



Hill Street Beverage Company Investor Presentation

August 2018

www.hillstreetbevco.com



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. 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.



Capital Structure: TSXV:BEER

Shares (Issued & Out):	86.6M
Insiders own:	32.0M (37%)
Warrants:	22.3M
Options:	10.4M
Fully Diluted:	119.3M
52 Week High / Low:	C\$0.375/C\$0.165
Net Cash:	C\$4.2M*
Market Cap (Basic):	C\$28.0M

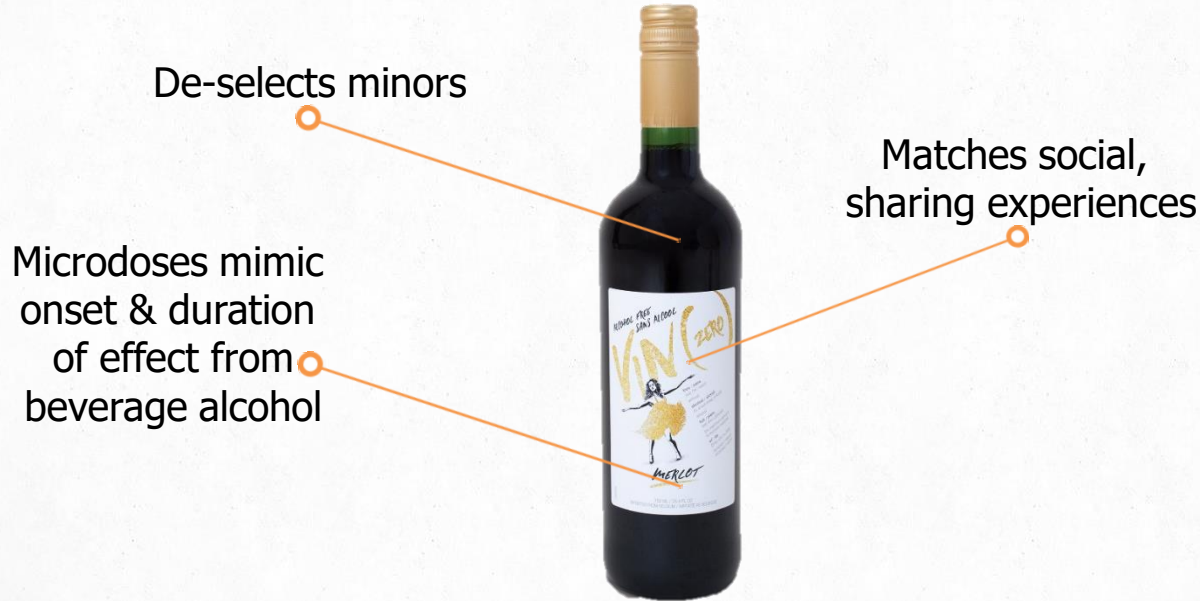
*At the time of RTO

Hill Street Beverage Company (BEER.V) RTO JULY 31 2018					
Weekly Interval		High	Low	Volume WA Price	Volume
27-Aug-18	31-Aug-18	\$0.375	\$0.285	\$0.334	11,078,533
20-Aug-18	24-Aug-18	\$0.290	\$0.230	\$0.257	3,145,763
13-Aug-18	17-Aug-18	\$0.300	\$0.185	\$0.194	3,198,583
7-Aug-18	10-Aug-18	\$0.210	\$0.170	\$0.178	535,067
31-Aug-18	3-Aug-18	\$0.280	\$0.165	\$0.228	3,362,015

Watershed:

Oct. 2019 – Expected Legalization of Cannabis-Infused Edibles

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



- ✓ Fewer calories
- ✓ Alcohol free
- ✓ No hangover

Fear & Loathing @ Big Alcohol:

Loss of share, loss of playbook

- Significant declines in alcohol consumption where cannabis made legal
 - Molson Coors – Legal cannabis now a risk factor (10K 2017)
 - Marijuana sales top annual liquor sales in Aspen, Colorado (2017)
- Beverage Alcohol playbook cannot be used
 - × Drinks with cannabis cannot contain alcohol (or caffeine or nicotine)
 - × Cannabis-infused (CI) brands cannot be advertised; levels the playing field
 - × The larger the market share in beverage alcohol, the greater the potential volume risk
 - × CI-based line extensions from alcoholic brands likely to disappoint (different taste)
- Opportunity for new brands that resonate with consumers
 - ✓ Taste
 - ✓ Relevance

Cannabis Beverage Investment Options

Constellation Brands (STZ-NYSE) & Canopy (WEED-TSX)

- August 15 announcement of US\$4bn increased stake in Canopy (up to 50%)
- 2nd investment in Canopy by Constellation Brands (1st investment was US\$245m for 9.9% stake)
- “Cannabis as a potentially disruptive ingredient”
- US opportunity of US\$50bn today, global opportunity of US\$227bn by 2032 (rec & med)*
 - US\$11bn – Canada, US\$96bn – US, US\$120bn – ROW

Molson Coors (TAP-NYSE) & Hydropothecary (HEXO-TSX)

- August 1 announcement of JV between Molson Coors Canada and HEXO
- “Canada gives us a real opportunity to incubate and test...it's got really significant potential and we're going to learn a lot. And if other markets start to open up in due course and this becomes federally legal, then we'll be in a good place at that point in time.”**

Aurora Cannabis (ACB-TSX) & Alcanna (CLIQ-TSX - formerly Liquor Stores N.A. Ltd.)

- Feb 5 announcement of C\$103.5mn investment for 19.9% stake in Alcanna with option to increase to 40%. (As of May 10, stake increased to 25%).

Brand-building management team and Board
(beverages/cannabis/digital marketing)



Cause-related marketing exclusives with health & charity brands



Lexaria agreement

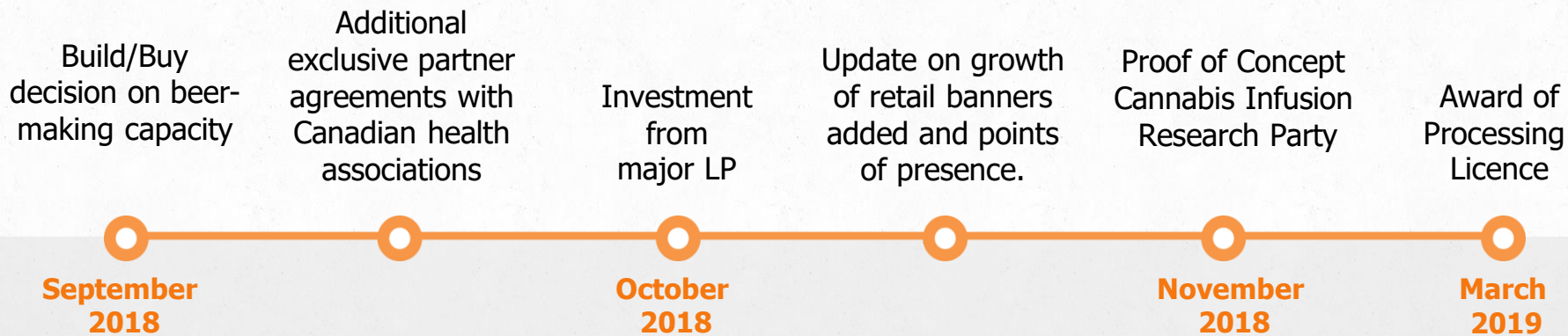
- ✓ 1 of 6 Canadian licences
- ✓ Grants use of technology for odourless, tasteless cannabis-infusion process



Award-winning products
(beers and wines)
in ~4,000 stores



Next Steps*



6.

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



Canadian Cannabis Companies*

Range of Market Capitalization (C\$MM)	# CDN Companies	# CDN Companies with Trailing Twelve Month (TTM) Net Sales > \$0	Market Cap/TTM Net Sales
<\$21	14	1	9x
\$21 - \$50	15	1	8x
HILLSTREET \$28			17x
\$51 - \$75	10	1	31x
\$76 - \$100	9	1	64x
\$101 - \$200	20	6	30x
\$201 - \$500	14	6	45x
\$501 - \$1,000	5	4	247x
\$1,001 -	7	5	228x
	94	25	

**Companies listed on Cdn. stock exchanges and with the search terms "cannabi" or "marijuana" in their corporate descriptions. Excludes ETFs*

Source: Bloomberg

Comparables

Edibles and Non-Inhalables	Ticker	Price	Market Capitalization (C\$MM)	TTM Revenue (C\$MM)	TTM Price/Sales
Tinley Beverage Co Inc/The	TNY	\$0.89	\$63	\$0.019	3,275x
Koios Beverage Corp	KBEV	\$0.20	\$10	\$0.000	
Friday Night Inc	TGIF	\$0.465	\$91	\$9.900	9x
Nutritional High International Inc	EAT	\$0.33	\$103	\$1.674	62x
Licensed Producer					
Canopy Growth Corp	WEED	\$59.64	\$29,832	\$87.99	339x
Aurora Cannabis Inc	ACB	\$8.80	\$9,075	\$41.98	216x
Aphria Inc	APH	\$16.98	\$4,101	\$36.92	111x
MedMen Enterprises Inc	MMEN	\$4.47	\$2,313	\$0.00	
Hill Street Beverage Co.	BEER	\$0.32	\$27.6	\$1.60	17x

8.

Source: Hill Street Beverage Co., Bloomberg LLC



Summary

Opportunity

- End of cannabis prohibition is once-in-a-lifetime event
- Alcohol-free beverages=ideal host products
- Award-winning portfolio
- Semi-exclusive cannabis-infusion technology

Mgmt/Board

- Deep bench strength in fast-moving consumer packaged goods, cannabis & digital marketing
- Corporate strategy validated by large beverage alcohol companies
- Significant share ownership by insiders

Catalysts (to come)

- Capacity buildout
- Additional exclusive health & charity partners + retail banners
- Proof of concept cannabis-infusion event

Valuation

- Below median market cap of Cdn. cannabis stocks
- Pure play in cannabis infusion

Management & Directors



Terry
Terence M. Donnelly
Chief Executive Officer

Terry Donnelly has 30 years' experience in marketing and advertising, serving most recently as Chief Marketing Officer 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 six private and six public corporations, including two TSX listed companies.



Doug
Doug Taylor
Vice President,
Sales

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 Epson Canada's Consumer division. His functional experience crosses many disciplines including Sales, Marketing, Operations & Finance. Passionate about building productive and profitable partner relationships, his focus at Hill Street Beverage Co .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.

Paul Rosen,
Board member

Paul Rosen is the Founder and Managing Director of BreakWater Venture Capital, a private venture capital fund and advisory based in Toronto. He is also the Founder, CEO & Chairman of Tidal Royalty Corporation, a publicly traded financing business 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 publicly traded New York-based investment bank invested in several medical marijuana licenses across the U.S. 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.



David
David Pullara
Chief Marketing
Officer

David Pullara has almost 20 years' marketing experience, over a decade of which was spent working with four renowned, Fortune 500 organizations: Starbucks, Yum! Brands (Pizza Hut), Coca-Cola, and Google. David earned his Honors BBA (marketing) and MBA (strategic management, international business) from the Schulich School of Business at York University, 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).



Hinta
Hinta Chambers
Chief Financial
Officer

Hinta Chambers has more than 20 years' experience in a multitude of disciplines, including finance, marketing, compliance, facilities, human resources and legal. Prior to joining Hill Street, Hinta was CFO at Bond Brand Loyalty and Rockstar Consortium. She built her finance 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.

Craig Binkley,
Board member

Craig Binkley is a well-seasoned strategy consultant who has worked in this capacity for Northstar Research Partners and MDC Partners, among others. Craig was Chief Consulting Officer for Zyman Group, where he worked across a wide range of clients and industries, from Fortune 500 companies to smaller entrepreneurial firms. Before moving into professional services 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.

Kevin Ruddle,
Board member

Kevin Ruddle is the Vice President, Vinfirst Innovative Packaging. Mr. Ruddle is the operational leader for Vinfirst, the exclusive license holder for Tetra Pak packaging for the Canadian Wine industry, and has over thirty years' experience in the wine sector and other industries.