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joining us a day is Sean Folkson the founder and CEO of NightFood the trays on our OTC QB venture market under the ticker N G T F Night Food is pioneering in the category of sleep-friendly nighttime snacking. A recent sleep foundation study released in February reports that 93% of American adults snack at night at least once a week and the average adult snacks before bed 4 times a week unfortunately the most popular choices are both unhealthy and can impair sleep quality. Sean, thanks so much for joining us today.

Sean Folkson

Thank you Cecilia. It's always my pleasure to talk to you.

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So to begin why do you believe nighttime snacking will emerge as the next billion dollar consumer category and how do you compete with some of the largest companies in the world?

Sean Folkson

Well I mean look you know the statistics that you just quoted at the beginning. That's why you know we know we don't have to create the demand. We don't have to create the market. It's already going on. You know when you do the math. Ah, you know you said the average adult snacks about 4 times a week before bed. You know that's almost a billion snacks a billion snack occasions a week. Um, and the most popular choices are cookies, chips, candy and ice cream and this is just the United States so we've got um. You know, according to estimates that we've seen over 60 billion dollars a year already being spent on snacks consumed between dinner and bed. It's it's stuff that is unhealthy. It's stuff that as you mentioned is sleep disruptive and people already know like the people that are eating the Oreos and the Ben and Jerry's um and you know whatever else that you know the Cheetos they know that they probably shouldn't be doing that and in many cases depending on the study that you look at many or most of them feel guilty so they know that there's already a problem and ah you know. We are coming along trying to solve a problem that exists we don't need to create the demand. We just need to um present a solution to the consumer that's available at a time when it makes sense that they can understand and in context and we're doing that and the way we're doing that is through our national.

Sean Folkson

Hotel distribution and hotel rollout. Um, you know in that hotel environment. It's it's really placed to our advantage much more so than trying to compete in supermarkets. Ah you know there's 56000 hotels across the United States a majority of them have. Ah, snack shops in the lobby these days and in that environment you know when people are going in there. they're they're in their hotel. It's nighttime they're buying for immediate consumption. You know they they know they're going to be going to bed within you know whether it's within an hour a couple of hours. Maybe they have a big travel day tomorrow. Maybe they have a big meeting. Or or whatever and it's it's it's an environment and a position where the hotels understand it. They need to satisfy this demand for guests because they have an obligation to help guests sleep better and the guest gets it so we are you know we ask about how we're going to compete with the big guys. We're going after the hotel marketplace we we have announced that we are in Synesta Hotels we are a qualified vendor with choice. We're working with with many of the largest global hotel companies really worldwide to get into the United States ah locations of those properties and we just think that you know we're going to tackle the hotel market become industry standard within the hotel vertical people will see us in all the the you know the the big hotels that they trust the hiltons the the marriotts the holiday ends and then from there we feel like we're going to be very. Powerfully able to expand into retail. And yeah, we think we're creating a billion dollar category here.

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So let's let's talk about ingredients because as you mentioned you know ice cream ah cookies. You know I would say the biggest problematic ingredient would be sugar. Um, you know as far as just what is your frame of mind as far as how that is? You know how you guys approach that problem.

Sean Folkson

Well, yeah, sugar sugar is a big problem before bed your body has to do a lot of things to maintain appropriate blood sugar levels and if you if if you consume something that's really high in sugar before bed then what happens is your your blood sugar levels are are. Varying you. You know you get on this this blood sugar rollercoaster and it can be very disruptive to sleep and and where it almost gets um to be a real problem is most of the time if you consume a lot of sugar at night. You're actually not going to have a problem falling asleep. That's ah, a myth you know people think oh you know the sugar's going to keep me up. The

sugar gives you that little burst of energy and then all the insulin gets released and you feel really tired. So the people that are making probably the worst choices at night and consuming the most sugar they actually fall asleep. Um, you know they they might not have a problem falling asleep because they have that kind of food coma effect. Um. So what you want to do is you want to not spike blood sugar before bed. So you know one way to do that of course is by having less sugar in your products another way to do that is by having more fiber. You know, prebiotic fiber and more protein. Um, which lower you know tend to lower the glycemic index of anything that you eat. So. Um, with night food cookies night food chips which are are um, skinned me night food cookies and night food ice cream which are the 2 snack formats we have out on the market now compared to you know, traditional ice cream or traditional cookies. You'll see less sugar but you'll also see less fat and fewer calories.

Sean Folkson

You'll see more protein and more fiber which again promotes satiety and and and tend to lower the glycemic Index of foods as well as you know ingredients you know Vitamins minerals and other nutrients that research indicates can actually support better sleep. But we're not trying to solve the sleep Problem. We're not positioned as a sleep aid or anything like that. We're solving the nighttime snacking problem and we're saying to people look if you're going to be snacking at night. Anyway, here's a better choice for you. Here's something that is what we call sleep. Friendly.

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So what other distribution channels are you either building right now for 2023 or you have in place for your products?

Sean Folkson

Well I mentioned hotels and I should also mention hotels and probably also hotels. Um, we are. We are really laser focused on that vertical. Um, you know the the reason is. And and there's other there's other small companies that you know I look at their public at their public filing small public companies and you know it's just the supermarket space and other traditional retail environments are so ah so expensive to compete in and it's really hard to build a brand and certainly to build a category. Okay, what we're after you know yes we expect growth and we expect revenues to grow and profits to come. But what we're really after is building a category and the way to build this category for us is by

being we want when when you go into that lobby shop. Whatever hotel you're staying in Cecilia you go up. And and you open and you look in that freezer we want night food ice cream pints right? next to the hag and does we want night food ice cream sandwiches right? next to the klondike bars we want night food chips right? next to the cheetos and the Doritos and we want night food cookies next to the the oreos and so on down the line and that's how a category gets built. That's how consumers understand oh my god you know Yeah I never really felt great about what I was eating at night. But you know now somebody is solving that the hotel has you know the hotel has it in here for me as a guest so it must be the right thing for me to be doing because the hotel obviously cares about sleep.

Sean Folkson

And so you know what we're doing is we're building this category. We know that there's \$6000000000 plus being spent already like I mentioned and so our goal is to establish night food as the dominant brand in this new category because um, you know. That's where the real value is for our shareholders. It's not necessarily about free cash flow. You know you know revenues are still very small for us even when we start building revenues growing profits. Really what this is about is what is the strategic value to the global food and beverage companies. To own the brand that dominates this depart this nighttime snack occasion when almost half of all snacking is consumed the way for us to do that is hotels. There's you don't have to pay slotting to get in like you do in supermarket slotting is very expensive. You don't have to run advertisements to tell people to buy or try your product. The placement in the hotel shop where there's really a very small selection serves that purpose. Um, and you don't have to ever go on sale everything in the hotel is already pretty expensive. You don't have to run you know, buy 1 get 1 free and all that stuff that makes it very expensive for brands to thrive in the supermarket space. And I want to point out that in the hotel space when we're head to head with haggin does. We've got data. There was 30 hotels that we were in that only sold 2 brands of pints night food and haggin does over a six month period and we sold as a totally unknown brand.

Sean Folkson

We sold approximately 40% of all pint volume compared to hogg and us now Hagen has has been around sixty years right and we believe people are seeing night food in that hotel context and they're reaching for it even though night food on average is more expensive in the hotels than haggin does so that's where we can compete. That's where we can thrive. Most importantly, you know there's better margins there. But most importantly, that's where the category creation

occurs and that's why we think the strategic guy all the big companies Cecilia well I shouldn't say all of them many of the big food and beverage companies have. Either dip their toe into the space already or they've they verbally um you know made public statements. You know whether it's nestle mondales ah post ceal just launched a cereal recently called sweet dream cereal ah that they're selling which is ah for nighttime. Um, but but we. Don't think any of those products we've seen them all fail already nestle launched something called Goodnight Chocolate Pepsi launched a beverage called driftwell um, you know I don't think they're going to work at retail because the the category hasn't been built out yet and. We're using hotels to build the category and that's what we're super excited about and that's you know the hotels have come to us because the hotels and hope that what's going on in their lobby shops is just not right? You know the hotel spends all this money to help people sleep better. They've upgraded their beds they put in the blackout curtains and the white noise machines.

Sean Folkson

Hotels have invested billions in better sleep and then when you go into that lobby shop. What do you see mostly is just twizzrs right? Oreos flaming hot cheetos and the hotels are realizing that it's time. It's time for them to upgrade their snacks and these global hotel companies are now coming to us. And we think this is going to take ah take flight pretty fast and this category it's 2023 and this is the year for nighttime snacking.

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Um, very exciting. So let's switch gears talk about night foods experience trading on the odc qb venture market as a public company and your ongoing engagement with your investor base.

Sean Folkson

Well I mean look we we try to be very engaged with our investors I try to make sure people understand what's going on and and in terms of the vision. We've got um you know approximately 5000 or so according to you know the nobo. Ah, list that we have access to individual shareholders and you know people believe in what we're doing they believe in the vision and being on the qb. Um you know is we think a great place for us I can tell you that if um, you know I I think I've said this publicly before but. You know if if we had not gone public when we did I think I don't know that we would still be here to pursue this huge huge dream and build

value for our shareholders being public. You know, even even as small as we are has enabled us to to keep pushing forward and we have announced partnerships with some of the biggest companies in the world. In the hospitality and travel space. So um, you know we've got big dreams and it really in a way. It's it's all thanks to being being publicly trained and being on the Cuba.

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Well Sean thank you so much for sharing the story and it's great talking with you night. Food trades under the symbol NGTF on our otc qb venture market.

Sean Folkson

Great. Thank you so much Cecilia appreciate your time.

**This is an autogenerated transcript and may contain typos.*