

# Hill Street Announces Record Revenues and Gross Profit as Strong Growth Continues

NEWS RELEASE BY HILL STREET BEVERAGE COMPANY INC.

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Toronto, ON - TheNewswire - March 1, 2023 - Hill Street Beverage Company Inc. (TSXV:HILL) (OTC:HSEEF) ("Hill Street" or the "Company"), a progressive bioscience implementation company that utilizes new technologies to provide innovative cannabis solutions and non-alcoholic beverage products globally, is pleased to announce the following updates from the three-month period ended December 31, 2022 ("Q2 FY 2023") financial statements.

Continued DehydraTECH™ Expansions Lead to Record Quarterly Licensing Revenue & Growth

The Company continued to add states to its geographic footprint for DehydraTECH™ licensing as well as form factors to its portfolio of DehydraTECH™-powered consumer products during the three-month period ended December 31, 2022.

As a result, the Company is pleased to announce that it grew DehydraTECH™ licensing revenues by 93% in Q2 versus the prior quarter and 263% for the fiscal year to date.

The following chart shows the DehydraTECH™ licensing revenues over the past 6 quarters:

In 000's	Dec 31, 2022	Sept 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021

Licensing Revenue	328	170	138	77	59	130
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## The Transformed Vin(Zero) Business Model Leads to Record High Quarterly Revenue and Gross Profit

In Q2 FY 2023, Hill Street achieved record quarterly revenues overall and also for its Vin(Zero) alcohol-free beverage business. The Vin(Zero) results were primarily driven by the Company's new streamlined Vin(Zero) business model that created a new and different cadence to that business, as we have previously announced. The Company now executes larger orders that are spread months apart to optimize the timing and efficiency of our supply chain. The new business model significantly improves key financial metrics such as order to cash and reduced working capital in inventory, but the Vin(Zero) business must now be looked at across longer time frames to truly understand its patterns.

The following chart shows the Vin(Zero) alcohol-free business results over the past 6 quarters:

In 000's	Dec 31, 2022	Sept 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Gross Revenue	1,487	188	1,198	778	476	527
Chargebacks	(249)	(27)	(217)	(108)	(68)	(56)
Net Revenue	1,238	161	981	670	408	471
CoGS	(738)	(113)	(747)	(406)	(252)	(270)

Gross Profit	500	48	234	264	156	201
GP %	34%	26%	20%	34%	33%	39%

## Release of Q2 FY2023 Financial Statements and MD&A

For the three-month period ended December 31, 2022, the Company has released its Financial Statements, and a comprehensive Company update by way of its Management Discussion and Analysis, which can now be found on the Company's profile at [www.sedar.com](http://www.sedar.com).

Craig Binkley, CEO comments: "This was by far the best quarterly result in the Company's history, for both business units. We are very pleased that our December 31, 2022 results for the Vin(Zero) business validate that the fundamental adjustments we made to our business model over the past several months were well considered and on target. By refocusing our efforts towards our two on-trend, strong-margin and streamlined business segments - Vin(Zero) beverage sales and DehydraTECH™ licensing - we are well positioned as we head into the spring."

## Hill Street Mailing List Launched

With the Company expecting increasing shareholder communication over the coming months, Hill Street is pleased to also announce that it has initiated an exclusive mailing list for all supporters wishing to receive direct and timely communication about Company updates. If you wish to sign up for this mailing list, click [HERE](#).

\*All financial information is provided in Canadian dollars, is unaudited and subject to change.

## About Hill Street Beverage Company Inc. (TSXV: HILL)

Hill Street is a progressive bioscience implementation company that utilizes new technologies to provide innovative cannabis solutions and non-alcoholic beverage products globally. We are pioneering the space where craft consumer products meet bioscience by leveraging our deep CPG expertise to commercialize leading-edge technologies to craft superior plant-derived consumer products. We are currently developing the platform for North American distribution around our rights to use Lexaria Bioscience Corp.'s ground-breaking DehydraTECH™ patent portfolio for product development, licensing and B2B sales of cannabis ingredients.

For more information on our business activities or to check out Hill Street's award-winning alcohol-free line-up and order product to be delivered straight to your home go to **[www.hillstreetbeverages.com](http://www.hillstreetbeverages.com)**

For more information:

Matthew Jewell, Chief Financial Officer

**[matthew@hillstreetbevco.com](mailto:matthew@hillstreetbevco.com)**

## FORWARD-LOOKING STATEMENTS

Statements in this press release may contain forward-looking information. Any statements in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "would", "anticipate", "expects", and similar expressions. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances, such as future availability of capital on favourable terms, may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release are

made as of the date of this press release. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

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## Tags

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