



The Source

Newsletter | May 2023 | Q2

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!

Right Place Right Time

PureSource Beverage Company is dedicated to creating high-quality functional beverages that not only taste great but also provide a wide range of health benefits. Our products are made with natural ingredients, including hemp-derived cannabidiolic acid (HDCA), and are designed to promote health and wellness in a convenient and accessible way.

We are proud to say that our beverages are already gaining popularity on social media, with a growing customer base and positive reviews from industry experts. Our focus on quality, innovation, and customer satisfaction will help us establish ourselves as a leader in the functional beverage industry.

The CBD (cannabidiol) beverage market has experienced significant growth in recent years, and this trend is expected to continue in the coming years. CBD and CBDa are non-psychoactive compounds found in cannabis plants, and they have been shown to have potential health benefits, including reducing anxiety and pain.

We believe that our functional beverages have great potential to make a positive impact on the lives of our customers and on the beverage industry as a whole. In fact, beverages are the format of choice for a growing number of consumers looking for healthy CBD options. "Most of the new product development and innovation has been more focused on RTD (ready-to-drink) beverages, tea, and coffee application areas." Players have also seen the average CBD dose per serving increase from 5-15 mg to the 20-40 mg range, which is partially fueled by the cost of CBD dropping as the supply has increased over the last few years.



2023 PURESOURCE BEVERAGE COMPANY MARKET STRATEGY

Q1

FORMULATION

Finalize product design and beverage formulation

Q2

PRODUCTION

Complete 4.5k+ production run and placement in 10 stores

Q3

DISTRIBUTION

Complete 300K + production run & placement in 745 stores

Q4

SCALE

Scale physical distribution to 1,000 + stores



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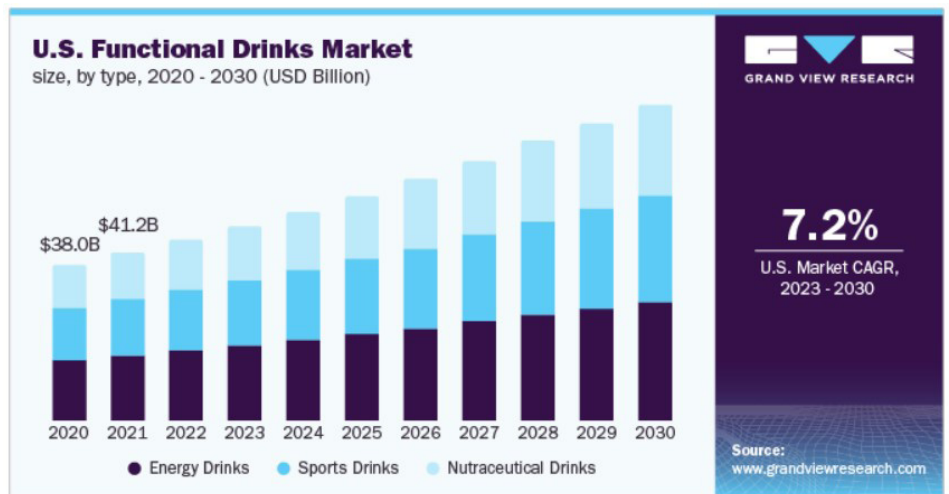
What's Trending in the Functional Beverage Industry

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. The global functional drinks market size was worth USD 204.8 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 7.1% from 2023 to 2030.

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, vitamin-enhanced 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 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.



Distribution Channel Insights

The global functional drinks market is segmented into hypermarkets/supermarkets, specialty stores, online, and others based on the distribution channel. An online distribution channel is anticipated to have the highest expansion rate at a CAGR of 7.8% during the forecast period of 2023-2030. The factors contributing to the segment growth include increasing internet penetration in rural areas, coupled with a high adoption rate of online shopping among youngsters and working consumers.

The growing adoption of technology and the introduction of new user-friendly shopping apps are raising demand for the online segment in the forecast period. Moreover, online shopping is convenient and budget-friendly. The increasingly hectic lifestyle and the rising number of working ladies in developing countries are further increasing demand for the functional drinks in the foreseeable timeframe.



Share, by distribution channel, 2022(%)

■ Hypermarkets/Supermarkets ■ Specialty Stores ■ Online ■ Others



source: <https://www.grandviewresearch.com>

Get The Big Picture

PureSource Beverages and the CBD Craze..



We believe that our functional beverages have great potential to make a positive impact on the lives of our customers and on the beverage industry as a whole.

According to a report by Brand Essence Research, the CBD beverages market size in the US was valued at USD \$173 Million in 2020 and has grown to \$5 Billion in 2022. The growing consumer awareness of the health benefits of CBD, along with the increasing demand for functional beverages, is expected to drive market growth.

Another factor driving the growth of the CBD beverage market is the legalization of cannabis for both medical and recreational use in several countries. For example, in the United States, several states have legalized cannabis for both medical and recreational use, which has created a large market for CBD-infused beverages.

In addition, the COVID-19 pandemic has also contributed to the growth of the CBD beverage market. With more people staying at home, there has been an increase in demand for wellness products, including CBD-infused beverages, as people seek to manage their stress and anxiety levels.

Overall, the CBD beverage market is expected to continue to grow as more consumers become aware of the potential health benefits of CBD and as new products are developed to meet consumer demand.



More Functional, Less Sugar!

Consumers focus more on their health and on factors that boost the immune system, improve bowel health, and reduce stress and anxiety. PureSource Beverages has created beverages infused with cannabinoids in combination with other efficient, high-quality ingredients. Consumers are also more aware of their sugar intake and are looking for non-sugary drinks or using natural flavor enhancers such as monk fruit.



Caffeine Meets CBD

Although the combination of caffeine and CBD may seem contradictory, the pairing in the drink can give a pick-me-up for the body and clarity for the mind. Contrary to popular belief, CBD does not make drowsy but can have a calming, relaxing effect. PureSource Beverages HDCa Tea's are giving consumers the energy, they need to take them by noon.



Brand Promotion by Celebrities

CBD's celebrity, brand, and influential advertisements are bringing CBD into the mainstream. PureSource Beverages has a strong following on Social Media and consumers are highly influenced by various factors which can be nowadays increasing the adoption rate of CBD beverages. These are some major markets boosting trends, which are influencing the market today for a bright future.



Hydrating with Infused Waters

Drinking water is an important part of a healthy daily routine, but not everyone likes the taste of plain water. For this reason, PureSource Beverages has created flavored sparkling water containing CBD, and other functional ingredients. Consuming PureSource Beverages CBD Tea's and Sparkling waters makes it easier to stay hydrated and the drinking platform provides an effective delivery mechanism for cannabinoids.

Sources: *Brand Essence Research www.brandessenceresearch.com

**Brightfield Group's





Science Snapshot

There is a growing evidence from researchers that CBD may be useful in treating a variety of ailments such as depression and anxiety, nausea, PTSD, insomnia, MS, epileptic seizures, and cancer-induced pain. As a result, CBD has become very popular in consumer products like lotions, foods, oils, cosmetics, and of course, beverages.

At PureSource Beverage Company we realize one of the most popular and convenient mediums for CBD consumption is Ready-To-Drink beverages. Unlike other methods of use, the one-and-done nature of RTD beverages allows users to enjoy its benefits without committing to something more expensive and long-term, such as tinctures and oils.

Furthermore, CBD has gained additional traction due to its unique niche in low-ABV drink selections, as it can provide the slight boost to one's mood that drinkers may want without the adverse side-effects associated with alcohol. Hemp's unique flavor profile also makes it an easy alternative for consumers who enjoy the bold flavors found in hoppy beers and cocktails.

The legalization of hemp farming at the federal level has also allowed CBD to become much more widely

available. Major beverage companies such as Molson Coors, Breakthru Beverage, and PepsiCo are now showing interest in breaking out within the new market. Currently, store shelves are dominated by mostly smaller wellness-oriented brands, meaning consumers have a wide variety of formats and flavors to choose from, including sparkling waters, teas, coffees, and sports drinks.



CBD HAS WITNESSED SUCCESS IN TREATING A VARIETY OF AILMENTS INCLUDING:



NAUSEA



PTSD



ALS SYMPTOMS

EPILEPTIC SEIZURES



CANCER-INDUCED PAIN

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 dimensional insight



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