

Hill Street Releases Q1 FY 2023 Results

Toronto, Ontario--(Newsfile Corp. - November 30, 2022) - **Hill Street Beverage Company Inc. (TSXV: HILL) (OTC Pink: 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, is pleased to announce the following updates from the recently completed Q1 of FY 2023. All dollar figures are quoted in Canadian dollars.

New Product Launches Hit the Market for DehydraTECH™ Licensees

The Company continued to expand its geographic footprint and its portfolio of DehydraTECH™-powered consumer product form factors during the three-month period ended September 30, 2022.

[1906 Drops](#) expanded to Michigan, Pennsylvania, and Ohio, and several of the newer DehydraTECH™ licensees, which Hill Street's commercialization partner Dehydr8 has been working with to develop their commercial manufacturing operations, executed their initial product launches in market. These include:

- [Lume Cannabis Co.](#) launched their first DehydraTECH™-powered products under their brand in Michigan dispensaries.
- [Neo Alternatives](#) launched their [Root 66](#) brand utilizing DehydraTECH™ in Massachusetts dispensaries.
- [Folium Farms](#) prepared for the launch of their Karma brand utilizing DehydraTECH™ in Oregon, which subsequently occurred in early October 2022.

DehydraTECH™ licensing revenues grew by 34% in Q1 versus the same quarter one year ago and the Company expects the financial impact of these new licensee launches to build over the coming quarters.

The Transformed Vin(Zero) Business Model Continues to Drive First Half Strength

As [previously announced](#), the Company's new streamlined Vin(Zero) alcohol-free beverage business model creates a new and different cadence to the business. We now focus on executing larger orders on a semi-annual basis to greatly increase operational efficiency, versus fragmented monthly or quarterly ordering. Consequently, this business must now be looked at across longer time frames to truly understand its momentum.

Record revenues reported in Q4 FY2022 of over \$1MM (vs. average net revenue trends of approximately \$475K per quarter) continued to support the Vin(Zero) go-to-market distribution system and retail sales during Q1 FY2023. The result of this new pattern and the large Q4, is significantly lower revenues for this quarter.

However, as of today, Hill Street has already received and sold the Vin(Zero) inventory that it ordered during this past summer and expects Vin(Zero) revenues of over \$900,000 in Q2 FY 2023. With these Q2 expected revenues, we anticipate seeing double-digit revenue growth for the full six-month period ended December 31, 2022 compared to the same six-month period in calendar 2021.

**Note: The FY2023 Q2 Vin(Zero) revenue expectations are subject to revision, and anticipated to be finalized and included with the Company's FY2023 Q2 financials release by March 1, 2023. The Company's actual FY2023 Q2 Vin(Zero) business financial results could differ materially from these selected preliminary results. Any preliminary unaudited financial projections provided herein have not been prepared in accordance with IFRS.*

Release of Q1 FY2023 Financial Statements and MD&A

For the three-month period ended September 30, 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.

Craig Binkley, CEO, comments: "Our Q1 results were in line with our expectations, as previously communicated to our shareholders. We are also very pleased that our expected December 31, 2022 results for the Vin(Zero) business validate that the fundamental adjustments we made earlier this year were well considered and on target. By refocusing our efforts towards our two strong-margined and streamlined business segments - Vin(Zero) beverage sales and DehydraTECH™ licensing - we are well positioned to show strong growth as we head into calendar 2023."

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. We are currently developing the platform for our 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

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