Investor Overview and Vision
Hopsters is a unique and exciting restaurant, tap room, bar, craft beer brewery and “brew your own” concept with delicious food and great craft beer that is poised for significant growth in Boston and other major cities. Building on the success of its prototype store in Newton, MA., and its second, larger “flagship” location in Boston’s Seaport District. Over the next 6 years the Company intends to locate Hopsters in numerous other major US cities (and perhaps abroad). Welcome to Hopsters!
Survey overall finding that nearly two-thirds of respondents indicated that brewery visits were an incremental occasion.

Interesting is that these results are strengthened as we move beyond beer’s typical core 21-34 age demographic. Results similar for Women.

12% of craft drinkers said that they were drinking more craft, and going to breweries was one reason why.

Findings also pointed to a more diverse set of brewery visitors driving this trend, bringing new people into breweries who might not be drinking craft.

Demand has grown for integrating beverage alcohol in more experiential occasions (including festivals, brewery visits, and outdoors activities).

New Occasions Mean More Beer Drinkers - there is growing evidence that much of the growth in demand for experiential beer-drinking occasions was not being fully met by traditional on-premise channels.

https://www.brewersassociation.org/insights/brewery-visits-are-new-occasions-may-help-grow-beer/
Hopsters: The First Custom Craft Brewery

A community brewery and restaurant that brings people together to create unique craft beers

Founded in 2013 by Lee Cooper, Hopsters offers a unique and custom craft brewing experience for everyone – individuals, groups and businesses.

Riding the explosive growth within the craft beer market, Hopsters provides one of the first “brew-it-yourself” experiences in the U.S.

In addition to group brewing sessions (kettles), Hopsters also serves house brewed craft beer, delicious food and go to market Hopsters-branded line of craft beers to go in cans.

Hopsters is successful because we live our mission and reward our values, community, learning, fun and local.

Through the last 12 months of operation, Hopsters has far exceeded revenue and profitability expectations.

The Company is primed for explosive growth recently opening its flagship Boston location.
The Hopsters Concept
Unique, personalized brewing experience not currently offered in the market

The Hopsters Experience

1. Choose Your Brew: Choose from any of over 30 craft beer recipes.

2. Grab Your Ingredients: Select ingredients from the Ingredients Room – most ingredients sourced from local farms!

3. Start Brewing: Combine ingredients and boil for ~ 1 hour. Relax with food & drink and keep an eye on your kettle.

4. Add Yeast to Kick Off Fermentation: Transfer beer to fermentation tank to ferment for ~ 10 days (onsite).

5. Bottle It: Come back to bottle and label your beer or have us do it for you. We can also provide a keg of your beer.
Hopsters is at the Center of Significant Current Trends

House Brewed Craft Beers

Community Tap Room

Dine & Entertain Experience through “Brew Your Own”
The Hopsters “Value Proposition”

Highly “social” craft beer focus will attract Millennials and others

Attractive Multi-Revenue Model and Strong Projections

“A” second Location in Hot Boston Seaport District

“Proof of Concept” with Highly Successful Newton Store

Significant Revenues from Corporate Events and Private Groups
Hopsters Newton...2017

Early success in the Company’s Newton initial location

Opened in December 2013, Hopsters’ Newton location has far exceeded sales and profitability expectations, while effectively serving as an “incubator” location.

2,000 sq ft location has capacity for 90 people and boasts 10 kettle stations, a bar and a small quick serve kitchen.

Multiple revenue streams benefitting from captive audience (two hour brew session drives incremental food and drink sales).

As of May 2014, Hopsters obtained a license to serve Hopsters-brewed beer.

Company has been particularly successful in hosting brewing events for Boston businesses, including: Google, John Hancock, Harvard, Merrill, Lynch, Hubspot and many others.

Cost of Goods Sold

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>23%</td>
</tr>
<tr>
<td>Kettles</td>
<td>12%</td>
</tr>
<tr>
<td>Hopsters Beer</td>
<td>40%</td>
</tr>
<tr>
<td>Liquor &amp; Guest beer</td>
<td>17%</td>
</tr>
</tbody>
</table>

Sales $1.2M

75% Gross Margin
Hopsters in Boston…

1st Qtr 2018 Boston – things are looking awesome!

Opened in January 2018, Hopsters’ Boston location has far exceeded sales and profitability expectations, while effectively serving as the showcase business model.

6,000 sq ft location has capacity for 180 people and boasts 12 kettle stations, a bar, brew hall and full service restaurant/kitchen.

Strong corporate & brewhouse/tap room sales. Built a strong brand in Newton.

To save costs, all Hopsters beer brewed in Newton brewery location.

Company has strong initial results in hosting brewing events for Boston businesses, including: PWC, Vertex, GE, Millipore Sigma, Deloitte and many more.

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**Boston Sales Q1 2018**

- Food: 37%
- Kettles: 10%
- Hopsters Beer: 11%
- Food: 41%

**Cost of Goods Sold**

- Food: 25%
- Bar Supplies: 17%
- Brewing Supplies: 15%

75% Gross Margin
Recent Hopsters Buzz
Hopsters has garnered media attention both locally and at the national level

Local and National Press

- BOSTON’S BEST 2014
- The Boston Globe
- EATER
- WINDICER BOSTON'S BEST 2015
- The Improper Bostonian
- edibleBOSTON
- metro
- Boston Herald
- Boston magazine
- CNBC
- THRILLIST
- BOSTON BUSINESS JOURNAL
- HOPSTERS BREWING COMPANY
Corporate Event Case Study: John Hancock

50+ person event for John Hancock represented $10k of sales over three hour period

Hosted corporate outing for +50 John Hancock employees in April (John Hancock has since held multiple subsequent events)

Event priced at $125 / head, exclusive of food and drink tabs

Small footprint and occupancy restraints of Newton location require often closing the location to the public for private events – Remedied in Boston

Corporate events represent a significant growth driver for the business

Extremely high margin business for Company

Five times as profitable as standard restaurant. 20% EBITDA 2015; 35% NOI projected at Seaport
Some of Hopsters Corporate Clients

Reebok
John Hancock
hp
Google
GE
Merrill Lynch
Biogen
Veritas
Harvard
AthenaHealth
Sysco
HubSpot
Genzyme
PwC
svb
Bain Capital
Century 21
Hopsters Brewing Company
Hopsters Seaport and Future Growth
What We Learned in Newton......
*Newton has served as a critical incubator location allowing us to test ideas/concepts*

- **Hopsters is a highly “scalable” concept** that appeals to the right demographic groups and is “on trend” with current developments in the restaurant business: craft beer; “farm to table” food and entertainment.

- Indeed we should maintain and **expand our high quality “Gastro Pub” menu offerings**

- **Need a bigger footprint** – in order to (i) host larger corporate events (50+ people): we currently need to turn away walk-in customers due to private events and (ii) accommodate more diners.

- **Being closer to our the customers** is key – every day we hear potential customers tell us how great it would be to have locations in their city.

- **Serving our own beer** through our own taps is delicious...and profitable – we earn a 90% gross margin on all Hopsters–brewed beer served on site. No price sensitivity!

- **On site commercial brewing** Provide employee growth from brewing with customers to head brewer. Strong growth as brewery provides, authenticity, experiential visit & drives incremental sales.
What We Learned in Boston 1st Qtr 2018......

Boston is our flagship location, this model will be rolled out to other US locations

- **Significant interest in corporate business**, locations will have a semi-private area that serves as a separate function area and brew hall/restaurant when events are not scheduled.

- **Boston has shown that** there is a demand for increasing menu items and that significant sales for beer and food exist outside of kettle sales.

- While we want to create a somewhat upscale brew pub experience, we must keep **authenticity** and focus on **non-chain** mission and values.

- Still challenges with who we are and what we do. Important to educate guests with effective marketing, communications and branding.

- **We have a complex build-out.** We have developed relationships with a national construction company and vendors that can duplicate nationally, controlling efficiencies, even if this may elevate costs in the short term.

- We are a brewery first and foremost, staying within our mission and values will drive incremental sales above and beyond the dining and entertainment business.
Hopsters Expands Beyond MA – Looking at Philadelphia!

Location TBD in rapidly growing Center City includes 12 kettles, restaurant, bar, and brew hall

- Philadelphia is the 2\textsuperscript{nd} largest city on US east coast and 5\textsuperscript{th} most populous city in US with a steadily growing population
- Prime location opportunities exist in the Center City, UCity and Passyunk areas
- High traffic areas with nearby restaurants, hotels and corporate offices to drive high foot traffic for bar sales / beer hall (first of its kind in Philadelphia area)
- Pennsylvania loves their beer. According to a study done by the Brewers Association, PA is the \#1 beer producing state with 3.9 million barrels annually...\textit{and only 10\% is craft beer}

Operating since Jan 2018 – Q1 shows strong sales and we have grown our corporate sales business by 400\% compared to Q1 2017 and Q1 2016. \textbf{Kettle business accounts for 25\% of extra sales over regular brewpub sales}
Other Potential Hopsters Locations

Stamford CT  San Diego CA
Nashville TN  Portland OR
Chicago IL  Charlotte NC
Seattle WA  San Francisco CA
Austin TX  Denver CO
St. Petersburg FL  Washington DC
Our Financial Model and Investment Summary
Hopsters Multiple Revenue Streams

- Large Bar & Beer Hall
- Dining Room & Beer Garden
- Corporate Events
- Private Events
- Retail and Distribution of Hopster Beers
Hopsters Growth Plan

NATIONAL ROLLOUT: 2017-2022

Hopsters will be the 1st scalable “brew-it-yourself” brew pub concept with a national brand and locations in numerous major cities in the US and perhaps abroad.

Following the successful Seaport opening, the goal is to open two new locations by 2019 in another East Coast city such as Philadelphia or Stamford, CT.

Goal: 16 locations by 2022

Significant Increase in Corporate Events:

Hopsters is successful in cities populated by growing businesses and a relatively younger demographic. We thrive where there are young innovators within emerging technologies.
Financial Highlights

Newton Store is Highly Profitable

- Gross Margins: 74%
- EBITDA: 24%
- Net Income: 15%

New Boston Seaport Location Projects Strong Financial Performance

- Revenues: $3.35M  **Based on last two months of off season sales.**
- Gross Margins: 80+%
- EBITDA: 30+%
- Net Income: 20+%

High margin Kettle sales account for 25% of business over regular brewpub sales

Rollout: at least 16 stores in 6-8 cities in the US by 2022 with multiple “exit” options with significant IRR’s and return “multiples” to Investors. *Excludes Overseas Opportunities.*
How are we going to access capital!

Hopsters raised 1.3 Million from 713 Investors with crowdfunding

- Hopsters raised Reg CF funds faster than any other offering over subscribed by 300K, possibility to access the crow with a Reg A Plus offering
- Strong margins and collateral makes us appealing to banks, Hopsters currently has over 1 million in SBA loans
- Now we have a bustling showcase location in the North East’s hottest neighborhood we may receive interest from VC’s with a focus on investment in experiences
- Leveraging our existing 713 investors. This includes over 33 Reg D accredited investors with over 1 million invested with individual investments ranging up to 250K
Potential “Exit” Scenarios for Investors*

Private Equity
- Catterton
- Roark Capital Group
- RCP
- Rosser Capital Partners
- KarpReilly LLC

Restaurant Groups
- dineEquity™
- Tavistock Restaurants
- Darden Restaurants
- Lettuce Entertain You

Other Strategic Investors
- Samuel Adams
- Compass Group
- Everinvest

* Scenarios above are “private” exits and do not include public scenarios such as an IPO
Why Invest in Hopsters?

Hopsters is “On Trend” with a Diverse Audience:

- Local Craft Beers Attract Millennials and Others
- Strong growth in Tap Room sales due to growth in fewer traditional beer bars
- Dine & Entertain Experience through “Brew Your Own”

Compelling Financial Model

Current Market Validation Through Success Newton & Boston Store

- Multiple Revenue Streams-Dining/Beer Hall, Bar, Brew Your Own and Retail
- Significantly Higher Margins and Profitability through Revenue Mix
- Significant Revenue from Highly Profitable Corporate Events

Highly Scalable: Unique/Differentiated Concept in Boston and US

Excellent “Exit” Scenarios (see prior chart)
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