STATE OF KOMBUCHA

SPINS®

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BACKGROUND

Professional Journey

LEGO
General Mills

Education Journey

B.S., DePaul University
MBA, University of Minnesota

Topics For Discussion

1. The Macro Industry Context
2. SPINS Perspective on Beverage & the Kombucha Landscape
3. Trends to Watch

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INDUSTRY UPDATE

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Consumer consumption habits are changing, **and challenging old ways of operation**

50 Years Ago → Today

Choice of Conglomerates

- *Brick & Mortar Retail*
- *Television & Print Marketing*
- *One Size Fits All*

Rise of Micro Brands

- *Omni Channel Outlets*
- *Digital Marketing*
- *Age of Specialization*

The product landscape has changed;
Legacy brands are being unseated by new entrants

SPINS has provided a **common language** for the **evolving industry,** fostering data-driven collaboration, fueling innovation **& driving growth**

SPINS is Unique in **Three Key Ways**

RETAIL COVERAGE

SPINS OFFERS A **COMPLETE PICTURE** OF THE RETAIL LANDSCAPE, INCLUSIVE OF INNOVAITON & TRADITIONAL CHANNELS

AVAILABLE IN SPINS

- CONVENTIONAL
- EXCLUSIVE TO SPINS
  - NATURAL ENHANCED
  - REGIONAL GROCERY
  - PET

PRODUCT INTELLIGENCE

SPINS HAS THE MOST ROBUST UNDERSTANDING OF PRODUCT **ATTRIBUTES INFLUENCING CONSUMERS**

- PACKAGE & PRODUCT
- EXCLUSIVE TO SPINS
  - CERTIFICATION
  - INGREDIENT
  - LABEL CLAIM
  - NUTRITION PANEL
  - POSITIONING

APPLICATIONS

SPINS DELIVERS ON-DEMAND INSIGHTS THROUGH **INTUITIVE APPLICATIONS** AND DEEP INDUSTRY ACUMEN

EXCLUSIVE TO SPINS

- BUSINESS INTELLIGENCE TOOLS
- TRADE PROMOTION TOOLS
- GROWTH CONSULTING

SPINS delivers the most complete view of the retail landscape, **providing a unique view into innovation**

PROGRESSIVE SHOPPERS

SCALE TO MASS MARKET

PROPRIETARY INNOVATION CHANNELS

NATURAL ENHANCED

REGIONAL GROCERY

PET

BUILDING THE NEXT GENERATION OMNICHANNEL VIEW

- E-COMMERCE
- VITAMIN & SUPPLEMENTS
- HEALTH & FITNESS CENTERS

CONVENTIONAL RETAILERS

MASS	GROCERY
CLUB	CONVENIENCE
MILITARY	DOLLAR

Identify Attributes Driving Performance

SPINS PRODUCT LIBRARY IS THE COMMON LANGUAGE FOR THE NATURAL PRODUCTS INDUSTRY

Product & Package

Label Claim

IF INTERMITTENT FASTING FRIENDLY
Keto KETO FRIENDLY
PALEO PALEO FRIENDLY

Certification

Product & Package

Nutrition Panel

Ingredient

SPINS Positioning:
Captures market position by blending fact-based label information with marketing claims

SPINS Brand Positioning Highlights the Strength of Natural Products

9.4%

Total CPG Industry Growth

Natural Positioned Products	Specialty Positioned Products	Conventional Positioned Products
+12.3% Dollar Growth	**+11.2%** Dollar Growth	**+8.7%** Dollar Growth
Brands that are often known for their dedication to clean ingredient profiles and holistic social and environmental ideals of the Natural Products Industry	Brands that feature unique taste profiles, are international or imported, are marketed as premium or artisanal, and often designed for the 'foodie' consumer	Brands that are longtime stalwarts of common Food, Drug, & Mass retail outlets and geared to the average, mainstream consumer
bear naked, KIND, Garden of Eatin'	Fiber One, Mariani, Cape Cod Potato Chips	Honey Nut Cheerios, Nutri Grain, Doritos

Source: SPINSscan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 52 weeks ending 7/12/2020. UPC coded items only.

Despite Spike of Conventional Products in Recent Months; Natural Products Continue To Be The Engine Of Growth

	Natural Enhanced Channel		Conventional Channel		Combined Channel	
	$ Sales ($ B)	$ % Chg	$ Sales ($ B)	$ % Chg	$ Sales ($ B)	$ % Chg
Natural Products	$9.8	8.0%	$58.8	13.0%	$68.6	12.3%
Specialty Products	$3.1	11.3%	$94.4	11.2%	$97.5	11.2%
Conventional Products	$3.5	13.6%	$553.1	8.7%	$556.7	8.7%
TOTAL UNIVERSE	**$16.5**	**9.8%**	**$706.3**	**9.4%**	**$722.8**	**9.4%**

Natural & Specialty products contribute over 28% of cross-channel growth

In Conventional Channel, Natural & Specialty products are more than 27% of growth

Conventional Products have spiked recently, now growing at 8.7%

Source: SPINSscan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 52 weeks ending 7/12/2020. UPC coded items only.

STATE OF BEVERAGE

SPINS®

Consumers are portfolio drinkers-
and the market is appeasing the desire for diversity

Today’s Beverage Marketplace

COMPETITIVE PRODUCT LANDSCAPE - $122B Market

16 Categories comprise the Beverage Landscape

Coconut Water	Kombucha	Performance Bevs.	Enhanced Water	Energy Drinks	RF & SS Tea

RF & SS Coffee RTD	SS Water	Juices	Orange Juice	SS Soda & Carb Bevs.

RF Dairy Milk	RF Yogurt Drinks & Kefir	RF & SS Plant Based Milk	RF & SS Creams & Creamers	Supplements & Meal Rpmnt

Beverage is a Crowded Space!

Coconut Water
- Vita Coco Coconut Water
- Goya Coconut Water
- Harmless Harvest Coconut Water
- C2o Pure Coconut Water

Kombucha
- Gt Enlightened Synergy Trilogy
- Kevita Master Brew
- Health Ade Kombucha Pink Lady
- Brew Dr Kombucha Clear Mind

Performance Bevs.
- Gatorade Lemon Lime
- Powerade Fruit Punch
- Body Armor Strawberry Bna Guava
- Gzero Lemon-Lime

Enhanced Water
- Smartwater
- Core Hydration
- Sparkling Ice Lemonade
- Propel Kiwi Strawberry

Energy Drinks
- Monster Original Energy Drink
- Red Bull Energy Drink
- Nos Original Energy Drink
- Bang Blue Razz Energy Drink

RF & SS Tea
- Pure Leaf Tea Sweetened
- Gold Peak Sweet Tea
- Milos Famous Sweet Tea
- Brisk Iced Tea Lemon

RF & SS Coffee RTD
- Starbucks Frappuccino Mocha
- Java Monster Mean Bean Coffee Energy
- Dunkin Donuts Vanilla Iced Coffee
- La Colombe Vanillla Draft Latte

SS Water
- Dasani Purified Water
- Arrowhead Spring Water
- Ice Mountain Spring Water
- Nestle Pure Life Purified Water

Juices
- Naked Green Machine
- Motts 100% Apple Juice
- Capri Sun Fruit Punch
- Simply Lemonade

Orange Juice
- Simply Orange Juice Pulp Free
- Tropicana Prem Reg Orange Juice
- Minute Maid To Go Orange Juice
- Borden Orange Juice From Concentrate

SS Soda & Carb Bevs.
- Coca-Cola
- Virgils Root Beer
- Dr Pepper Diet Soda
- Welchs Sparkling Red Grape

RF Dairy Milk
- Dairy Pure Whole Milk
- Lactaid Milk 2%
- Borden Cultured Buttermilk
- Sealtest Buttermilk

RF Yogurt Drinks & Kefir
- Dannon Danimals Drinkable Strawberry
- Yakult Fermented Drink Plain
- Chobani Mixed Berry Greek Yogurt Drink
- Lifeway Lowfat Strawberry Kefir

RF & SS Plant Based Milk
- Blue Diamond Almond Breeze Unswtnd
- Silk Plain Soy
- Planet Oat Original Oat Milk
- Dream Brands Enriched Original Rice

RF & SS Creams & Creamers
- Coffeemate Creamer French Vanilla
- International Delight Creamer Hazelnut
- Silk Almond Creamer Caramel
- Califia Coffee Creamer Better Half Unswt

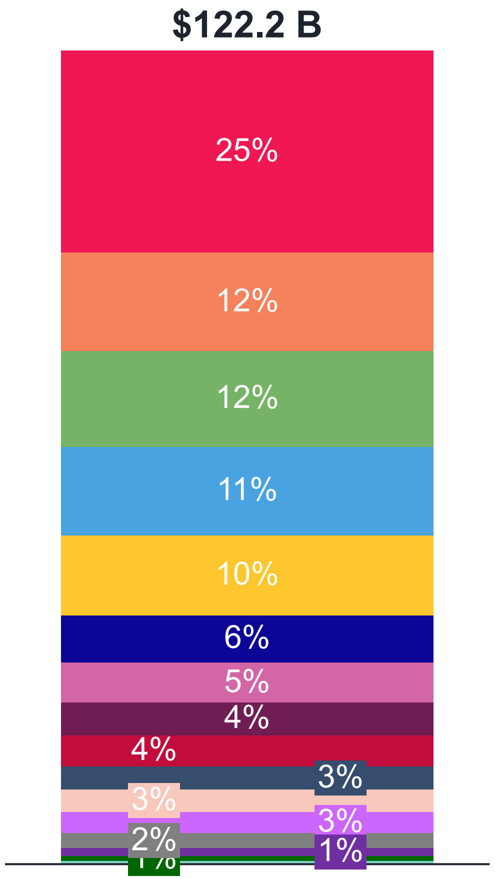
Supplements & Meal Replacements
- Premier Protein Chocolate Shake
- Ensure Plus Chocolate
- Muscle Milk Pro Series Knockout Choco
- Pediasure Vanilla Shake Lactose Free

Source: SPINS

Today's Marketplace

SHIFTING GROWTH SEGMENTS

Historical high-growth categories are beginning to decelerate and decline



Category	Sales ($B)	% Change vs YA
Total Beverage Landscape	**$122.2 B**	5.8%
Soda & Carb Beverages	$30.3 B	5.4%
Dairy Milk	$14.8 B	5.3%
Water	$14.3 B	5.1%
Energy Drinks	$13.3 B	6.2%
Juices	$12.0 B	3.7%
Performance Beverage	$7.2 B	8.9%
Creams & Creamers	$6.0 B	11.1%
Tea RTD	$5.0 B	2.6%
Enhanced Water	$4.6 B	7.1%
Coffee RTD	$3.5 B	6.2%
Orange Juice	$3.4 B	8.3%
Supplements & Meal Replacements	$3.2 B	1.7%
Plant Based Milk	$2.2 B	13.4%
Yogurt Drinks & Kefir	$1.2 B	7.0%
Kombucha	$0.7 B	2.4%
Coconut Water	$0.5 B	-4.4%

Source: SPINS Satori. Total US- MULO+C and Natural Enhanced. 52 Weeks ending 6/14/2020

KOMBUCHA MARKET PERFORMANCE

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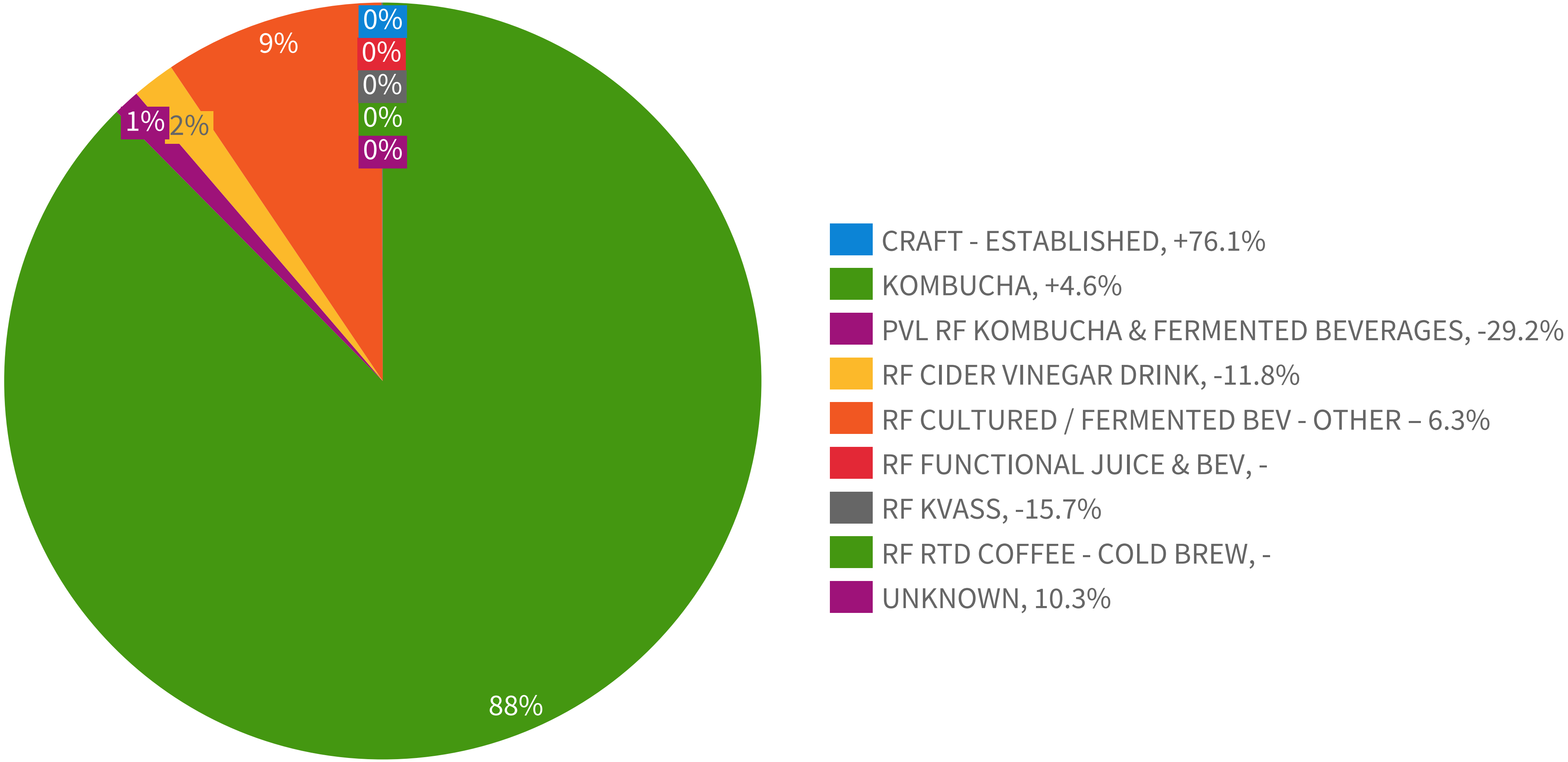
Kombucha represents nearly 99% of the Refrigerated & Fermented Beverage Category and is the dominant driver of growth dollars

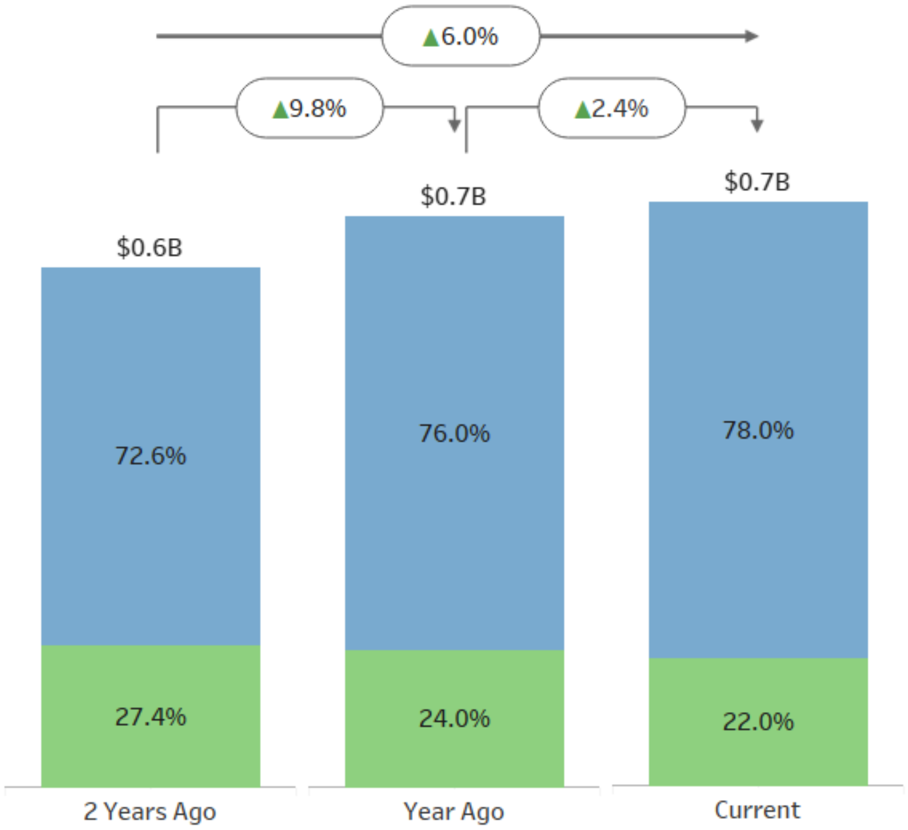


Kombucha & Fermented Beverage has grown to over $700 Million; In contrast to the total beverage landscape, growth has decelerated in the last year

RF KOMBUCHA & FERMENTED BEVERAGES | $703.2M | ▲2.4%

MULO & NATURAL ENHANCED

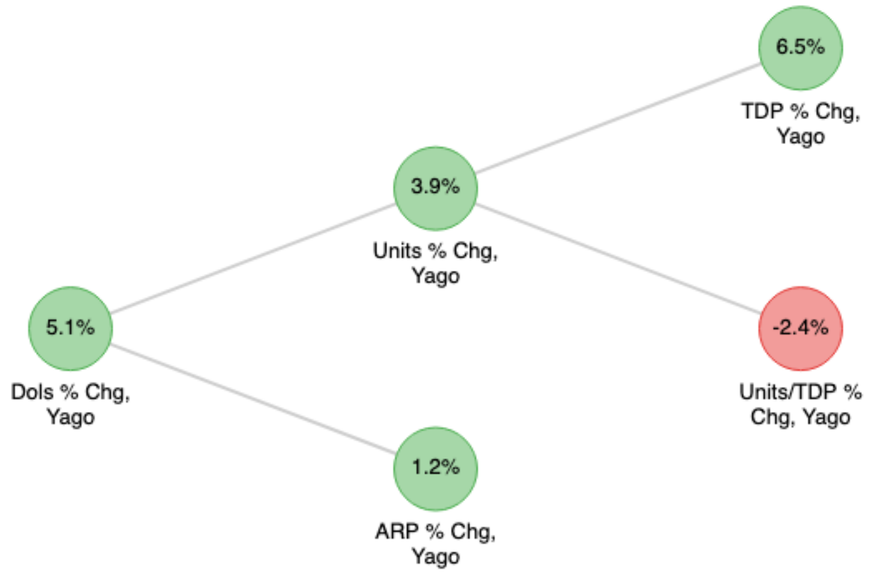
52 WEEKS ending 7/12/2020



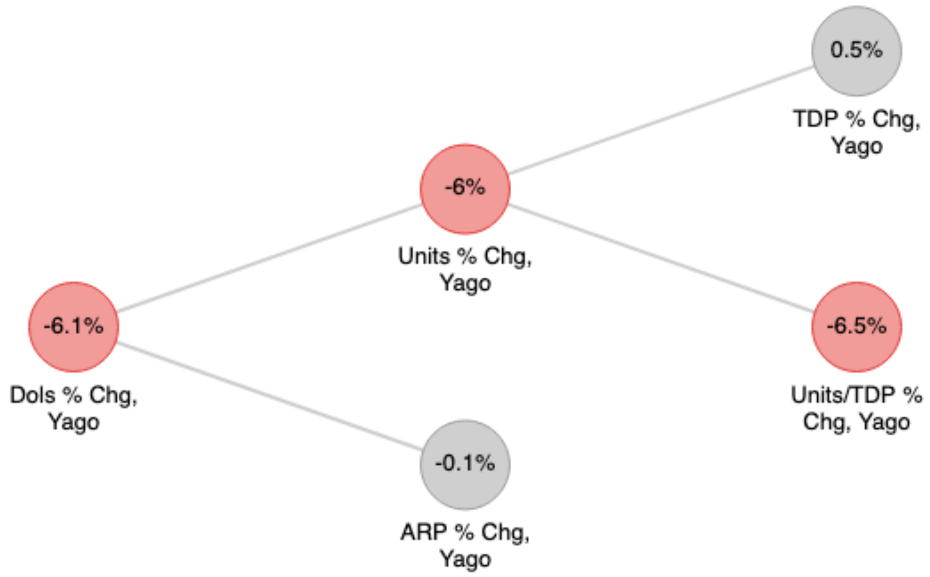
MAX % ACV	RF KOMBUCHA & FERMENTED BEVERAGES
MULO	83.3
NATURAL ENHANCED	100.0

MULO growth is fueled by steady distribution gains, as velocities have slowed across channels as other propositions gain traction

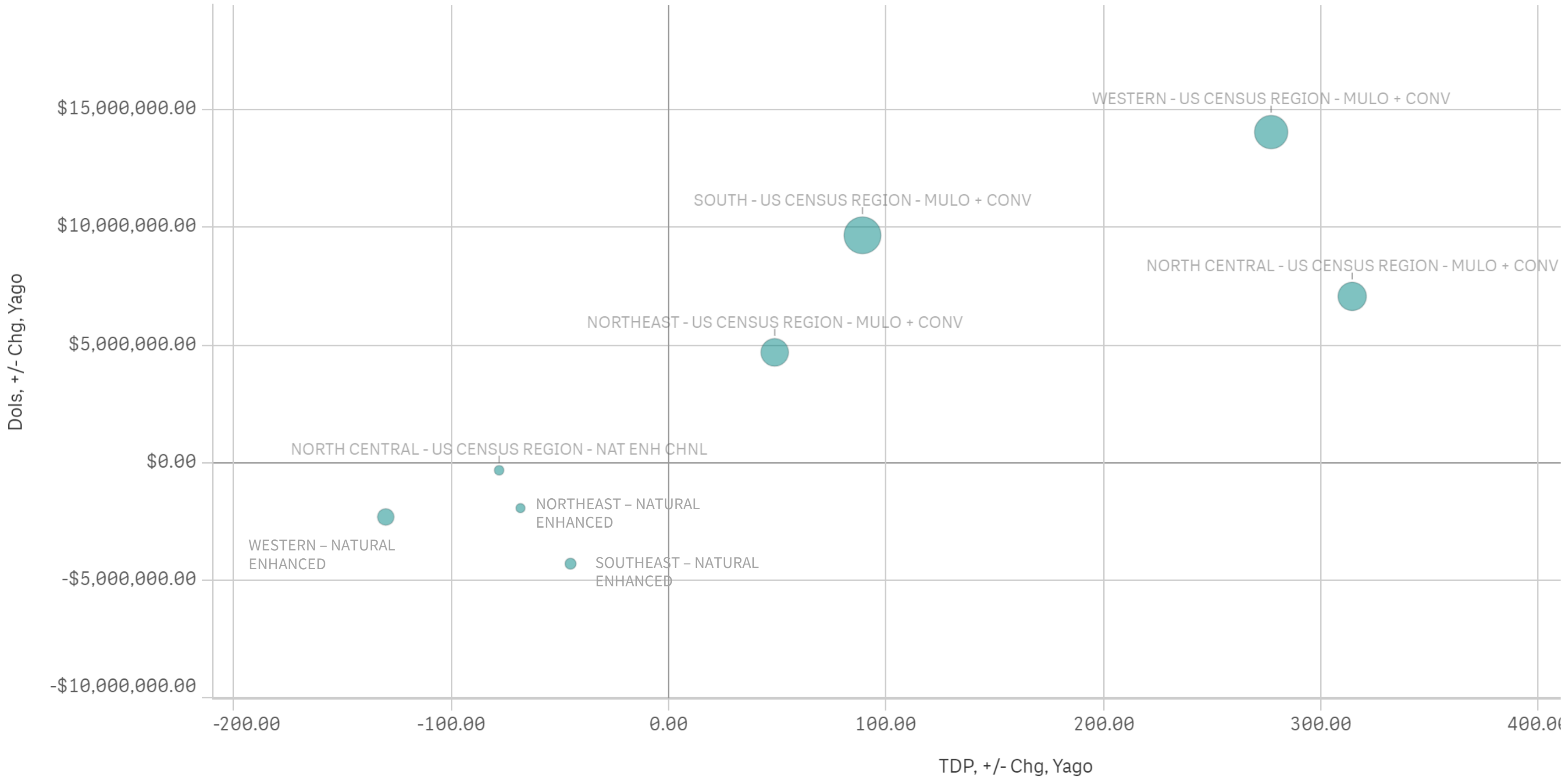
MULO RF Kombucha & Fermented Beverage Volume Decomposition



Natural Enhanced RF Kombucha & Fermented Beverage Volume Decomposition

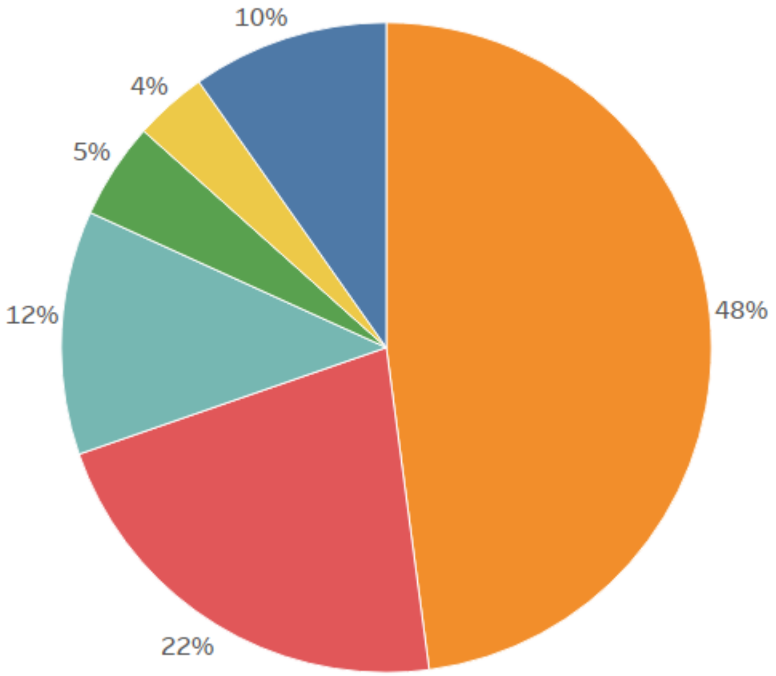


Distribution led by strong expansion in the West and North Central; Natural Enhanced slowing across regions



In MULO, growth led by mid tier brands driving strong growth

Top 5 Brands in RF KOMBUCHA & FERMENTED BEVERAGES
MULO
52 WEEKS ending 7/12/2020

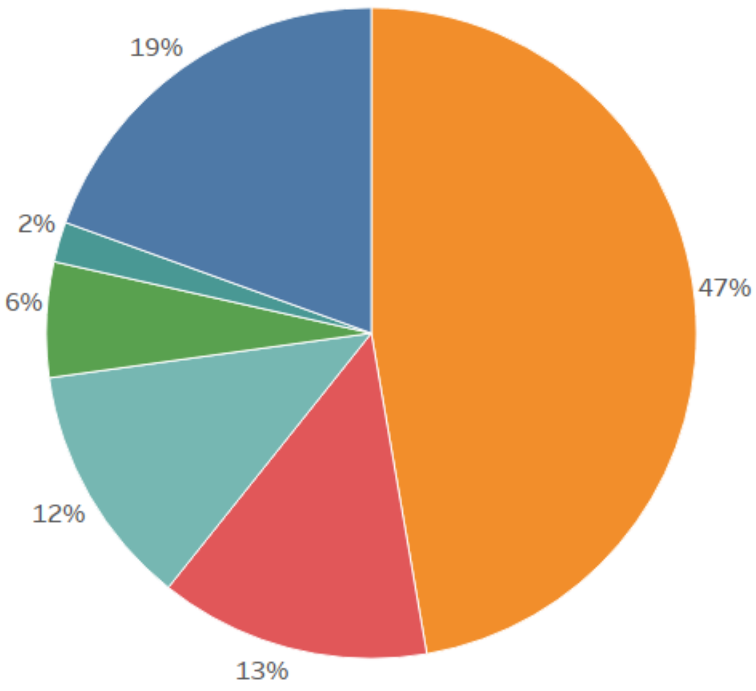


Top Brands	Dollars	Dollar % Chg
Total	$543.3M	5.9%
GT KOMBUCHA	$260.3M	4.0%
KEVITA	$118.4M	-2.2%
HEALTH ADE	$65.8M	30.3%
BREW DR KOMBUCHA	$26.0M	57.6%
HUMM KOMBUCHA	$19.7M	-0.8%
All Other	$53.0M	-2.9%

*Dollar % Chg capped at 199% for bar graph presentation. See tooltip for actual.

In Natural, slowdown primarily driven by waning performance of top two brands in the category

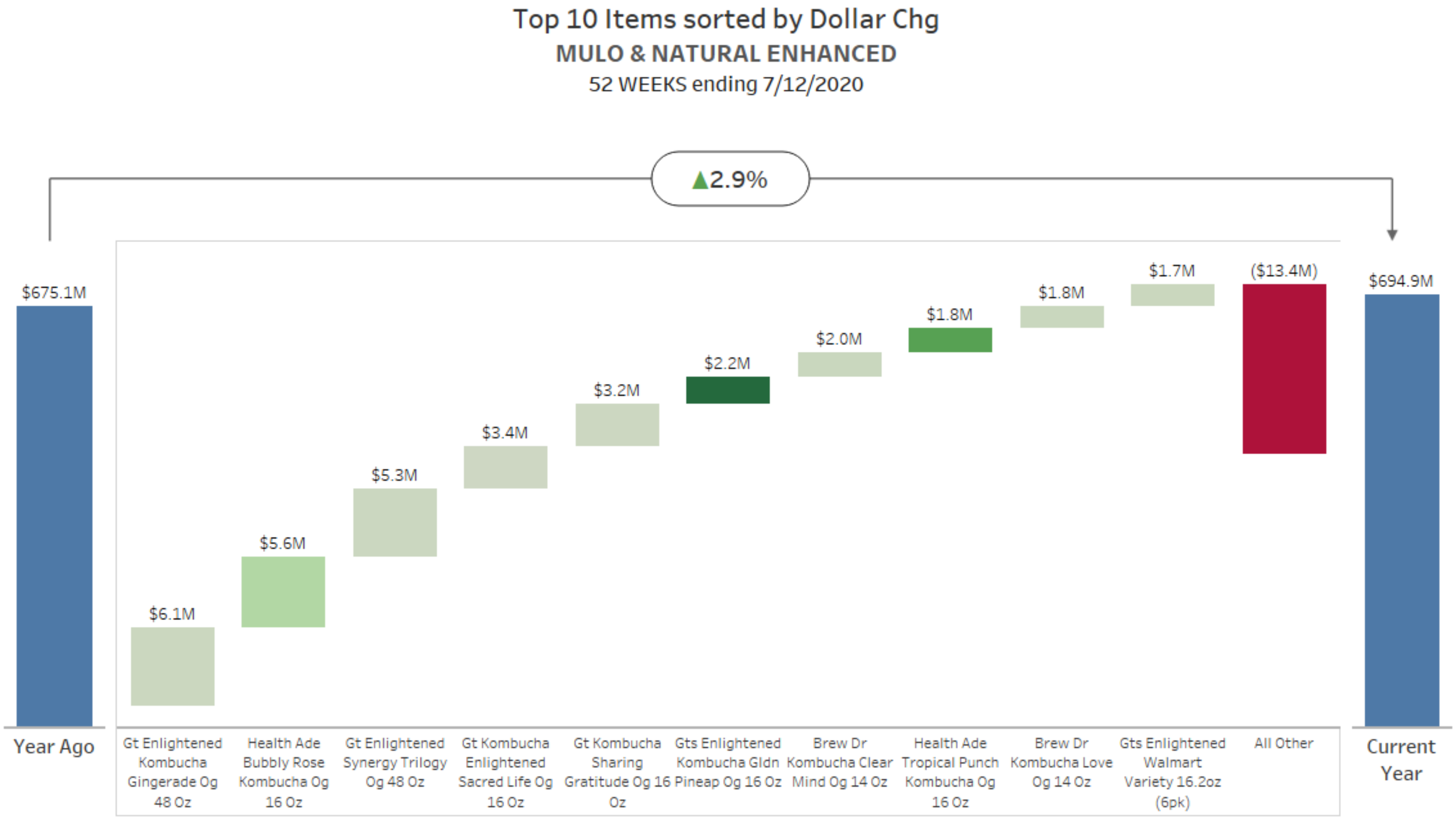
Top 5 Brands in RF KOMBUCHA & FERMENTED BEVERAGES
NATURAL ENHANCED
52 WEEKS ending 7/12/2020



Top Brands	Dollars	Dollar % Chg
Total	$151.6M	-6.5%
GT KOMBUCHA	$71.7M	-9.2%
KEVITA	$20.4M	-13.1%
HEALTH ADE	$18.3M	4.3%
BREW DR KOMBUCHA	$8.7M	6.9%
WILD TONIC	$3.0M	6.0%
All Other	$29.5M	-5.6%

*Dollar % Chg capped at 199% for bar graph presentation. See tooltip for actual.

Larger sizes, Mood Boosters, and Differentiated Flavors offsetting broader category declines



$ Sort Order Dollar Chg Top N Items 10 Time Frame 52 W.. 5 Positioning.. All Channel All Category All Subcategory RF KOM.. Company All Brand All

With the exception of Mixed Fruit and Mint, limited flavor overlap across channels

Natural Enhanced Channel
Top 10 Flavors $ Growth

FRUIT - MIXED	$1,740,204
PINEAPPLE	$216,907
COCONUT	$188,181
POMEGRANATE BLEND	$174,527
LIME	$168,318
ROOT BEER	$164,959
MINT	$147,097
MANGO	$111,493
TROPICAL	$108,285
PEACH	$106,728

MULO Channel
Top 10 Flavors $ Growth

GINGER	$11,142,390
BERRY	$7,345,051
FRUIT - OTHER	$6,644,169
FRUIT - MIXED	$6,591,372
MINT	$2,554,082
POMEGRANATE	$2,066,863
ASSORTED	$1,662,117
LEMONADE - WITH OTHER FLAVOR	$1,073,094
APPLE	$1,044,452
HIBISCUS	$1,031,100

Source: SPINS Satori. Total US- MULO and Natural Enhanced. 52 Weeks ending 8/9/2020

WHAT'S NEXT

SPINS®

KOMBUCHA INNOVATION & INSIGHTS

Supersize Me

- COVID has imposed real and perceived pricing pressures on consumers driving consumers to seek value
- As grab and go occasion decrease, value sizes take the center stage

48 oz.

Represents 2 of the 5 fastest growers

Fermented Reinvented

- New digestive health benefits and formats have gained traction as Kombucha & its derivatives scale mainstream
- This new cadre of items leans into more lightly fermented flavor profile and alternate processing

Bring on the Booze

- Strong growth of emerging brands who have embraced Kombucha's fermented roots

Top 10 Hard Kombucha $ Volume

BOOCHCRAFT	$8.6 M	72.6%
JUNE SHINE	$6.1M	211.2%
FLYING EMBERS	$3.5M	1,398.1%
KYLA HARD KOMBUCHA	$2.4M	13.7%
WILD TONIC	$1.6M	20.6%
NOVA EASY KOMBUCHA	$1.4M	452.6%
KOMBREWCHA	$1.0M	1,021.1%
GT KOMBUCHA	$0.9M	49.0%
WILD OHIO BREWING	$0.4M	-21.0%
UNITY VIBRATION	$0.4M	-14.7%

Top 10 Hard Kombucha $ Growth

JUNE SHINE	211.2%	$4.1M
BOOCHCRAFT	72.6%	$3.6M
FLYING EMBERS	1,398.1%	$3.2M
NOVA EASY KOMBUCHA	452.6%	$1.1M
KOMBREWCHA	1,021.1%	$0.9M
GT KOMBUCHA	49.0%	$0.3M
KYLA HARD KOMBUCHA	13.7%	$0.3M
LOCAL ROOTS KOMBUCHA	9,041.3%	$0.3M
WILD TONIC	20.6%	$0.3M
AQUA VITEA	1,770.4%	$0.2M

CLOSING THOUGHTS

- Kombucha is experiencing a slow down as velocities slow across channels – in a crowded beverage landscape, imperative to master the 4Ps to optimize brand performance
- As progressive shoppers adapt their behaviors over time, SPINS Natural Enhanced Channel provides a unique view into new propositions as they emerge
- As consumers shift towards new definitions of value, and diversifying sources of more nutrient dense beverages, Kombucha brand have an opportunity to adapt portfolios to deliver against these need states