Healthy Living Consumer Products:
Industry Update, Deal Review and Top Trends

September 21st, 2021

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Table of Contents

Whipstitch Capital: The Largest, Independent Investment Bank in the U.S. Solely Focused on Emerging Consumer Brands

The Leading Consumer-Focused Investment Bank in the U.S.

Large, Experienced Team
Twelve-person team led by industry veterans Nick McCoy and Mike Burgmaier

Best-in-Class Advisors
Financial advisory on M&A and institutional private placements

Highly Skilled
50+ years collective work experience; 100+ transactions closed

Consumer Experts
Focused exclusively on innovative consumer companies

Category-Leading Clients
Whipstitch represents category-leaders, innovators, and top-quality teams

Boston HQ
Coverage across the U.S; clients and buyers from all over the world

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DEAL DIFFERENT™

Whipstitch Represents Category Leaders, Innovators and Highly-Talented Teams

Select Recent/Active Mandates

Frozen Desserts
Better-for-you frozen desserts platform brand

Ethnic Food
Better-for-you ethnic food platform brand

Breakfast Foods
Organic breakfast and snack foods company

Personal Care Appliances
Sexual wellness devices, beauty tools and grooming appliances brand

RTD Beverage
Leading, multi-category ready-to-drink beverage brand

Select Prior Transactions

Since 1847 Thayers Natural Remedies	core	KeVita	Swerve	uqora	Brothers International Food Corporation	Flying Embers	Hungry Harvest
L'Oréal Paris	Keurig Dr Pepper	PepsiCo	Whole Earth Brands	Pharmavite	B·C·P Benford Capital Partners	The Ecosystem Integrity Fund / powerplant ventures	Danone / Manifesto Ventures

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

We Own Whipstitch

The principals own 100% of the firm

We are not going anywhere

Long-Term

We work with many clients over many years

We have no quarterly quotas

We work with clients to get the best deal done at the right time

100% Consumer Focused

We only do consumer

We know it better than anyone

We know how to talk about your company and the opportunity

Connected

We know virtually every acquirer and investor in the consumer space

They ask us what we think and listen to our opinions

Regular interaction quarterly (or more) with over 50+ global strategics

Lead Industry Gatherings

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

Managing Director

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

Michael Burgmaier

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

Vice President

Greg Ucich, CFA

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

Vice President

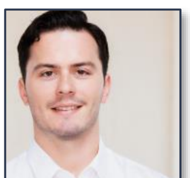
Tim Sousa

- Seven years consumer IB and PE experience
- MBA and BS Finance, Bentley University where Tim was a NCAA student athlete

Vice President

Dominic Mangano

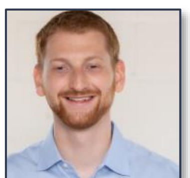
- Five years consumer IB experience
- BS Finance, University of Connecticut



Associate

Tyler Coppola, CPA

- Two years consumer IB experience; Two years buy- and sell-side diligence experience
- MST and BS Accounting, Bentley University



Associate

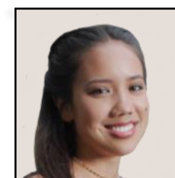
Tom MacLean

- Two years consumer IB experience; three years credit research experience at Moody's
- BS Finance, University of Connecticut

Analyst

Sarika Pokala

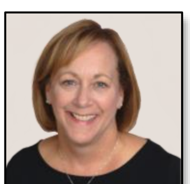
- Specialty Finance at JP Morgan
- BS Applied Economics and Management, Cornell University



Analyst

Lauren Park

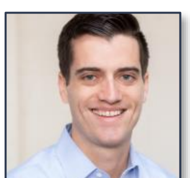
- Prior experience in strategic consulting
- BS Applied Economics and Management, Cornell University



Dir. of Operations

Kathy Foster

- Five years of investment banking operations experience



Analyst

Brendan Camuso, CPA

- One year consumer IB experience; one year buy- and sell-side diligence experience
- BS Accounting, University of Maryland

Analyst

Sam Zander, CPA

- Two years experience in Deloitte's audit practice
- MS Accounting, USC; BS Finance, Washington State University

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

Pre-Process

Executive Summary & CIM

We **create** the best story possible. We know what matters. We sell. We make you look good

Financial Model

We **create** detailed, highly-complex bottoms-up financial models using airtight assumptions

Buyers List

We **leverage** our massive network to compile the best list of investors / acquirers tailored for you

Process

Calling Program

We **generate** strong interest and provide requested diligence materials

Meetings

We are on email and phones constantly and at meetings. We **manage** it all. We sell

Diligence

We **manage** the Data Room. We know what will be asked and we have answers ready (you will look good)

Marketplace

We **create** a competitive process designed to generate multiple offers

Closing

We **lead** negotiations with investors/acquirers to help create the best-possible outcomes

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

SINCE 1847
THAYERS
NATURAL REMEDIES

John Gehr
CEO
Thayers

"The Whipstitch Team worked tirelessly to get me the best possible outcome and I am thrilled. Whipstitch was hands-on from the get-go and quickly surfaced some key issues for us to work on ahead of selling the company. They quickly and effectively secured compelling offers from top strategic buyers and consumer-focused private equity groups. It was a hard decision in the end for me as we had so many fantastic options with various partners. I would highly recommend any company looking to sell to work with Whipstitch Capital."

PURPLE CARROT

Andrew Levitt
Founder and CEO
Purple Carrot

"Whipstitch was incredibly helpful in our sale to Oisix ra Daichi. Their knowledge of how to best position DTC businesses to acquirers and strategic connections within the domestic and international food and beverage landscape helped us navigate the ever-evolving e-commerce M&A market."

Swerve
THE ULTIMATE SUGAR REPLACEMENT

Andress Blackwell
CEO
Swerve

"Our experience working with Whipstitch Capital was terrific. They stayed with us and on us. Nick, Mike, Dom and Brendan became part of the Swerve family while working together."

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

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Consumer Transaction Recap

Volume 5 Number 36

Consumer Transaction Recap August 29-September 4, 2021

The consumer and healthy living sectors continue to receive attention from strategic buyers and financial investors. At Whipstitch Capital 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.

In this Issue:

- Food and Beverage News
- Other Consumer/Health & Wellness Transactions
- More from Whipstitch Capital

FOOD AND BEVERAGE NEWS

CATALENT BUYS BETTERA FOR $1B

Catalent, a global provider of development sciences and manufacturing platforms for medicines and consumer health products, agreed to buy Bettera Holdings, a maker of gummy vitamins, from Highlander Partners for $1 billion in cash.

Read more

DSM TO PURCHASE FIRST CHOICE INGREDIENTS FOR $453MM

Royal DSM agreed to acquire First Choice Ingredients, a supplier of dairy-based savory flavorings, for an enterprise value of $453 million.

Read more

- Whipstitch distributes weekly transaction newsletters to more than 12,000 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

DEAL DIFFERENT.™

Click to Subscribe!

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

Established Partnership Provides Whipstitch With Detailed Market Information on Every Brand and Category Tracked by SPINS

- 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

Select Deals Led by the Whipstitch Team

uqora	PHARMAVITE
SINCE 1847 THAYERS NATURAL REMEDIES	L'ORÉAL PARIS
BROTHERS INTERNATIONAL FOOD CORPORATION	B·C·P Benford Capital Partners
PURPLE CARROT	Oisix ra daichi
core	Keurig Dr Pepper
Swerve	WHOLE EARTH BRANDS
HUNGRY HARVEST	CREADEV CREATING FOR PEOPLE
essentia hydration perfected	CASTANEA
Uncle Matt's Organic	Dean Foods
KEVITA	PEPSICO
FLYING EMBERS	THE ECOSYSTEM INTEGRITY FUND; powerplant VENTURES
spindrift	VMG
COUNTRY ARCHER Jerky Co.	Monogram Capital Partners
BLAKE'S ALL NATURAL FOODS	CONAGRA BRANDS
GoodBelly PROBIOTICS	General Mills Making Food People Love
SQWINCHER THE ACTIVITY DRINK	KENT CORPORATION
$100MM+ Supplement Co.	Has received the first tranche of a $45MM minority investment from a leading consumer-focused private equity firm
Lesser Evil	InvestEco
Switch	APPLE & EVE
Functional Beverage Co.	$50MM+ Private Equity Minority Investment
SCIVATION	PLEXUS CAPITAL THE ACCESS YOU WANT, THE PATIENCE YOU NEED.

Table of Contents

Natural Products Industry Capital Markets Remain Highly Active with M&A and Private Placements

Overall Transaction Activity Grew 9% in 2020, Despite Uncertainty of COVID-19 Pandemic

- Industry-wide financings **grew by 39%** in H1 2021, indicating continued healthy capital markets activity
- M&A activity **quickly recovered in H2 2020** following the COVID-19 pause from mid-March to mid-May

Nutrition and Health & Wellness Industry Transactions: M&A Details 2015 – 2020[1]

	2015	2016	2017	2018	2019	2020	H1 20	H1 21
Retail & Distribution	10	26	34	22	29	23	13	3
Supplements	10	17	21	11	10	17	8	5
Ingredients	22	29	43	29	34	32	17	13
Contract Manufacturing	12	8	14	12	13	8	1	7
OTC & Personal Care	13	16	23	17	24	12	5	6
Natural & Organic, Functional Food	100	103	138	138	104	101	46	80
Others: Tech, Fitness, Pet	80	60	83	117	93	79	42	41
Total M&A	**247**	**259**	**356**	**346**	**307**	**272**	**132**	**155**
Financings	**383**	**456**	**554**	**611**	**659**	**782**	**350**	**486**
Average Size of Financing ($MM)	$21	$15	$25	$37	$31	$30	$30	$48
Total Transactions	**630**	**715**	**910**	**957**	**966**	**1054**	**482**	**641**
YoY Growth	**+63%**	**+13%**	**+27%**	**+5%**	**+1%**	**+9%**	**0%**	**33%**

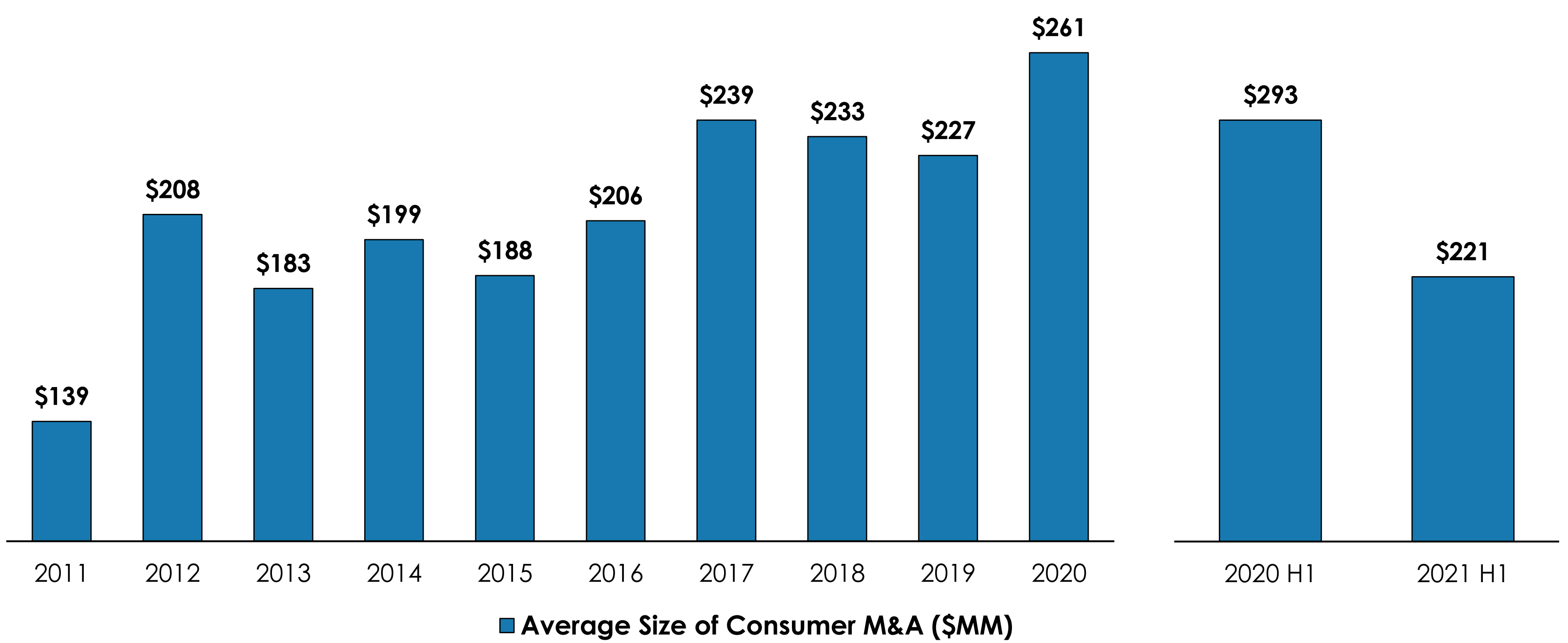
1. Nutrition Capital Network

The Average Deal Size in Consumer M&A Has Increased Steadily Over the Past Ten Years

Brands Getting Acquired at Later Stages and Larger Enterprise Values

- The consumer M&A market has matured over the past ten years
- Deal sizes have increased significantly as acquirers **search for later stage brands** – continued focus on **profitability and upside potential**

Average Size of Middle-Market Consumer M&A Exceeds $200 Million[1,2]



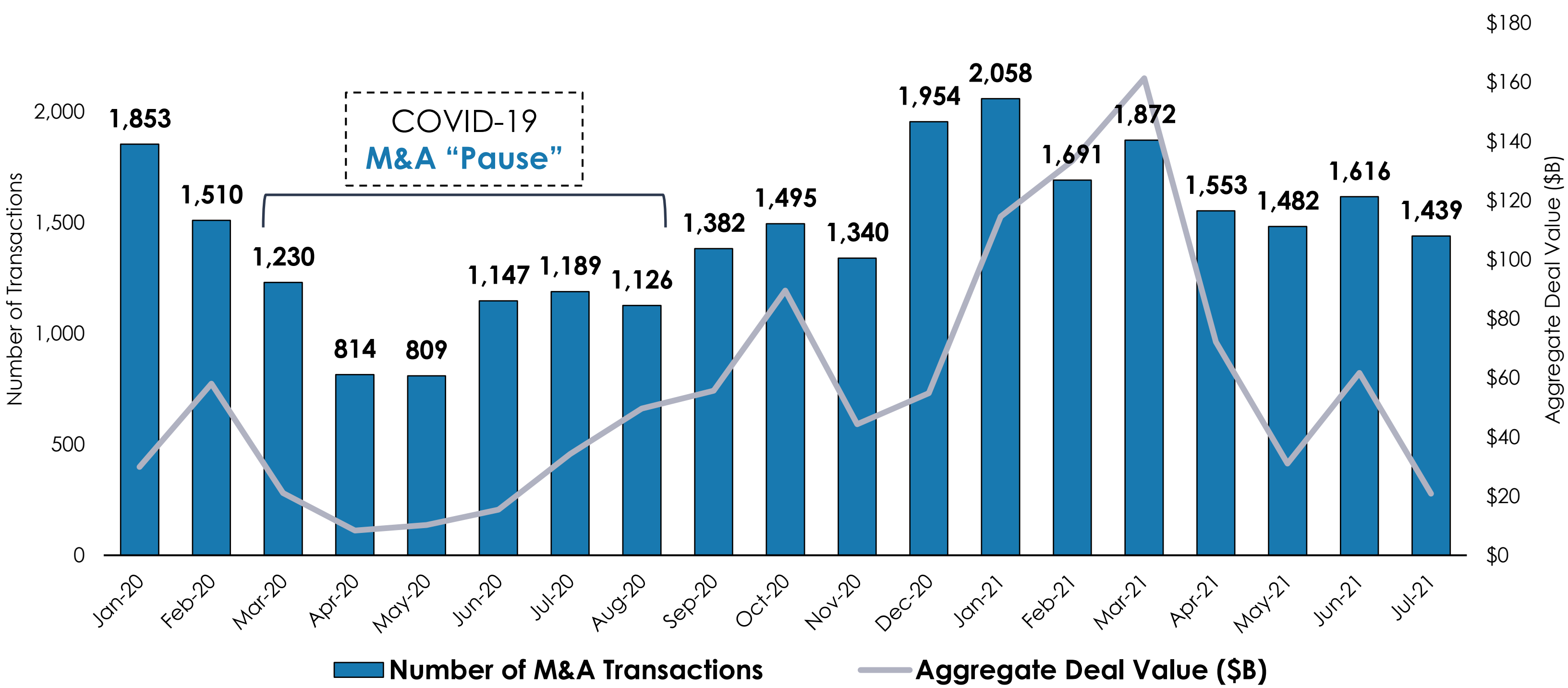
1. S&P Global Market Intelligence, Reported Deal Value, Consumer Industries, U.S. and Canada
2. Middle market deals defined as between $10MM-$1.5B in enterprise value

M&A Volume Has Returned to High Levels After Pandemic-Related Pause

Cross-Industry M&A Volume Steadily Rose Following Q2 2020 Pause

- M&A activity **on the rise** post initial shock of COVID-19; **buyers have adjusted to new norms** such as fewer in-person diligence meetings and site visits
- 2021 M&A volume also driven by expected **capital gains tax increase**

As the Market Adjusted to the Pandemic, Cross-Industry M&A Activity Increased[1]



1) S&P Global Market Intelligence, Reported Deal Value, All Industries, U.S. and Canada

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SPACs Emerging as Credible Buyers in the CPG Industry

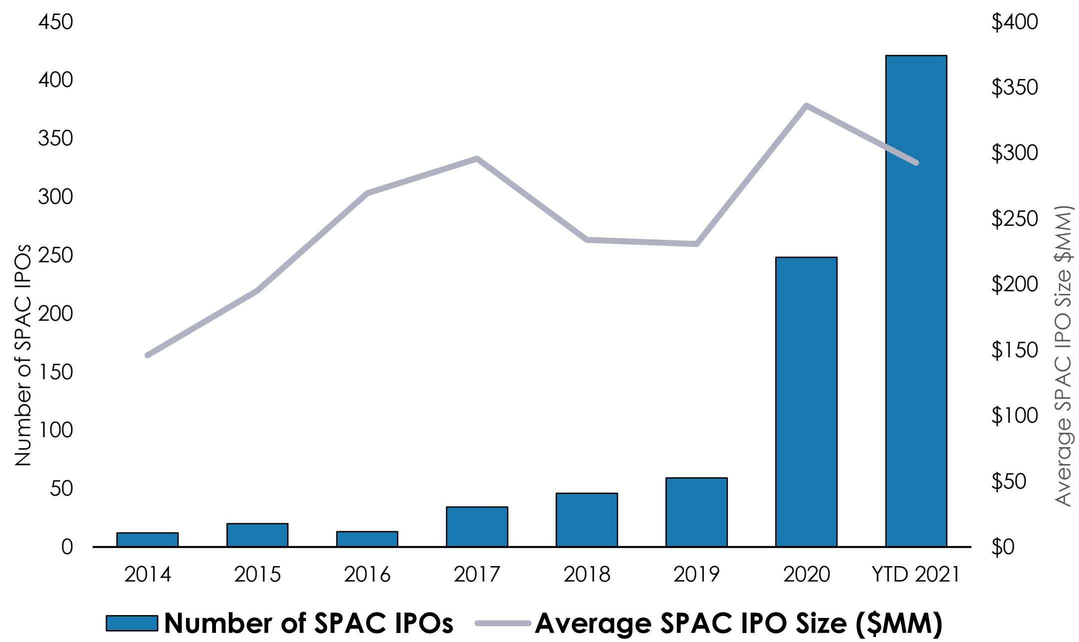
High Volume of SPAC Mergers Expected in the Next 12-18 Months

- **Special Purpose Acquisition Companies (SPAC)** or “blank check” companies create an alternative route to public markets using a much quicker process than IPOs
- Many new SPACs have formed recently with a focus on **high-growth consumer brands**
- Many SPACs with cash – a **high volume of SPAC add-ons** likely in the next 12-18 months

Completed Consumer-Focused SPACs

SPAC	Acquisition	Add Ons
Act II Global Acquisition Corp.	Whole Earth Brands	Swerve; Wholesome
Collier Creek	Utz	H·K Anderson; Truco Enterprises; Vitner's

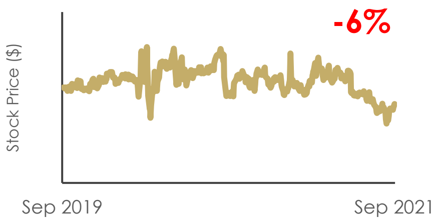
Cross-Industry SPAC IPOs Break 2020 Record in Just 3 Months[1,2]



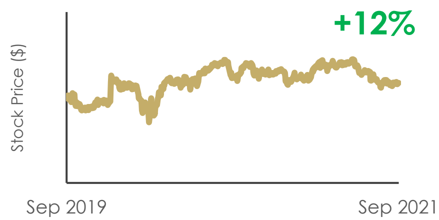
1. CNBC: “SPACs break 2020 record in just 3 months, but the red-hot industry faces challenges ahead”
2. SPACResearch.com

Two-Year CPG Stock Performance (As of September 2021)

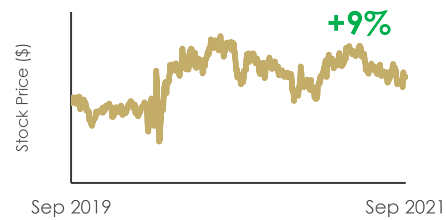
Campbell's (CPB)



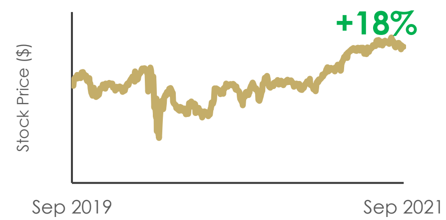
Conagra Brands (CAG)



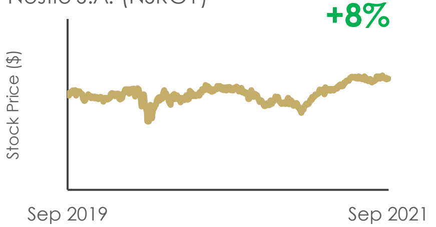
General Mills (GIS)



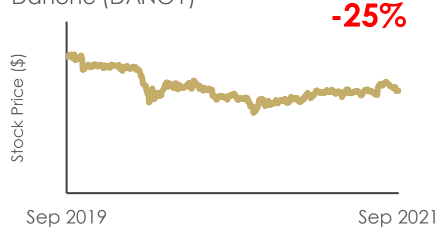
The Hershey Company (HSY)



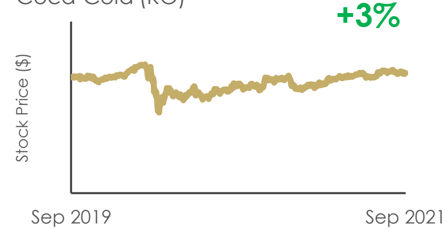
Nestlé S.A. (NSRGY)



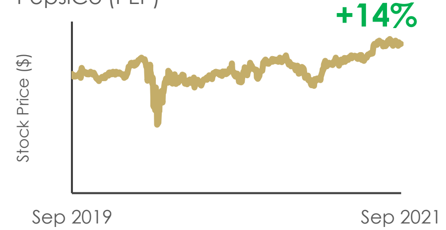
Danone (DANOY)



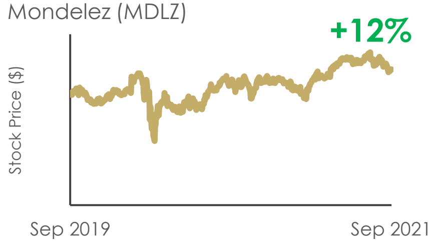
Coca-Cola (KO)



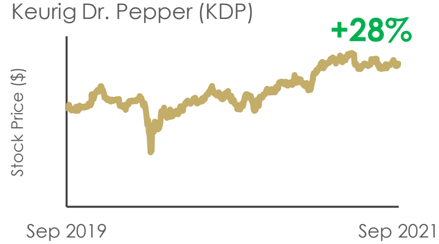
PepsiCo (PEP)



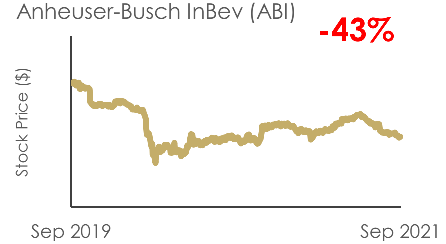
Mondelez (MDLZ)



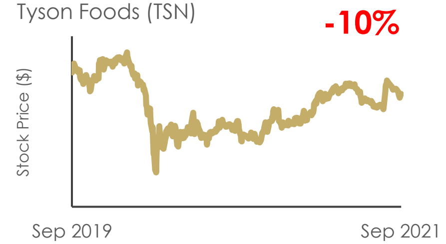
Keurig Dr. Pepper (KDP)



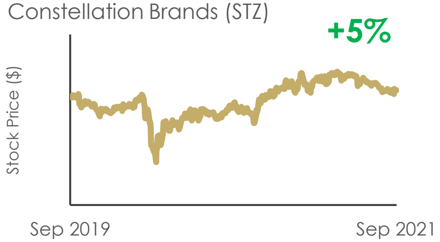
Anheuser-Busch InBev (ABI)



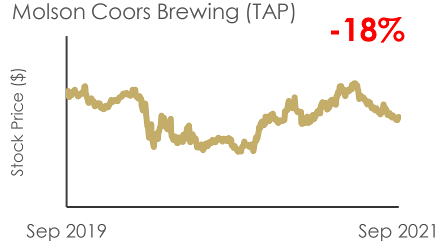
Tyson Foods (TSN)



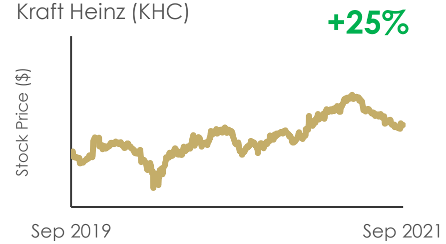
Constellation Brands (STZ)



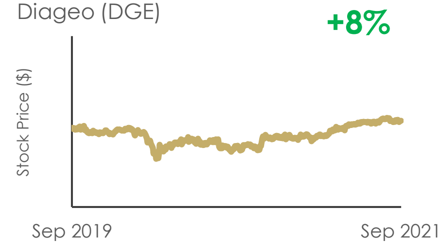
Molson Coors Brewing (TAP)



Kraft Heinz (KHC)



Diageo (DGE)



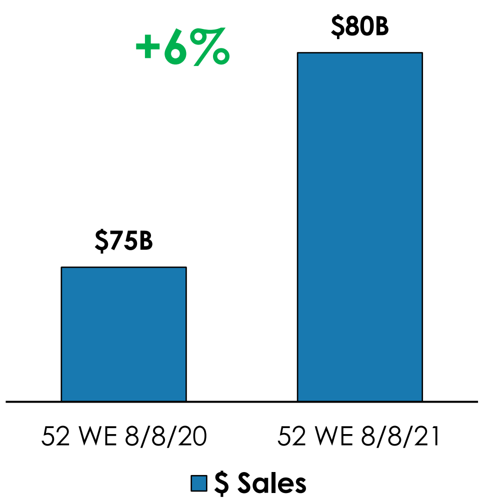
1. S&P Market Intelligence

Health & Wellness Products Took Share From Conventionally-Positioned Products During the Pandemic

Healthy Brands Reacted Quickly to the Changing Landscape

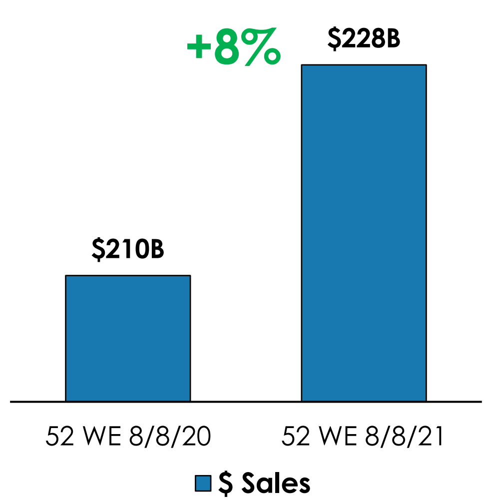
- **NPI and HWI products grew 6% and 8%,** respectively in the last 52 weeks, as brands took advantage of consumers' increased focus on health
- Consumers have **discovered new, better-for-you brands** in the past year, which will drive continued growth

Naturally-Positioned Products (NPI)



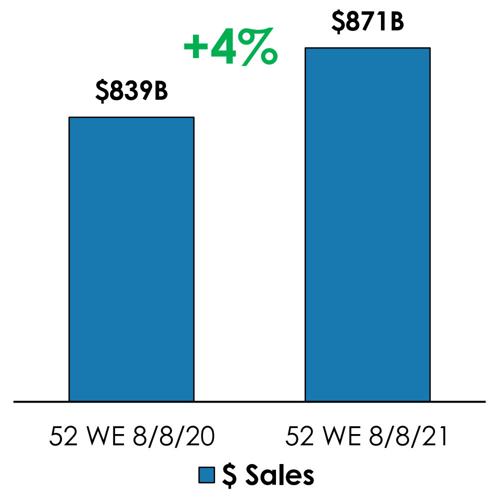
Top 3 Growth Categories
1. Internal Medicines
2. Pet Habitat & Travel
3. Beer & Hard Cider

Health & Wellness Products (HWI)



Top 3 Growth Categories
1. Internal Medicines
2. Personal Hygiene
3. Pet Habitat & Travel

All Products (TPL)



Top 3 Growth Categories
1. Superfood & Supplements
2. Performance Nutrition
3. Personal Health Supplies

1. SPINS 52 WE 8/8/21, All Categories, Total US – MULO + Natural Enhanced + Convenience

Recent Consumer M&A Highlights

Buyer	Target	Date
butterfly	Chosen Foods	Sep 2021
PAI Partners	Tropicana Naked	Aug 2021
First Beverage Group, Manna Tree Partners	Health-Ade	Jul 2021
Paine Schwartz Partners	suja	Jul 2021
VCP	PetHonesty	Jul 2021
KPS Capital Partners, LP	Tate & Lyle	Jul 2021
Pharmavite	uqora	Jul 2021
WM Partners LP	vega	Jun 2021

Buyer	Target	Date
Unilever	Paula's Choice Skincare	Jun 2021
Hershey's	Lily's	Jun 2021
Nestlé Health Science	nuun hydration	Apr 2021
King's Hawaiian	Grillo's	Apr 2021
Sun-Maid	Plum organics	Aprr 2021
Mondelēz International	Grenade	Mar 2021
Stonewall Kitchen	Urban Accents	Mar 2021
Diageo	Ranch Water	Mar 2021

Buyer	Target	Date
Nestlé	essentia	Mar 2021
Total Produce	Dole	Feb 2021
One Rock Capital Partners, Metropoulos & Co.	Nestlé Waters North America	Feb 2021
Hormel	Planters	Feb 2021
VCP	Dr. Praeger's Purely Sensible Foods	Feb 2021
Mondelēz International	Hu	Jan 2021
B·C·P Benford Capital Partners	Brothers International Food Corporation	Dec 2020
Whole Earth	Wholesome	Dec 2020

Recent Consumer Private Placements

Investor	Target	Date
Durable Capital Partners	Super Coffee Protein + MCT Oil	Aug 2021
nextworld Evergreen	The Citizenry	Jun 2021
PowerPlant Partners	rae	Jun 2021
SPC Swander Pace Capital	mommy's Bliss	Jun 2021
VMG	bobbie	Jun 2021
L Catterton	Hungry Root	Jun 2021
KarpReilly Growth Investors	LifeAid	Jun 2021
	Canteen	Jun 2021
Accel, D1 Capital Partners	Misfits Market	Apr 2021
Post	Hungry Planet	Apr 2021
RX3	hydrant	Apr 2021
General Mills	Pots & Co	Apr 2021
Macquarie, BainCapital	Harry's	Apr 2021
The Rise Fund	LiveKindly	Mar 2021
encore consumer capital	Love Wellness	Mar 2021
QIA	JUST	Mar 2021
blue horizon ventures, Vorwerk	planted.	Mar 2021
Hershey's, ASR Group	bonumose	Feb 2021
Mistletoe	Skin Inc Supplement Bar	Feb 2021
Post	PeaTos	Feb 2021
Rage Capital	BlueNalu	Jan 2021
Post	Hungry Planet	Jan 2021
The Craftory	organic chickpea snacks Hippeas	Jan 2021
Norwest Venture Partners, Insight Partners	Imperfect Foods	Jan 2021

Table of Contents

Whipstitch Capital's Top-11 Healthy Living Trends

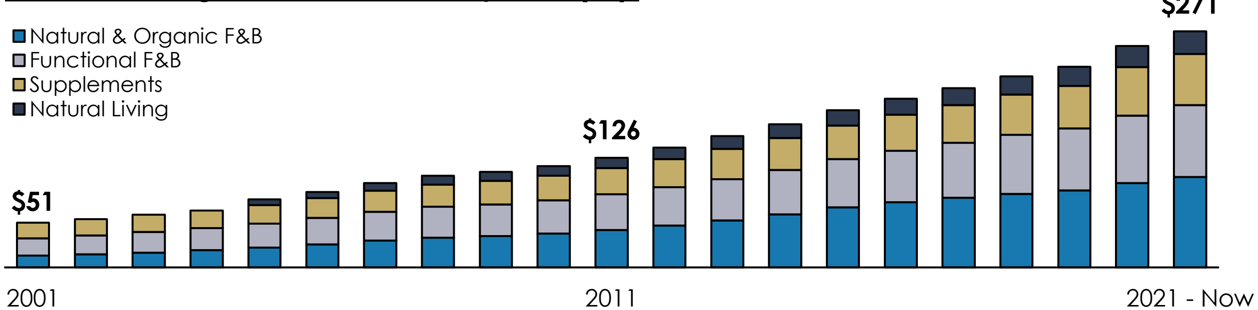
Why Stop at 10? Whipstitch Goes to 11

1. The Growth in "Better-For-You" Consumer is Now Beyond Long-Term and Accelerated During COVID
2. Breakout Brands Find New Innovative Applications for Tea as a Key Ingredient
3. Consumers More "Sober Curious" than Ever Before
4. When Celebrities Stay Authentic to Who They are with BFY Brands, the Impact Becomes Tangible
5. Sexual Wellness Category Booming — No Longer Taboo
6. Mental Health Issues, Caused, In Part, by COVID, Have Increased the Importance of Rest and Recovery Products
7. Ad-Exhausted Audiences Increasingly Look For Authenticity
8. DTC Channel Acceleration Providing New Opportunities for Emerging Brands to Disrupt Static Categories
9. Flexitarian Consumers Driving the Growth in Plant-Based Categories
10. The Constant Consumer Utilization of Grocery Delivery is Here to Stay
11. Consumers, Companies and Investors Increasingly Becoming More Active on ESG/JEDI/Social Initiatives

1. The Growth in "Better-For-You" Consumer is Now Beyond Long-Term and Accelerated During COVID

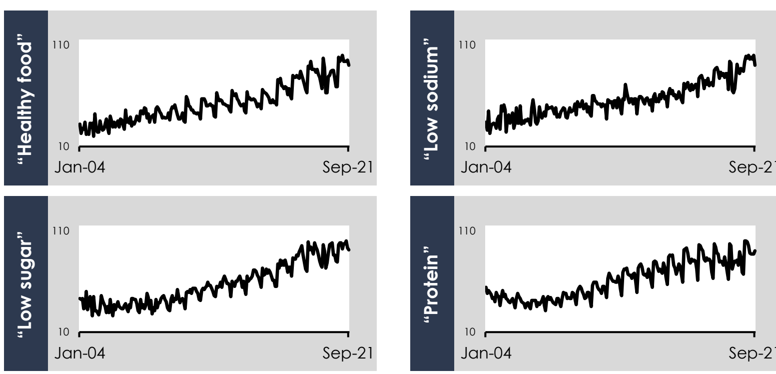
Younger Generation Spending & Continued Focus On Health Accelerating Clean Eating

Natural and Organic Products Industry Sales ($B)[1]

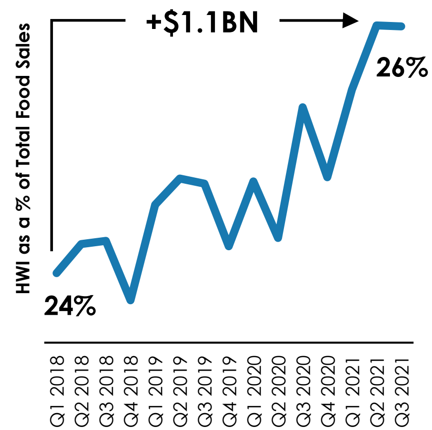


	2001 - 2021 20-yr CAGR	2011 - 2021 10-yr CAGR	2016 - 2021 5-yr CAGR	2019 - 2021 2-yr CAGR
Supplements	6.1%	6.9%	7.4%	**11.6%**
Natural & Organic F&B	10.7%	9.3%	6.8%	**11.7%**
Functional F&B	7.4%	7.2%	6.9%	**10.4%**
Natural Living	n/a	8.2%	7.0%	**12.2%**
Total Industry	**8.7%**	**8.0%**	**6.9%**	**11.3%**

Google Trends Show the Long-Term Growth[2]



AND COVID ACCELERATED CONSUMER ADOPTION OF HEALTHY FOOD:[3]



A BRIEF EVOLUTION ON THE MAINSTREAMING ON HEALTHY/CLEAN EATING:

1970s - 2000

- Introduction of organic and natural
- "Hippie" food
- Taste takes backseat

2000 - 2010

- Mainstreaming begins
- Whole Foods grows up
- Taste improvement

2011 - 2021

- Organic & natural available everywhere
- Gen-Z and Millennial generations drive better-for-you food sales[4]

The Future

- Many consumers don't "switch" to healthy – they are born into it

1. New Hope Natural Media
2. Google Search Trends
3. SPINS 4 WE 7/11/21, Frozen, Grocery, Produce, Refrigerated departments, Food, HWI sales as a % of total sales; HWI = Health & Wellness
4. Mintel

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2. Breakout Brands Find New Innovative Applications for Tea as a Key Ingredient

Brands Bending the Tea Category to Create Exciting New Products

VERB energy bars use **green tea caffeine** to achieve the energy equivalent of espresso

Flying Embers offers an **alcoholic twist** on traditional kombucha (fermented tea)

Hoplark craft brews **non-alcoholic teas with hops** for flavorful, everyday drinking

Guayaki's yerba mate ideal for consumers looking for an **alternative to energy drinks**

Functional Benefits of Tea

Promotes heart health and low blood pressure[1]

***Nearly 50%** of health-focused consumers seek heart health benefits from food/beverages*[2]

May be effective in fighting various forms of cancer[1]

***Nearly 40%** of health-focused consumers seek cancer prevention benefits from food/beverages*[2]

Anti-inflammatory and immune-supporting properties[1]

***Over 30%** of health-focused consumers seek anti-inflammatory benefits from food/beverages*[2]

1. Penn Medicine, *The Hidden Health Benefits of Tea*, 12/9/2019
2. FoodInsight.org

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3. Consumers More "Sober Curious" than Ever Before

With the Rise in Consumers Partaking in "Mindful Drinking", Companies Rush to Meet the Demand

The stats…

+ 71%

Increase in *google searches for "non-alcoholic drink" from Jan 2020 to Jan 2021*[1]

1 in of 2 *respondents over 21 are looking to decrease their alcohol intake*[2]

two in three millennials state they are making efforts this year to reduce alcohol consumption[2]

64% of consumers reported their intention to continue to discover new no/low alcohol brands[2]

Strategics Large & Small Are Launching No & Low Alcoholic Beverages

Heineken

Desperados Virgin 0.0%

Launched Jan 2021[3]

Amass

Non-alcoholic spirit

Launched Jan 2021

AB Bev

3% ABV | 3.4% ABV | 3.5% ABV | 0.5% ABV

All launched Jan 2020[4]

Athletic Brewing

A non-alcoholic craft beer company

Company Founded 2018[5]

Hoplark

A non-alcoholic tea with hops company

Company Founded 2018[5]

1. Google Analytics
2. The IWSR
3. FoodBev
4. FoodDive
5. BevNet

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4. When Celebrities Stay Authentic to Who They are with BFY Brands, the Impact Becomes Tangible

When Celebrities Found Close to Home Consumer Products, Results Follow

Brand	Celebrity Founder	Most Recent Transaction	Why it Works
The Honest Co.		May 2021 IPO → $413MM[1]	***Jessica Alba's reputation:*** ✓ *Fashionable mother, quit acting to dedicate more time to her family* ***Why Honesty Company works:*** ✓ Perceived as genuine company— originally goal was to find products she trusted enough to use on own kids ✓ Aligns with her long-held values and priorities
goop		March 2018 SERIES C → $50MM[2]	***Gwyneth Paltrow's reputation:*** ✓ Actor and provocateur regarding her health/wellness views ***Why Goop works:*** ✓ Capitalizes on her eye-raising views via platforms generating revenue based off viewership ✓ Gwyneth-specific, inimitable company profiting from users looking to imitate her glamorous lifestyle
Once Upon a Farm		Oct 2018 SERIES B → $20MM[3]	***Jennifer Garner's reputation:*** ✓ Everybody's favorite "mom-next-door", loves cooking healthy food ***Why Once Upon a Farm works:*** ✓ As health-drinks brand for children, her company brand matches her personal brand

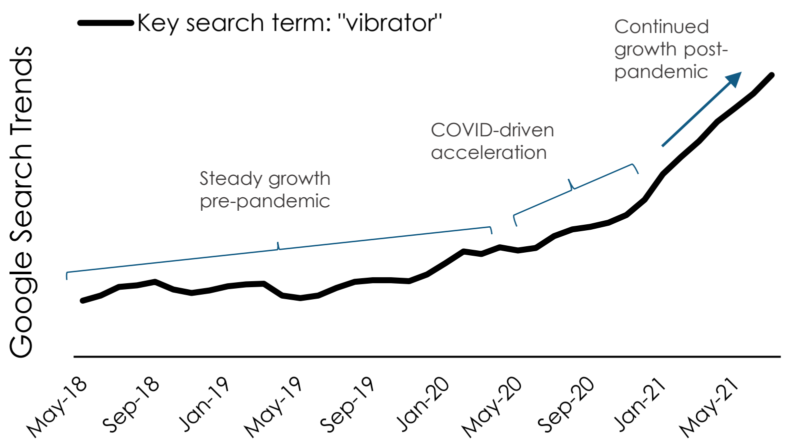
Brands to Watch

1. Bloomberg
2. Fortune
3. Forbes
4. Cinemablend

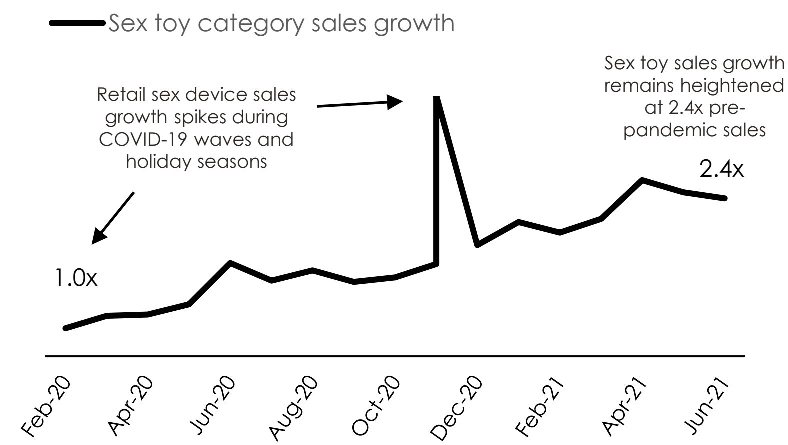
5. Sexual Wellness Category Booming — No Longer Taboo

Sex Toy Sales Growing Offline and Online as Sexual Wellness Becomes Mainstream

Consumers Demanding Sex Toys[1]



Sex Toys Sales Growing In Mass Retail[2]



Key Sexual Wellness Disruptor Brands To Watch

Vibrators

plusOne
Dame
LELO
maude
unbound

Sex Accessories

cake
FORIA
maude
LOLA
Champ

1. Google Trends Analytics
2. SPINS 4 WE 7/11/21, Sexual Wellness & Family Planning (Sex Toy SKUs only), MULO

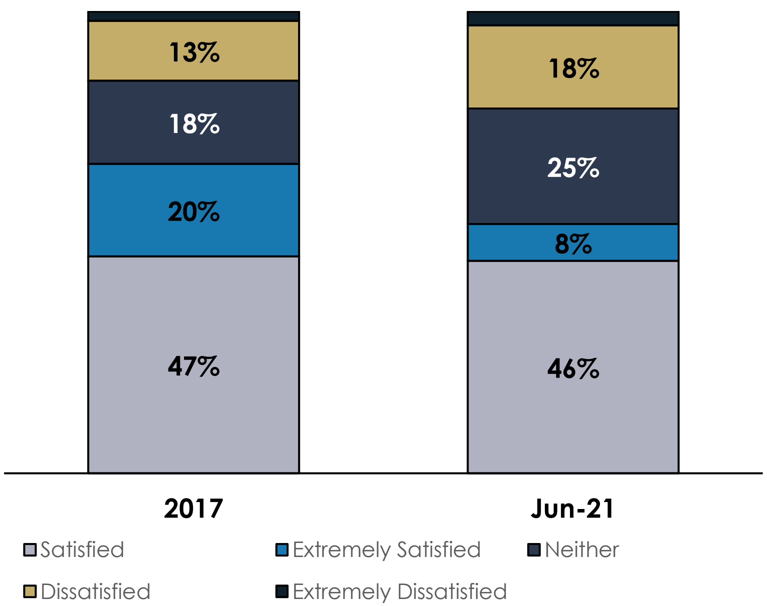
6. Mental Health Issues, Caused, In Part, by COVID, Have Increased the Importance of Rest and Recovery Products

COVID's Negative Impact on Consumers' Overall Health Emphasizes the Importance of Rest

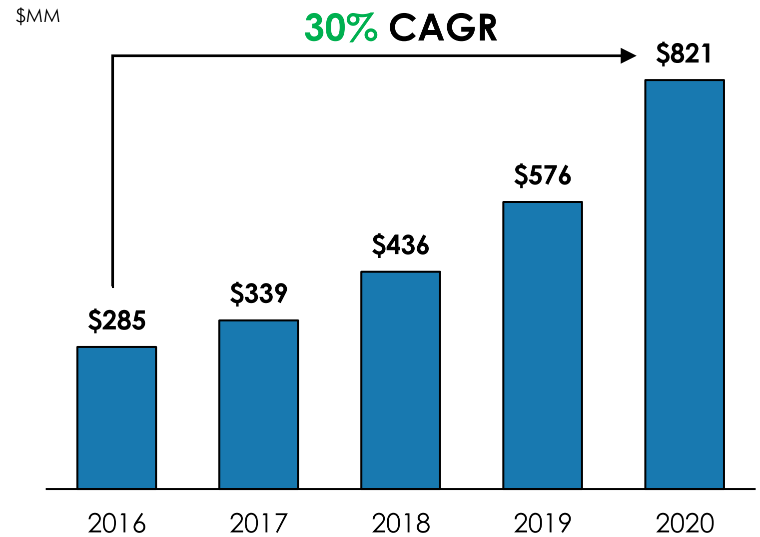
27% Of consumers took steps during the pandemic to care for their mental health[1]

82% Of consumers believe mental and emotional balance is as important as physical health[1]

How satisfied are you with your current health?[2]



Melatonin Sales in the US[3]



Brands to Watch

WHOOP

LIFEAID

R3SET

H2 ROSE

Calm

Winged WOMEN'S WELLNESS

1. Hartman Group
2. New Hope Network
3. Business Insider

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7. Ad-Exhausted Audiences Increasingly Look For Authenticity

The Importance of "Brand Authenticity" More Important to Consumers Than Ever Before

Authentic Brand Stories

uqora — Created by **husband & wife duo** after wife had eight UTI's in one year

JOJO's — Jojo perfected a delicious, low-sugar, chocolate snack **following her cancer diagnosis** to live healthy without giving up her love of sweets

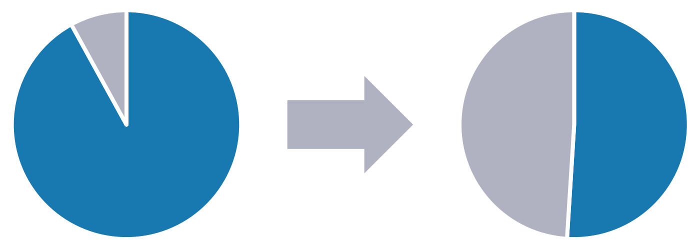
purely elizabeth. — Elizabeth wanted to use **superfoods** to provide **healthier, better-tasting alternatives** to what was on the market

GFUEL — Partnerships with **influencers and dedication** to gaming community shines through to thousands of **passionate brand champions**

Ritual — Katerina wanted the **ideal prenatal vitamin** that used **ingredients she could trust**, so she created her own

Many Marketers Miss the Mark When it Comes to Generating an Authentic Feel

92% of marketers believe they create authentic content[1]



…While **51% of consumers** believe that less than half of brands create authentic content[1]

Authenticity Resonates With These Brands

Murphy's Naturals, LesserEvil, EO Products, Wild Tonic, cocokind, J.R. Watkins

1. SocialMediaToday"Survey Reveals How Consumers Really Judge Brand Authenticity (and Influencers)", Megan DeGruttola, 2/25/19

8. DTC Channel Acceleration Providing New Opportunities for Emerging Brands to Disrupt Static Categories

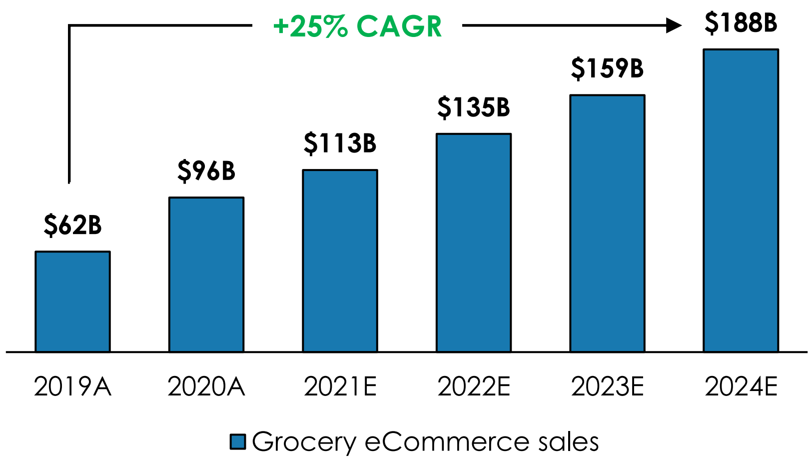
Large Strategics Taking Notice of Disruptive, DTC-Focused Brands

Uqora's disruption of the UTI prevention market led to acquisition by Pharmavite

Freshly's successful approach to DTC prepared meals led to acquisition by Nestle

Liquid IV's disruption of the hydration category led to acquisition by Unilever

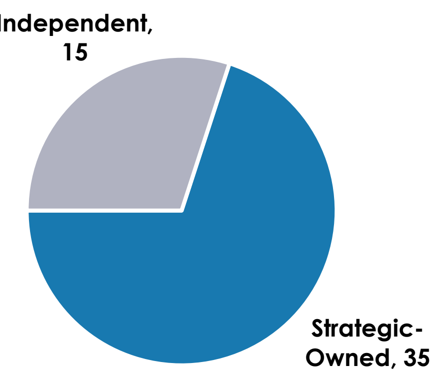
Pandemic Pushed More Sales Online, Reinforcing the Importance of DTC[1]



Independent Brands More Successful in Online Channels Than In-Store

\# of Brands in the Top-50 Grocery Products on Amazon[2]

15 of the top-50 brands on Amazon are independent vs. **0 in conventional grocery[3]**



1. eMarketer
2. Amazon Top-100 Products, Grocery & Gourmet Food, As of 7/23/21
3. SPINS 52 WE 6/13/21, All Categories, Total US - MULO

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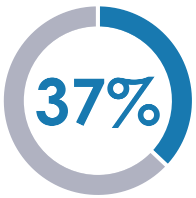
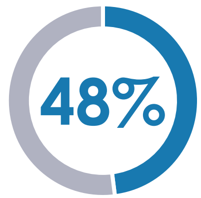
9. Flexitarian Consumers Driving the Growth in Plant-Based Categories

Mainstream Consumers Reduce Reliance on Animal Products in Everyday Life

Many consumers turn to animal-free options…

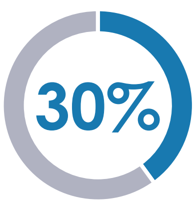


Of consumers modified their diets with sustainability in mind[2]

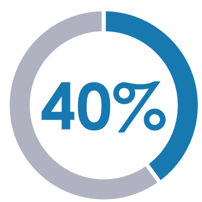


Of consumers turned to faux meat due to concerns over animal welfare[2]

…But innovation challenges remain before consumers fully willing to commit

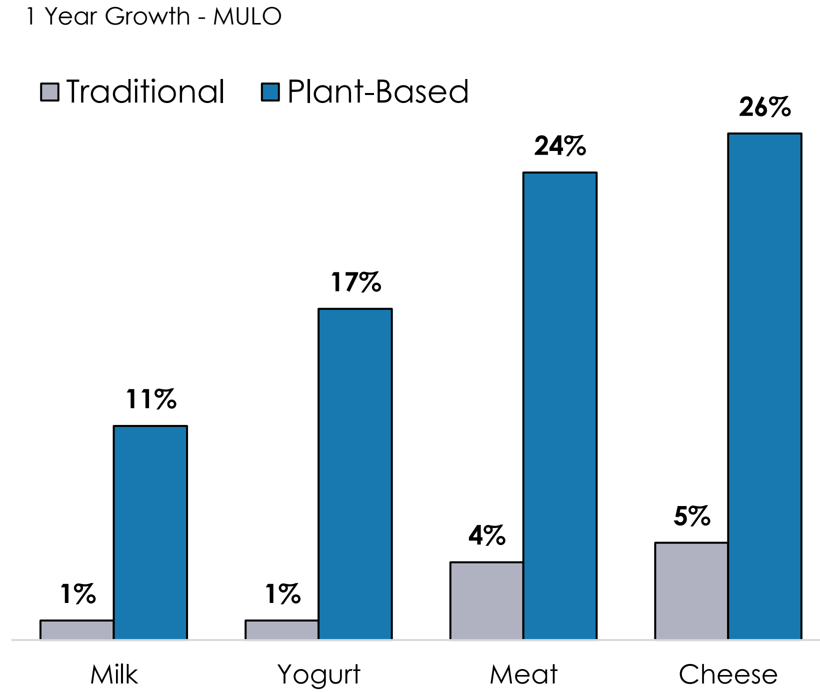


Of consumers think plant-based diets lack full nutritional benefits[2]



Of consumers put off by unrecognizable ingredients[2]

Plant-Based Options Outpace Traditional Counterparts in Every Category[1]



Plant Based Alternatives

THE PLANT BASED SEAFOOD Co

Franklin FARMS

MIYOKO'S

TÂCHE

GOOD PLANeT Foods

1. SPINS 52 WE 6/13/21, RF Milk, RF Plant Based Milk, RF Plant Based Meat Alternatives, FZ and RF Meat Poultry & Seafood, RF Cheese & Plant Based Cheese, RF Yogurt & Plant Based Yogurt, Total US – MULO
2. New Food Magazine "What's driving the plant-based boom?", Simon Solway, 2/24/21

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10. The Constant Consumer Utilization of Grocery Delivery is Here to Stay

Online Grocery Shopping Continues to Grow Following Pandemic Stickiness

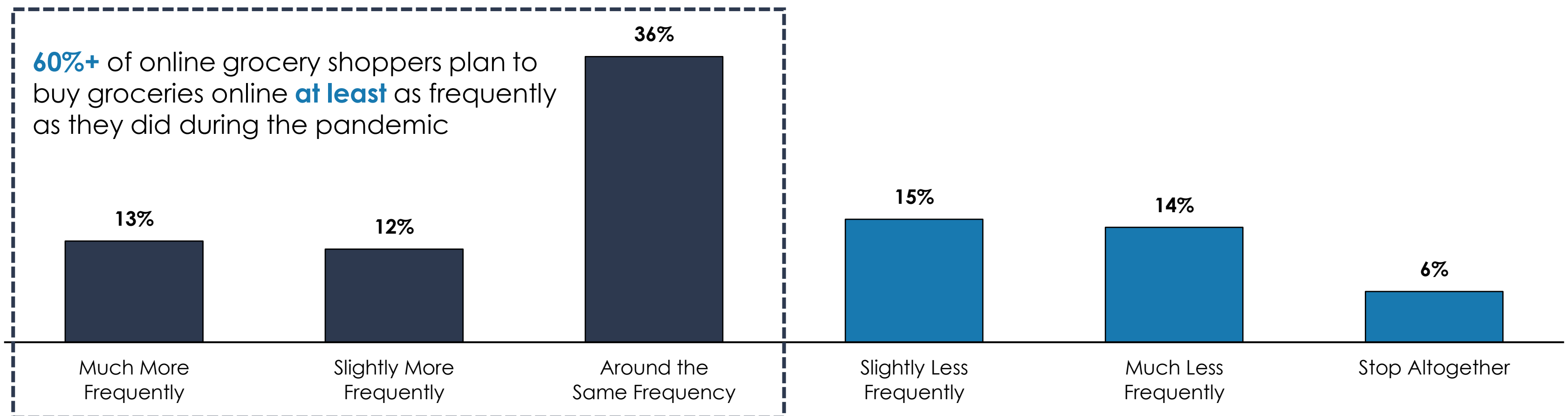
% of US Consumers That Bought Groceries Online in the Past 12 Months[1]

23% In 2018 → **59%** In 2021

Grocery Delivery Companies to Watch

instacart
amazon
Shipt
Hungryroot
Whole Foods Market
Thrive Market
freshdirect

How Frequently Will You Continue to Buy Groceries Online Once the COVID Crisis Subsides?[1]



1. Coresight Research

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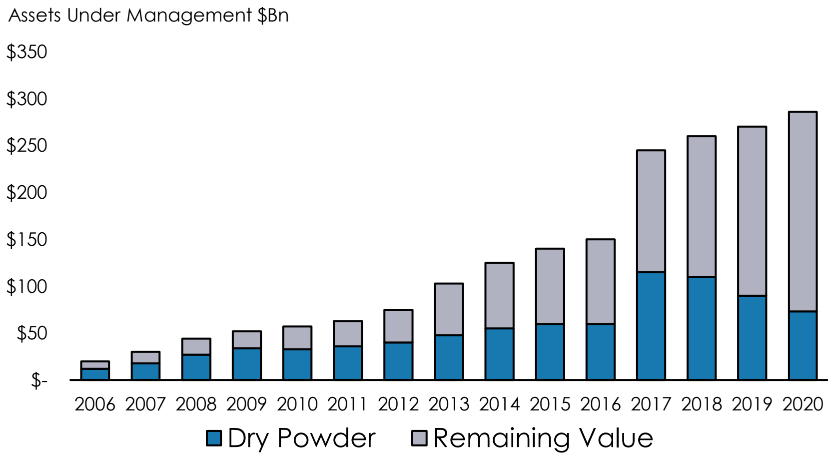
11. Consumers, Companies and Investors Increasingly Becoming More Active on ESG/JEDI/Social Initiatives

Consumer Interest Drives ESG Engagement to Record Highs

Impact Fund AUM Rising Rapidly[1]



Select ESG Funds

THE RISE FUND

APOLLO

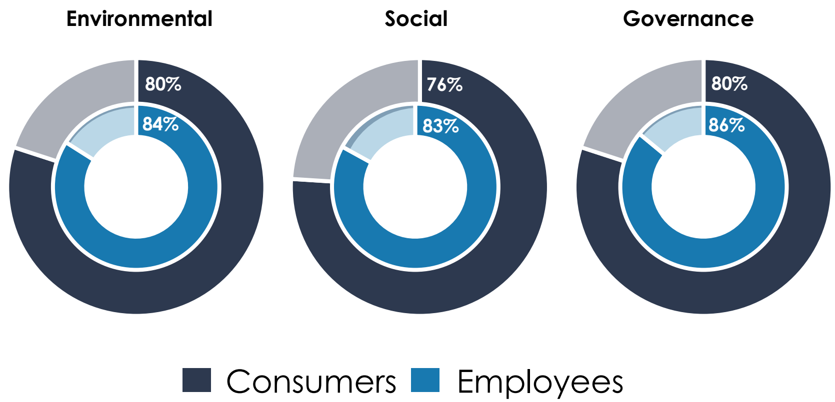
Select ESG Brands

HUNGRY HARVEST

cocokind

Consumers & Employees Actively Seeking Out Brands with ESG Components[2]

I am more likely to buy / work for a company that stands up for:



75%+

Of consumers want to see businesses play a larger role in accelerating progress on ESG concerns[2]

84%

Of investors are interested in investing into companies that affect social and environmental change[3]

1. PitchBook
2. Pwc Consumer Intelligence Series June 2, 2021
3. Morgan Stanley Institute for Sustainable Investing

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Table of Contents

SPINS

KEY TRENDS IN THE NATURAL PRODUCTS INDUSTRY

SPINS

SPINS CONNECTS THE INDUSTRY THROUGH WELLNESS-FOCUSED TECHNOLOGY

The SPINS Data Network establishes a **common language** for the health and wellness industry, transforming how retailers, brands, and their ecosystem of partners **optimize performance, disrupt the status quo, and improve the quality of life** for consumers through attribute-enriched data solutions

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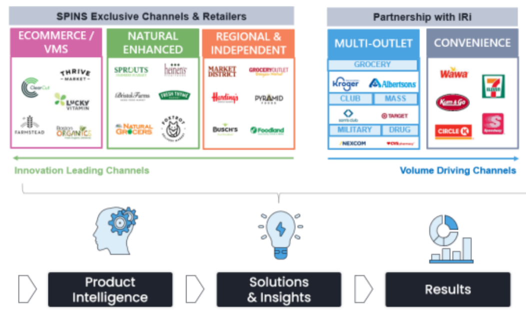
SPINS EMPOWERS THE INDUSTRY THROUGH OUR COMPREHENSIVE DATA NETWORK

SAAS APPLICATIONS

- SATORI
- Destini Coupons, Product Locator
- ClearCut Amazon Analytics
- DAAP Data Harmonization
- TradeROI

PROPRIETARY DATA



- 120+ SPINS Proprietary Retailers
- 80+ Conventional Mass Market Retailers
- Amazon & E-commerce
- Enhanced Consumer Panel
- Neighborhood Pet

PRODUCT INTELIGENCE

- 3.1mm UPCs Coded
- 1mm UPCs with Ingredients Coded
- 50K new UPCs coded each month
- Industry leading dictionary of H&W attributes

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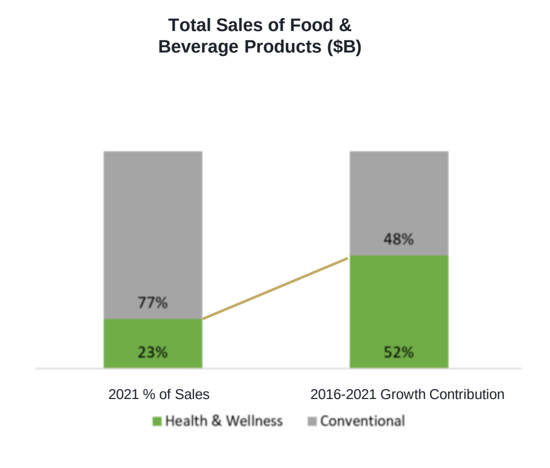
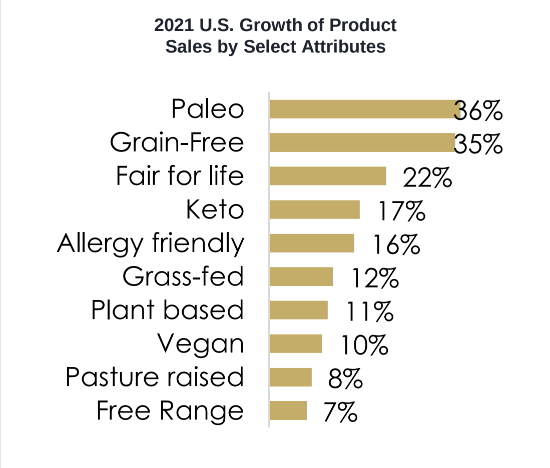
OUR WORLD IS WHERE CPG GROWTH & INNOVATION RESIDE

H&W PRODUCTS COMPRISE A DISPROPORTIONATE SHARE OF GROWTH & NEW ITEMS

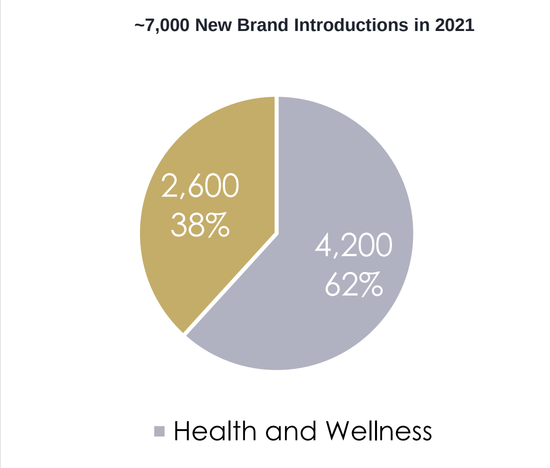
$150B+ Health & Wellness Market, Represents 23% of Grocery Sales, but 52%+ of Total Dollar Growth(1)



Health & Wellness is a complex, fast growing ecosystem(3)



Majority of New CPG Brands Introduced Coming from Health & Wellness(2)



1) Source: LEK Market Study. Represents sale of food and beverage.
2) Source: LEK Market Study
3) Source: SPINS data for 52 weeks ending 5-2021.

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- Anderson Merchandisers
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- Western Michigan University

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- Peking University – Beijing, China

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Associate

- PwC
- Cisco
- UNC Chapel Hill Kenan-Flagler Business School

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SPINS FINANCIAL & PROFESSIONAL SERVICES GROUP

THE PREMIER INTELLIGENCE NETWORK FOR FINANCIAL & STRATEGIC PARTNERS

SERVICES

SOURCING

> Desktop Application
> Mobile Application

DUE DILIGENCE

> Category Diligence
> Brand Diligence
> Consumer Diligence
> Omni Channel Diligence
> Product Intelligence Diligence

PORTFOLIO GROWTH

> Market Performance Insights
> Market Activation
> Promotional Optimization
> Reporting/Data Harmonization
> Consulting Services
> Consumer Panel Data

OUR EXPERTISE

- Private Equity
- Investment Banking
- CPG M&A
- Professional Services
- Incubator & Accelerator Groups
- Advisory Firms

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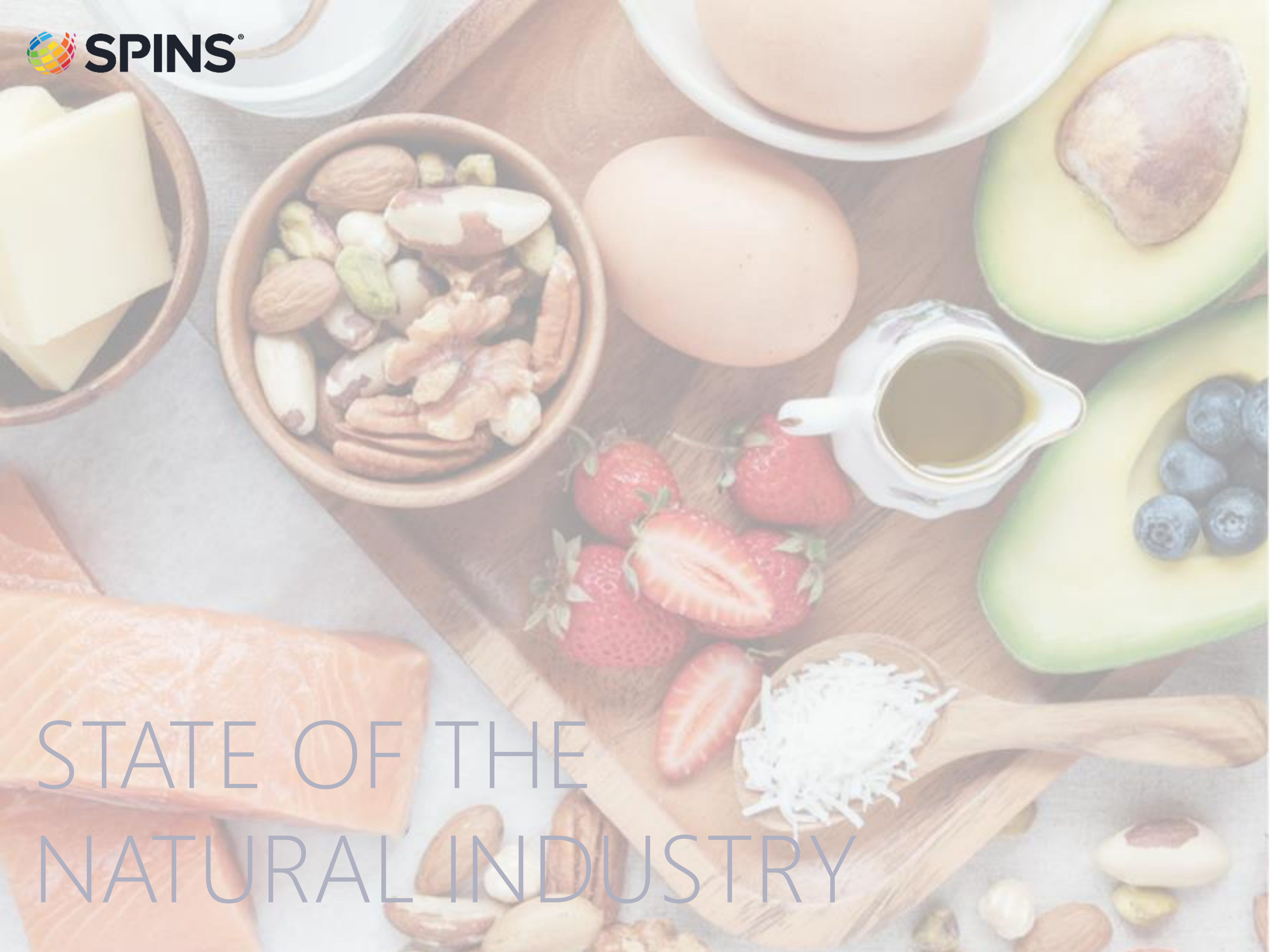

STATE OF THE NATURAL INDUSTRY

NATURAL & SPECIALTY PRODUCTS PROPEL GROWTH VS. PRE-PANDEMIC TIMES

Natural & Specialty Product sales exceed last year's historical growth from the COVID boom in Conventional Channels

	Natural Enhanced		Regional & Independent Grocery		Conventional Multi Outlet (MULO)	
	Chg vs YA	Chg vs 2 YA	Chg vs YA	Chg vs 2 YA	Chg vs YA	Chg vs 2 YA
Total Channel Sales	-3.5%	+12.5%	-7.0%	+14.4%	-1.9%	+13.3%
Natural Products	-6.5%	+5.9%	-3.7%	+18.3%	+2.1%	+21.5%
Specialty & Wellness Products	-4.4%	+9.5%	-2.5%	+21.0%	+3.3%	+21.7%

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Source: SPINSscan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 24 weeks ending 6/13/21. UPC coded items only.

CORE HEALTH & WELLNESS ATTRIBUTES ARE ANCHORING THEIR POSTION AT SCALE

Attribute	Dollar Sales	Dollar Growth	Sales Mix by Channel: Natural Enhanced Channel	Sales Mix by Channel: Multi Outlet Channel
Prebiotic Ingredients	$9,839.8 M	+1.8%	4%	96%
Labeled Gluten-Free	$57,892.8 M	+8.7%	9%	91%
Certified B Corporation	$12,731.7 M	+6.5%	10%	90%
Probiotic Ingredients	$7,955.0 M	+3.4%	10%	90%
Cert Non-GMO Verified	$40,693.3 M	+8.0%	10%	90%
Plant-Based Positioned	$5,779.4 M	+21.4%	13%	87%
Fair Trade Claim	$3,243.5 M	+13.0%	16%	84%
Org 70-100 (incl BC, Supps and PL)	$25,897.3 M	+7.0%	17%	83%
Labeled Allergy Friendly	$333.5 M	+12.4%	21%	79%
Labeled Grass-Fed	$1,391.4 M	+13.6%	21%	79%
Labeled Animal Welfare	$1,812.8 M	+16.9%	22%	78%
Labeled Grain-Free	$1,091.1 M	+18.1%	22%	78%
Paleo Positioned	$1,452.1 M	+32.0%	29%	71%

Natural Enhanced Channel Multi Outlet Channel

Source: SPINSscan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 52 weeks ending 4/18/21. UPC coded items only.

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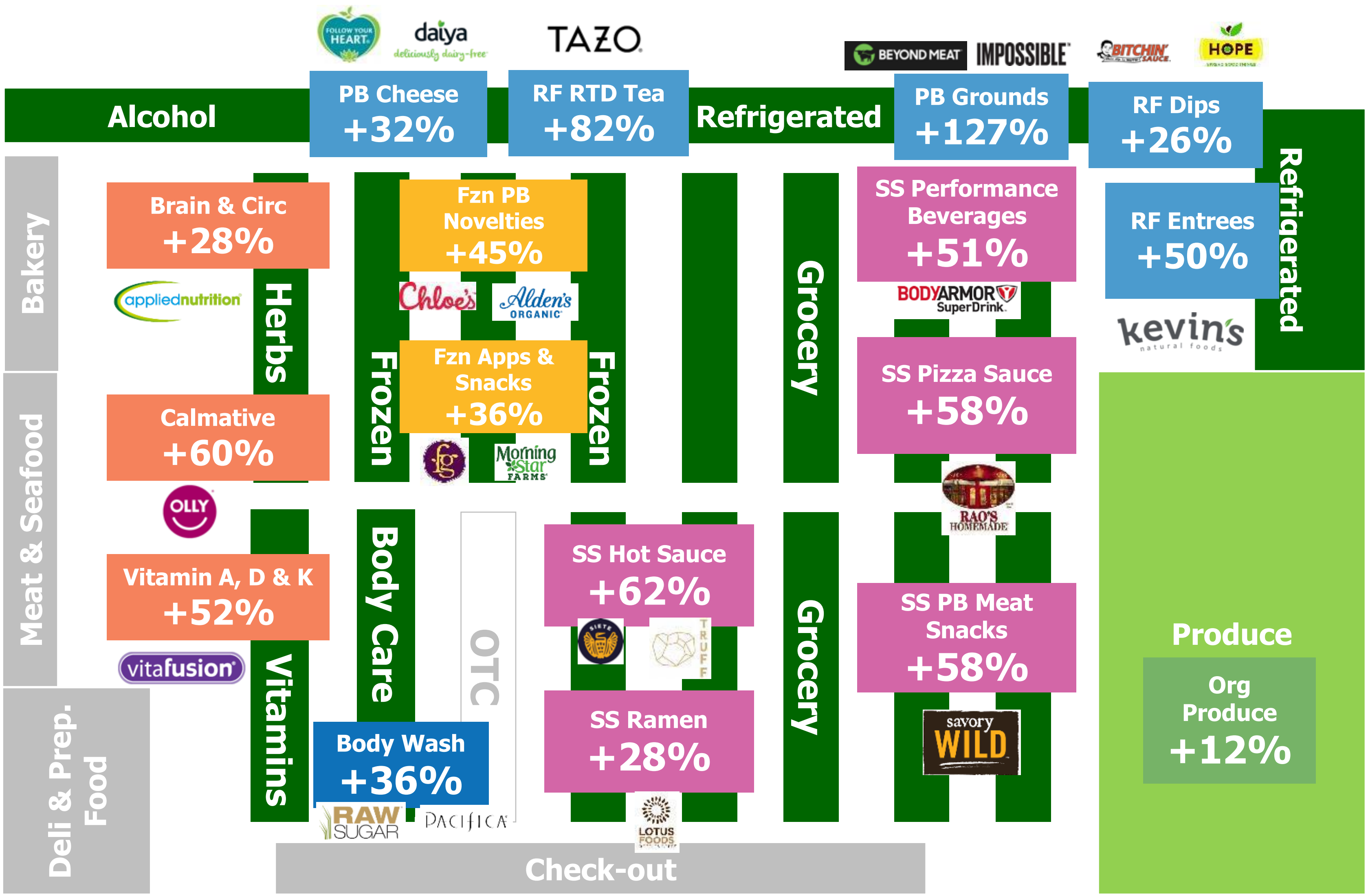
INNOVATION BLOSSOMS THROUGH NATURALLY POSITIONED PRODUCTS



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Source: SPINSscan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 52 weeks ending 4/18/21. UPC coded items only.

TRENDS SIGNALING A NEW NORMAL IN THE NATURAL PRODUCTS INDUSTRY

ON THE GO CONSUMPTION

Coming out of COVID lock-down hibernation, snacking is blossoming with alternative, innovative, and better-for-you formats

PURPOSE DRIVEN CONSUMPTION

The momentum of mindful consumption is seemingly reaching a tipping point as it becomes the norm, not the exception

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NATURAL TRENDS SPOTLIGHT:
ON THE GO CONSUMPTION

On The Go Consumption: Snacking Trends - Adopting Dietary Principles

Consumers are continuing to incorporate the principals of common diets types into their eating habits, without having to sacrifice their favorite snacks to maintain a healthy life-style

KETO DIET FRIENDLY[1]

Frozen Appetizers & Snacks	**+25.6%**
Shelf Stable Cookies & Snack Bars	**+24.3%**

PALEO DIET FRIENDLY[1]

Shelf Stable Jerky & Meat Snacks	**+22.8%**
Shelf Stable Crackers & Crispbreads	**+22.6%**

VEGAN DIET FRIENDLY[1]

Frozen Appetizers & Snacks	**+13.6%**
Refrigerated Plant Based Yogurt	**+11.9%**

[1]Does not include SKUs with <$5K YA sales

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet & Convenience Channel (Powered by IRI), 52WE 7.11.21

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On The Go Consumption: Snacking Trends - Disruptive Sugar Alternatives

Shoppers are turning towards alternative sweeteners to avoid high sugar and high calorie offerings

+15.7%

Monk fruit

+8.5%

Stevia

+2.1%

HFCS Free

+3.0%

Artificial Sweetener-Free

-11.6%

Sugar Alcohols

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet Channel (Powered by IRI), 52WE 4.18.21

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On The Go Consumption: Snacking Trends - Avoiding Allergens

Consumption of allergen-friendly products rise as consumers seek food that meets their dietary restrictions

+3.8%
Major 8 Allergen Free

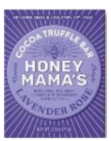
+4.3%
Soy Allergen

+2.5%
Tree Nuts Allergen

+2.2%
Wheat Allergen

+1.9%
Fish Allergen

+2.9%
Peanut Allergen



+2.4%
Egg Allergen

+1.9%
Shellfish Allergen

+0.9%
Milk Allergen

Category Spotlights:

SS Nuts & Trail Mix & Dried Fruit

Not Allergen Friendly **-7.0%**

Allergen Friendly **+7.0%**

SS Crackers & Crispbreads

Not Allergen Friendly **+0.9%**

Allergen Friendly **+11.6%**

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet Channel (Powered by IRI), 52WE 4.18.21

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On the go Consumption: Alcohol Ready To Drink Beverage Innovation

While Wine Spritzers is overall down, the segment and its RTD counterparts are seeing high growth brands as consumers look for innovative products beyond traditional grab-n-go beer options

RTD COCKTAILS
+42.9%, +$274.8M

CUTWATER
+200%
+40.9M

CLUBTAILS
+22%
+20.4M

WINE SPRITZERS[1]
-15%, -$7.3M

HOUSE WINE
+32%
+7.4M

YES WAY ROSE
+13.3%
+2.2M

HARD SELTZER[1]
+15.4%, +464M

SAN JUAN
+66%
+3.4M

HARD KOMBUCHA[1]
+38.6%, +12.2M

FLYING EMBERS
+199%
+8.8M

HARD CIDER
+0.4%, +2.2M

SCHILLING
+70%
+5.4M

[1]Does not include SKUs with <$5K YA sales
Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet Channel & Convenience (Powered by IRI), 52WE 8.8.21

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NATURAL TRENDS SPOTLIGHT:

PURPOSE-DRIVEN CONSUMPTION

Purpose Driven Consumption - Sustainability Trends

Consumers are looking for products that are not only good for their body but benefit the environment as well

LABELED ORGANIC (70-100%)

SS Creams & Creamers	**+66%** ($3.3M)
RF Tea & Coffee RTD	**+43%** ($26.9M)
FZ Breakfast Foods	**+21%** ($9.4M)
RF Plant Based Milk	**+21%** ($33.3M)
SS Desserts & Dessert Toppings	**+20%** ($5.1M)

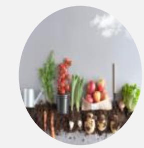
CERTIFIED WHOLE GRAINS COUNCIL

FZ Entrees	**+22%** ($6.7M)
SS Rice Cakes	**+17%** ($36.2M)
RF Entrees	**+13%** ($1.7M)
SS Chips & Pretzels & Snacks	**+7%** ($44.3M)
Bread & Baked Goods	**+2%** ($20.5M)

CERTIFIED B-CORP

RF Entrees	**+173%** ($3.5M)
SS Dessert & Dessert Toppings	**+48%** ($35.4M)
RF Tea & Coffee RTD	**+38%** ($85.4M)
Bread & Baked Goods	**+26%** ($7.1M)
SS Cookies & Snack Bars	**+24%** ($8.8M)

CERTIFIED NON-GMO



SS Jerky & Meat Snacks	**+69%** ($11.1M)
RF Eggs	**+37%** ($11.1M)
SS Tea & Coffee RTD	**+23%** ($41.3M)
SS Soda & Carbonated Beverages	**+19%** ($39.4M)
RF Cheese & Plant Based Cheese	**+18%** ($33.3M)

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet Channel & Convenience (Powered by IRI), 52WE 8.8.21 for Frozen, Grocery, Refrigerated Departments

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Purpose Driven Consumption – Beverage Spotlight

Functional beverages continue to grow as shoppers look to products with diversified sets of added benefits

High Growth Subcategories

RF Coconut & Plant Water

$83M **+16%**

SS Energy & Other Functional Bevs.

$15B **+15%**

SS Performance Beverages

$9B **+14%**

RF Juice & Other Functional Bevs.

$4B **+11%**

Functional Ingredient[1]	$, % Growth v YA
Amino Acids	$11.9M **(+135%)**
Protein – Plant – General	$2.3M **(+126%)**
Green Teas & Supplements	$100.6M **(+81%)**
Ginger	$31.1M **(+39%)**
Maca	$12.9M **(+37%)**
Caffeine	$1.5B **(+20%)**
Turmeric	$19.0M **(+20%)**
Spirulina Blue Green Algae	$238.3M **(+13%)**

[1]Does not include SKUs with <$5K YA sales

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet Channel & Convenience (Powered by IRI), 52WE 8.8.21

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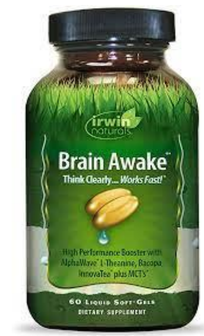
Purpose Driven Consumption – Condition Specific Supplements

Consumers look beyond typical food and beverage for added health benefits, as conscious personal care remains important to purchasers

High Growth Subcategories	% $ Growth vs YA, $ Change
Cognitive Health	**+71%** | +144M
Calmative & Mood Support	**+41% |** +35M
Condition Specific Other	**+34% |** +131M
Sleep	**+32% |** +188M
Reproductive	**+11% |** +35M
Beauty	**+10%** | +17M

Low Growth Subcategories	% $ Growth vs YA, $ Change
Organ Support	**+8%** | +5M
Energy	**+2% |** +15M
Heart & Circulation	**-0.5% |** -867K
Calcium & Bone	**-3% |** -11M
Joint	**-5% |** -18M
Immune	**-24% |** -171M



Cognitive Health: Irwin Naturals
Functional Ingredient: Theanine

Condition Specific Other: OM
Functional Ingredient: Mushrooms - Cordycep

Beauty: NeoCell
Functional Ingredient: Collagen Products

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet Channel & Convenience (Powered by IRI), 52WE 8.8.21

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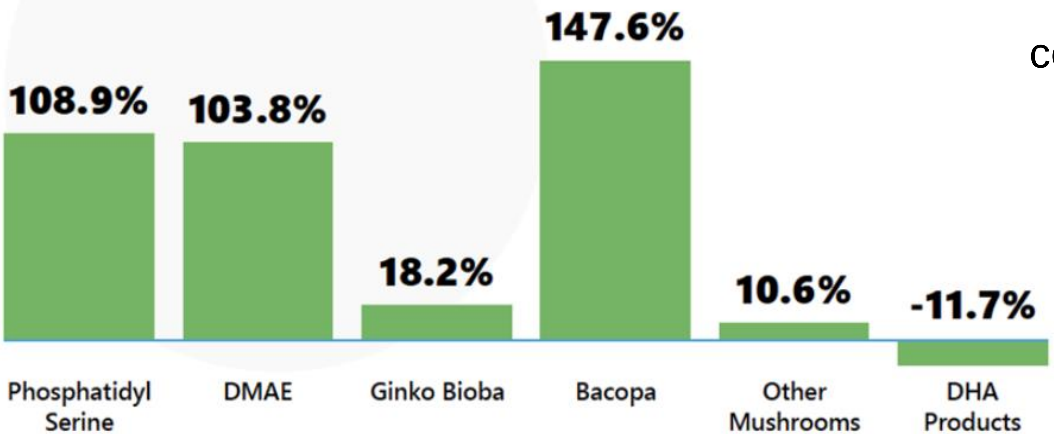
Purpose Driven Consumption – Nootropics for Cognitive Health

As the COVID-19 Pandemic continues, consumers are increasingly looking for products that boost mental health and focus, a functionality known to nootropics

Cognitive Health Functional Ingredient Growth[1]



While originally found mostly in supplements, nootropics are expanding into food & beverage formats, as consumers look for convenient ways to improve cognitive health

Ingredient Benefit Spotlight:

- **Bacopa**: improves attention
- **Phosphatidyl Serine:** nutrition performance & improved memory
- **DMAE:** improved memory & mood booster

Source: Total US SPINS Natural Enhanced Channel & Regional Independent Grocery & Conventional Multioutlet Channel & Convenience (Powered by IRI), 24WE 6/13/21

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Trends Signaling A New Norm In the Natural Industry

ON THE GO CONSUMPTION

- Consumers continue to seek diet-friendly on the go options as snacking categories see double digit growth for keto, paleo, and vegan products
- Though not new concepts, the alternative sugar and allergen free segments are seeing product innovation as brands find new ways to target better for you consumers
- Ready to drink alcoholic beverage innovation signifies changes in consumer preferences as beer is no longer the standard grab n' go option

PURPOSE DRIVEN CONSUMPTION

- Compared to last year, consumers care more about sustainability trends and environmental as many categories see double digit growth for products labeled with major certifications
- Functional ingredient growth in the beverage space align with consumer expectations for products to have a diversified set of benefits
- Mental health related supplements are top of mind for consumers, with nootropic ingredients seeing double digit growth for promoting cognitive health

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