KRUPA GLOBAL INVESTMENTS

Open Letter to Kraft Heinz Board Members and Shareholders

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Dear Board Members and Fellow Shareholders,

Krupa Global Investments is now one of the largest shareholders of The Kraft Heinz Company (NYSE: KHC). We own approximately $100 Million of Kraft Heinz stock.

We are concerned that Warren Buffett's Berkshire Hathaway and Jorge Paolo Lehmann's 3G Capital have collectively failed to manage this iconic brand. Furthermore, we are alarmed at recent news suggesting both firms appear to be slowly abandoning the company. Considering the fact that Kraft Heinz stock has dropped over 30 percent since its 2015 IPO, it would seem prudent for both firms to increase their involvement and make a concerted effort on behalf of the ordinary investors who believed in one of America's most iconic food brands and most iconic investor Warren Buffett.

Just last month, 3G Capital announced a significant reduction in its stake. This comes on the heels of Warren Buffett's recent departure from the board earlier this year. Together, these moves are not exactly inspiring for investors. We acknowledge that even the best of investors will occasionally make investments that don't immediately pay off. Yet, for the legendary Guru of Omaha to have such little involvement in his third largest investment and one that is faced with complex challenges is disheartening. Warren Buffett is known for investing for the long-haul in timeless brands. Mr. Buffett, you would be the first to say making a timeless brand is a constant work in progress and requires constantly adapting to the market and to consumer preferences.

Thus, we are writing this letter to present an outline of our views and key steps we feel are necessary for Kraft Heinz and its largest shareholders to take immediately so we can save the company and prevent investors from losing their livelihoods.

1. 3G Capital's signature move is its "zero-cost budgeting" model which contrasts from traditional budgeting because instead of working on cutting costs, each expense must be justified. This model has helped Kraft Heinz trim costs and increase profitability, however excessive cost cutting has led to loss of market share. 3G was unwise in assuming that simply buying a well-known brand and trimming costs would be sufficient to deliver strong returns. Preserving market share in the increasingly competitive food industry is critical.

2. 3G Capital has failed to effectively make strategic acquisitions. Instead of aiming for behemoth acquisitions like Unilever, why not aim for food companies whose brands tap into emerging high margin food trends including healthy foods and beverages. Kraft Heinz's incubator, started by 3G as an alternative to such acquisitions has failed to deliver any brands that have been successful with consumers. Even its "Mayochup" product attracted social media attention but failed to financially materialize. It is important to buy strong brands to preserve market share. There are numerous such firms with a strong brand and following that could effectively synergy with Kraft Heinz's low cost distribution network.

3. Kraft Heinz must aim for higher margin products such as ready-made meals. This can be done both internally and again through strategic acquisitions. Oprah-backed Weight Watchers, Blue Apron, HelloFresh, and Marley Spoon/Dinerly are high margin and well-regarded brands that would feed well into Kraft Heinz's distribution network. These products are extremely popular with Millennial consumers and are becoming popular even with Generation X and aging Baby Boomer consumers a well. Moreover, the aforementioned brands appeal to a wide spectrum of consumers from Middle Class suburbanites to wealthier urbanites. We need to be aggressively aiming for all of these valuable consumers who are ready to spend on high margin food items. Kraft Heinz's competitors are literally stealing our prepackaged lunch money!

4. Kraft Heinz has an excessive amount of debt. The firm needs additional capital from Berkshire Hathaway and 3G Capital to start paying off $30 Billion in debt.

5. Warren Buffett and Berkshire Hathaway have withdrawn from active involvement at the wrong time. Buffett understands the importance of buying iconic and well-regarded brands. Moreover, Buffett understands that preserving and building a brand is a constant work in progress and requires continuous adaptation to consumer behavior. We need Buffett back on the board and actively involved with Kraft Heinz to make sure that Kraft Heinz, his third largest investment, joins the ranks of his other legendary brands such as Coca Cola, Apple and American Express.

6. Kraft Heinz must institute a stock buyback program for two reasons. First, it must regain the confidence of its investors. Stock buyback programs clearly illustrate to investors that management believes in the company. Second, at this valuation, a stock buyback program represents a value investment. Warren Buffett himself has said repeatedly that stock buyback programs can be lucrative value investments for the company when done at the right time. The right time is most certainly now in the case of Kraft Heinz whose stock is trading approximately 30% below its IPO price. A stock buyback program will inject new life into Kraft Heinz.

7. Ultimately, KGI strongly believes that Kraft Heinz should be taken private by Berkshire Hathaway and 3G Capital at a fair valuation to allow the company to make long-term investments which are necessary for growth but difficult to justify amidst day to day stock market pressures. KGI does not make generally view "going private" transactions favorably, however, Kraft Heinz presents an ideal case for a fair value privatization considering the significant capital intensive investments needed and the strong track records of both Berkshire Hathaway and 3G Capital. If Berkshire Hathaway and 3G Capital propose a privatization with a valuation in the range of $80 per share, the proposal will have the full support of KGI.

Investors have followed Warren Buffett and Jorge Paolo Lehmann into battle inspired by the larger than life legend of these men. These investors are scarred and battle weary. They have lost retirement savings and college savings on what they viewed as a safe dividend stock. Mr. Buffett and Mr. Lehmann, save these investors who put their trust in you.

We stand ready to engage with Mr. Buffett, Mr. Lehmann and other substantial shareholders of Kraft Heinz. Together we can take the necessary steps to increase shareholder value while preserving the Kraft Heinz brand for generations to come.

Sincerely,

Pavol Krupa
Chairman
Krupa Global Investments