

Opportunity to purchase a branded ginger candy business

Reed's, Inc. ("Reed's" or the "Company") is a manufacturer, marketer, and seller of handcrafted, natural non-alcoholic carbonated soft drinks. The Company has previously announced plans to streamline its business model and focus on becoming a sales and marketing driven organization with the primary objective of accelerating growth of the Reed's and Virgil's core beverage product offerings. The Company has engaged Gordon Brothers to manage the sale of its non-core products, including its Candy Division. The Candy Division products include Reed's® brand Crystallized Ginger and Ginger Chews products.

This transaction is a unique opportunity to purchase a ginger candy business with strong brand recognition in the natural and specialty food industry. Reed's ginger brew is currently sold in over 25,000 stores nation-wide, with hundreds of millions of bottles of its best-in-class product sold since its launch in 1987. Reed's brand was the best-selling ginger beer brand in the US in 2017 based on measured channel data. The Company plans to invest millions of dollars in 2018 and beyond to further drive increased Reed's brand awareness and value.

The sale will include the exclusive rights to the Reed's brand license for the Candy Division products and access to existing customer relationships as well as the Company's supplier relationships. As a non-core product division, the Candy Division has been relatively underinvested within the Company. With an investment of capital and personnel, the Reed's Candy Division has the potential for significant growth within both its existing and potential customer base.

Crystallized Ginger Ginger Chews

- Sourced from a vendor in the South Pacific Islands.
- Ingredients include diced baby ginger root and raw cane sugar.
- Available in original and chocolate-covered flavors.
- Free of preservatives, caffeine, gluten, and GMOs.
- Possible health benefits of ginger, which include relieving nausea, loss of appetite, motion sickness, and pain, among others.

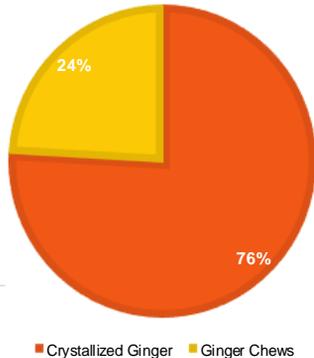
- Sourced from a vendor in Indonesia.
- Ingredients include sugar, ginger root, and tapioca starch.
- Available in original and peanut butter-ginger flavors.
- Free of preservatives, caffeine, gluten, and GMOs.

Financial Performance and Top Customers (1)

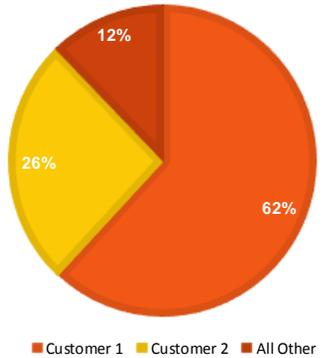
Revenue and Gross Profit



2017 Category Sales



2017 Customer Concentration



(1) Customer 1 and Customer 2 are large distributors of natural, organic, and specialty foods that serve multiple end customers.

Product Offerings



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