



# INVESTMENT OPPORTUNITY

## Cornbread Hemp

Q1, 2023

**ERIC ZIPPERLE**

Chief Executive Officer

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**JIM HIGDON**

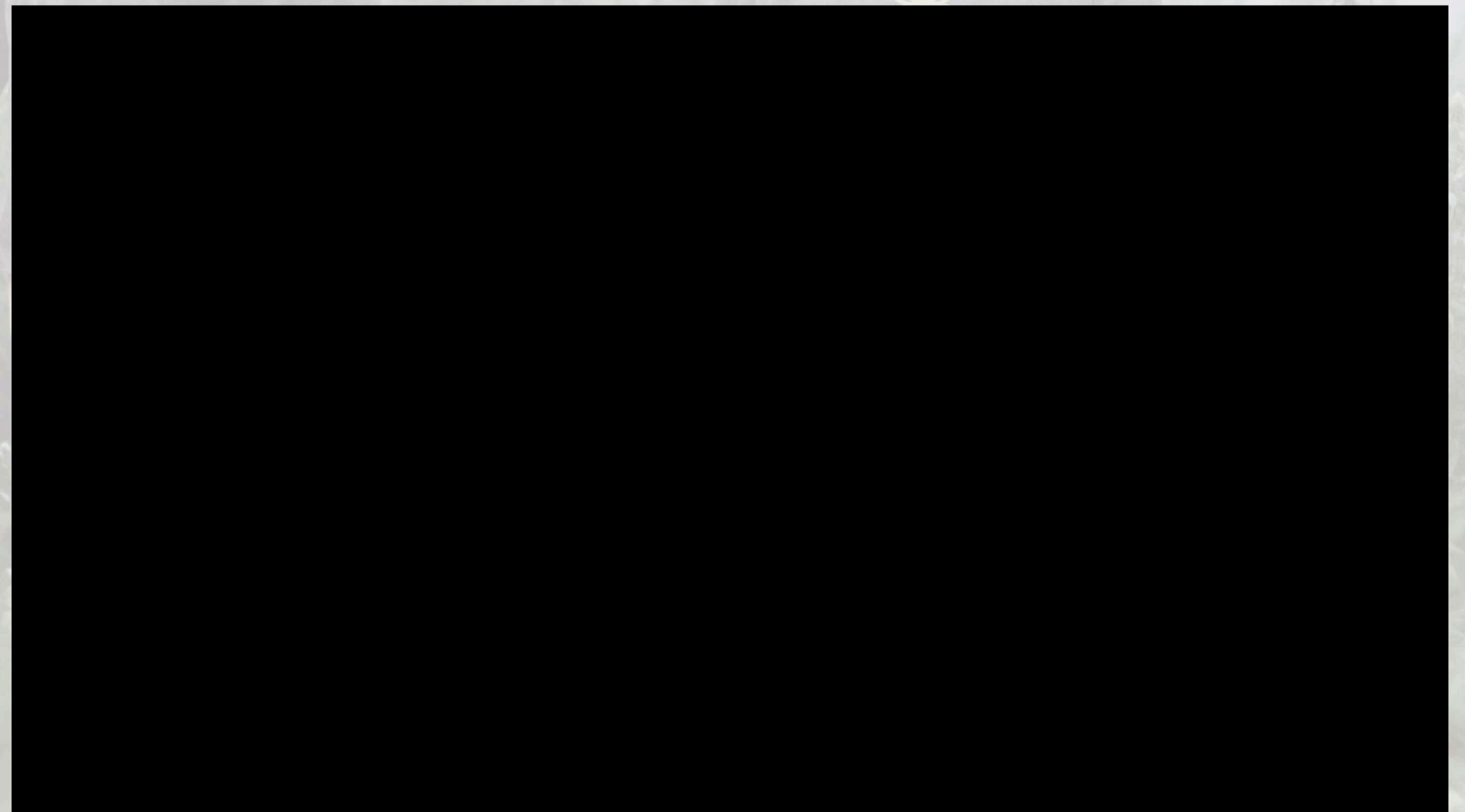
Chief Communications Officer

[jim@cornbreadhemp.com](mailto:jim@cornbreadhemp.com)

PRIVATE & CONFIDENTIAL



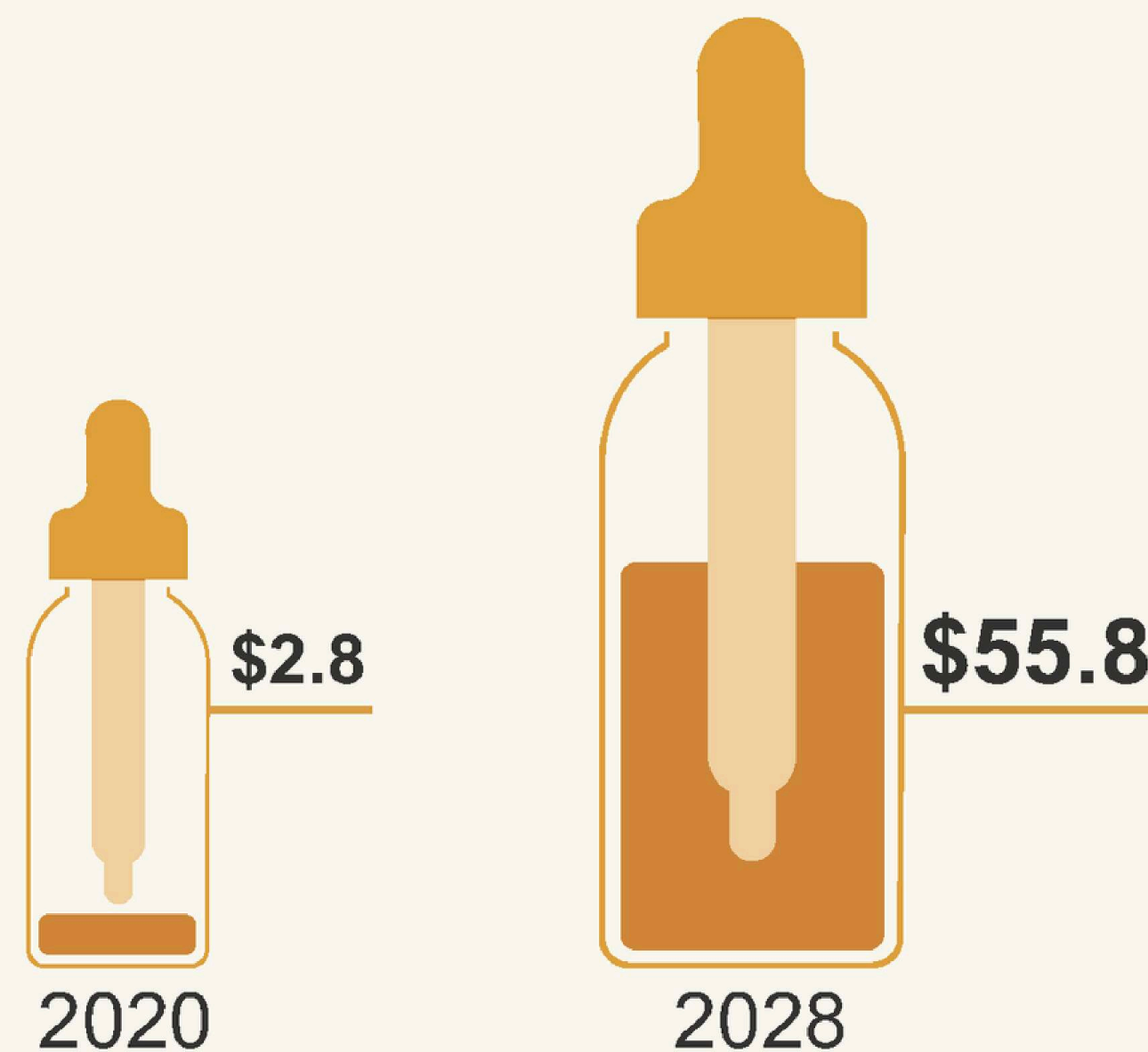
# WHY DID WE START CORNBREAD HEMP?



# CBD MARKET PROJECTIONS (USA)



THIS SLIDE CONTAINS FORWARD-LOOKING STATEMENTS THAT CANNOT BE GUARANTEED.

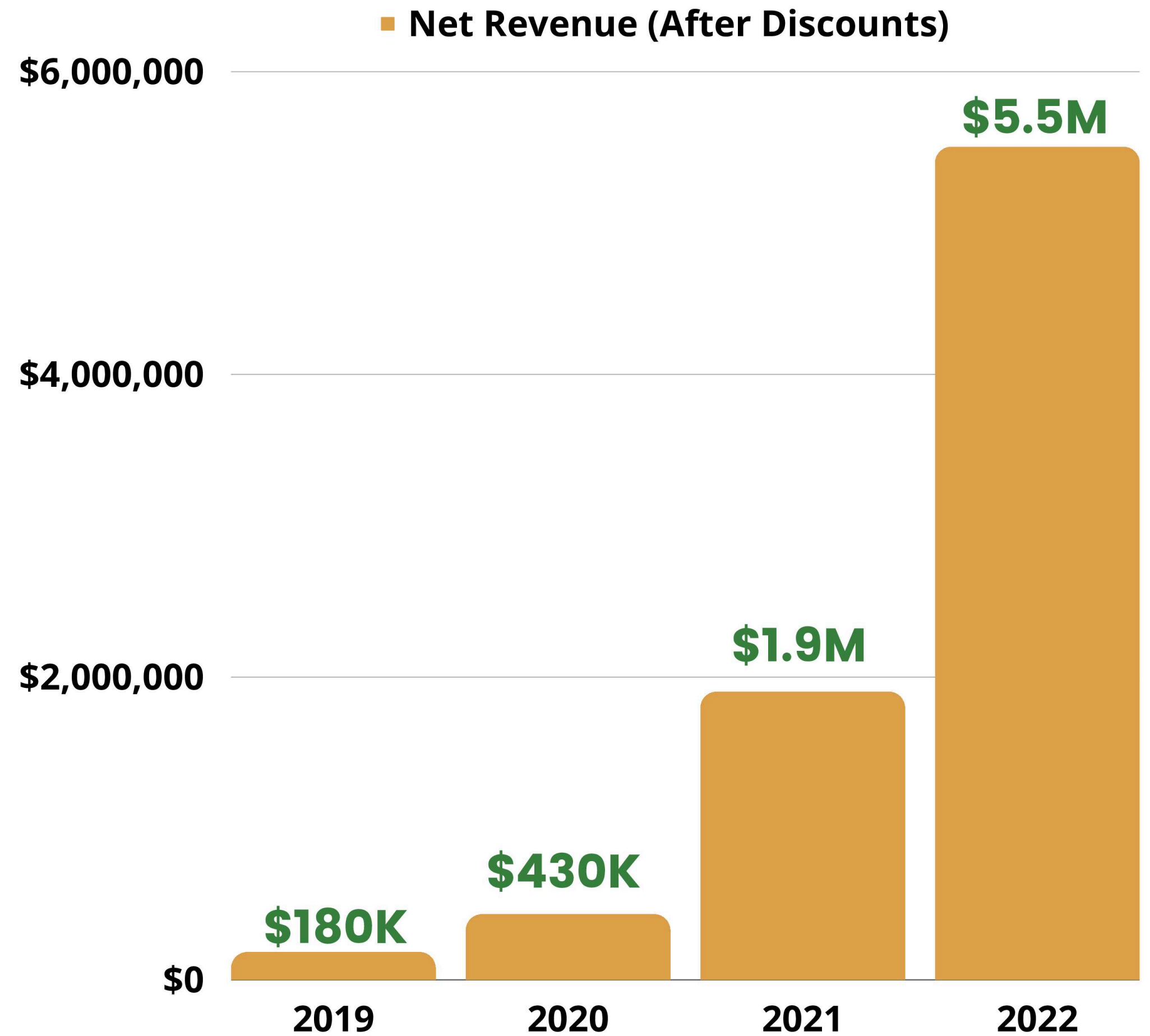


in Billion USD

Source: Fortune Business Insights



# CORNBREAD GROWTH '19-'22





## OUR PROVEN METRICS



# 5.3 LTV:CAC

Lifetime Value / Customer Acquisition Cost  
(An LTV:CAC ratio of 3:1 is standard, and 4:1 is above average.)

# 85% Margins

We closed this  
acquisition in  
October 2022!

# 93% Post Acquisition Margins

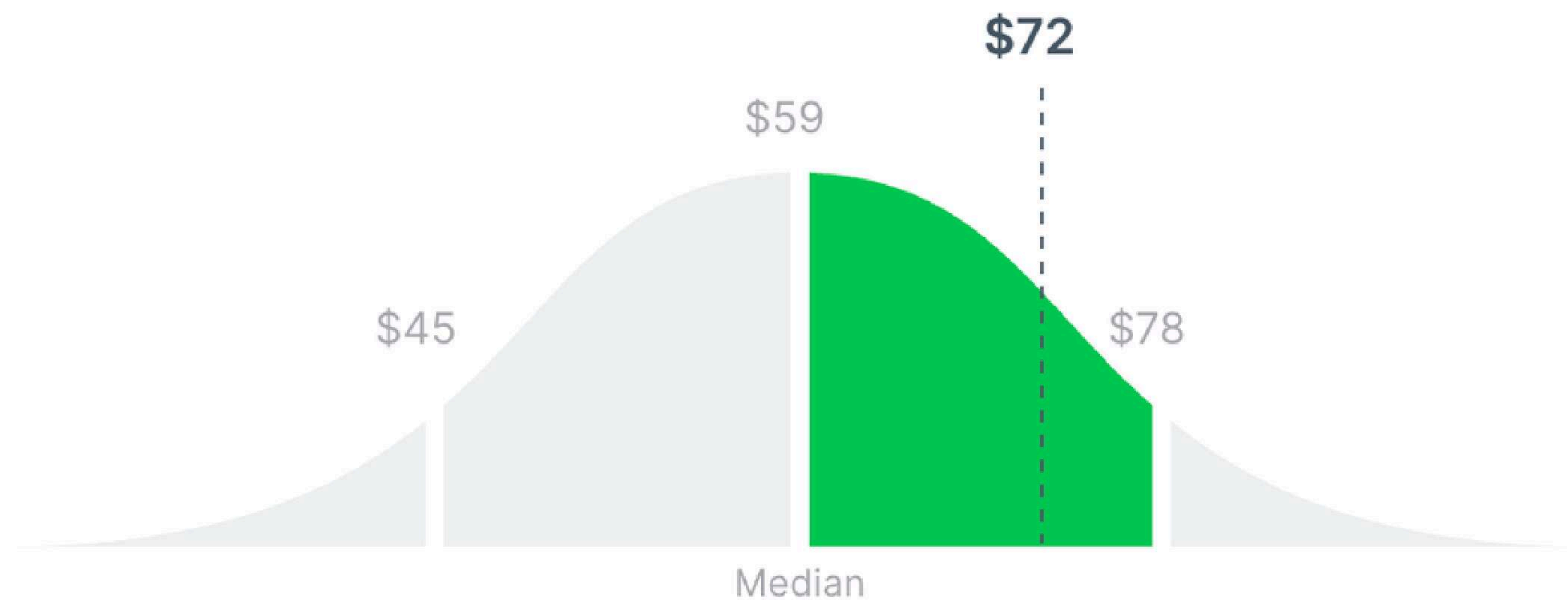
(We are acquiring our hemp processor with debt  
financing for vertical integration.)

# Our average order value compared with other DTC supplements on Shopify:

## Order metrics

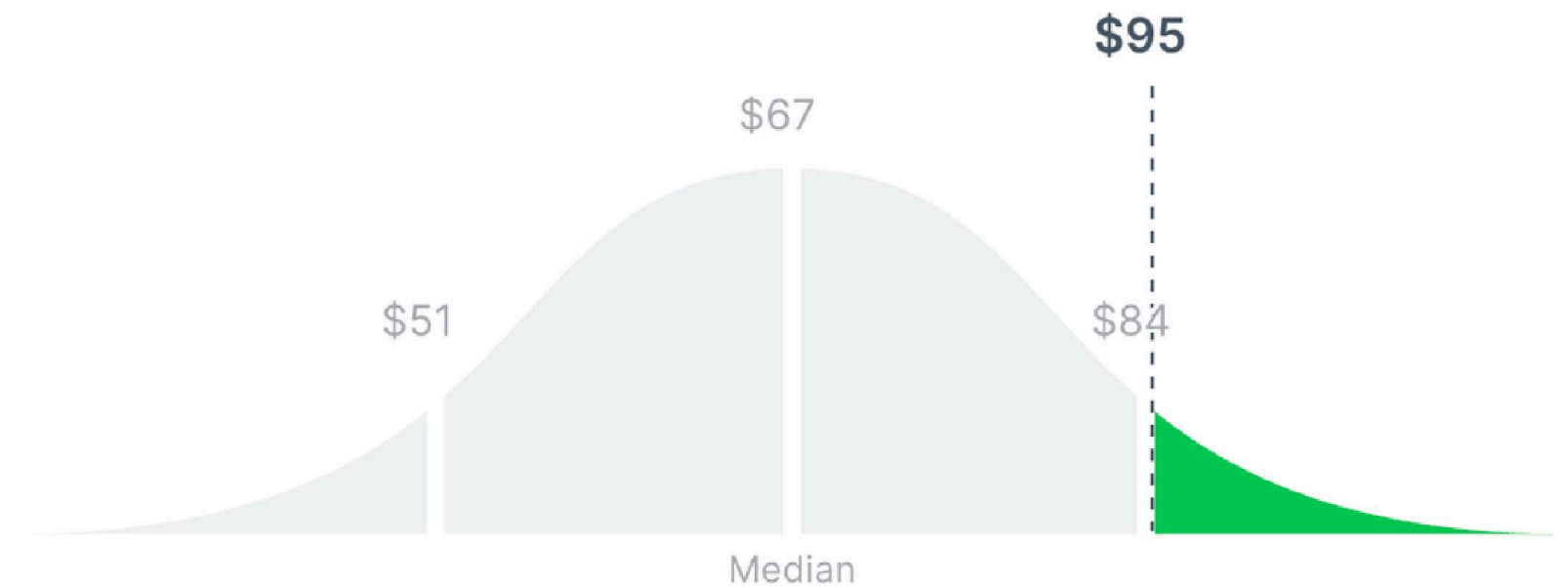
### New customer AOV ⓘ

**\$72** falls in the **top 50%**



### Repeat customer AOV ⓘ

**\$95** falls in the **top 25%**



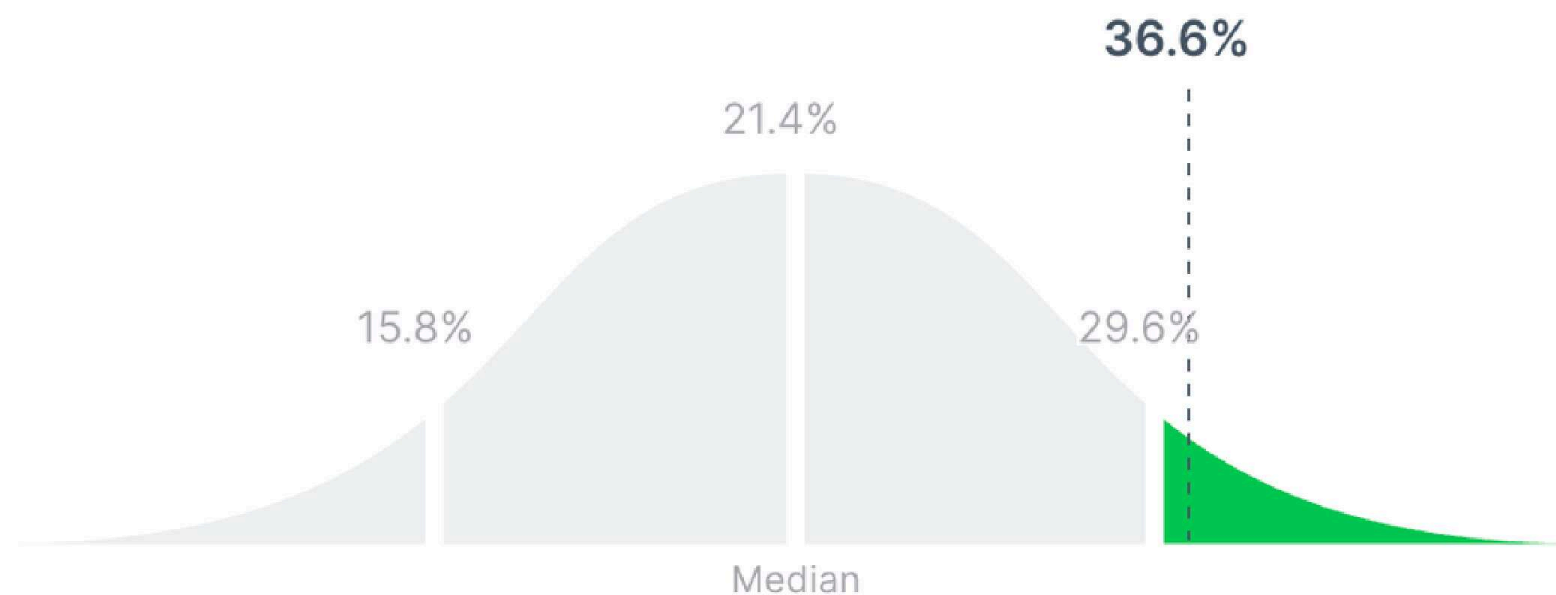


# Our retention compared with other DTC supplements on Shopify:

## Retention

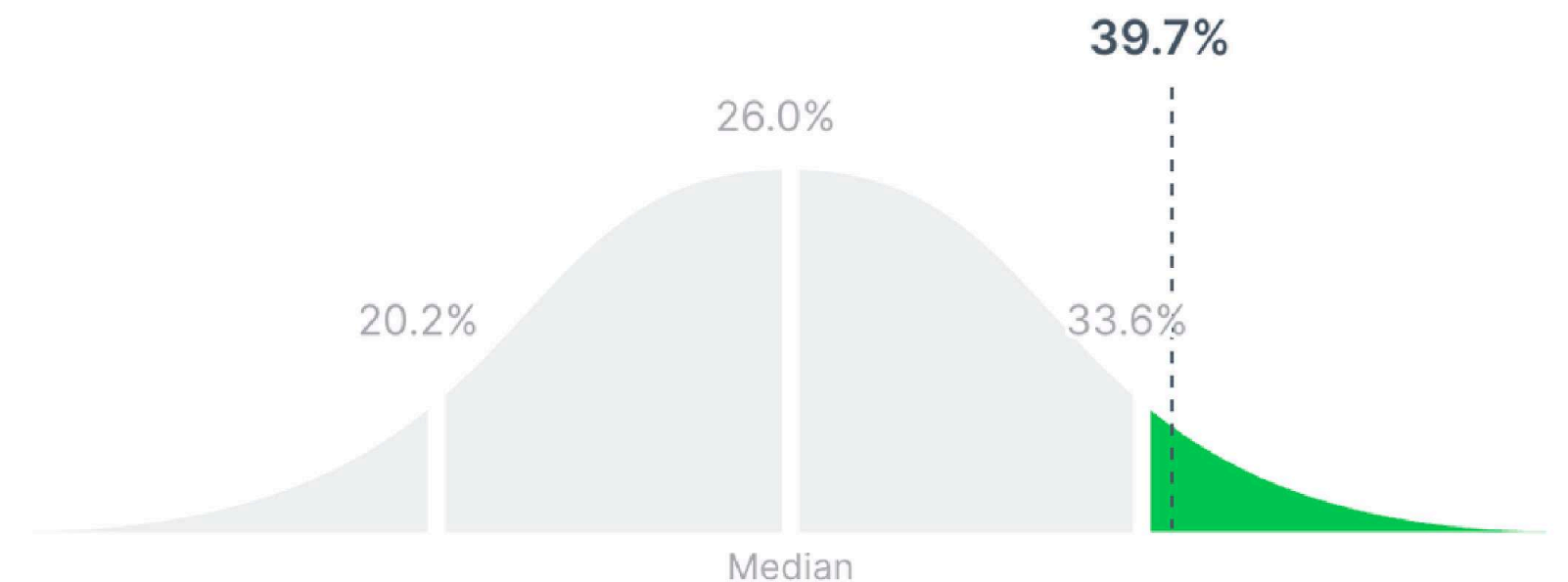
New customer repurchase rate, 90 day ⓘ

**36.6%** falls in the **top 25%**



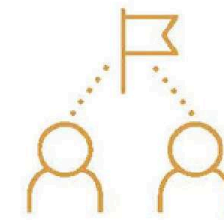
New customer repurchase rate, 180 day ⓘ

**39.7%** falls in the **top 25%**



# OUR POSITIONING

Filling the premium CBD market gap.



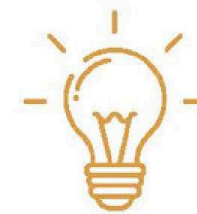
## SUPERIOR QUALITY

All major brands are sacrificing quality for price, ignoring consumers searching for premium CBD products.



## INDUSTRY LEADERSHIP

We build credibility and brand awareness by sharing our singular expertise through unique media relationships.



## LEANING INTO THC

While the competition focuses on THC-free, our customers value the most effective CBD products, which contain the highest legal level of THC.

To learn more about our product quality, visit the USP Slide in the appendix.





## OUR DEFENSIBLE POSITION

### KENTUCKY SUPPLY CHAIN

We are acquiring our hemp processing partner with \$1.5M of debt financing to increase our margins to 93%.

### AUTHENTIC BRANDING

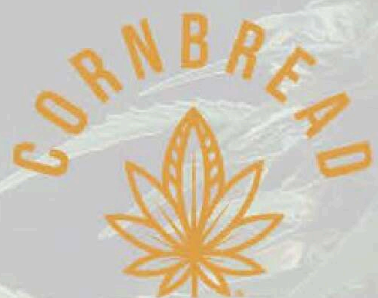
The “Cornbread” story directly connects our brand to the 250-year history of Kentucky hemp.

### HIGHEST QUALITY PRODUCTS

Full spectrum, Flower-Only™, USDA certified organic CBD with the most THC the law allows.

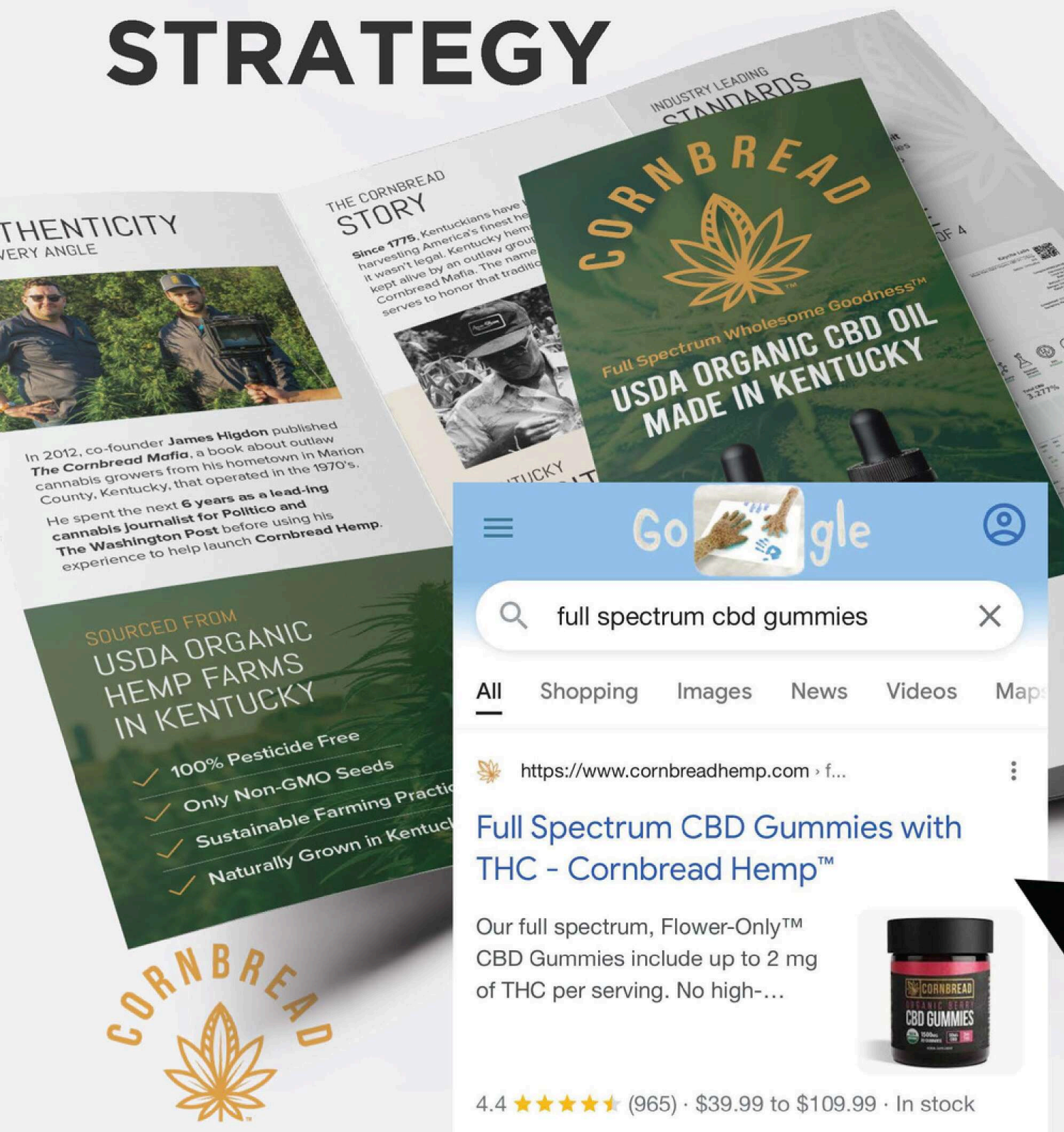
### THOUGHT LEADERSHIP

Through unique media relationships, we leverage our brand identity to educate and advocate for greater access to both hemp and cannabis.





# GO-TO-MARKET STRATEGY



## AFFILIATE & PR

Leveraging Jim's industry expertise and media relationships for PR and affiliate partnerships, which drive brand credibility and Google search results.

## REGIONAL TARGETING

Leveraging our unique brand identity to build awareness in regional markets that offer little to no competition.

## TRADITIONAL ADVERTISING

We have developed strategic partnerships that allow us unique access to advertise on Facebook, Google, & SnapChat, in addition to CTV and radio.

## RETAIL EXPANSION

We are partnering with the best natural foods broker in the country, Presence Marketing, to enter top-tier retailers like Fresh Thyme, Earth Fare, & Sprouts.

**We are the #1 search result for "full spectrum CBD gummies" on Google!**





## OUR COMPETITION

A fragmented market, with no focus on quality cannabis.

	CORNBREAD HEMP	CHARLOTTE'S WEB	MEDTERRA	CBDMD
HIGHEST LEGAL THC	✓	✗	✗	✗
USDA ORGANIC	✓	✗	✗	✗
FLOWER-ONLY	✓	✗	✗	✗
MARKET SHARE %		3.6	1.7	1.6

The top 20 brands control only 19% of the market. **Source: Brightfield Group**



## OUR TIMING

The CBD industry is only 8 years old, and market share is heavily fragmented.

The top 20 brands control only 19% of the market, which is projected to grow 25X by 2028.

The opportunity to lead the US CBD market is ripe for a brand with true authenticity, expertise, and quality.

We believe it is an opportunity to lead not just the CBD market, but the cannabis industry as a whole.

THIS SLIDE CONTAINS FORWARD-LOOKING STATEMENTS THAT CANNOT BE GUARANTEED.





# CUSTOMER PRAISE

A Sample of 1,700+  
Five-Star Reviews



## YOU FOUND THE BEST

“Stop looking for another brand to try, these are the best, I tried over 6 different brands, these are awesome. And they taste great, and their customer service is top notch. Also I love their lotion!”



**John G. 10/8/21**

## IT IS AUTHENTIC!

“I tried other brands who offered steep discounts and gimmicks like flavors and Cornbread remains the grown-up choice. After six vials the long term results are like yoga in a bottle: better sleep, more presentness, and greater equanimity. There is an authenticity to this brand that I admire.”



**Lorrin K. 9/22/21**

## BETTER THAN MEDITERRA

“I have tried several different CBD oils, Charlotte’s Web and MedTerra among them. They worked ok, but Cornbread exceeded my expectations.”



**Kathy K - 06/01**



# GENERATING BUZZ

through our proven media & PR strategy:

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**FOOD & WINE**

"I and my colleague, senior editor Kat Kinsman, have made these extra-strength gummies part of our routine."



**Chicago  
Tribune**

"A highly potent CBD oil made with superior quality."



**BuzzFeed**

"perfect to help relax the mind and body"



**Health**

"it's not easy to stand out in the crowd, but Cornbread Hemp manages to do just that."



**mindbodygreen**

"a palatable but powerful treat"



**NEW YORK**

"this CBD is really kind of magical."







In three years of business, we have professionalized our operating procedures and HR benefits by implementing:

- EOS and weekly L10 meetings
- Health insurance
- 401(k)'s
- Employee share pool
- Paid vacations
- Foundation laid for certified B-Corp
- USDA organic certification





**THE OPPORTUNITY:**  
CORNBREAD HEMP IS RAISING A  
**\$2 MILLION SEED ROUND**  
**\$1,675,000 RAISED UNDER REG D**

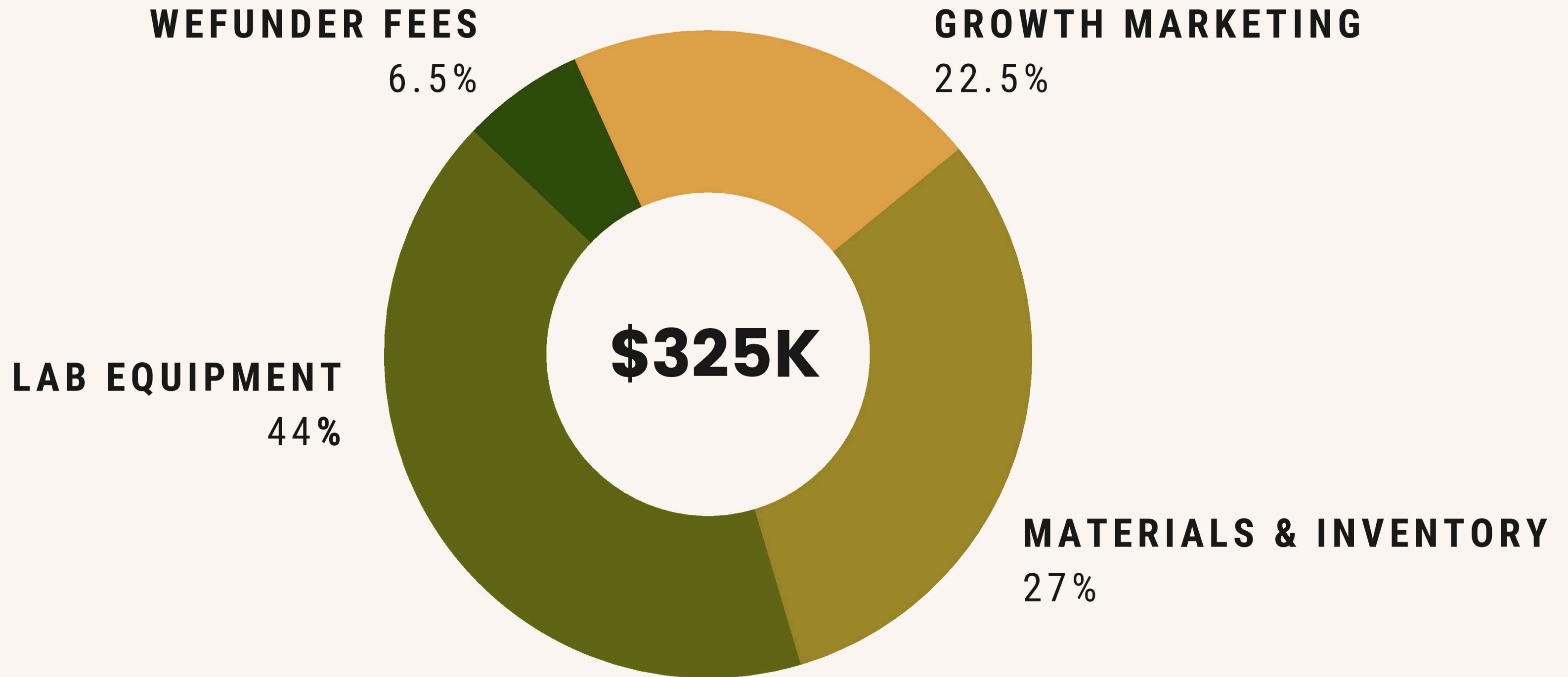
**ONLY \$325K  
LEFT TO SELL!**



**\$500K IN ANGEL AND CROWDFUND CAPITAL TO DATE.**



# USE OF FUNDS FOR REG CF CAMPAIGN



THIS SLIDE CONTAINS FORWARD-LOOKING STATEMENTS THAT CANNOT BE GUARANTEED.

# THREE YEAR GOALS

Creating a runway of 24 months to scale.



## 2022 ▶



- ✓ Revenue goal: \$4.5M
- ✓ Hiring for marketing
- ✓ Acquire hemp processor
- ✓ Solidify regional market share

## 2023 ▶

- ✓ Revenue goal: \$12M
- ✓ Hiring for operations and sales
- ✓ Establish regional retail
- ✓ Expand regional market share.

## 2024 ▶

- ✓ Revenue goal: \$30M
- ✓ Hiring for leadership
- ✓ Solidify national market share
- ✓ Establish national retail

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# Why did we acquire our processor?

A partnership that produced the first USDA certified organic CBD products from Kentucky.



## Reduced COGS

Acquiring our processor will increase our margins from 85% to 93%, which saves more than \$4M over 3 years.



## Gummy Manufacturing

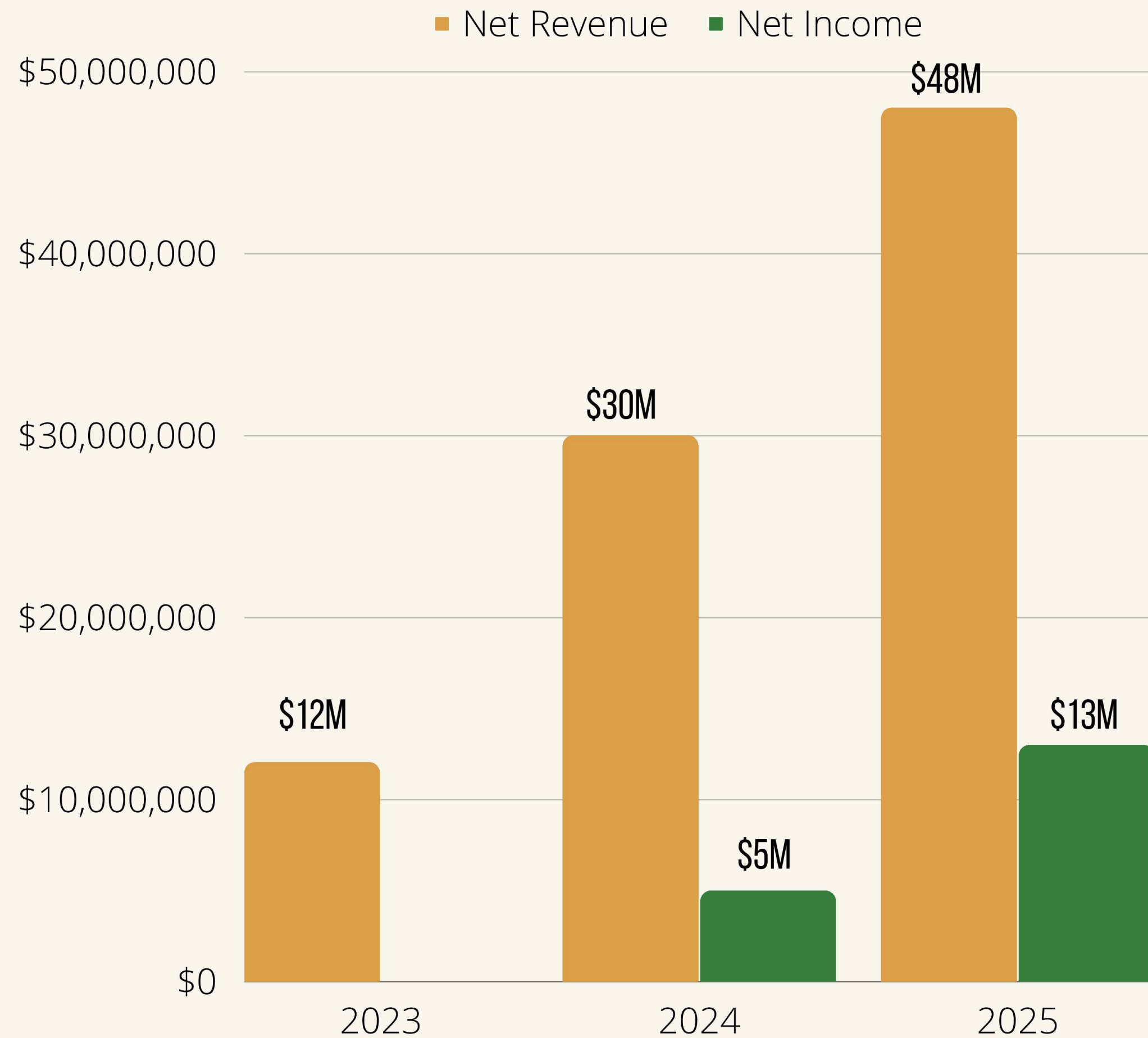
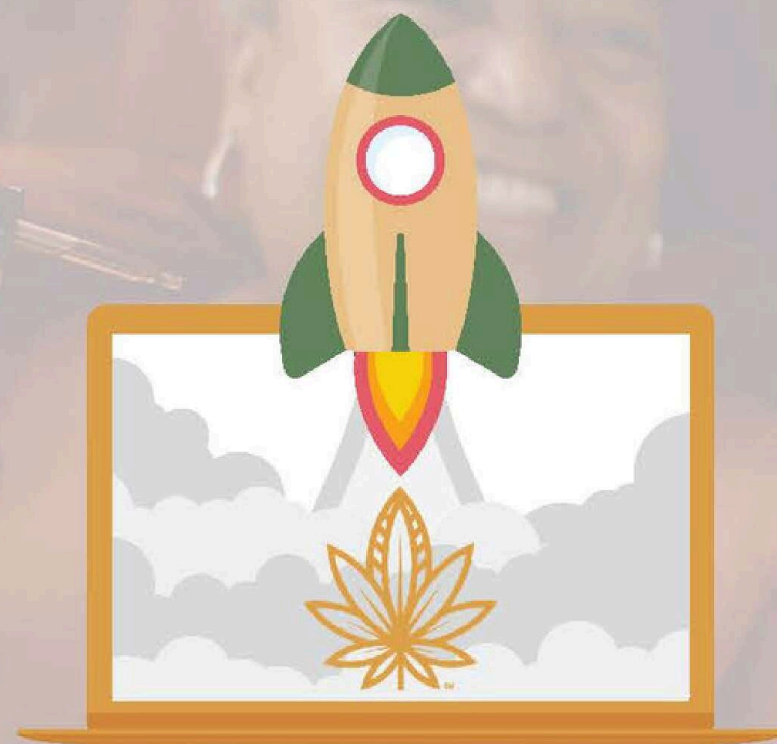
Our processor is the only USDA organic CBD gummy manufacturer in the US, which makes Cornbread one of the only companies to offer USDA organic CBD gummies.



## USDA Organic & Kentucky Based

USDA organic certification takes years to obtain, and only 5% of CBD companies are certified organic. We are one of them.

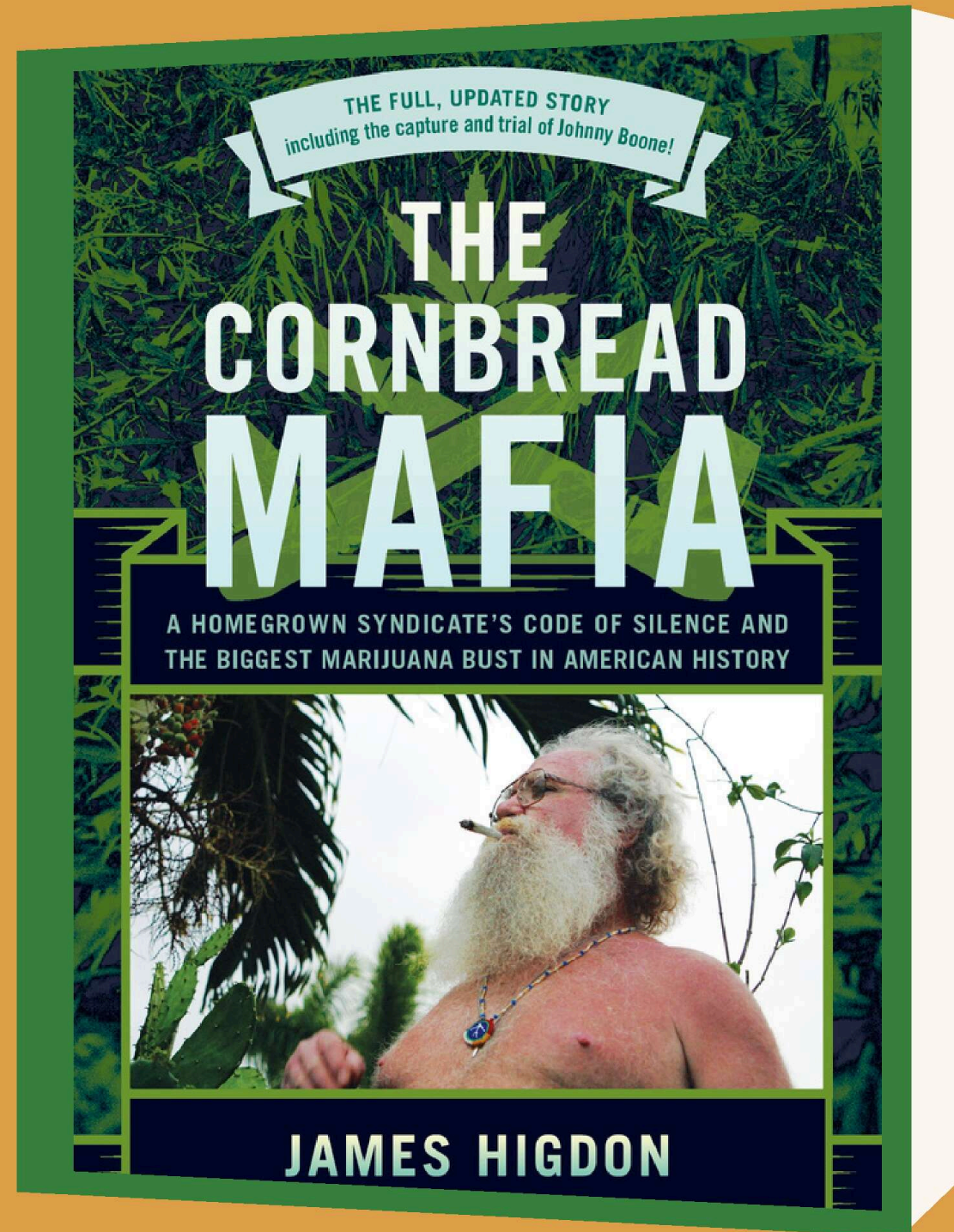
# FUTURE PROJECTIONS



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# Before we exit...



The full value of the Cornbread brand won't be realized until the development of the "Cornbread Mafia" book-to-film project. Our projections through 2025 do not include the potential growth from this opportunity.

## **The "Cornbread Mafia" book**

- Fifteen printings since 2012
- 50,000+ copies sold
- National best-seller

## **The "Cornbread Mafia" podcast**

- Projected release date: Q1 2023
- Cornbread Hemp is the exclusive sponsor

## **The "Cornbread Mafia" TV series**

- Currently in discussions with major talent
- Estimated production 2024 - 2025

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# WHAT A RELIEF.™

Thank you for your consideration.

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## MEET OUR CO-FOUNDERS

### **JIM** HIGDON, CCO

- › Author of The Cornbread Mafa
- › Cannabis reporter for POLITICO
- › Hemp industry expert

### **ERIC** ZIPPERLE, CEO

- › Junior executive, Belle Nobel Entertainment
- › Launched Mint Julep Tours Nashville
- › Accounting degree & MBA, Bellarmine