
Confidential
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zevia®
Q4 2021 FINANCIAL RESULTS
FEBRUARY 24, 2022

SAFE HARBOR STATEMENT

This presentation and the related earnings press release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as “guidance,” “believe,” “anticipate,” “expect,” “estimate,” “intend,” “project,” “plan,” or words or phrases with similar meaning. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements contained in this presentation and the related earnings press release relate to, among other things, statements regarding the anticipated growth, distribution and velocity. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, the ability to develop and maintain our brand, change in consumer preferences, and other economic, competitive and governmental factors outside of our control that may cause our business, strategy or actual results to differ materially from the forward-looking statements. We do not intend and undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. Investors are referred to our filings with the U.S. Securities and Exchange Commission (“SEC”), including our Form 10-Q , for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement. The Company’s SEC filings are available at no charge at www.sec.gov and at the Company’s website at https://investors.zevia.com/.

Non-GAAP Financial Information

We use a financial measure in this presentation and the related earnings press release that is not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”), Adjusted EBITDA. The Company’s management believes that this information can assist investors in evaluating the Company’s operational trends, financial performance, and cash generating capacity. Management believes this non-GAAP financial measure allows investors to evaluate the Company’s financial performance using some of the same measures as management. We calculate Adjusted EBITDA as net loss, the most comparable GAAP measurement, adjusted to exclude: (1) other income (expense), net, which includes interest (income) expense, foreign currency (gains) losses, and (gains) losses on disposal of fixed assets, (2) provision (benefit) for income taxes (3) depreciation and amortization and (4) equity-based compensation. Adjusted EBITDA may in the future also be adjusted for amounts impacting net income related to the Tax Receivable Agreement liability. We believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business, determining incentive compensation and evaluating our operating performance, as well as for internal planning and forecasting purposes. These non-GAAP financial measures are designed to supplement, and not substitute the Company’s financial information presented in accordance with GAAP. The non-GAAP financial measures as defined by the Company may not be comparable to similar non-GAAP financial measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that the Company’s future results, cash flows or leverage will be unaffected by other unusual or non-recurring items. Reconciliations of the Company’s non-GAAP financial measures to the most directly comparable GAAP financial metrics are available in the Company’s related earnings press release and on the Company’s website at https://investors.zevia.com/.

WE

ARE

an ESG company addressing global health and sustainability by providing a platform of great-tasting, naturally sweetened, zero-sugar beverages, without selling a single plastic bottle.



WE

BELIEVE

in supporting the health of individuals, of the communities in which we live, and in becoming 1% better every day.

we are

ZEVIA



GREAT TASTE

Deliciously refreshing with all the flavor you crave.



ZERO CALORIE

Guilt-free alternative to sugary sodas and beverages.



PLANT-BASED INGREDIENTS

Only a handful of ingredients that shoppers can easily pronounce.



SUSTAINABLE PACKAGING

Reducing plastic waste by using only aluminum cans.



DEMOCRATIZING HEALTH

Affordable for a broad range and perfect for all ages.

the ZEVIA
SOLUTION



KIDS | **TEA** | **SODA** | **ENERGY** | **MIXER**

AUTHENTIC, ESG-FOCUSED Beverage Brand Addressing Global Sugar and Plastic Challenges

HIGH GROWTH COMPANY with **STRONG CONSUMER ADVOCACY**

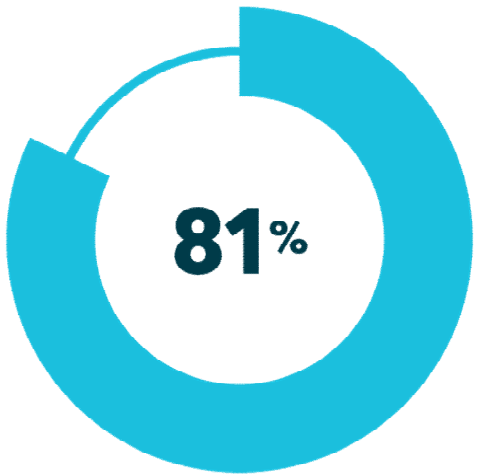
ASSET-LIGHT BUSINESS MODEL with Compelling Financial Characteristics

Proven Traction in **KEY RETAIL/ECOMMERCE CHANNELS**, with Significant **US AND GLOBAL WHITESPACE**

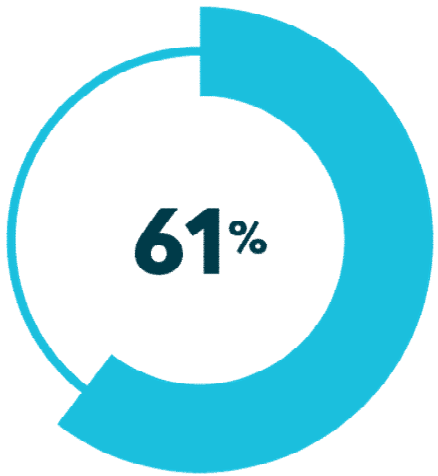
goodbye SUGAR



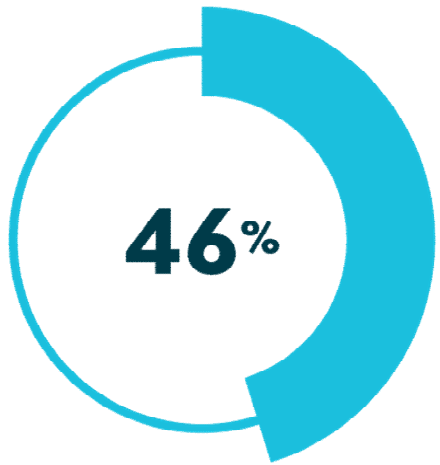
CONSUMERS ARE DISCERNING ABOUT INGREDIENTS, ESPECIALLY SUGAR



are seeking to reduce sugar



are seeking to reduce artificial sweeteners



are influenced by claims on packaging

Source: Food Technology Magazine, May 1 2021, Nielsen Survey and NPD Consumer Group

by THE NUMBERS

ZEVIA LEADS THE PACK IN ZERO-CALORIE BRANDS

ONE
platform brand

>1B
cans sold to date

#1
CSD brand in natural enhanced channel

#1
CSD brand on Amazon



NEW ZEVIA HOUSEHOLDS IN 2021
+1 MILLION

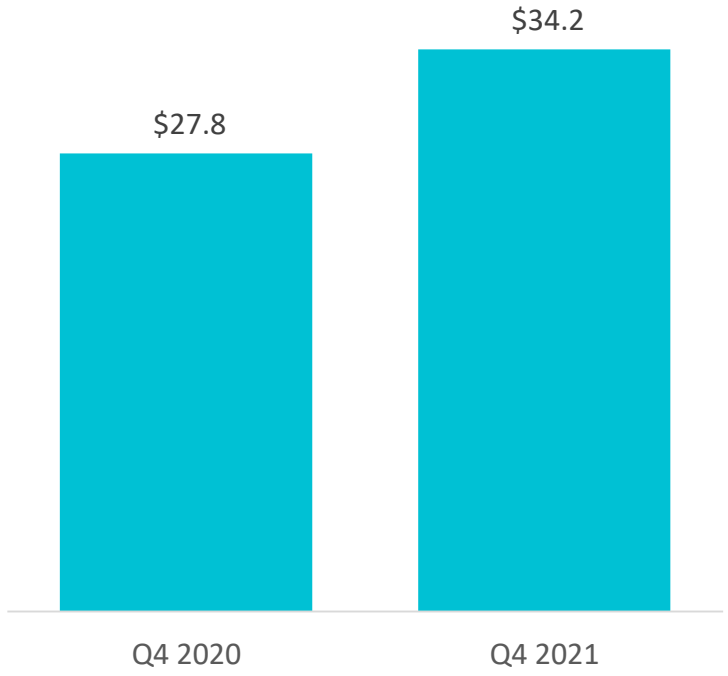
Source: SPINScan Data through 12/26/2021; Stackline Data through 12/31/2021; Numerator Shopper Metrics Report for 12M ending 12/31/2021

FINANCIAL RESULTS



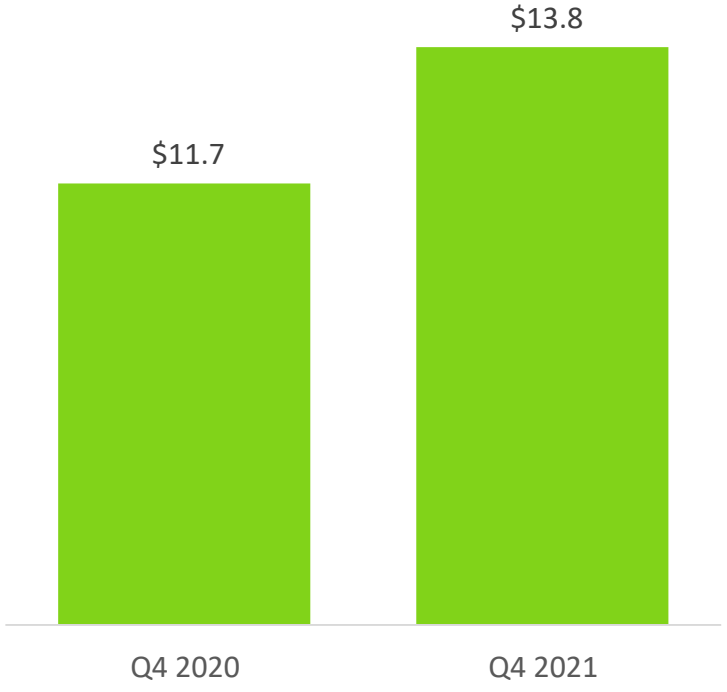
Q4 2021 FINANCIALS OVERVIEW – YEAR OVER YEAR
($ IN MILLIONS)

Net Sales



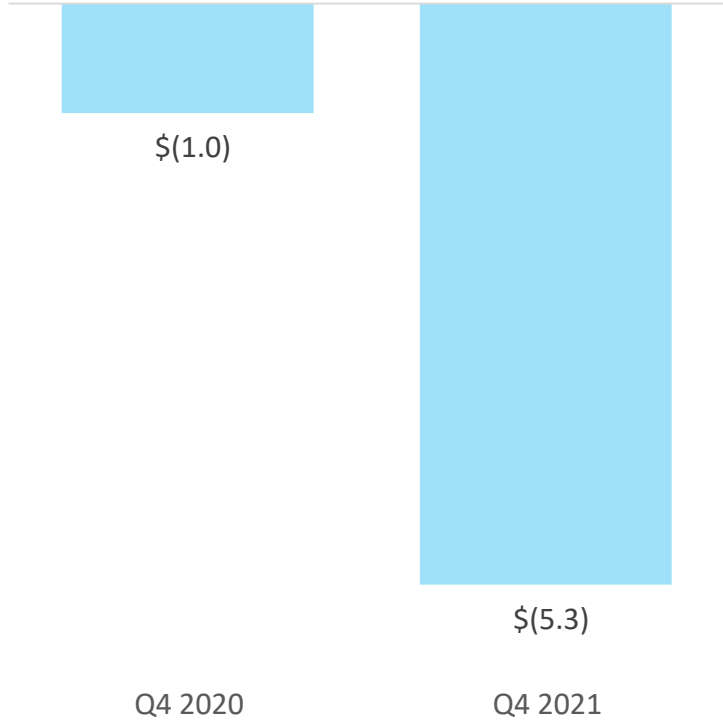
% Growth	
23%	*23%*

Gross Profit



% Margin	
42%	*40%*

Adjusted EBITDA[1]

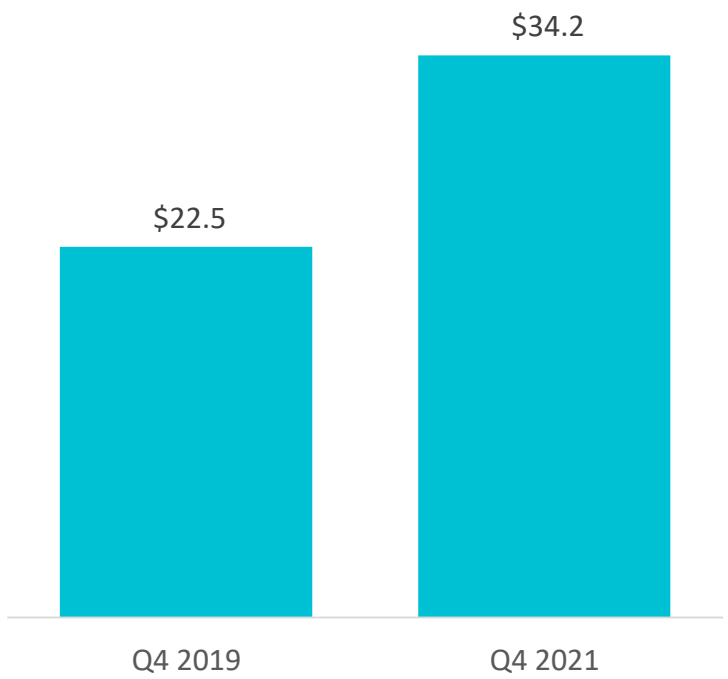


% Margin	
(4)%	*(15)%*

[1] *Adjusted EBITDA is a non-GAAP financial measure that adds back other income (expense), net, provision (benefit) for income taxes, depreciation and amortization, and equity-based compensation. See appendix to this presentation for a discussion of this measure and a reconciliation to the most directly comparable GAAP measure.*

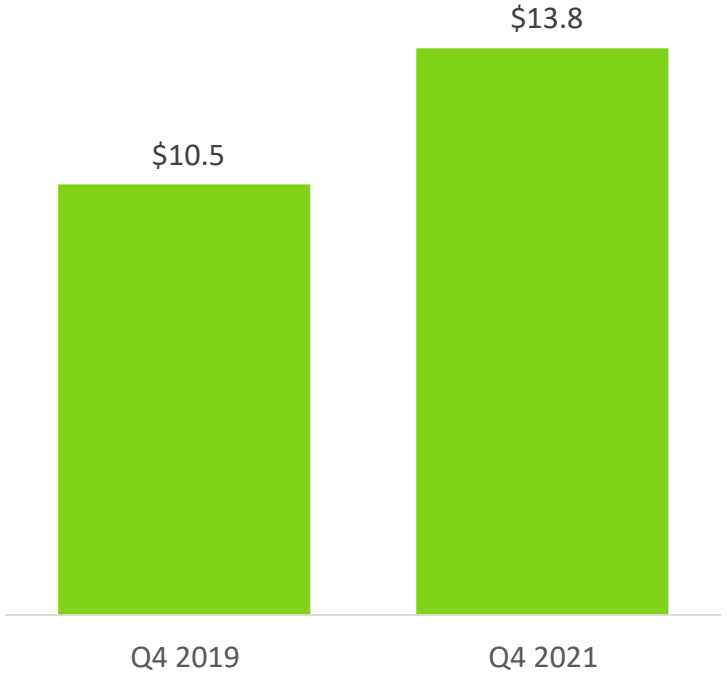
Q4 2021 FINANCIALS OVERVIEW - TWO YEAR GROWTH
($ IN MILLIONS)

Net Sales



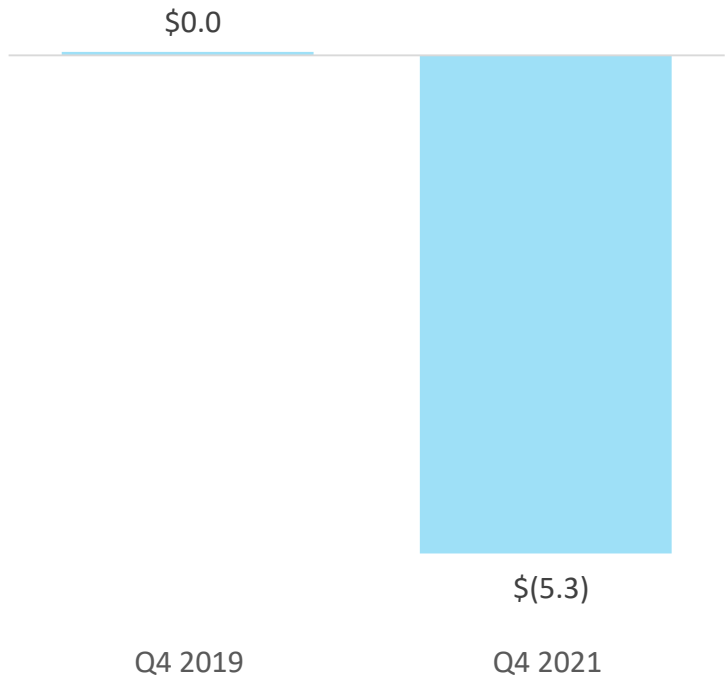
% Growth
52%

Gross Profit



% Margin	
46%	*40%*

Adjusted EBITDA[1]

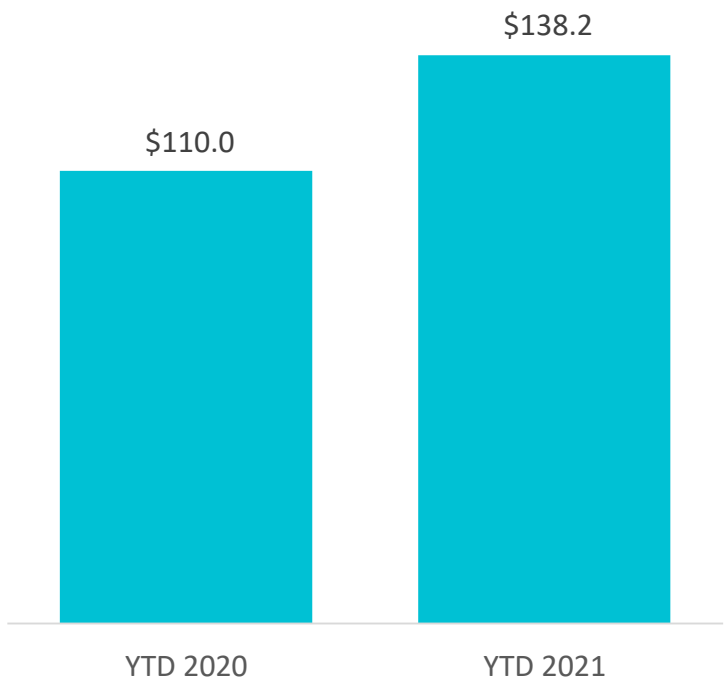


% Margin	
0%	*(15)%*

[1] *Adjusted EBITDA is a non-GAAP financial measure that adds back other income (expense), net, provision (benefit) for income taxes, depreciation and amortization, and equity-based compensation. See appendix to this presentation for a discussion of this measure and a reconciliation to the most directly comparable GAAP measure.*

2021 FINANCIALS OVERVIEW – YEAR OVER YEAR
($ IN MILLIONS)

Net Sales



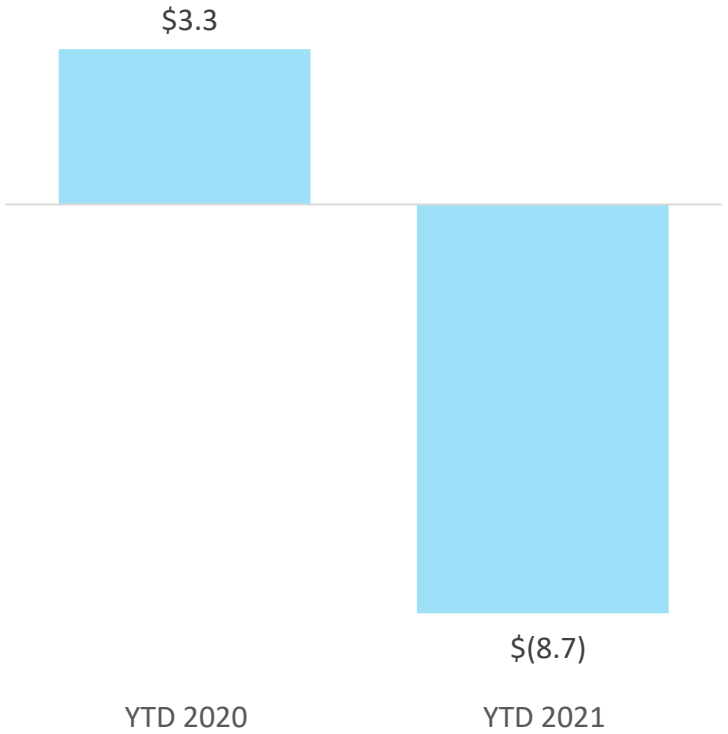
% Growth	
29%	*26%*

Gross Profit



% Margin	
45%	*44%*

Adjusted EBITDA[1]

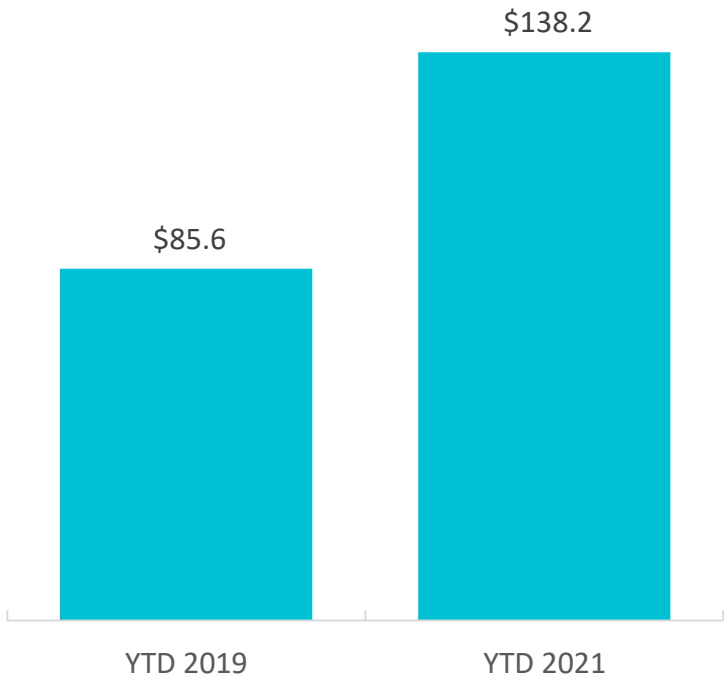


% Margin	
3%	*(6)%*

[1] *Adjusted EBITDA is a non-GAAP financial measure that adds back other income (expense), net, provision (benefit) for income taxes, depreciation and amortization, and equity-based compensation. See appendix to this presentation for a discussion of this measure and a reconciliation to the most directly comparable GAAP measure.*

2021 FINANCIALS OVERVIEW – TWO YEAR GROWTH
($ IN MILLIONS)

Net Sales



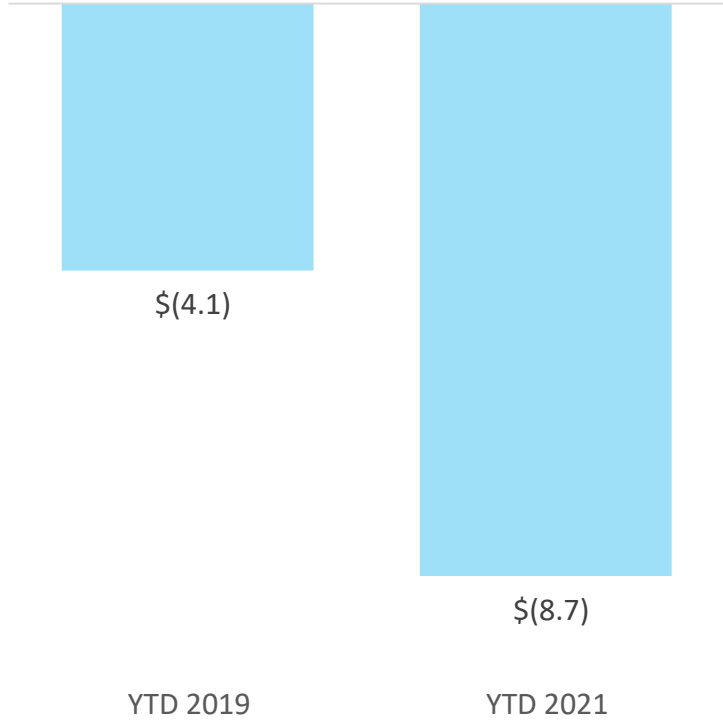
% Growth
61%

Gross Profit



% Margin	
43%	44%

Adjusted EBITDA[1]



% Margin	
(5)%	(6)%

[1] *Adjusted EBITDA is a non-GAAP financial measure that adds back other income (expense), net, provision (benefit) for income taxes, depreciation and amortization, and equity-based compensation. See appendix to this presentation for a discussion of this measure and a reconciliation to the most directly comparable GAAP measure.*

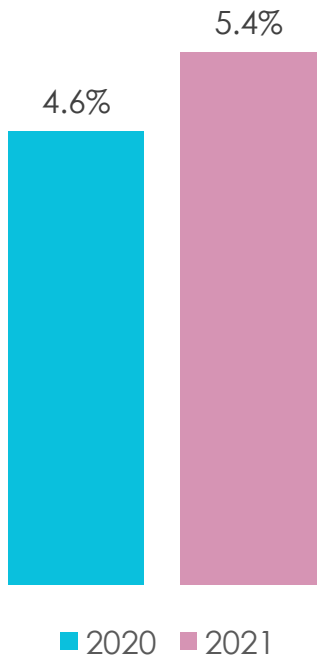
RECENT DEVELOPMENTS

SYNDICATED DATA & COMPANY INITIATIVES

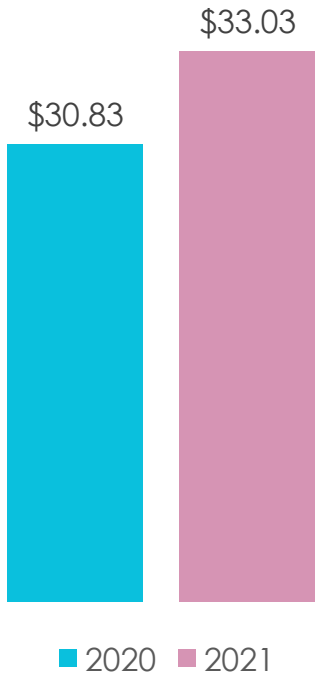


CONSUMER PANEL METRICS

Household Penetration

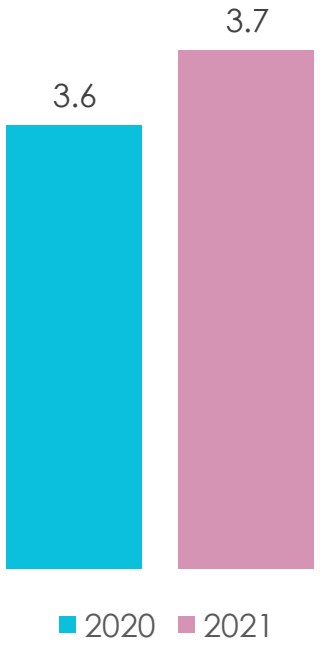


% household penetration

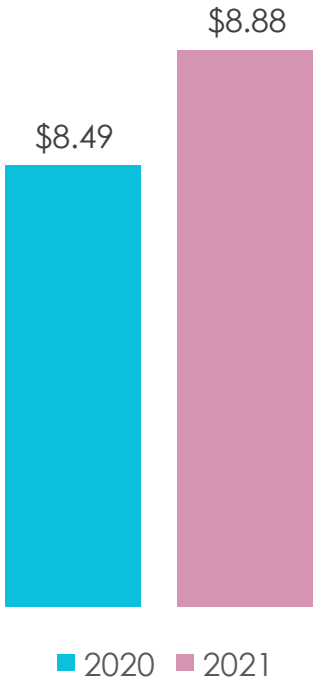


Dollar sales per household

Purchase Trends



Purchase Frequency



Dollar sales per trip

Source: Numerator Shopper Panel Data for 12M ending 12/31/2021 versus Year Ago

ESG METRICS & ACHIEVEMENTS



Sugar Reduction

Eliminated another three thousand metric tons of sugar from our consumers' diets



Plastic Reduction

Eliminated another 40 million plastic bottles from littering roadways, waterways and communities



Certified B Corporation

Affordability Index

Zevia remains **more affordable than 64% of all non-alcoholic beverages** on price, at $0.07/ounce





Company Culture

Recognized for **Best Company Culture** and **Best Companies for Women** among small and mid-sized companies by Comparably, as measured by anonymous employee surveys

STRATEGIC INITIATIVES

Unit Economics



Managed rising COGS, **resulting in a 3.5% increase** per case

Realized **8% price increase** on fast-growing 10pk soda business

Communicated **additional pricing actions** across packages, channels and geographies

Innovation



Three new and improved citrus flavors in market now, winning new distribution

Two new Energy Drink flavors in 3K new stores in Q1, with distribution still growing

Soda singles launch in 12oz sleek cans with top customers in Q2

Two 6-pack Summer flavor LTO on display in 2,500 stores June-July

Channel Expansion



Launched nationally in Warehouse Club in the US and Canada, where **>65% of our of buyers are new** to the brand

…and >75% of Zevia buyers have never bought soda at that store!

Source: Numerator Shopper Metrics Report for 12M ending 12/31/2021

GROWTH INITIATIVES

Velocity
- *New items, increased in-store presence and enhanced merchandising in Natural, Food and Mass*

Expansion
- *New package formats and categories beyond Soda drive expansion in Food, Mass and eCommerce*

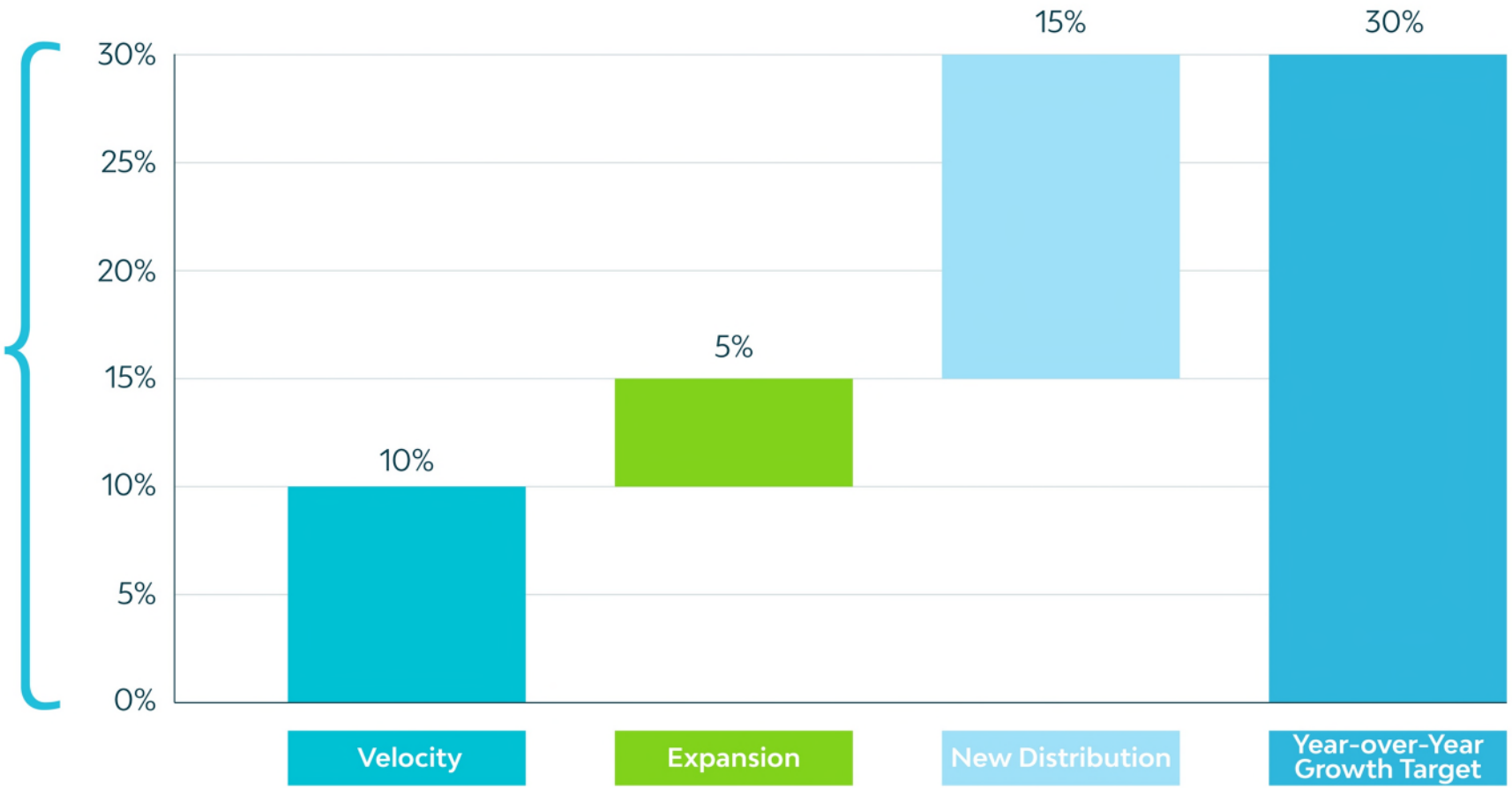
New Distribution
- *New distribution and categories in Warehouse Club drive volume and incrementality*



Long-Term Target

GROWTH ALGORITHM

Innovation (new products)
Marketing (awareness, trial)



APPENDIX



PROFIT & LOSS AND ADJUSTED EBITDA RECONCILIATION
($ IN MILLIONS)

	YE 2019	YE 2020	YE 2021	Q4 2020	Q4 2021
Net Sales	**$85.6**	**$110.0**	**$138.2**	**$27.8**	**$34.2**
% Growth	*28%*	*29%*	*26%*	*23%*	*23%*
Cost of Good Sold	$48.7	$60.5	$77.0	$16.1	$20.4
Gross Profit	**$36.9**	**$49.5**	**$61.2**	**$11.7**	**$13.8**
Gross Margin	*43%*	*45%*	*44%*	*42%*	*40%*
Selling and Marketing Expenses	$27.6	$27.3	$42.4	$7.7	$10.9
General and Administrative Expenses	$13.3	$18.8	$27.5	$5.0	$8.2
Equity-based Compensation Expense	$0.6	$7.9	$77.7	$7.8	$31.9
Depreciation and Amortization	$0.8	$0.9	$1.0	$0.2	$0.3
Loss from Operations	**($5.5)**	**($5.5)**	**($87.4)**	**($9.0)**	**($37.5)**
Other Income (Expense), Net	($0.0)	($0.6)	($0.2)	($0.1)	$0.0
Net Loss	**($5.4)**	**($6.1)**	**($87.7)**	**($9.0)**	**($37.4)**
Net Loss to Adjusted EBITDA Reconciliation					
Net Loss	($5.4)	($6.1)	($87.7)	($9.0)	($37.4)
Other expense (income), net[1]	$0.0	$0.6	$0.2	$0.1	($0.0)
Depreciation & Amortization	$0.8	$0.9	$1.0	$0.2	$0.3
Equity-based Compensation Expense	$0.6	$7.9	$77.7	$7.8	$31.9
Adjusted EBITDA[2]	**($4.1)**	**$3.3**	**($8.7)**	**($1.0)**	**($5.3)**

[1] Includes interest (income) expense, foreign currency (gains) losses, and (gain) losses on disposal of fixed assets. [2] Represents a non-GAAP financial measure and is presented for supplemental informational purposes only. Summations may not foot due to rounding.