



3-Year Strategic Growth Plan

August 2021



Safe Harbor Statement



This presentation by Eastside Distilling, Inc. (the “Company,” “we,” “us,” and “our”) includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All forward-looking statements are subject to a number of risks, uncertainties and assumptions, and you should not rely upon forward-looking statements as predictions of future events. You can identify forward-looking statements by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “would,” “will,” “target,” “contemplates,” “continue” or the negative of those words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. These statements are based on management’s current expectations and/or beliefs and assumptions about future events and trends that management considers reasonable, which assumptions may or may not prove correct. We may not actually achieve the plans, carry out the intentions or meet the expectations disclosed in the forward-looking statements and you should not place undue reliance on these forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements. Actual results and performance could differ materially from those projected in the forward-looking statements as a result of many factors. Some of the key factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include, but are not limited to, the effect and consequences of the novel coronavirus (“COVID 19”) public health crisis on matters including U.S. and local economies, our business operations and continuity, the availability of corporate financing, the health and productivity of our associates, the ability of third-party providers to continue uninterrupted service, and the regulatory environment in which we operate; our ability to sustain recent growth rates in portions of our business; our ability to restructure operations and achieve profitability; our ability to manage the growth of our operations over time; our ability to maintain, grow and enforce our brand and trademark rights; our ability to improve our products and develop new products; our ability to execute on and realize the benefits of our strategic priorities; our ability to obtain, grow and enforce intellectual property related to our business and avoid infringement or other violation of the intellectual property rights of others; our ability to successfully expand operations; and our ability to compete and succeed in a highly competitive and evolving industry, as well as those risks and uncertainties disclosed under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (“SEC”), and similar disclosures in subsequent reports filed with the SEC, which are available on our investor relations website at east-sidedistilling.com/investors and on the SEC website at www.sec.gov. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We undertake no obligations to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law. Certain data in this presentation was obtained from various external sources. Neither the Company nor its affiliates, advisers or representatives have verified such data with independent sources. Accordingly, neither the Company nor any of its affiliates, advisers or representatives make any representations as to the accuracy or completeness of that data or to update such data after the date of this presentation. Such data involves risks and uncertainties and is subject to change based on various factors. Use of Non-GAAP Information This presentation includes certain non-GAAP financial measures that are supplemental measures of financial performance not required by, or presented in accordance with, GAAP, including Adjusted EBITDA. We define “Adjusted EBITDA” as earnings before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include professional fees, equity-based compensation expense, write-offs of property and equipment, deferred rent, financing expenses and certain other charges and gains that we do not believe reflect our underlying business performance. We have also presented herein certain forward-looking statements about the Company’s future financial performance that include non-GAAP (or “as-adjusted”) financial measures, including Adjusted EBITDA. This non-GAAP financial measure is derived by excluding certain amounts, expenses or income, from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from this non-GAAP financial measure is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measure to its most directly comparable forward-looking GAAP financial measures because management cannot reliably predict all of the necessary components of such GAAP measures, which could be significant in amount. We believe that these non-GAAP financial measures not only provide its management with comparable financial data for internal financial analysis but also provide meaningful supplemental information to investors. However, other companies in our industry may calculate these items differently than we do. These non-GAAP measures should not be considered as a substitute for the most directly comparable financial measures prepared in accordance with GAAP, such as net income (loss) or net income (loss) per share as a measure of financial performance, cash flows from operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP.

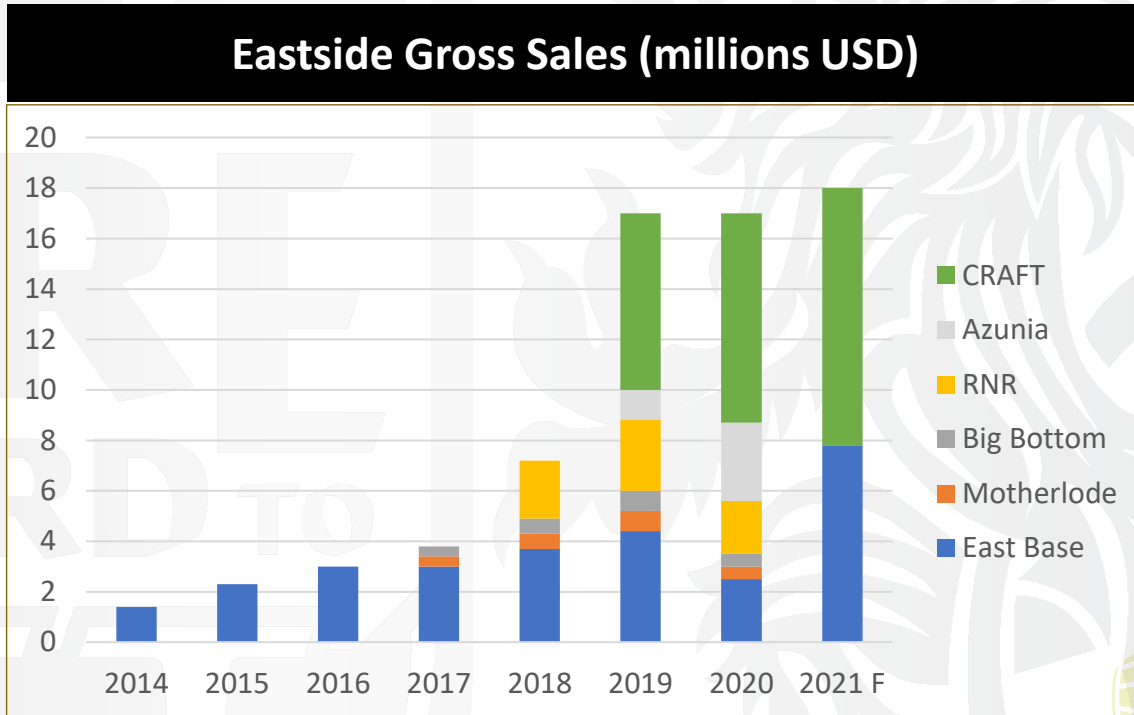


Company Situation: Acquisition, Pandemic and Beyond

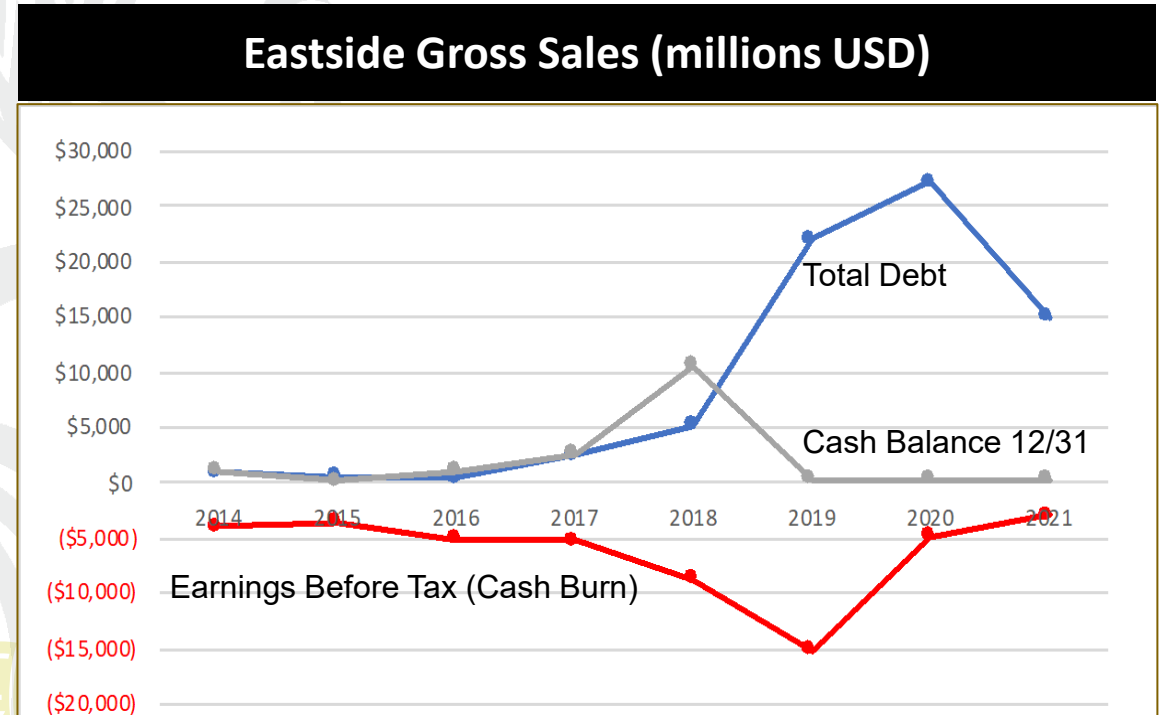
Acquisitions



The Company increased debt to over \$25M due to these transactions and depleted all the raised capital by 2020. The company achieved significant national distribution but it left the Company with low velocity per point of distribution, low gross margins and low liquidity



Source: Eastside Distilling Internal Documents – public record



Source: Eastside Distilling Internal Documents – public record

Transformation Underway

- ✓ **New Management Team with Proven Record of Beverage Success Professionalizing the Eastside Platform**
 - ✓ New CEO, CFO, CMO, SVP Sales, SVP Craft C+B, Director Spirits Operations - all with beverage experience
 - ✓ Spirits sales force reduced by 19 sales personnel – adding back 4 experienced spirits sales managers
 - ✓ Implementing detailed budget process, 3-year plan, price modeling, COGS at standard, S&OP monthly review

- ✓ **New Strategic Pivots Driving Rapid Value Creation, Higher Margins and Sustainable Stream of Earnings**
 - ✓ Divested the Redneck Riviera Brand and consequently reduced debt, working capital and cash burn rate
 - ✓ Changed Azuñia Brand price and distribution strategy by discontinuing deep discounts and inefficient distribution
 - ✓ Launched new Eastside Brand to further deplete barrel inventory and build new high margin product opportunity
 - ✓ Reinventing Craft C+B to build a strategic platform for rapid growth, competitive barrier and increasing free cash conversion
 - ✓ Changing focus from high-cost national chain strategy to cost effective micro strategy of dominating markets we choose to serve

- ✓ **Change in Key Stakeholders and Strategy**
 - ✓ Paid-off old note holders in a debt-for-debt swap with new investors - Bigger Capital Fund, LP & District 2 Capital Fund LP
 - ✓ Completed the Azuñia earn-out with Intersect Beverage LLC moving from low margin volume pressure to shareholder and creditor position
 - ✓ Shifted from new brand incubator focus with Sandstrom Partners at high cost to internal cost-effective micro marketing focus with existing brands

- ✓ **Improving Financial Results**
 - ✓ Earnings before tax (cash burn) moving toward \$1M in 2021 vs (\$15M) in 2019
 - ✓ EBITDA in 2021 forecasted to be positive vs (\$6.5M) in 2020
 - ✓ Cash Balance 12/31/2021 forecasted to be over \$1M vs prior year cash well below \$1M

- ✓ **Aligned Purpose/Passion – Mission/Vision and 3-year strategic plan with accretive growth/high ROI**
 - ✓ Clear focus on where, how and how fast we can build enterprise value and stock price appreciation

Company Purpose & Passion



REDEFINING “CRAFT”

Our passion is to be the “best” in what we do. To dominate the markets we choose to serve, to push the boundaries of what it means to be “craft” and to be more than our competition by building a superior value chain, a portfolio of exceptional experiential spirits brands/products and delivering distinct premium end-to-end contract packaging beverage services.



MISSION

What we do

We source, make and deliver the best in class, end-to-end craft spirits brands & product portfolio and we contract pack cans & bottles with distinct capability & craftsmanship

VISION

What we want to be

To be the one premium, preferred and “scaled” craft spirits & canning company in the Western United States dominating the markets & segments we choose to serve



Company Focus

**CANNING AND
BOTTLING EXPERTS**
TRUSTED INDUSTRY LEADERS IN THE WEST SINCE 2012

**PREMIUM CRAFT SPIRITS
& RTD Cocktails**
EXPERIENTIAL BRANDS AND ARTISINAL PRODUCTS



EASTSIDE



3-Year Company Performance Targets

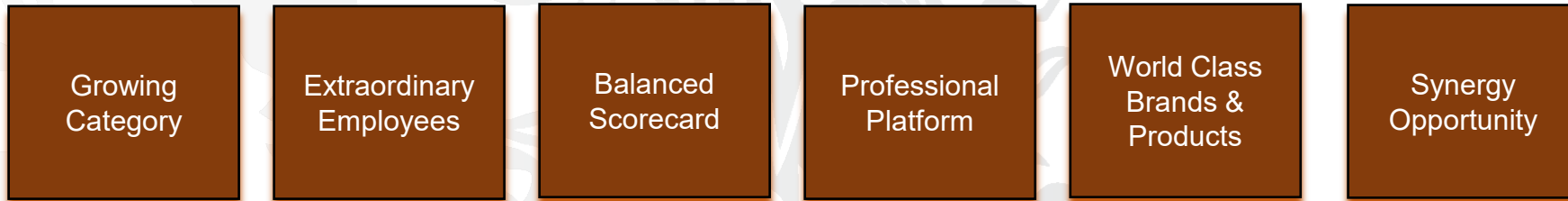
3-year Revenue Targets	2022	2023	2024
	\$23M	\$42M	\$69M

- Dramatically increase strategic position in target markets for both Spirits and Craft C+B with concentration in the Western United States
- Targeting Craft C+B EBITDA margins at 20% and consolidated company EBITDA margins at 10%
- Modest growth in shares outstanding – warrants, debt conversion, and strategic placement of 7M shares over 3-year horizon

Meeting targets drives strong long-term shareholder returns



Investment Highlights



Craft Spirits Category estimated to grow CAGR of 34% next 5 years. Beverage contract manufacturing forecasted to grow 10% CAGR over same period

Entirely new management team comprised of beverage executives with proven track records from world class organizations.

Complimentary divisions with Craft C+B providing high conversion to free cash flow and the Spirits portfolio providing high multiple on sales driving EV

Building process and discipline In systems delivering speed and information with focus on advanced ERP platform

Spirits Portfolio of world class brands with award winning products

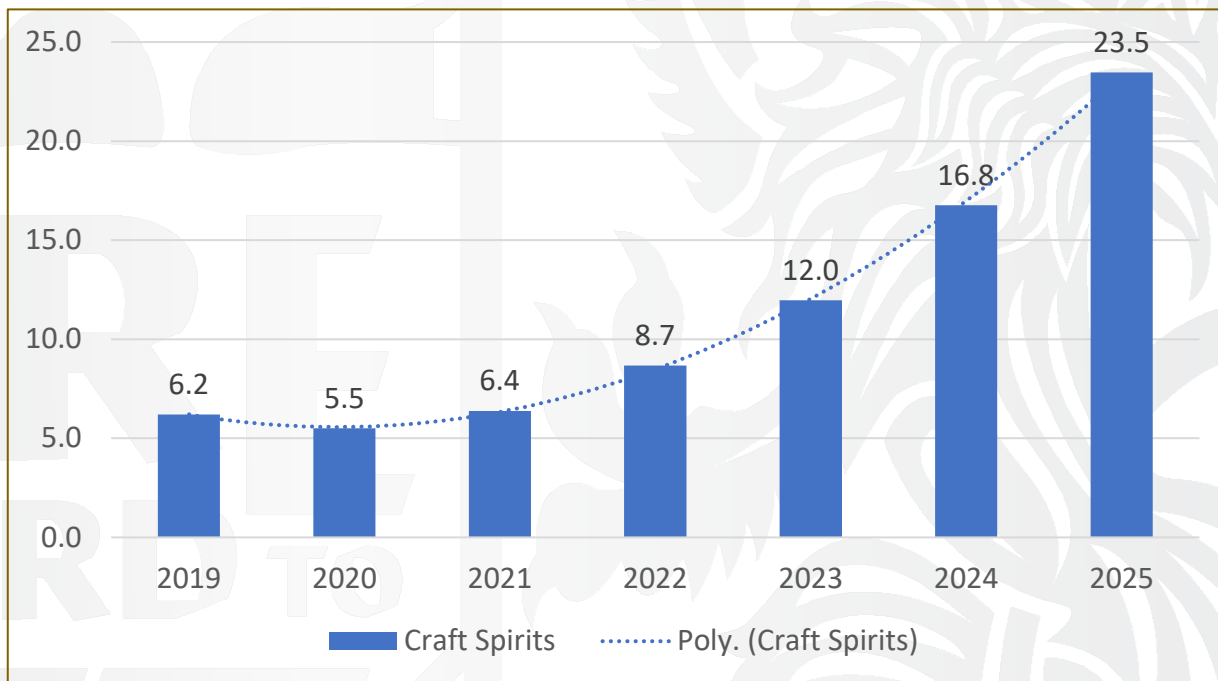
Ability of Craft C+B and Spirits to share services and resources leveraging assets and building efficiency



Growing Craft Categories

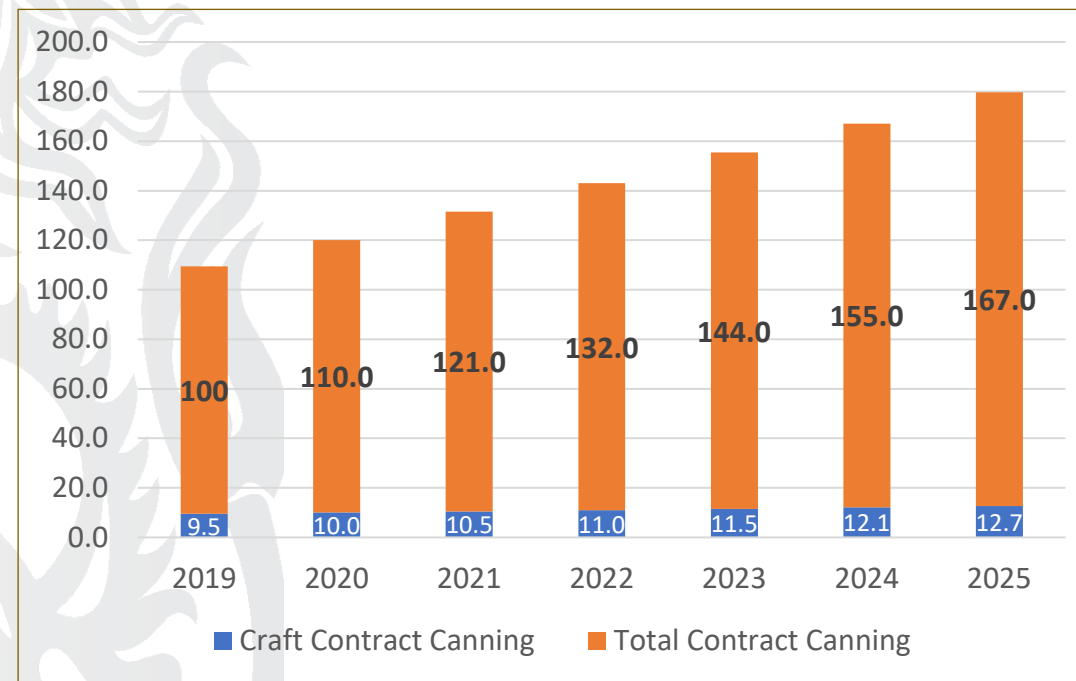
Growing Category

Craft Spirits Wholesale Growth (billions USD) 33.7% CAGR



NOTE: Consumer craft spirits market approximately \$80B globally with NA 53% at \$43B
Source: Grandview Research

NA Contract Canning Growth (billions USD) 5% and 10% CAGR



NOTE: 108 companies averaging \$88M at \$95.5B
Source: Beverage Digest, Ardagh, Ball and Crown



High Performance Transformational Team

Extraordinary Employees

Informal approach to high performance teamwork, transformation and rapid value creation through seamless alignment, possibility, opportunity, action, and results



Paul Block
Chairman & CEO

- Miller Brewing Co
- Guinness Import Co
- Groupe Danone
- Allied Domecq Spirits
- Sara Lee Coffee & Tea
- Merisant Co



Geoffrey Gwin
Chief Financial Officer

- Symphony Asset Management
- Group G Capital Partners
- Quad Capital



Janet Oak
Chief Branding Officer

- Fallon & Associates
- Merkley & Partners
- Pernod Ricard USA
- Daymon & Associates
- IPSOS Research



Ray Wetzel
SVP National Sales

- E. & J. Gallo
- Heublein Spirits
- Red Bull
- McManis Vineyards
- J. Lohr Vineyards



Michael Karstadt
SVP Operations

- Oregon Spice Company
- Boyd Coffee Company
- Coca Cola



Heather Whyte
VP Human Resources

- OR Beverage Recycle
- Essia Health Inc



Amy Brassard
Corporate Affairs Director

- KeyBanc Capital Markets
- Proper Solutions
- St Lawrence NYSARC



Balanced Free Cash Flow with Enterprise Value

Balanced Scorecard

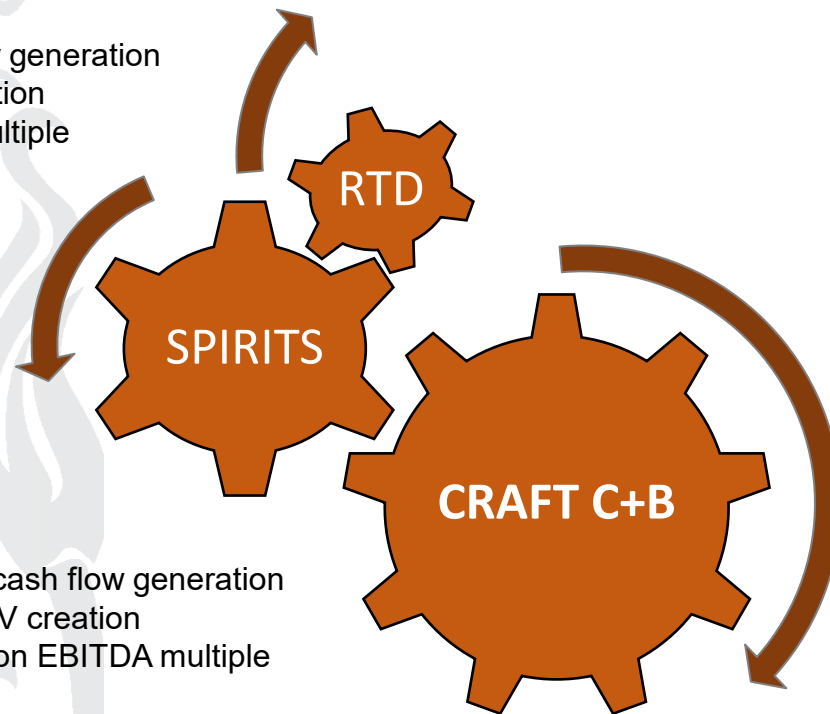
The faster Craft C+B grows...
 the more free cash flow generation...
 And the more investment in Spirits & RTD's
 With possibility for more enterprise value generation



COMPANY

- Potential Enterprise Value Creation
- Spirits value 5-6X Revenue
 - Craft value 9-10X EBITDA

Low free cash flow generation
 with high EV creation
 based on sales multiple



High free cash flow generation
 with low EV creation
 based on on EBITDA multiple



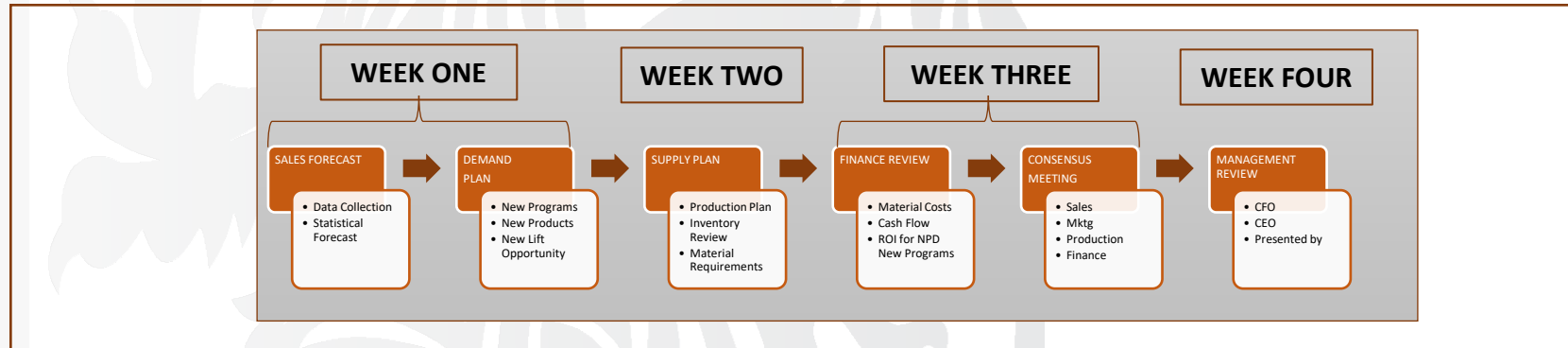
Professionalizing Platform Toward HIPO ERP

Professional Platform

Supply Chain Center of Excellence 2021



Operations Planning Center of Excellence 2021



ENTERPRISE RESOURCE PLANNING
2023

Experiential Brands and Artisanal Products

World Class
Brands &
Products

SAN FRANCISCO WORLD SPIRITS COMPETITION



SIP AWARDS INTERNATIONAL SPIRITS COMPETITION



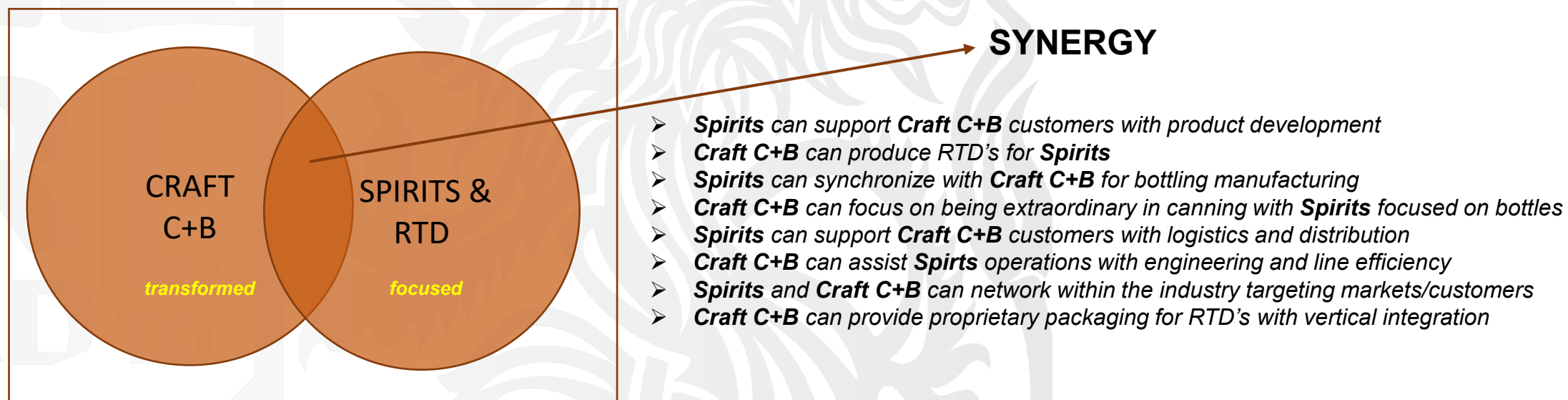
NEW YORK INTERNATIONAL SPIRITS COMPETITION



Leverage Synergies

Combined Synergy for Value Creation

The synergy of a **“transformed Craft C+B model”** along with a **“focused craft Spirits portfolio”** can grow in an accretive manner providing a combined contribution of free cash flow from **Craft C+B** and high enterprise value from **Spirits**



Company Values

- ✓ Seamless Alignment at all Levels
- ✓ Freedom within a Framework
- ✓ Collective Responsibility with Individual Accountability
- ✓ Clear and Demonstrated Integrity
- ✓ Excellence in Execution
- ✓ Dedicated to Craftsmanship



Company Key Strategic Pillars

①

Build Craft C+B revenue to 73% of mix to optimize free cash flow

②

Maximize Spirits portfolio topline revenue fueled by Craft C+B cash flow

③

Prioritize speed of execution in all we do without compromising ROI

④

Focus on depth vs breadth in our approach to markets and customers

⑤

Attract core institutional investors for capital, constituency, expertise and support

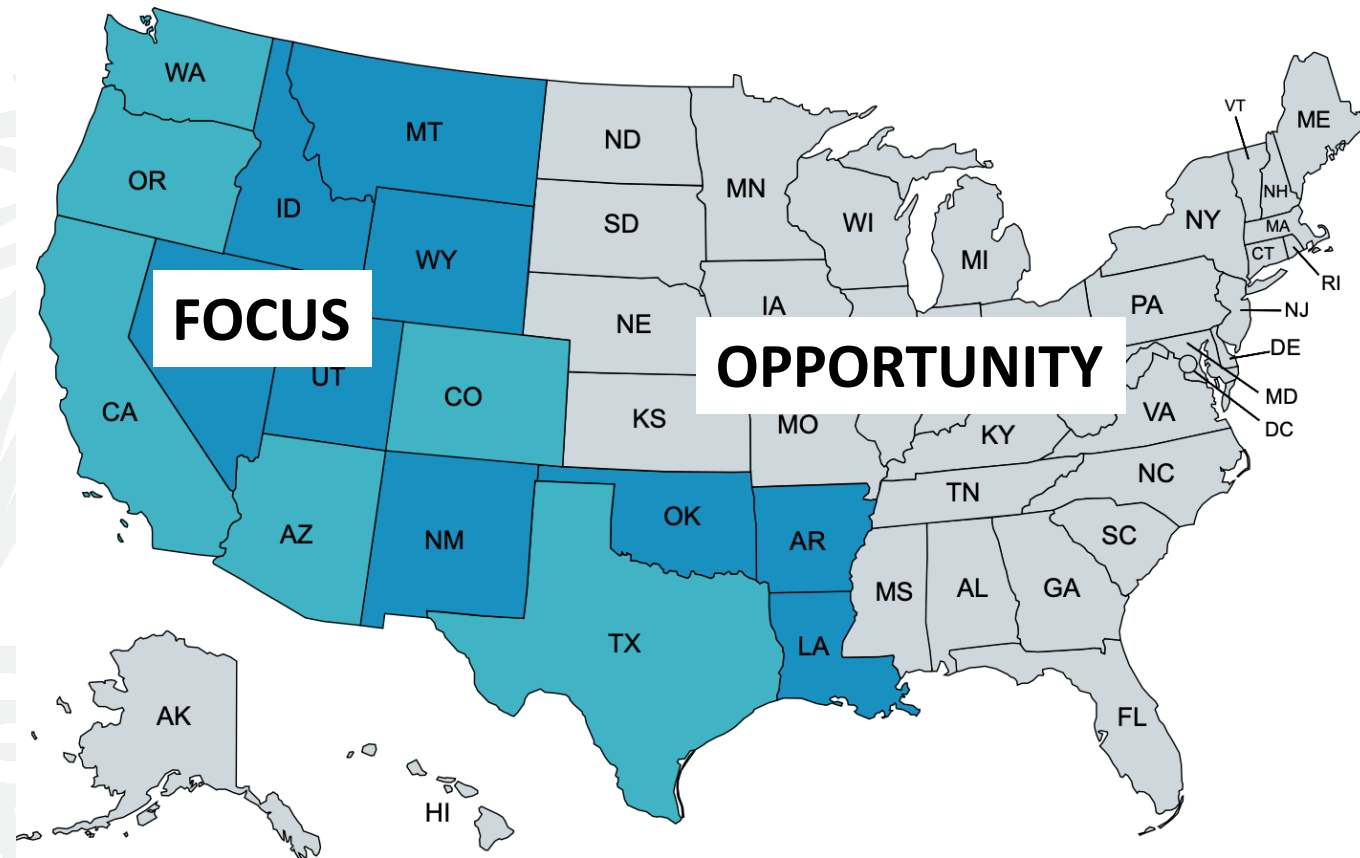


Company Geographic Focus - West

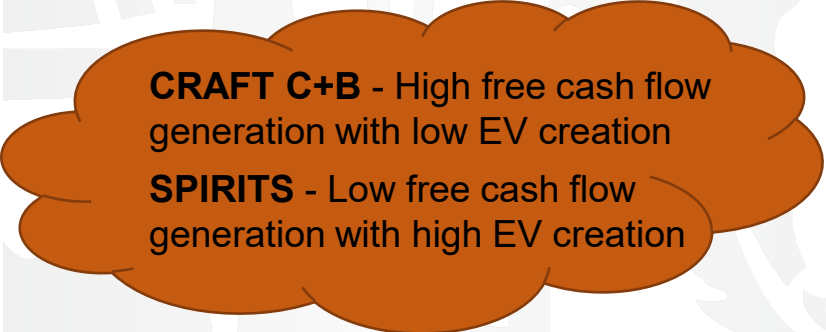
Micro Approach to Markets And Customers

Dominate the markets
We choose to serve in the
Western US

Prioritize 6 states in the West
With the remaining 9 secondary

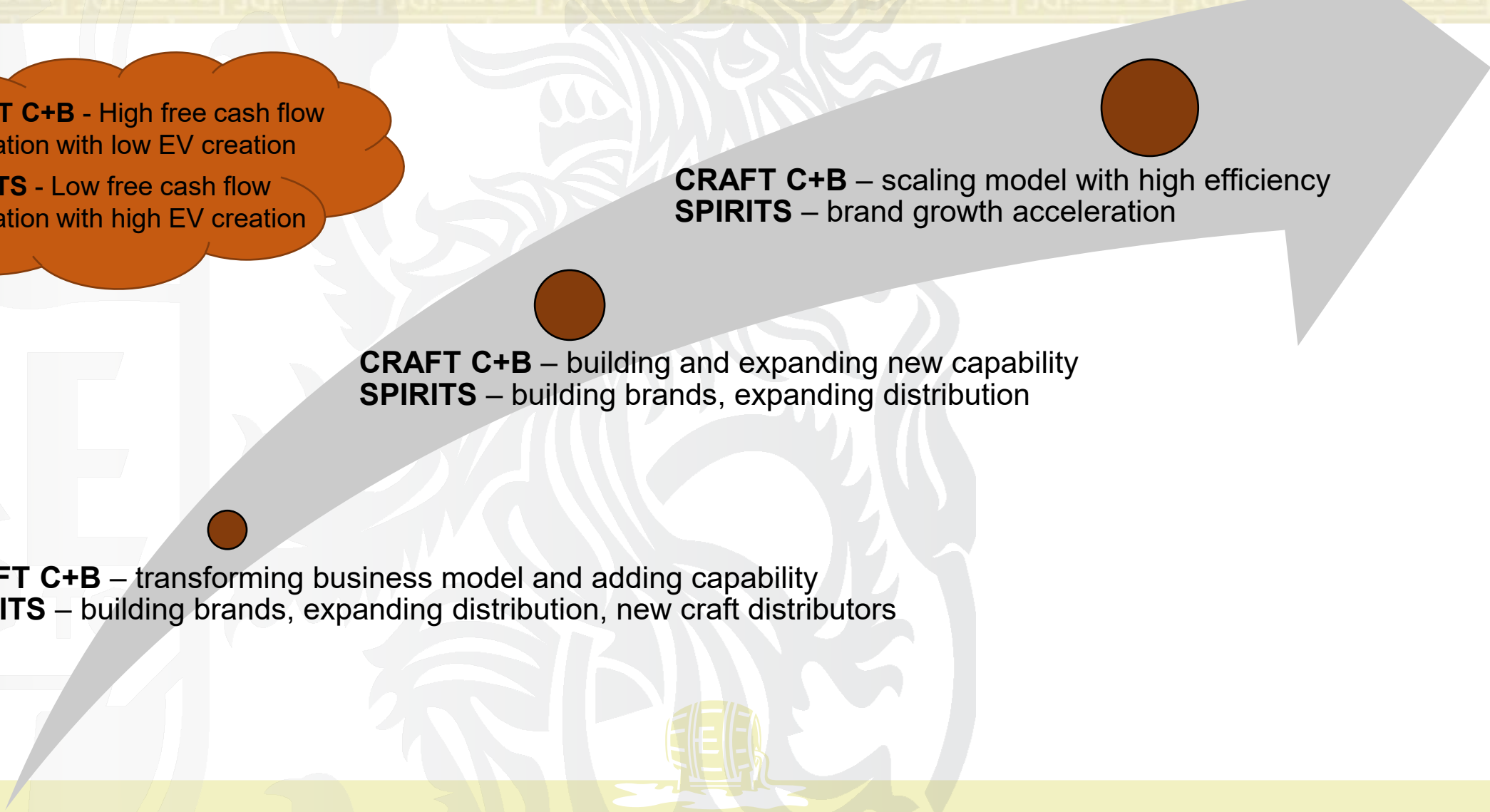


Company Strategy Evolution



CRAFT C+B - High free cash flow generation with low EV creation

SPIRITS - Low free cash flow generation with high EV creation



CRAFT C+B – scaling model with high efficiency
SPIRITS – brand growth acceleration

CRAFT C+B – building and expanding new capability
SPIRITS – building brands, expanding distribution

CRAFT C+B – transforming business model and adding capability
SPIRITS – building brands, expanding distribution, new craft distributors



Spirits & RTD Strategic Approach – 4 Brands



3-year Spirits Revenue Mix by Brand

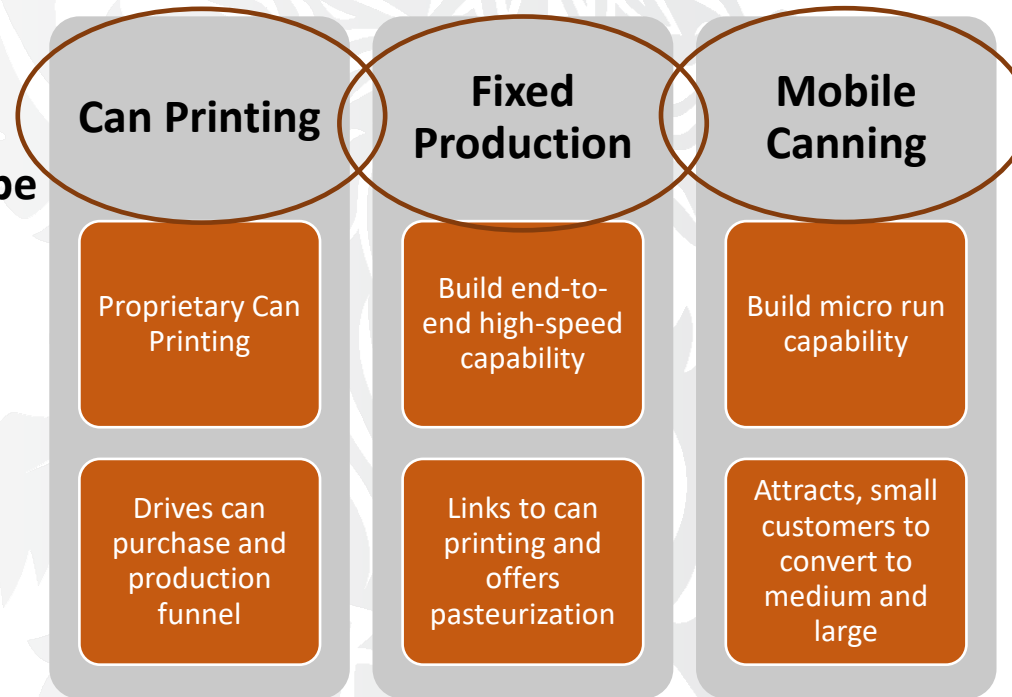
Azuñia	38%
Burnside	18%
PPV	24%
Eastside	20%

3-year Spirits Revenue Mix by State

Oregon	34%
California	26%
Arizona	11%
Texas	10%
Colorado	6%
Washington	5%
Other	8%

Craft Canning + Bottling Strategic Approach – 3 Pillars

Moving from focus on “mobile canning commoditization” to “premium vertical integration” linking strategic pillars to integrate value chain and differentiate offering



3-year Craft C+B Revenue Mix by Type

Can Printing	41%
Fixed Can Production	39%
Mobile Canning	20%

3-year Craft C+B Revenue Mix by State

Oregon	30%
Washington	30%
California	24%
Colorado	6%
Other	10%



Unique
Investment
Characteristics

Investment Highlight Summary

- Large Fast Growing Craft Market: significant opportunity to grow in both spirits and craft packaging services in core markets where the craft revolution is accelerating
- Seasoned spirits and consumer products packaging management team
- Focused long-term strategy with both organic and acquisition growth opportunities with fragmented competition in packaging
- Expanding opportunity with regional spirits portfolio with growing brand equity value
- Opportunity to leverage technology investments in craft packaging to consolidate and pursue high margin growth in fragmented market
- Improving financial metrics driving solid investor returns on capital deployed

