

# Hill Street Reports FY2020 Year End Results and Provides Update on Operations

Toronto, Ontario--(Newsfile Corp. - October 29, 2020) - **Hill Street Beverage Company Inc. (TSXV: BEER)** ("**Hill Street**" or the "Company") reported its fiscal 2020 financial results for the twelve-month period ended June 30, 2020. A complete set of financial statements and Management's Discussion & Analysis has been filed at [www.sedar.com](http://www.sedar.com). All dollar figures are quoted in Canadian dollars.

## FY2020 Year End Financial Highlights

- Gross revenue of \$2.614 million, up 7% y/y;
- Gross profit of \$0.726 million up 68% y/y;
- Gross profit of 31% of gross revenue up from 20% or 11 percentage points y/y;
- Net loss of \$3.862 million, an improvement of 38% y/y. Includes \$1.242 million in one-time and \$677 million in non-cash charges;
- End of year cash position of \$0.7 million.

"With the global pandemic taking its toll on all aspects of our lives, especially small businesses like ours, we couldn't be happier to have generated growth in revenues this fiscal year. With the challenges we have experienced in our supply chain as a result of COVID-19 hopefully behind us, and with new manufacturing partnerships we have secured, we are looking forward to the exciting launch of our new cannabis infused beverage portfolio," said Terry Donnelly, Chairman & CEO of **Hill Street**.

"Nearly all the alcohol-free revenue earned during the year came from our existing retail customers, whereas the prior two fiscal years were growth due mainly from the acquisition of new retail accounts," stated June Nicholson, Chief Operating Officer of **Hill Street**. "As a result of our investments in retail shelf space, we have created one of the best-selling brands in the alcohol-free sector in Canada. We are now well positioned for growth internationally, especially through our growing ecommerce channel."

**Hill Street's** CFO, Hinta Chambers stated, "We were able to dramatically reduce our ordinary operating expenses when the pandemic hit to preserve capital without seeing a dramatic reduction in revenues. In fact, we started to see significant new revenues from online customers in the USA seeking out our products, resulting in a 242% year over year increase in total online revenues in Q4. With our new partnerships in cannabis beverage manufacturing, coupled with the strong brand awareness and consumer acceptance we have created in the alcohol-free segment, we are well positioned for growth in the cannabis beverage market in 2021."

Results for the Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
<b>Gross Revenue</b>	\$ 2,613,923	\$ 2,432,094	\$ 1,511,311
<b>Chargebacks and listing fees</b>	-\$883,068	-\$1,151,894	-\$840,429
<b>Net Revenue</b>	\$ 1,730,855	\$ 1,280,200	\$ 670,882
<b>Direct Costs</b>	-\$1,004,806	-\$848,373	-\$584,500
<b>Gross profit</b>	\$ <b>726,049</b>	\$ <b>431,827</b>	\$ <b>86,382</b>
<b>Ordinary Operating Expenses</b>	\$ 2,453,642	\$ 3,430,203	\$ 2,039,727
<b>One-time Expenses</b>	\$ 1,242,075	\$ 1,136,338	\$ 148,220
<b>Non-Cash Expenses</b>	\$ 676,940	\$ 875,666	\$ 895
<b>Loss before other Income (Expense)</b>	<b>-\$3,646,608</b>	<b>-\$5,010,380</b>	<b>-\$2,188,842</b>
<b>Other income (Expenses)</b>			
Foreign exchange (loss) gain	-\$7,975	-\$17,240	-\$709
Loss on legal settlement			-\$215,930
Write-off of inventory	-\$80,445	-\$7,298	-\$242,399
Write-off of equipment			-6,936
Write-off of intangibles	-\$8,000		
Charges relating to public company listing		-\$918,345	
Gain On favourable interest rate	\$ 17,939		
Gain on Settlement of Liability	\$ 43,217		
Other Income	\$ 194	\$ 9,411	\$ 1,830
<b>Income (Loss) and comprehensive Income (loss) for the period</b>	<b>-\$3,861,679</b>	<b>-\$5,943,852</b>	<b>-\$2,652,986</b>
<b>Basic and diluted income (loss) per common share</b>	<b>-\$0.04</b>	<b>-\$0.07</b>	<b>-\$0.07</b>
<b>Weighted average number of common shares outstanding</b>	<b>104,401,665</b>	<b>85,543,433</b>	<b>40,229,986</b>

The Company presently has one business segment, the marketing and distribution of alcohol-free beer and wine in Canada and, to a much lesser extent, the United States. **Hill Street** sells its products online and through roughly 8,000 points of distribution in grocery and drug stores in Canada.

#### **Joint Manufacturing Partnership with Lexaria Bioscience.**

**Hill Street** has a Joint Manufacturing Partnership with **Lexaria Biosciences** to produce ingredients for Cannabis 2.0 products using **Lexaria's** patented **DehydraTECH** process. **Lexaria's** process has over 60 patents either issued or pending. The process provides for rapid onset and offset of the effects of cannabis, as well as provides the potential to create shelf stable products made from cannabis extracts. **Hill Street** has begun development of a facility in Mississauga where the cannabis ingredients will be manufactured. The Company expects the facility to be operational in 2021.

#### **Cannabis-infused Adult Beverages**

In October 2020, the Company announced the launch of its **(V)ia SPRIZA** Cannabis Infused Beverages brand, to be manufactured in a partnership with **Molecule Inc.**, a licensed producer of cannabis beverages. The Company anticipates that these beverages will be available through licensed cannabis retailers in Ontario in December 2020, with a planned roll out to major markets nationally in 2021. The Company continues to explore the development of additional Cannabis 2.0 products which would be accretive to its business.

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

**Hill Street Beverage Company** is a leading and award-winning company focused on alcohol-free beer, wine, and adult-format beverages. **Hill Street's** brands include **Hill Street Craft Brewed Lager**, **Vin(Zero)** and **Vintense** wines, and have won numerous medals and accolades around the world. **Hill Avenue Cannabis**, the Company's wholly-owned subsidiary, will produce and sell cannabis-infused adult beverages and other cannabis products with expected distribution at licensed outlets in 2020. Check out **Hill Street's** award-winning line-up and order product to be delivered straight to your home at [www.hillstreetbeverages.com](http://www.hillstreetbeverages.com).

#### **For further information:**

Terry Donnelly, Chairman and CEO  
Hill Street Beverage Company Inc.  
[terry@hillstreetbevco.com](mailto:terry@hillstreetbevco.com)  
(416) 543-4904

Follow Hill Street on Twitter <https://twitter.com/hillstreetbevco> and on Facebook <http://facebook.com/hillstreetbevco>.



#### **(V)ia SPRIZA Cannabis Infused Beverages**

To view an enhanced version of this graphic, please visit:  
[https://orders.newsfilecorp.com/files/5205/67106\\_aecd3fc494ebe98c\\_004full.jpg](https://orders.newsfilecorp.com/files/5205/67106_aecd3fc494ebe98c_004full.jpg)

#### **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", "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.

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/67106>