

Hoop Tea





MEET THE BRAND

Born in a tiny brewery on the beach of Ocean City MD, Hoop Tea is a craft alcoholic beverage brand for modern consumers who prefer products with 'clean labels', low calories, and thoughtful ingredients.

Hoop Tea was started by free spirited individuals who decided to quit their jobs and move to the beach. While simply "creating things they wished existed", Hoop Tea quickly became disrupters of a multi billion dollar industry. Pioneers of an exploding category, Hoop Tea has achieved remarkable sales growth and a cult-like following in the Mid-Atlantic region.

We are on the cusp of a major disruption...

MARKET OPPORTUNITY

The flavored malt beverage category, which includes hard seltzer, is showing unprecedented growth, quickly surpassing craft beer and cider.



THE TREND

The sub-category of beer known as Flavored Malt Beverages (FMBs) is one of the fastest growing categories in the alcohol industry.



OUR BUSINESS

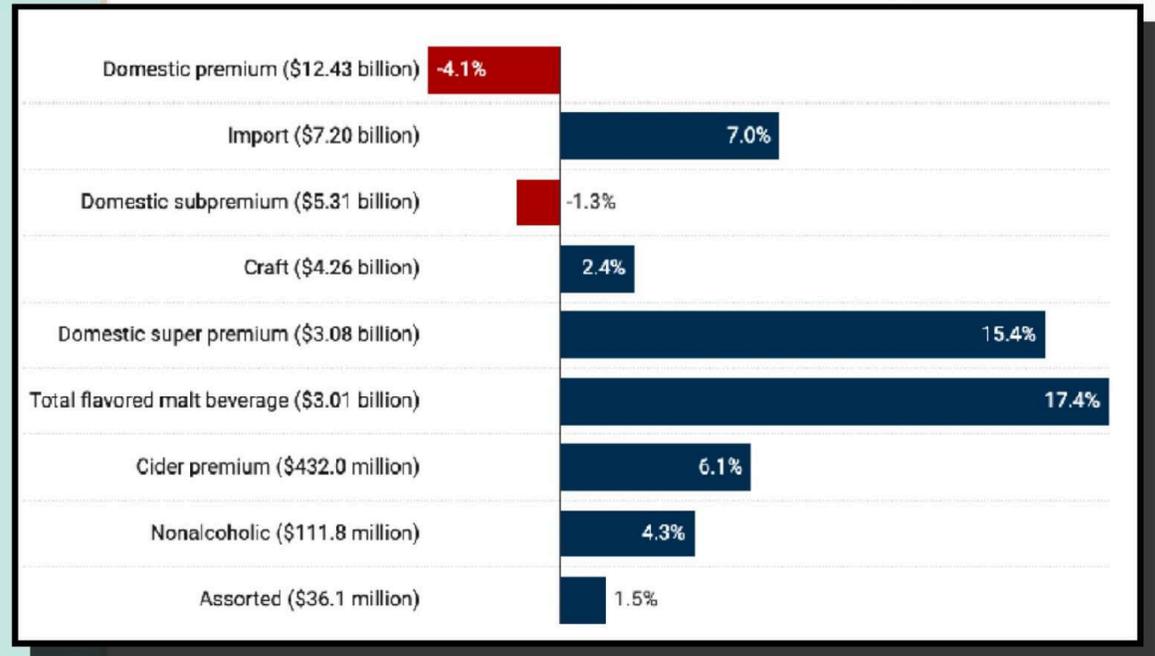
Hoop Tea is one of the first pioneering brands within this new category, and is perfectly positioned to take advantage of this opportunity.

What is going on?

Modern consumers place importance on what goes in their bodies. This trend has finally taken hold of the alcohol industry, and big changes are taking place. The beer & malt beverage category is undergoing the most dramatic and rapid changes.

INDUSTRY NEWS CAN'T SAY IT ENOUGH...

% Change Retail Beer Sales From LY



Note: Data is for the 52 weeks ended May 19, 2019

"Are Hard Sparkling Drinks Really A Threat To Beer?" -FORBES

"Nielsen: Off-Premise Beer Sales Flatten in 2018 as Flavored Malt Beverage Sales Near \$500 Million" -BEVNET (Jan 2019)

'The key trend in the global beer industry? 'Drinking less, but drinking better' -Beverage Daily

"NEWER READY-TO-DRINK BEVERAGES AND PACKAGES ARE SHAKING UP THE ADULT BEVERAGE MARKET" Neilson.com



\$833MM 2019 SALES
330% INCREASE TO LY



\$381MM 2019 SALES
18% INCREASE TO LY



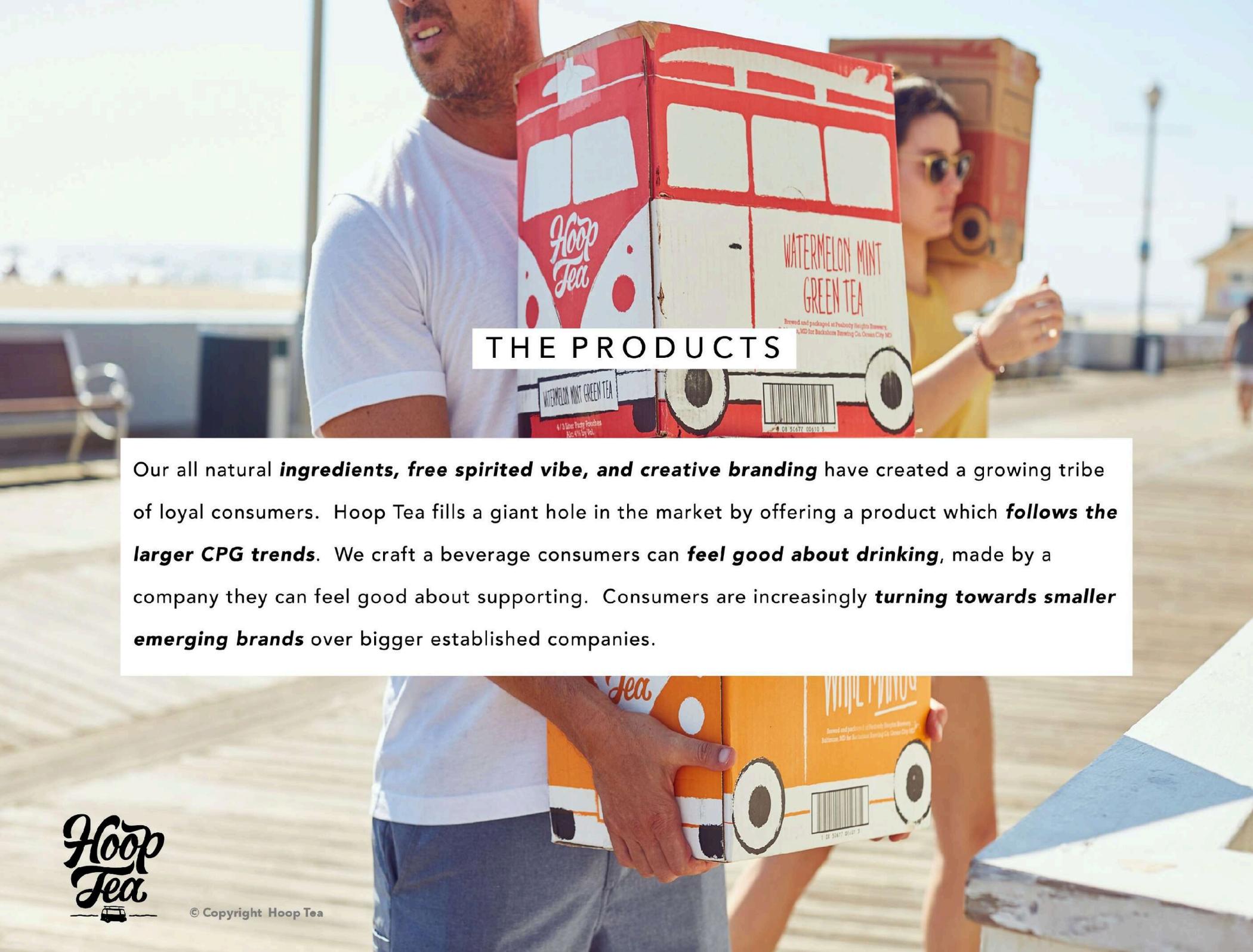
\$337MM 2019 SALES
12% INCREASE TO LY

THE MARKET

Below is a snapshot of 2019 FMBs industry sales data. 2019 sales hit historic increases and continue to break records.

	Dollar Sales	% Change vs. Prior Year	Case Sales	% Change vs. Prior Year
White Claw Hard Seltzer	\$833,630,941	330	24,631,592	322.3
Twisted	\$381,907,705	18.8	11,717,212	17
Truly	\$368,815,406	180.2	11,748,820	183.1
Smirnoff	\$359,640,368	15.5	9,848,997	12.8
Mike's Harder	\$337,561,940	12.5	9,781,231	9.4
Mike's Hard	\$265,414,575	0.5	7,160,456	-2.4
Bud Light Lime-A-Rita	\$211,065,766	-16.5	6,503,142	-15.8
Redd's	\$196,579,678	-14.3	5,933,787	-15
Seagram's Escapes	\$144,742,701	7.7	5,361,466	5.8
Four Loko	\$140,093,280	-3.5	3,944,120	-4.7
Total sales*	\$3,977,394,558	43.1	119,221,383	41.8

Source: IRI Chicago. Total US supermarkets, drug stores, gas, and convenience stores, mass merchandisers, military commissaries, and select club and dollar retail chains for 52 weeks ending Dec 29, 2019. continue to break records.



THE PRODUCTS

Our all natural **ingredients**, **free spirited vibe**, and **creative branding** have created a growing tribe of loyal consumers. Hoop Tea fills a giant hole in the market by offering a product which **follows the larger CPG trends**. We craft a beverage consumers can **feel good about drinking**, made by a company they can feel good about supporting. Consumers are increasingly **turning towards smaller emerging brands** over bigger established companies.



PARTY POUCH



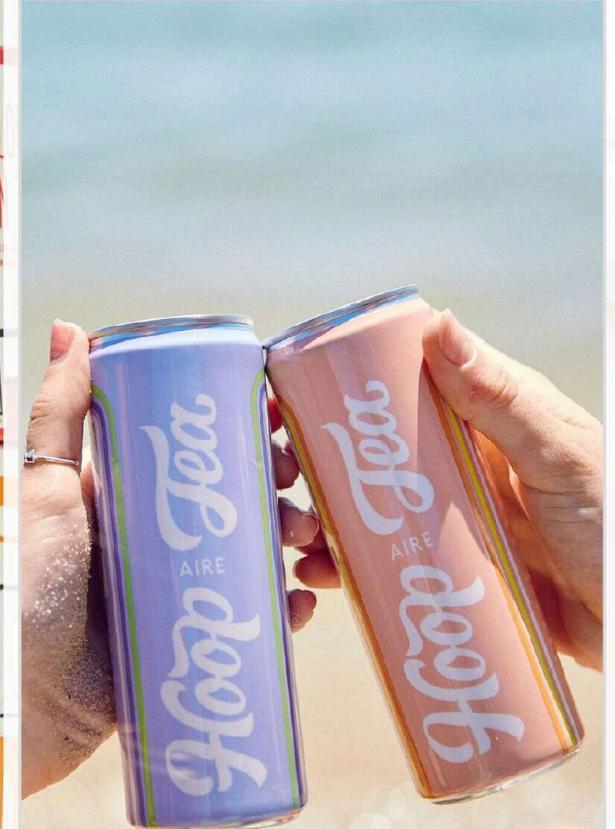
Our **innovative 3 liter party pouches** are popular with beach goers, boaters, and other outdoor activities. **5% alcohol, made with natural ingredients, and cane sugar.** Available in Mango, Peach, and Watermelon.

12 OZ SKINNY CANS



12oz Skinny Cans are a new release for 2019. For sale in 6 packs, 12 packs, and variety packs. Available in Mango, Watermelon, and 2019's new flavor release- Pineapple Passionfruit! **5% alcohol, made with natural ingredients, and cane sugar.**

HOOP TEA AIRE



Hoop Tea "Aire" brand is a line of **90 calorie gluten free** tea infused sparkling beverages made with **trending ingredients** and **4% alcohol**. Available in 12oz **skinny cans**. Flavors include Kiwi Berry Matcha (new 2019), Orange Hibiscus, and Goji Berry.



PACKAGING

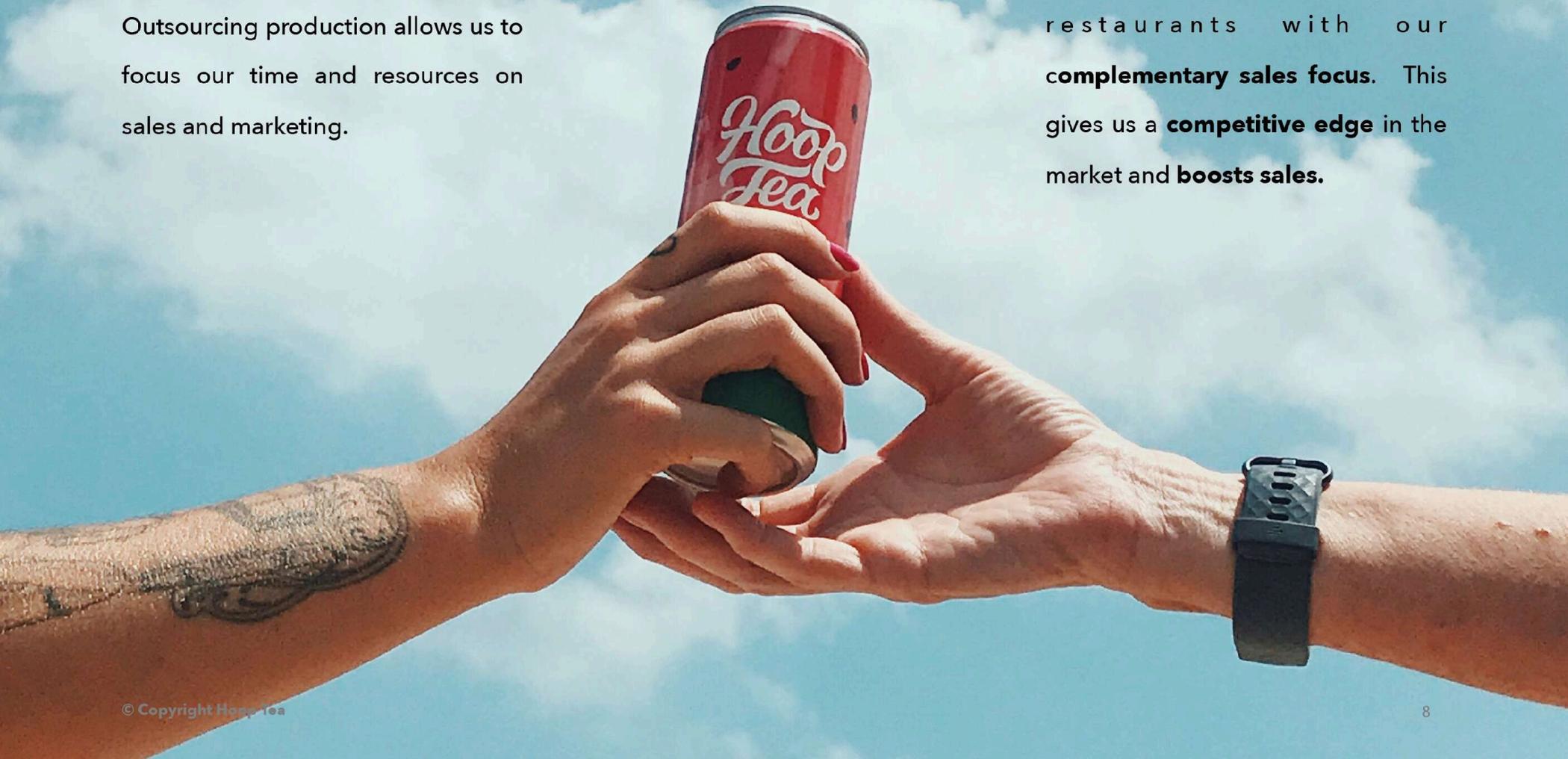


HOW WE MAKE MONEY?

We license the Hoop Tea brand to an affiliate brewery, Southbound One Inc (SB1), to brew and package Hoop Tea using recipes and raw materials that we supply. Outsourcing production allows us to focus our time and resources on sales and marketing.

SB1 will sell the finished products **by the pallet to its established network of 25 distributors in 6 states.** SB1 remits royalties to Hoop Tea Inc on those sales.

It's as simple as that! While SB1 ships our products to distributors by the pallet, **we assist distribution** in marketing our products to consumers, retailers, bars and restaurants with our **complementary sales focus.** This gives us a **competitive edge** in the market and **boosts sales.**





HOOP TEA POUCHES

WHOLESALE SALE PRICE: \$42.64/ CASE

ROYALTY: \$22/CASE

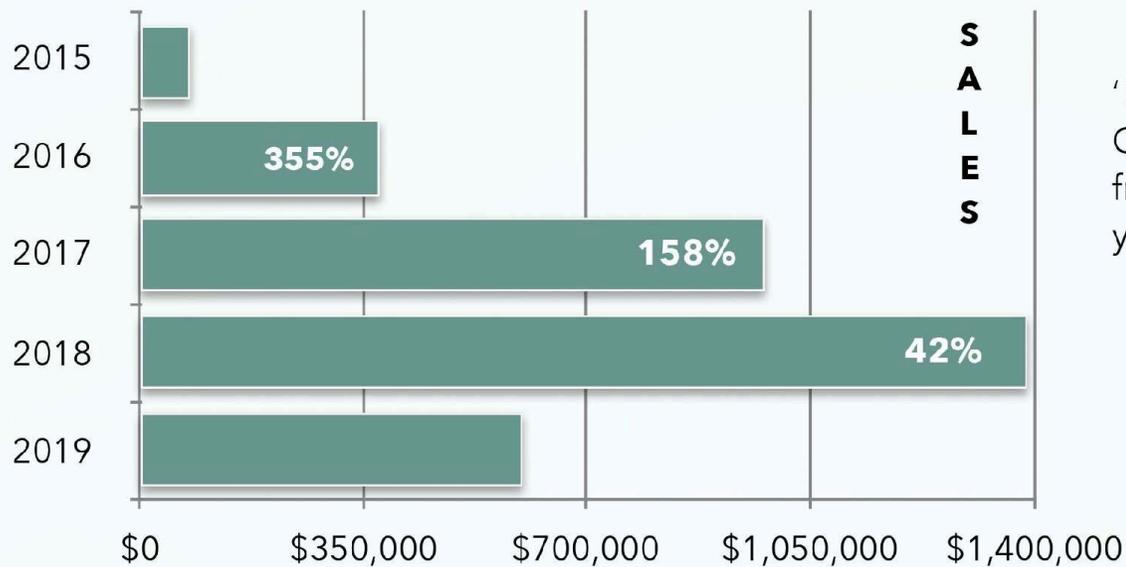


HOOP TEA CANS

WHOLESALE SALE PRICE: \$23.00/ CASE

ROYALTY: \$5.75/CASE

AS ECONOMIES OF SCALE INCREASE, THE ROYALTY RATE IS PROJECTED TO CLIMB SIGNIFICANTLY.



BRAND TRACTION

'Dig deep before expanding wide'. Customers are re-ordering and telling their friends. Demand consistently grows every year.

SALES GROWTH

IMPORTANCE IS PLACED ON SAME STORE SALES TRACTION VS EXPANDING INTO NEW MARKETS PREMATURELY. THIS DATA SHOWS MEASUREMENT OF TRUE BRAND GROWTH AND SHOWS THAT MANY CUSTOMERS BECOME REPEAT CUSTOMERS. **YEAR OVER YEAR SAME STORE SALES HAVE GROWN 30% CONSISTENTLY.**

MARKETING

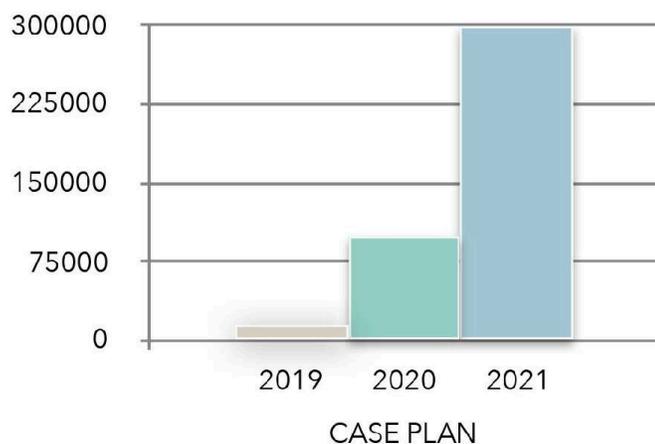
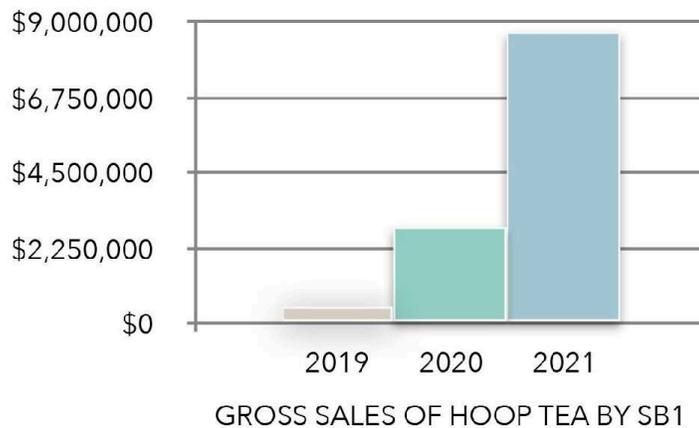
THE COMBINATION OF SOCIAL MEDIA AND EXPERIENTIAL MARKETING STRATEGIES HAVE CREATED A LOYAL, CULT LIKE FOLLOWING. HOOP TEA CONSUMERS TEND TO BECOME LIFETIME BRAND CHAMPIONS AND SPREAD AWARENESS.

DEMAND

THE GREAT HOOP TEA SHORTAGE OF 2019". IN AN EFFORT TO ACHIEVE BETTER QUALITY CONTROL PRODUCTION WAS MOVED TO A NEW FACILITY IN 2019. UNFORTUNATELY, THE FACILITY ENCOUNTERED INTERNAL CHALLENGES AND WAS UNABLE TO MEET PRODUCTION NEEDS. DISTRIBUTORS PROJECTED AN INCREASE OF SALES FOR 2019 BUT WERE UNABLE TO FULFILL THIS DEMAND.

WHERE ARE WE GOING?

This brand has only scratched the surface of the growth potential within its current markets. While Hoop Tea has certainly caught the attention of its large national competitors, it is still on a path to further dominate home markets with deeper saturation, seasonal flavors, and additional retail relationships.



The following contains projections can not be guaranteed

NEW TERRITORIES

2020

Washington, D.C.
Virginia
West Virginia

2021

Florida
New York
North Carolina
South Carolina
Tennessee



HOOP TEA KEGS

Bars & restaurants have been requesting that our product be available on tap. This will allow us to promote one-off seasonal flavors in small batches, further establishing us as a craft brand.



CHAIN STORES

The immediate focus is to build relationships with chain stores. While Hoop Tea has strong sales in current chains, such as 7-11 and Total Wine, the available shelf space to be occupied is in the millions of dollars.

K O M B U C H A

In 2020 a Spiked Kombucha flavor will be launched as part of the low-calorie Aire line. The 'Hard Kombucha craze' has yet to reach the East Coast. The opportunity exists to be the regional market leader in this emerging category.

AMERICAN ORIGINAL

This summer a refreshing southern style spiked tea will be released as a response to consumer interaction and feedback.

MEET THE TEAM



DANNY ROBINSON
FOUNDER + CEO

With over 30 years “in the trenches” of the hospitality industry, Danny is an expert in branding, product development, and predicting consumer trends. His leadership skills and ability to build effective teams has enabled him to build several successful businesses, including;

- H2O Nightclub
- Hammerheads Bar & Grill
- Pickles Pub
- Guido’s Burritos
- 8th Street Liquor Store
- Backshore Brewing Co

ALLAN FORSEY
CFO

With over 25 years experience in operations of large scale manufacturing, Allan has handled operations and finance for world leading consumer product companies such as Molson and Colgate. He's also has worked with start up companies and corporations, bringing them to multi billion dollar exits

BILLY GILMAN
BUSINESS DEVELOPMENT

Billy honed his skills at Heineken Corp where he consistently grew sales in his territory for 5 years, while everywhere else in the country was declining. He brings with him relationships with large chain stores, experience of driving distributor sales teams, and mastery of new product launch programs.

TAYLOR SCHLETTE
DIRECTOR OF MARKETING

As the former Marketing Director of South Moon Under, Taylor developed marketing and branding strategies that expanded their small business to become a national retail chain in the highly competitive fashion industry.

TARGET FUNDING

The demand for Hoop Tea is growing faster than production and the brand has proven able to compete and win against larger established competitors. Adding some “fuel” will assert this brand as a leader in the category and continue to expand to new markets with innovative new products. Shares in Hoop Tea Inc are being offered in exchange for the capital needed to execute our plan

We are offering \$1.07mm of preferred shares at a \$6.5mm valuation.

USE OF FUNDS

\$400K

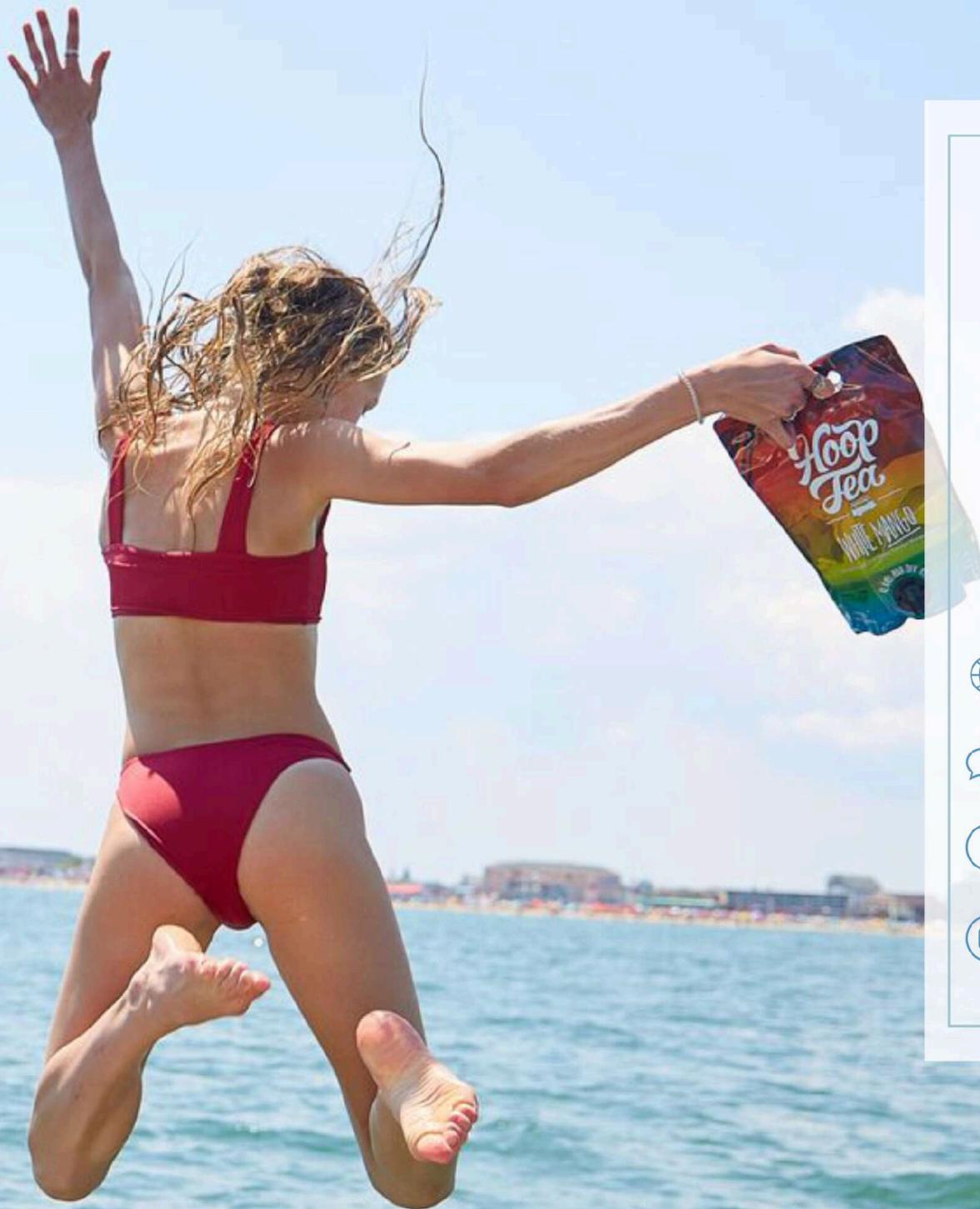
FOR WORKING CAPITAL NEEDS

\$200K

FOR SPECIALIZED EQUIPMENT FOR
MANUFACTURING EFFORTS WITH
THIRD PARTIES

\$400K

FOR EXPANSION INTO NEW
TERRITORIES WITH STAFFING AND
MARKETING TEAMS



THANK YOU!

Please reach out with questions.

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