

# Verus International 2019



Verus Foods

## Investor Overview – July 2019

Verus International OTCQB: (VRUS)  
9841 Washingtonian Blvd, Suite 390  
Gaithersburg MD 20878

Verus Foods

# Company Description

**Verus International, Inc.** is an emerging multi-line consumer packaged goods (CPG) company developing branded product lines in the U.S., Europe, and the Middle East.



*Verus holds the exclusive license for Major League Baseball (MLB) branded frozen desserts and confections.*

Verus Foods

# Company History

## The Starting Point

Verus is the 2.0 public version of a \$125 million multi-line food business previously run as a private company by CEO Anshu Bhatnagar. Verus went public as a “re-start” by merging with RealBiz Media (OTC:RBIZ) in January 2017.



*Branded predecessor product lines are ready for restart.*



## Initial Focus: Frozen and Basic Foods

The company’s initial focus was on resurrecting the original product lines of the predecessor company, a plan that was put on hold due to merger complications during 2017-2018. The revised plan is to roll out the legacy lines over time, but to also seek out growth in new, higher margin product categories.

## Today: Rapid Product Line Expansion

In 2019, Verus began to expand its offerings, adding branded honey, rice, frozen desserts & confections to its family of products. The goal: fill the global shopping basket with Verus brands.



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# Company Strategic Evolution

2017

**Initial Goal:** create a 2.0 version of prior food company – emphasis on the GCC.



2018

**Interim Strategy:** Design new products for the GCC market, with an emphasis on beverages.



2019

**Expanded Strategy:** Add global markets and new products via in-house development and M&A.



Q1/2017 Q2/2017 Q3/2017 Q4/2017 Q1/2018 Q1/2018 Q2/2018 Q3/2018 Q4/2018 Q1/2019 Q2/2019 Q3/2019

# Geographic Footprint

In 2019, Verus plans to enter selective North & South American, European, and Asian Markets.

**Current Operations:**  
Maryland, USA  
Dubai, UAE  
Singapore

Verus has significant experience selling into the Gulf Cooperation Council (GCC) countries via its operations in Dubai. This is one of the fastest growing food and consumer product markets in the world.

# The Verus Family of Brands in the GCC

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Verus intends to operate primarily as a branded-products company. Verus's first six GCC-targeted brands cover Italian, Middle Eastern and American foods, including energy, juice and coconut beverages.



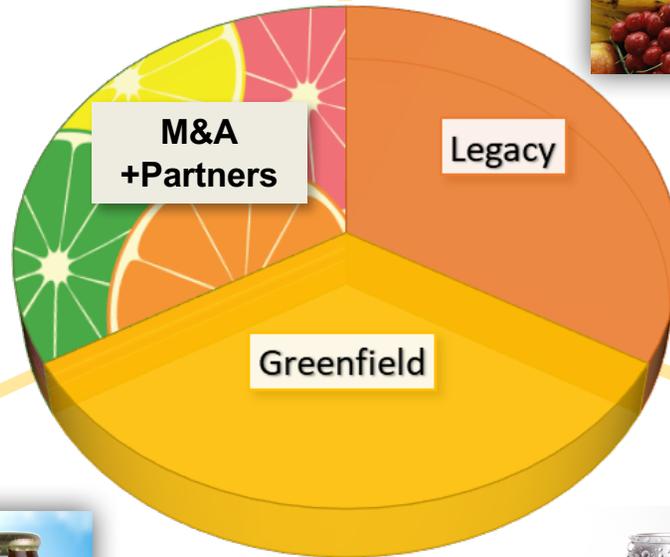
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# Current and Future Products

Three Growth Engines: M&A (+ Partnerships), Greenfield (In-House), & Legacy Restarts

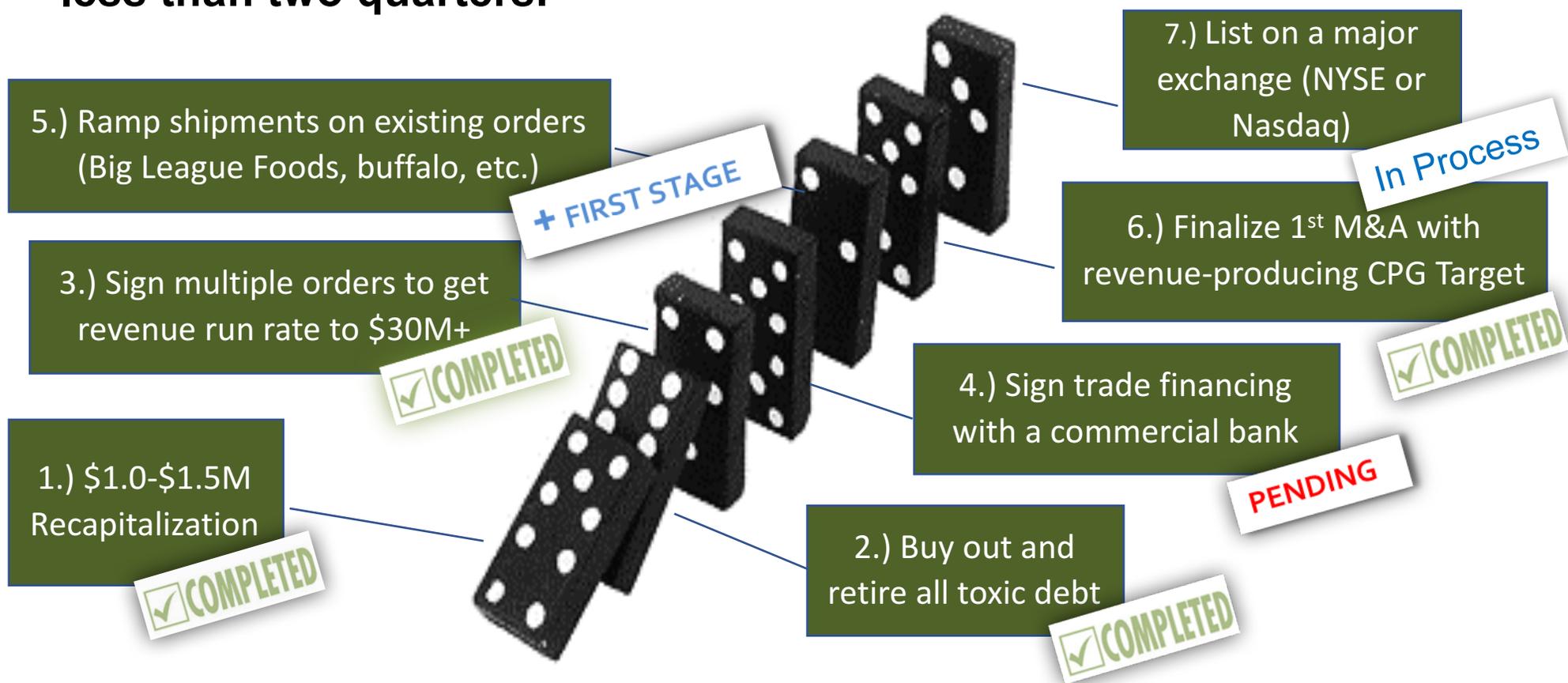


***In 2019, we will concentrate on branded, high margin products.***

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# 2019 Game Plan – Major Goals (as of July 2019)

The game plan is fully designed, with a rapid six-month timeline that is front-end loaded – potentially completing steps 1-6 in less than two quarters.



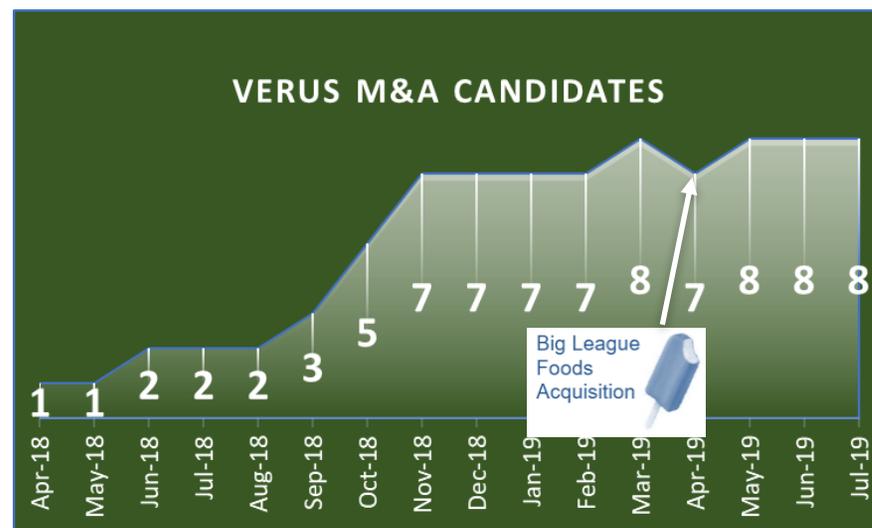
# Verus M&A – High Impact Potential

Since finally becoming an independent entity via the spin-off of the legacy business on July 31<sup>st</sup>, 2018, Verus has received significant interest from M&A candidates in the CPG space.

## Dramatic improvement, key changes:

- Prior to the spin-off, Verus had two open M&A candidates.
- Post spin-off, M&A interest increased significantly in multiple geographies and product categories.
- Verus is now being approached monthly with new M&A and/or business partnership offers, with multiple targets (as of July 2019) in various phases of due diligence.

Verus has an open-ended opportunity to layer on promising, founder-run businesses to supplement its organic growth.



# M&A 2019: Big League Foods, Inc.

Big League Foods (BLF) is a *turnkey* start-up in the frozen foods and confectionary (candy) categories.



## BIG LEAGUE FOODS

U.S.-based, BLF holds an exclusive license from Major League Baseball for frozen desserts and candy.

### Key Attributes:

- Turnkey, ready to ramp
- Initial shipments to 2,500+ retail locations (pint containers)
- License covers all 30 MLB teams
- First-year sales projected in excess of \$14M; with triple digit growth rate to follow
- Can expand to other professional sports leagues



Acquired  
April 26, 2019



Vērus Foods

# Big League Foods, Inc. – Expansion Plan

Product roll-out will be replicated around the U.S. on a regional basis.



Standardize packaging & flavors



Contract with major producers

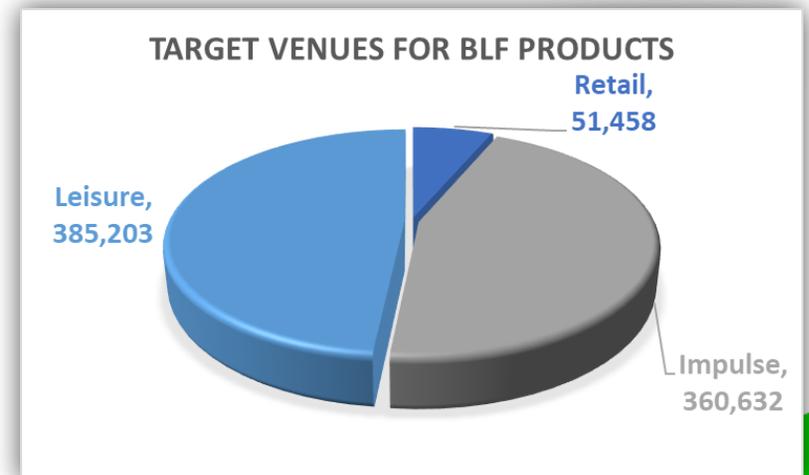


Contract with distributors

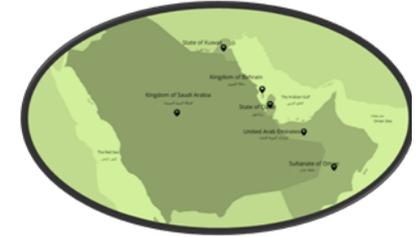


Match products to each venue

*Based on trade data, BLF has a potential market of more than 750,000 retail locations.*



# GCC Projections – Opportunities



**Verus’s footprint in the GCC is a major draw for potential partners.**

By 2020, food imports into the GCC are expected to reach \$53.1B annually. Verus’s current backlog accounts for less than 0.002% share.

Verus has not yet entered the two largest meat categories in the GCC, Poultry and Sheep/Goat

The GCC’s historical value imports of meat products in \$US million, 2012 to 2016

HS Code	Description	2012	2013	2014	2015	2016	*CAGR 2012-16
	<b>Total</b>	<b>4,408.5</b>	<b>4,847.5</b>	<b>4,773.5</b>	<b>5,046.5</b>	<b>4,438.4</b>	<b>0%</b>
0207	Frozen/fresh/chilled poultry	2,764.7	3,143.6	2,788.5	3,026.9	2,671.9	-1%
0204	Frozen/fresh meat of sheep or goat	596.8	644.8	825.7	780.4	719.7	5%
0202	Frozen beef	517.3	527.0	574.5	825.7	780.4	11%
0201	Fresh/chilled beef	246.3	281.5	338.5	367.1	359.8	10%

Source: Global Trade Tracker, 2017

\* CAGR: Compound Annual Growth Rate

In the predecessor company to Verus, Poultry represented more than 50% of sales

# Halal Experience is an Advantage for Verus

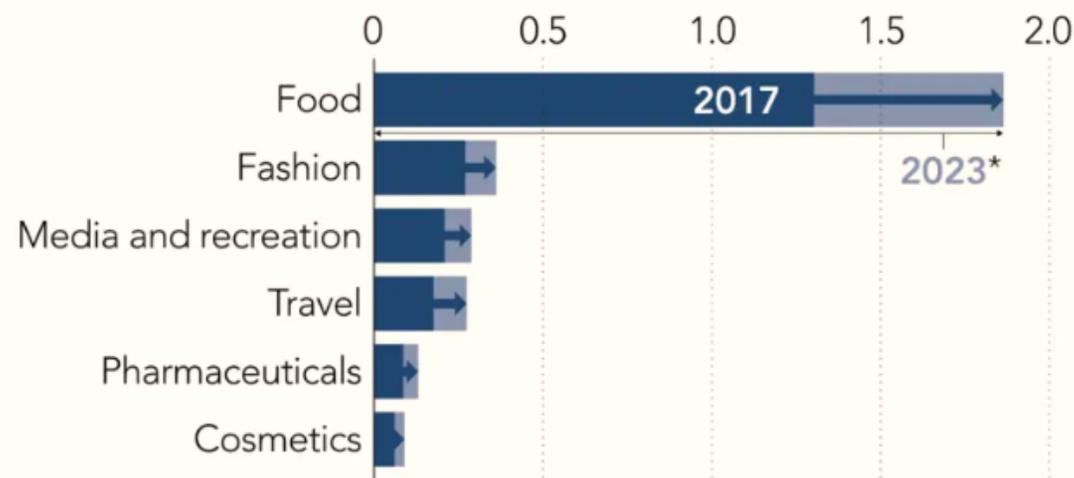
## Multiple Sets of Requirements

In many of our markets, Halal (Islamic food handling regulations) certification is an essential requirement in product labeling. We have significant experience with this process. In the GCC countries, our products must meet both Halal and USDA standards.



*Halal expertise makes Verus a desirable partner for firms looking to penetrate this massive global market segment.*

Growth of the halal economy (in trillions of dollars)



\*Projection Source: State of the Global Islamic Economy Report 2018/19

# A Typical International Wholesale Order

Verus receives a 12-month contract from a GCC wholesaler to supply \$12 million (USD) worth of poultry parts.

Verus signs supply contract, ensures Halal Certification, rebrands poultry under one of the Verus brands.

Shipment schedule set, Verus pays deposit or in full for the upcoming container(s) shipment. Supplier processes order. (14 days)



Vendor delivers container(s) to cold storage or shipping company. Verus pays vendor balance and insures shipment and customer payment through a Letter of Credit, Cash Against Document, or Credit Insurance.

Shipping company transports container(s) of frozen chicken via standard cargo ships under Cost Insurance & Freight (CIF) terms (35 days from U.S. to Dubai).

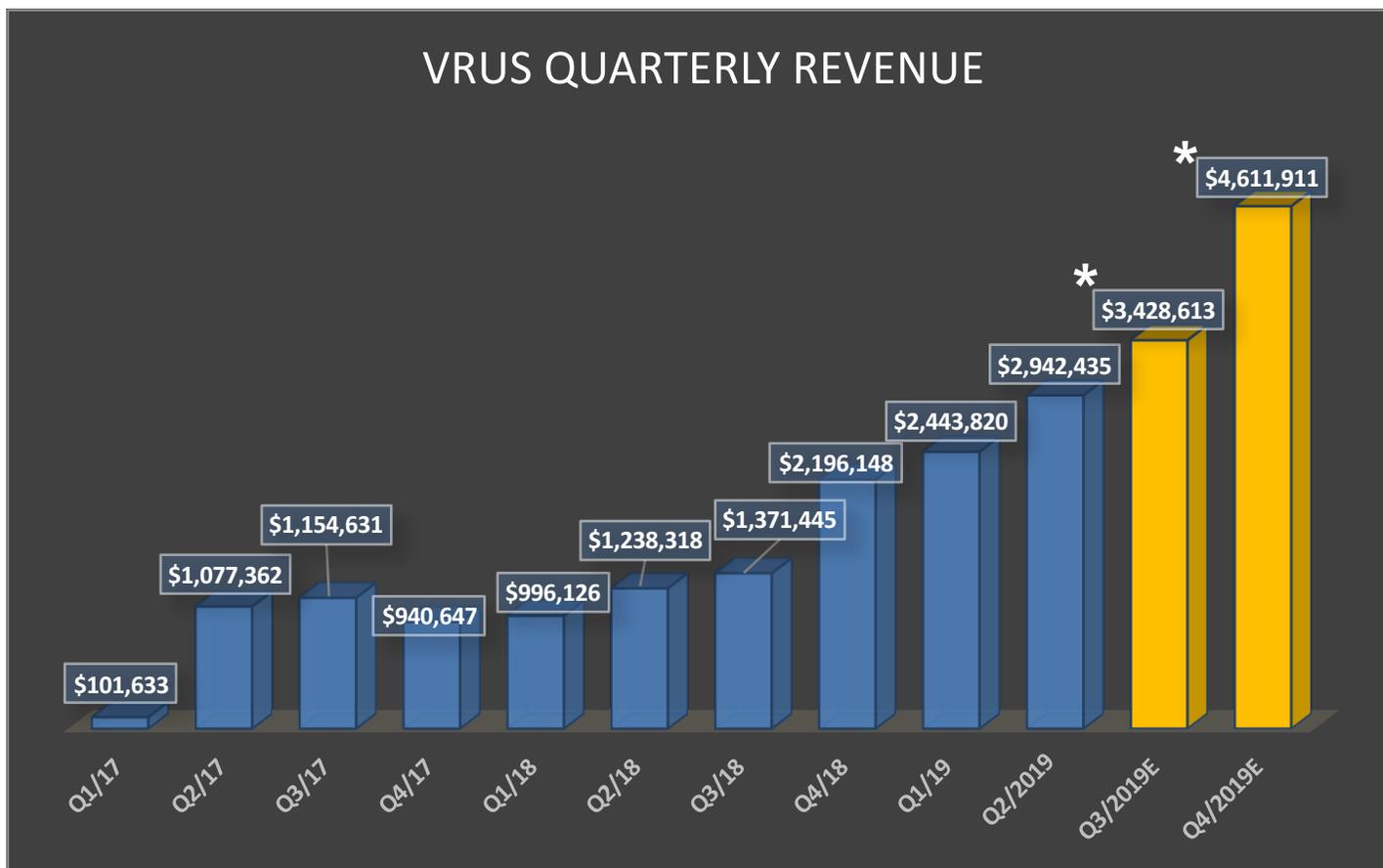
Verus does not need to clear shipment. Wholesale customer takes possession of cargo onboard or at the port and pays for shipment. Verus's responsibility ends at the dock.



Verus Foods

# Revenue Will Accelerate Through 2020

Based on current backlog, revenue visibility is excellent, with growth modelled out as far as 2021.

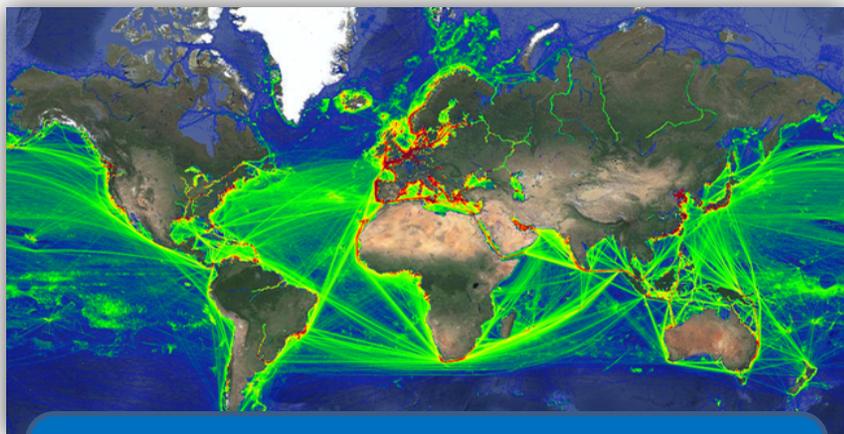


Verus expects triple digit growth rates over the next six quarters.

# Blended Net Margins Will Be Double Digit

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Verus intends to become a primarily branded products company, with gross margins from each product line ranging from 10% - 50%.



The number of CPG opportunities is nearly unlimited.

## Profitability Metrics:

- Breakeven -- \$6M in annual sales
- Gross Margin – 15.4% Q2/2019
- Gross Margin Goal – 20% (by Q4/2019)
- Net Margin Goal – 12% (by Q4/2019)

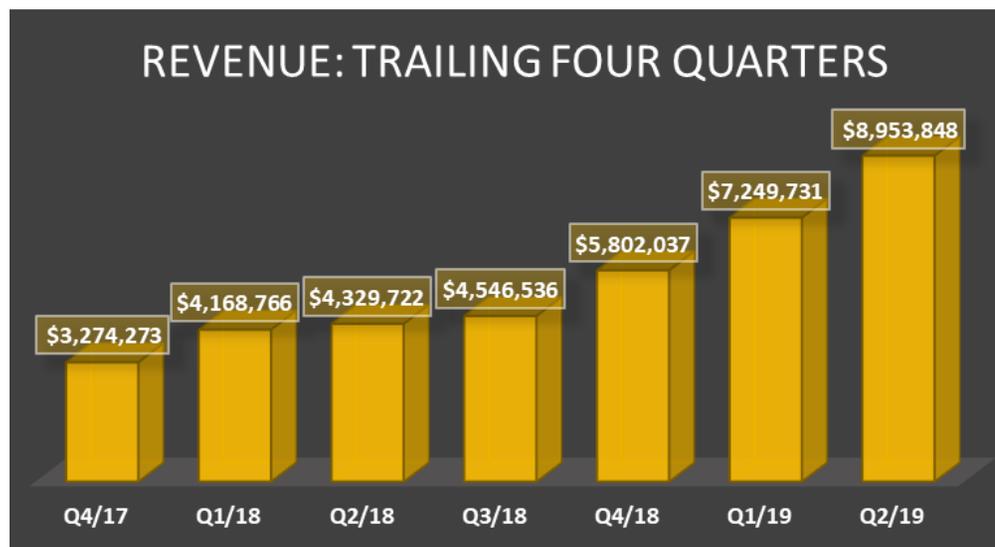
Verus is seeking new business that is branded, has high 25%+ gross margin potential, and is scalable. The number of opportunities with these metrics is abundant in the \$5M to \$30M revenue range.

# Verus is Near Profitability

The Company's growth phase is just three quarters old, with profitability possible at a low revenue threshold.

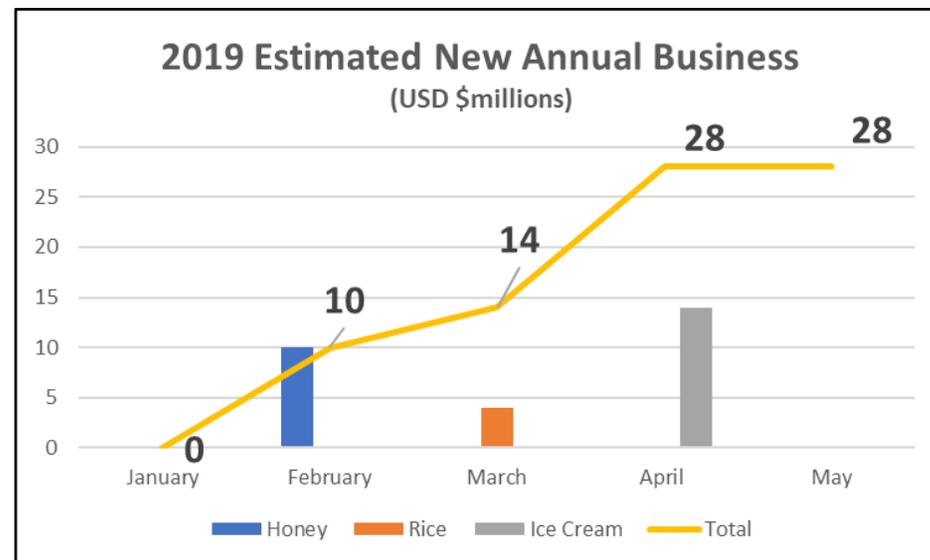
<i>VRUS audited financials</i>	Fiscal 2018 (October 31, 2018)				Fiscal 2019 (October 31, 2019)	
	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19
Revenue	\$ 996,126	\$1,238,318	\$1,371,445	\$ 2,196,148	\$2,443,820	\$ 2,942,435
Cost of revenue	938,190	1,026,581	1,147,231	1,941,452	2,077,467	2,490,130
Gross Profit	57,936	211,737	224,214	254,696	366,353	452,305
Operating Expenses	281,746	481,068	336,231	560,036	403,720	695,993
Operating (loss) income	(223,810)	(269,331)	(112,017)	(305,340)	(37,367)	(243,688)
Other (Expense) Income	(400,740)	(30,450)	(799,493)	(942,298)	(301,122)	2,408,302
(Loss) Income from continuing operations before income taxes	(624,550)	(299,781)	(911,510)	(1,247,638)	(338,489)	2,164,614
Income taxes	-	-	-	-	-	-
(Loss) Income from continuing operations	(624,550)	(299,781)	(911,510)	(1,247,638)	(338,489)	2,164,614
Income (loss) from discontinued operations	117,544	(10,779)	152,422	-	-	-
Net (loss) income	\$(507,006)	\$ (310,560)	\$ (759,088)	\$(1,247,638)	\$ (338,489)	\$ 2,164,614

# Key Trends



*Verus is on pace to establish one of the fastest revenue growth rates in the CPG sector.*

**Verus's annualized trailing four quarter revenue had already begun to accelerate prior to adding new business in 2019.**



Through the first five months of 2019, Verus added an estimated \$28 million in projected annual sales.

# Capital Can Fuel Hyper-Growth

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**Existing, primarily GCC business has a 9X multiplier in inventory turns where each \$1 can generate \$9 in revenue. The year-one multiplier for M&A is projected at 3X to 20X+ for each \$1 invested.**

## **Financing Goals:**

- Working capital to fulfill existing backlog
- M&A up-front capital, to close deals, many of which have milestone provisions, but need some cash component on the front end
- Post M&A working capital to fuel growth and start greenfield lines

**The M&A landscape for smaller CPG firms (\$3M-\$30M in revenue) is tremendous, with a consistent supply of profitable or high-potential firms that lack capital and have large unfilled backlogs. Verus is not pursuing a roll-up strategy, but plans to hand pick strategic M&A with growth potential of 100%+ and modest up-front capital requirements.**

# Board of Directors & Advisers

## Special Adviser



Anshu Bhatnagar

### Chairman

A food distribution veteran, Anshu previously founded and was CEO of a large international food products company focused on the MENA region. Prior to starting Verus, he was also a Managing Member of Blue Capital Group, a real estate oriented Multi-Family Office focused on millions of square feet of office, residential, and hotel space. He has also owned, operated and exited other successful businesses.



Michael O’Gorman

### Board Member

CEO of Crassus Holdings, Ltd, specializing in all-natural, healthy food and consumer products. Over 35 years of successful food brokerage, manufacturing, project management, finance and legal experience in the international arena. He also previously served as Chief of Staff in both the House of Rep. and Senate. He has operated a 252-acre farm where he raised crops and Black Angus cattle; and worked at major international law firms.



Thomas Fore

### Board Member

A multi-faceted entrepreneur with experience in numerous categories of business, including real estate, media, personal care products and fashion. He is currently CEO of Sora Development, an award-winning real estate development firm. His other roles include CEO of Tiderock Media and founder and board member for Digital2go.



Lalit Lal

### Adviser

A food industry veteran with extensive knowledge of the international food market, he has operated in the GCC for more than 25 years. Now based in the U.S., Mr. Lal held senior executive positions during his career at some of Dubai’s leading food companies.

*Verus will expand its board in the future.*

# Key Executives

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Chris Cutchens

## Chief Financial Officer

Mr. Cutchens previously served as the Managing Partner of Cutchens Group, LLC, which specialized in operational and financial services for public and private companies. His prior public background also includes the role of Corporate Controller at Watsco, Inc. (NYSE: WSO) a leader in air conditioning and refrigeration products; and Director of Corporate Accounting and Financial Reporting at MarineMax, Inc. (NYSE: HZO), the leading recreational boat retailer in the U.S.



Jim Wheeler

## President Big League Foods

Founder of the Big League Foods Subsidiary, Jim has more than two decades of experience in the food industry and has held CEO or other executive positions at seven food-related companies. His experience includes both product development and operations. Jim is responsible for all aspects of the MLB-branded product roll-out.

## Corporate Goals:

- Uplist to a major exchange
- Gain sell-side coverage
- Inclusion on an index and Exchange-Traded Fund (ETF)

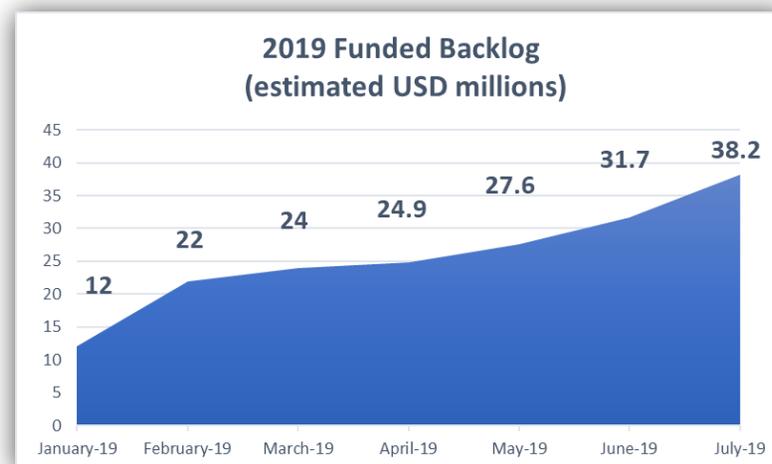
*Verus is assembling a team of professionals with the experience to build a significant public company in the CPG space.*

# Why invest in Verus?

**Verus International is the only micro-cap, U.S.-listed diversified food company attempting to build a multi-line business. We have a detailed, achievable game plan that can be replicated in multiple countries and regions. Our 12-month operational goals include:**

- Roll out ice cream/candy featuring all 30 Major League Baseball teams
- Fund existing unfilled backlog and add new backlog
- Sign new sources of non-dilutive commercial financing
- Restart legacy business lines & roll-out newly designed products
- Complete strategic M&A

*In June of 2019, Verus passed the \$30M mark in estimated funded backlog.*



# Contact Information

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# Safe Harbor Statement

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Forward-looking statements contained in this presentation involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially and adversely from those expressed or implied by such forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to our outlook or expectations for earnings, revenues, expenses, asset quality, volatility of our common stock, financial condition or other future financial or business performance, strategies, expectations, or business prospects, or the impact of legal, regulatory or supervisory matters on our business, results of operations or financial condition.

Forward-looking statements can be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “target” or similar expressions. Forward-looking statements reflect our judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences will be discussed in the section titled “Risk Factors” in our future Form 10-Q and 10-K filings following our business transition and in any subsequent filings under the Exchange Act and in our other SEC filings.

Additionally, there may be other factors that could preclude us from realizing the predictions made in the forward-looking statements. We operate in a continually changing business environment and new factors emerge from time to time. We cannot predict such factors or assess the impact, if any, of such factors on our financial position or results of operations. All forward-looking statements included in this presentation speak only as of the date of this presentation and you are cautioned not to place undue reliance on any such forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events.