



QUARTER 1 UPDATE 2018

From Hawaii Cider To Ola Brew Co.

*First Quarter in Business Exceeds Projections and Ends in a Statewide
Distribution Deal with Paradise Beverage!*

Aloha to our Hawaii Cider Investment Community,

What a journey the last year has been since the close of our Hawaii Cider Co equity crowdfunding raise on Wefunder. Our team has been busy at work, planning, building, brewing, and executing the vision that you all invested in. Thank you all for the belief in our growing dream—and now your growing investment. With your help, we have turned our brewing fantasies from napkin doodles to a comprehensive business plan that is now in full swing.

Before diving into the current state of things, we know it is necessary to assure everyone who invested in Hawaii Cider that while the name has changed, the company and the mission are still the same. Hawaii Cider Co. was a branded DBA (doing business as) for Hawaiian Ola Brewing Corporation and the new DBA, Ola Brew Co., is a snazzy upgrade that came out of much deliberation and hard work.

So why the change?

HAWAI'I CIDERco.
HAWAI'I GROWN



1) Rather than restricting ourselves to only making ciders, we wanted a name that gave us room to be successful serving both ciders and beers. Here in Hawaii, the demand for beer is huge and creating an inclusive brand to meet broader tastes was important.

2) The name Hawaii Cider became something of debate locally on who should get to use it. While it's still up for grabs, we're not much for lengthy discussions and hullabaloo and think its better to focus on brewing great products and serving our community.

3) We wanted to give homage to our roots at the Hawaiian Ola beverage brand. By carrying that recognition to Ola Brew co., we can draw from a following of local drinkers who have come to love and trust the Ola Noni brand over the past eight years.

FIRST QUARTER GOALS AND RESULTS

We opened our doors with a bang! No soft openings or testing the waters, but Rather a two-day event with Hawaii's favorite classic and current musicians including food trucks, and of course, our unique beers and ciders. Over 2500 people attended the opening weekend, from Hawaii Island and beyond, all sharing their love for craft. The consensus was that Ola Brew Co. was the long-awaited bridge to the craft beer and cider community not only for Kona residents but for visitors alike.

People are Talking!

Because social media and online reviews are such an integral part of everyday business, we are keen on interacting with all of our followers, reviewers, and friends. Below is a quick snapshot of our growth and current standing with our customers. Instagram followers have grown 300% on @hawaiicider, and 800% on @olabrewco and Facebook has increased over 400% since our opening in December. We are rated 4-5 stars on all social platforms. Below are several ratings within the last several weeks:

Google: "Great customers, amazing employees, and a great time for me. Definitely going again, and thank you for the best service Kona has to offer!"

Yelp: "Of course I had to stop by at least 2 breweries while on the Big Island! If I could give this place 6 stars, I would. I love IPA's and each of their 4 options were smooth and full of flavor. I personally loved their watermelon Double IPA. They don't serve food, but do have food trucks stop by at night!"

Trip Advisor: "We really enjoyed the tour of the place. You can tell that they are passionate about what they do and that level of love comes out in their beers and ciders. This place is going to be crazy popular so I would go now before it becomes too crowded."

Facebook: "Such a cool place. We really enjoy the creativity and authentic approach to their craft. Blake is our favorite bar tender!!"

Articles and Mentions:

Please see the following links to articles from [West Hawaii Today](#) on the our grand opening, and a recent article on our involvement with the [Local Farming Community](#).

Projections vs. Actual Sales:

We have been anticipating a conservative and steady growth. Starting with intensive research on the current landscape of 'big beer' vs. independent beer, as well as the weighted importance of craft localizing resources, we came up with our first quarter projections. We can project the potential market, and we can make the best quality products to suite—from there it's up to us to share with and engage with that market. We were pleasantly surprised by the overwhelming welcome and excitement that we experienced from residents and tourists alike. Since opening we have increased weekly sales by implementing themed nights to draw diverse crowds, including Trivia Tuesday, Blues Brews, BBQ Wednesday, and singer-songwriter Thursday.

Outside Sales:

We anticipated that by the end of the 1st quarter, we would have 18 accounts outside of our taproom. By March 31st, we were in 35 restaurants and bars and had 90 taps across Hawaii Island of both our beer and cider. Some of these accounts include The Four Seasons Hualalai, The Hilton at Waikoloa, Humpy's Taphouse, Pineapples Cafe, and Hilo Town Tavern. Please see the below chart for a month over month projections vs. actual sales and growth.

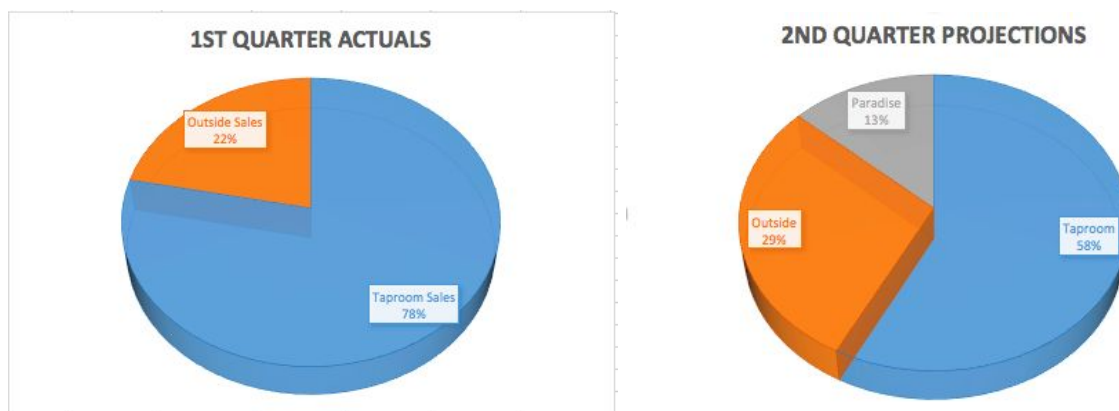


Q1 actual sales totaled \$259,500, 37% higher than initial projections

GROWTH OPPORTUNITIES AND TIMELINE

Because the craft and independent beer market are very new in Hawaii, there is endless opportunity for growth and Ola Brew is not the only ones who see this opportunity. Beverage distributors and seasoned restaurant executives have expressed interest in partnering and we are creating these relationships that support our business model and continue to grow opportunity in our community.

Our second quarter projections are broken down into three areas: Taproom Sales (blue), Outside sales (orange), and Retail Sales by Paradise (grey).



We are set to increase our sales by 47% in Q2 closing out at 382,000.00

Outer-Island Distribution:

Shortly after opening, we began negotiation with Paradise Beverage, Hawaii's largest beer distributor. The potential of our production capacity peaked their interest initially, second to working with another brewery that was solely producing here in Hawaii. Ola Brew is excited to build on this partnership and will fulfill our first order of 2000 cases of canned IPA next Month!

The distribution deal with Paradise also calls for an increase in production capacity. In February, we ordered and installed two 60 barrel tanks, which alone can fill a 40ft container of canned product -or 2000 24pack cases. By July, we will have increased our fermentation capacity with four more 60-barrel tanks, which doubles the volume of our current production potential.



Beer Garden And Onsite Food Options:

The Liquor Department approved plans to increase occupancy from 91 in the taproom to an additional 100 in our outdoor Beer Garden in early April. With this permanent outdoor space for consumption of alcohol, we are looking forward to holding private functions, and public events including film-screening, live music, and other community experiences.

Onsight food is also in the works. We are currently building our commercial kitchen and food establishment, and developing a forager's menu of local and seasonal ingredients to make tradition Hawaiian and New American cuisine. Food options will not only incorporate a dining element to the taproom but to continue positively impact our farming community as well, and highlight the overwhelming abundance that is right here on Hawai'i Island.

Tours:

Daily tours of our facility started in early March and are steadily increasing in popularity for tourists and residents alike. Ola Brew Co. is proud to share our story and agricultural values with our community. We also love educating about the beer and cider making process, and so far, our customers seem to be digging it too!

Current Investment Round:

Ola Brew Co. set out to raise \$3.3M—to date, the brewery has raised \$2.5M to date, of which \$500K was raised from their first equity crowdfunding raise that closed last April and was used to fund the initial build-out of the facility, purchasing tanks, and production equipment, and construction to upgrade building infrastructure.

We are so incredibly grateful to have all of you in our Ola Brew investment *ohana*, and for your support thus far. We look forward to growing our vision with you all.

Please contact me with any questions or comments and I will be happy to get back to you all in a timely manner.

Me ka ha'aha'a,

Naehalani Breeland and the Ola Brew Co. Ohana
President/Director of Marketing
808.388.6654
invest@olabrewco.com

