

# The Leading Consumer Product Company

OCTOBER 2024

\$ATE  
R  
NASDAQ



# ATERIAN



homelabs™

Healing  
Solutions®

Mueller  
Living™

Pur  Steam  
World's Best Steamers



# Disclaimer

## Caution Concerning Forward-Looking Statements

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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

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Certain data in this presentation was obtained from various external sources. Neither Aterian, 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

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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 most recent SEC filings including the Company’s most recent 10-K and 10-Q available on SEC.gov



# Who Is Aterian?

We are a leading e-commerce consumer products company and we predominantly sell on Amazon.com and Walmart.com in the United States.

Founde  
d

2014 – IPO in 2019

Key  
Brands



Categories

8 main product Categories

- Dehumidifiers
- Kitchen Appliances
- Steam Mops
- Photo Paper
- Steam Irons
- Beverage Coolers
- Essential Oils
- Toilet stools

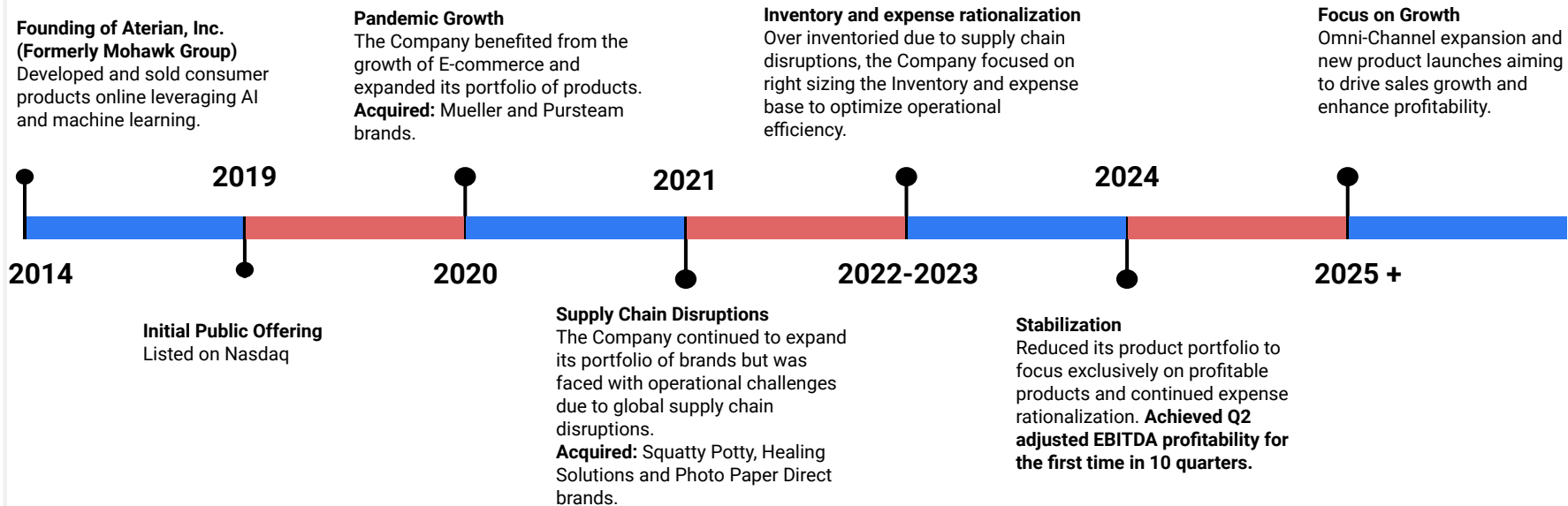
Missio  
n

Our mission is to deliver high quality products at great value to our customers

MKT  
FOCUS



# Aterian Timeline



# Primary Goals

- **High performing products**
- **Great value for the price**
- **Strong margins for Aterian**

**Ultimately leading to Adj. EBITDA  
Profitability in the Future**





# 3 Main Themes

**Focus**  
**Simplification**  
**Stabilization**

# The results of focus, simplifying and stabilizing:

- Rationalized SKU portfolio -
- Simplified account structure -
- Best in class third party tools -
  - Outside in Thinking -
- Fixed cost rationalization -



# Healthy Balance Sheet

Strong cash position

Small ABL balance

No Term Debt

Right-sized inventory







# 2025 and Beyond

**Focus on Growth**

**Omni-Channel expansion**

**New product launches**

**Best in class listings**

# EXPANSION OPPORTUNITIES



# Management Team

Deep experience in E-Commerce, Consumer Products & Tech



**Arturo Rodriguez**  
CHIEF EXECUTIVE OFFICER



**Josh Feldman**  
CHIEF FINANCIAL OFFICER



**Roi Zahut**  
CHIEF TECHNOLOGY OFFICER



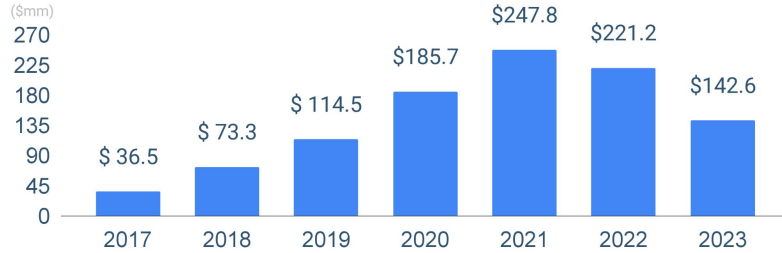
**Phil Lepper**  
CHIEF REVENUE OFFICER



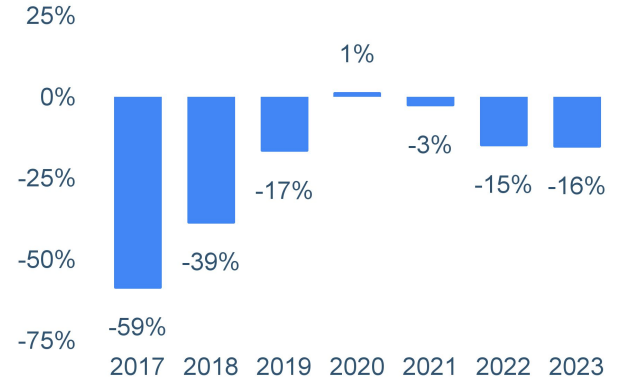
**Chris Porcelli**  
GENERAL COUNSEL AND HEAD  
OF PEOPLE

# Financial Snapshot

## Net Revenue (Annual)



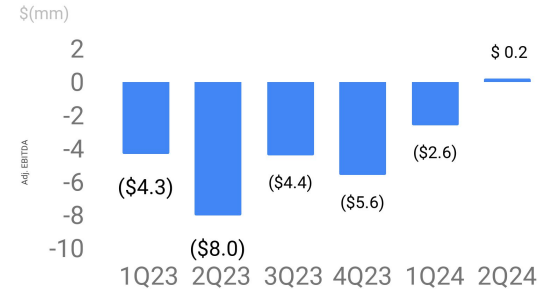
## Adj. EBITDA<sup>(1)</sup> as % of Net Revenue (Annual)



## Net Revenue (Quarterly)



## Adj. EBITDA<sup>(1)</sup> (Quarterly)



# A few of Our Brands and Products...



*Pur*  *Steam*™

# Small Home Appliances

**High performing steamers for  
your home and laundry needs**





**≡Mueller**

# Home & Kitchen Appliances

**Happiness is homemade  
with this finely crafted kitchen gear**







# homeLabs™

**Modern, mindful and intuitive  
essentials for a full and rich  
home life**



## Home Appliances



Squatty Potty®

Squatty  
Potty



**Thank you**

**Aterian.io**

# Appendix

# Balance Sheet

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

	December 31, 2023	June 30, 2024
<b>ASSETS</b>		
Current assets:		
Cash	\$ 20,023	\$ 20,328
Accounts receivable, net	4,225	3,763
Inventory	20,390	18,378
Prepaid and other current assets	4,998	5,720
Total current assets	49,636	48,189
Property and equipment, net	775	730
Intangible assets, net	11,320	10,549
Other non-current assets	138	384
Total assets	\$ 61,869	\$ 59,852
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Credit facility	\$ 11,098	\$ 9,590
Accounts payable	4,190	8,811
Seller notes	1,049	677
Accrued and other current liabilities	9,110	9,610
Total current liabilities	25,447	28,688
Other liabilities	391	277
Total liabilities	25,838	28,965
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock, \$0.0001 par value, 500,000,000 shares authorized and 7,508,246 and 8,587,159 shares outstanding at December 31, 2023 and June 30, 2024, respectively (*)	9	9
Additional paid-in capital	736,675	740,351
Accumulated deficit	(699,815)	(708,606)
Accumulated other comprehensive loss	(838)	(867)
Total stockholders' equity	36,031	30,887
Total liabilities and stockholders' equity	\$ 61,869	\$ 59,852

(\*) The number of shares and per share amounts have been retroactively restated to reflect the one for twelve (1 for 12) reverse stock split, which was effective on March 22, 2024.

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

# Income Statement

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Net revenue	\$ 35,264	\$ 27,984	\$ 70,143	\$ 48,199
Cost of goods sold	20,368	11,093	36,151	18,139
Gross profit	14,896	16,891	33,992	30,060
Operating expenses:				
Sales and distribution	20,557	15,162	40,783	28,376
Research and development	1,709	—	2,956	—
General and administrative	6,281	4,934	12,240	10,166
Impairment loss on intangibles	22,785	—	39,445	—
Total operating expenses	51,332	20,096	95,424	38,542
Operating loss	(36,436)	(3,205)	(61,432)	(8,482)
Interest expense, net	346	228	717	552
Change in fair value of warrant liability	(2,197)	(52)	(1,843)	(569)
Other expense, net	176	43	229	50
Loss before income taxes	(34,761)	(3,424)	(60,535)	(8,515)
Provision for income taxes	26	205	52	276
Net loss	\$ (34,787)	\$ (3,629)	\$ (60,587)	\$ (8,791)
Net loss per share, basic and diluted	\$ (5.37)	\$ (0.52)	\$ (9.41)	\$ (1.28)
Weighted-average number of shares outstanding, basic and diluted (*)	6,483,931	6,973,218	6,439,658	6,881,648

(\*) The number of shares and per share amounts have been retroactively restated to reflect the one for twelve (1 for 12) reverse stock split, which was effective on March 22, 2024.



# Non-GAAP Reconciliations: Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(in thousands, except percentages)			
Net loss	\$ (34,787)	\$ (3,629)	\$ (60,587)	\$ (8,791)
Add:				
Provision for income taxes	26	205	52	276
Interest expense, net	346	228	717	552
Depreciation and amortization	1,202	430	2,964	858
EBITDA	(33,213)	(2,766)	(56,854)	(7,105)
Other expense, net	176	43	229	50
Impairment loss on intangibles	22,785	—	39,445	—
Change in fair market value of warrant liability	(2,197)	(52)	(1,843)	(569)
Restructuring expense <sup>(1)</sup>	1,216	17	1,216	575
Stock-based compensation expense	3,223	2,921	5,539	4,588
Adjusted EBITDA	\$ (8,010)	\$ 163	\$ (12,268)	\$ (2,461)
Net loss as a percentage of net revenue	(98.6)%	(13.0)%	(86.4)%	(18.2)%
Adjusted EBITDA as a percentage of net revenue	(22.7)%	0.6%	(17.5)%	(5.1)%

(1) Restructuring expenses include non-recurring employee severance costs relating to the Company reorganization executed during the three and six months ending June 30, 2023 and 2024.

# Non-GAAP Reconciliations: Adjusted EBITDA

	(in Thousands)			
	Three Months Ended			
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net loss	\$ (25,800)	\$ (34,787)	\$ (6,270)	\$ (7,707)
Add (deduct)				
Provision for income taxes	26	26	90	(1,009)
Interest expense, net	371	338	359	345
Depreciation and amortization	1,762	1,202	452	469
EBITDA	<u>(23,641)</u>	<u>(33,213)</u>	<u>(5,369)</u>	<u>(7,902)</u>
Other expense (income), net	54	176	(128)	158
Impairment loss on intangibles	16,660	22,785		283
Change in fair value of contingent earn-out liabilities	(2,775)			
Change in fair market value of warrant liability	354	-2,197	(567)	(30)
Reserve on barter credits				323
Restructuring expense		1,216	417	
Stock-based compensation	2,317	3,223	1,232	1,564
Adjusted EBITDA	<u>\$ (4,256)</u>	<u>\$ (8,010)</u>	<u>\$ (4,415)</u>	<u>\$ (5,604)</u>
Adjusted EBITDA as a percentage of net revenue	(12.2)%	(22.7)%	(11.1)%	(17.1)%

# Non-GAAP Reconciliations: Adjusted EBITDA

	(in Thousands)			
	Three Months Ended			
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Net loss	\$ (42,776)	\$ (16,309)	\$ (116,902)	\$ (20,304)
Add (deduct):				
Provision for income taxes		(168)	(75)	(133)
Interest expense, net	802	338	904	560
Depreciation and amortization	1,846	2,048	1,869	1,758
<b>EBITDA</b>	<b>(40,128)</b>	<b>(14,091)</b>	<b>(105,877)</b>	<b>(18,119)</b>
Other expense (income), net	(25)	—	(174)	(83)
Impairment loss on goodwill	29,020	—	90,921	468
Impairment loss on intangibles	—	—	3,118	—
Loss on extinguishment of debt	—	—	—	—
Change in fair value of contingent earn-out liabilities	(2,775)	-1,691	(774)	—
Gain on extinguishment of seller note	(2,012)	—	—	—
Loss on initial issuance of equity	5,835	—	12,834	—
Amortization of inventory step-up from acquisitions (included in cost of goods sold)	—	—	—	—
Change in fair market value of warrant liability	1,879	6,014	(5,528)	(2,835)
Professional fees related to acquisitions	—	—	—	—
Litigation reserve	800	—	1,800	—
Reserve on barter credits	—	—	—	1,643
Stock-based compensation	2,865	6,048	2,843	2,740
<b>Adjusted EBITDA</b>	<b>\$ (1,542)</b>	<b>\$ (3,720)</b>	<b>\$ (9,084)</b>	<b>\$ (18,186)</b>
Adjusted EBITDA as a percentage of net revenue	(10.9)%	(6.4)%	(13.7)%	(29.5)%

	(in Thousands)			
	Three Months Ended			
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Net loss	\$ (82,553)	\$ (36,306)	\$ (110,556)	\$ (6,609)
Add:				
Provision for income taxes	—	41	21	470
Interest expense, net	4,420	4,675	2,786	774
Depreciation and amortization	1,204	1,681	1,872	2,569
<b>EBITDA</b>	<b>(76,929)</b>	<b>(29,909)</b>	<b>(105,877)</b>	<b>(1,496)</b>
Other expense (income), net	(33)	(5)	5	2
Change in fair value of contingent earn-out liabilities	15,645	(23,349)	(4,245)	(18,580)
Settlement of a contingent earnout liability	—	—	—	4,164
Amortization of inventory step-up from acquisitions (included in cost of goods sold)	1,808	2,233	875	542
Change in fair market value of warrant liability	30,202	4,387	(8,134)	—
Change in fair value of derivative liability	—	1,894	1,360	—
Loss on extinguishment of debt	—	29,772	106,991	2,096
Loss on initial issuance of warrant	20,147	—	—	—
Professional fees related to acquisitions	449	948	53	762
Transition costs from acquisitions	552	632	130	—
Professional fees related to Photo Paper Direct acquisitions	—	696	—	1,300
Reserve on dispute with PPE supplier	—	4,100	—	—
Reserve on barter credits	—	—	—	1,000
Stock-based compensation expense	6,899	4,862	9,570	7,657
<b>Adjusted EBITDA</b>	<b>\$ (1,260)</b>	<b>\$ (3,739)</b>	<b>\$ 728</b>	<b>\$ (2,963)</b>
Adjusted EBITDA as a percentage of net revenue	(2.6)%	(5.5)%	1.1%	(4.7)%

# 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)%

# Contribution Margin Reconciliation

	(in Thousands)				
	Twelve Months Ended				
	2019	2020	2021	2022	2023
Gross Profit	\$ 45,040	\$ 84,746	\$ 121,863	\$ 105,518	\$ 70,285
Add :					
Amortization of inventory step-up from acquisitions (included in cost of goods sold)		583	5,458		
Reserve on barter credits			1,000	1,643	323
Less:					
E-commerce platform commissions, online advertising, selling and logistics expenses	<u>(42,551)</u>	<u>(60,206)</u>	<u>(103,283)</u>	<u>(103,258)</u>	<u>(68,846)</u>
Contribution margin	<u>\$ 2,489</u>	<u>\$ 25,123</u>	<u>\$ 25,038</u>	<u>\$ 3,903</u>	<u>\$ 1,744</u>
Gross Profit as a percentage of net revenue	39.4%	45.6%	49.2%	47.7%	49.3%
Contribution margin as a percentage of net revenue	2.2%	13.5%	10.1%	1.8%	1.2%