rough estimation, the product was sampled by nearly 300 people and the demographic distribution was roughly as follows:

- Race/Ethnicity: Caucasian (80%), Asian- and African America (20%)
- Gender: Female (50%)

The consumer reception of the product was overwhelmingly positive. People found the concept attractive, were pleasantly surprised by texture and consistency, gave positive feedback on flavors, and expressed strong interest in the product. Based on our consumer sample testing, we anticipate that the product popularity will rank as shown below. That is, the lemon and the chocolate will outsell the vanilla and the cinnamon by 2:1.

<table>
<thead>
<tr>
<th>Žur Flavor</th>
<th>Sampling Count A:B</th>
<th>Forecast Sales Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lemon</td>
<td>63:52</td>
<td>2X</td>
</tr>
<tr>
<td>Chocolate</td>
<td>31:50</td>
<td>2X</td>
</tr>
<tr>
<td>Vanilla</td>
<td>20:41</td>
<td>1</td>
</tr>
<tr>
<td>Cinnamon</td>
<td>25:52</td>
<td>1</td>
</tr>
<tr>
<td>Chocolate Mint</td>
<td>36:40</td>
<td>Seasonal, not for launch</td>
</tr>
</tbody>
</table>

**Order curve.** We computed a projected order curve is based on a conventional bell curve, where on average a store would order 6 cases (12 cups/case) per months (Table X, following). The calculations were based on the total number of perspective retailers (n=77) shown in Table 1, e.g. 25% of 77 stores will order 4 cases per months: 0.25*4*77=77, etc.

<table>
<thead>
<tr>
<th>Order Curve</th>
<th># Cases/Mon/Store</th>
<th>Total # Cases/Mon</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>4</td>
<td>77</td>
</tr>
<tr>
<td>50%</td>
<td>6</td>
<td>231</td>
</tr>
<tr>
<td>25%</td>
<td>8</td>
<td>154</td>
</tr>
<tr>
<td><strong>Total Cases</strong></td>
<td><strong>18</strong></td>
<td><strong>462</strong></td>
</tr>
</tbody>
</table>

**Table 5 - Estimated Regional Retailer Penetration**

**Table 6 - Market Sampling Results for A/B and Anticipated Sales Rank**

**Table 7 - Order Curve and Sales Projections**
Marketing Communications Plan

Marketing Strategy

Our over-arching marketing strategy is to create messaging and positioning that clearly articulates our value to our target market. We must communicate that value through our marketing tactics to grow our third-party sales channel, build brand awareness, and support our distributors and their customers.

Figure 3 - Marketing Strategies

Marketing Tactics

To execute our strategy, we have developed a series of marketing activities in three strategic categories:

- **Lead Generation** – to identify prospective distributors and retail buyers and nurture them through the sales process.
- **Brand Awareness** – to provide “air cover” for our sales channel by building a strong regional and national brand.
- **Sales/Channel Support** – to create promotional programs that will help our channel sell through more effectively.
Lead Generation

**Distributor**

- Regional and national rollout plan
- Identify potential distributors
- Tradeshows
  - Expo Northwest (Seattle)
  - Expo East (Baltimore)
  - Summer Fancy Food Show (New York)
- Information packet (PDF) for distributors
- Website information for distributors

**Retail/Food Service**

- Compile a list of local buyers
- Joint sales calls with distributor
- Info packet (PDF) for prospective buyers

**Brand Awareness**

- Public Relations
  - Media outreach
  - Press and media announcements
- Social Media Marketing
  - Facebook
  - Twitter
  - LinkedIn
- Blogger Community Outreach – because Žur Oat Pudding is a relatively unknown formulation for an alternative to conventional yogurt, custard, and pudding, we will reach out to the blogger community to help develop brand awareness.
  - List development
  - Sampling/content development
  - Newsletter
- Awards – There is a nationally-recognized award program for new product introductions that includes an appropriate category for Žur Oat Pudding, and we will explore the opportunity for application to regional award programs.
  - sofi™ Award Application –The Specialty Food Association has been recognizing excellence in specialty foods from around the world since 1972.
- Website
- Identity materials

**Marketing Tactics**

**Communicate the Value**

- Lead Generation
- Brand Awareness
- Sales/Channel Support
- Roll-out Plan
- Public Relations
- Promotion Calendar
- Prospect Identification
- Social Media
- Demos Sampling
- Trade Shows
- Blogger Outreach
- Distributor Promotions
- Information Packets
- Award Applications
- Advertising
- Website
- Website
- Promotional Materials
- Identity
- Sell/Info

*Figure 4: Marketing Tactics*
Sales Support Programs

- Promotional Calendar
- Distributor Chargebacks/Promotion Discounts
- Advertising - Distributor catalogs
- Promotional Materials (Digital/Print) – Shelf talkers, Flags, Signs,
- Sales Support Materials (Digital/Print) – sell sheets, info sheets
- Demos/Sampling
Product Launch Calendar

Insert PDF pages with details after document is printed as PDF

Table 8 - Product Launch Calendar
Management

Larissa Stanberry, a Ph.D. graduate from the University of Washington, Seattle, is sole owner and principal of BonŻur LLC. Ms. Stanberry is an expert in experimental design and data analysis and has worked as a statistician in various academic and non-profit institutions since 2007. She is currently employed by Seattle Children’s Hospital and Research Institution, where she is responsible for analysis of operational performance and marketing opportunities.

Prior to her studies at – and graduation from – the University of Washington, Ms. Stanberry was a logistics manager at Containership St. Petersburg, a regional office of the international shipping company Containerships Ltd Oy.

During the course of her career, Larissa has supervised junior colleagues.

Organizational Chart

BonŻur LLC is a virtual company which currently outsources most corporate functions and activities to specialist contractors and service providers.

Management Responsibilities by Function

CEO: This position is currently occupied by Larissa Stanberry. Ms. Stanberry’s current responsibilities are:

• Product formulation and development
• Establishment of the relationship a local co-packer
• Sourcing ingredients, packaging, and labels
• Maintaining inventories and business financial records.

Ms. Stanberry will continue in this role at during the early stages of business development, with support services by an accountant and attorney, as needed. In this role, her focus will be:

• Investor outreach and communication
• Sales and marketing strategy development and implementation
• Product quality control through a close collaboration with the manufacturer
• New product formulation and development

CVO (Chief Visionary Officer): After product launch, once consistent revenue streams are in place, and a General Manager has been hired, Ms. Stanberry will transition to the role of Chief Visionary Officer.

Her responsibilities will include:

• Investor outreach and communication
• Sales and marketing strategy development and implementation
• New product and market development including product line extension
• New manufacturing techniques to ensure high quality while reducing costs
• Researching and establishing relationships with contractors, suppliers, and distributors
• Develop an innovative, lean business model to integrate social and environmental responsibilities into every aspect of business practice
• Creating a healthy and inspiring workplace

General Manager (TBD): This position will be filled once consistent revenue streams are in place. The General Manager will be an experienced professional, with a proven track record in the food industry. To fill this position, we will look for an individual with a strong management experience, who is enthusiastic, creative, and a forward thinker. Our preference would be for a formally-trained degreed professional. The General Manager will report directly to Ms. Stanberry, CEO/CVO.

Job responsibilities will include:

• Oversee manufacturing operations at Island Spring Organics
• Recruit, train, coach, mentor direct reports to facilitate career development and growth
• Determine operational needs and ensure compliance with company policies
• Monitor and manage compliance with state and federal regulations
• Oversee a team of contractors and functional managers
• Provide continuous feedback and financial reports to CEO/CVO
• Direct and review revenue, EBIT, operating results, and sales data
• Set goals, evaluate progress, and control expenses related to budget, labor, COGS, inventory, equipment, and capital
• Identify, communicate and drive implementation of capital investments and improvement projects
• Establish, communicate, and enforce organization policies and standards through effective planning, training and development
• Communicate company policies, values, strategies, and objectives
• Manage policy deployment to ensure lean manufacturing practices, while integrating social and environmental responsibilities
• Provide inspirational leadership to build a strong team and ensure consistent results, sustainable results
• Provide leadership for problem resolution to facilitate timely improvements and healthy working relations
• Contribute to team effort by accomplishing related results as needed

Sales: Product sales will initially be the responsibility of R&K Foods Inc., our regional distribution partner. As we scale the production, we will hire a regional sales manager to drive product sales. Job responsibilities will include:

• Provide support and high level customer service to key customers’ personnel
• Set goals, devise and deploy strategic plans to meet company revenue projections
• Interpret sales data, provide analysis, and prepare weekly, monthly, and quarterly reports
• Maintain customer documentation
• Conduct sales meetings and coordinate participation at trade shows and conventions
• Develop and maintain sales oriented marketing materials
• Jointly with a marketing consultant, devise and implement sales and marketing programs to increase market share and introduce new products
• Provide new ideas to gain market share and grow the company’s sales and profits
• Participate in product development process, submit new ideas and inspirations
• Relay feedback on the needs in the field to improve business practices

Marketing (GoodFood World, http://www.goodfoodworld.com/):

GoodFood World is a Seattle-based company that offers business and marketing services to small businesses. Over the years, GFW worked with independent local and regional food-related businesses to help them grow, expand, and successfully compete with national and global corporations. Gail Nickel-Kailing, a co-founder of the company, brings years of business experience in food industry. Gail’s focus is on high quality, natural, organic, and minimally-processed food products.

Bonžur LLC has been working with Gail Nickel-Kailing at GoodFood World on business and marketing planning since May 2015. This partnership will continue with Gail Nickel-Kailing who will help develop branding and messaging and marketing strategy.

Job responsibilities will include:

• Working with executive team, develop short and long-term marketing strategy to grow both revenue and profit
• Track marketing trends, new product entries to the market, and competing companies
• Marketing Communications: Develop and implement communication strategy, including positioning and messaging, and social media marketing
• Marketing Promotion: Develop and implement a promotion strategy, including marketing materials, website development, and event planning and coordination
• Media and Industry Relations: Develop industry and media contact list, prepare and distribute announcements, newsletters, and other communication to create opportunities for non-paid placement and coverage

Purchasing Manager (TBD): The purchasing manager will be responsible for purchasing ingredients, labels, and packaging. He/she will also be responsible for regular inventories of supplies and product.

• Act as the purchasing point person for operations
• Set goals, evaluate progress, and report expenses related to ingredient and packaging procurement
• Evaluate existing and future market conditions and determine the opportunities for strategic purchases
• Maintain supplier documentation
• Provide new sourcing initiatives and participate in negotiations
• Attend regular cross-functional meetings to assist in development and implementation of new products or product changes
• Material management to dispose of obsolete supplies;

**Contracted Service Providers**

Co-Packer/QC: Island Spring Organics ([http://www.islandspring.com/](http://www.islandspring.com/)) is a Washington-based business that has been manufacturing plant-based products (primarily tofu) since 1976. Luke Lukoskie, the founder and owner of Island Spring Organics, has over 40 years of experience of food product development, manufacturing, and distribution. Luke and his team of trained and experienced professionals pay highest attention to food safety and good manufacturing practices.

The Island Spring facility is certified organic and has a 100% clean food safety record for the entire period of operation. A letter of intent from Island Spring and the manufacturing fee schedule are included in Appendix XX.

Island Spring Organics will provide the following services:

• Develop HACCP plans for Bonžur products
• Assist with organic certification for products, including assistance for sourcing organic ingredients, if needed
• Manufacture Bonžur products according to specifications to ensure consistent superior quality and product safety
• Perform QA/QC for every product batch including taste sampling and bacterial testing
• Manage warehousing operations to store ingredient and packaging supplies and the product;
• Review supplier documentation and certification for ingredient shipment and ensure compliance with SQF, FDA/USDA food manufacturing policies
• Work closely with the sales and distribution teams to ensure orders are processed timely, correctly, and meet highest quality and safety standards
• Develop, maintain, review, and ensure compliance with good manufacturing practices
• Ensure SQF (Safe Quality Food) standards, QA/QC, FDA/USDA policies and procedures are implemented at the plant
• Responsible for hiring, mentoring, training, supervising, and disciplining employees at the food processing plant

Foundry Law Group ([http://foundrylawgroup.com](http://foundrylawgroup.com)) is a Seattle-based law firm founded by Madhu Singh, MBA. Foundry Law Group has strong ties with Seattle business community and Women’s Business Exchange, a professional women’s networking organization.

Bonžur LLC has been working with the Foundry Law Group since 2014 to establish and develop the company.

We intend to continue our partnership and expect Foundry Law Group to provide the following services:

• Establishing an appropriate company structure
• Licensing of trademarks and business assets
- Contract drafting and negotiation
- Maintaining all necessary state, county, and city licenses and ensure compliance with county, state, and federal regulations

**Flanery CPA** (http://flanerycpa.com) was founded by Marci Flanery, Ph. D., who is a licensed CPA with over 30 years experience. Marci specializes in small business tax preparation and planning. Prior opening her own practice, Marci worked in premier tax firms in Kansas City, San Francisco, and Seattle. Marci has been consulting with Bonžur LLC since 2014 and is responsible for tax preparation and planning.

We intend to continue our partnership with Flanery CPA and expect the company to provide the following services:

- Prepare annual tax return;
- Conduct business audit;
- Representation in tax court and disputes with the Internal Revenue Service should any arise;
- Advise the Company on rights, liabilities, and privileges;
- Provide financial planning advice;
- Help set financial goals and design financial strategies to achieve these goals;
- Provide consulting services on as needed basis.

**Jenn David Design** (http://jenndavid.com) is a California-based company that provides professional brand development and design services. Jenn David Design has years of experience with gourmet foods and specialty brands. Bonžur LLC will partner with Jenn David Design to develop product labels, a website complete with an e-commerce option, and relevant marketing materials.

**Harmon Blanch** (https://www.linkedin.com/pub/harmon-blanch/4b/a98/401) is a retired FDA investigator (Level II) and Consumer Services Auditor. Harmon brings years of experience in food industry including twenty years of experience as a process authority in the canning industry, and nearly fifteen years of experience in product and process development and quality control/assurance management. Harmon will consult with Bonžur LLC on HACCP (Hazard Analysis Critical Control Point) projects and quality control.
Board of Directors

Members of the board of directors

- Inside representation
- Outside representation
Financial Analysis

Funding Requested

**Amount of the loan needed**

**Loan usage**

<table>
<thead>
<tr>
<th>Loan Usage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to launch:</td>
<td></td>
</tr>
<tr>
<td>Equipment, update:</td>
<td></td>
</tr>
<tr>
<td>HACCP completion:</td>
<td></td>
</tr>
<tr>
<td>Trial run expenses:</td>
<td></td>
</tr>
<tr>
<td>Product testing:</td>
<td></td>
</tr>
<tr>
<td>Initial Production:</td>
<td></td>
</tr>
<tr>
<td>Labels</td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td></td>
</tr>
<tr>
<td>Ingredients</td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>Organic Certification</td>
<td></td>
</tr>
<tr>
<td>1st year expenses:</td>
<td></td>
</tr>
<tr>
<td>Compliance</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
</tr>
<tr>
<td>Equipment, new</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
</tr>
</tbody>
</table>

**Current financial statements**

The total household income for 2014 was $175,384 (see 1040 attached)

**Existing Loans**

Bonžur LLC has no outstanding loans.

**Minimum cash balance required for business**

The business would require a minimum cash balance of $20,000 cash

- Manufacturing costs
- Distribution costs
- Cost of Goods (ingredients, labels)
- Marketing costs
- Accounting costs

*Confidential*
Confidential

Estimated Sales, Expenses

Allowing for a gradual ramp-up as we bring more retailers online, we project the following sales and revenues for our first 12 months. Because we are aiming for a $2.89 price per cup on the retail shelf, we will have to offer the products at a loss initially. Our current cost of production is about $16.44 per case, and we will have to offer the products for $14.88 per case to meet our target retail price point. The result is a loss on production of around 9.5% per case. During Year One we will be working to reduce our ingredient cost by 5%, our packaging cost (cup, lid, label, shipping carton) by 10%, and our manufacturing fee about 24% through improved efficiency. Through these cost savings and improved efficiencies, we will be able to move from a loss to a gross profit of approximately 7%. We also will steadily grow sales until sales for the twelfth month of Year 2 are more than four times those in the twelfth month of Year One. The total projected sales increase in one year is 479%. See AppendixX

Figure 6 - 3-Year Sales Projections and Milestones
### Projected Sales Revenue

#### 3-Year Sales/Expenses/Profit Projections

<table>
<thead>
<tr>
<th>Year One</th>
<th>Mon. 1</th>
<th>Mon. 2</th>
<th>Mon. 3</th>
<th>Mon. 4</th>
<th>Mon. 5</th>
<th>Mon. 6</th>
<th>Mon. 7</th>
<th>Mon. 8</th>
<th>Mon. 9</th>
<th>Mon. 10</th>
<th>Mon. 11</th>
<th>Mon. 12</th>
<th>12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Targets/Cases</td>
<td>50</td>
<td>75</td>
<td>150</td>
<td>165</td>
<td>182</td>
<td>236</td>
<td>283</td>
<td>340</td>
<td>408</td>
<td>530</td>
<td>689</td>
<td>827</td>
<td>3,934</td>
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<tr>
<td>Target wholesale</td>
<td>$774</td>
<td>$1,161</td>
<td>$2,322</td>
<td>$2,554</td>
<td>$2,810</td>
<td>$3,653</td>
<td>$4,383</td>
<td>$5,260</td>
<td>$6,312</td>
<td>$8,205</td>
<td>$10,666</td>
<td>$12,800</td>
<td>$60,899</td>
</tr>
<tr>
<td>Current COG</td>
<td>$720</td>
<td>$1,080</td>
<td>$2,160</td>
<td>$2,376</td>
<td>$2,614</td>
<td>$3,398</td>
<td>$4,077</td>
<td>$4,893</td>
<td>$5,871</td>
<td>$7,633</td>
<td>$9,922</td>
<td>$11,907</td>
<td>$56,650</td>
</tr>
<tr>
<td>Profit/(Loss)</td>
<td>$54</td>
<td>$81</td>
<td>$162</td>
<td>$178</td>
<td>$196</td>
<td>$255</td>
<td>$306</td>
<td>$367</td>
<td>$440</td>
<td>$572</td>
<td>$744</td>
<td>$893</td>
<td>$4,249</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Two</th>
<th>Mon. 1</th>
<th>Mon. 2</th>
<th>Mon. 3</th>
<th>Mon. 4</th>
<th>Mon. 5</th>
<th>Mon. 6</th>
<th>Mon. 7</th>
<th>Mon. 8</th>
<th>Mon. 9</th>
<th>Mon. 10</th>
<th>Mon. 11</th>
<th>Mon. 12</th>
<th>12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Targets/Cases</td>
<td>992</td>
<td>1,091</td>
<td>1,310</td>
<td>1,441</td>
<td>1,729</td>
<td>2,075</td>
<td>2,490</td>
<td>2,739</td>
<td>3,149</td>
<td>3,622</td>
<td>4,165</td>
<td>4,790</td>
<td>29,591</td>
</tr>
<tr>
<td>Target wholesale</td>
<td>$15,360</td>
<td>$16,896</td>
<td>$20,275</td>
<td>$22,302</td>
<td>$26,763</td>
<td>$32,115</td>
<td>$38,538</td>
<td>$42,392</td>
<td>$48,751</td>
<td>$56,064</td>
<td>$64,743</td>
<td>$74,144</td>
<td>$458,074</td>
</tr>
<tr>
<td>Projected COG</td>
<td>$11,311</td>
<td>$12,443</td>
<td>$14,931</td>
<td>$16,424</td>
<td>$19,709</td>
<td>$23,651</td>
<td>$28,381</td>
<td>$31,219</td>
<td>$35,902</td>
<td>$41,287</td>
<td>$47,480</td>
<td>$54,602</td>
<td>$337,342</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$4,048</td>
<td>$4,453</td>
<td>$5,344</td>
<td>$5,878</td>
<td>$7,054</td>
<td>$8,465</td>
<td>$10,157</td>
<td>$11,173</td>
<td>$12,849</td>
<td>$14,777</td>
<td>$16,993</td>
<td>$19,542</td>
<td>$120,733</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Three</th>
<th>Mon. 1</th>
<th>Mon. 2</th>
<th>Mon. 3</th>
<th>Mon. 4</th>
<th>Mon. 5</th>
<th>Mon. 6</th>
<th>Mon. 7</th>
<th>Mon. 8</th>
<th>Mon. 9</th>
<th>Mon. 10</th>
<th>Mon. 11</th>
<th>Mon. 12</th>
<th>12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Targets/Cases</td>
<td>5,269</td>
<td>5,796</td>
<td>6,375</td>
<td>6,694</td>
<td>7,029</td>
<td>8,434</td>
<td>8,856</td>
<td>9,299</td>
<td>9,764</td>
<td>10,740</td>
<td>11,814</td>
<td>12,995</td>
<td>103,064</td>
</tr>
<tr>
<td>Target wholesale</td>
<td>$81,559</td>
<td>$89,715</td>
<td>$98,686</td>
<td>$103,620</td>
<td>$108,802</td>
<td>$130,562</td>
<td>$137,090</td>
<td>$143,944</td>
<td>$151,142</td>
<td>$166,256</td>
<td>$182,881</td>
<td>$201,169</td>
<td>$1,595,426</td>
</tr>
<tr>
<td>Projected COG</td>
<td>$60,063</td>
<td>$66,069</td>
<td>$72,676</td>
<td>$76,310</td>
<td>$80,125</td>
<td>$96,150</td>
<td>$100,958</td>
<td>$106,006</td>
<td>$111,306</td>
<td>$122,436</td>
<td>$134,680</td>
<td>$148,148</td>
<td>$1,174,926</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$21,496</td>
<td>$23,646</td>
<td>$26,010</td>
<td>$27,311</td>
<td>$28,676</td>
<td>$34,412</td>
<td>$36,132</td>
<td>$37,939</td>
<td>$39,836</td>
<td>$43,819</td>
<td>$48,201</td>
<td>$53,021</td>
<td>$420,500</td>
</tr>
</tbody>
</table>

#### Table 9 - 3-Year Sales/Expenses/Profit Projections

**Legend**

- **(1)** Expansion: Portland
- **(2)** #1 Inline Filler Leased
- **(3)** Expansion: San Francisco
- **(4)** #2 Inline Filler Leased
- **(5)** Expansion: South California
- **(6)** Expansion: TBD

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Projected Cost of Sales and Expenses

Credit Terms of Suppliers and Vendors

Currently all invoices from suppliers and vendors are COD, and paid by credit card at time of order.

Credit Terms to Distributor

Financing: Terms will be extended to net 60 for the initial inventory shipment to R&K for product launch, after which the terms will be 2/10, net 30.

Credits/Chargebacks for Unsold/Out-of-Date Stock: We will apply credits to R&K invoices to cover unsold/out-of-date stock for the first 3 months of 3% against the orders for the lemon and chocolate flavors, and 5% for the vanilla and cinnamon flavors. The delivery and return of products will be closely monitored (initially weekly, then monthly) to fully understand the sell-through of Žur products and to offer the opportunity to eliminate or replace product variations. These credits are subject to change.

Short-term and Long-term Expenses

<table>
<thead>
<tr>
<th>Immediate Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000 Update existing Sweco filter</td>
</tr>
<tr>
<td>$15,000 HACCP completion</td>
</tr>
<tr>
<td>$4,000 Ingredients -Trial run</td>
</tr>
<tr>
<td>$4,000 Nutrition panel testing</td>
</tr>
<tr>
<td>$2,000 Shelf life testing</td>
</tr>
<tr>
<td>$28,000 Prior to Launch</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initial Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 Labels (4 SKUs)</td>
</tr>
<tr>
<td>$3,000 Packaging</td>
</tr>
<tr>
<td>$4,000 Ingredients -Launch run</td>
</tr>
<tr>
<td>$5,000 Website development</td>
</tr>
<tr>
<td>$17,000 For Launch</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long Term - Equipment Improvements for Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000 Hinds-Bock inline filler (1 lane, 30-40 cpm)</td>
</tr>
<tr>
<td>$200,000 Hinds-Bock inline filler (2 lane, 60-80 cpm)</td>
</tr>
<tr>
<td>$273,000 SilverLine Steam Injector Cooker/Filler (8 gal/min)</td>
</tr>
</tbody>
</table>

Table 10 - Short-Term and Long-Term Expenses
Fixed Assets

List of all fixed assets, their useful lives and acquisition costs
Appendix A – Letters of Intent

Signed contract/letters of commitment
Appendix B – Key Staff and Contractor Résumés

Attach summarized employee and contractor résumés
Appendix C – Financial Statements

Insert 2014 1040