

REED'S UNZ

DRINK SMART. DRINK REAL.



VIRGIL'S

Reed's Investor Presentation

OTCQX:REED | December 2024



Cautionary Note Regarding Forward-Looking Statements

Statements in this presentation that are not historical are forward-looking statements made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations and includes financial guidance for 2024. Reed's 2024 financial guidance reflects management's expectations as of May 2024. Financial guidance should not be viewed as a substitute for full financial statements prepared in accordance with GAAP. The achievement or success of matters covered by forward-looking statements involves risks, uncertainties, and assumptions, many of which involve factors or circumstances that are beyond our control. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, Reed's actual results could differ materially from the results expressed or implied by the forward-looking statements we make.

The risks and uncertainties referred to above include, but are not limited to:

- The impact on our business of competitive products and pricing pressures and our ability to gain or maintain our share of sales in the marketplace as a result of actions by competitors;
- Our ability to implement and/or maintain price increases;
- The costs and/or effectiveness, now or in the future, of our advertising, marketing and promotional strategies;
- The failure of our co-packers to manufacture our products on a timely basis or at all;
- Our ability to make suitable arrangements and/or procure sufficient capacity for the co-packing of any of our products, the timely replacement of discontinued co-packing arrangements and/or limitations on co-packing availability;
- Volatility of stock prices which may restrict stock sales, stock purchases or other opportunities as well as negatively impact the motivation of equity award grantees; and
- Other risks detailed from time to time in Reed's public filings, including Reed's annual report on Form 10-K filed on April 1, 2024 and subsequent reports filed with the Securities and Exchange Commission, which are available on the Securities and Exchange Commission's web site at www.sec.gov.

These forward-looking statements are based on current expectations and speak only as of the date(s) given. Reed's assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

REED'S UN INT

DRINK SMART. DRINK REAL.

Reed's Inc[®] is a leading innovator that provides the world with high quality and naturally bold™ better-for-you beverages.

Strong History of Leading the Ginger Category

REED'S



- Ginger Ale
- Ready to Drink Mule
- Reed's Ginger Wellness Shots
- Restaged Craft Ginger Candies



Virgil's Zero Sugar Brand Refresh

Launched in Sprouts (2021)

6th Consecutive Quarter of YoY operating Expense and Profitability Improvements in Q4 2023



Reed's Ginger Ale Mocktails



Hard Ginger Ale

Recently Executed Strategic Initiatives Strengthen Liquidity Position and Support Long-Term Growth

• Materially Reduced Debt Obligations:

- On October 23, 2024, Reed's majority stockholder, D&D Source of Life Holdings, purchased all secured notes from Whitebox Advisors.
- D&D released collateral, deferred cash payments, and extended note maturities to May 2026.
- On November 20, 2024, D&D exchanged the notes for shares of common stock.

• New \$10 Million Credit Facility:

- On November 14, 2024, Reed's secured a one-year revolving credit facility, which offers more favorable and flexible terms aligned with the needs of the business.
- Funds will be used to close the Company's current ABL and build finished goods inventory, reducing short shipments and production delays.

• Enhanced Leadership Expertise:

- Added a seasoned new board member to strengthen strategic oversight and maximize value for shareholders and customers.

• Renewed Focus on Profitable Growth:

- These strategic steps enhance operational stability, ensuring Reed's is well-positioned for sustainable growth and value creation.

Initiatives to Drive Growth While Further Reducing Input Costs and Optimizing Expense Structure

➤ Return to Top-Line Growth

- Increase Sales Velocity and ACV Penetration

➤ Channel Expansion

- On-Premise
- Food Service
- E-commerce
- Club
- Convenience

➤ Innovation / Product Extensions

- Ginger-Adaptogen Functional Line
- Virgil's Full Sugar Cans
- Variety Packs
- 7.5oz Cans

➤ Margin Expansion

- Formula Optimization

➤ Cost Reductions

- Cans
- Labels
- Ingredients
- Corrugate
- Wraps

➤ OPEX Management

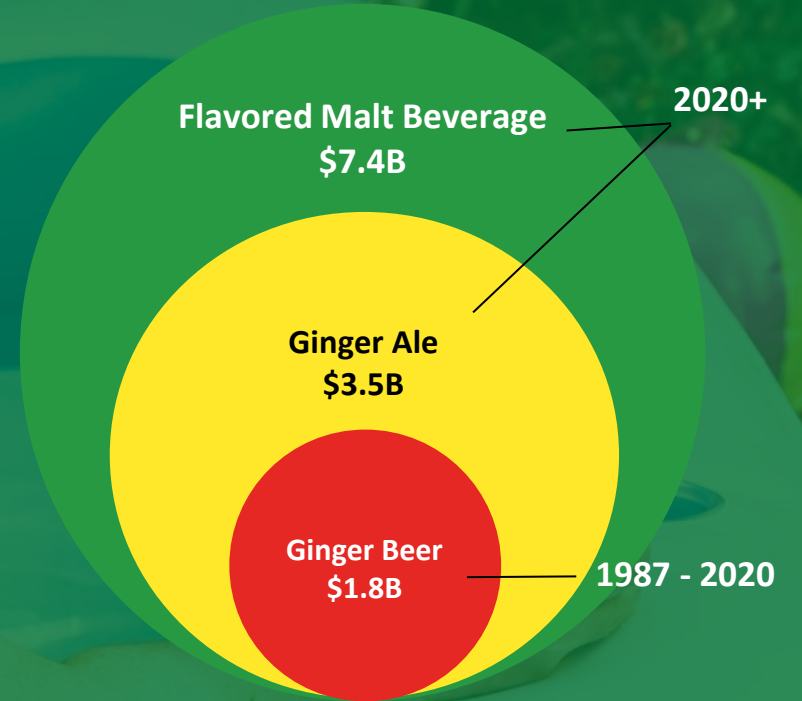
- Lean Cost Structure
- Addition of Key New Hires
- Results Focused Operations

➤ Logistics / Warehouse Cost Reductions

- Final Implementation Stage of Optimized Network
- OTIF / Throughput Improvements
- Continued Shift of Cans from Glass
- Elimination of Out-of-Network Shipments

Early Stages of Capitalizing on Significantly Larger TAM

- Plan to continue leading the category in “All Things Ginger”
- Drive growth & improve profitability through our challenger brands
 - Ginger Ale – launched 2020
 - Hard Ginger/Mule – soft launch 2021, rolled out 2022
 - Virgil’s Zero Sugar Rebrand – rolled out 2022



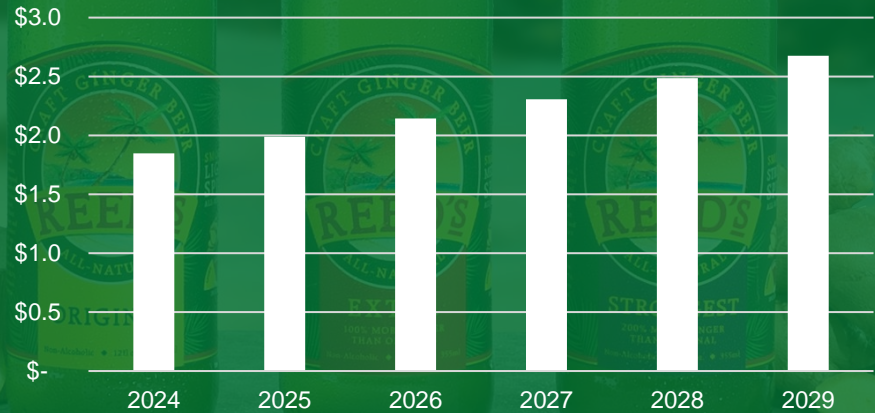
A photograph of a group of people socializing outdoors. In the foreground, a hand holds a bottle of ginger beer. In the background, a man in a white shirt and tie smiles, and another man with glasses and a beard is visible. The scene is set in front of a brick building with white-framed windows. A green semi-transparent overlay covers the middle of the image, containing the text.

LEADERSHIP BRAND: Ginger Beer

The Fan Favorite in Ginger Beer

- ✓ Reed's ginger beer US market share¹ = ~13%
- ✓ 25,000+ points of distribution
- ✓ Reed's Ginger Beer holds the #1 consumer brand awareness among ginger beers²

Ginger Beer Expected North America Growth³ | CAGR 7.7%



*in billions USD

1. Source: IRI MULO - 52 Weeks Ending 12/31/2023
2. Reed's Brand Tracking Study, Oct 2019
3. Source: Future Market Insights (FMI)



CHALLENGER BRANDS: Ginger Ale

ZERO

REED'S

ALL-NATURAL

REAL*
GINGER ALE

0
CALORIES

CRISP*CLASSIC*CLEAN

12 FL OZ (355 mL)

ORIGINAL

REED'S

ALL-NATURAL

REAL*
GINGER ALE

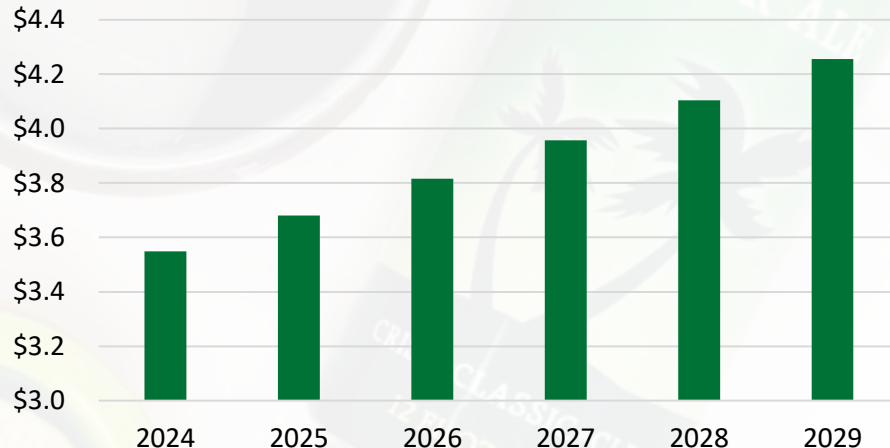
CRISP*CLASSIC*CLEAN

12 FL OZ (355 mL)

Outpacing Market Growth in Category that is ~2x Larger than Ginger Beer

- **Reed's Ginger Ale sales up 15% in 2023**
- Currently sold in mass (WMT, Target), club, grocery, natural food stores, and e-commerce
- **Breaking into drug and convenience stores**
 - 2022: added new flavors and points of distribution (~7,000+ stores)
 - 2023: Increased points of distribution (~9,000 stores)

Ginger Ale Expected North America Growth¹ | CAGR 3.7%



1. Source: Future Market Insight (FMI)

*in billions USD



REAL IS ALWAYS BETTER!

NEW!

A REAL REVOLUTION IN GINGER ALE!

— MADE WITH —
FRESH GINGER



- Packed with fresh organic ginger
- Classic ginger ale taste your customers love
- All-natural, no artificial preservatives and no high-fructose corn syrup
- Available in Original and Zero Sugar Original (sweetened with stevia, monk fruit, and erythritol)



← Drink Straight or Mix!



**Real Ginger *Classic Taste *Nothing Artificial*



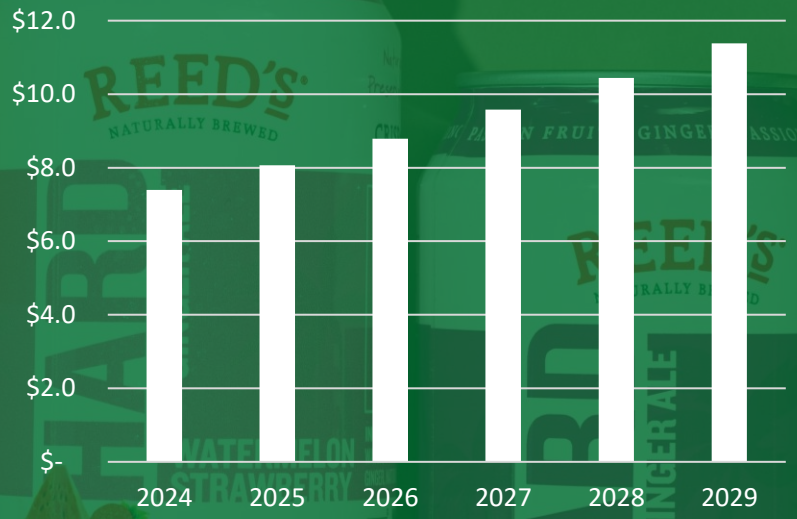
CHALLENGER BRANDS: Hard Ginger/Mules



Disrupting the Expanding FMB Category

- FMBs are in-trend and a natural fit for expansion given our leadership in “All Things Ginger”
- Took over distribution agreement from Full Sail (2022)
 - Reed’s is registered in every state across the country and controls the sales & marketing process
 - Recognize gross revenue vs. royalty going forward
- Currently sold in Club and Natural as well as BevMo/Total Wine and Grocery
- Leveraging our DSD network
 - Currently in 1,400+ doors -> increasing to 10,000+ doors
- Kicked off Mules in Florida through AB InBev network; Hard Ginger launched in Q2 2022

FMB Expected North America Growth¹ | CAGR 9.0%



*in billions USD

1. Source: Future Market Insights (FMI)

Hard Ginger/Mules



NOW, GINGER ALE THAT'S SPIKED!

NEW! HARD GINGER ALE

Naturally Brewed, No Artificial Preservatives, Sweeteners, or Colors

ZERO SUGAR | 100 CAL. | 5% ALC/VOL | MADE WITH FRESH GINGER

Introducing New Reed's Hard Ginger Ale, a premium line of spiked ginger ales with the light, refreshing taste you love and 5% ABV to fuel the fun.

- ✓ 5% Alc./Vol.
- ✓ Zero Carbs
- ✓ 100 Calories
- ✓ Keto
- ✓ Zero Sugar
- ✓ Gluten Free



2x Mango
2x Cherry Lime
2x Watermelon Strawberry
2x Pineapple Coconut



MAKES THE ULTIMATE MULE

REED'S CRAFT ZERO SUGAR GINGER MULE: ENJOY ANYTIME, ANYWHERE!

AMERICA'S #1 GINGER BEER

MADE WITH FRESH GINGER

7% ALC BY VOL

Reed's Zero Sugar Mule is the ultimate ready-to-drink Mule! A convenient, craft beverage from the makers of America's #1 ginger beer, brewed with REAL, fresh ginger root. Now you can experience the taste of ginger in a premium alcoholic beverage.

Serve straight up or over ice, anytime, anywhere. Kick back and enjoy responsibly!



Gluten Free

A hand with a gold bracelet holds a can of Virgil's Zero Sugar Cola. The can is blue and white with a red top, featuring the brand name 'VIRGIL'S' in a stylized font and an illustration of a man with a beard and a dog. The background is a green-tinted image of several other cans of Virgil's Zero Sugar Cola on a tray of ice. The text 'CHALLENGER BRANDS: Virgil's Zero Sugar' is overlaid in white on the green background.

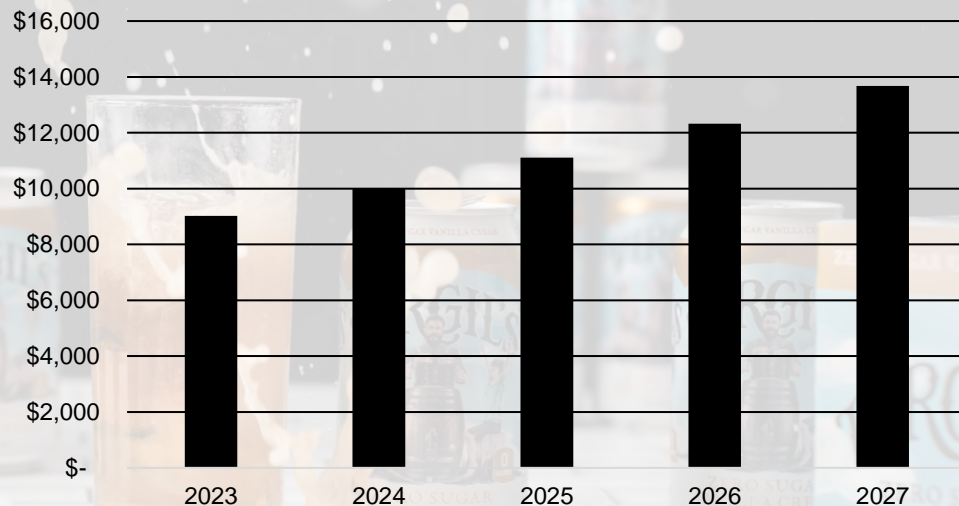
CHALLENGER BRANDS: Virgil's Zero Sugar

Virgil's Zero Sugar



- “Bold Flavor, Zero Aftertaste”
- Zero Sugar rebrand / conversion to cans rolled out in 2019
- Highly profitable category in our portfolio - **~36% of total revenue in 2023**
- 2022: Zero Sugar line extension now includes cold availability
- New Sleek Can + club store variety pack hit the shelves in Q2 2022.

Zero Sugar Expected North America Growth¹ | CAGR 11.0%



1. Source: SPINS, Total US MULO and Natural Enh Channels by Positioning Group Attribute

*in millions USD

NATURALLY BOLD™
VIRGIL'S
ZERO SUGAR

SODA SMARTER.™

GREAT DRINKS DON'T NEED FAKE INGREDIENTS.

KETO



Virgil's has unlocked the secret to great taste with zero sugar using natural sweeteners. Choose from a variety of bold, complex flavors, and enjoy unparalleled refreshment that will put a smile on your face without adding a single calorie to the rest of you. It's time for a smarter choice.

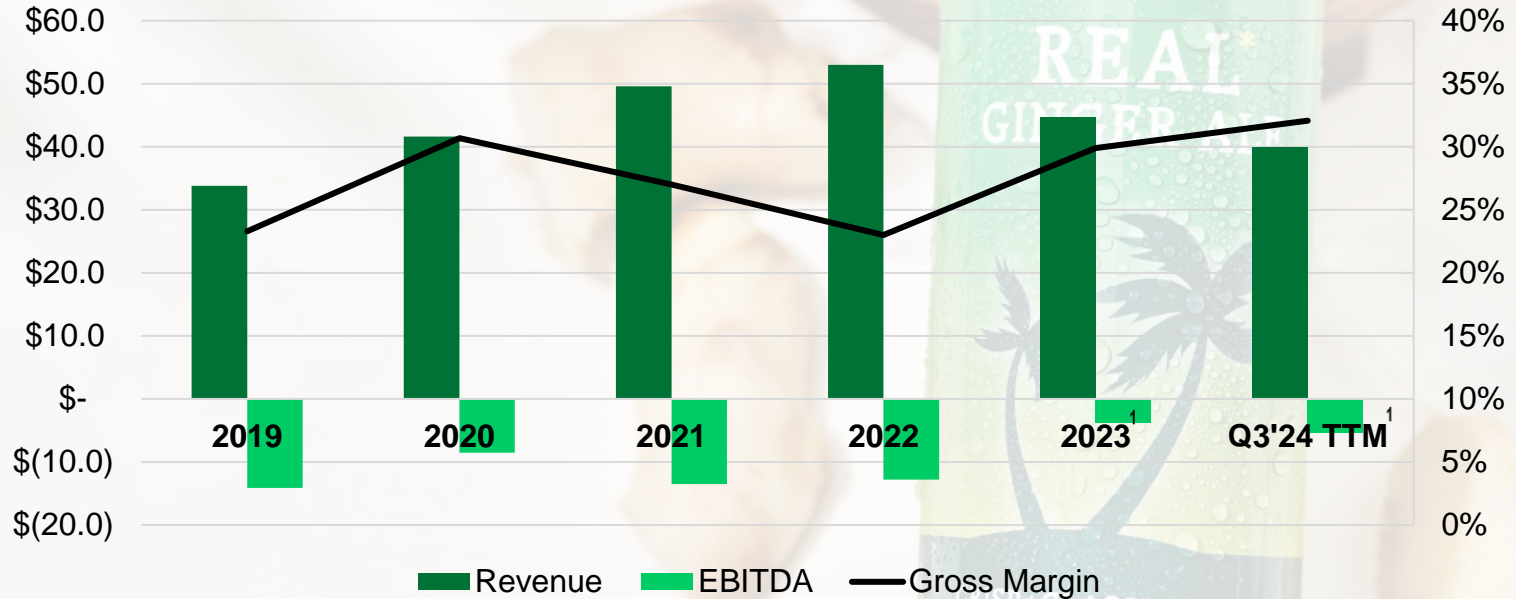




PERFORMANCE

Financial Performance

Key Performance Indicators



¹ Gross Margin excludes one-time, non-cash inventory adjustments and one-time change to policy for discounts

New Management Team has Revitalized Growth

New management team joined Reed's in early 2020

Created new culture of ownership and accountability

Replaced ~60% of management team

2019-2023 net sales growth of 32%

	F18	F19	F20	F21	F22	F23
<i>Cases (000's)</i>	2,324	2,120	2,487	3,022	2,945	2,461
<i>Gross Sales</i>	\$41,974	\$39,300	\$46,801	\$54,658	\$59,464	\$50,689
<i>Discounts</i>	(3,872)	(5,480)	(5,186)	(5,059)	(6,423)	(5,978)
<i>Net Sales</i>	38,102	33,820	41,615	49,599	53,041	44,711
<i>Discontinued</i>	(6,001)	(560)	(556)	0	0	0
<i>Adj. Net Sales</i>	32,101	33,260	41,059	49,599	53,041	44,711
<i>COGS</i>	(27,424)	(25,635)	(28,849)	(36,001)	(40,929)	(31,884) ¹
<i>Gross Profit</i>	10,678	8,185	12,766	13,598	\$12,112	\$13,583 ²
Gross Margin	28%	24%	31%	27%	23%	30% ²

New Management Team Results

¹ Excludes one-time, non-cash inventory adjustments

² Excludes one-time, non-cash inventory adjustments and one-time change to policy for discounts



Investment Highlights

- ✔ Seasoned beverage company with multi-year leading position in the ginger category.
- ✔ Capitalizing on health & wellness tailwinds with new better-for-you ingredients & products.
- ✔ Extensive channel partnerships nationwide with centralized distribution network.
- ✔ Experienced management team accelerating revenue growth through key challenger brands while optimizing cost structure through consistent execution of cost-saving initiatives.
- ✔ Multiple near-term catalysts including proven optimization initiatives, deeper penetration with channel partners, and continued growth in ginger ale and RTD alcoholic beverage category.

CONTACT

Company Contact

Joann Tinnelly
Chief Financial Officer
(203) 890-0551

Investor Relations Contact

Sean Mansouri, CFA or Aaron D'Souza
Elevate IR
ir@reedsinc.com
(720) 330-2829



WWW.DRINKREEDS.COM | WWW.VIRGILS.COM | WWW.FLYINGCAULDRON.COM

A group of people are sitting on a wooden deck outdoors. A woman in the center is smiling and looking down at a small green jar she is holding. To her left, a man is partially visible, holding a cigarette. In the foreground, the back of a person's head and shoulders is visible. The background shows a grassy area with some fallen leaves. A large green rectangular overlay covers the middle of the image, with the word "APPENDIX" written in white, bold, sans-serif capital letters in the center.

APPENDIX

Non-Alcoholic Beverages



FULL SUGAR

ZERO SUGAR



FULL SUGAR

ZERO SUGAR



ZERO SUGAR



FULL SUGAR



Alcohol



HARD GINGER ALE

Seasonal





YTD 2024 COMMERCIAL ACCOMPLISHMENTS

Top Line Successes: Highlights accomplishments from YTD 2024 from the National, East, West, Central Divisions, & E-commerce and a peak into 2025.

YTD 2024

NATIONAL

WEST

CENTRAL

EAST

E-COMMERCE



- Executed Seasonal Program Nationally
- 4 New SKUs (Functional Assortment) added into 6 Divisions for May 2025 distribution, totaling over 600 POD



- Moved into Mixers Department, high likelihood of 7.5oz can distribution in 2025. Final Results still pending
- Presenting for new Modern Soda Category in Feb 2025



- Secured first secondary display program on Reed's branded products
- Added 2 new Reed's items.
- Adding all 2 new Virgil's Handcrafted cans going into distribution now.
- Over 700 New POD



- Soda Multipack Conversion to from Glass to Cans approved for March 2025 on Virgil's Handcrafted Line
- Successful national alcohol display in July 2024. (Reed's Mule & Hard Ginger Ale)
- Hard Ginger Ale Added to Core Schematic



- 4 rotations - PNW, TX, MW & Biz Centers.
- Club Exclusive SKUs distributed included Reed's Mini Ginger Beer cans, Reed's Winter Ginger Ale Variety Pack, Virgil's Handcrafted Cans and Virgil's Zero Sugar cans.
- Continued upside into 2025 with 2 new items, Classic Mule and Harvest Spiced Cider



- Executed 3 secondary displays in 2024 Adding all 5 new Virgil's Handcrafted cans going into distribution Feb 2025.
- Secured 4 secondary displays for 2025



- Over 200 new POD single serve cold.
- 3 National Soda Displays secured and executed, with 4 planned for 2025
- High likelihood of 5 new Items for 2025 resets, final results still pending



- Gained 7 new items totaling 1200 new POD
- Switched RTM to DSD and secured display for 2025



- Added 1 new Virgil's SKU in schematic
- Executed first Seasonal Display Program



- Approved Flying Cauldron nationally Feb 2025 w/ secondary displays
- Approved conversion from Virgil's Root Beer Glass to Cans



- 5 new items, and single serve cold item expansion totaling over 1000 new POD
- Impactful Secondary Distribution throughout chain



- 5 New Virgil's Handcrafted cans going into distribution in Feb 2025
- Executed 1 Ad/Secondary in 2024 and confirmed 1 in 2025.



- RTM Change / Improvement
- 3 items set up and approved for distribution, 8 new items. 2640 potential new POD, expected to begin in January 2025



- Replaced Bundaberg as only Ginger Beer.
- Executed First Seasonal Harvest Cider Program this fall



- Ecommerce Sales now top \$70K monthly, 30K Shopify / \$40k Amazon
- Approaching 500 subscriptions on Shopify



Old Country Store



Reed's Executive Team



Norman E. Snyder
Chief Executive Officer

- Appointed CEO in March 2020.
- 20+ years of operations experience in the beverage industry.
- Experience working alongside John Bello at SoBe and NFL Properties.
- Has experience in all facets of the beverage industry – sales, marketing, operations and finance.



Joann Tinnelly
Chief Financial Officer

- Appointed CFO in October 2023.
- 30+ years of finance and accounting experience in global public and private equity company environments.
- Previously assumed the position of Interim CFO of Reed's at the end of 2019 and early 2023.



Chris Burleson
Chief Commercial Officer

- Joined Reed's in February 2023.
- 15+ years of progressive sales leadership experience with companies such as Fever-Tree Drinks, Voss Water and Jones Soda.
- Previous experience as Chief Commercial Officer for Kin Euphorics, a start-up beverage company where he oversaw distribution implementation and product commercialization.

Reed's Board of Directors

Shufen Deng

- Elected to the board in July 2023.
- 30+ years of legal, M&A, and capital markets experience for both public and private companies.
- Sole shareholder and Director of D&D Source of Life Holdings Ltd., the Company's largest shareholder.

Randle Lee Edwards

- Elected to the board in December 2023.
- 25+ years of corporate law experience advising international companies on a broad range of public and private M&A transactions, venture capital and private equity deals, as well as the establishment or dissolution of JVs.
- Holds a Bachelor of Arts from Columbia College and J.D. from Columbia University.

Sam Van

- Elected to the board in October 2024.
- 20+ years of experience in capital markets, business development, and regulatory compliance, having held leadership roles at the New York Stock Exchange, FINRA, and Global Markets Advisory Group, among others.
- Holds a Bachelor of Science in Finance from St. John's University and Master of Business Administration from Cornell University.

Norman E. Snyder

- Appointed CEO in March 2020.
- 20+ years of operations experience in the beverage industry.
- Extensive experience working at SoBe and NFL Properties.
- Has experience in all facets of the beverage industry – sales, marketing, operations and finance.

Lewis Jaffe

- Elected to the board in August 2016.
- Served in executive management positions with Oxford Media, Verso Technologies, Inc., Wireone Technologies and Pictoretel Corporation.
- Holds a Bachelor of Science from LaSalle University and earned a Masters of Professional Director Certification from the American College of Corporate Directors.