



CANNAE
HOLDINGS, INC.

Cannae Holdings, Inc. and KDSA to Acquire Majority Stake in The Watkins Company

October 7, 2024

*~Private Investment in 156-Year Old Flavoring Products Company That Is Positioned for Long Term Growth and Profitability~
~Cannae, KDSA and Existing Ownership Partnering to Drive Long Term Value Creation~*

LAS VEGAS--(BUSINESS WIRE)--Oct. 7, 2024-- Cannae Holdings, Inc. (NYSE: CNNE) ("Cannae" or the "Company") in partnership with KDSA Investment Partners ("KDSA") announced today an agreement to acquire a majority stake in The Watkins Company ("Watkins"), a 156-year-old American heritage brand renowned for its high-quality flavoring products. This strategic investment aims to leverage the strengths of both Cannae and KDSA to drive growth and innovation for Watkins's fast-growing portfolio of flavoring products including spices, seasonings, and extracts. The current majority owner and Chairman, Mark Jacobs, will roll a significant equity stake into the transaction. The transaction, which is subject to customary closing conditions, is expected to close in October 2024.

Watkins is positioned as a premium but affordable brand in spices, seasonings & extracts, and as a leader in the natural and organic space, offering high-quality products with a long history of craftsmanship and expertise in flavoring. Watkins has a substantial foundation and runway for growth both within retail, including new and existing customers, and other new channels and geographies.

William P. Foley, II, Chairman and CEO of Cannae, commented, "This acquisition reflects the opportunity for Cannae to make a private investment into one of the fastest growing segments within the U.S. food industry. The spices and seasonings category benefits from long-term secular consumer tailwinds, and Watkins is well positioned as a high-quality, premium brand. We look forward to partnering with Mr. Jacobs, KDSA, Mr. Rigley and the entire Watkins management team and believe that our combined resources and experience will enable Watkins to achieve new heights going forward."

"This partnership with Cannae and KDSA is an exciting opportunity for our company and our brand", said Mark Jacobs, Chairman of Watkins. "We are thrilled to collaborate with such experienced and visionary investors and operators to continue our legacy and expand our reach."

"We are looking forward to partnering with Cannae and the team at Watkins to support the company's continued expansion and build on its tremendous success and strong brand heritage," said David Knopf, Co-Managing Partner of KDSA. "As owner-operators specializing in the food sector, we see huge opportunities for the business to continue to grow both organically and inorganically and look forward to supporting the team in its mission to deliver exceptional products to consumers."

"We are looking forward to the future with great optimism," said JR Rigley, CEO of Watkins. "This new chapter will allow us to continue to build on our rich legacy while exploring new avenues for growth and innovation. Together with Cannae and KDSA, we will ensure that Watkins remains a leader in the flavoring industry. Guaranteeing that Watkins continues to operate efficiently and effectively while maintaining a steadfast commitment to quality for consumers is our utmost priority."

Intrepid Investment Bankers acted as the exclusive financial advisor to Watkins. Fifth Third Securities acted as the exclusive financial advisor to KDSA. Sklar Kirsh is serving as legal advisor to Watkins; Cooley is serving as legal advisor to Cannae; and Greenberg Traurig is serving as legal advisor to KDSA.

About Cannae Holdings, Inc.

We primarily acquire interests in operating companies and are actively engaged in managing and operating a core group of those companies. We believe that our long-term ownership and active involvement in the management and operations of companies helps maximize the value of those businesses for our shareholders. We are a long-term owner that secures control and governance rights of other companies primarily to engage in their lines of business and we have no preset time constraints dictating when we sell or dispose of our businesses.

About KDSA Investment Partners

KDSA is an investment partnership focused on founder-led and family-owned businesses in the food and beverage industry. Co-Founders David Knopf and Andrew Souza established KDSA to acquire and grow businesses with long-term capital, utilizing their extensive operational and investing experience, industry relationships, and network of experienced operating partners to drive long-term growth in its portfolio companies. For more information, visit [KDSA Investment Partners](#).

About The Watkins Company

From the bluffs high above the Mississippi River in Winona, Minnesota, comes the purity of The Watkins Company. For over 150 years, Watkins has been heralded as purveyors of flavor, with an unwavering commitment to crafting award-winning gourmet flavoring products from high-quality, natural ingredients, without the use of artificial flavors and colors, GMOs, corn syrup or gluten. For more information on The Watkins Company, please visit www.watkins1868.com.

Forward-Looking Statements and Risk Factors

This press release, and any related oral statements contain forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding our expectations, hopes, beliefs, plans, intentions, or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not

statements of fact, actual results may differ materially from those projected. Except as required by applicable law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties that forward-looking statements are subject to include, but are not limited to: risks associated with our ability to successfully operate Watkins; changes in general economic, business and political conditions, including changes in the financial markets and changes in macroeconomic conditions resulting from the outbreak of a pandemic or escalation of the current conflict between Russia and Ukraine; risks associated with the Investment Company Act of 1940; our potential inability to find suitable acquisition candidates, acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties in integrating acquisitions; significant competition that our operating subsidiaries face; risks related to the externalization of certain of our management functions to an external manager; and other risks.

This press release should be read in conjunction with the risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of the Company's Forms 10-Q, Form 10-K and our other filings with the Securities and Exchange Commission.

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