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

September 27, 2022

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The Leading, Independent Investment Bank in the US Solely Focused on Established and Emerging Consumer Brands

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

Large, Experienced Team
Highly specialized 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
100+ years collective consumer & investment banking experience; 150+ transactions closed

Consumer Experts
Focused exclusively on innovative and emerging 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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Whipstitch Represents Category Leaders, Innovators and Highly-Talented Teams

Select Recent/Active Mandates

Pet
High-quality treats, cleaning products and accessories for pets

Non-Alcohol Beverage
Better-for-you alcohol-free tea brewed-like-beer brand

Meal Delivery
Innovative, vertically-integrated, ready-to-eat meal delivery company

Plant-Based Protein
Multi-category plant-based meat and tofu company

Frozen Meals
Clean-ingredient, ethnic, ready-to-eat frozen meals brand

Select Prior Transactions

Thayers Since 1847 Natural Remedies	core	Base Culture	purely elizabeth.	uqora	Purple Carrot	Swerve	KeVita
L'Oréal Paris	Keurig Dr Pepper	Flowers Foods	SEMCAP Food & Nutrition Invest With Purpose	Pharmavite	Oisix ra daichi	Whole Earth Brands	PepsiCo

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

We Own Whipstitch

100% founder owned and led

Committed to long-term growth of firm

We know what having everything on the line feels like

Long-Term

Develop relationships early and work with many clients over many years

No quarterly quotas which means we work to get the best deal done at the right time

100% Consumer

Highly specialized in consumer

Our team knows the industry inside and out

It is all we do

Customized Approach

Every process is highly customized to meet the needs of the client and their goals

There are no templates or cookie cutters

Connected

Our acquirer and investor connections run deep and span 20+ years

Our connections look to us for industry insights and opportunities

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

Executive Director

Andress Blackwell

- Former CEO of Swerve; acquired by Whole Earth Brands in 2020
- 15+ years natural products industry experience

Director

Tim Sousa

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

Director

Greg Ucich, CFA

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

Vice President

Dominic Mangano

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

Associate

Kris Hall, CFA, CPA

- Eight years of management and accounting consulting
- BS Accounting and Finance, Villanova University

Associate

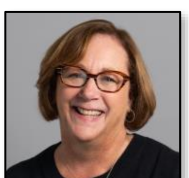
Sarika Pokala

- Two years consumer IB experience; Specialty Finance at JP Morgan
- BS Applied Economics and Management, Cornell University

Associate

Brendan Camuso, CPA

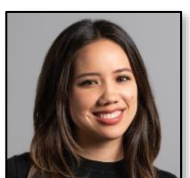
- Two years consumer IB experience; one year buy- and sell-side diligence experience
- BS Accounting, University of Maryland



Dir. of Operations

Kathy Foster

- Five years of investment banking operations experience



Analyst

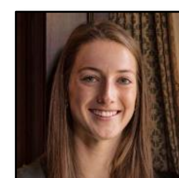
Lauren Park

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

Analyst

Sam Zander, CPA

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



Analyst

Julianne Slavin

- Two years wealth management experience
- MS Finance and BS Economics-Finance, Bentley 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

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

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Consumer Transaction Recap

Volume 6 Number 9

Consumer Transaction Recap February 20-26, 2022

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:

- Whipstitch Webinar
- Food and Beverage News
- Personal Care
- Pet
- Other Consumer Transactions
- More from Whipstitch

FOOD AND BEVERAGE NEWS

NESTLE FINALIZES ACQUISITION OF VITAL PROTEINS

Nestle Health Science, a business unit of Nestle SA, completed its acquisition of Vital Proteins, a manufacturer of collagen-based foods, beverages, and supplements. Nestle first acquired a majority stake in Vital Proteins in June 2020. Financial terms of the transaction were not disclosed.

Read more

PERSONAL CARE

KIMBERLY-CLARK TAKES MAJORITY STAKE IN THINX

Kimberly-Clark acquired a majority stake in Thinx, a maker of reusable menstrual underwear. Financial terms were not disclosed.

Read more

PET

MADE BY NACHO RAISES $14MM

Made by Nacho, a cat food company, raised $14 million in a Series A round led by CAVU Venture Partners and joined by New Fare Partners and Mars' Companion Fund.

Read more

OTHER CONSUMER / HEALTH & WELLNESS TRANSACTIONS

YOSHI SECURES INVESTMENT FROM BRIDGESTONE AMERICAS

Yoshi, a last-mile delivery company, raised an undisclosed amount from Bridgestone Americas.

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

keystone Natural Holdings / House Foods

BASE CULTURE / Flowers FOODS

purely elizabeth. / SEMCAP Food & Nutrition INVEST WITH PURPOSE

uqora / PHARMAVITE®

SINCE 1847 THAYERS NATURAL REMEDIES / L'ORÉAL PARIS

HOPE SPREAD GOOD THINGS / SAVENCIA FROMAGE & DAIRY

Swerve / WHOLE EARTH BRANDS

HUNGRY HARVEST / CREADEV CREATING FOR PEOPLE

core / Keurig DrPepper

PURPLE CARROT / Oisix ra daichi

KEVITA / PEPSICO

FLYING EMBERS / THE ECOSYSTEM INTEGRITY FUND powerplant VENTURES

spindrift / VMG

COUNTRY ARCHER Jerky Co. / Monogram Capital PARTNERS

essentia hydration perfected / CASTANEA

Uncle Matt's ORGANIC / Dean FOODS

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

LesserEvil / InvestEco

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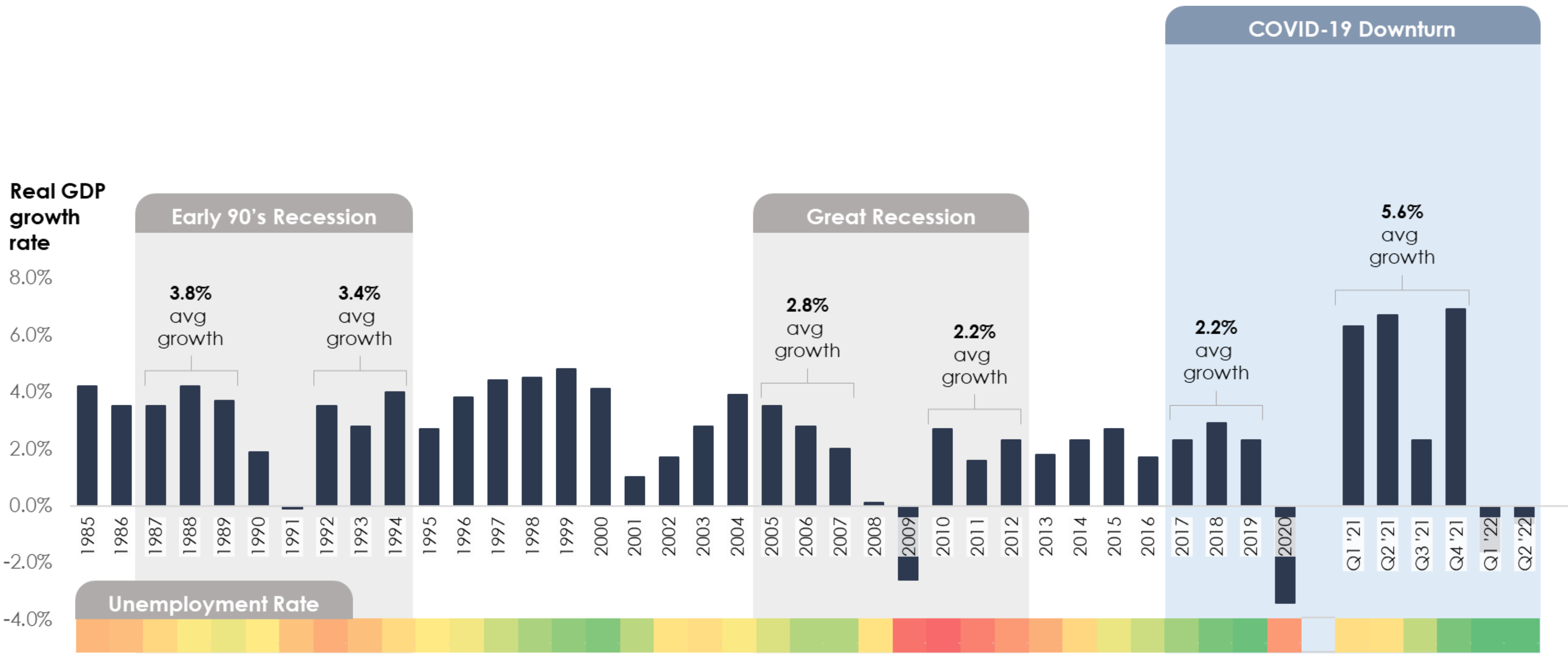
This Downturn Has More Economic Resiliency Than Others

Economic Stimulus Drove Inflation & Excess Demand – Providing Resiliency Still During Downturn



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

Overall Transaction Activity Grew 25% in 2021, Despite Uncertainty of COVID-19 Pandemic

- Industry-wide financings **grew by 5%** in H1 2022, indicating continued healthy capital markets activity
- M&A activity **fully recovered in 2021** following the COVID-19 pause in 2020

Nutrition and Health & Wellness Industry Transactions: M&A Details 2016 – 2021[1]

	2016	2017	2018	2019	2020	2021	H1 21	H1 22
Retail & Distribution	26	34	22	29	23	10	3	6
Supplements	17	21	11	10	17	12	5	3
Ingredients	29	43	29	34	32	30	13	20
Contract Manufacturing	8	14	12	13	8	13	7	3
OTC & Personal Care	16	23	17	24	12	29	6	12
Natural & Organic, Functional Food	103	138	138	104	101	144	80	57
Others: Tech, Fitness, Pet	60	83	117	93	79	104	41	37
Total M&A	**259**	**356**	**346**	**307**	**272**	**342**	**155**	**138**
Financings	**456**	**554**	**611**	**659**	**782**	**980**	**486**	**532**
Average Size of Financing ($MM)	$15	$25	$37	$31	$30	$42	$38	$39
Total Transactions	**715**	**910**	**957**	**966**	**1054**	**1,322**	**641**	**670**
YoY Growth	**+13%**	**+27%**	**+5%**	**+1%**	**+9%**	**+25%**	**33%**	**5%**

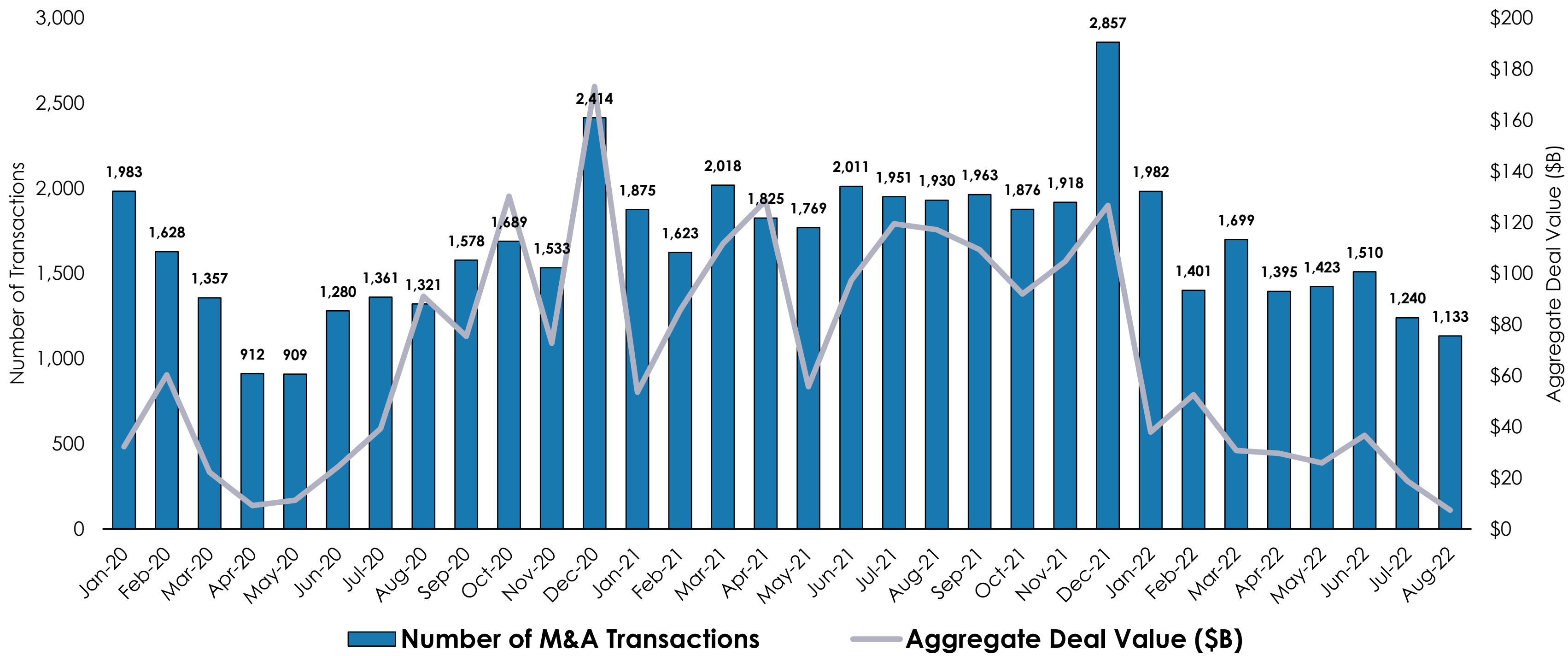
1. Nutrition Capital Network

M&A Volume Has Fallen After Post-Pandemic Highs

Cross-Industry M&A Volume Steadily Fallen in 2022

- M&A activity **rose** in 2020 after the initial shock of COVID-19 and **sustained** through 2021 as **buyers adjusted to new norms** such as few in-person diligence meetings and site visits
- The macro-economic environment in 2022 resulted in M&A activity **falling** to near COVID-19 pandemic levels

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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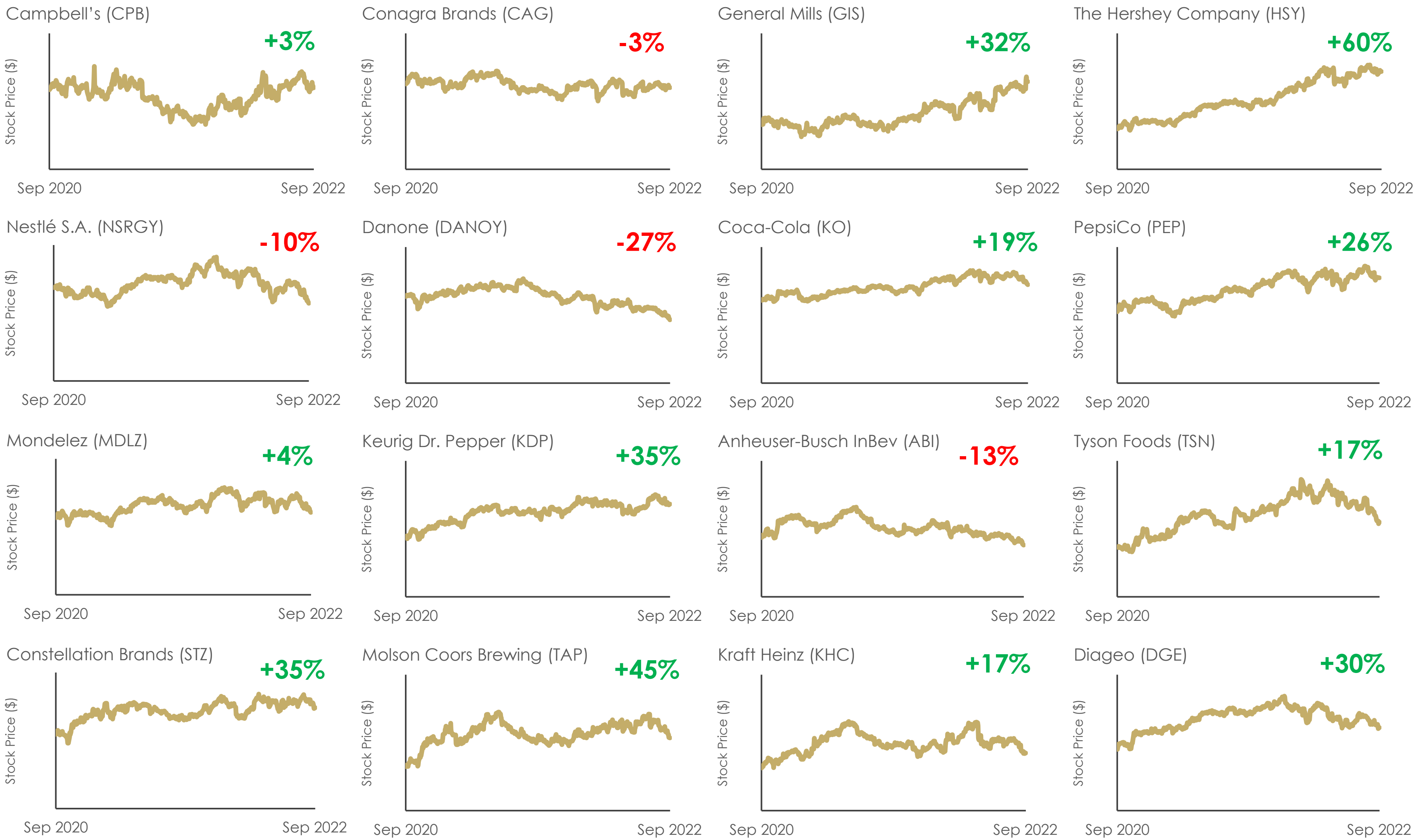
Two-Year CPG Stock Performance (As of September 2022)



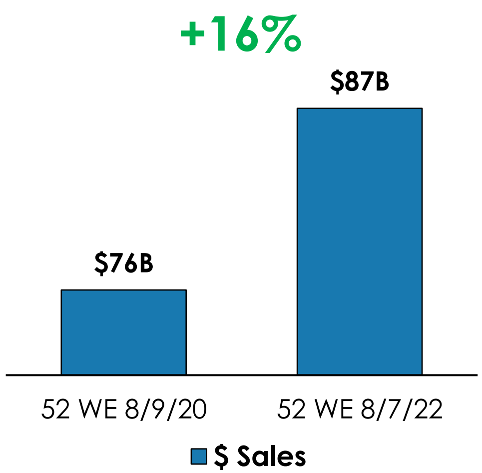
1. S&P Market Intelligence

Health & Wellness Products Took Share From Conventionally Positioned Products Over the Last 24 Months

Healthy Brands Reacted Quickly to the Changing Landscape

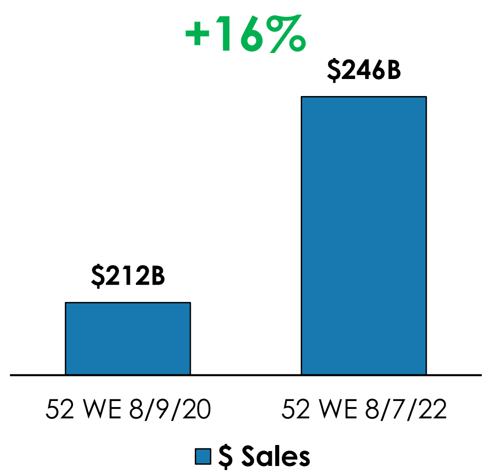
- **NPI and HWI grew 16%,** in the last 2 years, as consumers increase their focus on health
- Consumers continue to **discover new, better-for-you brands**, which will drive growth for years to come

Naturally-Positioned Products (NPI)



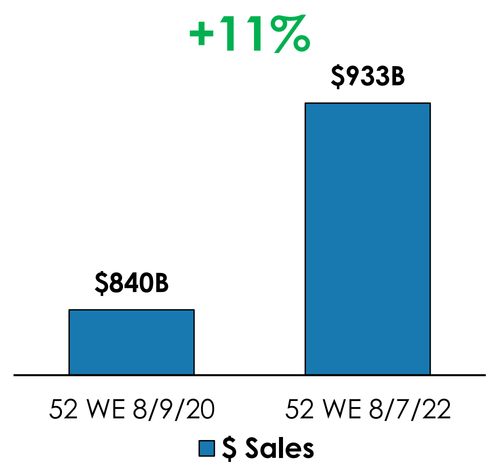
Top 5 Growth Categories
1. Internal Medicines (OTC)
2. Personal Hygiene
3. Energy & Sports Drinks
4. Beer & Hard Cider
5. Infant Formula

Health & Wellness Products (HWI)



Top 5 Growth Categories
1. Internal Medicines (OTC)
2. Personal Hygiene
3. Performance Nutrition
4. Pet Waste Mgmt.
5. Sun & Insect Protection

All Products (TPL)



Top 5 Growth Categories
1. Performance Nutrition
2. Whole Food Supplements
3. Personal Health Supplies
4. RF Tea & Coffee RTD
5. SS Rice Cakes

1. SPINS 52 WE 8/7/22, All Categories, Total US – MULO + Natural Enhanced + Convenience

Recent Consumer M&A Highlights

Buyer	Target	Date
House	keystone Natural Holdings	Sep 2022
Misfits Market	Imperfect Foods	Sep 2022
butterfly	QDOBA Mexican Eats	Aug 2022
PepsiCo	Celsius	Aug 2022
Nestlé Health Science	BHC Better Health Company	Jul 2022
Atypique	Keurig Dr Pepper	Jun 2022
Sapporo Premium Beer	Stone Brewing	Jun 2022
Mondelēz International	Clif Bar	Jun 2022
Bolthouse Farms	evolution fresh	May 2022
Nestlé Health Science	puravida	May 2022
J&J Snack Foods Corp.	Dippin' Dots	May 2022
Mondelēz International	Ricolino	May 2022
Constellation Brands	Austin Cocktails	Apr 2022
TA Associates	Stonewall Kitchen	Mar 2022
Lesser Evil	R.E.D.D.	Mar 2022
Diageo	21 Seeds	Mar 2022
Yellow Wood Partners	clio, plusOne, Plum Beauty	Mar 2022
Peak Rock Capital	Ziyad	Feb 2022
Nestlé	Orgain	Feb 2022
Mars	Nom Nom	Jan 2022
Monster Energy	CANarchy	Jan 2022
P&G	Tula Skincare	Jan 2022
MidOcean Partners	Casper's Ice Cream	Jan 2022
Blackstone	Supergoop!	Dec 2021

Recent Consumer Private Placements

Investor	Target	Date	Investor	Target	Date	Investor	Target	Date
Prelude Growth Partners	Achaan's	Sep 2022	Aria	Onda	Jul 2022	nicoya	splendid spoon	Feb 2022
BMO Capital Markets	Gotham Greens	Sep 2022	S2G Ventures	atomo	Jul 2022	PIUS	Cooks Venture	Feb 2022
L Catterton	eatplanted.	Sep 2022	Highpost Capital	Magic Spoon	Jun 2022	Monogram Capital Partners	Olipop	Feb 2022
C2 Capital Partners	JUST	Aug 2022		Cleveland Kitchen	Jun 2022	Alpha Wave	AthleticGreens	Jan 2022
Cowen	bevi	Aug 2022	Beechwood Capital	lemon perfect.	May 2022	stride	CHOMPS	Jan 2022
Verlinvest	KatKin	Aug 2022	Siddhi Capital	Mid-Day Squares	Apr 2022	Science	Liquid Death Mountain Water	Jan 2022
revolution growth	Meati Foods	Jul 2022	PowerPlant Partners	Partake Brewing	Mar 2022	Beam Suntory	Flying Embers	Jan 2022
Flowers Foods	Base Culture	Jul 2022	CAVU Venture Partners	Once Upon a Farm	Mar 2022	SEMCAP Food & Nutrition	purely elizabeth.	Jan 2022

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Whipstitch Capital's Top-11 Healthy Living Trends

Why Stop at 10? Whipstitch Goes to 11

1. "Alternative" Snacking Takes the Main Stage
2. Brands Successfully Leveraging DTC Capabilities to Create Personalized Products
3. Consumer Demand for Frozen Food Remains Strong Post-COVID
4. Handhelds Driving Growth of Frozen Breakfast Category
5. Beverage Enhancers Gain Popularity and Create New Options for Consumption
6. Increasing Racial and Ethnic Diversity in the US Helping Drive Demand for More Flavor Variety
7. Healthy, Fresh and Convenient "Heat and Eat" Becoming a Real Category
8. Beauty Brands Seeing Success in Focusing on Quality Over Quantity
9. American Consumers Spending More Money on Their Pets Than Ever Before
10. Premiumization Taking Over the Liquor Aisle for Both Spirits and Mixers
11. Demand for Immunity-Boosting Products Accelerated By COVID and Continues to Grow

1. "Alternative" Snacking Takes the Main Stage

Creative Solutions to Healthy Snacks Offer Consumers Variety in their Everyday Snacking

Traditional Category	Brand Example	Year-Over-Year Growth[1]	The Difference
1. Potato Chips	WILDE CHIPS	206%	**Protein** ✓ 10g of protein per serving **Real Ingredients** ✓ Only three, real ingredients in each bag
2. Baked Goods	BOBO'S	46%	**"Baked-at-home" Taste** ✓ A small batch kitchen recipe using the same simple, wholesome ingredients you could find in your kitchen creates a unique homemade taste
3. Popcorn	Lesser Evil SIMPLE ACTS CLEAN SNACKS	152%	**Platform Brand** ✓ The development of "mindful snacking" – clean ingredients, unique innovation in both standards like popcorn and unique extruded products like the protein-rich Power Curls line
4. Puffs	organic chickpea snacks HIPPEAS®	29%	**Plant Power** ✓ Chickpea base provides 3g of protein and 3g of fiber in each serving

1. SPINS 52WE 8/7/22, MULO

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2. Brands Successfully Leveraging DTC Capabilities to Create Personalized Products

When Brands Build Personal Relationships With Their Customers, Results Follow

DTC Brand	Personalization Strategy	Most Recent Transaction
IL MAKIAGE NEW YORK	***IL Makiage*** ▪ Tech-focused, maximalist foundation brand ***The Strategy*** ▪ Uses customers' responses from a beauty quiz to deliver a perfectly-matched, custom formula foundation ▪ Creates competitive advantages by making customers feel like the formula addresses each of their unique needs	**Jan 2022** **PRIVATE ROUND** ⟹ **$130MM[1]**
Glossier.	***Glossier*** ▪ Minimalist, millennial-focused beauty brand ***The Strategy*** ▪ Leverages the founder's beauty blog by tracking customers' engagement and using this data to inform product creations ▪ Individualizes marketing campaigns making outreach feel specific to the customer	**July 2021** **SERIES E** ⟹ **$80MM[2]**
The Farmer's Dog	***The Farmer's Dog*** ▪ Premium, human grade dog food brand ***The Strategy*** ▪ Utilizes an online pet quiz to deliver pre-portioned meal plans that are packaged with individual labels for each pet ▪ Uses stored customer data to design very personalized ads in order to retarget old customers	**Jan 2020** **SERIES C** ⟹ **$54MM[1]**

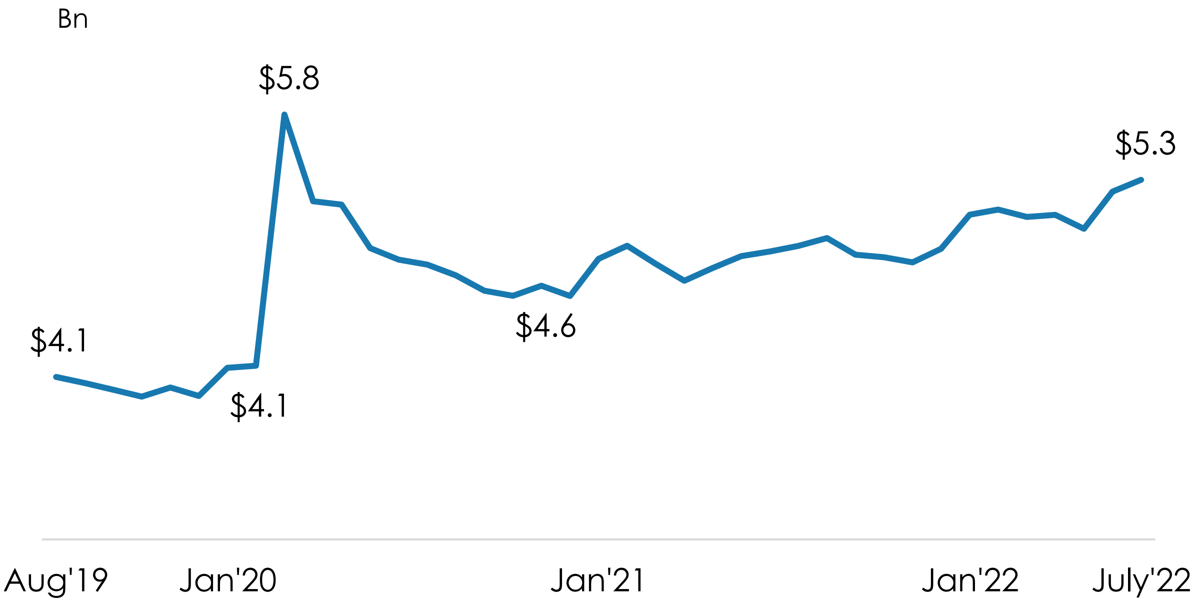
1. Forbes
2. Crunchbase

3. Consumer Demand for Frozen Food Remains Strong Post-COVID

Frozen Sales Remain Above Pre-Pandemic Levels and Approaching Peak COVID Sales

- Previously flat, Frozen aisle sales witnessed a large sales bump in the early days of COVID that has proved here to stay
- Frozen food category sales **remain 32% higher than pre-pandemic levels**[1]
- Growth being led by Millennials and Gen Z, **57% of which think frozen is just as good as fresh**[2]

Frozen Category Sales[1]



Red Hot Frozen Brands

	YoY Sales Growth[3]
feel good foods	70%
Scott & Jon's	67%
Saffron Road	19%
RED'S	20%

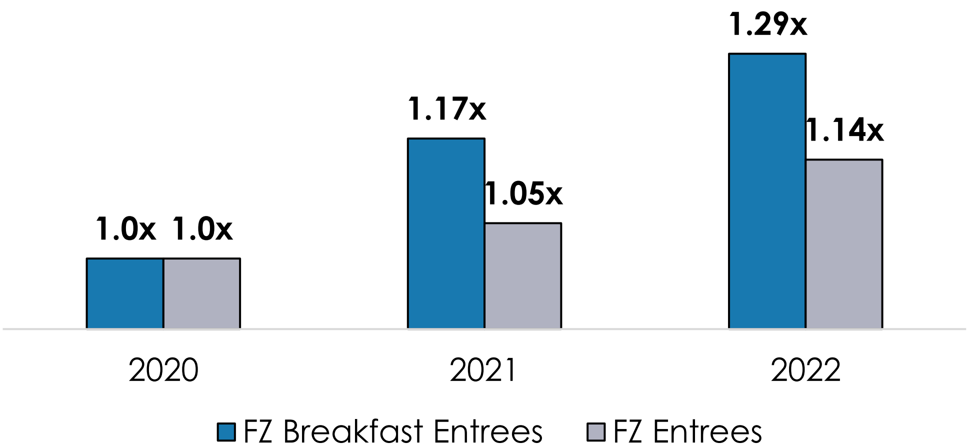
1. SPINS Quad 7/10/22, All Frozen Categories excluding FZ and RF Meat, Poultry, and Seafood, MULO
2. Deloitte 2021 Report
3. SPINS 52WE 8/7/22, MULO

4. Handhelds Driving Growth of Frozen Breakfast Category

Clean Ingredient, High-Protein Convenience Scrambling a Stale Category

Key Consumer Trends Driving Growth of Breakfast Entrees[1]

$ Sales Growth Index



40% Of Americans surveyed cite the physical act of cooking breakfast as the biggest reason for skipping breakfast[2]

41% Of Americans surveyed more interested in heat-and-eat breakfast items than they were prior to the 2020 global pandemic[2]

76% Of Americans surveyed reported that they purchase heat-and-eat breakfast items at least once a month to make breakfast prep easier[2]

BFY Brands Leading the Charge

Burritos

Pockets

Sandwiches

1. SPINS 52WE 7/10/22, MULO, FZ Entrees + FZ Breakfast Entrees
2. PR Newswire

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5. Beverage Enhancers Gain Popularity and Create New Options for Consumption

Greater Beverage Enhancer Optionality, Addressing Consumers' Health and ESG Agenda

Many consumers turn to alternative water options…

55%
Of consumers use water enhancers[1]

…With continued focus on greater benefits coming from water enhancers

49%
Of consumers think water enhancers help them drink more water[1]

84%
Of Americans actively limiting sugar intake[2]

74%
Of consumers think companies should limit plastics in packaging[3]

Enhanced Benefits of Water Enhancers

9.5% CAGR in Water Enhancement Market through 2032[4]

Sugar is the **#2** reason consumers avoid the sports and performance drink category[5]

An **8.1%** increase since 2020 in packaging claims for "Ethical – Recycling" on sport drinks[5]

Brands Disrupting the Market

stur
- *Made with real fruit*
- *Free of artificial colors, sweeteners, and flavors*
- *Zero sugar*

Cometeer
- *No grounds in capsule = fully recyclable capsule*
- *Zero sugar*

MUD\WTR™
- *100% organic ingredients*
- *No sugar or sweeteners*

1. Beverage Industry Report
2. IRI
3. Kantar Profiles / Mintel, March 2022
4. FMI's Water Enhancers Market Report
5. Mintel – Sports and Performance Drinks Report (2022)

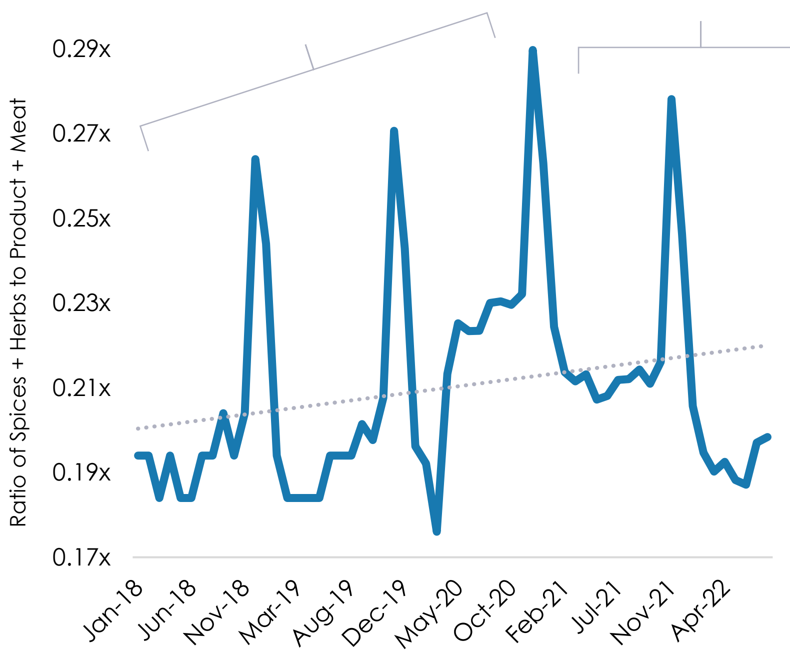
6. Increasing Racial and Ethnic Diversity in the US Helping Drive Demand for More Flavor Variety

Ethnic Diversity in the US Influencing Taste Preferences and Growing Need for Flavor

Increasing Ratio of Spices to Produce & Protein Indicates a Shifting American Palette[1]

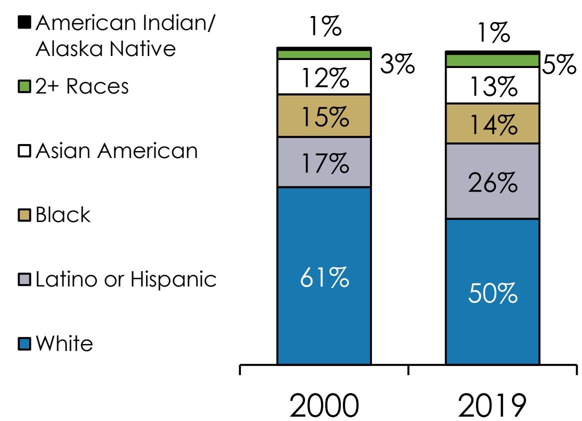
Steady increase in ratio of spice to produce and meat sales highlighting growth in demand for spice and flavor

Global supply chain issues in 2022 leading to slight decline in spice sales



Racial and Ethnic Diversity in the US Accelerating, Helping Lead International Flavor Exploration

US Population Race-Ethnic Profile Under Age 16[2]



>50% of US younger pop. now made up of diverse ethnicities and contributing to demand for flavor

Brands to Watch

1. SPINS 4 WE 7/11/21, Total US – Food, (Produce Packaged Herbs + SS Spices & Seasonings) / (FZ & RF Beef & Pork Cuts + FZ & RF Poultry Cuts + Produce Packaged Vegetables)
2. US Census, 2020

7. Healthy, Fresh and Convenient "Heat and Eat" Becoming a Real Category

Consumers Love Cooking, but Look to Products that Remove Much of the Effort

Healthiness and Convenience Remain Top of Mind

76%

Of consumers say they are always on the lookout for products that make their lives easier[1]

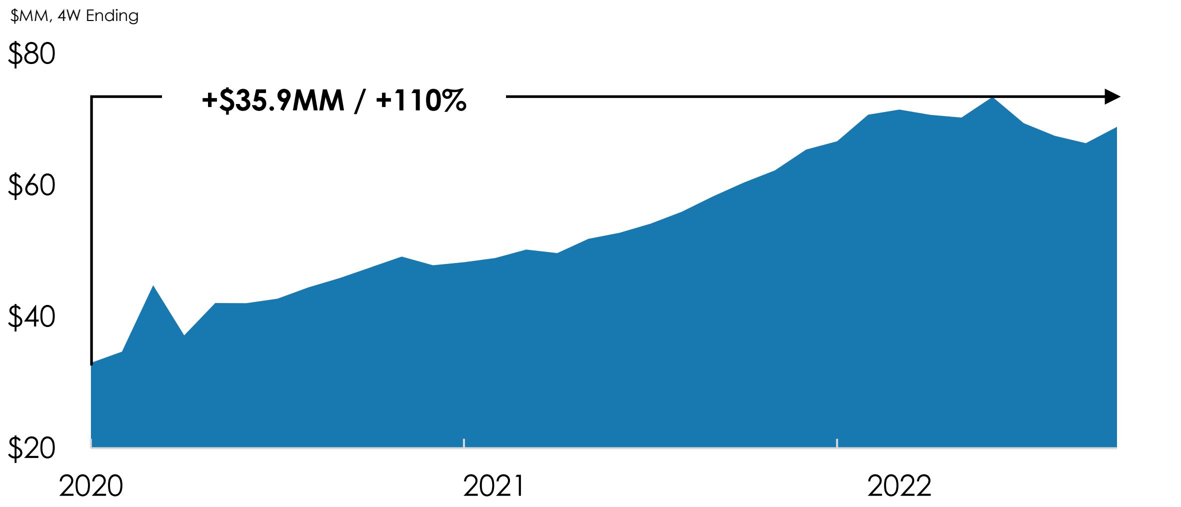
60%

Of consumers say that healthfulness impacts their decision to buy food and beverages[2]

82%

Of food retailers are planning to grow the space allocation for fresh-prepared grab-and-go options

RF Entrée Sales Up 110% since 2020[4]



Winners in the Market

kevin's natural foods

Simply Good jars

FEAST & FETTLE

A DOZEN COUSINS

cafe spice

simple. honest. better. THREE BRIDGES

1. Mintel
2. International Food Information Counsel: 2022 Food and Health Survey
3. FMI The State of Fresh Foods Report
4. SPINS trended by 4W through 8/7/22, RF ENTREES, Total US MULO

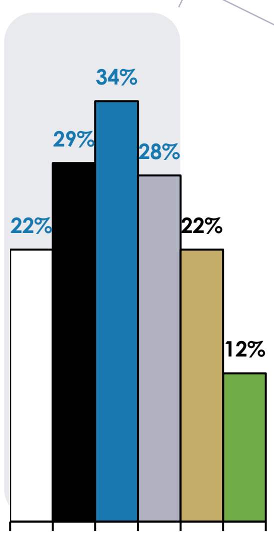
8. Beauty Brands Seeing Success in Focusing on Quality Over Quantity

Efficacy, Inclusivity, and Sustainability Growing High-end Personal Care

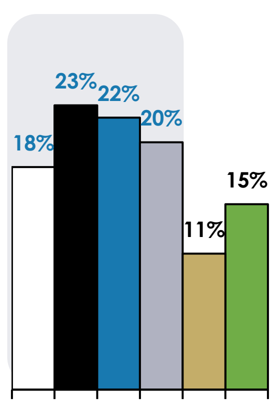
Consumers are Buying Fewer Products and Spending More Driving High-End[1]

☐ All ■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55+

Consumers who are over-indexing on personal care spend growth are reducing the number of products used in their routines indicating a **shift in consumer behavior from volume to value**



% Customers Spending More On Personal Care Products Compared to Last Year
n = 1,972



% Customers Reducing the Number of Products Used in Personal Care Routine
n = 1,972

Consumers Raising the Bar for Products and Choosing Brands that Deliver Quality

I. Heightened Focus On Efficacy:

- ✓ Mainstream consumers educated on the benefits of clean beauty and willing to pay for it
- ✓ Influencer-backed "me-too brands" on social media creating consumer fatigue and pushing consumers to be more skeptical and shift them towards quality

NAKED & THRIVING

II. Inclusivity is Key:

- ✓ Changing US demographics building demand for high-end as these brands better cater to darker skin tones versus cheaper, drugstore brands

Rare Beauty

the Lip Bar

III. "Less is More" Mindset:

- ✓ People increasingly aware of their environmental footprint and focused on minimizing waste
- ✓ Using less product on face building toward trend of minimal beauty, heightening importance of quality

MERIT

1. Mintel, Personal Care Consumer, 2021

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9. American Consumers Spending More Money on Their Pets Than Ever Before

Furry Friend Spending Continues to Grow

Rocco & Roxie Supply Co.: Premium **odor and stain remover** that promises to **discourage repeat accidents**

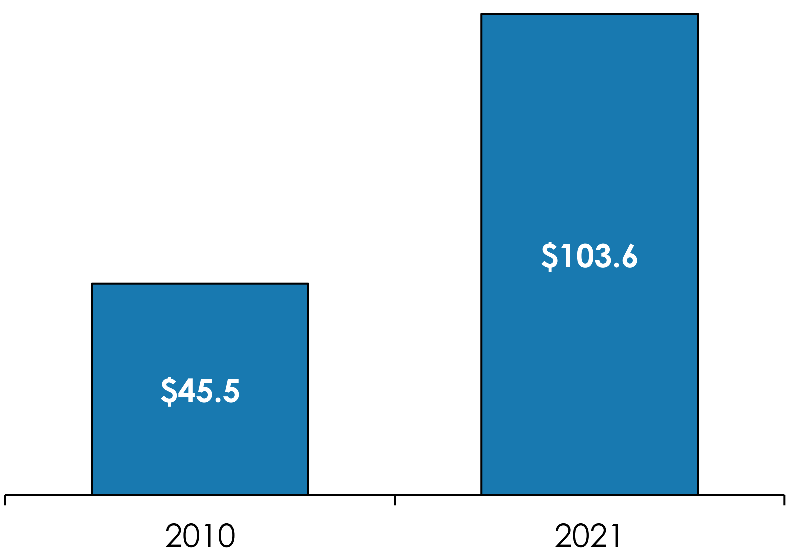
RAWZ: A **non-profit** company offering the **least processed** dry food available

Austin and Kat: CBD oil for dogs made with a commitment to using **whole foods** and **natural supplements**

NOM NOM: **Direct-to-consumer** pet food company offering **fresh**, **whole** meals

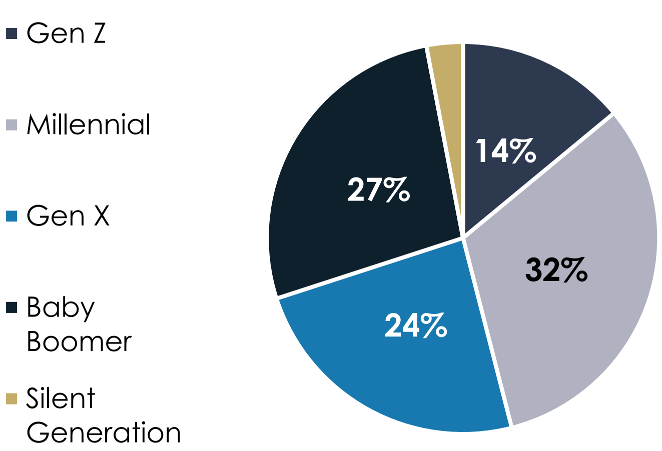
Pet Spending has More than Doubled Since 2010…[1]

US Pet Industry Annual Sales



…With Millennials Owning the Most Pets[2]

Pet Ownership by Generation



1. Fortunly
2. Pet Keen

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10. Premiumization Taking Over the Liquor Aisle for Both Spirits and Mixers

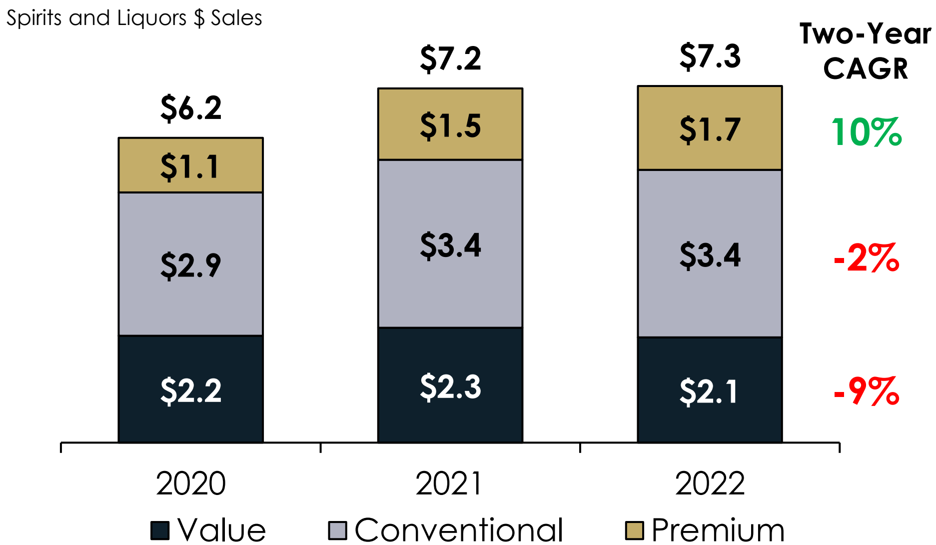
Consumers Want High-Quality Ingredients to Make Craft Cocktails at Home

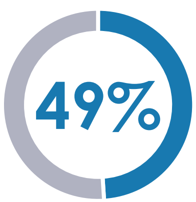
Spirits

Tonic

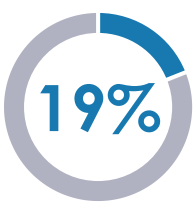
	Spirits		Spirits		Tonic		Tonic	
Two-Year Growth[3]	-1%	36%	-9%	86%	12%	54%	4%	54%

Total Key Consumer Trends Driving Growth of Premium Alcohol Brands[1]





Of consumers aged 25 to 34 purchase alcoholic drinks in the 'middle-to-premium' price range[2]



Of consumers aged 25 to 34 purchase alcoholic drinks at the lower price range[2]

1. SPINS 52WE 8/7/22, MULO, Spirits & Liquor (Premium = Top Third ARP EQ Units, Conventional = Middle third ARP EQ Units, Value = Bottom third ARP EQ Units)
2. Just-Drinks
3. SPINS 52WE 8/7/22, MULO + Convenience

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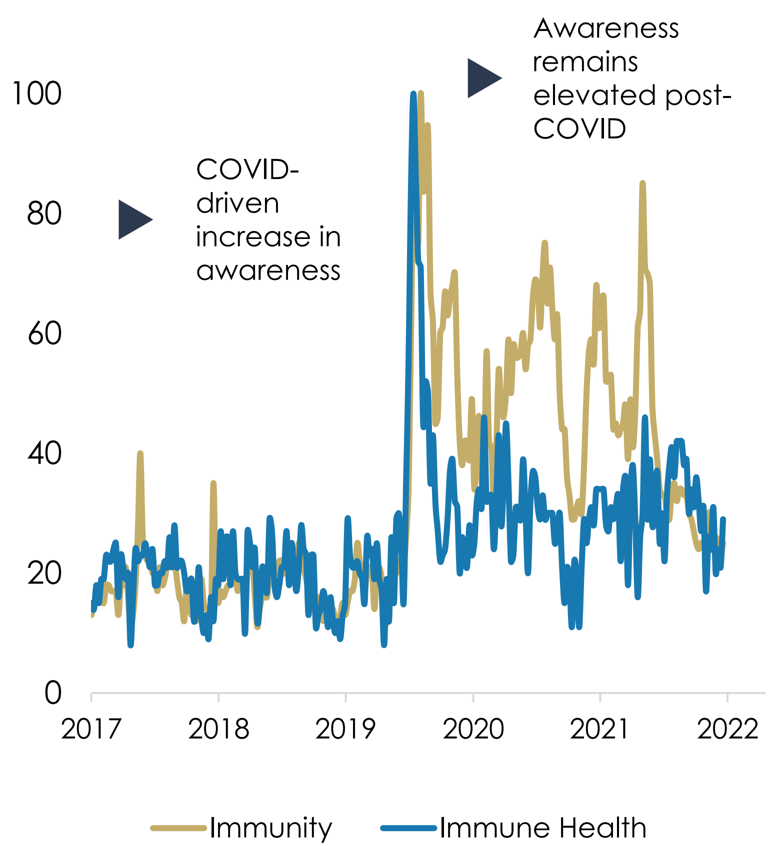
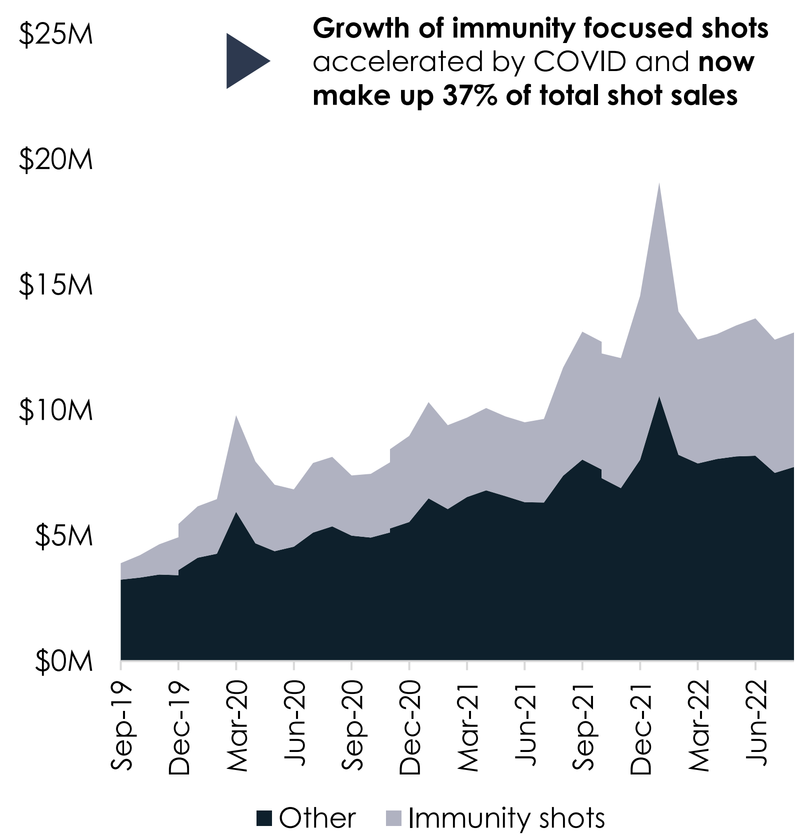
11. Demand for Immunity-Boosting Products Accelerated By COVID and Continues to Grow

Shots No Longer Just for the College Bars; The Functional Grocery Shot Category Here to Stay

Consumer Search Trends:[1]



Sales by shot type:[2]



1. Google Search Trends, as of 8/30/22
2. SPINS, RF Juices, Kombucha, & Other Functional Beverages, MULO + Natural, Quad End 8/21/22, Shot SKUs Only; Description Includes "Immunity"

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Table of Contents

SPINS®

Business **Overview**

Powering the Wellness Ecosystem

SPINS®

Inspiring the pursuit of wellness.

SPINS is a wellness-focused CPG data company

SPINS equips brands with insights and tools they need to innovate, get their products to market, and tell their stories.

SPINS provides retailers mission-critical capabilities to serve the consumer through tailored experiences, the right products on the shelf, and differentiated assortments.

SPINS has the most **expansive network** of omnichannel retail partners

In partnership with IRI

Conventional	TARGET	Kroger	CVS	Wawa	MATURE

Proprietary to SPINS

Natural Grocery	Sprouts Farmers Market	Fresh Thyme Market	The Fresh Market	Bristol Farms	INNOVATION
eCommerce	amazon*	Thrive Market	hive	Boston Organics	DIGITALLY NATIVE
Vitamins & Supplements	The Vitamin Shoppe	Vitamin World	Pharmaca	The Healthy Place	BREADTH & DEPTH
Neighborhood Pet	IPP Independent Pet Partners	PetPeople	healthyspot	Choice Pet	INNOVATION
Regional & Independent Grocery	Grocery Outlet bargain market	Pyramid Foods	Busch's	Harding's	LOCAL

SPINS has the most **comprehensive library** of intelligent product facts

SPINS product library is the common language for the Natural Products Industry

COLLECT	GENERATE

Product Facts

e.g. Category, Size, Brand, Company, Packaging, Form, Brand Positioning, Product Type

Allergens & Sensitivities

e.g. Major 8 Allergen Free, Labeled Gluten Free, Labeled Grain Free, Tree Nuts, Lactose, Shellfish, Soy, Peanuts, Dairy

Sustainability

e.g. Non-GMO Project Verified, Labeled Grass Fed, Organic, Fair Trade, Certified B-Corp, Certified Demeter Biodynamic, Labeled Animal Welfare

Health & Wellness

e.g. Labeled Sprouted, Probiotics, Functional Ingredient, Sugar Ingredients, Monk Fruit, Certified Whole Grains Council

Lifestyle, Diets & Tribes

e.g. Paleo, Vegan, Certified Paleo Keto, Raw, Plant Based

Clean Label

e.g. Yellow No. 5, Nitrates, Artificial Sweeteners, High Fructose Corn Syrup, MSG, Paraben Free, Aluminum Free

SPINS Technology Applications **Power the Industry**

SPINS combined Data, Product Intelligence, and Applications Deliver Unique OmniChannel Applications for Brands, Retailers, & Strategic Partners

FOUNDATIONAL DATA

Omni-intelligence Data Platform

- Natural, Regional, and eCommerce Channel and Key Account (Proprietary)
- Conventional Channel and Key Account (in partnership with IRI Worldwide)
- Amazon Data
- Store-Level Data

Product Intelligence

- Product Attributes
- Certifications & Label Attributes
- Nutrition Information
- High-Quality Product Images

INSIGHTS SUPPORT

Insights & Growth Consulting (CGS)

- Client Insight Manager
- JumpStart & Insight Sprint Program
- Price & Promo Strategy (CGS)
- Category Assessments (CGS)
- Competitive Landscape (CGS)
- Consumer Panel

GROWTH-FOCUSED TOOLS

Insights & Measurement Applications

- SATORI (Cross-Channel Reporting)
- Signals (Store-Level Reporting)
- PowerTabs (Excel-Based Reporting)
- TradeROI (CGS)

Consumer & Product Activation

- Omni-Commerce Where-to-Buy (Destini)
- Shoppable Landing Pages (Destini)
- Shoppable Recipes (Destini)
- Digital Couponing (Destini)
- Product Activation Manager (Pinto)

YOUR DATA, UNIFIED

Data Blending Solutions (DAAP)

- Data Extraction
- Data Harmonization
- Data Visualization
- Integration with 3rd-Party BI Tools

SPINS **Financial & Professional Services Group**

For more information on how SPINS can support you, contact us!

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Phone: 708-595-5692

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Associate
Email: mkodali@spins.com
Phone: 312-623-7574

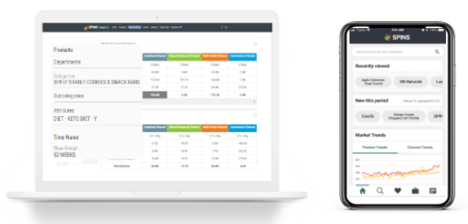
OUR EXPERTISE

- Private Equity
- Investment Banking
- Professional Services
- Hedge Funds
- Incubators/ Accelerators
- Advisory Firms
- Data BI Platforms

The Premier Intelligence Network for Financial & Strategic Partners

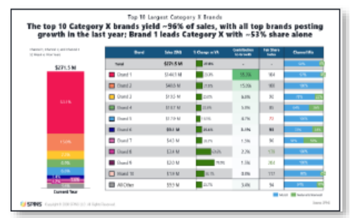
SPINS operates as a strategic partner to provide end-to-end solutions for our partners

FIT-FOR-PURPOSE APPLICATION SUITE



- ✓ Investment Insight Suite
- ✓ Business Dev Suite
- ✓ Investment Banking Suite
- ✓ AMZN Market Measurement
- ✓ Investor Mobile App

DILIGENCE & STRATEGIC CONSULTING



- ✓ Commercial Due Diligence
- ✓ OmniChannel Innovation
- ✓ 90-Day Growth Roadmap
- ✓ Thought Leadership
- ✓ Annual Business Reviews

PORTFOLIO GROWTH SUPPORT

- ✓ White Glove Service
- ✓ POS & Consumer Data
- ✓ Brand Growth Consulting
- ✓ Destini Locators, Coupons
- ✓ AMZN Digital Shelf Mgmt

Market Overview

SPINS®

The State of the **Natural Products Industry**

Only SPINS looks at CPG Industry through the lens of 3 key segments, enabling deeper insights

Health & Wellness Products

$88B | +8.4%

Natural Positioned Products

$158B | +5.8%

Specialty & Wellness Positioned Products

Conventional Products

$681B | +7.1%

Conventional Positioned Products

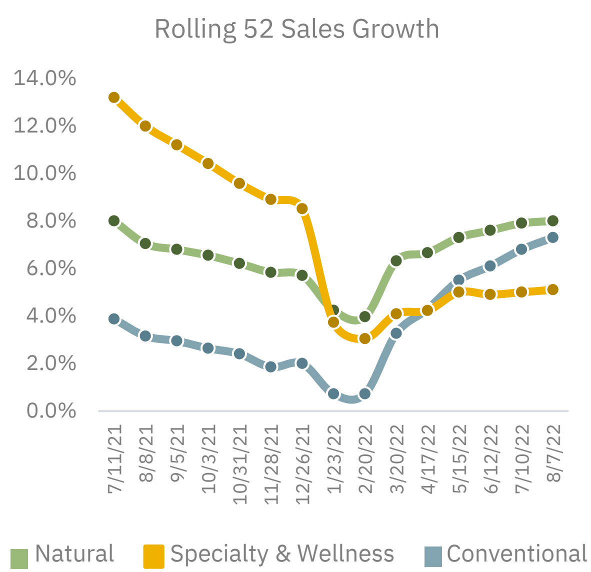
Source: SPINS Total US Natural Enhanced Channel + Conventional Multioutlet & Convenience Channels Powered by IRI, 52 Weeks ending 8/7/2022

The Rise of **Health & Wellness**

SPINS proprietary Product Intelligence uncovers that Health & Wellness continues to drive sustained market growth and innovation

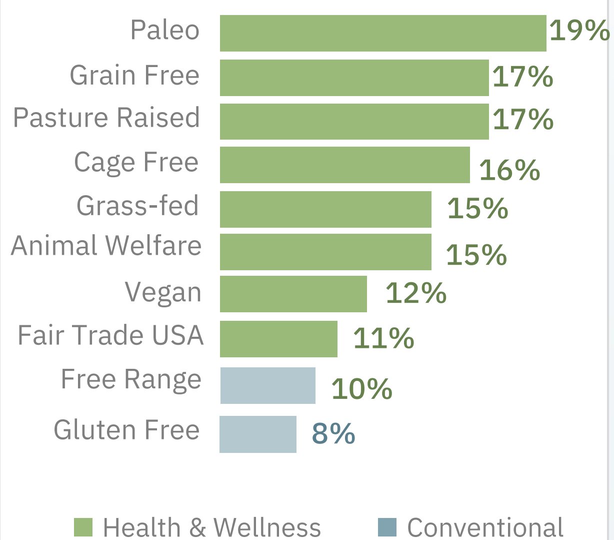
The Health & Wellness Market is estimated at $270B(1) and Natural Products continue to be the growth driver

Total Growth of Food & Beverage Products



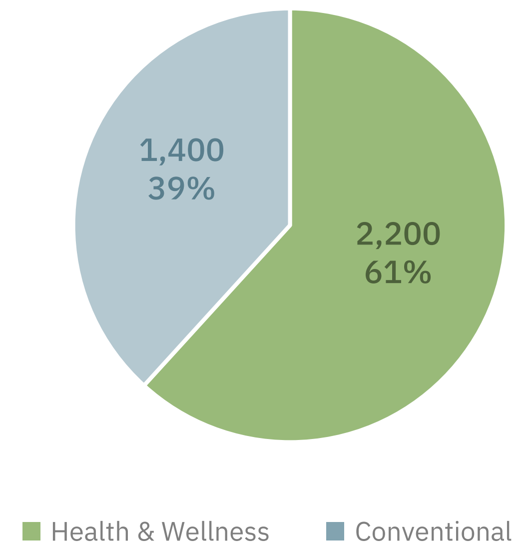
Health & Wellness is a complex, fast growing ecosystem(2)

2022 U.S. Growth of Product Sales by Select Attributes



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

~3,600 New Brand Introductions in 2022



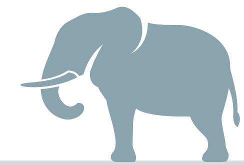
Source: (1) Nutrition Business Journal, (2) SPINS Total US Natural Enhanced Channel + Conventional Multioutlet & Convenience Channels Powered by IRI, 52 Weeks ending 8/7/2022

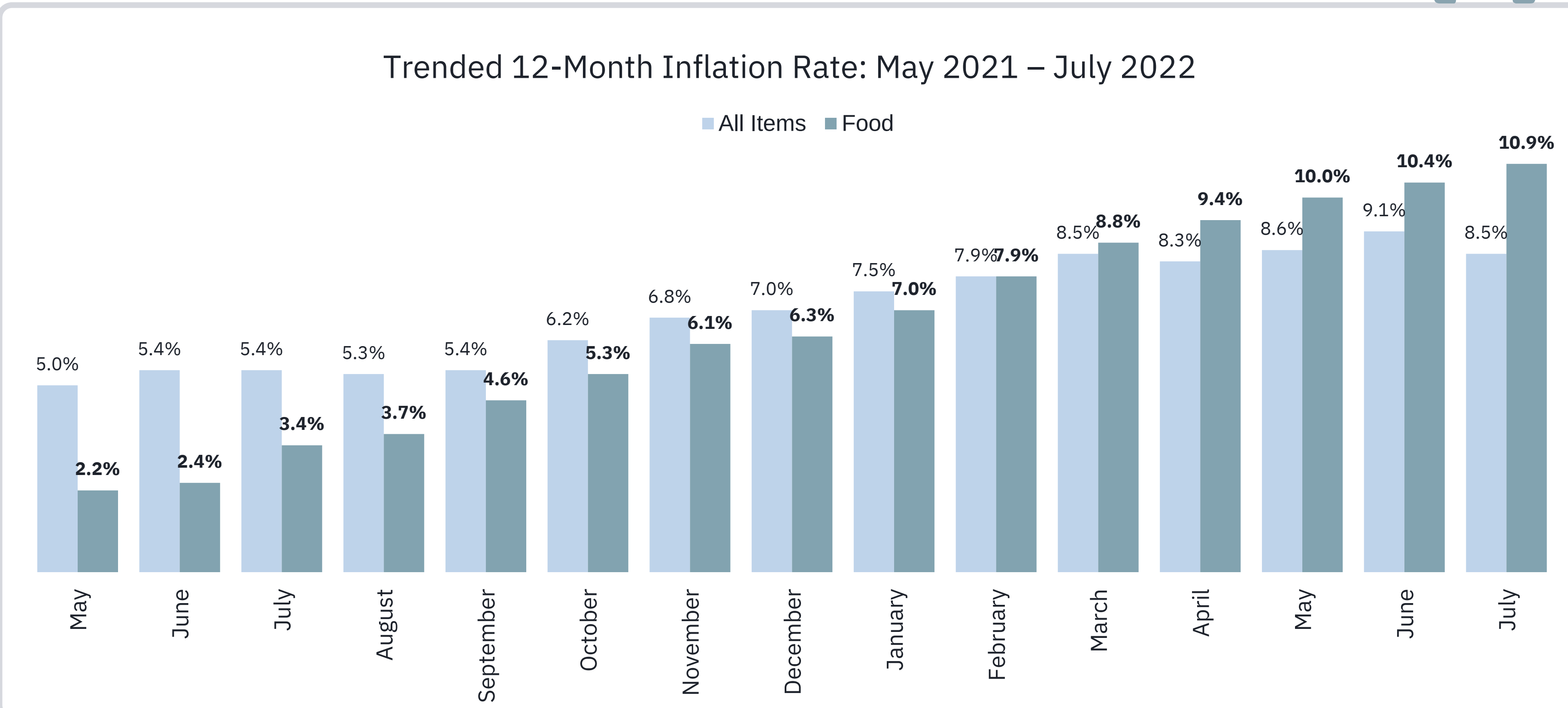
What is Up with Inflation?

SPINS®

The Elephant in the Room: **Inflation**

"Food" Consumer Price Index rose **+8%** since May 2021, whereas "All Items" CPI up **+3.5%** as proxy during the same time period.

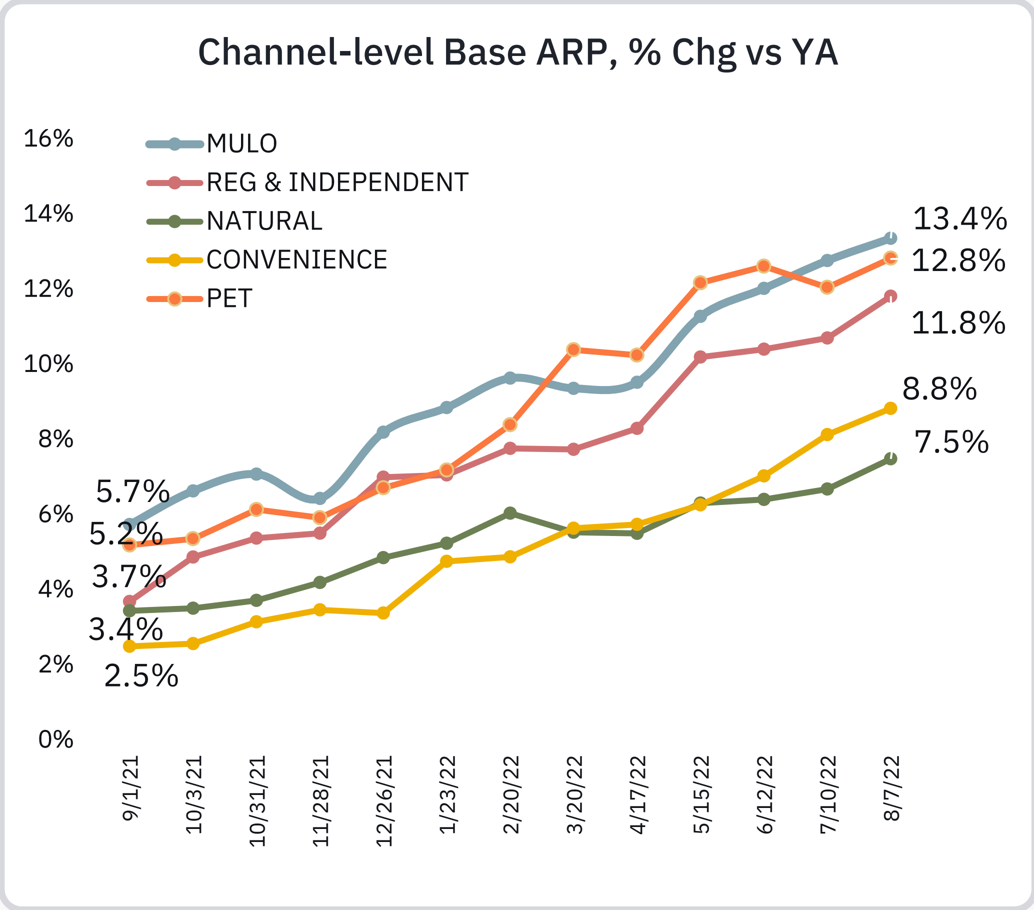




Source: https://www.bls.gov/news.release/cpi.nr0.htm#cpi_pressa.f.1

Inflation in the Multi-Outlet Channel Outpaces Other Channels

F&B staples are experiencing some of the greatest price hikes amongst categories



Total US - MULO
Base ARP % Chg vs YA, 4 Weeks Ending 8/7/22

Top Grocery Categories	TPL	Conv. Products	Natural Products
RF Eggs	**+58%**	+79%	+12%
SS Hot Cereals	**+32%**	+33%	+20%
Pet Food	**+29%**	+30%	+15%
Wellness Bars & Gels	**+24%**	-20%	+29%
RF Yogurt & Plant Based Yogurt	**+21%**	+24%	+20%
Dairy & Plant Based Dairy Alts	**+21%**	+23%	+8%
SS Fruit Spreads & Jellies	**+20%**	+22%	+12%
Water	**+20%**	+21%	+9%
SS Fruits & Veg	**+19%**	+20%	+18%
Baby & Toddler Food	**+19%**	+22%	+16%

Total US, SPINS Proprietary Channel(s) + SPINS Conventional Channels (powered by IRI)| 4 weeks ending 8.7.2022 | Base Average Retail Price

Unit Sales are Lagging Behind Dollar Growth & Price Hikes

Cross Channel Dollar vs. Unit Growth
4 Weeks ending 8/7/22 vs YA

	Dollar % Chg	Units % Chg
TOTAL MULO	+10.8%	-4.1%
GROCERY	+7.9%	-6.0%
DRUG	+1.9%	-10.3%
CONVENIENCE	+9.2%	-1.6%
REGIONAL & INDEPENDENT	+6.0%	-6.8%
NATURAL	+5.4%	-4.0%

Top Categories by Unit Growth

	L4W vs. YA		L52W vs YA	
Category	Units % Chg	Base ARP % Chg	Units % Chg	Base ARP % Chg
SS Beans, Grains & Rice	+7.5%	+10.3%	+2.8%	+7.8%
RF Tofu	+6.4%	+6.0%	-3.6%	+4.1%
FZ Juices & Bev	+5.3%	+3.3%	-6.8%	+3.2%
SS Drink Mixes & Concentrates	+4.5%	+10.2%	-2.9%	+9.2%
SS Rice Cakes	+4.0%	+18.2%	+2.4%	+9.7%

Top Categories by Unit Loss

	L4W vs. YA		L52W vs YA	
Category	Units % Chg	Base ARP % Chg	Units % Chg	Base ARP % Chg
Wellness Bars & Gels	-17.4%	+23.0%	-5.1%	+16.7%
SS Jerky & Meat Snacks	-14.0%	+10.8%	-0.3%	+9.4%
RF Plant Based Meat	-13.3%	+2.0%	-8.8%	+0.4%
RF Pasta & Pizza Sauces	-13.3%	+16.4%	-7.0%	+8.4%
RF Pasta	-10.8%	+14.9%	-4.8%	+7.2%

Total US, SPINS Proprietary Channel(s) + SPINS Conventional Channels (powered by IRI)| 52W & 4 weeks ending 8.7.2022

State of The Natural

Trend Spotlight

SPINS®

State of the Natural

Trends signaling a new norm

New emerging swaps take foot in the beverage industry

With significant innovation happening in the beverage industry, consumers are turning to new offerings that serve as alternatives to traditional products

Mealtime on-the-go evolves with functional & nutritional benefits

Consumers are increasingly looking to convenient, ready-to-eat products across meal and snacking categories that also provide functional and nutritional benefits

New Emerging Swaps Take Foot In The Beverage Industry

Wellness shots gain momentum with 43% YOY growth, as a convenient & efficient alternative to juices & supplements

FUNCTIONAL INGREDIENTS

YoY $ % change L52W

- 978% CREATINE +$628.9K
- 123% CIDER VINEGAR +$1.7M
- 59% GINGER +$18.2M
- 55% CAMU CAMU +$2.4M
- 30% TURMERIC +$1.5M

HEALTH FOCUS

YoY $ % change L52W

- 538% MOOD SUPPORT +$1.3M
- 484% PAIN/INFLAMMATION +$1.6M
- 64% COLD/FLU +$20.9M
- 54% IMMUNE HEALTH +$1.4M
- 53% CLEANSE/DETOX +$2.9M

LEADING FLAVORS

YoY $ % change L52W

- 104% MANGO +$3.0M
- 77% FRUIT BLEND +$16.8M
- 71% BERRY +$2.2M
- 48% CHERRY +$1.9M
- 35% GINGER +$7.8M

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet & Convenience Channel (Powered by IRI), 52WE 8.7.22 vs Year Ago

SPINS

Energy drinks are a viable alternative to coffee, experiencing consistent growth with sales shifting to the mass market

ENERGY DRINKS CROSS-CHANNEL GROWTH: +12.1% | +1.8B

+25.5%
L52 Sales: $42.9M
NATURAL CHANNEL

+19.5%
L52 Sales: $5.5B
MULO

+8.8%
L52 Sales: $11.2B
CONVENIENCE

RTD COFFEE
CROSS CHANNEL GROWTH
+6.7%
+$288.3M

FUNCTIONAL INGREDIENTS IN ADDITION TO TRADITIONAL CAFFEINE SHOW CONTINUED GROWTH

YoY $ % change L52W

GREEN TEA SUPPLEMENTS
+157.2%

GREEN COFFEE EXTRACT
+137.3%

AMINO ACIDS
+48.4%

TAURINE
+10.0%

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet & Convenience Channel (Powered by IRI), 52WE 8.7.22 vs Year Ago

Craft water is bubbling up as a unique alternative to traditional water, soda, & cocktail hour

HEMP & CALMING WATER

Leading Ingredients	Theanine	CBD
	+256%	**+27.3%**

MAD TASTY
+196%

HEYWELL
+27%

IMMUNITY WATER

Leading Ingredients	Ashwagandha	Zinc
	+340%	**+62%**

CLOUD WATER
+58%

BOTANICAL WATER

Leading Ingredients	Lavender	Lemon Grass
	+323%	**+155%**

SOUND
+204%

YoY $ % change L52W

Additional unique ingredients lead the pack

Magnesium:
+747.3% | +$1.1M

Adaptogens:
+68.5% | +$10.8M

Nootropics:
+62.8% | +$2.6M

Multi-Minerals:
+13.5% | +$6.5M

YoY $ % change L52W

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet & Convenience Channel (Powered by IRI), 52WE 8.7.22 vs Year Ago

SPINS

Mealtime on-the-go evolves with functional & nutritional benefits

Drinkable yogurt experiences significant growth, as consumers look for convenient yet indulgent & nutritional breakfasts

Total Drinkable Yogurt Category | L52W % Change vs YA

TPL: $, Unit Growth	HWI: $, Unit Growth	NPI: $, Unit Growth
+20.0% | +12.5%	+25.6% | +16.8%	+25.7% | +17.2%

GREEK YOGURT
High in protein to feel full longer

44.6%

AUSTRALIAN YOGURT
Indulgent yogurt sweetened with honey

34.9%

LASSI YOGURT
Creamy yogurt that supports digestion health

17.7%

KEFIR
Prebiotic rich yogurt to support gut health

10.7%

YoY $ % change L52W

Top Performing Flavors

Chocolate:
+502.0% | +$906K

Tropical:
+52.0% | +$6.6M

Raspberry:
+47.4% | +$6.1M

Mango:
+27.5% | +$8.8M

Plain:
+20.3% | +$26.1M

YoY $ % change L52W

SPINS

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet & Convenience Channel (Powered by IRI), 52WE 8.7.22 vs Year Ago

RF entrees & snacks are aligning to consumer diet types, nutritional preferences, and desire for freshness

Refrigerated entrees **have grown 11% (+$403M) across channels,** with unique offerings beyond traditional heat & serve products

+1332%

Lasagna

+176%
+$63.9M
Brand Growth within RF Entrees

- ✓ No Artificial Preservatives, Flavors, or Colors
- ✓ Ready in 8-minutes, 3 ingredient meal-kit

+97%

Oat/Chia Snacks

+157%
+$3.2M
Brand Growth within RF Entrees

- ✓ Dairy & Gluten Free
- ✓ Minimal Ingredient List
- ✓ Certified Non-GMO

+19%

Prepared Meats

+193%
+$41.9M
Brand Growth within RF Entrees

- ✓ Keto & Paleo Diet Friendly
- ✓ Ready in 5-minutes
- ✓ Gluten & Soy Free

+11%

Dumplings

+16%
+$2.9M
Brand Growth within RF Entrees

- ✓ Plant-based protein
- ✓ Dairy Free and Vegan & Vegetarian Friendly

L52W $ % change vs YA

Protein continues to flex its muscles as a sought out nutritional benefit in on-the-go snacking options

CHIPS & PRETZELS & SNACKS

TPL +0.4%

HWI +6.2%

Unit % Change, L52 vs YA

PROTEIN CONTENT

9.4%	0.5 to <5G	5.4%
3.1%	5G to <10G	12.4%
-7.6%	10G to <15G	19.9%
64.2%	15G to <20G	10.9%
46.7%	20G to <25G	528.3%

YoY $ % change L52W

COOKIES & SNACK BARS

TPL -1.3%

HWI +5.0%

Unit % Change, L52 vs YA

Source: Total US SPINS Natural Enhanced Channel & Conventional Multioutlet & Convenience Channel (Powered by IRI), 52WE 8.7.22 vs Year Ago

Thank you!

Please Contact Whipstitch Capital for More Information

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Managing Director
nick@wstitch.com

whipstitch CAPITAL

Disclaimer and Indemnity

DEAL DIFFERENT.™

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