



Hook & Hand

Where Tales Are Born



2023
ANNUAL
REPORT

Hook Hand Rum 2023: Building Brand, Business, and Community

Dear Valued Hook Hand Rum Shareholders,

We're thrilled to share our progress in 2023, a year of laying the foundation for future success. We focused on building a strong brand identity and establishing key business operations.

Building the Hook Hand Rum Experience:

- Engaging Events: Collaborations with local event organizers and influencers created a buzz and fostered a community around Hook Hand Rum.
- Creative Marketing: Our campaigns, like the April Fool's Day effort, generated significant interest and helped define our brand voice.

Charting Growth:

- Production Milestone: We successfully produced our first batch of rum with Surf City Stillworks.
- Strategic Distribution: Partnering with Park Street grants access to key rum markets in California, New Jersey, New York, and Florida.

Financial Highlights and Future Funding:

- Strong Start: We secured \$200k in initial investment and are currently pursuing full funding of our seed round with Nominus Capital.
- Promising Online Sales: Our BarCart launch shows early signs of a loyal direct-to-consumer following.

Evolving the Original Crew Program:

We're excited to announce upcoming changes to enhance the program's value for members. Stay tuned for details!

Looking Ahead:

We're confident that with your continued support, we'll achieve full seed round funding and further expand our reach in 2024. Thank you for being a part of our journey!

Sincerely,

Dan Olson Andrew Olson

Promotional Pours

Hook Hand Rum has been busy making waves (or should we say pours?) throughout Southern California. Here's a glimpse into our recent adventures:

Interior Design Dreams (Jan & Mar): Hook Hand Rum partnered with the National Kitchen & Bath Association and the Laguna Design Center, introducing Hook Hand Rum to over 100 designers and their clients. It seems like luxury kitchens and bathrooms are about to get a taste of the Caribbean!

Mardis Gras Magic (Feb): Hook Hand Rum was a sponsor for the Middleby Showroom's Mardi Gras bash. We were there for more than the party – we set up a central booth overflowing with delicious rum samples and information about our "Original Crew" membership program.

Drinks with Design (Mar)

We met again with the Interior Design group at the Laguna Design Center for a special event. Serving drinks for interior designers and their clients.

Digital Domination (Oct): Continuing our partnership with Sinan and the Internet Marketing Association, Hook Hand Rum poured rum and shared the Hook Hand Rum brand at Impact 23, held at the Lido House in Newport Beach.

Investing in Good Times (Nov): Hook Hand Rum made its Los Angeles debut at the LA Black Chamber of Commerce's Investor Day during Investment Week. We not only networked with potential partners, but also made some great new friends in the process.



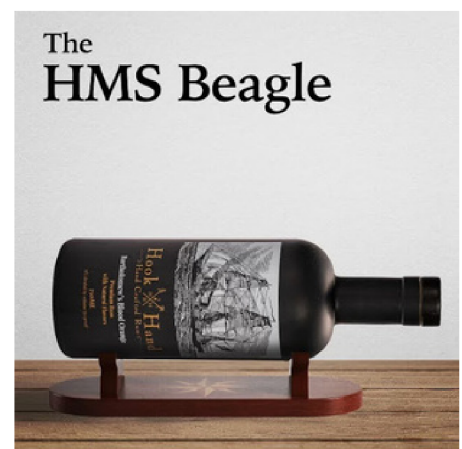
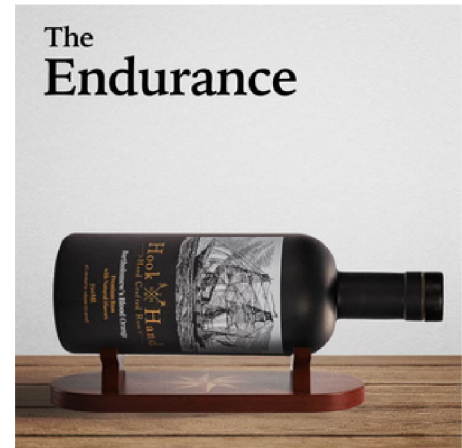


Aprils Fools Day!

We set a cunning social media trap for April Fools' Day, and it reeled in some hilarious results! Our post announced a hidden art exhibit featuring a renowned artist who supposedly created a series of miniature famous ships... all meticulously crafted and displayed inside black Hook Hand Rum Bottles!

The punchline? Our bottles are, well, completely opaque. But that detail whooshed past a couple of eager art enthusiasts who embarked on a determined quest to find this secret gallery beneath Laguna Beach's Pageant of the Masters.

Of course, we eventually revealed the prank and had a good laugh with everyone involved. The comments section was filled with fantastic reactions, with some folks admitting they spent way too long searching for the elusive hidden gallery!



The Real State Podcast

Listen up, real estate and rum aficionados! We recently joined Alex Norman and Jamie Blond, the hosts of The Real State Podcast, for a fascinating conversation. We delved into the history of rum and how Hook Hand Rum is making waves in the industry.

If you're interested in rum or curious about how it intersects with adventure and stories, this episode is a must-listen. We explored rum's rich past and discussed how Hook Hand Rum is innovating the space, but I'll keep the specifics a surprise for now!



<https://www.therealstate.co/episodes/episode-83-rum-in-the-california-sun>

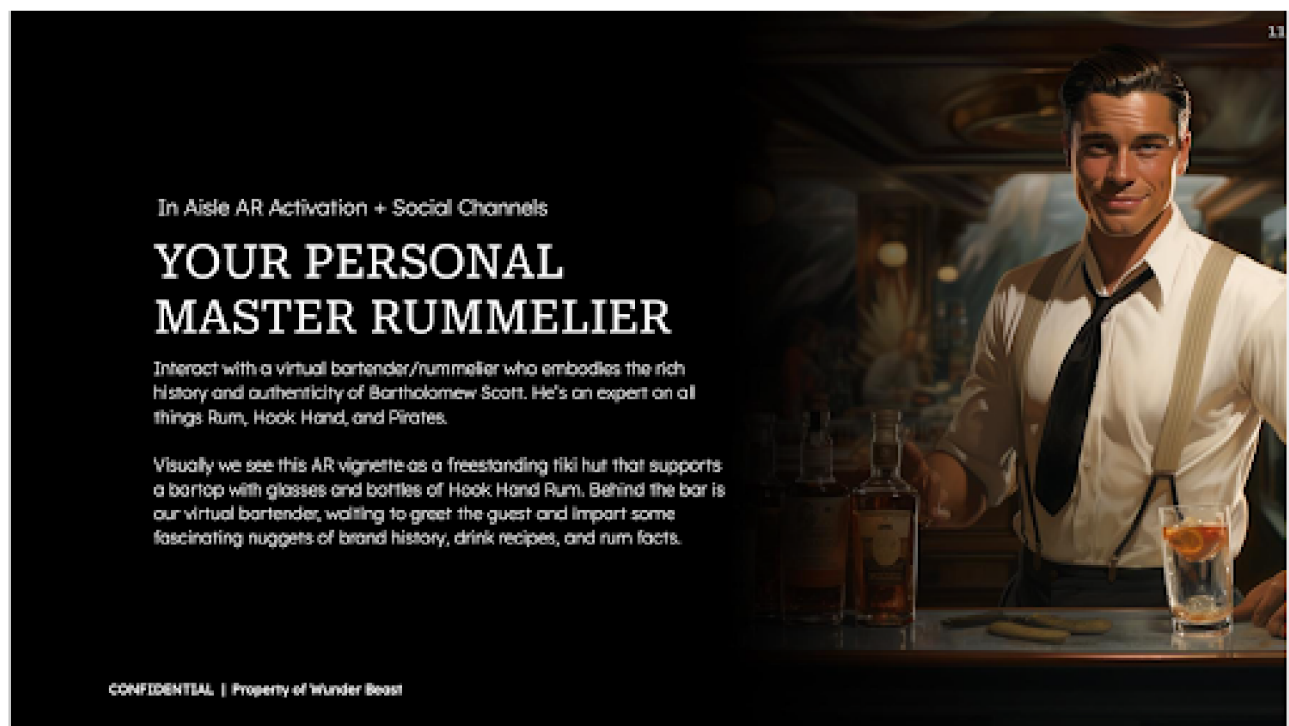
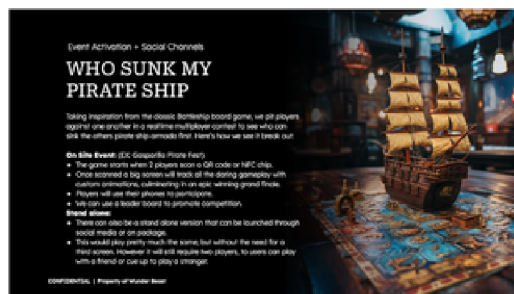
Holiday Advertising

In Orange County, we launched a playful holiday campaign to see if we could entice web users and get them physically into local venues. We used witty headlines paired with a consistent image of our bottle to boost both brand awareness and product recognition.



Wunderbeast and Augmented Reality

Scott Noble connected us with Wunderbeast, a digital agency specializing in cutting-edge technologies like AR and VR. Their team crafted four unique AR app ideas to bolster our upcoming market activations. These will serve to support activation in-aisle and on-premise.



Park Street

Hook Hand Rum signed a contract with Park Street to distribute Hook Hand Rum in CA, NY, NJ and FL. Our first customer was Victoria Market in San Clemente, CA.



Surf City Stillworks / First Production Run

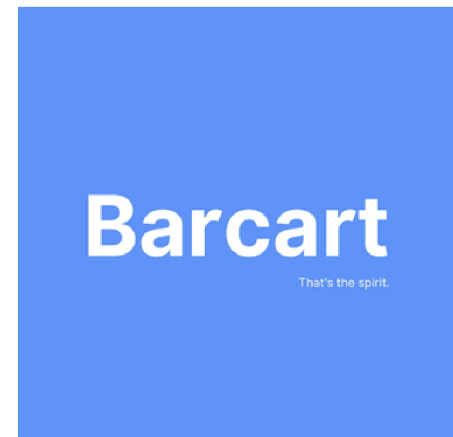


Hook Hand Rum was produced for the first time in CA with Surf City Stillworks in July 2024. It started with reproducing our formula first established by Bend Spirits. We did several days and different mixes and the following tastings. We finally landed upon perfection and we now have a formula that is reproducible and protected. In this run we produced 182 cases (1092 Bottles) and 3,000 50 ml bottles.



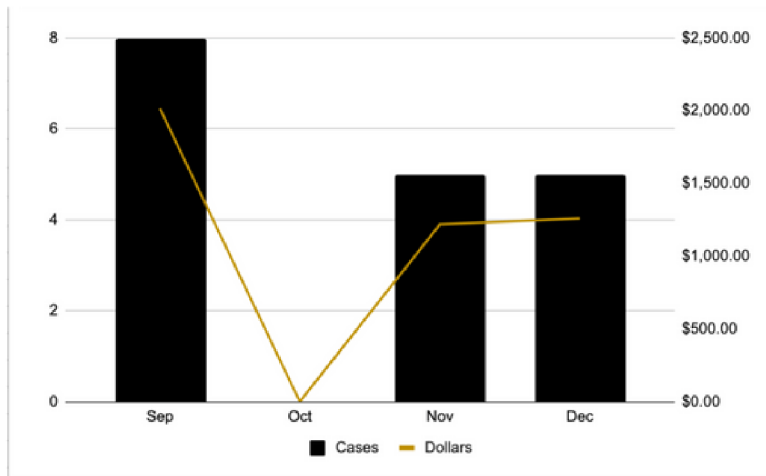
BarCart and the Online Channel

We kicked off online sales in September 2023 through BarCart, a platform owned by Flaviar. BarCart empowers spirit brands like ours to create dedicated online stores, enabling us to sell directly to consumers (DTC) across a wide network of retailers in the US. Impressively, this reach extends to 41 states!



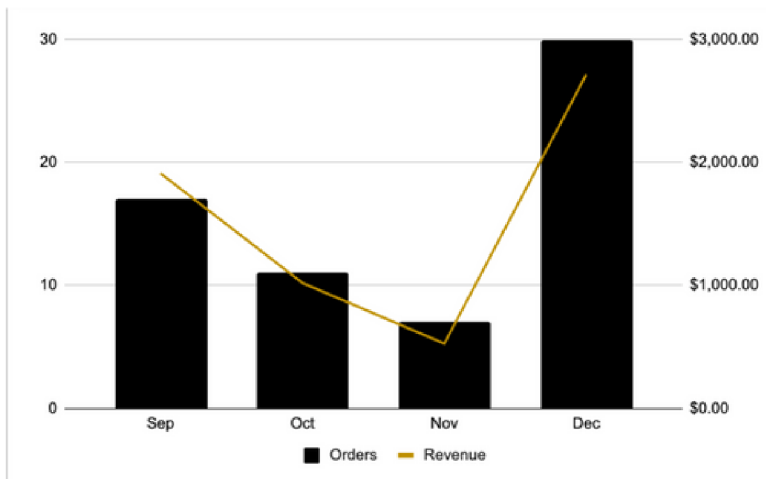
The screenshot shows the product page for Bartholomew's Blood Orange Flavored Rum on the Hook & Hand website. The page has a dark background. On the left is a large image of the rum bottle. To the right of the bottle, the product name "Bartholomew's Blood Orange" is displayed in a white serif font. Below the name is a table with product details: 750 ML | 35% Alcohol by Volume | 70 Proof, Color | Light Amber, Flavor | Rum with Blood Orange and Madagascar Vanilla, and Finish | Smooth with an oaky finish. The price "\$59.99" is shown in a large white font, followed by a yellow "Add to Cart" button. The top of the page features the Hook & Hand logo, a menu icon, a "Rum Shop" button, and social media icons. The bottom of the page includes a small logo, a list of links (Terms of Use, Privacy Policy, Cookie Policy (US), Contact Us, Affiliate Area, Crew's Quarters, Bartholomew's Log), and a "Please Drink Responsibly" message.

We set up a Rum Shop on the hookhandrum.com website. Our initial success was very impressive and encouraging.



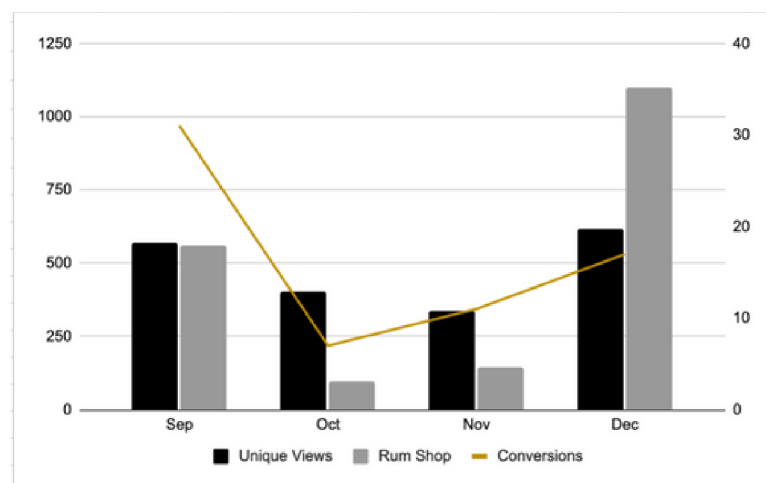
Wholesale Sales

We started with sales in Orange County. We began with online sales with our own website and with selling to on and off-premise locations. This was right at the height of the holiday season.



Online Sales

Online sales was a surprise to us. With an average of 3 cases a month we exceed our own forecasts by a factor of 3X. We did some advertising in Dec as a test and we showed a strong sales in that month.



Website Traffic and Conversion

As we started with selling online and testing advertising we saw an initial boost in traffic which was followed with a steady increase over the three months. However, most surprising was that we had a significant increase in conversions over time.

OFFICERS AND BOARD

Dan Olson
CEO
Co-Founder

Andrew Olson
CMO
Co-Founder

John Christian
General Manager
Original Crew

Board of Directors

Scott Olson
Counsel & Board Secretary

Patrick McGaughan
Finance

Advisors

Scotty Barbour
Industry expert

Marcos Costas
On-Premise Expert

Sri Divel
Hospitality Marketing

Sinan Kanatsiz
PR Expert

Todd Belucci
Bartender Strategy

Mailing Address

30262 Crown Valley Parkway
Suite B, Unit 392
Laguna Niguel, CA 92677

Warehouse

Logistics Plus
8975 Remington Ave.
Chino, CA 91710

Distillery

Surf City Stillworks
16561 Gemini Lane
Huntington Beach, CA 92647

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