

whipstitch capital

Healthy Living Consumer Products: Industry Update, Deal Review and 'Hot' Categories



Natural Products Expo East September 2019 Michael Burgmaier Managing Director mike@wstitch.com Nicolas McCoy Managing Director nick@wstitch.com

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Healthy Living: Industry Overview and Deal Update / Whipstitch Capital's Top 11 Healthy Living Consumer Trends

- Food & Beverage M&A and Private Placement Deal Data
- SPINS Market Update: Produced for Whipstitch's Industry Analysis





Whipstitch Capital: The Largest, Independent Investment Bank in the U.S. Solely Focused on the Healthy Living Market

The Leading Better-For-You, Consumer-Focused Investment Bank in the U.S.

- Large, highly-experienced team, led by Nick McCoy and Mike Burgmaier
- Focused exclusively on innovative, better-for-you consumer companies
- Financial Advisory on M&A and institutional private placements
- Participate in and lead over 15 consumer industry events/year
- 50+ years collective work experience together with 100+ transactions closed

whipstitch

DEAL DIFFERENT.TM

Select recent deals



In 2018, The Whipstitch Team Accomplished a Lot; Even More Happening in 2019

2018 by the Numbers

- Fifteen M&A / private placements transactions
- Four unannounced deals
- Two new team members
- Over 10 speaking events
- One new HQ in Boston

A Sampling of Current Mandates

- Low/no calorie baking company
- Leading branded and private label healthy snack company
- Category-leading personal care company
- Clean-ingredient energy drink company
- Subscription-based produce delivery company





Whipstitch is Unique: 100% Founder Owned; Solely Consumer Focused; Strong Middle-Market Banking Capabilities

W			îľt	Lead Industry Gatherings		
We Own Whipstitch	Connected	100% Consumer Focused	Big and Small			
The principals own 100% of the firm No one tells us what to do and we are not going anywhere	We know virtually every acquirer and investor in the consumer space They ask us what we think and listen to our opinion	We only do consumer We know it better than anyone We know how to talk about your company and the opportunity	We work with \$100+ million brands And a few, select, small brands (that will become large)	We bring acquirers and investors to us with can't-miss events throughout the year		



Whipstitch Founded and Led by Experienced Dealmakers with a Highly Seasoned Team



Nick McCoy, CFA

- 20+ years investment banking experience
- Formerly Gleacher & Co. (First Albany, now Jefferies), Allmerica Financial Corp., Wheelabrator Technologies
- MBA, Wake Forest University; BS, University of New Hampshire

Managing Director



Greg Ucich, CFA

- Six vears consumer IB experience
- Based in San Diego, CA west coast coverage
- BS Economics and Finance, University of New Hampshire

Vice President



Natalie Cira

- Eight years buyside at global asset manager
- Marketing and strategy at two emerging food start-ups
- MBA. The Tuck School of Business at Dartmouth: BA Public Policy, Syracuse



Associate

Kathy Foster

 Five years of investment banking operations experience

Dir. of Operations



PE experience

Tim Sousa

 MBA and BS Finance. Bentley University where Tim was a NCAA student athlete

Six years consumer IB and

Vice President



Analyst



Managing Director

Michael Burgmaier

- Nearly 20 years of investment banking, consulting and VC Experience
- Former VC and Bain & Co.
- MBA. The Tuck School of Business at Dartmouth: MPP. Duke University: BS. Boston College

Dominic Mangano

- Four years consumer IB experience
- BS Finance, University of Connecticut

Vice President

Tom MacLean

- Three years credit research experience
- BS Finance, University of Connecticut

performing buy- and sellside due diliaence

 Masters in Taxation, BS Accounting, Bentley University



Analyst

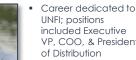




And Whipstitch has a Constant Connection with the Best: Supported by Industry Experts – the Stitching Crew



Rick Antonelli



UNFI: positions included Executive VP, COO, & President

Leadership at Harvest Provision & Fairfield Farm Kitchens



Burke

25+ years in the natural products industry

Co-Author of Natural Products Field Manual and The Sale's Manager Handbook

Creates and arows

year career launched

1.500+ items across 17

F&B categories into 12

Currently serves on

multiple BODs for

leading food & beverage co's

brands: During 20-

countries



- 25+ years of experience leading businesses in the natural products. healthcare & bioinformatics industries
- Former CEO of Ganeden; led company through meraer with Kerry

strategies helping brands

and retailers succeed

aroup

Palmoliver



Robert

Craven

- CEO of Findaway Adventures: bridaina the aap between friends & family money and professional investors
- Previously CEO of FoodState (supplements) company, and Garden of Life



Founder of Wild Ventures, an influencer-based fund focused on consumer health products & tech

John Durant



Pre-launch advisor to Thrive Market

CEO. The Tecnica Group, a winter sport and outdoor brand distributor: brands include Nordica. Tecnica, Blizzard &

Principal, Financial

15+ years developing

strategic partnerships,

selling and translating

consultative solution

complex data to

meaningful insights

Partner Group at

SPINS

Chris Licata



Edricco Reina

- Rollerblade
- Led Blake's All Natural Foods; acquired by ConAgra Foods



Bill

Moses

Tim

Sperry

Greg

Fleishman

- Former Co-Founder, Chairman/ CEO of KeVita Probiotic Drinks; acquired by PepsiCo in 2016
- Founder, anael investor and strategic advisor for several ontrend functional CPG ventures



 Previously spent 20 years in purchasing leadership at WFM





- Founder & CEO of Emerging Brand Strategies, LLC, a consultancy to beverage and consumer aoods co's
- Held senior level roles with Diageo, Constellation

- President at SPINS, leading consulting practice, consumer insight team and financial partners 20+ vears building winning
 - Kim Greenfeld
- Founder of Campo Verde Solutions, providing consulting to natural and organic companies
- Private label expertise: previously with Trader Joe's and Whole Foods

15+ years leading CPG teams both domestically

- Created IGNITE Sales Management in 2007 (works with established brands as a national sales force to scale CPG businesses)
- Former General Mills various sales and marketing roles







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Jeanne

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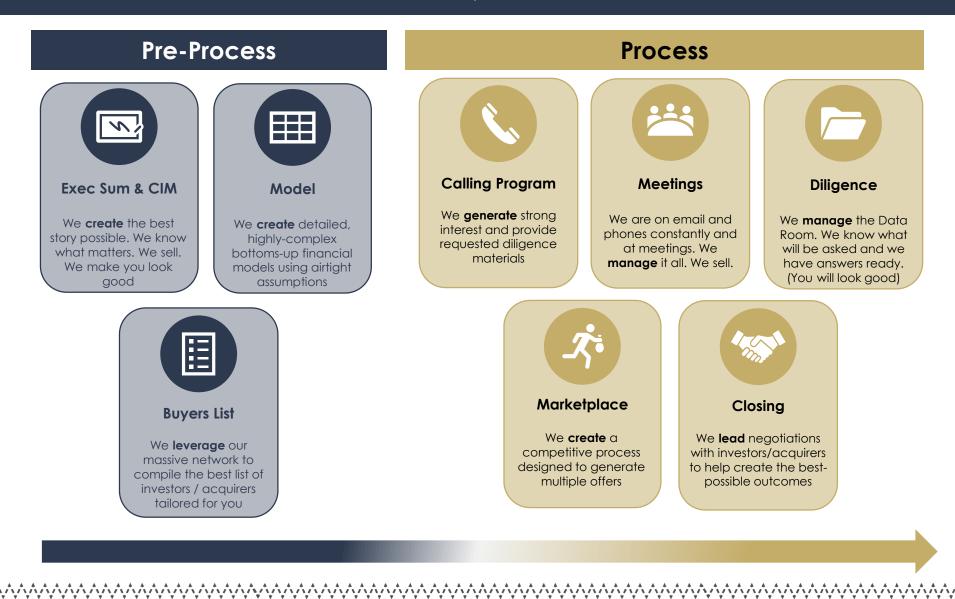






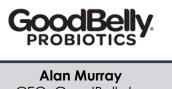


Whipstitch Works with Clients Both Before and During the Process: Our Services are Comprehensive and Best-in-Class



Deep History of Successful Processes: With Whipstitch, You Get the Best Bankers... and More





CEO, GoodBelly by NextFoods "I've worked with many investment banks over my career and have known Nick and Mike from Whipstitch for almost ten years. They, and the entire Whipstitch team did an incredible job for GoodBelly. Whipstitch knows the natural food space and the investment/acquisition environment and players better than anyone. It helps too that they have a regular dialogue and great reputation with all major strategic players in this field. They have invested heavily in becoming the premier investment bank in this space and its paying off. We couldn't be more pleased with our outcome."





Bill Moses Co-Founder, CEO and Chairman, KeVita "Nick and Mike led KeVita expertly through more than five financing transactions and the ultimate exit to PepsiCo. Their knowledge, insight and tactical instincts created an amazing opportunity for KeVita and a tremendous outcome."





"When Whipstitch presented to Uncle Matt's, they came prepared with an in-depth analysis of our industry, and they knew more than I expected about our brand and space. The Whipstitch team helped us every step of the way, and they were instrumental in negotiating the final deal with Dean Foods."



Be Sure to Subscribe to Our Industry-Leading Weekly Deal Recap Newsletter



Consumer Transaction Recap November 25-December 1, 2018

In This Issue

Food and Beverage News

The consumer sector continues to receive attention from strategic buyers and financial investors at a dizzying pace. Here at Whipstitch we understand the challenge of managing a business while also remaining in the loop on the latest industry news. To help, we created this weekly newsletter highlighting M&A and private placement transactions announced during the previous week. Other Consumer Transactions

More from Whipstitch Capital

FOOD AND BEVERAGE

KRAFT HEINZ BUYS PRIMAL KITCHEN FOR \$200MM

The Kraft Heinz Co. entered into a definitive agreement to acquire Primal Nutrition, L.L.C., the maker of Primal Kitchen branded products, for approximately \$200 million. Founded in 2015 by Mark Sisson and Morgan Buehler, Primal Kitchen offers a range of better-for-you condiments, sauces, dressings and snacks. The business is expected to generate approximately \$50 million in net sales this year.

Read more

ACQUIRED SALES CORP. BUYS 20% STAKE IN ABLIS AND BENDISTILLERY

Acquired Sales Corp. announced that it signed a letter of intent to purchase 19.99% of the ownership of CBD-infused beverage maker Ablis, LLC and of craft distillers Bendistillery Inc. d/b/a Crater Lake Spirits and Bend Spirits for a total of \$7,596,200 in cash.

Read more

- Whipstitch distributes weekly transaction newsletters to more than 10,000 consumer industry professionals
- Covers food and beverage, supplements, retail and personal care
- Shared extensively within strategic acquirers and private equity firms
- Constant interaction with buyer/ investor universe – Whipstitch is the knowledge leader in consumer M&A
- Non-traditional buyers and investors see the newsletter and constantly ask to participate in our processes



Click to Subscribe!



Whipstitch – Consistently Quoted for Thought Leadership Surrounding Strategic Acquirers, Private Equity and More



BevNET Live Summer 2019: Whipstitch Capital's Nick McCoy on Investment



Investment Insight: Uncertainty At KDP, Confidence in Kombucha



From personalization to collagen and 'the cloud': Whipstitch Capital picks top healthy living trends



Strategics want to buy companies in the second inning



General Mills venture arm invests in GoodBelly Probiotics parent



Canada's 'Better For You' Food And Beverage Sector Presents Big Opportunity For Investors



Interest Brewing In Kombucha As Healthy Beer, Soda Alternative



Cash in natural foods: Experts weigh in on how to get it and prepare to sell



GoodBelly Lands \$12M Round, Led By 301 Inc.

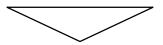


SPINS / Whipstitch Partnership Offers Comprehensive Data Set and Unrivaled Market Analysis Capabilities

This established partnership provides Whipstitch with detailed market information on **every brand** and **every category** tracked by SPINS



- \checkmark Investors and acquirers pay up when they see a strong data story
- ✓ We know the data inside and out, and we know the right story to tell
 - ✓ Whipstitch clients get favorable access to SPINS data packages



Clear Value-Driver for Whipstitch Clients



M&A Advisory: Select Deals Led by the Whipstitch Team





Private Placement Advisory: Select Deals Led by the Whipstitch Team





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Natural Products Industry Remains Active with M&A and Private Placements

2019 on Track to Match 2018's Record Number of Financing Transactions

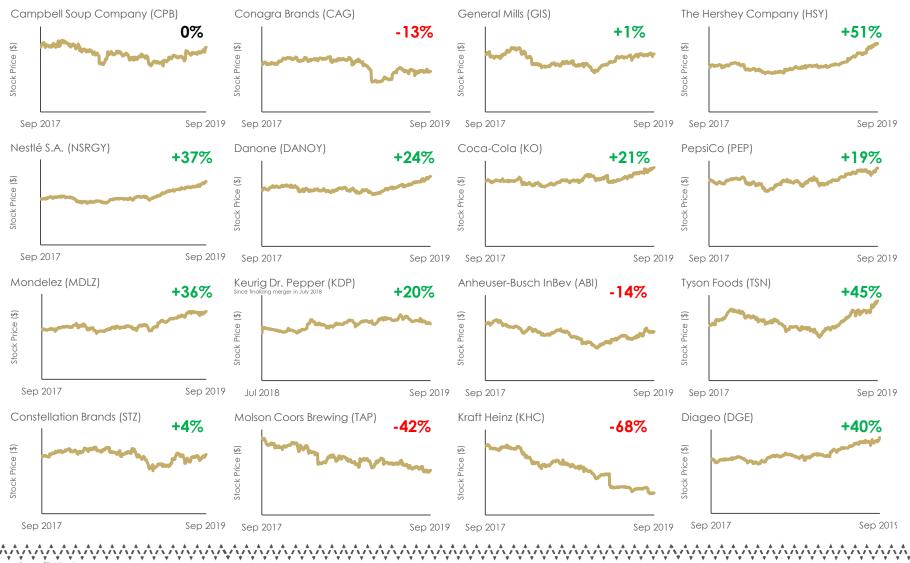
- Ingredients, Natural & Organic, Functional Food and Other related fields continue robust transaction activity
- OTC & Personal Care on pace for potentially record transaction year

Nutrition and Health & Wellness Industry Transactions: M&A Details 2014 – 1H 2019 ¹						
	2014	2015	2016	2017	2018	1H 2019
Retail & Distribution	11	10	26	34	22	14
Supplements	22	10	17	21	10	4
Ingredients	22	22	29	43	28	22
Contract Manufacturing	8	12	8	14	12	6
OTC & Personal Care	12	13	16	23	17	12
Natural & Organic, Functional Food	53	100	103	138	136	56
Others: Tech, Fitness, Pet	47	80	60	83	113	47
Total M&A	175	247	259	356	338	161
Financings	210	382	456	555	604	320
Average Size of Financing (\$MM)	\$22	\$21	\$15	\$25	\$37	\$37
Total Transactions	385	629	715	911	942	481
YoY Growth	+52%	+63%	+14%	+27%	+3%	n/a

1. Nutrition Capital Network



Select Two-year CPG Stock Performance (As of Sep 2019)



1. Pitchbook

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Whipstitch Capital's Top 11 Healthy Living Trends

Why Stop at 10? Whipstitch Goes to 11

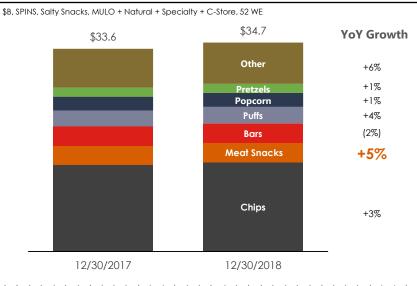
- 1. Americans Snacking More Than Ever; Meat Snacks Showing Outsized Growth Relative to Peers
- 2. Mainstream Embracing Plant-based; Wall Street, Strategics and Fast Food Chains Hungry for "Meatless Meat"
- 3. Caffeine Consumption at Record Levels; Opportunity for Low-Sugar, Natural & Organic Options
- 4. Low-Carb & Low-Sugar Eating Habits Have Longevity Beyond Flash in the Pan Diet Trends
- 5. Strategics Continue to Launch and Acquire Clean-Label Personal Care Brands to Address Shifting Consumer Demand
- 6. As CBD Becomes Mainstream, Major U.S. Retailers Begin to Embrace CBD-Based Products
- 7. The Growth of Beer Replacements
- 8. Consumers Recognize Need for Hydration
- 9. E-Commerce Increasingly More Important for Emerging CPG Brands
- 10. Fighting Food Waste and Supporting Sustainability Increasingly Important to Consumers
- 11. Transition to Sustainable Packaging Taking Hold With Companies and Governments



1. Americans Snacking More Than Ever; Meat Snacks Showing Outsized Growth Relative to Peers

Meat Snacks: High Protein and Perfect for On-the-Go Consumers

- 94% of Americans snack at least once per day,¹ and over 66% try to consume more protein or as much protein as possible²
- Meat snacking, a \$3B+ category, continues to grow as consumers seek healthy, high-protein snacks while trying to avoid sugar³
- The meat snacks category, which some consumers associate with mostly beef jerky and sticks, continues to evolve including products like turkey jerky, chicken jerky, meat bars, biltong, and more



Total U.S. \$ Sales of Salty Snacks by Subcategory

Recent Meat Snacking Trends

Wilde's Chicken Chips offer a calorically dense, high protein snack

Biltong, a South African dried meat with no added ingredients quickly gaining traction in the U.S.

Pork Rinds and other meat snacks continue to increase in popularity







Bloomberg; Have a Meaty New Yea

. International Food Information Council, 2016

3. SP

2. Mainstream Embracing Plant-based; Wall Street, Strategics and Fast Food Chains Hungry for "Meatless Meat"

The Future of Meat Now Includes Plant-Based Products

- Beyond Meat (NAS: BYND) goes public with one of the most successful IPOs in history; shares trading at more than 6x its IPO price as of 8/30/2019¹
- Global alternative meat market estimated to reach \$140B by 2029, capturing 10% of the \$1.4T global meat industry²
- Year-over-year growth of plant-based meat U.S. retail sales was nearly 25x the growth of animal meat U.S. retail sales³
- Refrigerated plant-based meat (patties, etc.) driving category growth with U.S. retail sales up 42% year-overyear³

Plant-Based Meat Brands

Showing a Mix of Gains & Losses⁴

ernatives, FZ Plant Based Meat Alternatives; MULO + Natural + Specialty + C-Store

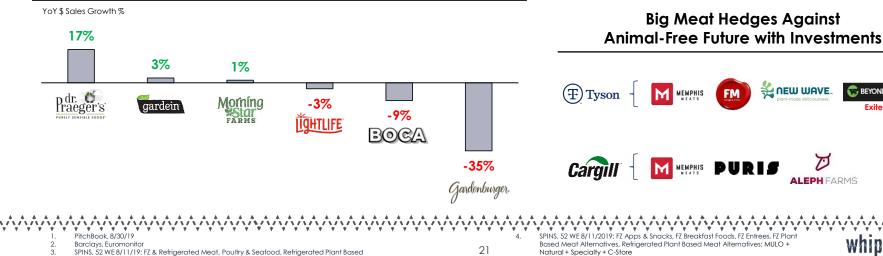
Traditional Fast-Food Chains Embracing Plant-Based Meat



purchased at quick-service restaurants so far this year, **up 10%** from a year ago^5

S BEYOND MEAT

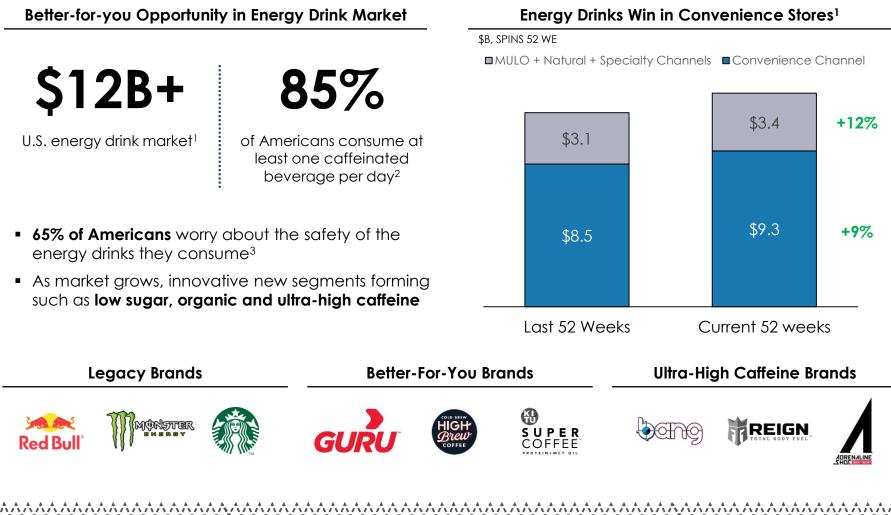
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MarketWatch

3. Caffeine Consumption at Record Levels; Opportunity for Low-Sugar, Natural & Organic Options

The Continued Rise in Caffeine Consumption Meets the Better-for-you Movement



SPINS, 52 WE 8/11/2019: SS Energy and Other Functional Beverages

2. "Beverage Caffeine intakes in the U.S." D.C. Mitchell et al./Food and Chemical Toxicology 63 (2014) 136-142

3. Energy Drink Report -

4. Low-Carb & Low-Sugar Eating Habits Have Longevity Beyond Flash in the Pan Diet Trends

Consumers Limiting Intake of Low-Nutrient Carbohydrates to Achieve Health Goals

- Low-carb diets (i.e. keto) likely unsustainable in longterm for many mainstream consumers as such eating habits require a commitment to hyper-strict meal selection
- However, the idea of minimizing consumption of unsatiating carbohydrates with little macronutrient impact has staying power
- Lowering useless carbohydrates (i.e. sugar) from one's diet enables consumers to limit daily caloric intake and achieve health and wellness goals

58%

58% of consumers believe calories from sugar and carbs are the leading cause of weight gain¹

85%

85% of consumers reduce sugar intake for health reasons²

SALTY SNACKS SWEETENERS ICE CREAM COLD CEREAL Category Size \$3.9B \$6.7B \$27.8B \$8.7B (\$B)³: Category **MULO Sales** -1% -2% +5% -1% Growth (%)³: Notable MAGIC Disruptive Brand: Net Carbs Brand vs. 0g | 192g 5g | 14g 0g | 14a 3q | 35q Category Leader (per serving):

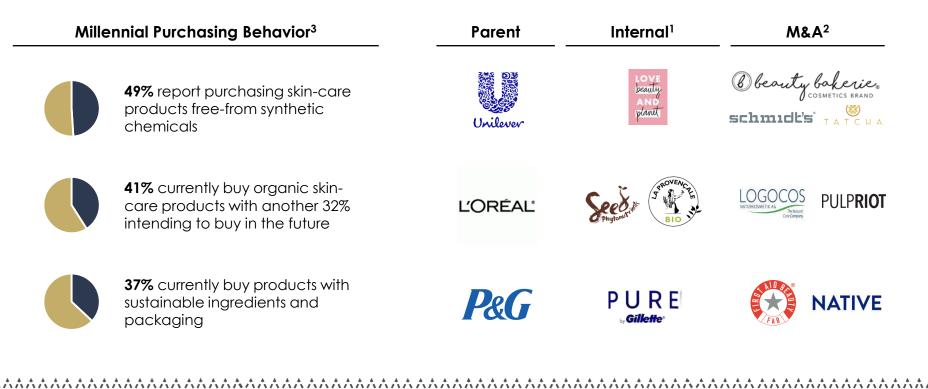
Emerging Brands Succeeding with Low-Carb Variations of Consumer Staples

SPINS, 52 WE 8/11/19: Shelf Stable Cold Cereal, Shelf Stable Chips & Pretzels & Snacks, Shelf Stable Sweeteners, Frozen Ice Cream; MULO + Natural + Specialty + C-Store

5. Strategics Continue to Launch and Acquire Clean-Label Personal Care Brands to Address Shifting Consumer Demand

Strategics Aggressively Pursuing the Millennial Consumer in the \$135B Skincare Category¹

- Rapidly changing consumer preferences cause a swift and aggressive change in strategy at top beauty CPGs
- Large, established skincare companies reacting with dual-growth strategies: (i) Internal innovation such as new brand launches and (ii) M&A to capture additional market share
- Notable sub-brand launches include Love Beauty and Planet (Unilever), La Provencale (Lóreal) and Pure (P&G) while notable M&A deals include Beauty Bakerie (Unilever), Logocos (Lóreal) and Native (P&G)²



Grandviev
 Grandviev
 Z. Pitchbook
 NewHope

. Linkage Research Group

6. As CBD Becomes Mainstream, Major U.S. Retailers Begin to Embrace CBD-Based Products

CBD Sales Expected to Generate \$22B Worldwide by 2022¹ – Retailers Want a Slice

- According to estimates from the Brightfield Group, CBD sales expected to grow from \$591MM globally in 2018 to \$22B worldwide by 2022 (147% CAGR)¹
- In 2019, major retailers began selling CBD products; certain brands rise as early leaders

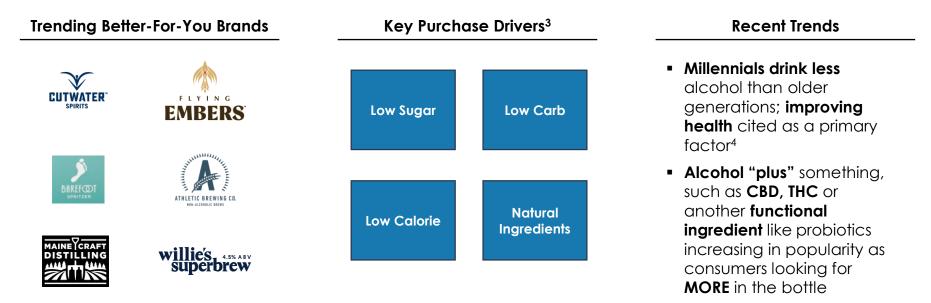


1. Brightfield Group

7. The Growth of Beer Replacements

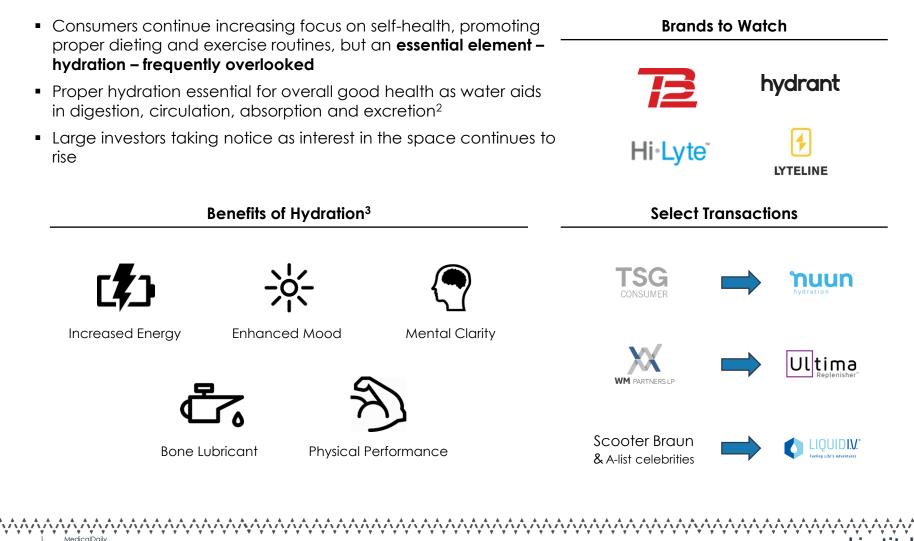
Alcohol Companies Begin to Adapt to Meet the Consumer Demands

- 'Better-for-you' alcohol continues to convert legacy alcohol consumers as the trend for healthier, lower calorie options drives category momentum¹
- Decline in traditional alcohol sales prompting beer and spirits companies to diversify and consider healthier alternatives including hard kombucha, seltzers and non-alcoholic spirits / beer
 - A \$55MM market, hard kombucha could grow to \$1.2 billion by 2026 a 42% CAGR²
- Non-alcoholic drinks continue to be more prevalent as sober curious gains traction worldwide



8. Consumers Recognize Need for Hydration

Dehydration Occurs Daily in Three Out of Four Americans¹ – Companies Reacting



2. UW Health 3. Healthline

9. E-Commerce Increasingly More Important for Emerging CPG Brands

Significant, Quickly Growing E-Commerce Whitespace Available for CPG Brands

3%

3% of U.S. Grocery Spend occurs online today¹



25% of U.S. Consumers used an online grocery service in the last year¹

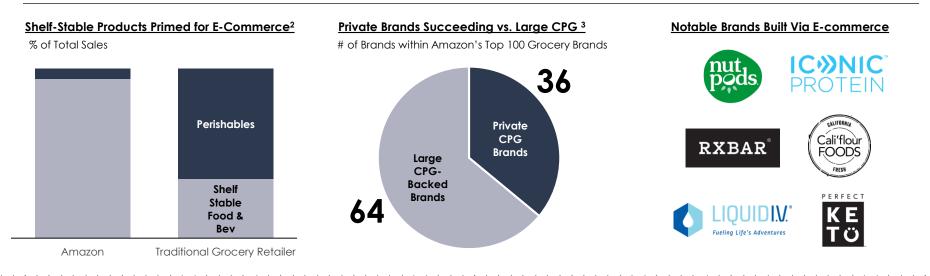


6% of U.S. Consumers place orders via online grocery service at least once a month¹



U.S. food and beverage e-commerce sales expected to reach \$38B by 2023²

E-Commerce Levels the Playing Field for Emerging CPG Brands



1. Bain & Company and Amazor

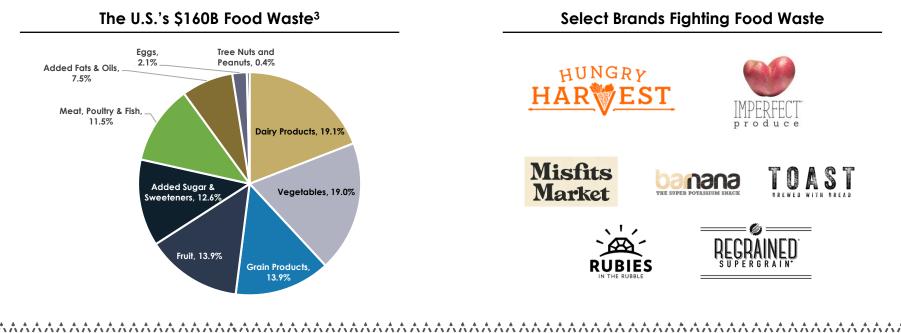
2. eMarkete

Amazon Best Sellers in Grocery & Gourmet Food as of 9/6/19

10. Fighting Food Waste and Supporting Sustainability Increasingly Important to Consumers

Companies and Consumers Agree in the Importance of Sustainability

- Globally, about 1.3B tons of food goes to waste per year; nearly 1/3 of all food grown¹
- Millennials, who tend to value "mindful eating," increasingly believe that one of the major goals of business should be to improve society²
- These trends have led to an increasing focus on where and how their food is being produced, along with how companies can minimize their environmental impact
- Brands increasingly register as Benefit Corporations (B-Corps) and retailers have begun to adjust "best-before" labels by category and sell fruits and vegetables that would typically be discarded due to looks



FAO Deloitte Millennials Survey United States Department of Agriculture

11. Transition to Sustainable Packaging Taking Hold With Companies and Governments

Packaging Accounts for Nearly Half of All Plastic Waste Generated Globally¹

Large CPGs Committed to Reducing Plastic²



By 2020:

- All paper-based packaging sustainably sourced
- By 2025:
- All packing recyclable
- Eliminating 65kg of packaging worldwide



By 2019:

- Eliminating all plastic straws in products **By 2025**:
- All packing reusable or recyclable

Unilever

oodtan

NCSI

By 2025:

- All packing recyclable, compostable or reusable
- 25% recycled plastic for plastic packaging
- Halving waste associated with products

Legislation of Single-Use Plastic Increasing^{1,2,3}

European Union	Banned all single-use plastics by 2021		
Canada	Banned all single-use plastics by 2021		
California	Banned single-use plastic bags at large retail stores		
Hawaii	All counties banned non- biodegradable plastic bags at checkout		
New York	Banned single-use plastic bags for grocery stores		
Five Other U.S. States	Introduced plastic-related legislation in 2019		



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Recent Food & Beverage M&A Highlights





Recent Food & Beverage Private Placements



1. Pitchbook



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Key Trends In The Natural Products Industry

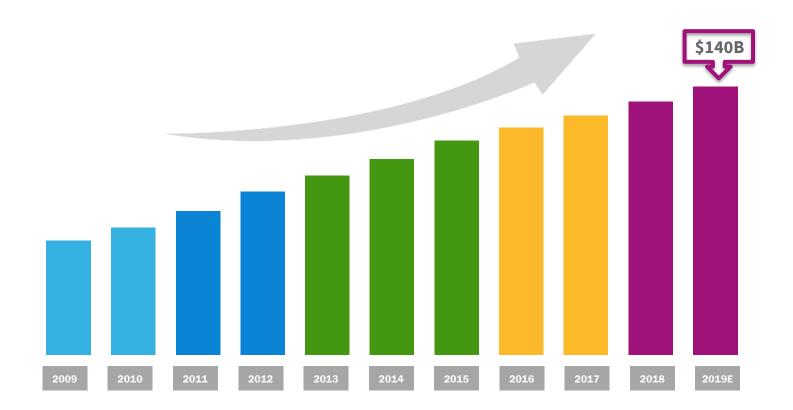
September 2019



STATE OF THE NATURAL INDUSTRY NATURAL PRODUCTS' PERFORMANCE

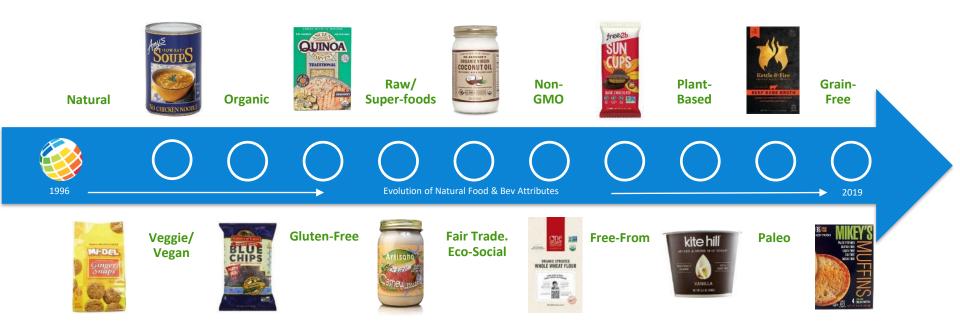


The Natural Products Industry has more than doubled over the past decade



SPINS | whipstit

SPINS Product Intelligence enabled SPINS to anticipate trends and usher in a new wave of wellness and personalized way of eating





Categories are evolving quickly to meet the needs of the conscious consumer and their way of eating

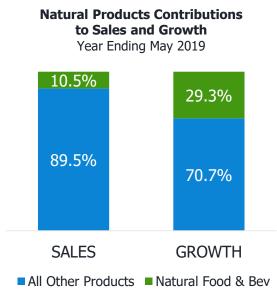


Natural products are no longer just in dedicated natural stores. Rather, they have proliferated, reaching new segments and new retail outlets.



The total food and beverage marketplace is growingly only slightly year over year. Natural products in the same categories are growing at a much higher rate, although growth has decelerated versus prior years.

	Natural Foo	d & Bev	All Food & Bev		
	\$ Volume	% Growth	\$ Volume	% Growth	
2016	\$38.7B	-	\$429.1B	-	
2017	\$41.7B	7.8%	\$431.6B	0.6%	
2018	\$45.0B	7.9%	\$440.5B	2.1%	
2019	\$47.2B	5.0%	\$448.2B	1.7%	





Despite decelerating dollar growth in 2019, natural products have consistently grown their market share of the Conventional Multi Outlet Channel over the years, amounting to 9.1% of sales in the current year.

	Natural and Specialty Gourmet Channels		Conventional Multi Outlet Channel		
	\$ Volume	% Growth	\$ Volume	% Growth	
2016	\$6.7B	-	\$32.0B	-	
2017	\$7.0B	4.9%	\$34.7B	8.4%	
2018	\$7.3B	4.5%	\$37.6B	8.6%	
2019	\$7.6B	4.2%	\$39.6B	5.2%	

Natural Products' Growth by Retail Channel

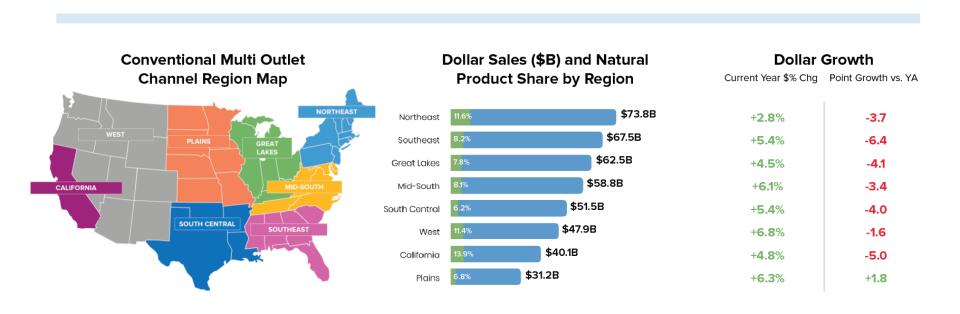






California and the Northeast region are at the leading edge of natural products adoption in the mainstream

Natural products are growing in every U.S. region, but rates have slowed in all but one: the Plains.



Source: SPINS Satori

🞯 SPINS' | whipsti

Key Growth Categories for Natural Products

Fresh perimeter categories such as produce; eggs; and meat, poultry, & seafood show some of the fastest growth for natural products, as do better-for-you beverages.

Top Five Fastest-Growing Categories for Natural Products

	\$ Volume	\$ Growth	% Growth	% Growth Indexed to Total Category Growth
Produce	\$3.8B	+\$249.3M	+7.0%	292
Shelf-Stable Water	\$1.8B	+\$239.3M	+15.0%	197
Refrigerated Eggs	\$2.2B	+\$131.7M	+6.4%	149
Shelf-Stable Functional Beverages	\$275.7M	+\$117.1M	+73.9%	960
Frozen & Refrigerated Meat, Poultry, & Seafood	\$1.8B	+\$115.7M	+7.0%	438

Insights from the Leading Edge of Retail

In SPINS' Natural & Specialty Gourmet Channels, **natural candy** and **salty snacks** make the fastest-growing list, ranking third and fourth.

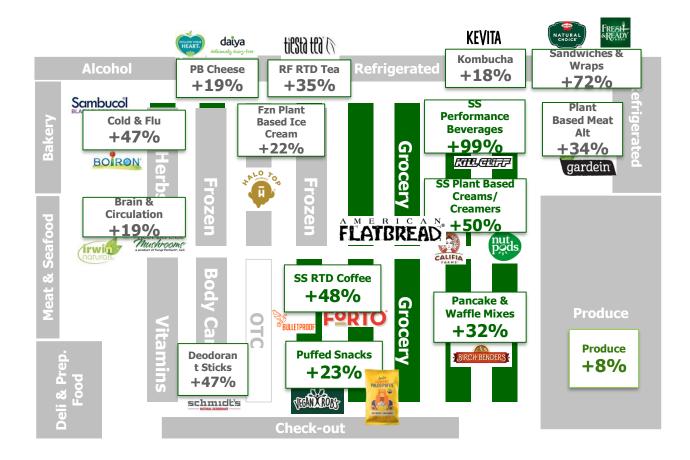
SPINS



SPINS NATURAL TRENDS SPOTLIGHT



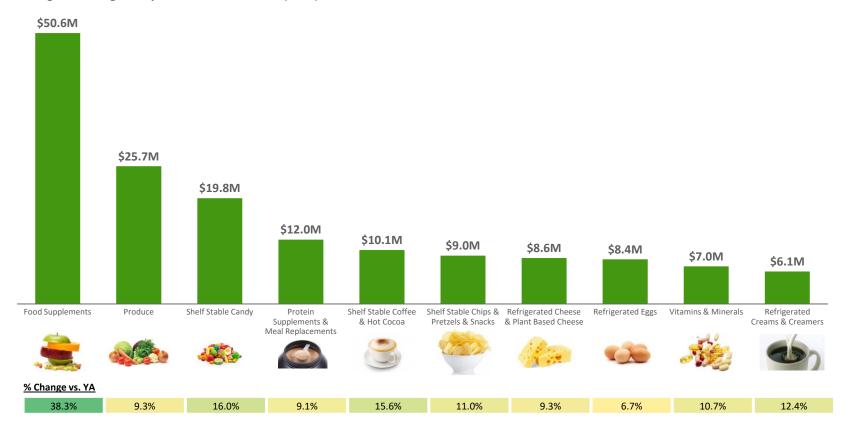
Natural Products are disrupting every category – especially Center Store



whipstitch SPINS[®]

The Natural Channel shows insight to top growing categories of innovation Food Supplements is the fastest growing category

Largest 10 Categories by Absolute Dollar Growth (\$MM)



whips SPINS

Emerging attributes get their footing in Innovation Channels first

Attribute	Dollar Sales	Dollar Growth	Sales Mix b	y Channel	
Labeled Lactose Free	\$2,106.0 M	4.6%	5% <mark>3%</mark>	92%	Natural Chann
Labeled No Added Hormones	\$11,796.3 M	(4.4%)	6% <mark>5%</mark> 6% 7%	90% 88%	Specialty Gou
Labeled Cage Free	\$525.1 M	3.5%	7% 5%	88%	Multi Outlet
Labeled Vegetarian Fed Diet	\$2,562.8 M	3.1%	7% 3%	90%	
Prebiotics - Probiotics	\$11,327.2 M	(4.1%)	8% 3%	89%	
Labeled Gluten Free	\$44,832.8 M	1.3%	8% 4%	88%	
Certified Non-GMO Project Verified	\$27,893.7 M	2.1%		88% 85%	
Plant-Based Positioned	\$3,739.3 M	8.3%	12% <mark>5%</mark>	83%	
Labeled Nitrate Free	\$1,249.3 M	(1.9%)		80%	
Labeled No Antibiotics	\$3,907.9 M	2.2%	14%6%	80%	
Labeled Free Range	\$491.1 M	6.2%	14%5%	81%	
Fair Trade Claim	\$2,882.6 M	2.5%	14% 5%	81%	
USDA Organic 70-100	\$21,117.8 M	5.2%	15%	80%	
Certified B Corporation	\$4,278.1 M	0.7%	17% 9%	74%	
Labeled Animal Welfare	\$1,353.9 M	8.6%	17%6%	76%	
Labeled Ancient Grain	\$179.4 M	1.8%	18% 5%	77%	
Labeled Allergen Friendly	\$237.8 M	22.1%	19% 7%	74%	
Labeled Grass Fed	\$1,030.4 M	13.6%	21% 5%	74%	
Labeled Vegan	\$8,396.6 M	9.9%	24%	67%	
Certified Demeter Biodynamic	\$25.4 M	11.1%	25%	68%	
Labeled Pasture Raised	\$545.8 M	17.1%	26% 6%	69%	
Raw Positioned	\$1,469.3 M	1.2%	27% 5%	68%	
Labeled Grain Free	\$617.1 M	19.9%	32% 7%	61%	
Labeled Sprouted	\$262.8 M	(4.3%)	40%	53%	
Paleo Positioned	\$557.1 M	46.8%			



These attributes fuel dynamic growth and shape the dialogue in categories they disrupt

Category	FOOD SUPPLEMENTS	PROTEIN SUPPLEMENTS & MEAL REPLACEMENTS	SHELF STABLE CHIPS PRETZELS & SNACKS	SHELF STABLE BAKING MIXES INGREDIENTS AND FLOURS	REFRIGERATED CHEESE
Attribute			PALEO APPROVED		PLANT BASED FOODS ASSOCIATION
	CANNABIDIOL (CBD)	COLLAGEN	PALEO POSITIONED	LABELED GLUTEN FREE	PLANT BASED
Dollar Sales	\$65.1 M	\$35.9 M	\$20.6 M	\$75.4 M	\$37.4 M
Absolute Growth \$MM	\$46.9	\$22.9	\$11.9	\$7.1	\$4.1
Exemplary Growth Brand	+CBDoil	VITAL PROTEINS	SIE TE	LILY'S	MIYOKOS

Source: SPINSscan Natural (proprietary 52 weeks ending 4/21/19. UPC coded items only.



Top Macro Trends

SPINS' Product Intelligence and exclusive access to innovative retailers offer visibility into trends across their lifecycle, from an emerging niche into mainstream maturity.



ORGANIC

Certified organic items represent 3.0% of food and beverage sales and \$13.4 billion, outpacing the total market's growth rate (2.8% vs. 1.8%).



PLANT-BASED

Products labeled as vegan represent a \$7.1 billion market, growing at 10.1%, with especially impressive growth in salty snacks and yogurt & kefir.

49



PALEO

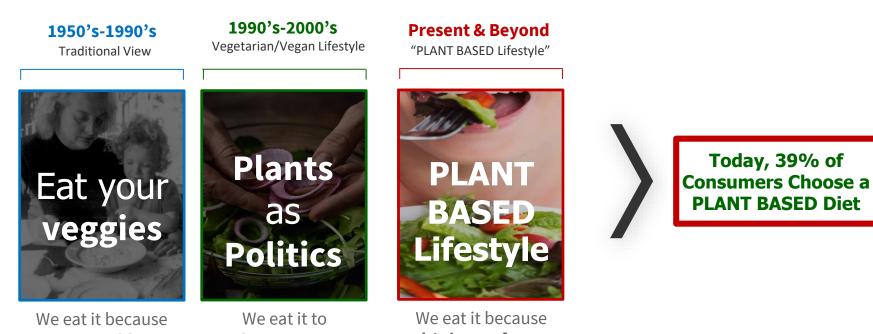
Paleo-positioned products are up to \$536.7 million, growing at 45.3%. Grain-free items are up to \$271.5 million, growing at 76.0% - with even faster growth in the Conventional Multi Outlet Channel.

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SPINS NATURAL TRENDS SPOTLIGHT: Plant-Based



Consumer Demand has increasingly favored plant-based foods as fundamental to our lifestyle



we're told to

make a statement

it's better for us & for the planet

SPINS - Natural Industry Insights (2017)



Product Supply has changed in response to evolving consumer preferences



Beyond Meat, +115%

- ✓ Texture and physical properties of traditional beef patty
- ✓ Comparable taste



Califia Farms, +35%

- $\checkmark\,$ Right balance of almond flavor
- ✓ Attractive, mainstream packaging



Daiya, +20%

- ✓ Melt-ability of "cheese" alternative products
- ✓ Indulgent flavors

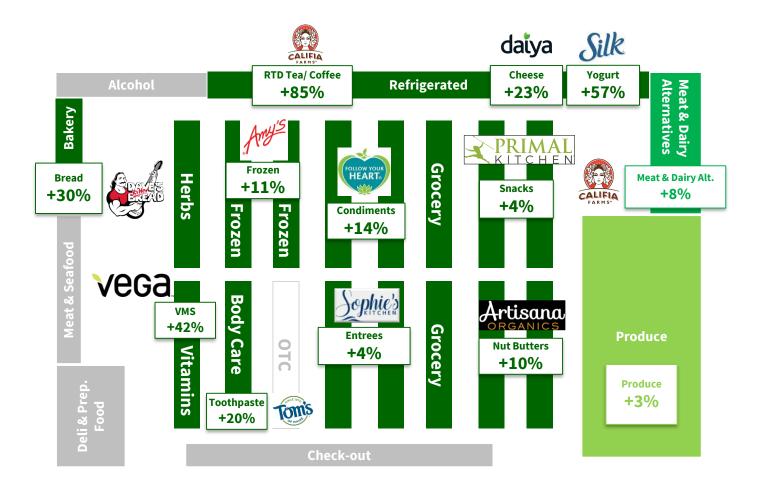
✓ Taste is no longer a sacrifice!



✓ Price is much more affordable!

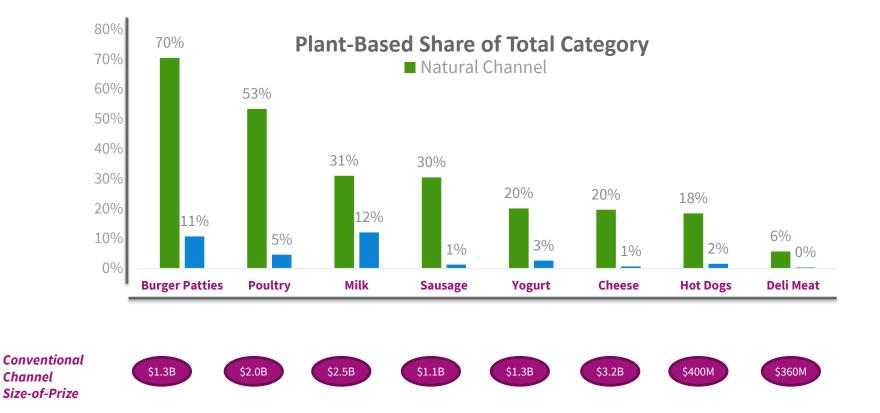


As a result, Plant Based Availability has increased across the store



SPINS" | whipstitch

What is the Size-of-Prize?



SPINS" | whipstite

SPINS FINANCIAL PARTNERS GROUP FIND, ANALYZE & GROW WINNING BRANDS.



SPINS Financials Partners Group

SPINS Financial Partners Group works with leading Financial & Strategic Investors



Anu Goel

President Client Growth Solutions

- Brand Equity Ventures
- McKinsey & Company
- Beam Inc.
- B.S., University of Pennsylvania
- MBA, Harvard Business School



Edricco Reina

Principal Financial Partners Team

- The Nielsen Company
- Anderson Merchandisers
- New Market Capital Group
- B.B.A., Western Michigan University
- MBA, Elmhurst College



Investors leverage SPINS data-driven solutions and expertise to gain a competitive edge

Due Diligence Solutions

Work with SPINS experts to navigate the details imperative to the long-term health of your brand.

Portfolio Support Solutions

SPINS ensures your portfolio brands receive the attention and solutions they need across every phase of their growth journey



Investment Insight Suite

Dynamic, insight-rich dashboards that help you discover, screen, and track opportunities based on your unique investment criteria.



Category Profiler

Quickly understand category performance by channel, and identify top performing brands within that.

Brand Profile Summary

Lookup a brand's product portfolio and performance metrics. Unpack key performance metrics in each key channel.

Regional Brand Finder

Quickly identify most significant Regional brands that have yet to be scaled Nationally

New Brand Finder

Identify Brands that are new to market and compare their initial velocity performance vs. other entrants

Target & Portfolio Watchlist

Easily monitor prospective target brands and your existing portfolio through your watchlist



Mobile Insights App

Leverage quick search and key brand indicator while on-the-go

Research brands live on the trade show floor

Search by brand, company, or booth number, and instantly review retail performance and sales trends.

Access key insights and metrics

Arm yourself with insights on the health and make-up of attending brands including category mix data, channel mix data, and a brand's 3-year trajectory.

Save Photos, Notes, and Favorites!

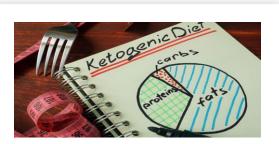
Snap and save photos plus enter reminder notes for any brand at the trade show. You can also 'favorite' any brand for quick access later on.





Investment Strategy

Leverage SPINS Diligence Team to "Bring the Best of SPINS" to your investment thesis



Conduct Detailed

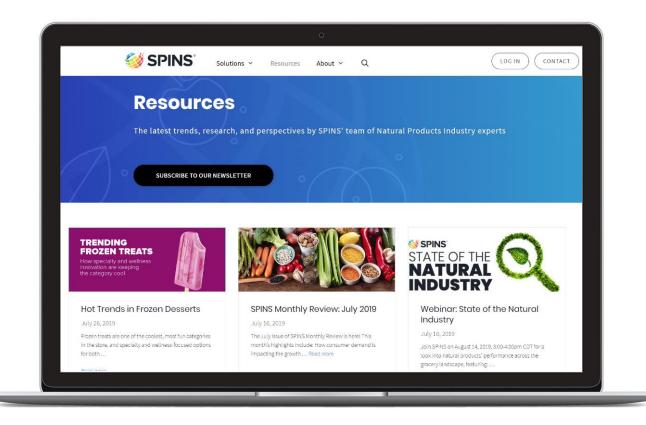
Due Diligence

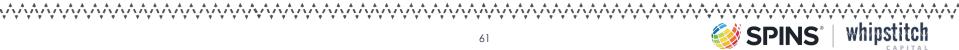
- ✓ Perform due diligence on a Category, Brand, and Consumer level
- ✓ Deep dive into upside opportunities and downside risks at key retailer and item levels
- ✓ Leverage SPINS' industry expertise and assets to evaluate how to make the brand a winner





WWW.SPINS.COM





SPINS EMPOWERS THE INDUSTRY WITH WELLNESS-FOCUSED DATA TECHNOLOGY

HELPING STRATEGIC INVESTORS FIND, ANALYZE & GROW WINNING BRANDS



SPINS is uniquely equipped to help investors find, grow and invest in winning brands



FULL MARKET VISIBILITY

Understand the retail landscape to plan your next move and scale



UNIQUE VIEW OF NATURAL AND SPECIALTY RETAIL

Proprietary partnerships at the innovative retailers integral to your growth



PRODUCT INTELLIGENCE

Uncover unseen drivers of wellness consumer purchase behavior



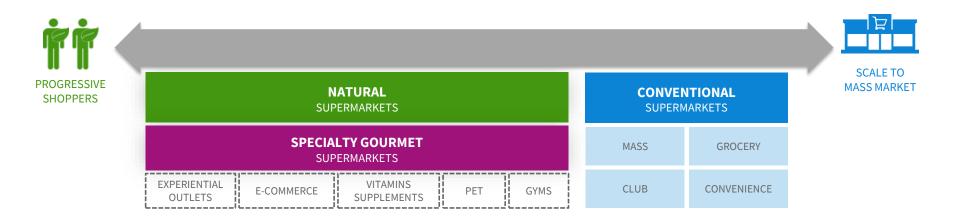
NATURAL CONSUMER

Identify the WHO to target behind the WHAT they buy



Our complete picture of the retail landscape allows us to observe trends from incubation to mainstream

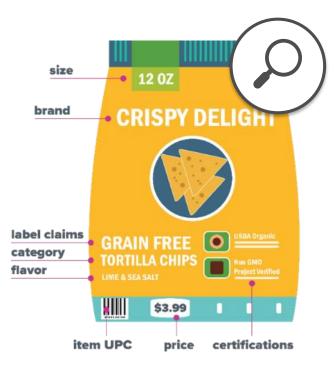
Offering an unmatched view into innovation driving the market





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Product Intelligence illuminates the unseen dynamics driving consumer decisions at shelf



Product Attributes Beyond the Label

Combining our **industry expertise**, **advanced technology**, and **comprehensive product view**, SPINS demystifies the label and deconstructs complex characteristics to bring forward valuable attributes like:





Our proprietary product positioning reveals what types of products are driving growth

NATURAL Brand Positioning

Brands that are often known for their dedication to clean ingredient profiles and holistic social and environmental ideals of the Natural Products Industry

SPECIALTY & WELLNESS Brand Positioning

Brands that feature unique taste profiles, are international or imported, are marketed as premium or artisanal, and often designed for the 'foodie' consumer

CONVENTIONAL Brand Positioning

Brands that are longtime stalwarts of common Food, Drug, & Mass retail outlets and geared to the average, mainstream consumer









Please Contact the Whipstitch Capital Team for More Information



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whipstitch CAPITAL





