



KM Inc December 2021 Investor Update

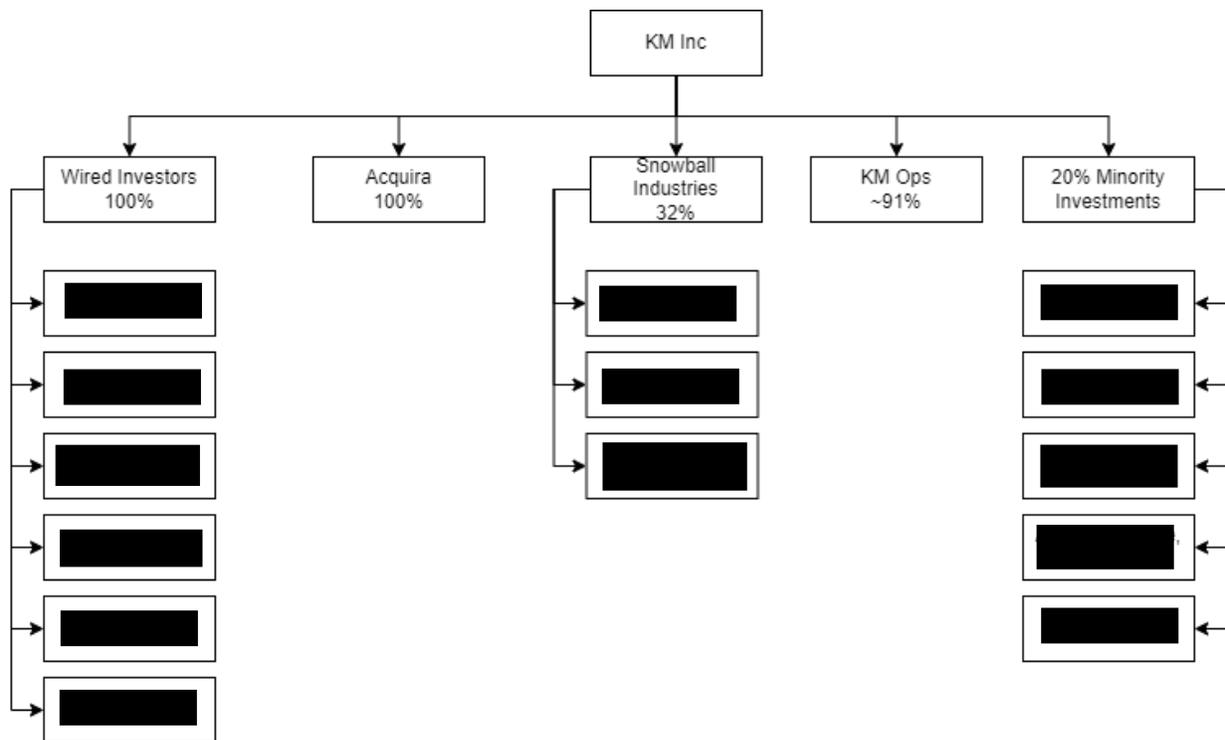
Dear Investors,

Hope you're doing well and have gotten some R&R over the holidays.

We wanted to take a moment and give you an update on some of our accomplishments in 2021, as well as our goals for 2022.

Our Entity Structure

As a reminder, Kingmakers Inc. is a holding company with several divisions. Below is an outline of our entities, and the % ownership of each:



Each of these divisions has its own management team, objectives, and goals. A few of the key initiatives that we've been working on over the past 6 months include:



Acqira.com and its Business Buyer Funnel

- Acqira is currently getting over 15000 potential business buyers per year signing up to buy a business with us
 - The collective buying power of this audience is estimated at about \$20BN per year
- We kicked off an off-market business search program in 2021 called the Search Program and earned over \$750,000 in revenue, at a cost of about \$120,000 (84% margin)
 - This was a small test with 4 full-time employees (\$150k+ gross profit per employee)
- With this validation, we have decided to scale the Search Program and are currently building out all the systems to do so. Today our sourcing team has 8 full-time employees and between that and our seller funnel through the website and paid traffic, we can book 50 qualified calls with sellers per week
 - Combined, this is a collective selling power of approximately \$3BN per year.

Developed the Acqira Certified Enterprise (ACE) framework

- For Small Businesses to grow as an asset class, we need proper business hygiene applied to the acquired businesses. This includes:
 - The creation of a leadership team with full transparency into the financials of the business
 - A structured strategic planning process, with clear goal-setting and prioritization
 - Running the business from a budget and forecast, and having structured financial reviews
 - Structured communication (huddles, 1 on 1s, performance reviews, leadership meetings)
 - Proper job descriptions that include clear deliverables that are linked to processes, which have clear success indicators/KPIs
 - Well-designed and variable compensation plans

In 2021 we built all the training material for the ACE framework and applied it to three companies. In addition, we:

- Accredited two external coaches
- Created a management consulting division within Acqira
- Created an engagement framework for full 12-month integrations for newly acquired companies, and have verbal agreements on over \$2mm worth of engagements for 2022

Snowball Industries

- We acquired 3 Plumbing and HVAC businesses with \$23M+ of year to date revenue
- We successfully integrated these businesses with the ACE framework and built a management team for the holdco
 - Amir Haboosheh (Kingmaker's head of seller relations) has become the CEO of Snowball
- We built an M&A pipeline with over a dozen potential acquisitions
- We built a structure for Snowball to buy HVAC companies that were originally acquired by Acqira business buyers (3 buyers have already signed on for this)
- Perhaps most importantly, we're raising follow-on capital for Snowball at a valuation of \$0.45/share. At this valuation, **Kingmakers' shareholder's stake in Snowball will be worth \$21M.**

Goals for 2022

- We've decided to double down on the successes of 2021
- Our experience with Snowball has allowed us to streamline the creation of more roll-ups, by identifying strong off-market deals through the search program and systematizing them in a homogenous way through the ACE framework
 - **We already have two partners signed up to each do another niche service roll-up in 2022.**
- **We aim to close \$6M in newly acquired EBITDA for our roll-up partners in 2022**
 - This should also represent \$2M in ACE consulting revenue and \$2M in search program revenue
 - This will also represent equity ownership of two more rollups
 - Each of these rollups will have a partner and management team working full-time to build out their roll-ups such that they will continue to grow under their own weight ("they will Snowball")
- In addition, we plan to:
 - Scale the Search Program side of the business to service 50+ active partners at a time by the end of 2022. This should bring in a run-rate of \$6.5M/yr from fees and commissions, at an 80%+ contribution margin
 - Launch an accredited ACE course for business coaches and accredit 10 coaches
 - We anticipate the majority of the closed businesses to require integration services. We aim to build out the ecosystem to support this (rather than do it ourselves) and charge \$50k for the referral
 - Launch a debt fund and deploy \$10M in it as a test tranche
 - This debt fund would be a fast-closing alternative to SBA
 - We would handle origination and underwriting, a partner would handle fundraising and collections
 - Would be a 50/50 JV, with 50% owned by KM Inc
 - With success, we'd like to deploy 50mm+ in 2023
 - Buy at least \$1M in EBITDA in the Home health care niche
 - We believe this will be our second larger roll-up space - it shares everything we love from the home/facility service space
 - We'd like to close 1-2 businesses in the niche with partners to further understand the intricacies of the niche.
 - Launch v2 of our underwriting tool that doubles as a valuation calculator
 - This will be the key to dominating the sell-side of the business.



Long-term Goals

- 2021 was an exciting year that had us re-think our business model
- It became clear that the larger business is in consolidation and eventual liquidity through IPO
- We think Main St. has all the ingredients to eventually become a liquid asset class with trillions of dollars of assets under management - it just needs the eco-system in place to get there, and Acquia is extremely well-positioned to be central to that eco-system

We have created a [presentation outlining this mission](#) which you can [view here](#).

Follow-On Investment Round

- We're raising a small amount of additional capital to help support this vision and are offering this allocation to existing investors first
 - This round will be at the same terms as our original investment – including the 10% annual dividend
 - This will also include a proportionate share of each new roll-up or spin-out we create (shares in each future “Snowball”)
- If you're interested in increasing your investment on the same terms, you can [Schedule a call with Hayden Miyamoto, Acquia's CEO here](#).

Thank you for your support, and we wish you the best in 2022!

The Kingmakers Team