



The Leading Consumer Product Platform

Sharpening the Tools of Trade

May 2021 Investor Presentation





Disclaimer

Caution Concerning Forward-Looking Statements

This presentation includes “forward-looking statements” with the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended.

All forward-looking statements are subject to a number of risks, uncertainties and assumptions, and you should not rely upon forward-looking statements as predictions of future events. You can identify forward-looking statements by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would,” or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes.

All forward-looking statements are based upon current estimates and expectations about future events and financial and other trends. There is no guarantee that future results, performance, or events reflected in the forward-looking statements will be achieved or occur.

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. No person assumes responsibility for the accuracy and completeness of the forward-looking statements, and, except as required by law, no person undertakes any obligation to update any forward-looking statements for any reason after the date of this company presentation.

Industry & Market Data

Certain data in this presentation was obtained from various external sources. Neither Mohawk Group Holdings, Inc. (the “Company”) nor its affiliates, advisers or representatives have verified such data with independent sources. Accordingly, neither the Company nor any of its affiliates, advisers or representatives make any representations as to the accuracy or completeness of that data or to update such data after the date of this presentation. Such data involves risks and uncertainties and is subject to change based on various factors.

Non-GAAP Financial Measures

In addition to financial results prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation contains certain non-GAAP financial measures. Such non-GAAP financial measures in this presentation may differ from similarly named non-GAAP financial measures used by other companies. Management believes that in addition to using GAAP results, non-GAAP financial measures can provide meaningful insight in evaluating the Company’s operating performance. You are encouraged to review the reconciliation of non-GAAP financial measures with their most direct comparable GAAP financial results set forth in the Appendix to this presentation.

For a full discussion of the Company’s risks, you should review the Company’s existing SEC filings including the Company’s most recently 10-K for the period ended March 31, 2021.



ATERIAN

Why Aterian?



Aterian point
from Zaccar,
Djelfa region, Algeria

Dating to the Paleolithic era, the **Aterian Industry** emerged in Africa through the crafting of jagged stones known as some of the earliest tools created by humans.

The stones were used to sharpen other stones, creating arrows and knives - the primitive tools that sparked much of humanity's passion for innovation.

In our mission to build the consumer product platform of tomorrow, we honor our ancestors use of technology designed to create efficiency and disrupt existing industries.



Who Is Aterian?

Aterian is building *the leading technology powered consumer product platform.*

Our mission is to deliver the best valued products at the most competitive prices to our customer by becoming the world's most efficient consumer products platform.

We **build, acquire** and **partner** with brands, harnessing proprietary software and an agile supply chain to create top selling consumer products.

12

BRANDS

3,000+

SKUs

\$350M

PROJECTED 2021 REVENUE*

\$30M

PROJECTED 2021 ADJ. EBITDA*

~\$500M

MARKET CAP

79%

CAGR SINCE 2016

MKT FOCUS



Build

We **Build** products from the ground up, using Aimee™ to identify market opportunities and automate the sales of products across various eCommerce channels, from merchandising to fulfillment and everything in between

Acquire

We **Acquire** high caliber profitable CPG brands. We use Aimee™ to qualify existing products to forecast future growth and automate the management of the assets once acquired

Partner

We offer our **Platform as a Service** (PaaS). Brands use Aimee™ as a turnkey way to effectively manage their sales across eCommerce channels and drive better unit economics across their product portfolio

home™

vremi™

holonix™

RIF6

xtava™

AUSSIE HEALTH CO

TRUWED

Pur Steam

SPIRALIZER

Müller™

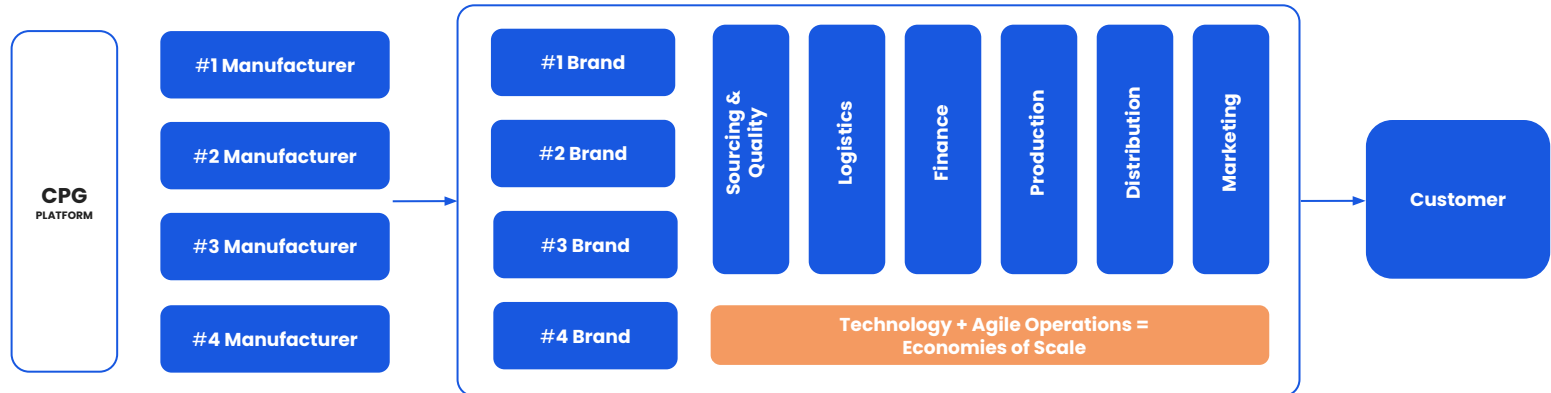
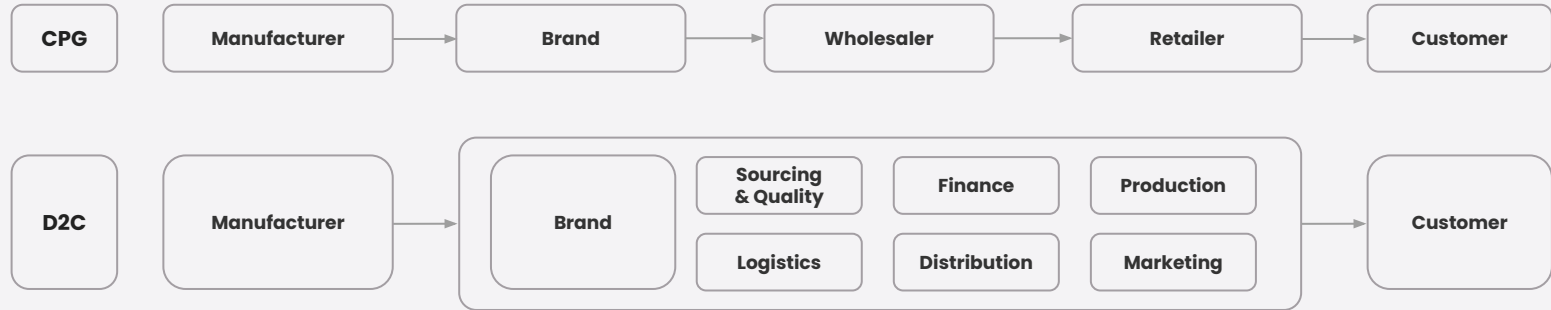
POHL SCHMITT
SWITZERLAND

Midea®

NOUHAUS

eureka®

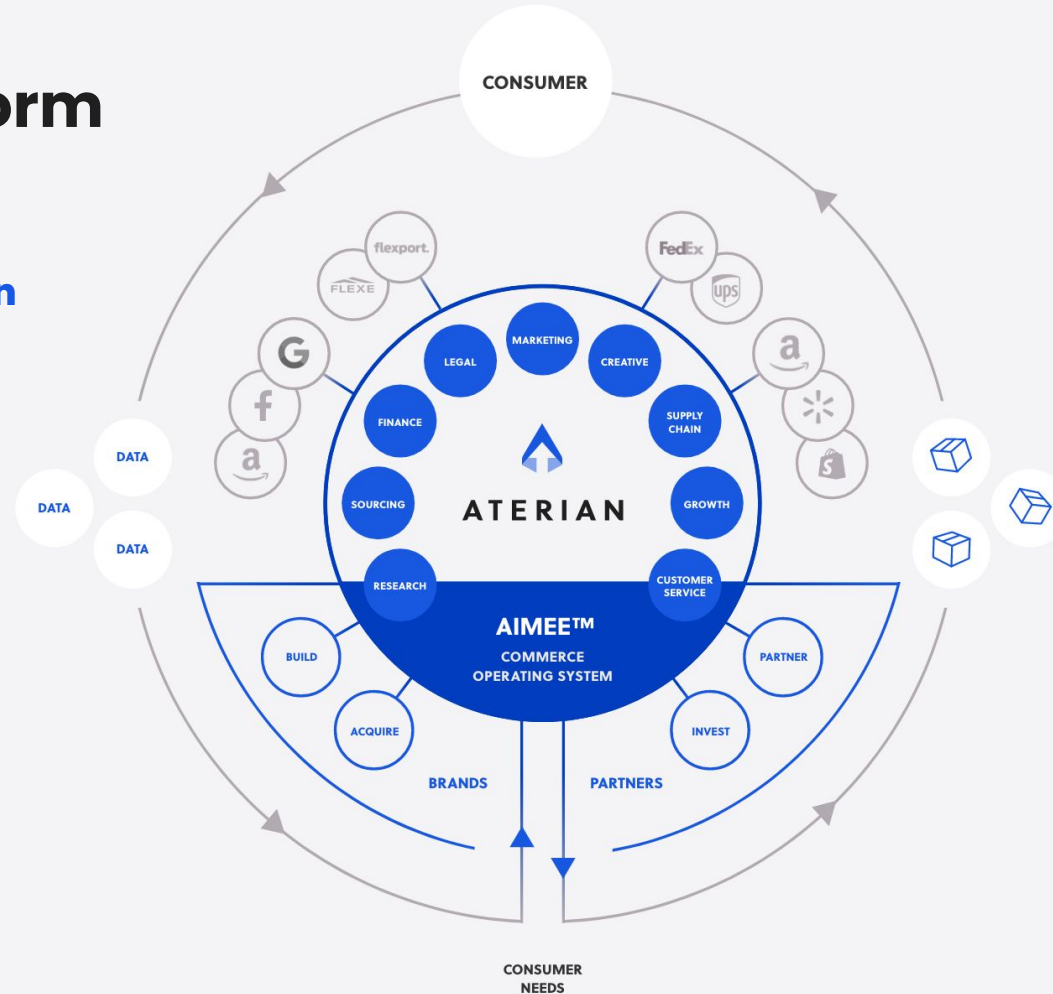
Evolution to CPG Platform



Aterian's CPG Platform Drives Efficiency

Technology + Agile Supply Chain

By systematizing the building blocks of commerce and investing in technology to automate our supply chain, we aim at building the world's most efficient consumer platform.



Say Hello to AIMEE™

Commerce Operating System

An end to end cloud based solution providing real time data, ML powered automation and access to operational services to streamline the management of thousands of products at scale across various channels.



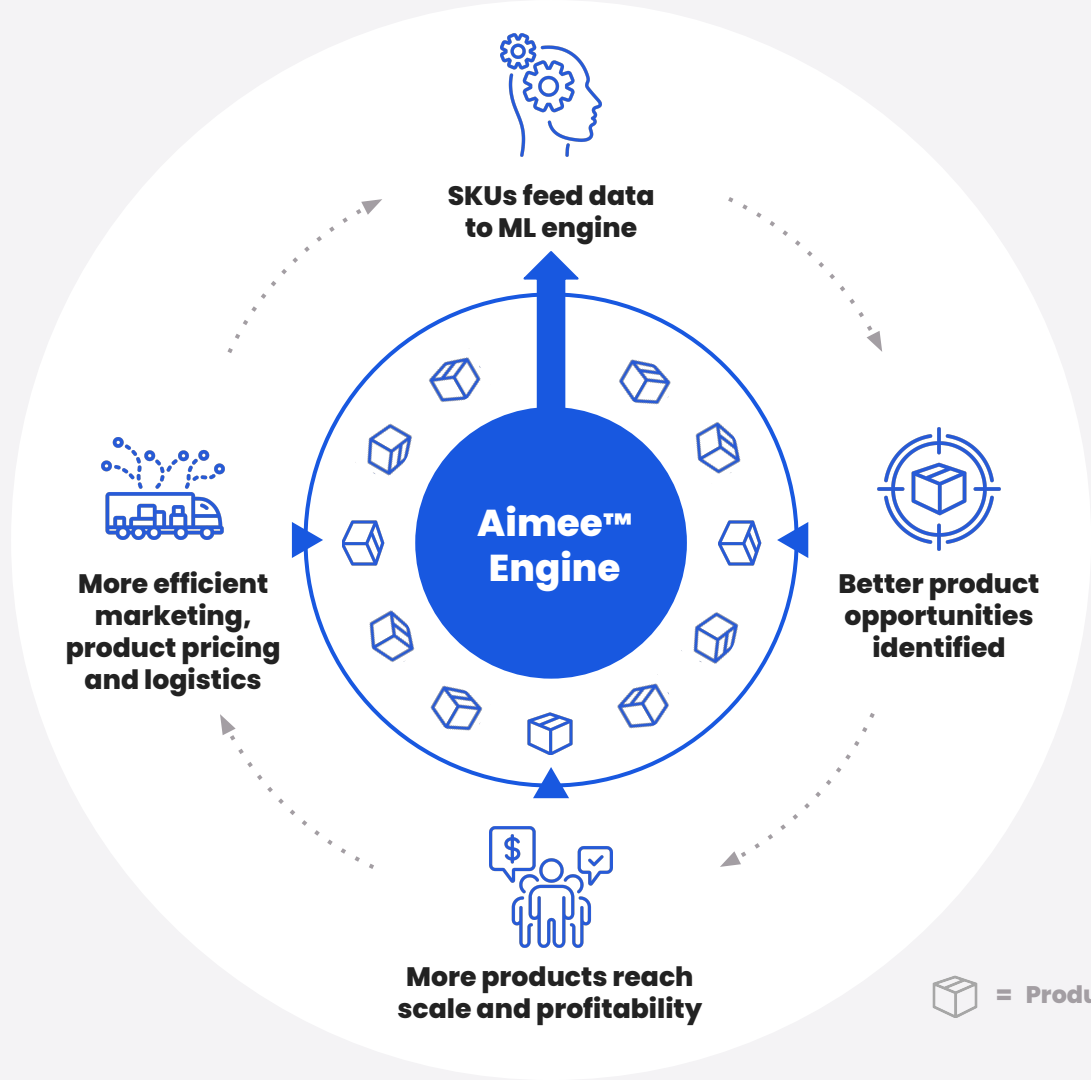


AIMEE™ Platform Flywheel



3,000+ SKUs under Management

~\$350 million GMV



= Product (SKU)

Massive And Rapidly Expanding Market

Worldwide E-Commerce Sales are expected to grow to:

\$4.3 trillion

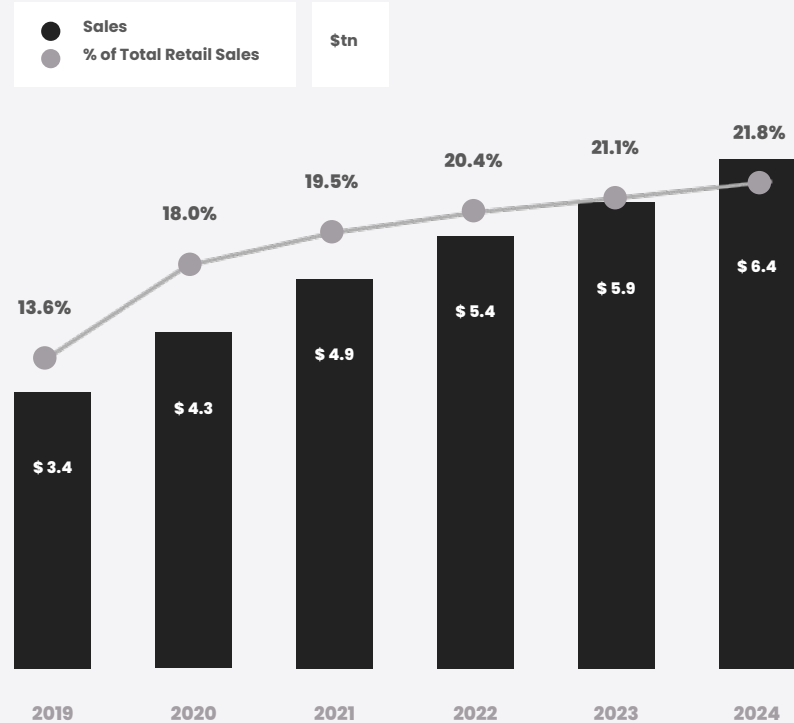
\$6.4 trillion⁽¹⁾

2020

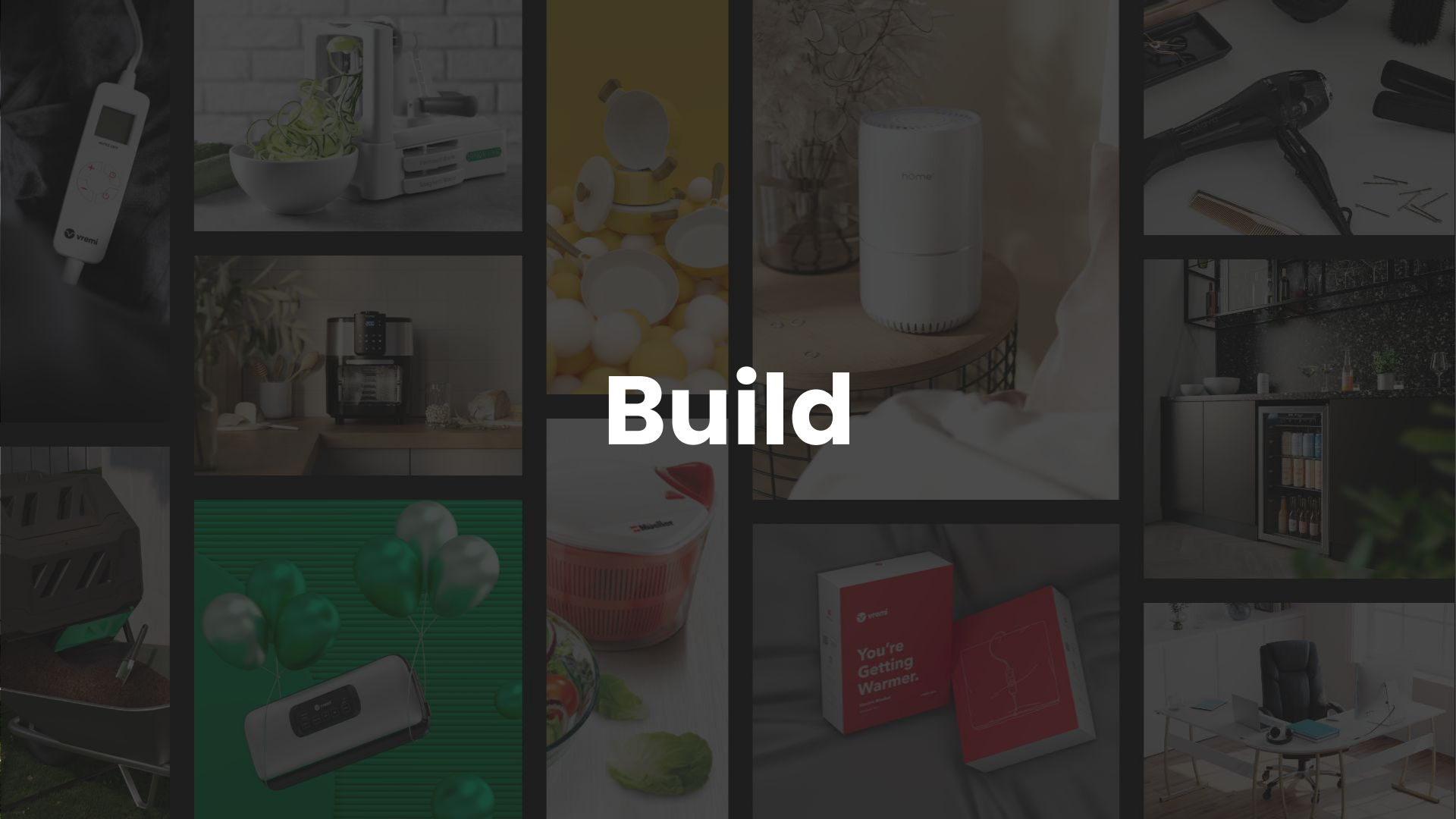
2024

CAGR 13.8 %

RETAIL ECOMMERCE SALES WORLDWIDE & % OF TOTAL RETAIL SALES⁽¹⁾



⁽¹⁾ eMarketer estimates



Build



home

vremi

xtava

RIF6

Home Appliances

Home & Kitchen Appliances

Beauty Products

Consumer Electronics

Aterian Significantly Shortens Go-To-Market Timing

Aterian
BUSINESS
MODEL



AIMEE™
IDEA
GENERATOR

Real time data
driven opportunity
& trend tracking



Manufacturing
Shipping
Warehousing



AIMEE™
TRADING
ENGINE

Data driven automated
marketing & product lifetime
management



AIMEE™
FULFILLMENT
ENGINE

Dynamic inventory allocation
Fulfillment selection / cost optimization
3rd party logistics network
2 day ship – virtually all US



Marketplace
Customer

6–8 Month Go-To-Market Cycle

~60 Min Marketing Cycle

18–24 Month Go-To-Market Cycle

3 Month Marketing Cycle

Standard
BUSINESS
MODEL



Focus Group
R&D



Manufacturing
Shipping
Warehousing



Agents Distributor
Ad Agency



No Direct Distribution /
Reseller FBA



Retailer
Customer

Target Model

	2019	2020	LONG TERM TARGET
Net Revenues	100%	100%	100%
Contribution Margin	2%	13%	18–20%
Fixed Operating Cost	19% \$ 22 m (½ Year Public)	13% \$ 24 m (Full Year Public)	5%
Adj. EBITDA	(17)%	1%	13–15%

PRIMARY DRIVERS

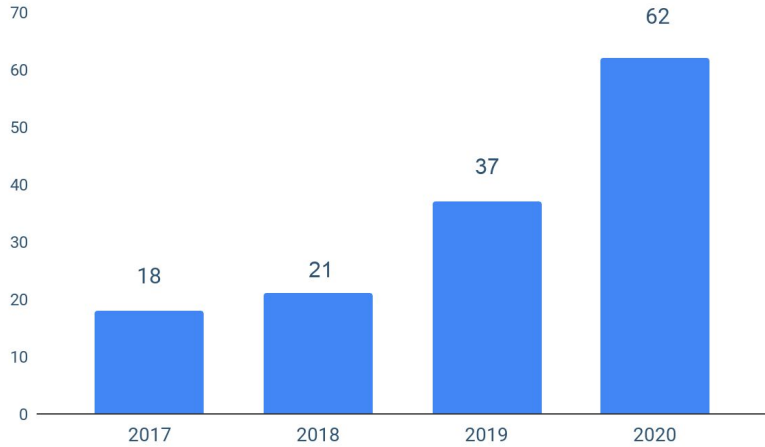
Higher average selling prices as products reach more dominant position, lower COGS as volume increase, and lower fulfillment costs through scale of FBM platform.

Thanks to the technology and platform effect, corporate overhead increases at low to mid single digit, much slower pace than sales.



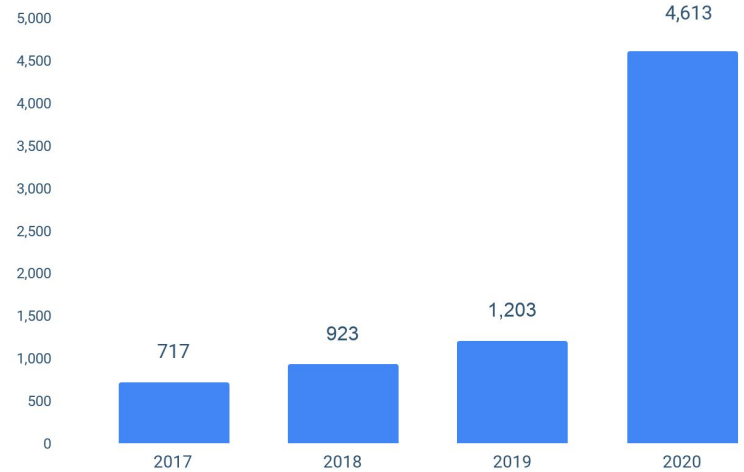
AIMEE™ Delivering Results

Number of Products with \$500K + Annual Sales



- 4.3 / 5.0 Average Review Score for all Aterian Products
- 175 Products in the Top 5 Search Results on Amazon

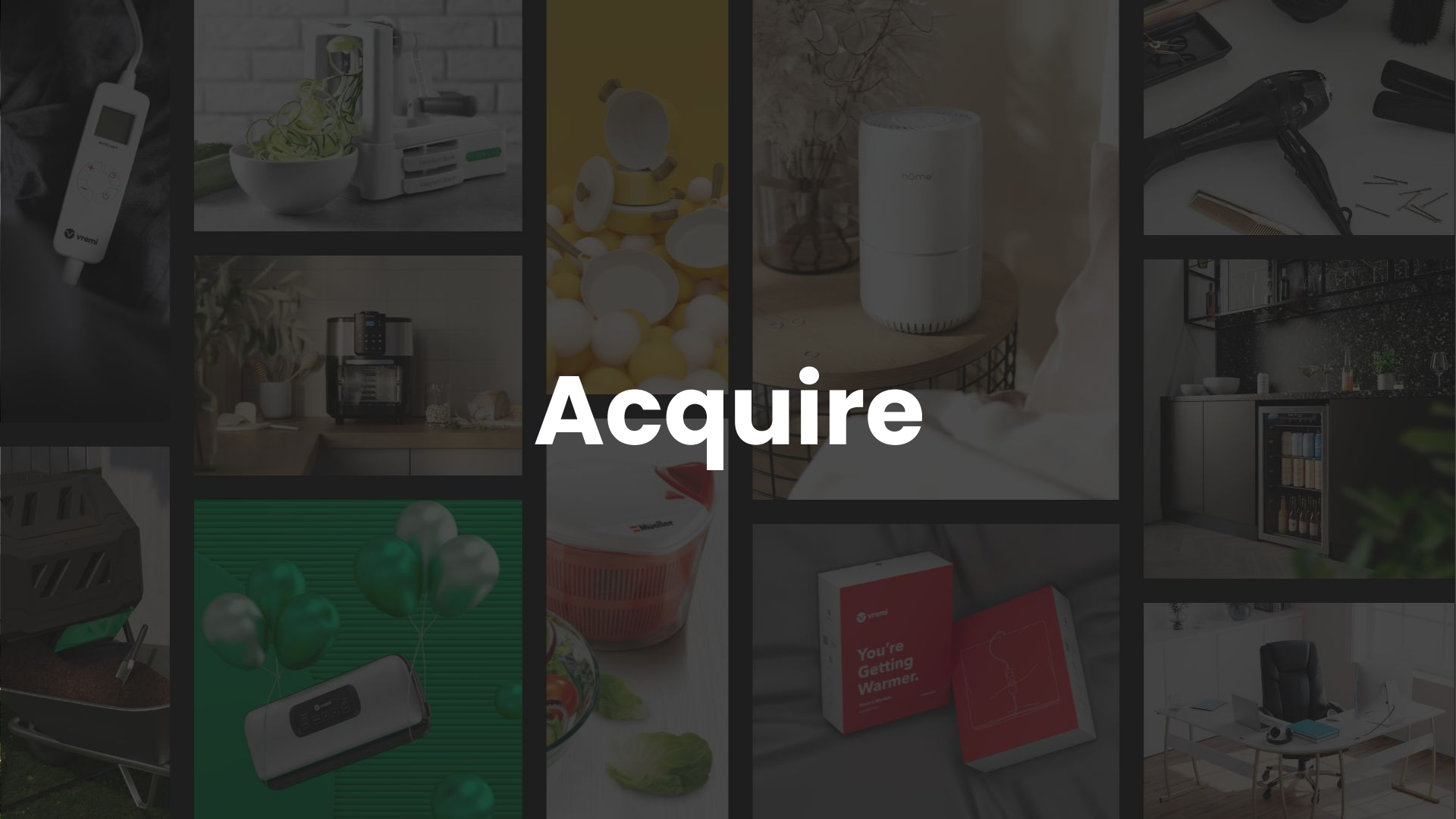
Top 20 Products Average Review Count



- Top 20 Average review count reflects only organic growth
- Top 20 Average review count including acquisitions is 7,588

* Data as of 3/2021

Acquire





Müller™
AUSTRIA

POHL+SCHMITT
SWITZERLAND


AUSSIE HEALTH CO

TRUWEO

HealingSolutions®

Kitchen Appliances

Kitchen Appliances

Wellness

Wellness

Essential Oil

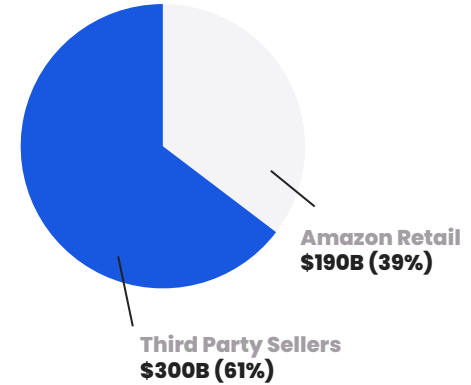
M&A Opportunity

\$300B Market on Amazon

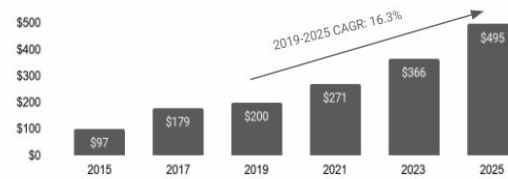
- 3+ million Amazon sellers
- Who lack of technology & scalability
- Limited managerial experience
- Limited working capital
- Have built strong and sustainable businesses



The Amazon Third-Party Seller market is larger than meets the eye, and it is growing quickly



3PS GMV Forecast - analysts expect between \$500 - 600bn by 2025

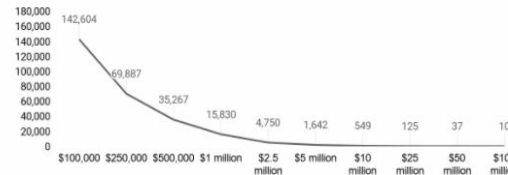


There is no sign of a slowdown - Net Sales from online stores and 3PS services continued to grow in Q3 2020

In millions

Segment	Q3'19	Q3'20	YoY growth
Online stores	\$35,039	\$48,350	37.9%
Physical stores	4,192	3,788	-9.6%
3PS Services	13,212	20,436	54.7%
Subscription Services	4,957	6,572	32.6%
AWS	8,995	11,601	29.0%
Other (mostly ads)	3,586	5,398	50.53%

The market is as disparate today as it was in 2017 (data below); sellers with 100K+ in sales grew 4x since 2015



* Sources: Company Filings, Marketplacepulse

M&A Strategy

Growth at Accretive Multiples

- Continued focus on US market, plus expansion to other international marketplaces
- Continue to acquire 3rd party sellers with long term sustainable products
 - Strong social proof / High quality product
 - Unit economics
 - Limited innovation
 - Addressing a real need
- Acquire larger targets that have strong marketplace and retail businesses
- Focus on acquiring other aggregators who have hit inflection points in lifecycle
- Generally only purchasing: listing, IP, assets, manufacturer and retail relationships
- Limited headcount addition for Aterian (post-transition) for FBA businesses + quick integration - AIMEE onboarding

M&A Strategy: Competitive Landscape

Notable Competitors who Raised Capital to Acquire Amazon Brands

Company	Amt. Raised	Stage	Revenue
<u>Thrasio</u>	\$1,750M	Series D	\$500M
<u>HeyDay</u>	\$175M	Series A	?
<u>Perch</u>	\$134M	Series C	?
<u>SellerX</u>	\$118M	Series A	?
<u>Boosted Commerce</u>	\$87M	Series A	?
<u>Heroes</u>	\$65M	Series A	?

Cumulative Cash Raised by Amazon Acquirers 2020



Notable Debt and Equity Investors



Asset Management

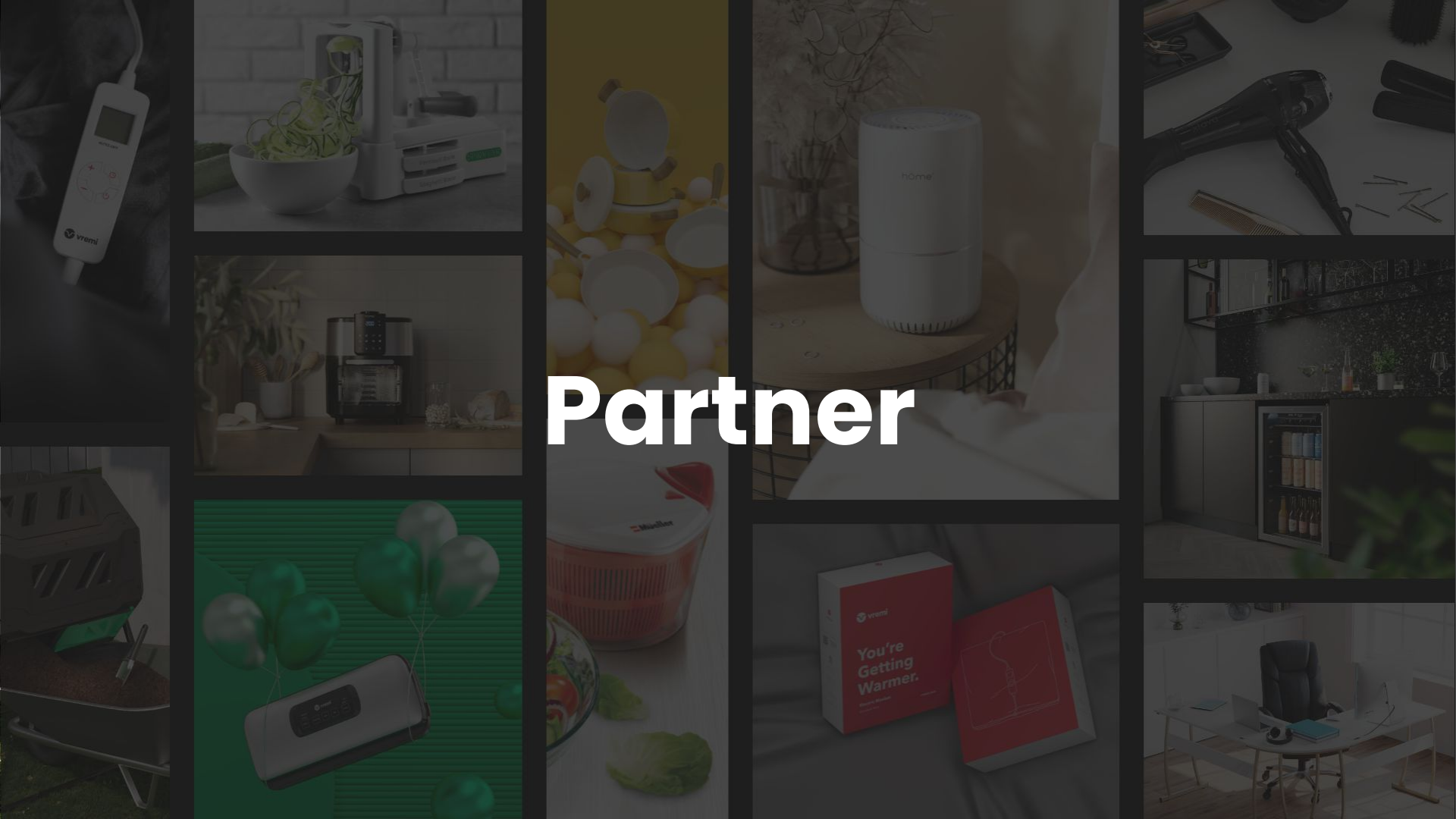
BLACKROCK



GENERAL CATALYST

khosla ventures





Partner

Turnkey platform for eCommerce brands

The AIMEE™ platform automates sales and drives performance across the largest e-commerce channels & marketplaces



E-commerce Logistics at Scale

Optimized for oversized Products

97% 

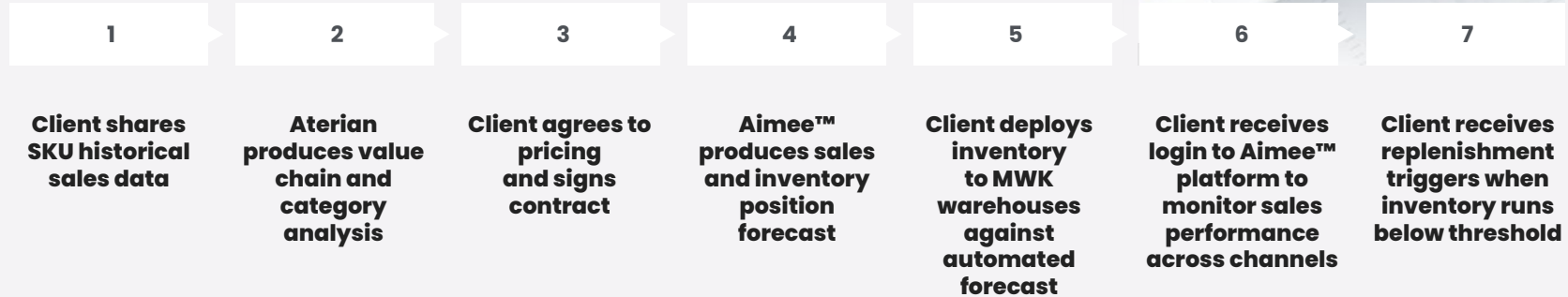
Aterian Fulfillment Network ensures 1 day delivery to 97% of the US



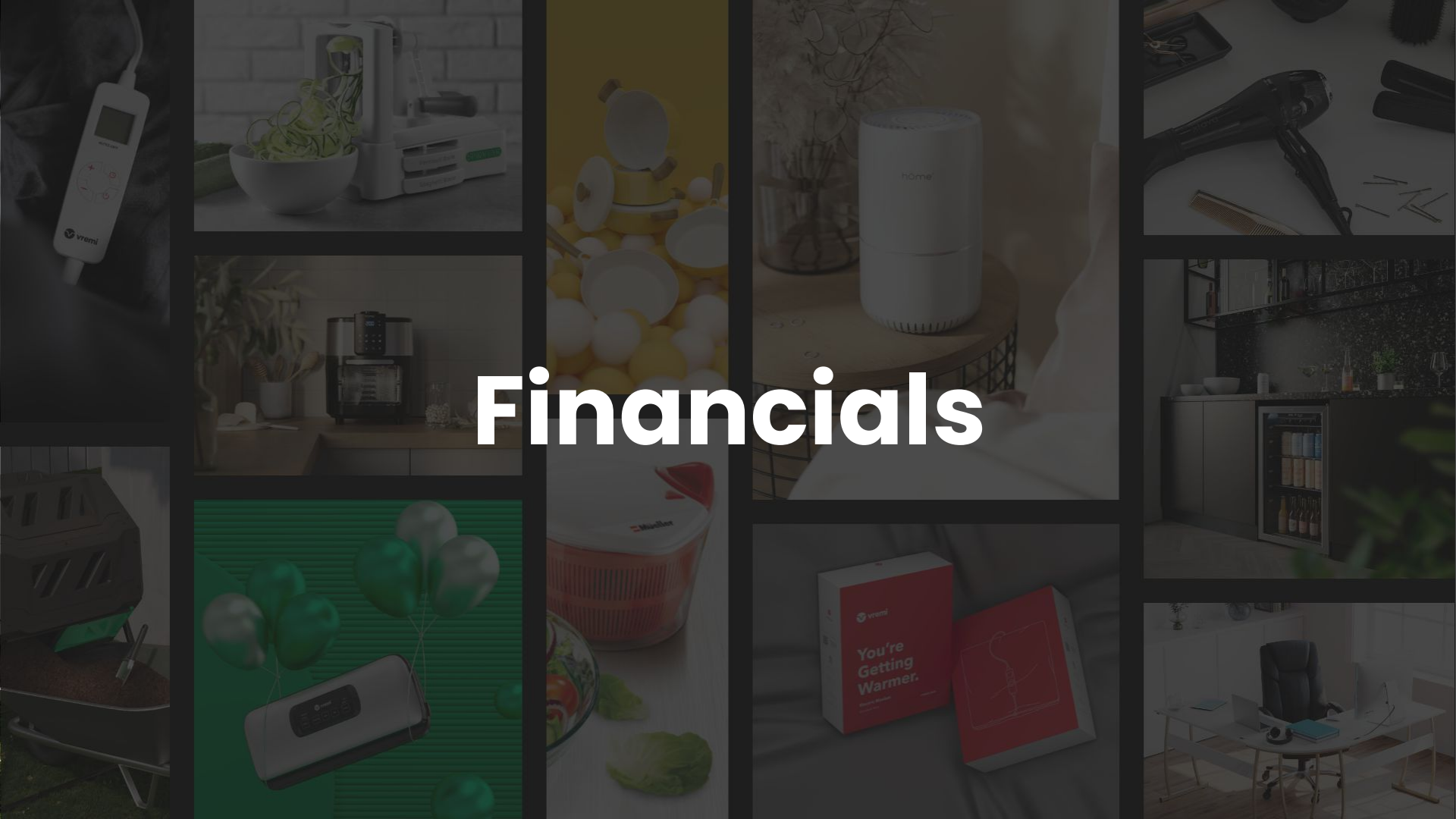
Streamlined client onboarding

2-4 weeks

Total Onboarding time



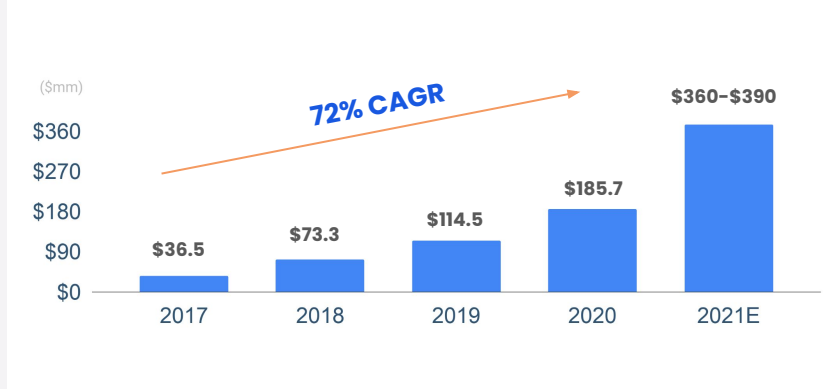
Financials



Business Model Driving Improved Y/Y Results

~72% Net Revenue CAGR 2017 -2020
 ~88% Net Revenue Growth 1Q21 / 1Q20

Net Revenue (Annual)

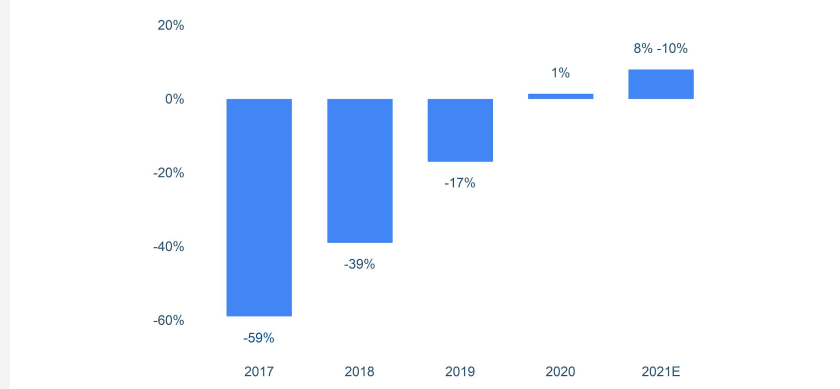


Net Revenue (Quarterly)

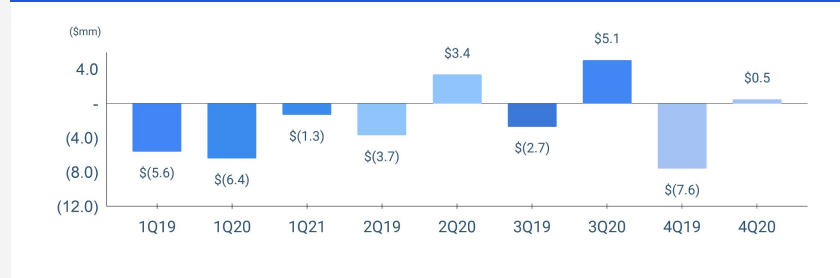


\$5.1MM Cash from Operations in 2020

Adj. EBITDA⁽¹⁾ as % of Net Revenue (Annual)



Adjusted EBITDA⁽¹⁾ (Quarterly)



The guidance speaks only as of May 6, 2021 and Aterian expressly disclaims any obligation, except as required by law, or undertaking to update or revise any such guidance, whether as a result of new information or otherwise.

1: Non-GAAP financial measure. See reconciliation in Appendix

Multiple Opportunities to Drive Growth and Profitability

- 
- 1 | Continue optimizing product economics by lowering manufacturing and logistics costs through increased purchasing power
 - 2 | Pursue higher value products and larger product markets
 - 3 | Opportunistically add new products and categories through acquisition
 - 4 | Expand to international and new domestic eCommerce marketplaces
 - 5 | Monetize AIMEE platform by providing access to third-party brands



Management Team



Yaniv Sarig
CEO & CO-FUNDER



Arturo Rodriguez
CFO



Michal Chaouat-Fix
CPO



Pramod K C
COO



Tomer Pascal
CRO



Roi Zahut
CTO



Sascha Lewis
CMO



Sam Appelbaum
HEAD OF BUSINESS
DEVELOPMENT



Joe Risico
CHIEF LEGAL OFFICER,
HEAD OF M&A, US



Fabrice Hamaide
GENERAL MANAGER,
HEAD OF M&A, EUROPE



Penelopi Kosteas
DIRECTOR HR

Deep
experience in
e-commerce,
CPG & Tech

Appendix

Balance Sheet

ATERIAN, INC.
Condensed Consolidated Balance Sheets
(Unaudited)
(in thousands, except share and per share data)

	December 31, 2020	March 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash	\$ 26,718	\$ 34,995
Accounts receivable—net	5,747	7,192
Inventory	31,582	55,026
Prepaid and other current assets	11,111	24,577
Total current assets	75,158	121,790
PROPERTY AND EQUIPMENT—net	169	166
GOODWILL AND OTHER INTANGIBLES—net	78,778	140,473
OTHER NON-CURRENT ASSETS	3,349	3,552
TOTAL ASSETS	\$ 157,454	\$ 265,981
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Credit facility	\$ 12,190	\$ 14,319
Accounts payable	14,856	26,475
Term loan	21,600	21,600
Seller notes	16,231	10,677
Contingent earn-out liability	1,515	18,783
Accrued and other current liabilities	8,340	14,181
Total current liabilities	74,732	106,035
OTHER LIABILITIES	1,841	1,841
CONTINGENT EARN-OUT LIABILITY	21,016	35,951
TERM LOANS	36,483	83,689
Total liabilities	134,072	227,516
COMMITMENTS AND CONTINGENCIES (Note 9)		
STOCKHOLDERS' EQUITY:		
Common stock, par value \$0.0001 per share—500,000,000 shares authorized and 27,074,791 shares outstanding at December 31, 2020; 500,000,000 shares authorized and 30,590,796 shares outstanding at March 31, 2021	3	3
Additional paid-in capital	216,305	313,911
Accumulated deficit	(192,935)	(275,488)
Accumulated other comprehensive income	9	39
Total stockholders' equity	23,382	38,465
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 157,454	\$ 265,981

Income Statement

ATERIAN, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2020	2021
NET REVENUE	\$ 25,628	\$ 48,136
COST OF GOODS SOLD	15,330	22,073
GROSS PROFIT	10,298	26,063
OPERATING EXPENSES:		
Sales and distribution	13,910	25,069
Research and development	2,281	2,124
General and administrative	8,003	10,976
Change in fair value of contingent earn-out liabilities	—	15,645
TOTAL OPERATING EXPENSES:	24,194	53,814
OPERATING LOSS	(13,896)	(27,751)
INTEREST EXPENSE—net	1,109	4,420
CHANGE IN FAIR VALUE OF WARRANT LIABILITY	—	30,202
LOSS ON INITIAL ISSUANCE OF WARRANT	—	20,147
OTHER EXPENSE	25	33
LOSS BEFORE INCOME TAXES	(15,030)	(82,553)
PROVISION FOR INCOME TAXES	—	—
NET LOSS	\$ (15,030)	\$ (82,553)
Net loss per share, basic and diluted	\$ (0.99)	\$ (3.15)
Weighted-average number of shares outstanding, basic and diluted	15,193,647	26,225,383

Non-GAAP Reconciliations: Adjusted EBITDA

	Three Months Ended March 31,	
	2020	2021
	(in thousands)	
Net loss	\$ (15,030)	\$ (82,553)
Add:		
Interest expense, net	1,109	4,420
Depreciation and amortization	41	1,204
EBITDA	(13,880)	(76,929)
Other expense (income), net	25	(33)
Change in fair value of contingent earn-out liabilities	—	15,645
Amortization of inventory step-up from acquisitions (included in cost of goods sold)	—	1,808
Change in fair market value of warrant liability	—	30,202
Loss on initial issuance of warrant	—	20,147
Professional fees related to acquisitions	—	449
Transition cost from Healing Solution acquisition	—	552
Stock-based compensation expense	7,439	6,899
Adjusted EBITDA	\$ (6,416)	\$ (1,260)
Adjusted EBITDA as a percentage of net revenue	(25.0)%	(2.6)%

Non-GAAP Reconciliations: Adjusted EBITDA

	(in Thousands)			
	Three Months Ended			
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Net loss	\$ (15,030)	\$ (2,937)	\$ (806)	\$ (44,354)
Add (deduct)				
Provision for income taxes		45		2
Interest expense, net	1,109	1,077	934	1,841
Depreciation and amortization	41	38	100	373
EBITDA	(13,880)	(1,777)	228	(42,138)
Other expense (income), net	25	(6)	(21)	(23)
Loss on extinguishment of debt				2,055
Change in fair value of contingent earn-out liabilities				12,731
Amortization of inventory step-up from acquisitions (included in cost of goods sold)				583
Change in fair market value of warrant liability				21,338
Professional fees related to acquisitions				663
Stock-based compensation	7,439	5,171	4,861	5,244
Adjusted EBITDA	\$ (6,416)	\$ 3,388	\$ 5,068	\$ 453
Adjusted EBITDA as a percentage of net revenue	(25.0)%	5.7%	8.6%	1.1

	(in Thousands)			
	Three Months Ended			
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Net loss	\$ (8,389)	\$ (16,879)	\$ (14,975)	\$ (18,546)
Add (deduct)				
Provision for income taxes		15	8	6
Interest expense, net	1,212	1,281	875	1,018
Depreciation and amortization	55	40	41	47
EBITDA	(7,122)	(15,543)	(14,051)	(17,475)
Other expense (income), net	45	(13)	21	-12
Stock-based compensation	1,500	11,873	11,374	9,934
Adjusted EBITDA	\$ (5,577)	\$ (3,683)	\$ (2,656)	\$ (7,553)
Adjusted EBITDA as a percentage of net revenue	(31.3)%	(12.1)%	(6.5)%	(6.6)%



Thank you