

## The Source

Newsletter | January 2023 | Q1

As a stakeholder, you can take pride in the growth, prestige, and financial reward of being part of this journey to build a billion-dollar brand! We all want to make money... but we all want to have fun along the way!

## The next taste sensation is worth a fortune!

#### **PureSource Launch Meeting**

In December 2022 we made a trip to PowerBrands Lab and Corporate office in Van Nuys for our launch meeting. We met with the Food Scientists and project managers to discuss formulations, flavor profiles and desired mouth feel for our functional teas and waters. We also discussed the CBDa supplier to streamline pricing and availability. Our team of experts have led over 1000 beverage development projects. They are one of the most recognized names in beverage development today.

Now that we have established the best flavor profiles, the PureSource team will head to the pilot production facility where they will produce appropriate quantities of PureSource Teas to test in stores and online. By summertime, we will be ready to mass produce as much as we need to scale up.



Rourke Oakland, President PureSoure Beverages and Crystal Sandoval, Food Scientist Power Brands

The PureSource team has also partnered with RangeMe the a leading product discovery platform. RangeMe has helped over 8,000,000 products to be discovered. Working with hundreds of retailers worldwide such as; Sam's Club, Thrive Market, Walmart, CVS pharmacy, 7 Eleven, Whole Foods, Albertsons. Together we will perfect and grow the PureSource Beverage Company brand.

Here at PureSource Beverage Company, we feel it is important to have a well thought out and structured beverage marketing program for retail customers and distributors. We have developed a world-class beverage marketing strategy and our sales teams will get PureSource Beverages on shelves and in smart vending machines in local stores and major chains across the country.

#### POWER BRANDS

25+ Year & History Aw

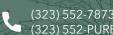
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## What's Trending in the Functional Beverage Industry

PureSource Beverage Company is a revolutionary player in the functional beverage market, with a focus on using natural ingredients and incorporating the highly sought-after compound, CBDa, in our products. Our dedication to research and innovation sets us apart from competitors and positions us for success in a market projected to surpass \$100 billion in the coming years. The global functional beverage market was valued at around \$124 billion in 2020 and is expected to grow at a CAGR of around 6.5% during the forecast period 2021-2028.

A functional beverage is a type of non-alcoholic drink that provides additional health or nutritional benefits beyond basic hydration.

Examples include energy drinks, sports drinks, vitaminenhanced waters, and tea or coffee with added ingredients such as herbs or probiotics. The functional beverage market has grown rapidly in recent years due to increasing consumer interest in health and wellness, as well as advancements in technology that have made it possible to create more innovative and effective functional beverage products.

As more consumers gain awareness of and experience with the online and direct-to-consumer distribution models, the market is expected to witness a transition to online channels by functional beverage manufacturers in the coming years.

Direct-to-consumer (DTC) functional beverages are those that are sold directly to consumers through channels such as the brand's website, e-commerce platforms, or Market Summary
CAGR 7.5%

Base Year: 2021

Fastest Growing Asia Pacific
Market:

Largest Market: North America

CAGR: 7.5%

PEPSICO

Red Bul

Study Period:

2016-2027

subscription-based models, rather than through traditional retail channels like grocery stores or supermarkets. DTC functional beverage companies have the ability to control their brand messaging, packaging and pricing while they have direct relationships with the consumers. This can make it easier to educate customers about the unique benefits of their products and build a loyal customer base.

## The Growing Demand for Healthy Hydration

The growing consumer preference for health-oriented beverages has necessitated the inclusion of probiotic food products on the list. In addition, the sale promoting tag lines, such as "ready to drink," "on the go," and other convenience factors, such as favorable packaging altogether served by beverages. This is why PureSource Beverages will be found in Itelligent vending machines across the country. They not only dispense cold beverages but also engage with consumers.

With consumers now increasingly aware of the health implications associated with certain soft drink categories, concerned drinkers are frequently shunning vilified categories, like carbonates and juices, in favor of 'healthier choices," such as soymilk, probiotics, and other functional drinks. Consumer education has been the key factor behind the rising demand for healthy hydration drinks. The growing awareness of fermented drinks with natural ingredients, as well as the increasing acceptance of consuming probiotics, has contributed to the success

of the trend toward healthy hydration. PureSource is putting the Fun in Functional.



## **Get The Big Picture**

## Growing the PureSource Brand...

The PureSource partnership with PowerBrands, RangeMe and social media influencers is bringing our brand to life, with over two decades of beverage development and marketing experience. Together, we understand the market and the consumer, turning the PureSource Beverages concept into a world class product to be sold online and in stores.

## FRONT END DEVELOPMENT - In the Beginning

**CONSUMER IDEATION** 

Consumer Research

Business Case

The Idea 2017

An idea among friends

2018 Farm Bill

Opened the door to commercial CBD sales

**Consumer Involvement** 

Trends, Behaviors, Attitudes

Secondary / Primary

Customer research -Qualitative & Quantitative **Category Understanding** 

Leverage available data, customer Trends, Brands, Adjacent Segments

The Business Opportunity?

The case to enter into the beverage industry and CBDa utilization

CONCEPT DEVELOPMENT

Rapid Ideation

24 & Development
Idea Generation

Real Time Iteration

**Idea Generation** 

What's the killer insight?
Why does it matter? Point of difference

**Concept Development** 

Idea > Consumer Benefit > Reason to Believe

**Product Development** 

Perfect Brand, Packaging Design, Marketing - 60 Days **Real Time Concept** 

Labs Optimize & build with target consumers to transform ideas into concepts

Real World Feedback

Solicit input from network of entrepreneurs, sales team, retailer & distributor network

## **MARKET FEEDBACK - Today**

PROOF OF CONCEPT

Minimal

Viable

Product

Small Batch

Manufacturing

PROOF OF BUSINESS

Speed to Shelf

AR Real

Real World
Validation

Alpha Batch

Utilize the pilot production facility + select partners for micro production



Beta Batch

Leverage Power Brands and RangeMe extensive national and global network of Retailers



**Quick in Market Testing** 

1 - 10 day micro testing utilizing sales & distribution assets + ecommerce

and Online



**Store & Online Test** 

Sample & Sell Proposition on shelves, in smart vending machines and online to get real world feedback from consumers, retailers & distributors







# Science Snapshot

### **Benifits of CBDa**

PureSource Beverages is the first to market with CBDa infused drinks. CBDa, or cannabidiolic acid, is a compound found in the Cannabis plant. Studies have suggested that CBDa may have potential health benefits, including:

**Reducing inflammation:** CBDa may have anti-inflammatory properties, which may help reduce inflammation in the body.

Reducing anxiety and stress: CBDa may help to reduce anxiety and stress by interacting with the body's endocannabinoid system.

Reducing pain: Some research suggests that CBDa may help to reduce pain by interacting with pain receptors in the body.

**Reducing nausea:** CBDa may help to reduce nausea, which may be beneficial for people undergoing chemotherapy or other treatments that cause nausea.



## **Benefits of Tea**

Tea and water are the most popular drinks in the world, and PureSource beverages are made with some of the healthiest ingredients. There are many potential benefits to drinking tea, including:

**Antioxidants:** Tea is a good source of antioxidants, which are compounds that may help protect cells from damage caused by free radicals.

Heart health: Research suggests that drinking tea, particularly black and green tea, may help protect against heart disease by reducing blood pressure and cholesterol levels.

Mental alertness: Tea, especially black tea and green tea, contains caffeine, which can help improve mental alertness and concentration.

Weight loss: Research suggests that the polyphenols found in tea, particularly green tea, may help with weight loss by increasing metabolism and fat oxidation.

**Cancer prevention:** Research suggests that the antioxidants in tea may help protect against certain types of cancer, including breast, ovarian, and prostate cancer.

**Improved bone density:** Studies have found that drinking tea, particularly black tea, may help improve bone density and reduce the risk of osteoporosis.

Better dental health: The polyphenols in tea may help kill bacteria and reduce the risk of tooth decay and gum disease.

It's important to note that research on the potential health benefits of CBDa is still in its early stages, and more research is needed to fully understand its effects and potential uses. It's important to note that more research is needed to fully understand the potential health benefits of tea and to determine the optimal amount to consume. Information from www.chat.openai.com







