Tea drinkers are social animals.

But no one is listening..
Until now..

Charles & Company Brands creates healthy brands for the garden party lifestyle.
Tea has been revered for thousands of years.

Millennials are re-inventing tea, preserving its cultural roots, savoring its social and health benefits while exploring and inventing new forms of refreshment.

CnC is positioning itself to be at the core of this phenomenon.
VISION

We are partnering with visionaries in the tea cocktail, infused spirits and culinary arts to bring a new class of beverages to a new generation. We are creating a brand that represents a new way of thinking about a venerable product.
Younger Americans Are Ditching Coffee For Tea
Percentage of Americans who prefer coffee or tea by age group in 2015

- 18-29: 42% Coffee, 42% Tea
- 30-44: 50% Coffee, 35% Tea
- 45-64: 62% Coffee, 28% Tea
- 65+: 70% Coffee, 21% Tea
WHAT WAS BUILT ON JUST SOCIAL CAPITAL ALONE

CnC is a pioneer in the garden party movement in the Montecito - Bel Air - Hollywood crescent.
CnC will maximize revenue by creating a premium brand image. Our effectiveness in this area is evidenced by invitations to supply Silver Sea cruise lines, Crystal Cruises, Nobu Hotels, etc.
MARKET SIZE

According to the U.S. Tea Association

Ultra-premium hotels & Restaurants
(Est. 3% of market)

CHARLES & COMPANY BRANDS
MARKET SIZE

(Audacious Goal)

TAM: Total Available Market is the total market demand for a product or service.
SAM: Serviceable Available Market is the segment of the TAM targeted by your products and services which is within your geographical reach.
SOM: Serviceable Obtainable Market is the portion of SAM that you can capture.

$90 Billion+
Global tea market

$3 Billion+
U.S. specialty tea market
According to the U.S. Tea Association

10% Market Penetration

$300 Million+

CHARLES & COMPANY BRANDS
Current: Garden Party Events
Events featuring Celebrities and Non Profit or Foundation Causes
1 out of 6 Individuals purchase tea and other items at the event.
Some Successful Events to Date:
• Tea With Victoria Summer
• British Polo Day - Elon Musk, Mimi Rogers, British Royals
• Malibu VS. Palisades Polo Event - Safety Harbor Kids
• James Beard Celebrity Chef Tour
• Leonardo DiCaprio Foundation Gala
• Greta Garbo Estate Event

Current: Online Retail
Online store cnctea.com

Current: Hospitality
Charles & Co. Brand is featured in high-end restaurants and hotels and promoted by influencers such as chef Helene Henderson & the James Beard Foundation
Restaurant & Hotel Clients
• Malibu Farm - Malibu & Hawaii
• Peddlers Fork
• Olio
• Nobu Hotel
• Four Seasons
BMW Gave us $10k to throw this party.
Jen (Varas) Shepherd  
Business Intelligence  
Formerly Teavana (a Starbucks subsidiary), The Walt Disney Company, Deloitte, Harvard Business School MBA

Roberto Diaz  
Facility, Operations, Regulations, QA  
Formerly Mighty Leaf Tea

Clifton Smith III  
Business Intelligence  
Columbia MBA Candidate

Susie Uramoto  
Operations Leadership  
Formerly COO Mighty Leaf Tea, VP OPS Fosters Starbucks Coffee Company

Jen (Varas) Shepherd  
Business Intelligence  
Formerly Teavana (a Starbucks subsidiary), The Walt Disney Company, Deloitte, Harvard Business School MBA

Sherry West  
Brand Growth Strategy, Licensing, Costing, Implementation  
Formerly J. Christopher Burch, Lilly Pulitzer

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Lawrence Charles  
Founder, CEO  
Lawrence Charles Founder, CEO Lawrence started Charles & Company on a mountain bike selling tea door-to-door in Los Angeles, and has successfully placed the company’s products in several premiere restaurant and hotel brands. He is an award winning industrial designer and EY Entrepreneur of the Year Nominee, and has participated in numerous business development programs (including Dartmouth BHBP, the Initiative for a Competitive Inner City (ICIC), and USC Founder Bootcamp). Lawrence scored in the top 25% of worldwide applicants on the Predictive Admissions Test through Founder Institute’s application process. A lifelong entrepreneur, Lawrence worked his way through the industrial design program at the Art Institute of Pittsburgh performing sales consulting for a major hair clipper manufacturer. He has since done design and promotional work for the television and apparel industries, before turning his attention to disrupting the tea market. Lawrence’s skills as an industrial designer, strategist and marketer have been the key success factors of Charles & Company’s growth.

Scott Huthmacher  
COO  
Scott is an experienced executive that focuses on the operational and financial management of Charles & Company. After finishing his MBA at UCLA Anderson in 2014, Scott held C-level roles at two startup businesses. FastEvac (1/15 to 11/15) was a B2B mobile application for facility disaster evacuations, where Scott served as CFO and co-founder. Propaganda E-Liquid (12/15 to 6/18) is a manufacturer of nicotine e-liquid for electronic cigarettes. Scott was integral in the startup and scaling of Propaganda’s manufacturing operations (scaling 3x from $2.5 mm to $7.5 mm annual revenue over that period), as well as managing the company’s financial function.
WHAT CUSTOMERS ARE SAYING

THANK YOU LAWRENCE !!!!!
WE LOVE YOU AND YOUR COMPANY !!! YOU'VE ALWAYS BEEN SO GREAT ;)))
CHEERS! LIFELONG CUSTOMER!

-- Victoria
Candler, North Carolina

"Orlando Bloom is crazy about your tea," He said. "He wanted to know if we could sell him a bag of it. I told him no. You're going to have to go to their website to buy it."

Mgr @
Our partner restaurant

OMG the teas are incredible. I am indulging in the coconut chamomile. You're always so thoughtful and much appreciated. Charles has a great gift, hope he uses it wisely.

-- DGGrey
Los Angeles, California

I have my package and your note right now so I'm very happy. Thank you so much for everything! Look forward to drink it again, this time at my home..

-- Aysin
Istanbul, Turkey

"Chef Gordon Ramsay visited the restaurant. We showed him everything the restaurant has to offer, but the only thing he raved about was the tea."

Mgr @
Our partner restaurant

Thank you so much this is the best service ever, I appreciate you handling this with a sense of urgency and going out of your way.

-- Rozan
Irvine, California

Charles & Company®
We are looking for 24 months in financing to reach $3.56M in Charles & Company sales.

**ASK**

- **$1.2M**
  - Seed Round
  - Initial investment opportunity

- **61.7%**
  - Total Gross Margin
  - Over 24 months

- **$3.6M**
  - Revenue
  - Over 24 months
APPENDIX
100% PURE HUSTLE

Lawrence Charles standing for a photo on stage with the CEO’s of the major cruise lines.
PRESS

Yahoo! News
Vanichi Magazine
POLO+10
The Hollywood Reporter
Modern Luxury
Angeleno
Haute Time
Haute Living
Focus
Seatrade Cruise Global

CHARLES & COMPANY BRANDS

APPENDIX 03
Garden Party Experience Online

Charles & Company

FILTER BY CATEGORY

All Categories

Kitchen & Tabletop
Table Linens
Cocktail & Tots

COLOR

PRICE

$0

$500+
SOCIAL GOOD

While working to build the business, Charles & Company works to assist people and charities in under-served communities. Hosting round tables to create discussions and help minority communities, and creating events to help underserved charities. Tea is a key driver in sharing and having these conversations. A percentage of revenues also go towards other social and charitable initiatives like feeding the homeless.
We separate ourselves by our focus on quality.

INNOVATION
Unique blends, design centric, proprietary tea bags and packaging

VISUAL
Lush, visually pleasing, emphasizing natural sourcing.

AROMA
Whole leaf tea and complex blends make for rich aromas throughout the tea experience.

TACTILE
Consumers can touch, smell & feel the quality, whole leaves in the fine, silken tea pouches.

FLAVOR
High quality teas, fruits, herbs, and essential oils, uniquely blended make for a one of a kind flavor experience.

PERSONAL
RITUAL & CONNECTION
Deep connections with consumers are inspired with exquisite Garden Tea Parties through our Food Service venues and lush, inviting tea lounges in our retail space.
OUR MARKETING & GROWTH STRATEGY

We grow the brand through our market execution of Framing, Pollinating, then Capturing.

FRAME

The Garden Party
Our garden party theme and experience frames the Charles & Company brand; Acts as our storefront; And is our brand marketing.

POLLINATE

Wholesale Sales
Traveling, shopping and dining consumers discover, adopt, and reorder C&C from home.

CAPTURE

E-Commerce and Retail
We capture the customers who’ve tried our tea via hospitality and travel partners.

Through E-Commerce we sell our tea, but we also productize the garden party experience online.
We not only create community, but this way, people start getting exposure to our teas and blends, and we use these parties to inform them of other outlets where people can get our tea.
UNIT ECONOMICS

Based on C&C sales

Yearly Revenue Per Customer

$6

Average 1st Purchase

$36 Spend Per Year

Casual Tea Drinkers

6x Per Year

$75 Avg. Purchase

Daily Tea Drinkers

4x Per Year

$25 - $60 Cost Per Unit

Teaware

$130 Spend Per Year

+3 Units

Daily Tea Drinkers

$300 Spend Per Year

Casual Tea Drinkers

$166 Spend Per Year

$430 Spend Per Year

Daily Tea Drinkers

$75 Avg. Purchase

Teaware

+1 Units

CHARLES & COMPANY BRANDS

APPENDIX 09
## MARKET VALIDATION

<table>
<thead>
<tr>
<th>Brands:</th>
<th>Intl. Brands:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most value created product</td>
<td>Most value created</td>
</tr>
<tr>
<td>Design Focused</td>
<td>Tea Retail Units</td>
</tr>
<tr>
<td>TeaForte’s</td>
<td></td>
</tr>
<tr>
<td>Sold multiple times</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brands:</th>
<th>Intl. Brands:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sold to Peete’s Coffee</td>
<td>TeaForte’s</td>
</tr>
<tr>
<td></td>
<td>Sold multiple times</td>
</tr>
</tbody>
</table>

- **Teavana**
  - $900k Per Store
  - Annual Revenues $163M
  - Sold to Starbucks for $620M

- **MightyLeaf**
  - Annual Revenues $142M
  - Recent IPO closed at +43%

- **DavidsTea**

**$1B+**

M&A
Over 3 years

**MARKET VALIDATION**

**CHARLES & COMPANY BRANDS**

**APPENDIX 11**
INVESTMENT IN F&B

VC Investment in Food, Beverage Companies Soars

Investment in U.S.-based, venture-backed companies

- Investment Amount (in millions)
- Number of Financings

Source: Dow Jones VentureSource

Charles & Company

APPENDIX 13
NEWS

Special Report: The war on big food
by Beth Kowitt  @bethkowitt  MAY 21, 2015, 8:30 AM EDT

Major packaged-food companies lost $4 billion in market share alone last year, as shoppers swerved to fresh and organic alternatives. Can the supermarket giants win you back?

General Mills is starting a VC for food startups
by John Kell  @johnkell  OCTOBER 22, 2015, 8:34 AM EDT

The move is a telling nod by the maker of Cheerios and Lucky Charms that Big Food can learn a thing or two from entrepreneurs who are challenging the way the industry operates today. General Mills’ net sales fell 2% to $17.6 billion last year as major food makers are struggling to resonate with consumers who are buying more fresh fruits and vegetables, turning to organics, or favoring small specialty brands. Fortune wrote a special report earlier this year on the subject, “The War on Big Food.”

Campbell Soup Joins the Venture Capital Craze
by John Kell  @johnkell  FEBRUARY 17, 2016, 4:17 PM EDT

CHARLES & COMPANY BRANDS
news

Kellogg Launches VC Fund to Invest in Food Startups

The Special K and Frosted Flakes cereal maker on Monday debuted a venture-capital fund it is calling “eighteen 94 capital,” which will invest about $100 million into startups that are pioneering new ingredients, foods and packaging. The idea is to take minority stakes in those newer, smaller firms to help support their growth – mainly through the expertise Big Food makers like Kellogg can bring to packaging, marketing and distribution.

“When we acquired Teavana in 2012, we saw a unique opportunity to do for tea what Starbucks has done for coffee and expand the Teavana brand across many customer experiences and products,” said Starbucks Chairman and CEO Howard Schultz in a prepared

In recent years, hundreds of startups have raised over $6 billion in funding from traditional venture capital investors and Big Food makers, challenging legacy brands in the process at a time when consumers are shifting their purchasing patterns to favor foods they believe are “fresh” and offer a feel-good message. Big Food makers have responded by making acquisitions in the space, while also moving to make modest changes to ingredients for some of the biggest food brands to help boost sales.

Starbucks has already made great strides expanding the Teavana brand. The company’s U.S. stores have sold more than $1 billion of handcrafted Teavana drinks in the past year alone, representing 11% year-over-year sales growth.
TEA M&A +$3B

Starbucks says: It’s teatime in America

Starbucks Becomes Caffeine-Fueled IBM With Teavana Buy

Starbucks is tripled down on an IBM-like growth blueprint, with its third big acquisition in a year.

“...We believe the tea category is ripe for reinvention and rapid growth,” Howard Schultz, Starbucks' chairman, president and chief executive officer, said in a release. “The Teavana acquisition now positions us to disrupt and lead, just as we did with espresso starting three decades ago.”

Unilever adds to tea portfolio with ethical brand Pukka Herbs

Unilever acquires Starbucks tea brand Tazo in deal worth $384m

Starbucks and Anheuser-Busch to bring Teavana iced teas to market

If the US is transforming into a nation of tea-slurping geezers, Unilever does not want to miss it.
Here’s Why PepsiCo Might Be Looking To Acquire KeVita Inc

As reformer soda drinkers continue to look for healthier ways to get their caffeine fix, the world ready-to-drink (RTD) coffee and tea market is set to grow from $69 billion in 2011 to $125 billion in 2017—just under 11% annual growth—according to a study by research firm MarketersandMarkets. The

Nestlé USA to acquire Chameleon Cold-Brew

Chameleon Cold-Brew is No. 1 organic cold-brew in US

AB InBev expands non-alcohol portfolio with Hiball acquisition

Coca-Cola to acquire premium bottled water brand Topo Chico

Dr Pepper Snapple Group to Acquire Bai Brands for $1.7 Billion

Bai Brands inks distribution deal with Dr. Pepper Snapple Group

Honest Tea Announces New Partnership With Burger Chain

Fever-Tree co-founder offloads £29m stake after profit upgrade

Dr Pepper Snapple may be losing some of its fizz, but it still has pop.

The $16 billion beverage maker's stock fell as much as 6 percent Tuesday on fears that Bai Brands, in which it holds a minority stake, could end up in the hands of a rival. Bai, a maker of antioxidant, low-calorie drinks, is exploring a sale that could value it at more than $2 billion, according to Reuters.
F&B ACQUISITIONS

Nestlé takes majority stake in high-end coffee chain Blue Bottle

Michele Buck says Hershey could turn to M&A to help drive growth

Kellogg to buy Rxbar maker Chicago Bar Company for $600m

Royal Cup buys out owner of US cold-brew coffee brand Icebox

Refresco receives second takeover bid from PAI Partners

Innophos completes acquisition of Novel Ingredients for $125m

AB InBev’s The High End buys remaining stake in Virtue Cider

GreenSpace Brands makes $5m move for Canada’s Cedar juice

APPENDIX 18
# Most Active CPG Investors

**Q1’11 - Q1’16**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Investor</th>
<th>Select Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AccelFoods</td>
<td>teadrops, COWS GONE, FOUR SIGMATIC</td>
</tr>
<tr>
<td>2</td>
<td>Highland Capital Partners</td>
<td>DAVIDsTEA, ALOHA, GoodBelly, Nut My</td>
</tr>
<tr>
<td>2</td>
<td>New Ground Ventures</td>
<td>Hampton Creek, spindrift, HEALTH WARRIOR</td>
</tr>
<tr>
<td>2</td>
<td>Alliance Consumer Growth</td>
<td>suja, svol, Plum</td>
</tr>
<tr>
<td>2</td>
<td>Emil Capital Partners</td>
<td>balance, GoodBelly, Nut My</td>
</tr>
<tr>
<td>2</td>
<td>Greenmont Capital Partners</td>
<td>cheribundi, Ajiri Tea, SIX Fruits</td>
</tr>
<tr>
<td>7</td>
<td>MassChallenge</td>
<td>UNREAL, ALOHA, Hampton Creek</td>
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<td>7</td>
<td>Khosla Ventures</td>
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<tr>
<td>7</td>
<td>Food-X</td>
<td>UNREAL, ALOHA, Hampton Creek</td>
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<tr>
<td>7</td>
<td>Lerer Hippeau Ventures</td>
<td>hungryroot, LOLA, soylent</td>
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</tbody>
</table>