

# Hill Street Reports Q3 F2019 Results

**Gross Revenues Grow 66% Year-over-Year; Net Revenues up 73% Year-over-Year**

TORONTO, May 30, 2019 /CNW/ - Hill Street Beverage Company Inc. ("Hill Street" or "the Company") (TSX-V: BEER) reported its fiscal Q3 2019 financial results for the three-month period ended March 31, 2019. 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.

## FQ3 2019 Financial Highlights

- Gross revenue of \$603,854, up 66% year-over-year;
- Net loss of \$1.1 million for the quarter, compared to a net loss of \$0.6 million in FQ3 2018;
- Working capital of \$1.2 million, compared with \$1.6 million as of June 30, 2018;
- End of quarter cash position of \$442,970 and no debt.

"Hill Street's third quarter was largely focused on the expansion and marketing of the alcohol-free product line, coupled with preparations, analysis, and planning for the launch of cannabis infused beverages upon legalization," said Terry Donnelly, Hill Street Beverages CEO. "We stated in our second quarter that our marketing activities should yield results. We saw the results of our activities in our gross revenue, which increased 66% year-over-year and 14% quarter-over-quarter and net revenues up 73% year-over-year."

## Results of FQ3 2019 Operations

Results for the Period Ended	Quarter Ended March 31, 2019	Quarter Ended March 31, 2018	Nine months ended March 31, 2019	Nine months ended March 31, 2018
Gross Revenue	\$603,854	\$364,427	\$1,925,373	\$1,336,515
Chargebacks and listing fees	\$-175,499	\$-116,334	-\$590,073	-\$760,183
Net Revenue	\$428,355	\$248,093	\$1,335,300	\$576,332
Direct Costs	\$-219,736	\$-19,898	-\$684,180	-\$384,807
Gross profit	\$208,619	\$228,195	\$651,120	\$191,525
Operating Expenses	\$942,823	\$814,411	\$2,984,795	\$1,373,677
Other One-time Expenses	\$131,214	-	\$656,392	-
Non Cash Expenses	\$217,298	\$2,825	\$701,057	\$18,479
Loss before other Income (Expense)	-\$1,082,716	-\$589,041	-\$3,691,124	-\$1,200,631
Other income (Expenses)				
Charges related to RTO	-	-	-\$8,921,869	
Foreign exchange gain (loss)	\$1,505	-\$566	-\$14,550	\$5,092
Loss on settlement of debt	-	-\$48,106		-\$48,106
Write-off of inventory	\$5,387	-\$23,810	-\$62,069	-\$23,810
Write-off of accounts payable	-	\$15,668		\$15,668
Other Income	\$1,541	\$975	\$34,389	\$975
Loss and comprehensive loss for the period	\$1,074,283	\$644,880	12,655,223	\$1,250,812
Basic and diluted loss per common share	\$0.01	\$0.93	\$0.16	\$2.15
Weighted average number of common shares outstanding	87,117,594	693,309	79,749,078	581,652

## Q3 F2019 Operational Highlights

- Delivered first alcohol-free shipments to the Quebec marketplace with the Company's new distributor;
- Launched new, non-alcoholic Vin(Zero) Brut Rose and Shiraz wines;
- Initiated and co-founded the [Cannabis Beverage Producers Alliance](#), a not-for-profit industry

coalition to address Canada's regulations surrounding edible forms of cannabis;

- Hill Street Challenge results:
  - Generated over 6 million impressions across social media, and over 2.1 million people viewed the video content.
  - Achieved a video click-through rate from the videos to the Hill Street Challenge landing page of 1.45%, almost seven times the North American average of 0.21%.
  - Drove a whopping 8,400% increase in traffic to the website versus the 30-days prior to the campaign's "soft launch" on December 27, 2018, with the majority of traffic coming from first-time visitors.
  - Saw hundreds of people leverage the campaign hashtags in support of their favourite charity.

## Highlights Subsequent to March 31, 2018

- Hill Street announces [acquisition of OneLeaf Cannabis](#), giving the Company over 700 distinct cannabis cultivars and a world class, 48,200 square foot facility, built to EU GMP standards. Concurrently, Hill Street proposes a non-brokered private placement of units for aggregate gross proceeds of up to \$5 Million, at a price of \$0.20 per unit;
- [\\$1.2 Million Media Partnership](#) with ZoomerMedia;
- Hill Street Beverage [becomes a title sponsor of FishTV](#).

"We needed to find a Licensed Producer to produce our future cannabis-infused beverages, in order to address the impact of Health Canada's edible regulations," said Mr. Donnelly. "Strategically and operationally, it makes sense to acquire OneLeaf Holding Corp. since their 48,200 square foot indoor facility includes 17,000 square feet for flowering, cultivation and R&D and the remaining floor space could be used to produce cannabis infused beverages. Combined with our continued brand building activities and media partnerships, we're optimistic about expanding our award-winning non-alcoholic beverages to become award-winning cannabis-infused beverages."

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

Hill Street Beverage Company is the world's most award-winning company exclusively focused on alcohol-free beer, wine, and adult format beverages. Hill Street's great-tasting products include Hill Street Craft Brewed Lager, Designated Draft alcohol-free beer, Vin(Zero) wines, and Vintense wines, and have won numerous medals and accolades including three Gold, two Silver, and two Bronze Medals at the U.S. Open Beer Championships, the Retail Council of Canada's Grand Prix award, and a prestigious Double Gold Medal at the San Francisco International Wine Challenge. Hill Street will also produce and sell cannabis-infused adult beverages as soon as the sale of cannabis edibles becomes legal in Canada, expected to occur by October 17, 2019. 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).

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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

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**For further information:** Press only: Terry Donnelly, Chairman and CEO, Hill Street Beverage Company Inc., [terry@hillstreetbevco.com](mailto:terry@hillstreetbevco.com), (416) 543-4904; Investors: Sean Peasgood, Investor Relations, [sean@sophiccapital.com](mailto:sean@sophiccapital.com), (647) 797-0219

CO: Hill Street Beverage Co.

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