



CERIA
BREWING CO



American Hop Convention

**Portland, OR
January 24, 2020**

Presented by:




Hopsteiner
est. 1845

Blue Moon Brewing Co.





**THIS ALE
WITH A LUNAR NAME
WAS CREATED IN 1995
BY KEITH VILLA,
WHO SUGGESTED
SERVING IT WITH
AN ORANGE SLICE**

Why Cannabis?



- ❑ The American public largely supports legalization:
 - 84% believe cannabis should be legal for medical uses
 - 87% of millennials believe marijuana is safer than alcohol
 - 61% believe it should be legal for recreational use



**CANNABIS
STIGMA**



**CERIA
BEVERAGES**

**CRAFT BEER
INACCESSIBILITY**



**BLUE MOON
BREWING CO.**

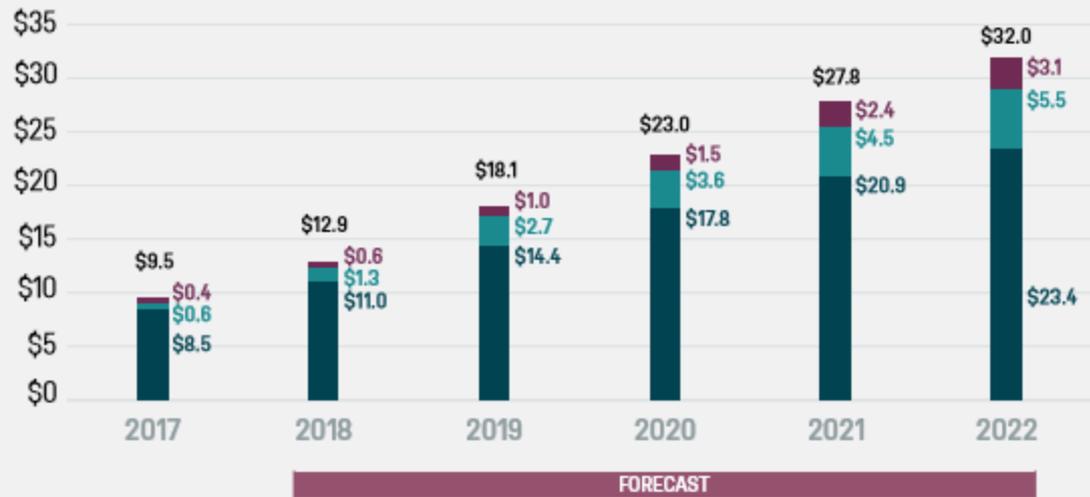


**HOW BIG IS THE
CANNABIS
MARKET?**



Legal Cannabis Spending (In Billions)

Rest of World
Canada
United States

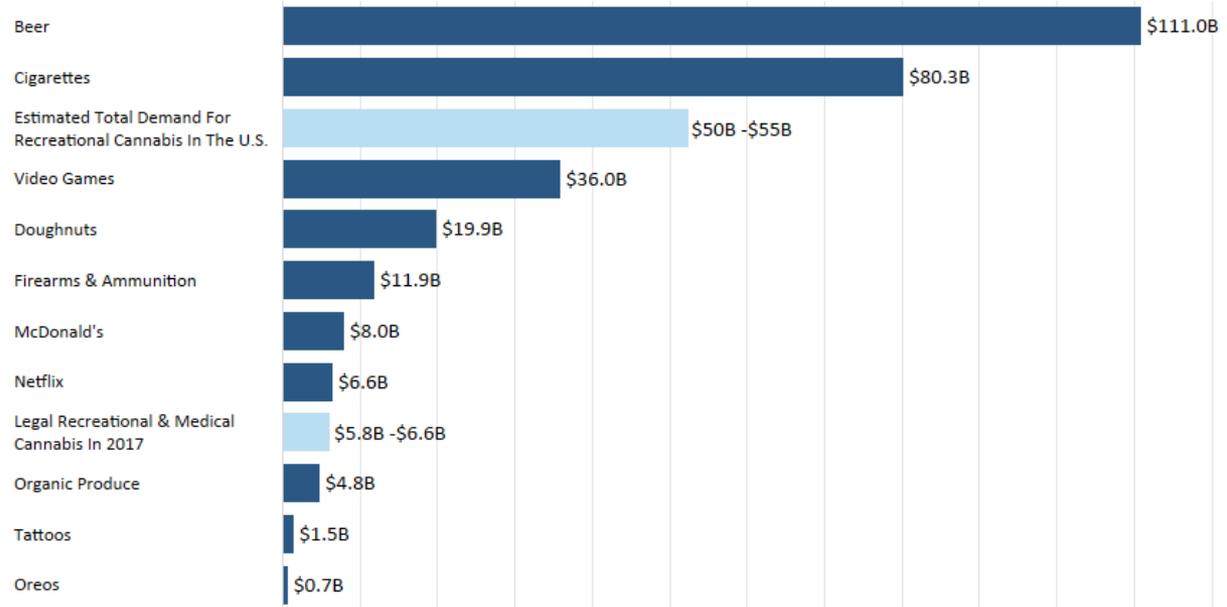


Source: Arcview Market Research/BDS Analytics

How Big is Big?



Annual U.S. Cannabis Sales Vs. Other Industries & Goods



Source: Brewers Association, Alcohol & Tobacco Tax & Trade Bureau, Entertainment Software Association, Goldstein Research, IBIS World, Netflix, Nielsen, Nabisco
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CERIA[™]
BREWING CO



INTRO TO CANNABIS

Understanding the language



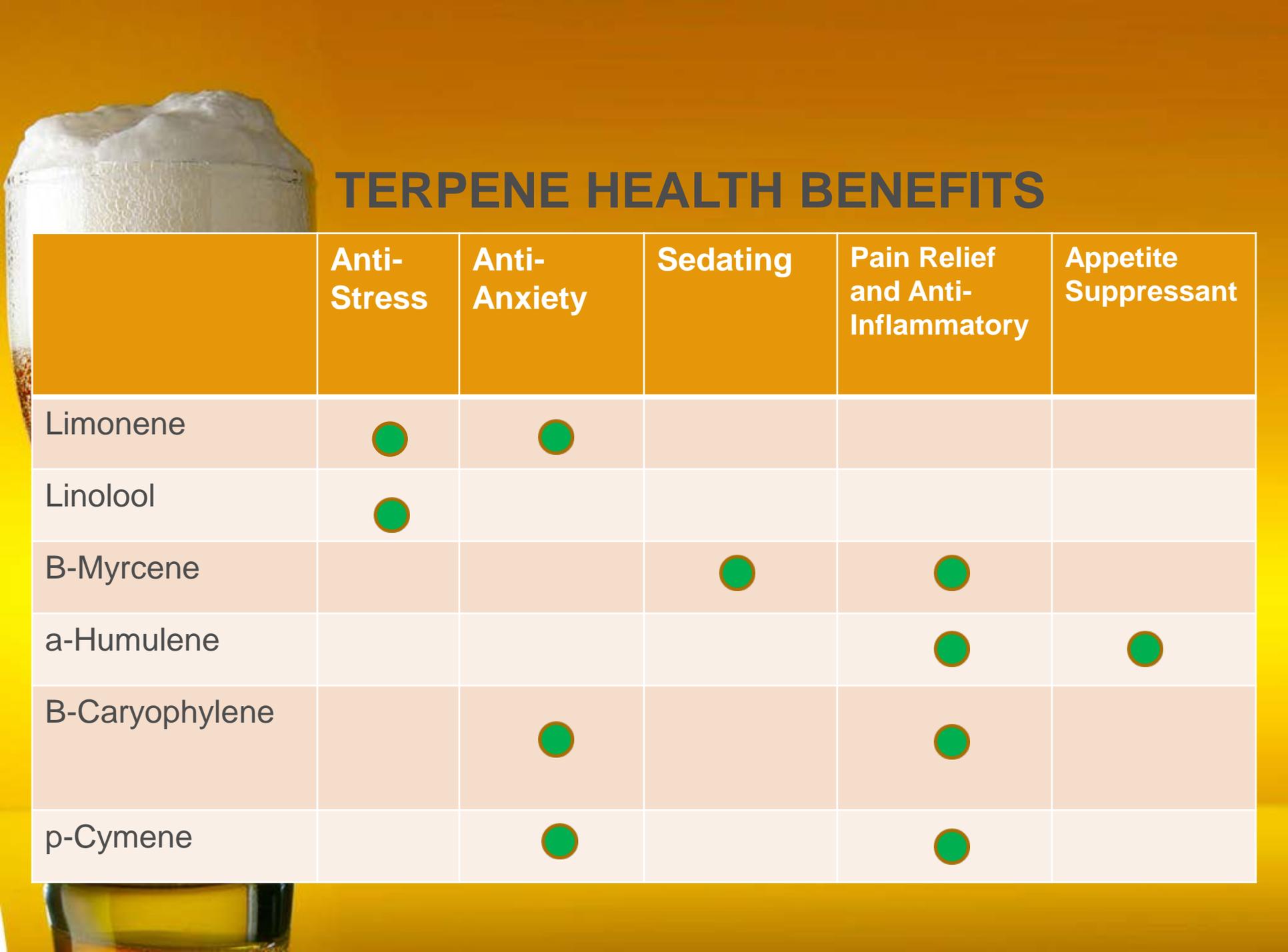
Cannabinoids (+80)

- THC
- CBD
- EndoCannabinoid System (1992 Anandamide)

- Terpenes (+100)
 - Entourage effect

Cannabis

- Marijuana
- Hemp



TERPENE HEALTH BENEFITS

	Anti-Stress	Anti-Anxiety	Sedating	Pain Relief and Anti-Inflammatory	Appetite Suppressant
Limonene	●	●			
Linolool	●				
B-Myrcene			●	●	
a-Humulene				●	●
B-Caryophyllene		●		●	
p-Cymene		●		●	

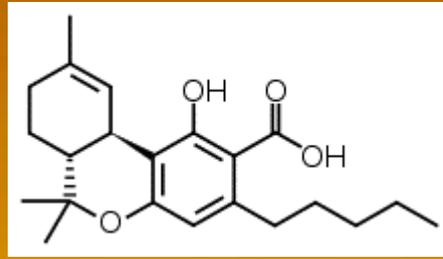


CANNABIS vs. HEMP

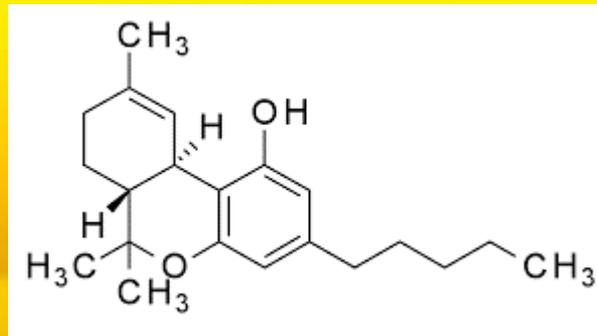
<0.3% THC
>0.3% THC

HEMP
MARIJUANA

Amendment 64, section 16 (d) to the Colorado Constitution defines Industrial hemp as 'a plant of the genus Cannabis and any part of that plant, whether growing or not, containing a Delta-9 tetrahydrocannabinol (THC) concentration of no more than 0.3% on a dry weight basis. Under Colorado State law any Cannabis with a percentage of THC above 0.3% is considered marijuana.



THCa

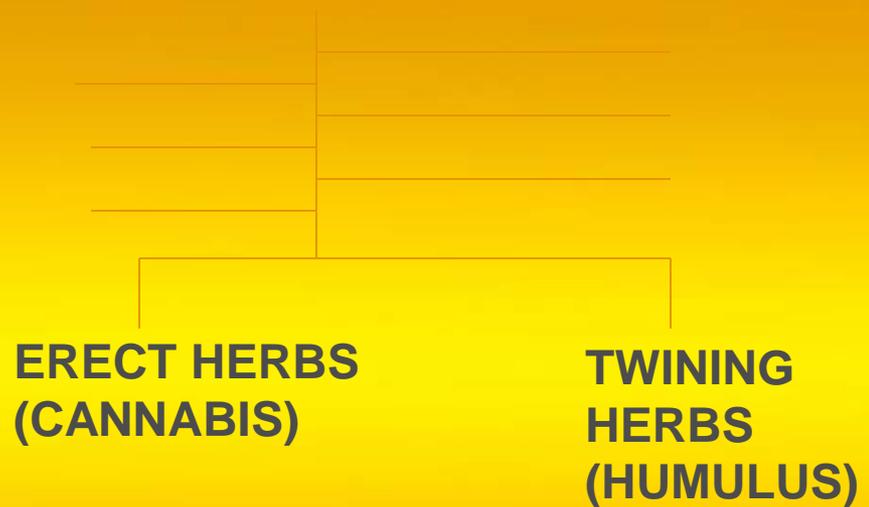


THC



CANNABACEAE

(Family of flowering plants)



“Cousins”





Hop Cones vs. Cannabis Buds





Lupulin Glands vs Trichomes







KIEF vs. HASH/HASHISH



(1123 AD)





FORM AND STRENGTH

	%THC
FLOWER	8-35% (Godfather OG)
KIEF/HASH	20-60%
BUTANE HASH OIL (BHO)	60-90%
WATER HASH	50-80%
ROSIN	50-70%
CO2 OIL	50-75%



TYPICAL SERVINGS

	THC (Std Serving is 10 mg)
Bowl	20 mg
Joint	90 mg
Vape	30 mg
Concentrate/Dab	10 mg

	0.6 oz (14 mg) Alcohol
Beer 5% ABV	12 oz
Wine 12% ABV	5 oz
Spirit 40% ABV	1.5 oz



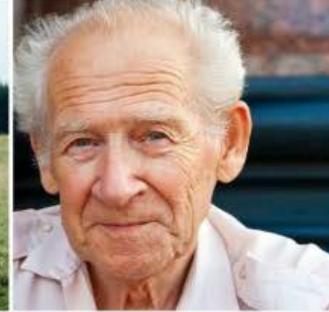
Consumer Insights

Who's the Consumer?

There is no one Cannabis Consumer

Diverse

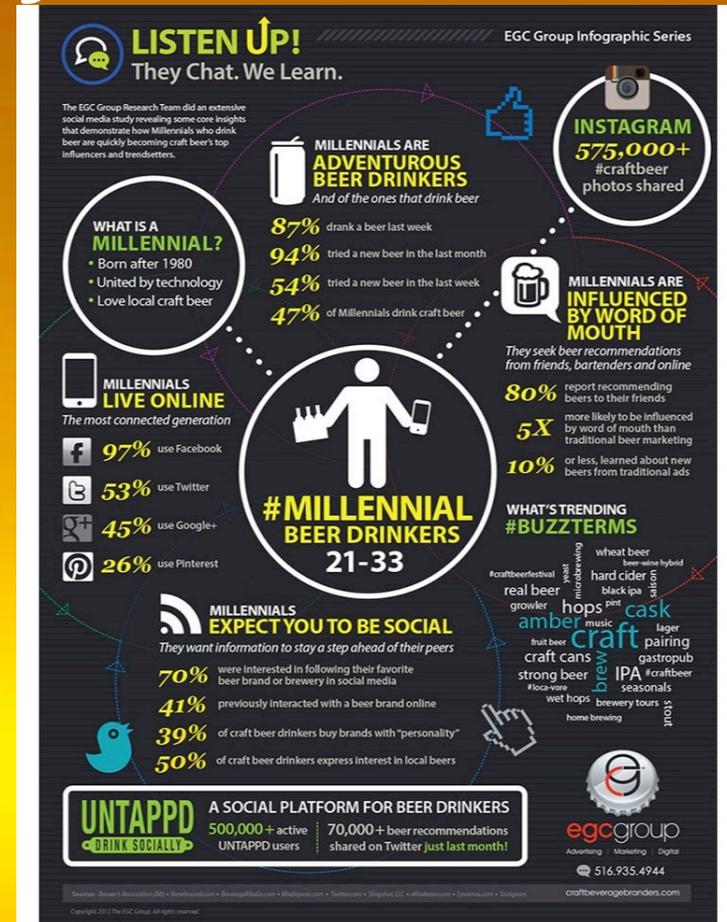
- ✓ Generations
- ✓ Gender
- ✓ Socio and economic backgrounds
- ✓ Motivations
- ✓ Need states
- ✓ Benefits
- ✓ Premium / Luxury / Economy



The Millennial Lifestyle



- Born after 1980
- Very High Tech, Live On-Line
- Are Adventurous Beer Drinkers but...
 - Heavily Influenced by Word of Mouth
 - Information Driven
- Everything is about an Experience and story to share
- **In this study, 51% choose cannabis over alcohol**



Most Cannabis Consumers feel marijuana is less impairing than alcohol

Cannabis Consumers % Agree...

61%

Marijuana **does not** impair me as much as drinking alcohol does.



42%

The effect marijuana has on me **largely** depends on how it is consumed.

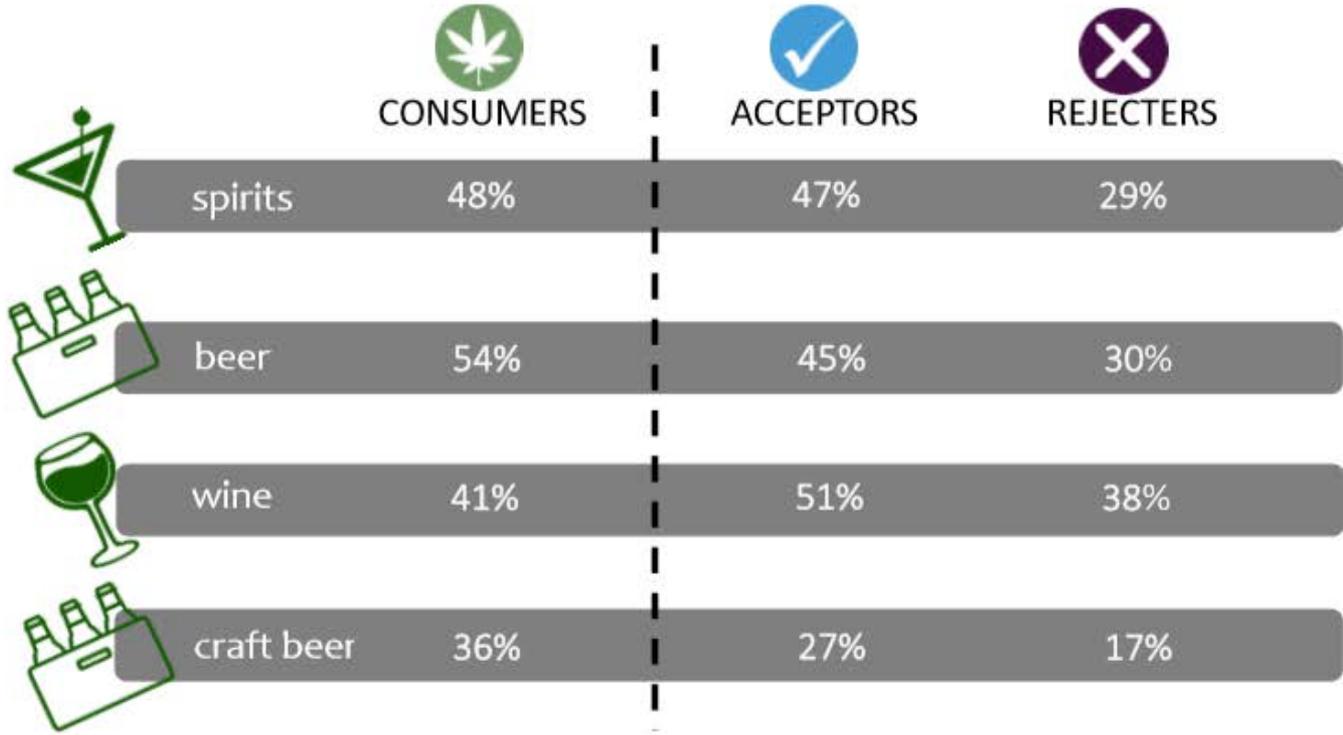


18%

I have **experienced** becoming too dysfunctional from using marijuana or marijuana containing products.



In fact, more Cannabis Consumers drink spirits, beer, and wine, compared to Acceptors and Rejecters



Of Cannabis Consumers who consumed alcohol in the past 6 months...



82% Drink Beer

Mainstream Domestic	45%
Mexican Imported	39%
National/Mainstream Craft	37%
Regional/Local Craft	31%
European Imported	26%
Hard Cider	20%
Value Domestic	19%
Flavored Malt Bev	15%
Other Imported	11%
Other	7%



41% Drink Wine

Red Wine	39%
White Wine	27%
Sparkling Wine or Champagne	22%
Rose / Blush Wine	14%
Sweet/Flavored Wine	10%
Dessert/Port/Sherry	6%
Other Wine	2%



48% Drink Spirits

Vodka	39%
Whiskey	38%
Tequila	30%
Rum	28%
Bourbon	18%
Gin	13%
Scotch	13%
Ready to Drink / Pre- Mixed Cocktails	9%
Brandy	9%
Cognac	6%
Cordials	3%
Other Spirits	5%



When pairing, half consume less alcohol

More alcohol when consuming with marijuana



Less alcohol when consuming with marijuana



About the same



Lifestyle fit and past experiences are the barrier to cannabis consumption—*this is telling*

60%

OF ACCEPTORS HAVE TRIED MARIJUANA IN THE PAST

31%

OF REJECTERS HAVE TRIED MARIJUANA IN THE PAST

It does not fit my lifestyle

Acceptor 36%; Rejecter 44%

Don't like how it makes me feel

Acceptor 26%; Rejecter 49%

Became a Parent

Acceptor 16%; Rejecter 9%

Legal Concerns

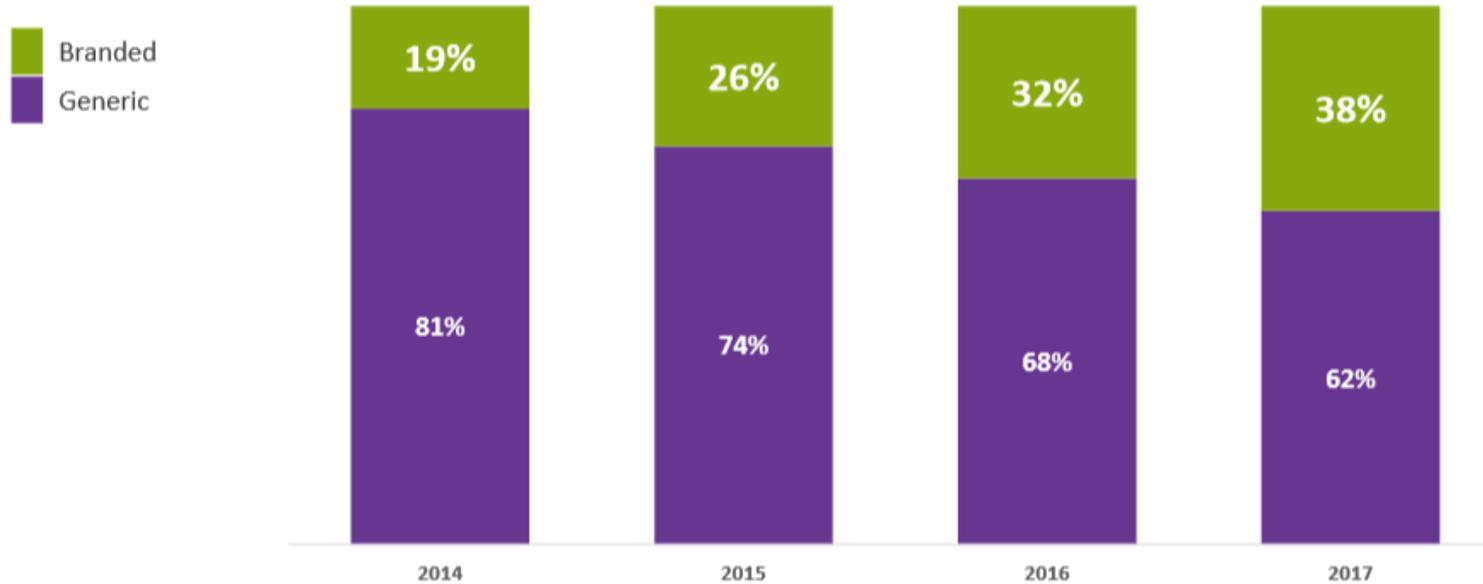
Acceptor 20%; Rejecter 13%

Current Non-Consumers are most likely to consider non-inhalable methods in the future



Branded products see tremendous growth—now ~40% of sales

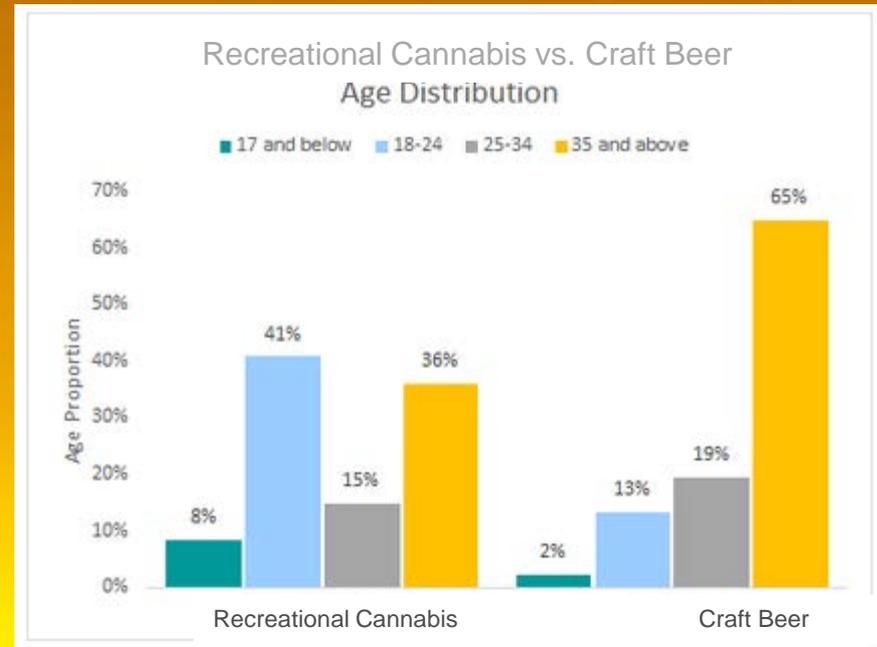
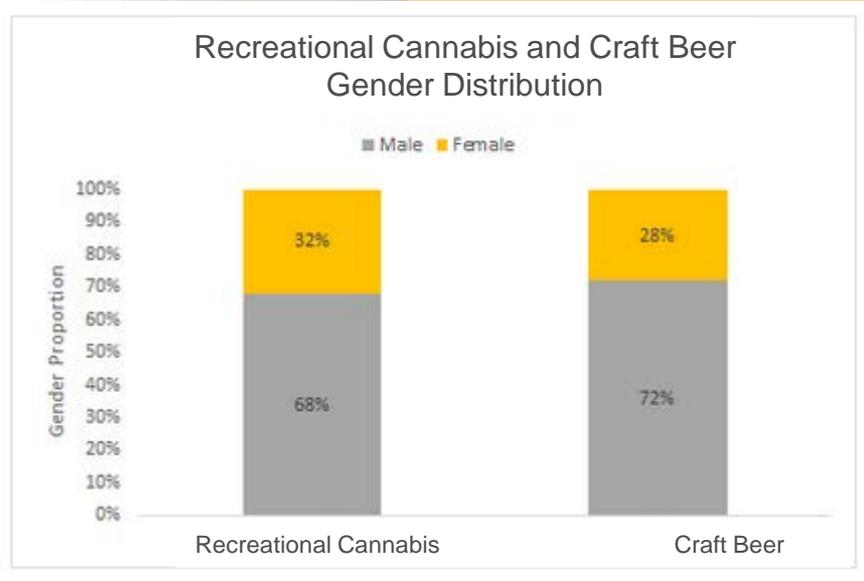
COLORADO CANNABIS RETAIL DOLLAR SALES
Branded vs. Generic Products



*BDS Analytics GreenEdge POS Retail Data; Colorado Retail Dollars



Who is our target consumer?



- ❑ Predominantly male
- ❑ Craft Beer Drinkers and Recreational Cannabis Users
- ❑ Broadly LDA 21-35+
- ❑ Precisely:
 - age 35+ craft beer drinkers
 - age 21-24 and 35+ recreational cannabis users

Combining Markets

Cannabis

- **Size: \$10B Today, \$90B by 2030**
- 22 million US consumers
- Epicenter- 21-34 Millennials M/F, 35+
- 33 states and DC have legalized cannabis
- Democrats (72%) more than Republicans (51%) support legalization. US Total: 64%
- **WHAT'S MISSING?**
 - Strong brands
 - Social enjoyment
 - Reliable and repeatable experience
 - Great tasting beverages

CERIA
BREWING CO



- ✓ **+\$130B in revenues, growing to over \$250B by 2030**
- ✓ **Strong growth potential for cannabis beverages**
- ✓ **Creation of a socially acceptable, great tasting product**
- ✓ **Great tasting beer alternative**
- ✓ **Cultural Buzz**
- ✓ **Cannabis Pro Omnibus**

Craft Beer

- **\$121B Industry with 27% Craft share**
- Steady growth:- +5% volume rise and 12.7% retail dollar value
 - Category 3X last 10 years
- 7,500+ US craft breweries
- 83% of 21+ adults are within 10 miles of a craft brewery
- 57% of Millennials weekly consumers
- 3-Tier Distribution
- **WHAT'S CHANGING**
 - Millennials are drinking less alcohol (selectively sober)
 - Consumers are wanting lower alcohol, less calories
 - Healthy alternatives are growing in popularity
 - Over 1.1 million home brewers

Where is CERIA Headed?



☐ Mission-

- CERIA will redefine functionality in beverages by offering cannabis in a socially acceptable way that allows consumers to stay in control and decrease the stigma.
- CERIA NON-ALCOHOL, THC INFUSED CRAFT BEER will be the best product in the category and be the standard by which all others measure their success in terms of:
 - Taste
 - Sensation
 - Reliability
 - Predictability
 - Quality
 - Brand Recognition

The Challenges



Understand

- Many consumers are choosing to not drink alcohol for health and other reasons but still like the taste
- Cannabis consumers do not always consume to get high, they are often seeking a certain experience or benefit

Navigate

- Cannot legally mix alcohol and cannabis/THC beer
- Beer has a lot of calories that come from alcohol
- Most non-alcohol beverages do not taste great
- Research on cannabis has been limited due to federal laws

Create a Better Cannabis Experience in a Beverage

- Cannabis products are not consistent
- Cannabis products usually taste like cannabis
- Cannabis edibles take too long to hit
- Cannabis beverages are often mislabeled as multiple serving doses in a single-serving container



Colorado Distribution

Unlike alcohol distributors, cannabis distributors in Colorado aren't allowed to buy products from manufacturers and then sell them to retailers. Instead, they act as middle men who transport the products for a fee.

Cannabis distributors have seven days to transport products to retail and medical marijuana businesses across Colorado.

Nevada

California

It's all about the taste.....



- Aroma and taste of cannabis is polarizing
- Traditional beer styles with traditional beer tastes
- Look, aroma and taste of beer
 - Grainwave Belgian-Style Wheat Ale
 - Indiewave IPA

DIVE AWARDS 2019

**Startup of the Year: Ceria
Brewing Co.**







Subject: NA Beers in Wisconsin

Message:

Hello, Thank you for making and distributing your non-alcoholic beer to Total Wine stores across the country. I just picked up the Indiewave from Total Wine in Madison, WI and I loved it. Best I've had so far! Your entrance to the NA beer market really helps sober people like me stay sober! Also your beer is awesome. Thanks! -Xxxxx



Thank You!