

SupplySide[®]
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How to build a great-tasting functional beverage

Underwritten by:



Show Announcements:

- We would like to thank Sweegen for Underwriting this Session
- Download the Mobile App to view the Exhibitor List, Show Schedule, Floor Plan and our Sponsors.
 - Thank you to our Mobile App sponsor: **Epicor. (Booth 4465)**
- Wi-Fi – Sponsored by **Cactus Botanicals (Booth 4237)**
 - Select network: **SupplySideWest23**
 - On the splash page, agree to terms & conditions
 - Enter access code: **cactus4237** (access code is case sensitive)
- Please place all devices on silent mode
- The Expo Hall is open today from 10am – 5:00pm.
- What's Up With Supps is tonight from 5-11pm at the House of Blues at Mandalay Bay.
Separate registration is required.



How to build a great-tasting functional beverage



Suzy Badaracco
Culinary Tides, Inc.



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Health Drivers: Cognitive Function & Obesity

Suzy Badaracco

Culinary Tides, Inc.

Health Drivers: Cognitive Function & Obesity

Significance

Cognitive function encompasses stress, sleep, anxiety, and depression. As consumers adjust to a new higher set point for fear in their lives (due to COVID-19), their field of vision expands and now includes obesity, digestion, performance, and even aging concerns.

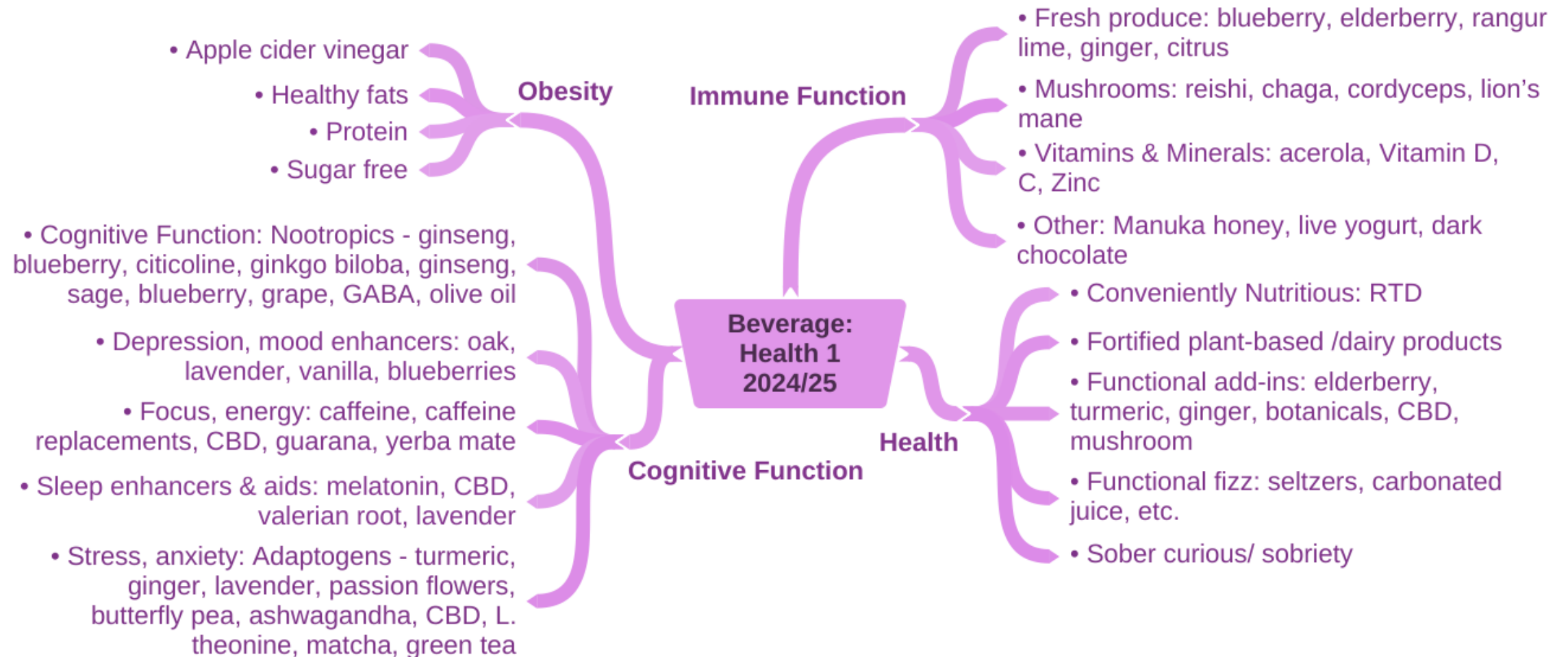
Interaction of food and function allows consumers to feel in control of health, diet, and lends autonomy.

Poster Children

- Immunity strength/ health
- Stress-reduction
- Sleep
- Anxiety
- Mood, depression
- Microbiome
- Nootropics
- Adaptogens
- Energy
- Sports, Performance
- Healthful aging
- Beauty

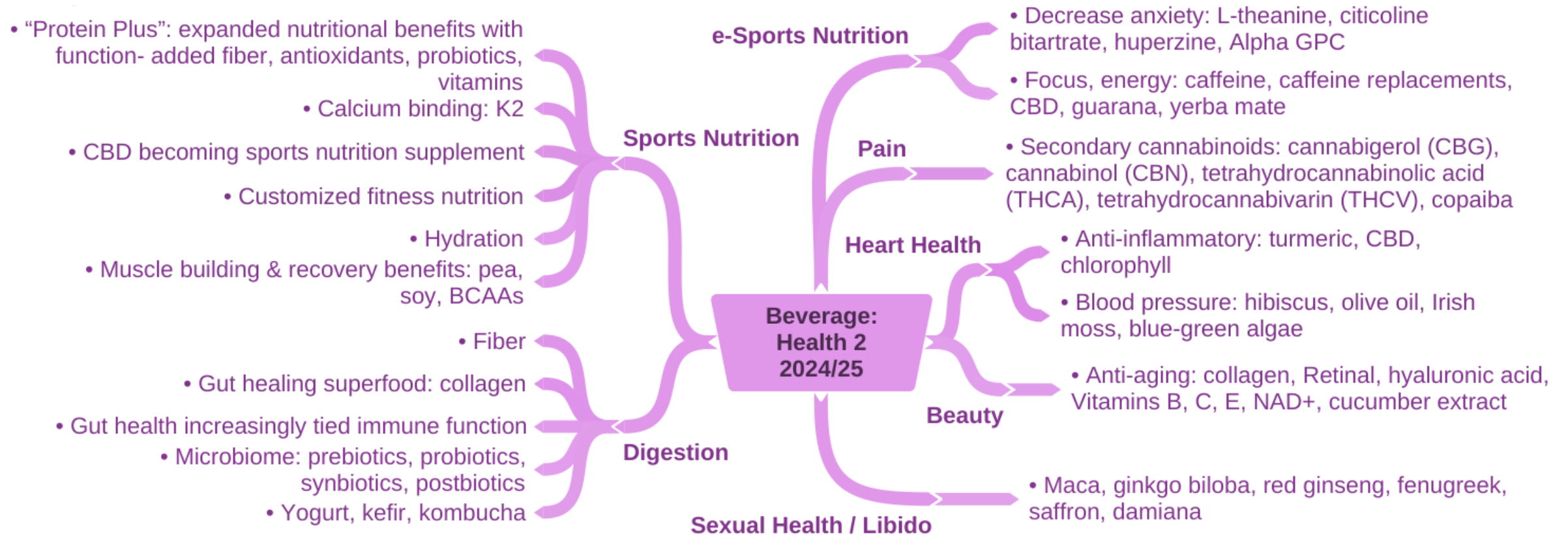
Health Drivers

Functional Ingredients



Health Drivers

Functional Ingredients



Alcohol vs. Non-Alcohol Consumption Patterns

Alcohol

- Overall consumption ↓
- Premium spirits ↑
- Regional beer & cider ↑
- RTD cocktails ↑: led by rum, tequila

Non-Alcohol

- Overall consumption ↑
- Water ↓
- Functional beverage ↑
- Energy beverage ↑

What will reverse
this pattern??

- Economic recovery
- Recession

Beverage Ingredient Criteria & Innovation

Alan Roberts
Nutrition Innovation

Beverage Ingredient Criteria : 8 C_s

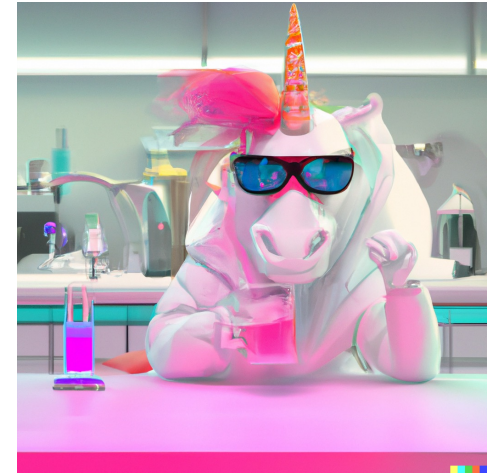


AI Image: "Unicorn Ingredient"

- + **C**linicals, **C**laims & **C**ategories – MOA & supporting science
- + **C**ost & **C**hance – low \$ and small dose allows API & ingredient synergies
- + **C**ensory_(sic) – ingredient organoleptic properties (taste, color, odor, texture)
- + **C**ompatibilty – ingredient in multiple product forms (Cap ↔ RTM ↔ RTD)
- + **C**ompliance & **C**ompliance – regulatory (ODI, NDI, GRAS) & Sup. v. Nut. Facts
- + **C**o-Branding & **C**onsumer Awareness – utilizing logo and trademark to increase brand awareness and leverage ingredient supplier's IP (clinical studies, trademark & patents)

Functional Beverage Innovation

- + **Project Brief** – key product attributes (certs., categories, claims, ingred. type nat. v. syn.)
- + **Ingredient Discovery**
 - + Candidate ingredient presentation and ingredient supplier introductions + presentations
- + **Formulation & Prototypes**
 - + Ingredient screening (taste, color, odor, texture) with functionality and claims in mind
 - + Competitor Landscape – category, cost / serving , product format (12 oz. conv. v. sleek), nutritional + ingredients
 - + Beverage / Prototype Development – create active base to develop flavor system in-house or send to flavor house
 - + Full disclosure formulation of actives and cost / serving
- + **Product Commercialization**
 - + Provide product formulations to contract manufacturer for prototype development
 - + Finalize packaging (Facts panel & romance copy) and BOM (beverage case configuration and palletization)
 - + Approve contract manufacturers beverage prototypes prior to commercialization
 - + Follow-up with suppliers throughout the entire production process



AI Image: “Unicorn R&D beverage development in a Rainbow Lab”

Making functional beverages requires chemistry & physics

Dr. Harold Han

Vertosa

Step 1

Start with your consumer first, not flavor.

+ Ask yourself:

What experience do you want to create?

What ingredients would best create that experience?

Step 2

Know your market's legal landscape.

Understand fragmentation of “hemp” and “cannabis”

Don't rely purely on what suppliers sell you

Focus on consumer safety

Self-police for self-preservation

End – Thank You