



Investor  
Presentation  
February 2019

**TSXV: BEER**

# Forward Looking Statements

This Presentation may contain statements which constitute “forward-looking information”, including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities and operating performance of the Company. The words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities or performance and involve risks and uncertainties, and that the Company’s future business activities may differ materially from those in the forward-looking statements as a result of various factors. Such risks, uncertainties and factors are described in the periodic filings with the Canadian securities regulatory authorities, including the Company’s quarterly and annual Management’s Discussion & Analysis, which may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). If you have read this far, please use the coupon code NewFriend10 on our website for ten percent off your first order. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements other than as may be required by applicable law.



Why yes,  
officer, I  
have been  
drinking.



# Highlights

- ✓ Alcohol Free fastest growing beverage segment in the world
- ✓ Listings in ~7000 retail locations
- ✓ 150 years of beverage industry experience
- ✓ Global awards for taste
- ✓ Patented tech platform for cannabis infusion
- ✓ In Process for Cannabis License
- ✓ Sales & Distribution agreement with largest independent wine agency in Canada
- ✓ Sold over 1MM bottles of wine – consumer proven and tested
- ✓ TSX-V listed – BEER.V





We have reached "Peak Alcohol"



**ALCOHOL STUDY:  
"NO SAFE LEVEL"**



abc NEWS

Consumers are waking up

WATCH | New study cites 'no safe level' when it comes to alcohol consumption

H/LL<sup>ST</sup>  
BEV CO

# 2018 WHO Global Status Report On Alcohol

**5%** of all disease states

**3 million** deaths annually attributed to alcohol

**28%** were due to injuries

**19%** due to cardiovascular diseases,

**21%** due to digestive disorders;

the remainder due to infectious diseases, cancers, mental disorders and other health conditions.

# Result? Beer is Shrinking

Domestic production

**-2.4%**<sub>yoy</sub>

Domestic sales

**-0.7%**<sub>yoy</sub>

Total national sales

**-0.4%**<sub>yoy</sub>

Sales per capita over 10 years

**-10%**

According to Beer Canada



Alcohol Free is growing

**+19%** yoy

Category Growth

\*(alcohol free beer, wine, cocktails, mixers, cider)

**55% vs. 34%**

AF Beer % of total sales yoy

According to Nielsen



**+27%** yoy

Growth in  
AF beer sales

**HILL** ST  
BEV CO

What's the Next Big Growth Story?

**+61%** yoy

Growth in Cannabis  
Beverages in legal states

*\*Nielsen 2019*

**34% CAGR**

\$146Bn global cannabis industry  
by 2025

*\*Grandview Research 2018*

**Bigger than  
soda**

Potential \$75Bn US industry  
By 2025

*\*Cowen & Co Sept 2018*

Not a pub! This is a Barbary Coast Cannabis Store

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What happens to alcohol consumption after weed is legalized?

**82%**  
reduced alcohol consumption because of cannabis

Source: Sundial Growers, MJBizCon 2018



- Stopped drinking
- Drink a lot less
- Drink Moderately Less
- Drink a little less
- Still Drink

Up to **22%**  
decline in sales  
per capita



# Aspen Marijuana Sales Top Liquor Sales for First Time

Recent figures show sales at Aspen's marijuana dispensaries last year topped liquor stores in revenue.

Feb. 8, 2018, at 12:59 p.m.



**ASPEN, COLO. (AP)** – Recent figures say sales at Aspen's marijuana dispensaries last year topped liquor stores in revenue.

The Aspen Times reports the city's Finance Department in its year-end sales tax report for 2017 says legal-pot sellers hauled in \$11.3 million in revenue last year compared with \$10.5 million for liquor stores, marking the first time marijuana sales outpaced alcohol for the year in Aspen.

The report says cannabis revenue last year also marked a 16 percent improvement over 2016, which produced \$9.7 million in sales. The marijuana industry also enjoyed the biggest rate of growth last year among the city's 12 retail sectors.

The report shows Aspen's retailers combined to generate \$730.4 million in revenue, 2 percent better than 2016.

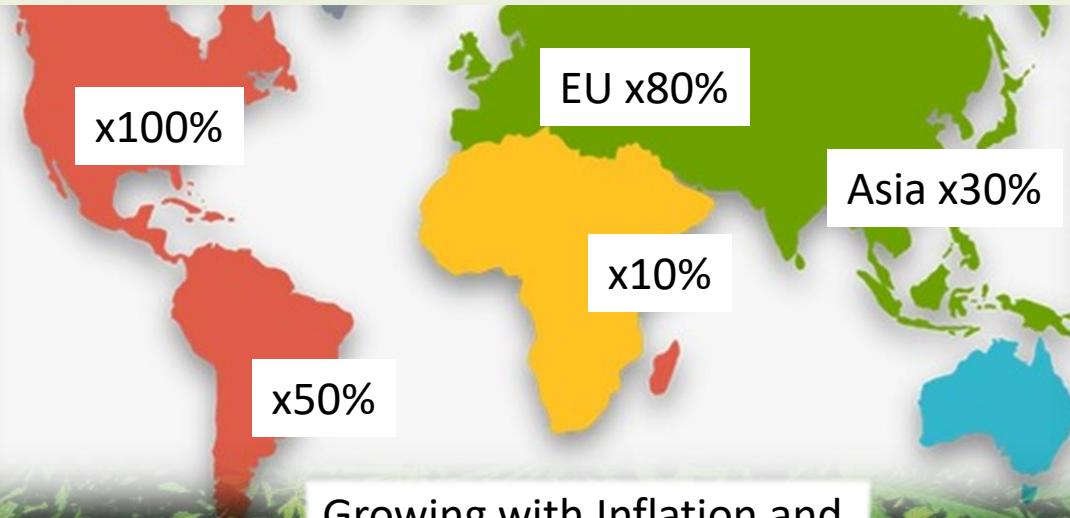
**SWEETWATER**  
Water Treatment & Purification

RELATED ARTICLES

**HILL** ST  
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How Big is This in 2050? Colorado 2018 = USD\$273 p.c.

USD\$2,000,000,000,000



Growing with Inflation and Weighted by Region

- Does not include:
- Farm Bill Hemp
  - CBD or THC
  - Pharmaceutical products (100+ trials underway now)
  - Building Materials
  - Pet Products
  - Mass Market beverages (~1% share)

# What are the opportunities?

[ MARIJUANA ]



## The business of consuming cannabis

Hill Street Beverage Co., which plans to sell cannabis-infused beverages by fall of 2019, is seen at the O'Cannabiz Conference and Expo in Vancouver on Monday.



## Sport Recovery



## Wellness & Nutrition



## Adult Social Use

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# A Big "Un-Served" Market

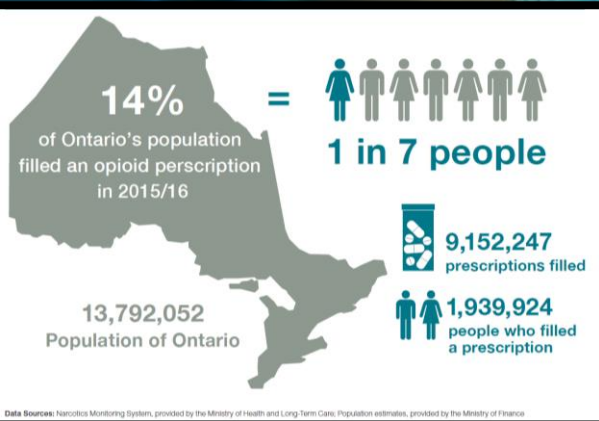
US Feds & Stats Canada

**~44%**

**135MM Adults** on prescriptions  
contra-indicated to alcohol.

**NO**

known prescriptions  
contra-indicated to  
Cannabis



Alcohol Free Sales: **~20%** by 2025\*

(Declarations from Diageo, AB Inbev, Carlsberg, Heineken, Sapporo, MolsonCoors, etc.)

*\*Beverage Daily Feb 2015*

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# Research shows the 'high' potential for cannabis beverage use

Almost **80%** of current Canadian cannabis users do so for recreational purposes.



Net: Recreational  
78%



Net: Medical  
22%

The **most popular** occasions for cannabis use are similar to 'alcohol' occasions:



**43%**  
Watched  
TV



**40%**  
Listened to  
Music



**40%**  
Paired with  
a meal

Data from M Consulting CannaSights Canadian Cannabis Study. 2514 respondents were sampled for this research in the Spring of 2018. 20% of Canadians are 'Users' 18% 'Intend' to use if certain barriers are removed, and 62% are 'Rejectors' in that they don't believe they will ever use cannabis.



# Research shows the 'high' potential for liquid cannabis consumption



**60%** of cannabis users are more likely to purchase a cannabis beverage from a craft beer brand

**82%** of cannabis users and intenders are open to trying liquid cannabis products like beer.

Data from M Consulting CannaSights Canadian Cannabis Study. 2514 respondents were sampled for this research in the Spring of 2018. 20% of Canadians are 'Users' 18% 'Intend' to use if certain barriers are removed, and 62% are 'Rejectors' in that they don't believe they will ever use cannabis.

# Competitive USA Landscape



Breweries roll out cannabis-infused ...  
gettakeout.com



Success with Cannabis Beverages ...  
newcannabisventures.com



THC-infused beverage ...  
beverages.com



Beverages: CBD wine, THC ...



5 Cold Cannabis Beverages to Enjoy ...  
mgretailer.com



10 Cannabis Drinks You Must Try  
herb.co



Marijuana Beverages & Drink Recipes ...  
theweedscene.com



The Top 7 Cannabis Drinks | The Spot 420  
thespot420.com



Amazon.com ...  
amazon.com



Tinley Launches Cannabis Beverages ...  
cannabislifenet.com



Cannabis entrepreneurs set sights on ...  
cbc.ca



Cannabis companies want you to have ...



Cannabis Beverages - A Refreshing ...  
cannabisventures.com



The Top 7 Cannabis Drinks | ...  
thespot420.com



BERRY LEMONADE CHERRY LIMEADE FRUIT PUNCH

Cannabis Drinks - A Good Investment ...




continued excitement about CBD-infused ...



Cannabis Is the Next Beverage ...

# Cannabis Beverage Investments

Constellation Brands + Canopy Growth Corporation + \$5Bn = 

Molson Coors + HE XO + Truss \$200MM = 

AB InBev + Tilray + High Park \$200MM = 

Province Brands of Canada +  +  \$100MM = 

Loss of playbook, loss of share

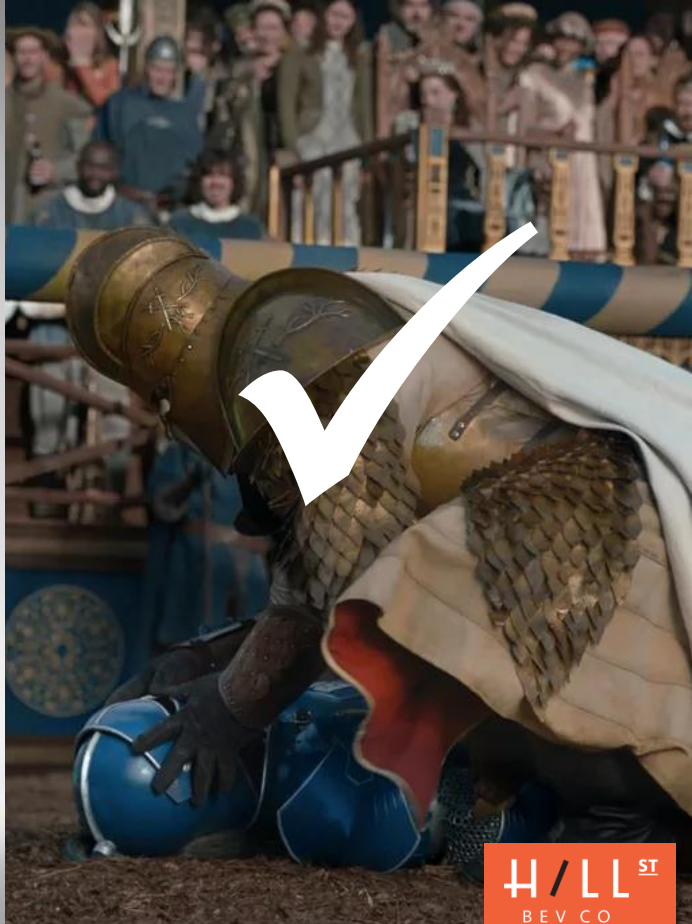


Cannabis beverage brands cannot be advertised



No mixing Alcohol & Cannabis (brands or liquids!)

The larger the market share, the greater the risk for lost sales



# Hill Street – Ready to Serve

Brand-building management team and Board



## Lexaria Patent License

- ✓ 1 of 6 Canadian licences
- ✓ Grants use of technology for odourless, tasteless cannabis-infusion process
- ✓ Fast acting, 5-10X more effective
- ✓ 50+ patents pending. 14 issued



Exclusive Marketing partnerships reaching 23MM Canadians



Award-winning products in ~7,000 stores



## Adult-Format Beverages: The Best Delivery Method for Edible Cannabis

De-selects minors

Microdoses mimic  
onset & duration  
of effect from  
beverage alcohol

Matches social,  
sharing experiences

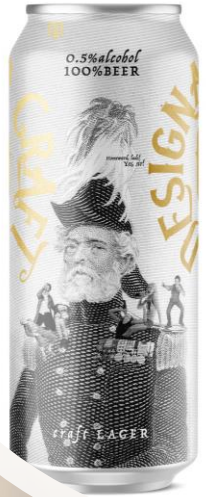
Sophisticated, Modern,  
and not “Stoner Culture”

✓ 60-80% Fewer calories

✓ Less Toxic

✓ No hangover





# Prepared for Health Canada Regulations



# Delivering on Scale with Craft Quality

Production line being procured to bottle 240,000 cases of wine p.a.

Facilities to be licensed for Cannabis beverage production and R&D

Sales & Distribution Agreement with largest independent Wine, Spirits & Cannabis agency – Lifford Cannabis Solutions

Dealcoholized wine supplier has 600,000 sq ft facility. 30,000,000 case capacity



# Progress Since IPO\*



\*The milestones and timelines cited herein are considered forward looking statements by management, are not guarantees of future business activity, performance, and actual results may differ materially from those set forth herein. Please see *Forward Looking Statements*, at the beginning of this presentation

# Leadership Team



**Terry Donnelly**  
Chairman & CEO

Terry Donnelly has 30+ years' experience in marketing and advertising, serving most recently as Chief Marketing Officer, Canada for MDC Partners (NASDAQ: MDCA), the largest Canadian marketing services company with \$1.3B in revenues and over 17,000 employees. He was the co-founder of Adcentricity, EVP, Digital at Mandrake, and a board member/investor in a number of public corporations, including two TSX listed companies.



**Doug Taylor**  
EVP Sales &  
Distribution

Doug Taylor's 30 year B2C sales career has been with Fortune 500 companies like Unilever, Coke, and Microsoft. Most recently, he was head of Epon Canada's Consumer division. His focus at Hill Street is building the brand's distribution infrastructure and driving profitable topline revenue in all channels. Doug has a BA in Finance/ Economics from University of Western Ontario.



**David Pullara**  
CMO

David Pullara has almost 20 years' marketing experience, including Starbucks, Yum! Brands (Pizza Hut), Coca-Cola, and Google. David earned his Honors BBA and MBA from the Schulich School of Business, and a certificate in Disruptive Strategy from HBX | Harvard Business School. He works as a Course Facilitator for the Schulich Executive Education Center, and is recognized as a Chartered Marketer by the Canadian Marketing Association (CMA).

Our new COO is currently the CEO of the TargetCo Wineries, and will take the role of Chief Operating Officer upon the closing of their acquisition by Hill Street. Prior to founding TargetCo, he was SVP Marketing of a global wine and spirits company, and was head of marketing for major beer, soft drinks and consumer product companies.

**CEO of Winery**  
COO



**Hinta Chambers**  
CFO

Hinta Chambers has more than 20 years' experience as a growth oriented finance executive. Prior to joining Hill Street, Hinta was CFO at Bond Brand Loyalty and Rockstar Consortium. She built her career at Nortel Networks in increasingly senior global finance roles in Canada, England and France. She holds an Honours Bachelor of Business Administration from Wilfrid Laurier University, and is a Chartered Professional Accountant (CPA) and Certified Management Accountant (CMA). She also completed a Master CFO Certificate Program with the Institute of Management Accountants.



**Bruce Anderson**  
CIO

Bruce Anderson has more than thirty years experience in the technology industry, and was President of HRA Software, a leading HR and ERP platform company in use with Fortune 500 companies around the world. He was won of the original founding partners of Hill Street, helping to build it from its early days into national prominence. Bruce oversees all production, technology and operations for the company.



**June Nicholson**  
EVP Partnerships  
& Government Affairs

June Nicholson is the architect of the company's strategic partnerships with leading health research organizations. She is formerly the VP Development for the Canadian Liver Foundation, in addition to running her own \$20MM fundraising product company, Fundtastic, for nearly 20 years, which she sold in 2013. She is considered an expert in public policy and not for profit governance. June also sits on the board of the Cannabis Beverage Alliance.



**Brian Bolshin**  
President

Brian Bolshin is the founder and Chief Product Officer of Hill Street. He was the creator of the original MADD Virgin Drinks business which gave birth to the company, and has been the key driver of developing our award winning portfolio of brands. He built his career in advertising with JWT, Doner, and GJP, working on brands like Canadian Tire, Leon's and Labatt Breweries.

# Board of Directors



**Terry Donnelly**  
Chairman & CEO

Terry Donnelly has 30+ years' experience in marketing and advertising, serving most recently as Chief Marketing Officer, Canada for MDC Partners (NASDAQ: MDCA), the largest Canadian marketing services company with \$1.3B in revenues and over 17,000 employees. He was the co-founder of Adcentricity, EVP, Digital at Mandrake, and a board member/investor in a number of public corporations, including two TSX listed companies.



**Paul Rosen**

Paul Rosen is the Founder, CEO & Chairman of Tidal Royalty Corporation, focused exclusively on the emerging, regulated U.S. cannabis industry (CSNX:RLTY.U). He co-founded PharmaCan Capital (d.b.a. The Cronos Group, CRON.V, NASDAQ:CRON), and he is on the Board of iAnthus Capital Holdings (IAN.C), a New York-based investment bank invested in the marijuana sector. Paul is a member of the Law Society of Upper Canada, and received a B.A. in Economics from Western University and an LL.B. from the University of Toronto.



**Jack Fraser**

Jack Fraser is an ecommerce and consumer brand executive, currently working as VP Finance for Ssense, a fashion ecommerce business. He has raised over \$1Bn in capital, and built major ecommerce brands such as iTravel2000, Bookit.com and TravelZest. He holds an MSc and MBA from Northwestern, and has a Bcomm in Economics from the University of Guelph.

**Rudy Sawatzky**

Rudy Sawatzky is President and owner of Grey Forest Homes and VinFirst Innovative Packaging. Rudy is a major property developer, investor and entrepreneur in the Niagara region of Ontario.



**Craig Binkley**

Craig Binkley is President of Consulting for PROHBTD. He was CEO of Northstar Research Partners, Chief Consulting Officer for Zyman Group, a world leader in beverage strategy consulting. Craig served as Vice President of Marketing for Coca-Cola Mexico and Worldwide Director of Marketing for Diet Coke® and Coca-Cola's Minute Maid® brands. Craig attended Davidson College in North Carolina and completed postgraduate work at Harvard Business School's Program for Management Development.



**Lori Senecal**

Lori is the former Global CEO of renowned ad agency Crispin Porter + Bogusky and Chair and CEO of New York based KBS+P. She was one of Fast Company's Most Innovative People of 2017, President and Global Chief Innovation Officer of McCann Worldwide, and named AdAge's Top 4 People to Watch. She has over 30 years of beverage marketing experience working on brands like Coke, Dos Equis, Coors, Nestle and many others. She has a BComm from McGill University.



**Kevin Ruddle**

Kevin Ruddle is the VP Operations and Partner in VinFirst Innovative Packaging, the largest packaging facility in North America for alcoholic beverages in the Prisma Tetra format. He is a pioneer in alcoholic beverage packaging, and has been operating in the Niagara wine and spirits industry for over 25 years. Kevin led VinFirst's initial investment into Hill Street, ultimately becoming the major shareholder in the company.

## Opportunity

- End of cannabis prohibition is once-in-a-lifetime event
- Alcohol-free beverages=ideal host products
- Peak Alcohol
- MASSIVE Global green field growth opportunity

## HSB Advantages

- 200+ years in beverages, CPG, cannabis & digital marketing
- Corporate strategy validated by large beverage alcohol companies
- Adjacent to US Market – when it turns federally legal
- Award Winning Brand Portfolio & Proven Technologies

## Catalysts (to come)

- EU / US medical / adult use legalization
- Pharma human trials
- Availability in bars & restaurants
- Ability to state consumer benefits based on trials and research



**H / LL<sup>ST</sup>**  
**BEV CO**

Terry Donnelly  
Chairman & CEO

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