



Buscher

— and Co. —

AMERICAN MADE PRECISION PRIMERS

EST. 2021

BUSINESS OVERVIEW FEBRUARY 2021

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COMPANY / VISION

Buscher and Co. is a primer cap manufacturing company located the State of Colorado, USA.

Buscher and Co. creates the highest quality precision primer caps to work with the highest quality ammunition, for the serious and frequent reloader.

The compatibility of our primer caps is specifically engineered with other ammunition components in mind especially the cartridge case and propellant which results in the difference between an excellent product and a poor performing one. Attention to detail, quality and deep industry experience is difference between success and failure in this business.

We are creating the best new precision lead-free primer cap manufacturing company in the USA.

Buscher and Co. uses its expertise and know-how to create each primer cap to suit specific customer needs, and fill the ongoing gap in premium primer availability.

The company is seeking rapid growth and a 3-5 year exit / event.



PROBLEM

GUNS&AMMO

Great Primer Shortage of 2020 *(With no end anytime soon.)*



www.gunsandammo.com › editorial › great-primer-sho... ▾

[Great Primer Shortage of 2020 - Guns and Ammo](#)

Aug 12, 2020 — According to various sources, manufacturers are confirming to us that we are in the midst of the **greatest primer shortage** of all time. Bullets are ...

www.ar15.com › forums › General › The-great-Primer-... ▾

[The great Primer shortage of 2020 - AR15.COM](#)

Nov 24, 2020 — Originally Posted By BigPapaColt: Years ago I bought 20k pistol primers for cheap & forgot about them till the other day?? View Quote. If ...

www.powdervalleyinc.com › Reloading Supplies ▾

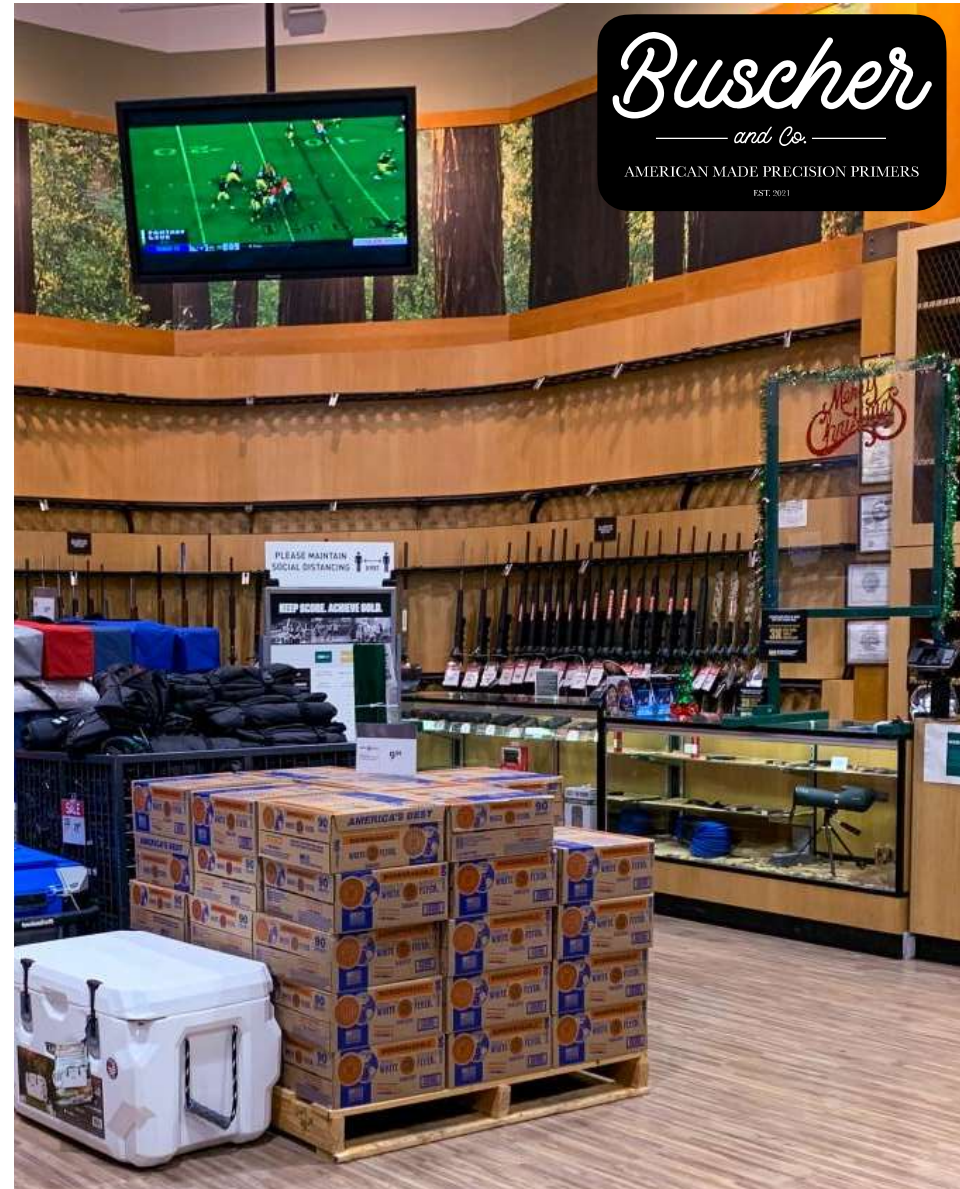
[Why Is There a Primer Supply Shortage? | Powder Valley](#)

Oct 21, 2020 — We are in the midst of the **greatest primer shortage** of all time, and we don't see things getting better anytime soon. Read on as the experts from ...

SNAP SHOT:

What is causing the ammo panic buying and primer shortage? There are a number of key reasons:

1. *Concerns over Democratic Party control of U.S. House of Representatives, U.S. Senate, and the White House;*
2. *General worry and paranoia caused by the COVID-19 pandemic;*
3. *Fear of new legislation banning guns and restricting ammunition purchases;*
4. *Social unrest and uncertainty.*
5. *Increased crime from homelessneses / increased street activity of homeless criminals.*
6. *The vast increase in the number of new gun buyers.*



Buscher
and Co.

AMERICAN MADE. PRECISION PRIMERS

EST. 2021

PRIMER MANUFACTURERS



Federal, CCI, Remington and Winchester are the 4 domestic primer manufacturers. They cannot keep up with the demand.

Primer manufacturers are working hard to feed the market. "We continue to operate at full capacity and are committed to meeting the current strong demand for ammunition and primers." Federal representatives told G&A. Remington is also working overtime: "We are producing at record levels to attempt to satisfy the unprecedented demand for primers in support of the hand loading consumer, our own loaded rounds, and our industry partners loaded rounds."

In 2018, the total ammunition production for the United States was **estimated at 8.7 billion** rounds. The numbers for 2019 should be published in December of 2020.

AMMO MANUFACTURERS

WINCHESTER (RIFLE, SHOTGUN, HANDGUN AND RIMFIRE): Founded in 1866, Winchester manufactured the guns that won the west, and they were the first partner of "the Edison of guns" Mr. John Browning himself. Winchester ammo can be found around the world in their signature white and red ammo boxes. Rifle, shotgun, handgun and rimfire 22lr ammo, they make it all in almost every caliber imaginable. The primary Winchester ammunition factories are located in East Alton, Illinois and Oxford, Mississippi. Popular Winchester variants include Super-X, Defender, and Match ammunition.

HORNADY (RIFLE, SHOTGUN, HANDGUN AND RIMFIRE): The Hornady ammunition company was founded by Joyce Hornady in 1940. The company began by salvaging surplus ammunition and spent casings from WWII and repurposing it for hunting and target shooting purposes. Today the Hornady factory is located in Grand Island, Nebraska. Hornady is available in all four primary ammunition types, and popular product lines include Critical Defense, Superformance, and American Whitetail.

REMINGTON (RIFLE, SHOTGUN, HANDGUN AND RIMFIRE): Remington is another famous American manufacturer of American firearms and ammunition. The Remington Arms Company was founded in 1816 in New York, and it holds the distinction of one of the longest continually operating manufacturers in America. Popular variants include Core-Lokt, Premier, and Hypersonic loads.

NOSLER (RIFLE AND HANDGUN): Nosler is an ammunition brand specializing in rifle and handgun ammunition. Founded in 1946, the company was started by John Nosler after a failed hunting expedition. Nosler's plant is located in Bend, OR and popular product lines include Ballistic Tip, Match Grade, and Trophy Grade.

FEDERAL PREMIUM (RIFLE, SHOTGUN, HANDGUN AND RIMFIRE): Federal Premium Ammunition is another true American original ammunition. In 1922, Charles Horn purchased a small factory in Anoka, Minnesota and began an aggressive marketing plan for his ammunition. Federal Premium is still located in Anoka today, and they make all four primary types of ammunition. Popular product lines by Federal Premium include Premium Personal Defense, V-Shok and American Eagle.

CCI (RIMFIRE AND HANDGUN): CCI, or Cascade Cartridges Inc., was founded by mechanical expert Dick Speer in 1951. CCI is located in Lewiston, Idaho just like his brother's company Speer, and their popular product lines include Mini-Mag, Stinger, and Quik-Shok. Today CCI is a leader in rimfire ammunition, and they also produce centerfire pistol ammunition in select calibers.

SPEER AMMUNITION (HANDGUNS): Vernon Speer was the founder of Speer ammunition. He begins making his mark on the ammunition market by making bullets in 1943. Vernon was a pioneer of rifle bullets for hunting. Headquartered in Lewiston, Idaho, Speer Ammunition is the favorite of law enforcement professionals around the globe.

SOLUTION

There is a massive increase in demand that needs to be filled.

A mix of the Covid-19 pandemic, civil unrest, and the possibility of new regulations around the 2nd amendment has caused demand to skyrocket. The pandemic specifically has incentivized shooters to learn how to reload their own ammo.

First time gun owners have increased up to 7 million people over the past 6 months. Many of those reloaders entered the market anticipating that it would be easier to make their own ammo since readily available ammunition was so difficult to find. With shortages of bullets, powder, brass and primers, that has simply not been the case.

Since reloading, which saves on the cost of ammo at the expense of time, reloading is more popular than ever. With the world changed, reloading and shooting are great socially distant activities you can do while the movie theaters, bowling alleys, and bars are shut down. Even with a vaccine, our habits have changed, and this is why we are in the greatest primer shortage of all time.

Now is the time to build. There is a ready made market.



WHAT IS A PRIMER?



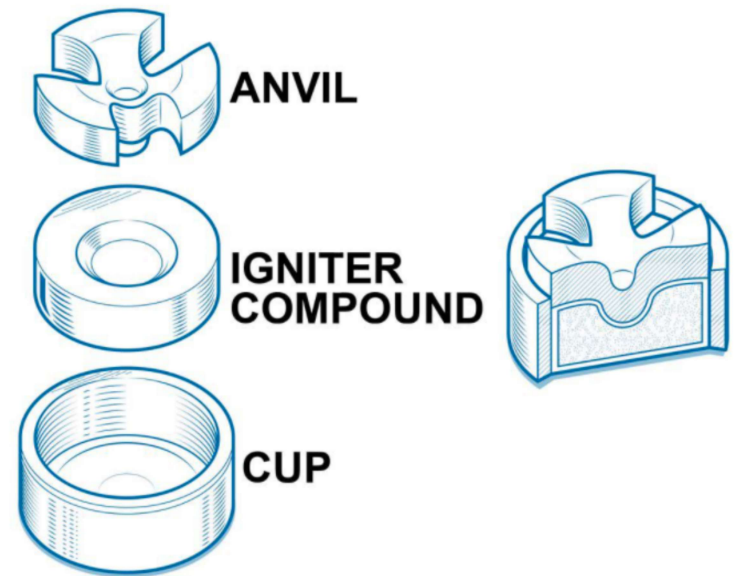
To understand what primers do, we have to delve into the chemistry that goes into the making of the volatile slurry that is pressed between the primer's cup and anvil. That mixture, known as primer compound, is the most dangerous substance in the world of firearms and ammunition manufacturing.

Although gunpowder is flammable, and the chemicals used to blue steel barrels can be dangerous, mishandled primer compound will leave nothing but a smoking crater behind. There's a reason that each individual primer gets its own protective cutout in the box it is shipped in.

One way to think about a primer is as a mini rocket engine that erupts a potent mix of hot, burning slag that mingles with the gunpowder contained within a cartridge.

Since the 1920s, this mix has been formulated by combining lead styphnate, the main explosive, with an oxidizer, barium nitrate (which adds oxygen to the flame).

These two elements account for about 80 percent of the primer compound. Added to this are some fuels (16 percent) and a dash of tetrazene (4 percent), which is a sensitizer—meaning it helps the compound ignite when the firing pin strikes the primer cup.



TRADITIONAL PRIMER COMPOUND



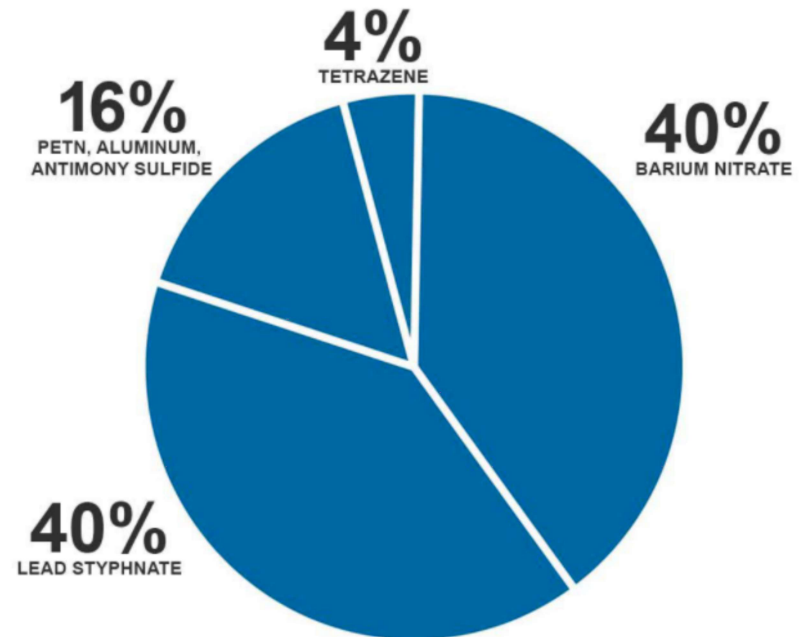
Lead styphnate is the primary explosive in modern primers, while barium nitrate is the oxidizer that adds oxygen to the explosive. Tetrazene is a sensitizer that makes the primer easier to detonate. The remaining elements are fuels.

The specific ingredients in primer compounds vary from one make to another, but the general formulas have remained remarkably stable over the decades, mostly because ammo makers—and, more to the point, their customers—are stubbornly reluctant to tinker with any recipe that deviates from the tried and true.

Above all, primers need to be consistent. If they don't pop off when they're hit by a firing pin—no matter how cold the temperature or how dirty and greasy the ignition system—shooters become exceptionally cranky and unforgiving. Igniting the powder charge, even at the cost of other desirable outcomes like accuracy, is the primer's prime directive.

Despite this conservative bent, primer technology is experiencing a revolution right now. While there's been plenty of recent news of high-performance bullets, powders, and precision brass, the fourth member of the cartridge quartet has undergone some interesting developments too.

The latest generation of primers has been cooked up by the engineers at Federal Ammunition. The primer is called Catalyst, and it represents an improvement over traditional primer compounds in several ways.



NEW PRIMER COMPOUND



Like many innovations in ammunition, the development of the Catalyst primer was driven by the U.S. government. Both military and law enforcement, wanted a duty-worthy primer that didn't contain lead or other potentially toxic metals.

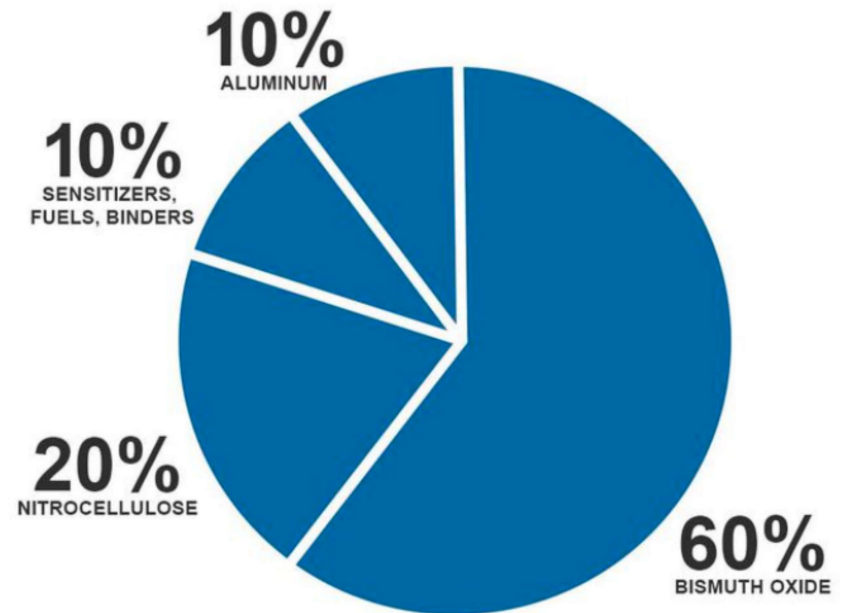
The catalyst formula contains aluminum which performs two main functions. It makes the explosive nitrocellulose more sensitive, and it helps heat up the bismuth. The "oxide" in bismuth oxide adds oxygen to the reaction, while the remaining 10 percent is a blend of fuels, binders, and sensitizers.

One way in which Catalyst improves on current primer technology is that it won't degrade the powder it comes in contact with the way some current primers can. The Catalyst formula propels more hot, heavy metals, while producing less pressure from gases, into the propellant bed than any other primer system Federal has used—even its vaunted Gold Metal primers.

Aluminum accounts for only about 10 percent of the mix, but it performs two different, yet complementary, functions.

When aluminum interacts with any explosive, it makes the explosive more sensitive. With Catalyst, that would be nitrocellulose, which makes up about 20 percent of the primer compound. The aluminum also reacts with bismuth oxide (60 percent of the primer)—which gets the bismuth extremely hot.

Because it is both very hot and very heavy, the bismuth does a superior job of penetrating the propellant bed and transferring heat to ignite the powder. The final 10 percent of the Catalyst formula is a blend of sensitizers, fuels, and binders.



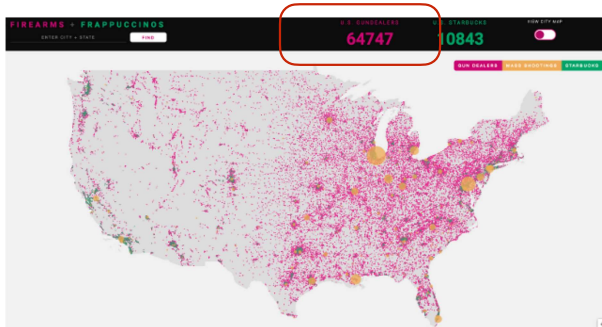
Buscher and Co. precision primers will explore both traditional and lead-free options, given the speed to market, and other various factors like the political climate, accepted standards and ease of compound creation.

THE OPPORTUNITY

There are 64,747 gun dealers in the U.S.

This is more than grocery stores (37,716), McDonald's (14,098), total coffee shops (55,246), and almost 6 for every Starbucks (10,843).

If you include gun collectors, manufacturers, and importers (138,659 as of December 2015), there are more gun dealers in the U.S. than there are pharmacies (67,000) or public schools (98,328).



In 2018, Small Arms Survey reported that there are over one billion small arms distributed globally, of which 857 million (about 85 percent) are in civilian hands. The Small Arms Survey stated that U.S. civilians alone account for **393 million** (about 46 percent) of the worldwide total of civilian held firearms.



CUSTOMERS

In-store

Walmart, 4,000 of its stores as of 2018

Dick's Sporting Goods, 720 stores across the United States sell guns.

Field & Stream, 35 locations across the US.

Bass Pro Shops, 200 retail and marine center stores located across North America.

Cabela's, 50 locations across North America

Camping World, over 120 locations across the US.

Gander Outdoors, 100 stores

Academy Sports and Outdoors

L.L. Bean, over 39 locations

Big 5 Sporting Goods, over 400 locations across the US.

Dunham's Sports, over 230 locations across the US

Sportsman's Warehouse, over 90 Sportsman's Warehouse locations across the US.

Scheels, 27 locations

Online:

Palmetto State Armory

Brownells

Cabelas

Ammoboard

Sportsman's Guide

Lucky Gunner

Sportsman's Warehouse

bulkammo.com



CHECKLIST TO ENTRY



Permits / Licensing

Federal:

Must have a manufacturer's license under the GCA, (Gun Control Act) maintain permanent records of manufacture, and submit annual manufacturing reports.

Type 7 FFL

Register with Department of Defense under ITAR

State:

Notification to police departments or sheriff's offices of application for Colorado explosives permit.

Hazmat certs and training

Insurance

Supply chain:

Raw material availability has been verified. Our chemists will create a proprietary lead-free compound formulation.

LOCATION (LEASE OPTION)

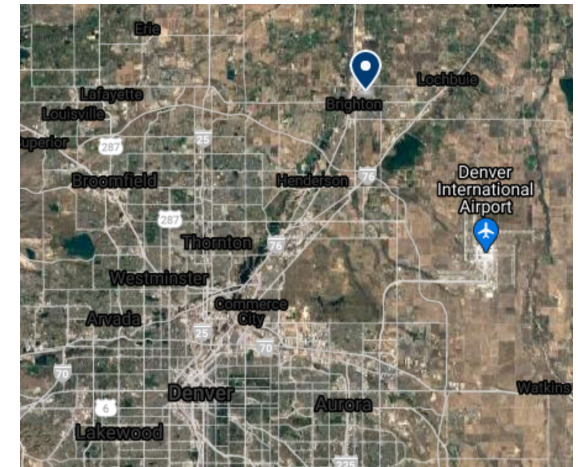
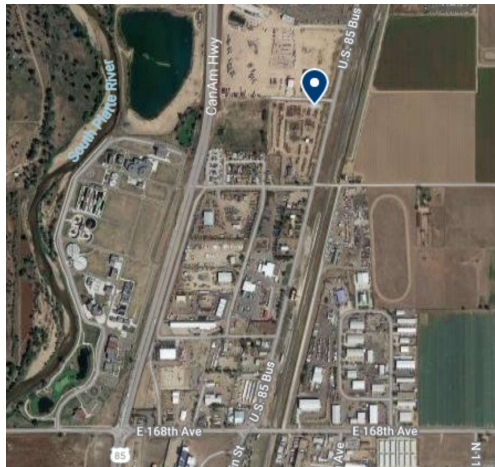
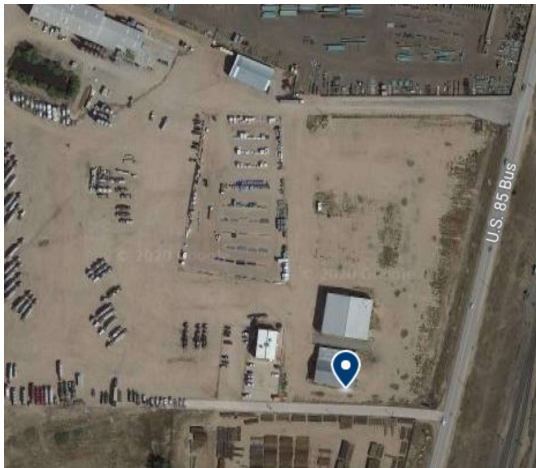


Many properties similar to this exist with necessary zoning.

Confidentiality, ease of transportation, proximity to oversight and security are paramount.

Property Details

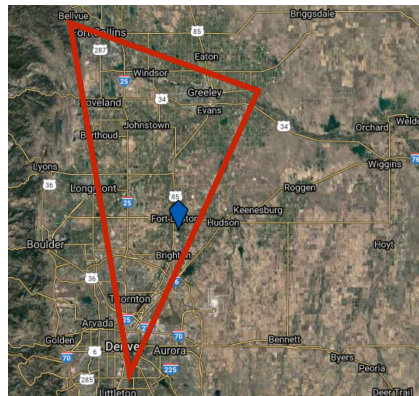
Property Type	Warehouse	Year Built	1987
Total Building Size	9,390 SF	Tenancy	Multiple
Building Class	C	Zoning	I-3, Brighton



LOCATION (PURCHASE OPTION)



A purchased property in the growth corridor between Denver, Ft. Collins and Greeley would provide land/property investment and would incorporate an underground shooting/testing range, room for expanded lines and the options for subdivision/lease.



NEC WCR 27 & WCR 8 | 2360 S Rollie Ave
 30,000 SF | Vacant | Industrial Building | Fort Lupton, CO | For Sale

Price: \$5-7,000,000

INVESTMENT HIGHLIGHTS

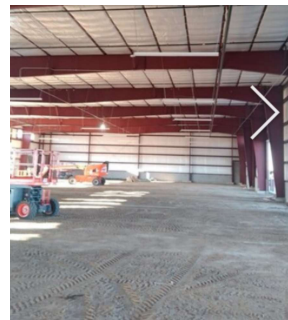
- 5.85 Acre lot with yard
- 6" Recycled asphalt paving
- Heavy Industrial Zoning
- 6" Reinforced concrete
- 12 14'x14' overhead doors
- 3,000 SF of office space in 30,000 SF building

EXECUTIVE SUMMARY

Sale Price: \$250/SF

PROPERTY FACTS

Sale Type	Owner User	Year Built	2020
Property Type	Industrial	Clear Ceiling Height	20 FT
Building Class	A	No. Dock-High Doors/Loading	1
Lot Size	40.00 AC	No. Drive In/Grade-Level Doors	12
Rentable Building Area	30,000 SF	Opportunity Zone	No
No. Stories	1		



BLAST PROOF CONTAINMENT



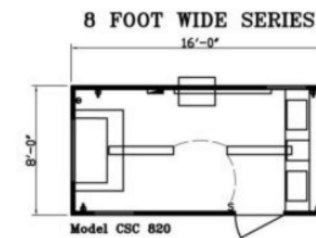
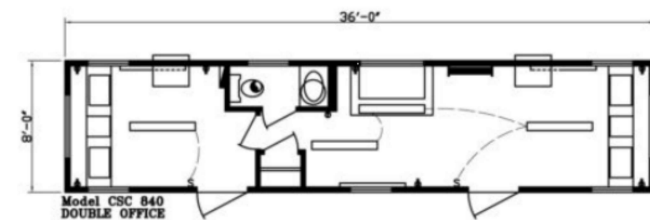
Portable blast-resistant modular buildings will be housed inside of the larger structure. Larger structure is for security and privacy. Buildings feature thick steel exteriors to guard against bullets and impact and a sturdy steel frame that can stand up to explosions or seismic activity. Manufacturers build blast-resistant containers to meet industry standards and satisfy building codes. You can expect the following features with a modular steel structure:

- Non-combustible and fireproof steel walls, frames and studs
- Customized floor plan to serve a particular purpose
- Option to equip the structure with HVAC and insulation for a comfortable climate-controlled space
- Option to install blast-tested windows and doors

The strictest industry standards, include:

- MIL-STD-622F military ballistic limit standards
- MIL-P-46593A military ballistic limit standards
- OSHA 1910.307 Explosion Resistant Structures guidelines
 - Class 1, Groups A, B, C, D, E, F, and G
 - Class 2, Groups A, B, C, D, E, F, and G

Additional measure will be taken into a consideration of a combination of structure, surfaces, sensors, security cameras/alarms, evacuation alarms.



TEAM



**Aaron
Buscher**

Aaron was born and raised in rural Illinois on his grandparents' farm. This is where he found his love of hunting and the great outdoors. Aaron's sense of adventure took him to Arizona where he graduated from Arizona State University with a Bachelor's degree.

Aaron has been an avid hunter since he was big enough to go out into the fields with his grandfather. Aaron's knowledge and life-long appreciation of firearms started when he was 10 years old and his grandfather gave him his first shotgun. He was raised to have a great deal of respect for firearms.

He has a wide range of knowledge in handguns, pistols, rifles, and shotguns. Aaron is a member of the Buffalo Creek Gun club. He is a Lifetime member of the NRA and proud supporter of the Second Amendment. He has three children and is a firm believer and supporter of youth hunter education.

Aaron actively reloads his own ammunition and is always staying in tune with the latest firearm information, safety, and updates.

When Aaron is not out hunting or fishing, he has been successfully operating an oil and gas consulting firm. As President of his company, he has a specialty of starting-up operations and turning them into efficient and productive programs. He has consulted for major oil companies such as XTO, WPX, Crescent Point Energy, and Continental Resources.



**Benjamin
Douglas
Ray**

Ben has a successful track record of 30 years as an entrepreneur and has driven sales, operations, management, marketing, product development, and PR communications initiatives. He is a Colorado native, growing up in Littleton, spending his childhood summers on his cousins ranches in Kersey and Walden. He has a degree from Colorado State University in Ft. Collins. Ben lives in Denver with his wife and children.

In 2015 he was awarded a MIPs license in Adams county to operate a legal THC cannabis manufacturing company. He handled building plans/permits for the highly regulated extraction lab, completed all licensing with state and local bodies, set up banking relationships, and launched the product into Colorado recreational dispensaries. He exited with positive gain in April, 2016. (Sold shares to partner/investors). He also has since founded a legal THC rosin company and an organic CBD company.

Ben has the ability to make the complex, simple, understanding he must communicate well to the C-suite, customers, partners, investors, regulators, stakeholders and media; regarding the complexities of start-ups, new business models, and fund raising and highly regulated industries.

He has pioneered large-scale innovative programs in Food & Beverage, Hospitality, Oil & Gas, Technology, Political Affairs, Sports, Nutrition, Commercial Real Estate, Lifestyle, Jewelry, Travel and the legal Cannabis industry.

REVENUE MODEL



The basics:

Retail = \$0.04-5 each + (up to \$0.08 premium)
Wholesale = \$0.02

Manufacturing \$0.01 (less at higher volumes of raw material)

Production per day: 360,000 x \$0.01 = \$3,600 per 6 hr. shift per employee.

Top line sales: \$3,600 x 5 = \$18,000 week x 52 = \$936,000 per yr.

Examples for staffing production output:

5 staff will produce \$4,680,000 per year of top line revenue in primers.

10 staff will produce \$9.36 million per year of top line revenue in primers.

Note: 24-month balance sheet figures to the right. A full plan is available in a separate sheet.

Summary Income Statement		Month
		24
Revenue	Gross MRR	\$24,433,955
Costs of Good sold	Raw materials	\$6,108,489
	Total Costs of Good Sold	\$6,108,489
	<i>As a % of Revenue</i>	25.00%
Gross Profit	Gross Profit	\$18,325,466
	<i>As a % of Revenue</i>	75.00%
Operating Expenses	Sales & Marketing	\$32,000
	<i>As a % of Revenue</i>	0.13%
	Personnel	\$172,000
	<i>As a % of Revenue</i>	0.70%
	G & A	\$202,000
	<i>As a % of Revenue</i>	0.83%
	Total Operating Expenses	\$406,000
	<i>As a % of Revenue</i>	1.66%
Margins	Earning Before Interest & Tax	\$17,919,466
	<i>EBIT Margin</i>	73.34%

Note: These figures do not represent the \$5-7mm property investment

GROWTH STRATEGIES



Tailored products per audience based on demand



Pricing and package optimization for types of B2B sales



Volume / contract pricing



Geographic expansion - national and international



Strategic partnerships / acquisitions / new lines of business / exit prospects



MARKETING SALES



Partner with entities who are already serving the industry. Rapidly increase the number of new customers in Colorado, and states where there is a high number of reloaders / retail outlets / shortages.



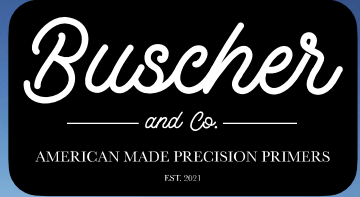
Leverage existing industry relationships, software relationships, funding relationships, LinkedIn, Facebook, Hunting / shooting email lists, groups, clubs, and organizations.



Direct sales to retail / existing distributors.



Primer TV / PODCAST. We will create and host an online digital video show where we interview real hunters / shooters for authentic content.



STATUS

Seeking \$5-7,000,000 in funding - Seed/equity, or convertible note.

Minimum investment = \$500K

Pre money valuation = \$4X based on like companies and the growing market cap of many ammunition companies.

Proof of Funds to be operational = \$2,000,000

Seeking individuals or groups -

Who have experience with the types of challenges that highly-regulated industries face in terms of risks, regulation, confidentiality, strong growth plan and exit opportunities.

LONG-TERM OPTIONS FOR GROWTH

IP

Compound formulation patents

Federal government contracting

IA / robotics machinery development / patents / business line

SAAS Customer storefront ordering / purchasing and inventory management

IPO



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COMPS



SCOTTSDALE, Ariz., Jan. 04, 2021 (GLOBE NEWSWIRE) -- AMMO, Inc. (Nasdaq: POWW) ("AMMO" or the "Company"), a premier American ammunition and munition components manufacturer and technology leader, plans to report its third quarter fiscal 2021 results on or before February 15, 2021.

Ammo Inc. expects to achieve revenues of **\$55.0 million** during fiscal 2021. Revenue in fiscal 2020 was \$20.2 million which would represent 272% growth year over year. The strength in the business comes from the military, law enforcement, and export orders.

Assuming the \$55 mil in sales this year an **industry multiple of 3 to 4.5** places the market cap between \$165 million to \$248 million.

Thanks to COVID-induced tailwinds, Vista's 2Q FY21 (ended Sep. 27) **sales increased 29% to \$575 million.** E-commerce sales were up 100%.

The company posted adjusted EPS of \$1.10 compared to break-even earnings in the prior-year quarter as gross and operating margins expanded across both shooting sports and outdoor products segments. Cost-control initiatives and favorable product mix helped boost margins.

Vista is well placed for further growth, especially in the ammunition space where as per the company, demand is far outpacing supply. Commenting on its order backlog, the company stated on its 2Q conference call that it has "over a year's worth of orders for ammunition in excess of \$1 billion."

To further strengthen its ammunition and shooting sports business, Vista acquired certain assets related to Remington Outdoor's ammunition and accessories businesses in October of last year.

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