
LAIRD
SUPERFOOD®

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## Vision

Create a world where superfoods fuel optimal daily performance.

## Mission

To provide great tasting, innovative, highest-quality superfoods that support the health and wellness journey of our consumers.



# Laird Superfood Strategic Plan

**1 Grow our core business**
- Expand distro & improve MAPS
- Grow awareness and trial
- Further improve mktg model

**2 Innovate in Superfoods**
- Expand existing flavor lines
- Execute packaging innovation
- "1-step" innovation pipeline

**3 Improve ESF Supply Chain**
- Increase capacity and flexibility
- Reduce operational costs

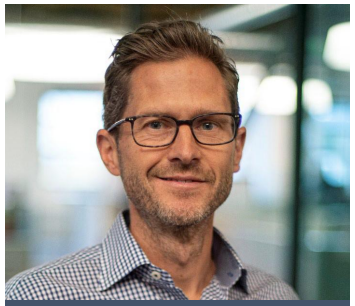
**4 Build critical capabilities and improve our work processes**
- Continue to simplify work processes and IT infrastructure
- Train/hire critical employees to elevate business performance

**5 Improve our P+L and accelerate the path to profitability**
- Optimize pricing and leverage scale to improve GM to 35%+
- Execute annual ZOG or better
- Pursue consolidation opportunities within our core portfolio

# LSF investment highlights

- ☑ Plant-based, clean, functional ingredients that are on-trend with consumers
- ☑ Large and growing addressable market across core categories
- ☑ Highly engaged founders with strong equity, reach and relevance
- ☑ Strong brand equity, net promoter score, and active social community
- ☑ Actively scaling digital platforms
- ☑ Management team with extensive experience in consumer goods
- ☑ Significant whitespace expansion opportunity at retail

# LSF executive team with extensive experience



**Jason Vieth**

### CEO | President

- President and CEO since January 2022
- EVP and GM at Sovos Brands
- SVP of Life Time food business
- SVP & GM at WhiteWave Foods
- Boston Consulting Group (BCG)



**Anya Hamill**

### CFO

- Chief Financial Officer since July 2022
- CFO at Little Secrets candies
- Sr. Director of Finance at WhiteWave Foods
- Financial Analyst at Agilent



**Jared Larkin**

### VP, Supply Chain

- VP of Supply Chain since August 2022
- Director of Operations and Finance for Picky Bars
- President of KIALOA Canoe Paddles



**Steve Richie**

### General Counsel

- General Counsel since June 2022
- Head of HR since January 2023
- EVP, Legal and Human Resources, at Concentrix Corporation
- General Counsel, Annie's, Inc.

# Laird portfolio spans large categories













| | Liquid and Powder Coffee Creamers | Coffee, Tea and Hot Chocolate Products | Snack, Nutrition, Performance Bars | Hydration & Beverage Enhancing Supplements |
|---|---|---|---|---|
| **Total Addressable Market (TAM)** | $7.3 billion | $29.4 billion | $6.5 billion | $7.4 billion |



Source: Mintel Report based on IRI InfoScan Reviews, CSPDailyNews.com, US Census Bureau, Economic Census/Mintel (Coffee/Tea, Creamers) , IRI 52WE 10/31/21 (Snack Bars), Future Market Insights & Grandview Research 2022 (Hydration/Bev Enhancing Supplements)

# Consumer are upgrading to a new generation of functional food and beverage

**59%**

Of consumers agree that functional drinks help them **accomplish their health goals**

**83%**

Of consumers claim to have **recently used beverages** containing at least one functional claim.

**+42%**

Growth in Functional / Mushroom based products in **Coffee & Creamers**.

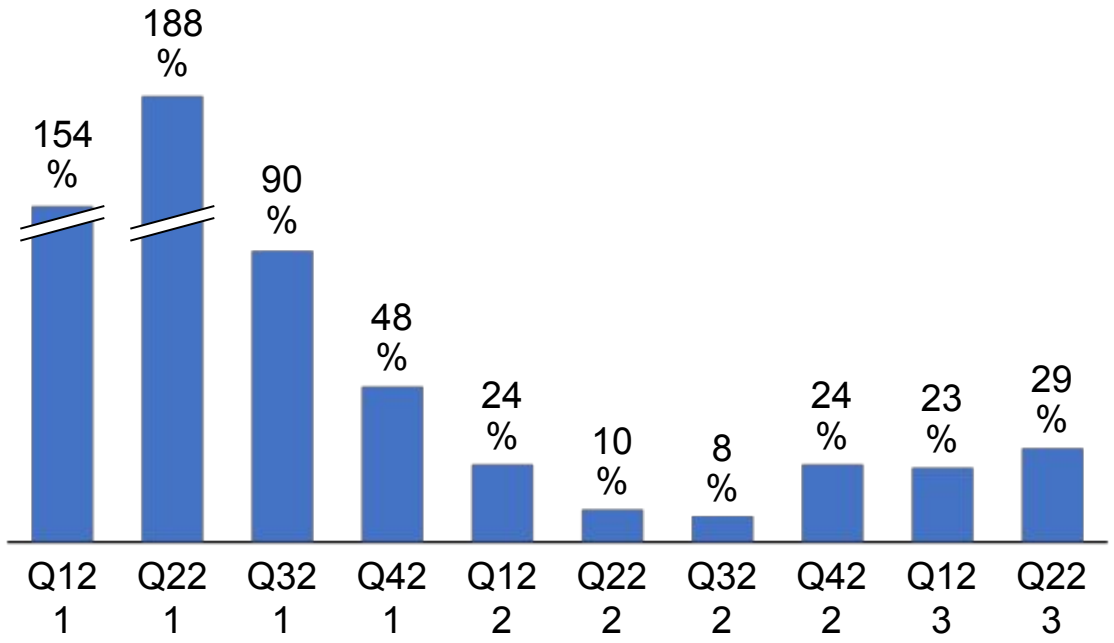


Source: Mintel Functional Drinks Report April 2023, Customer LSF Segmentation Study Aug 2022, SPINS Natural Channel , MULO+Natural Channel 52 weeks Ending 6/18/23

# Strong retail takeaway in 2023

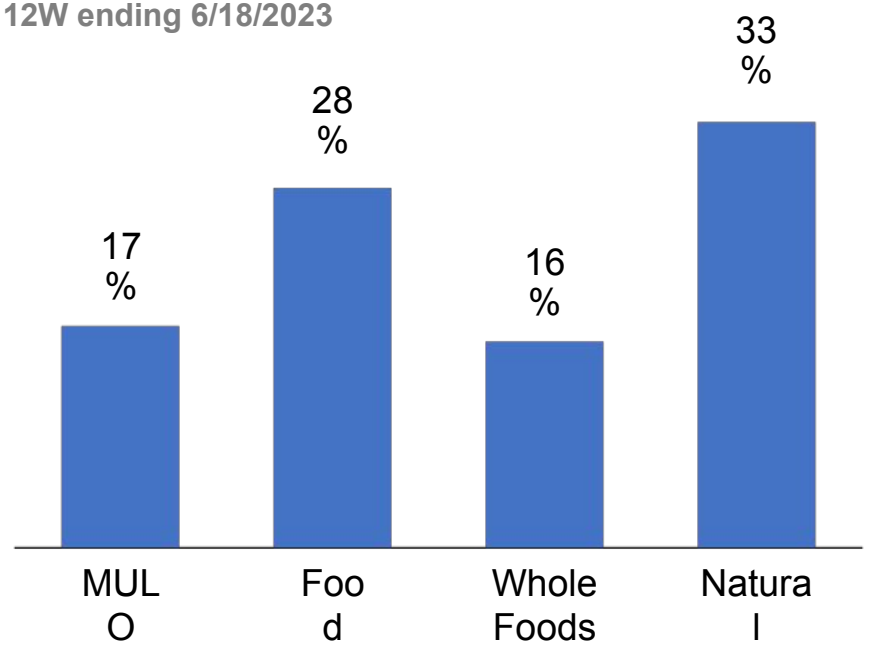
## LSF Total Brand Dollar Growth by Quarter

MULO + Natural + Whole Foods




## LSF Liquid Creamer Dollar Velocity Change by Quarter

12W ending 6/18/2023




Source: SPINS Data Ending 6/18/2023

# 2Q23 Financial Performance






# Financial Highlights

**Q2 Gross Margin of 24%, +6 points versus prior year period. Q2 cash burn at an all-time-low.**

- $7.7 million Net Sales compared to $8.7 million in the prior year period, driven by a planned reduction in marketing support spend.
  - Wholesale contributed 46% of total Net Sales and grew 3% year over year, driven by velocities growth and distribution expansion.
  - E-commerce contributed 54% of total Net Sales and decreased 20% year over year, driven by lower sales in the Direct to Consumer channel due to strategic decrease in media spend (-67%) as well as lower Amazon sales due to residual out of stocks related to the Q1 quality issue.
- 24% Gross Margin, 6+ point improvement versus prior year due to shift to the outsourced manufacturing and distribution business model.
- Cash used in operations in Q2 was $1.4 million compared to $3.9 million in the prior year period, reflecting margin expansion and lower general and administrative costs.
- $3.3 million adjusted Net Loss, improved $2.9 million versus prior year driven by expanded margin and reduced marketing and G&A.

**2023 Outlook* revised to reflect first half results**

- Net Sales in the range of $34 to $37 million.
- Expect Gross Margin in the range of 27% to 29%, with second half margins in excess of 30%.
- Manage Cash to last for 12+ months.



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*Q2 Results and FY2023 guidance are excluding one-time charges

# Financial highlights*

| | | |
|---|---|---|
| 2Q23 | Net Sales | $7.7M |
| | Gross Margin | 24.3% |
| | OPEX | $5.4M |
| | Net Loss | ($3.3M) |
| 2Q22 | Net Sales | $8.7M |
| | Gross Margin | 18.2% |
| | OPEX | $7.8M |
| | Net Loss | ($6.2M) |



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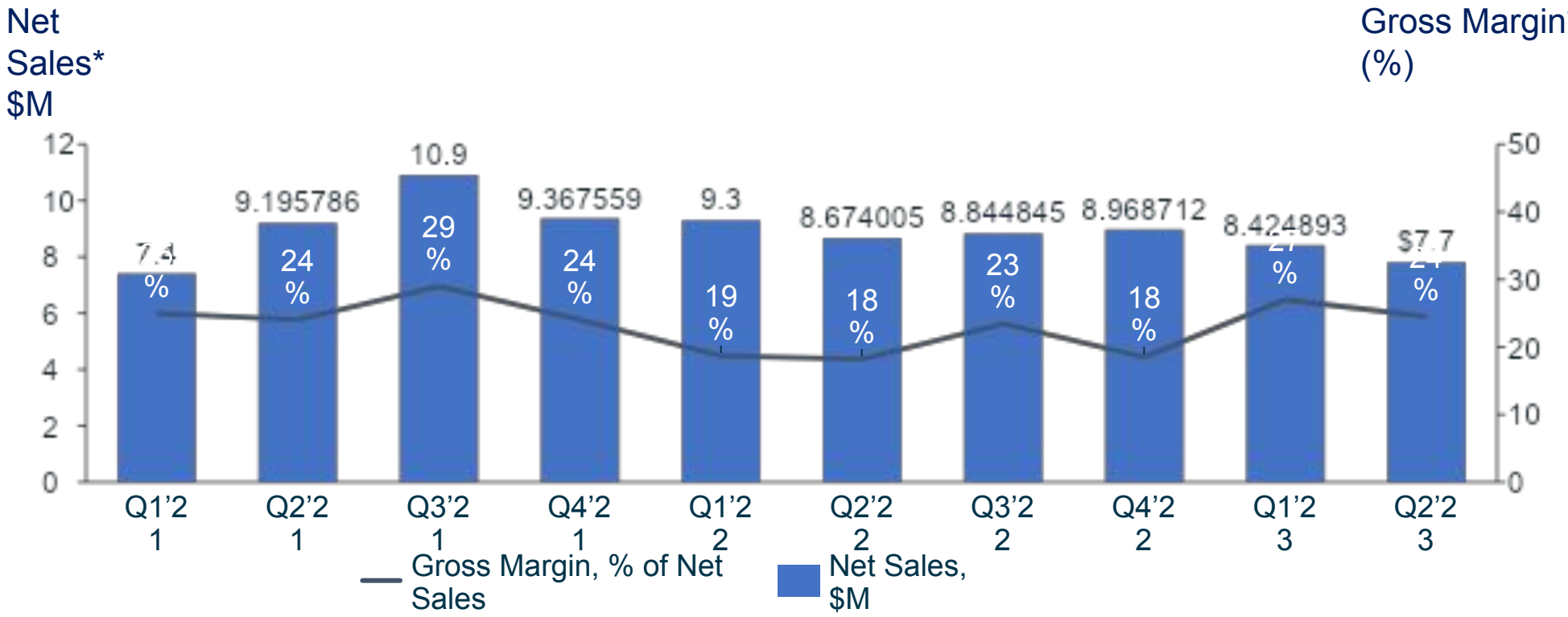
*excluding one-time charges

# Improved Gross Margin with transition to an asset-light Supply Chain

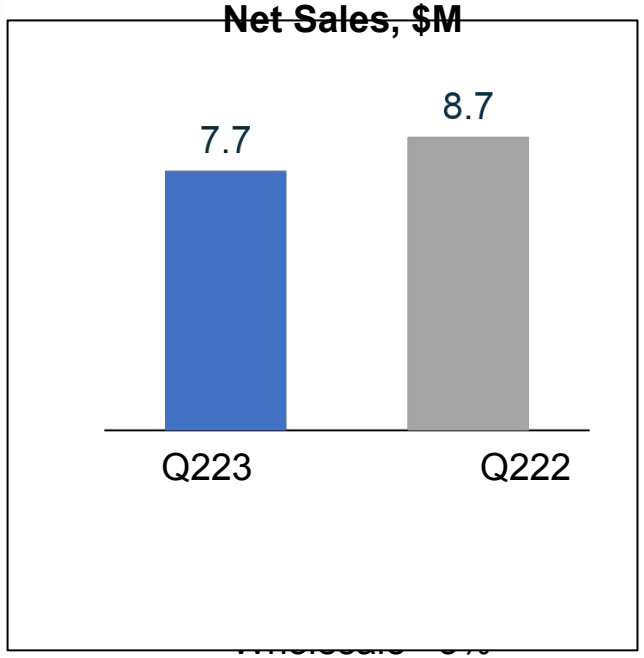





*excluding one-time charges

# Q223 results*

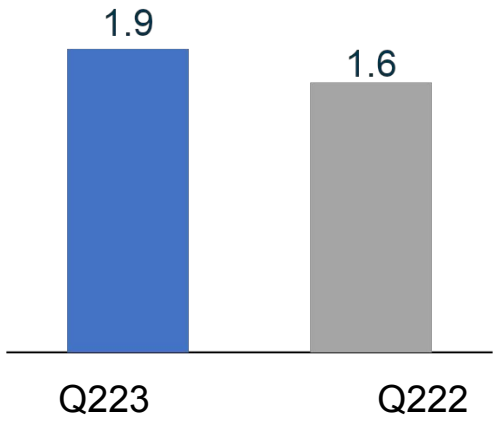
**Net Sales, $M**




- Retail -4%
- Club +18%

- E-commerce (20)%

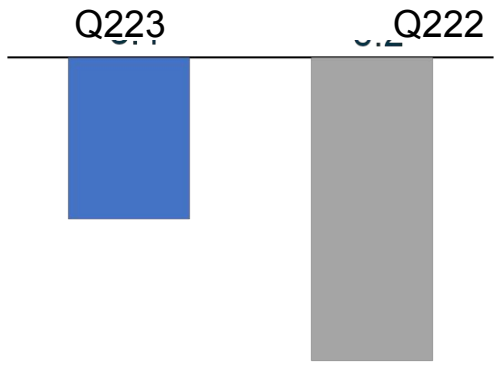
**Gross Profit, $M**




Gross Margin of 24%, +6 points versus prior year driven by:

- Transition to asset light co-packer model and 3rd party fulfillment
- Offset in part by trade investment to drive incremental awareness and trial in Retail

**Adjusted Net Loss, $M**



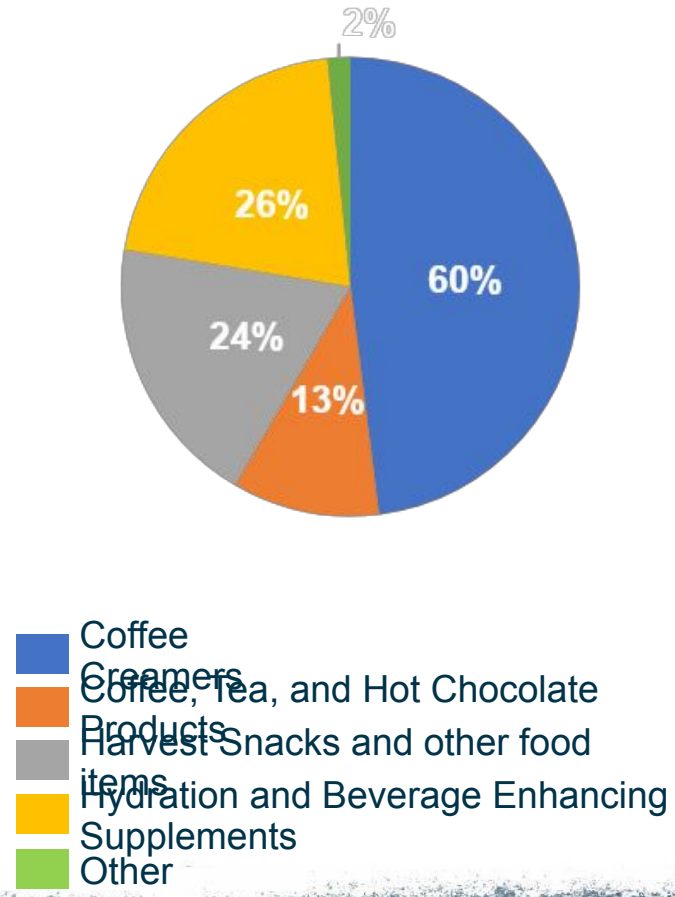

- Adj. Net Loss improved by $2.8 million due to expanded Gross Margin and lower Marketing and G&A spend



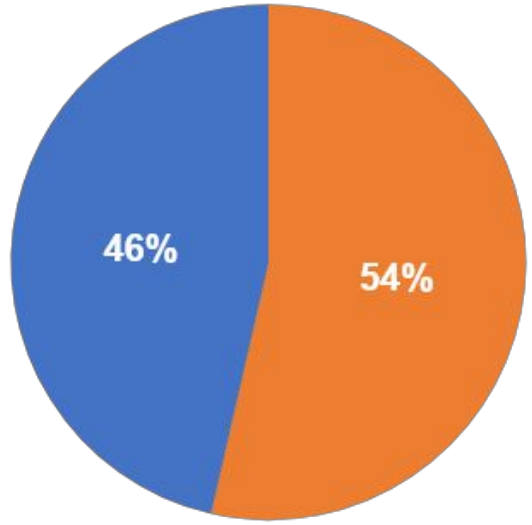
*excluding one-time charges

# Q223 sales mix

**Gross Sales by Product Line**

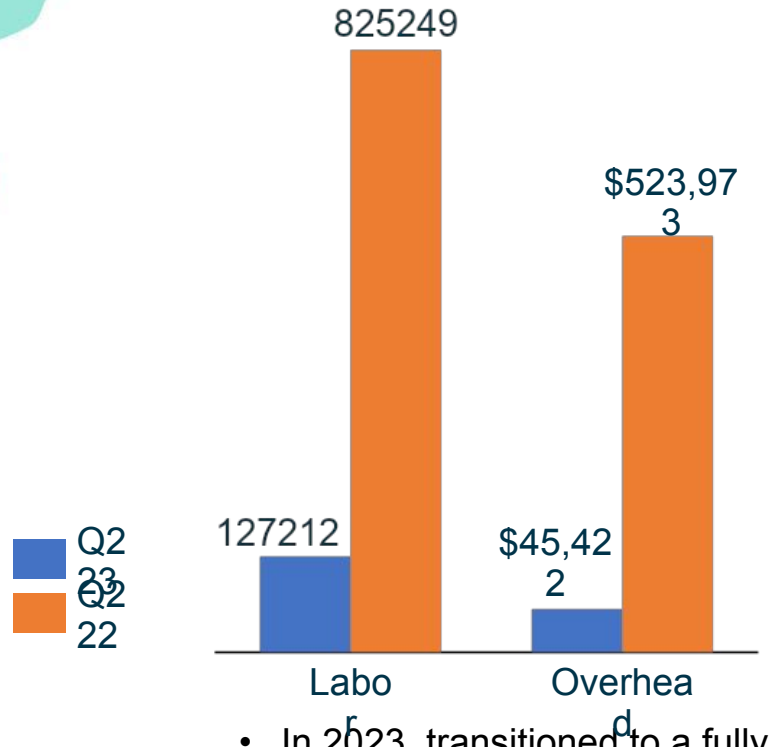



**Net Sales by Channel**

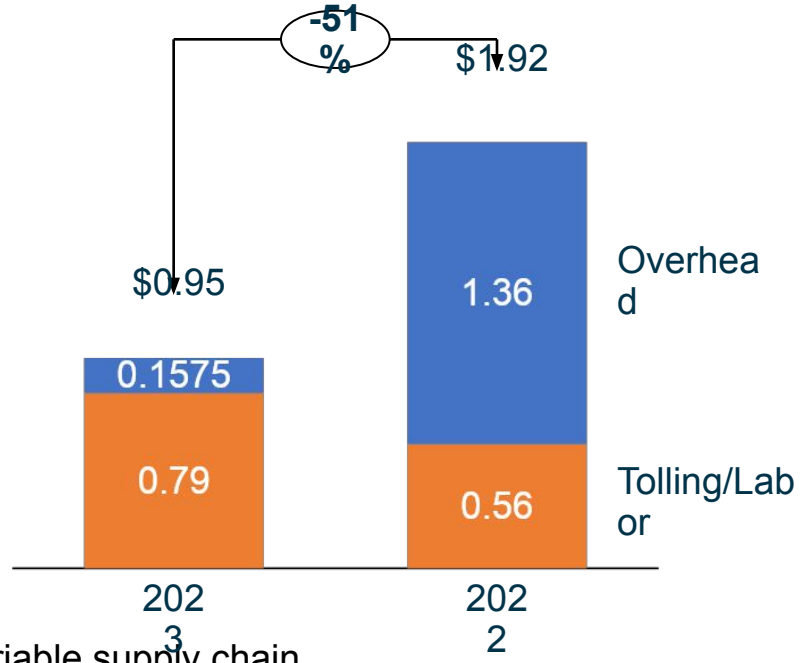


# Reduced costs and greater capacity in Supply Chain

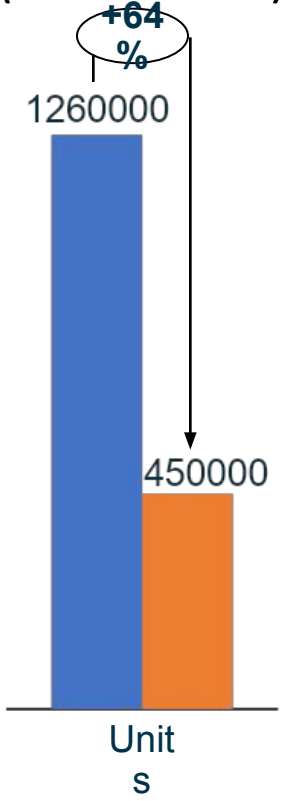
**Fixed Expenses**




**8oz Creamer Manufacturing Cost (e.g.)**




**Manufacturing Capacity (Powder Creamer)**




- In 2023, transitioned to a fully outsourced variable supply chain.
- Through outsourcing, short-term manufacturing capacities have doubled over 2022.

# 2023 Outlook*

**2023**
**Revenue**

**$34-37 million**

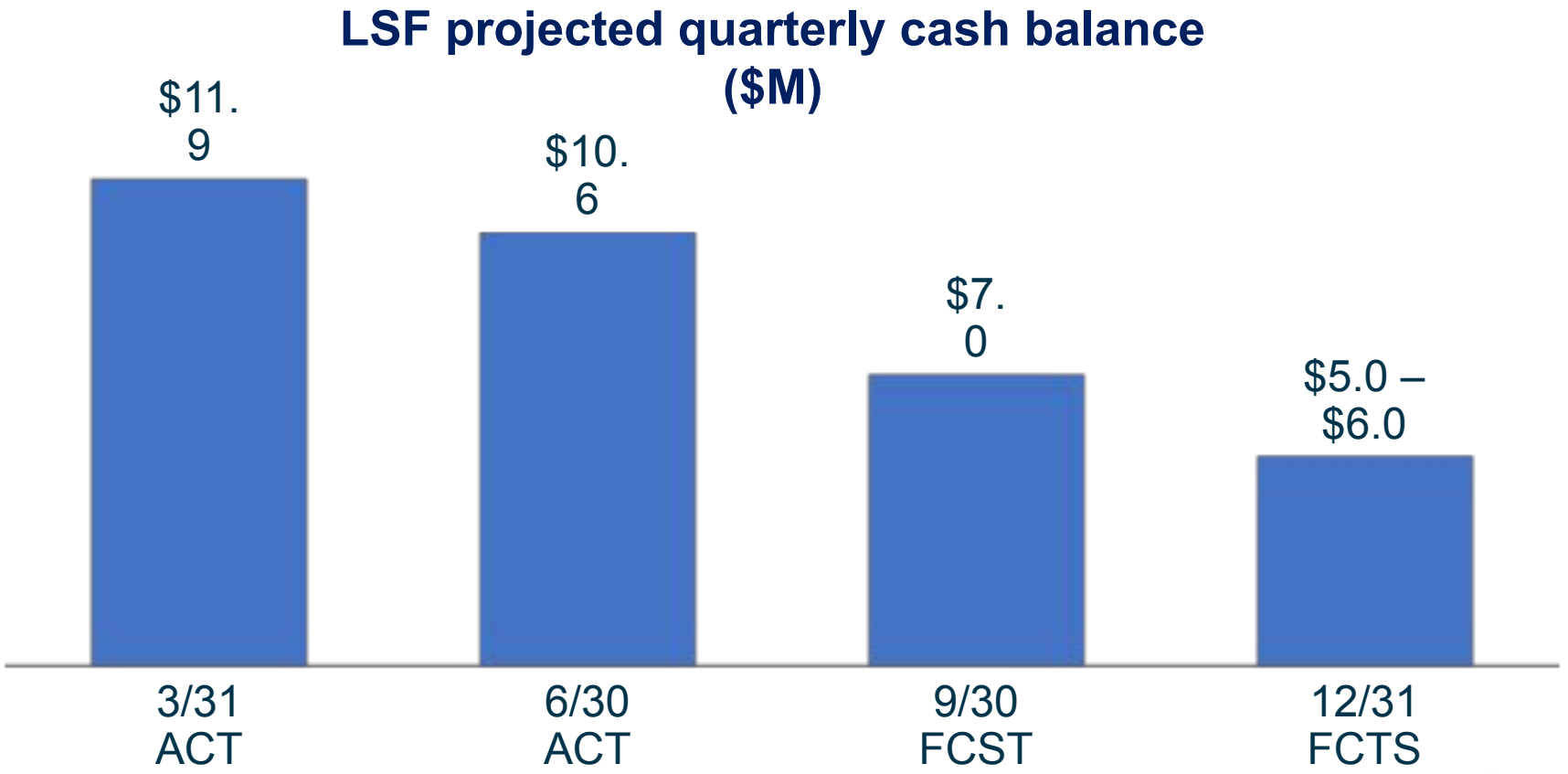
**2023**
**Gross Margin**

**27-29%**

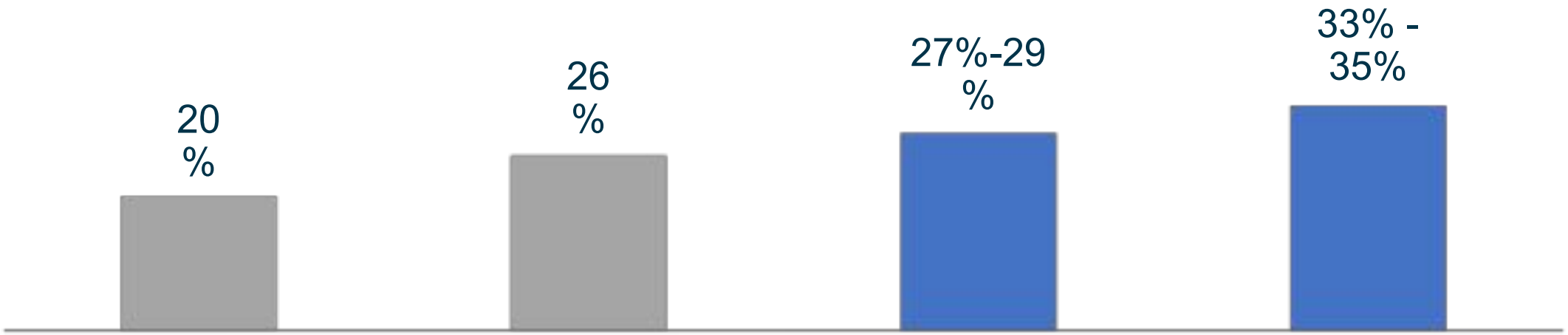


*excluding one-time charges

# Slowing burn to exit 2023 with ~$5 - 6M cash



# Long-term Gross Margin* outlook




- Margins dampened by underutilization and fixed overhead costs due to in-house manufacturing

- First quarter post co-pack transition shows +7.3 point Gross Margin improvement over H1 of last year

- Full year of asset light co-packed model
- Liquid Creamer transition to aseptic in H2'23
- Temporary, increased investment in Trade promotion to drive trial

- Selective pricing/trade optimization
- Cost Optimization – product reformulation, process improvement, procurement/scale savings

* excluding any one-time charges