

Glenn Mathijssen:

We're just a club of simple engineers. The company was always the same, but we changed the name of the company a couple of times. It started very techy, and then we realized we might need some help here. So we had some really brilliant marketers from Belgium that helped us out, and they said, look, you guys, you're actually a little bit crazy, but you're also clearly a little bit smart, otherwise you can't build these things. So it reminds us of the smartest, between quotes, of course, person ever, Albert Einstein. That's actually known from a picture where he sticks his tongue out. And that's actually weird, right? You wouldn't expect the smartest person to be known to be sticking his tongue out. You might imagine him more in a costume or something like that. That double thing, and then also the tongue is linked to food, so it's also nice, like, you know, that kind of works. So yeah, today we're no Einsteins, but we're Albert. We're trying to do something new in the food world to make more healthy, personalized blends. In our case, blends that are food in general, very accessible, very usable and at scale. So that's Albert.

Matt Eastland:

Glenn Mathijssen and his co-founders at Alberts are tackling a long-standing challenge in the food system. How to make healthy eating more accessible, convenient and affordable. For many, fitting nutritious choices into the chaos of daily life just feels impossible. Especially when quicker, easier options are just a button away. Across Europe an estimated four and a half million vending machines stand ready to serve and the number is still growing.

Glenn Mathijssen:

products that you can typically find in a vending machine. They're typically high in sugar, typically high in salt and high in fat, which is the perfect triangle to make something really irresistible when your brain thinks, yes, I want this right again. And it's also something that lasts for a long time and usually is shelf stable, meaning you can just put it on the shelf and it will be good for two years. So yeah, that's a perfect recipe for a really nice business. Unfortunately, not a perfect recipe for the business called your body. But if we put that aside, usually we can conclude that fresh food goes in the direction of something healthy if you do it right. Now, fresh food is a hassle, right? Fresh food means that one, you have waste because it's not fresh forever. Secondly, fresh food means that since it's not fresh forever, you need to be fast. Whenever there is time pressure or whenever there is a time pressure at the end, meaning it goes bad, you're gonna lose money or you're gonna pay expensive. And that means that these products are generally more expensive. So it means compared to a Coca-Cola can that can be outside for two years in the rain and in the sun, this fresh wrap will not be fresh for that long. So that just makes it more of a hassle, more expensive and therefore more difficult to get

access wherever you are.

Matt Eastland:

While traditional vending machines are undeniably convenient and wildly popular, they fall short when it comes to delivering fresh, healthy products to consumers. Undeterred, Glenn, armed with a PhD in robotics and a determined team, set out to change that. Their goal was bold. Create a completely new kind of machine, unlike anything on the market. But there was a catch. It had to fit seamlessly into the existing system so it could scale in the real world.

Glenn Mathijssen:

When we were starting Albert's like 10 years ago, the vending or the automated machines consist of three categories largely. You have coffee and anything around it and you have cans, sodas and coca-colas etc. And then you have the snacks as they call it. Over the years then a kind of new category popped up. People started calling it smart fridges. It's a small technological upgrade in the sense that you can swipe your card, open a fridge, take your products, close it, and then as a consumer experience, things are directly charged to your credit card. However, it's also not really next step in the sense that it does not have any new feature compared to a vending machine. A vending machine stores food and it distributes food. In French, it's called a distributeur automatique. So it means something that distributes food automatically. It stores it, it distributes it, it takes your money, that's it. And that means that it does not unlock anything for any new products. I can put a salad box in an old vending machine or I can put it in a smart fridge. There is no difference. The difficulty with introducing these factory fresh, as they call it, products, wraps and salads into the vending industry is the supply chain becomes very stressy and vending operators are faced with something they never had before, which is a negative P&L line, meaning they lose money if stuff goes bad. Vending operators they like to go towards their vending machine only when it's sold out or when it's near to being sold out because then they made money and then they can refill. Now imagine I have a vending machine with salads or a smart fridge with salads, all of a sudden it could be very well true that I have to drive there after selling one salad. and everything went bad. And not only do I have to drive there, also I need to make sure that my salads arrived that day into my warehouse and I have to throw away all the rest. That business model is so upside down that vending operators are just not typically jumping on it. The industry tried to do it, but it still remains marginal compared to the vast majority of coffee snacks and cans. So what we do at Albert's is we try to make a food product from the raw ingredients. So as a consumer, you walk up towards the device, it looks like a bit wider vending machine, so nothing out of the ordinary. But when you look at it, you see 10 different types of fruits, vegetables or other food products, and you see them in their fresh pure format so you see berries you see strawberries you see mango chunks you see pure apple slices and all of them are just

presented to you right in front of your face and then you can make or you can order a blend What's the blend? We have, over the years, we expanded to different types of categories. So we started with smoothies, mainly fruit-based. Then we went towards soups. We're still the only hardware product in the world, as far as I know, that can make a fresh soup in two minutes of raw ingredients. And then we expanded towards frappuccinos, or frappés, they're actually called. Frappuccino is a term coined by Starbucks. So they are these milkshake-y like drinks that have more a basis of chocolate, chai, caramel, you know, more in that direction. And then last thing that we do is boosters. There we have a blend. So for example, a smoothie it could be, but we add nutrients to that. So protein is a classic of course, but there are many other nutrients that can be added for health benefits then. So this is a bit the space where we're in. As a consumer you walk up, one touch of the button, you take that smoothie, you pay and you go. It comes out in two minutes or with the phone you can make your own recipe. You say I want 25% of that, 30% of that, 40% of that and the machine makes it tailored to your needs right on the spot and delivers it out. One of the magic parts is that we work with frozen product. And that means that it's shelf stable. The machine can be a whole weekend in an office, for example, just standby. And then on Monday, it just goes again. And then the patent that we have approved on the architecture makes that it's a very lean machine and it's a very lean architecture, meaning it can be small enough and the cleaning can be fully automated. So these are some clues about the backend, let's say, why actually operationally it is doable to fit these metrics of the vending operators, like I've mentioned before. And then secondly, on the waste side, You have very big smoothie brands, let's not name them. They actually make a smoothie in a bottle, right? The thing they make is not smoothies. They make a smoothie in a plastic bottle. So they end up selling a lot of plastic. And so the advantage we have is that since the machine still needs to make the blend, we can serve it in any recipient that is chosen by the location. We do paper cups, we do sugarcane cups, reusable cups that can be used. So that's another advantage on the recipient. How do you serve it? And how do we then serve it? And then no waste, like no strawberries wasted because they're frozen. They're good for two years. But these are some of the KPIs we are working on. Long story short, we have always been trying to go towards a machine that actually fits the KPIs of a vending operator, because once you unlock that, the scalability is insane. I think in the future robotics world we all struggle with a bit the same challenges. Some are technical, some are price wise for the CAPEX, but one that is in my opinion often overlooked is that a crystal clear view on how you're going to put 10 000 units in the market in a matter of years. And I believe very little players actually have a clear path towards that. And so I believe we have that, but at the same time, we don't have 10,000 units in the market. So I think we're doing something right, or at least I believe, and I'm very bullish on the fact that this will scale true. We also see these proof points now with our new clients that are small to very big vending operators. But at the same time, it remains a real battle to actually, even if these KPIs are correct, to then in practice, make it go right all the time. So

yeah, it's a little bit our journey. So I'm a type of guy that loves to just keep working. But at the same time, in the last 15 years of entreprenuring, I realized when I've put all the important contacts I've ever made, I never made them while just keeping working on the computer. They always came with getting outside of the door. So EIT Food for us was, and I say this in all honesty, it was the gateway towards a European network of high level, high stakes people or stakeholders within the industry. A very beautiful example of that is literally at an event. I start drinking a coffee with the RD director of Danone. I already for a long time had an idea like, hey, we should actually incorporate these plant-based milks into our concept because it's the perfect gateway to one, serve it towards the people. And also there is a marketing value for them because we are in usually very beautiful locations, hospitals, we are in universities, we are at the office, et cetera. Location is difficult to reach for these brands and really have an exposure. So literally at the coffee in five minutes I pitched it and then after that of course a whole trajectory but a project got approved, a fast track to market project which resulted in funding for us a track to work on it together with Denel and their brand Allpro and then after today it's in the market already for three consecutive years. So this is of course an example that worked out there were also 500 conversations that did not yet work out But I think EIT Food, they can correctly say, they're the biggest network of high-stake food and food tech professionals. They just bring them all together from startups to universities to big corporates. And I think that is very valuable. The events host hundreds of people. So yeah, if you can coast through these events and go from the right person to the right person, get to know everybody, there is a lot of value. But you have to also get it out yourself. It's not like you go there and then, oh, it's all done. You can perfectly go there and sit in the corner, right? So you really have to hustle for it, but it is organized. It's all set up. It's fantastic. So at Albert's today, we are really at the start of the real scale through, let's say. So we had various versions of our technology. In reality, it was trying to stabilize it and trying to get to a form factor that was actually market fit. Today, we have that. We did a first trial production of our industrial version. We call it the Albert's One, which is like the iPhone One. So we produced 30 of those units with a professional producer. These units now went into the field. We are now in trial versions in five countries. So we are in the UK, the Netherlands, Belgium, Luxembourg. France and Romania. So actually that's more than five, it's six. We have a very clear strategy forward, and that is trying to scale true vending operators. Can be from small to big. So you have a very big vending operators that control 10% plus of the European markets, but you also have small operators that are in one city, in one country, and there have, for example, 200 machines. So we are ready to work with both of those. And so now the next step for us is to scale up that production We have selected the partner for that, the first integration works are done, and we are now preparing the production and the fundraise to fund the whole scale through. It's really exciting, it feels like a very long pre-run, let's say, but with machines, once the model ticks, It's literally copy-paste, right? So if you have a scalable model, and which we

have with defending operators. So now it's really like, now it's going to go very fast, which is fantastic and scary at the same time. With regards to advice, it's always of course with my little scope of the world and also always knowing that I don't have 10,000s of units in the market yet, so it's just my two cents. I think firstly, what it really comes down to is consistency. I always say it's very easy to make a robot, but it's not so easy to make something that works in ten thousands of locations, that works every day, in and out, in a business that is already running, where you plug yourself into and you don't want to disturb their rhythms and their organizations. So it really comes down to consistency and quality in the end. But there is also, of course, the financial aspect. It's all about the money in the end. And then specifically for food robots, the challenge is that we live in a time where capex spending is really not in favor anymore, right? Today, nobody wants to spend money on anything and everything's rented and leased. The challenge with hardware is that once you, let's say, go moving towards a new category, but you want to plug that into an existing business line, you'll typically be more expensive. so that's a challenge always keeping cost low cost low cost low cost low and then typically in hardware there is the chicken or the egg story meaning yes you will be cheaper if you produce more but in order to produce more you first want to be certain you are also cheaper and have your sales ready so i think these two things in general it's not only for us i believe i guess i can speak for the whole food robotics team is 1. What's your model to scale and honestly, will it work?

None:

2.

Glenn Mathijssen:

Do you have the consistency and the quality to actually have something that can be plugged into the market?

None:

3.

Glenn Mathijssen:

Is it ROI wise and specifically CapEx to get started? Is it a fit with what the market, meaning point one, your partner to scale, is willing to accept? So that, I believe, is always the challenge. Maybe it's remarkable that I don't talk about the consumer. It's very weird, maybe, in a way, because we're really trained to think like the legends of Apple, etc. Consumer first, consumer first, consumer first. And this is true, but in food robotics, you make a B to B to C product, meaning that your first user is the operator. And that's also the person that will actually put it into the market. A lot of people think about that consumer, which is of course important, but that middle person, that operator, aka number one,

your scaling partner, is essential. And if you don't focus on that a lot, it's just not going to scale. You can make the machine that makes the most fantastic food product. But if you don't have a way to scale it in the market at large, you won't be big after all. So yeah, that's a little bit my two cents and my mindset today. But like I said, I was wrong a lot. So I can also change next year and the year after.