

EASTSIDE

DISTILLING

CORPORATE PRESENTATION

PRODUCING CRAFT SPIRITS
SINCE 2008

March 2019

NASDAQ: EAST



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Except for historical information contained herein, this presentation contains forward-looking statements, which reflect the expectations of management of Eastside Distilling, Inc. ("Eastside") with respect to potential future events. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, but are not limited to comments regarding; (i) Eastside's plans to become a national spirits company; (ii) proposed changes in Eastside's distilling, location and new facility, and the impact that such changes will have on Eastside's market position, business operations and ultimate success; (iii) Eastside's plan to establish a relationship with a leading distributor, partner, and/or agent which will enhance scalability, and sales and marketing efforts; (iv) Eastside's product expansion, if any; (v) Eastside's strategic growth plan for coming years, including accelerating the growth of spirits sold on a national level; (vi) Eastside's predictions of its national growth potential of the sales of its products; (vii) Eastside's marketing initiatives, including a national campaign featuring print, billboards, radio, television, and social media to build brand awareness and drive sales. These forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of such risks and uncertainties, which include, without limitation; general economic conditions and economic uncertainty in the global markets; current and continuing trends in the spirits industry; continued demand for and success of Eastside's products and reputation; unexpected increases in the price of raw materials or their reduced availability; Eastside's ability to sustain its past growth or manage its future growth; Eastside's ability to retain its key management personnel; continued protection of Eastside's intellectual property; legal, regulatory, political and economic risks; the highly competitive market for spirits and other products proposed to be developed and launched by Eastside; Eastside's inability to deliver its products to the market and to meet customer expectations due to problems with its distribution system or other unanticipated problems; Eastside's failure to obtain any future financing it requires to fund and grow its business; Eastside's inability to expand its sales or product lines; Eastside's inability to generate growth of the sales of its current and future products; Eastside's inability to penetrate and generate successful operations on a national level; and other risk factors. You are urged to consider these factors carefully in evaluating the forward-looking statements contained herein and are cautioned not to place undue reliance on such forward looking statements, which are qualified in their entirety by these cautionary statements. In addition, the use of comparables in this presentation are in no way indicative of Eastside's future financial or operating results or potential. Readers are cautioned that the foregoing factors are not exhaustive. Forward-looking statements in this presentation are made as of the date hereof and Eastside disclaims any intent or obligation to update publicly such forward-looking statements.

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Branded and Co-Packing Products

- ▶ **Broad (*branded*) product portfolio – “Brand-factory” approach**
 - ▶ Opportunities for multiple successes
 - ▶ New Redneck Riviera Whiskey product driving national presence and helping pave the way for other opportunities
 - ▶ Strong, internal new product-development
- ▶ **High Growth (organic and through acquisition)**
 - ▶ Strong organic growth with existing and newly-developed products
 - ▶ Acquired Craft Canning + Bottling in 2019 – *substantial revenue and production enhancement to existing operations and significantly adds to private-label business.*
- ▶ **Scalable Infrastructure**
 - ▶ National sales footprint – distribution partners and internal team
 - ▶ Large scale blending, canning and bottling capabilities
 - ▶ Strong Marketing and branding resources
- ▶ **Go forward strategy = Drive Operating Performance – *leverage our existing investments and infrastructure***

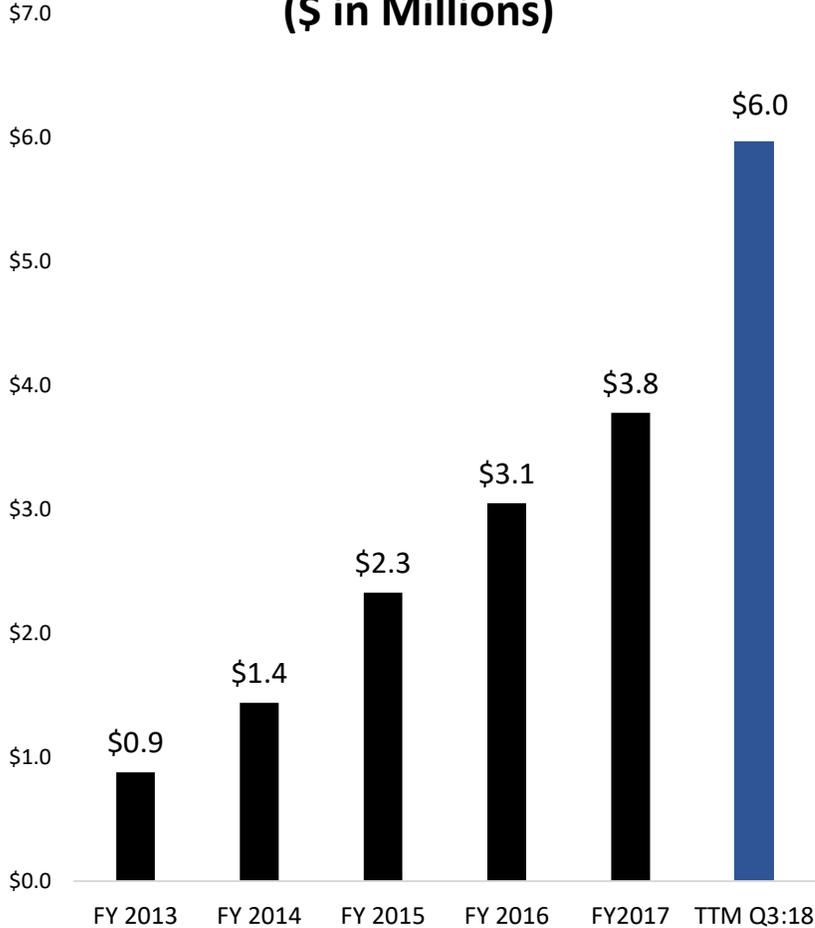


- ▶ **Redneck Riviera Whiskey Launch – Exceeded original target and well positioned for 2019**
 - ▶ 39-state rollout - major retailers and distributors
 - ▶ As of November 2018, located in 4,395 points of distribution
 - ▶ 684 on-premise and 3,711 off-premise accounts
 - ▶ 1,800 approved authorizations scheduled for rollout in Q1 2019
 - ▶ Recent placements in Albertsons, Safeway, Walmart, Winn-Dixie, Jewel-Osco, Binny's, and more
- ▶ **Accelerated product development plans**
 - ▶ Rebranded legacy product portfolio continues
 - ▶ New product introductions
 - ▶ Exciting 2019 lineup plans
- ▶ **In January 2019, acquired Craft Canning + Bottling to bolster capabilities and drive cash flows**
 - ▶ Enhance production capabilities
 - ▶ Support growth in existing and new product introductions
 - ▶ Approximately \$6 million in revenue and \$1.2 million adjusted EBITDA (unaudited) in 2018

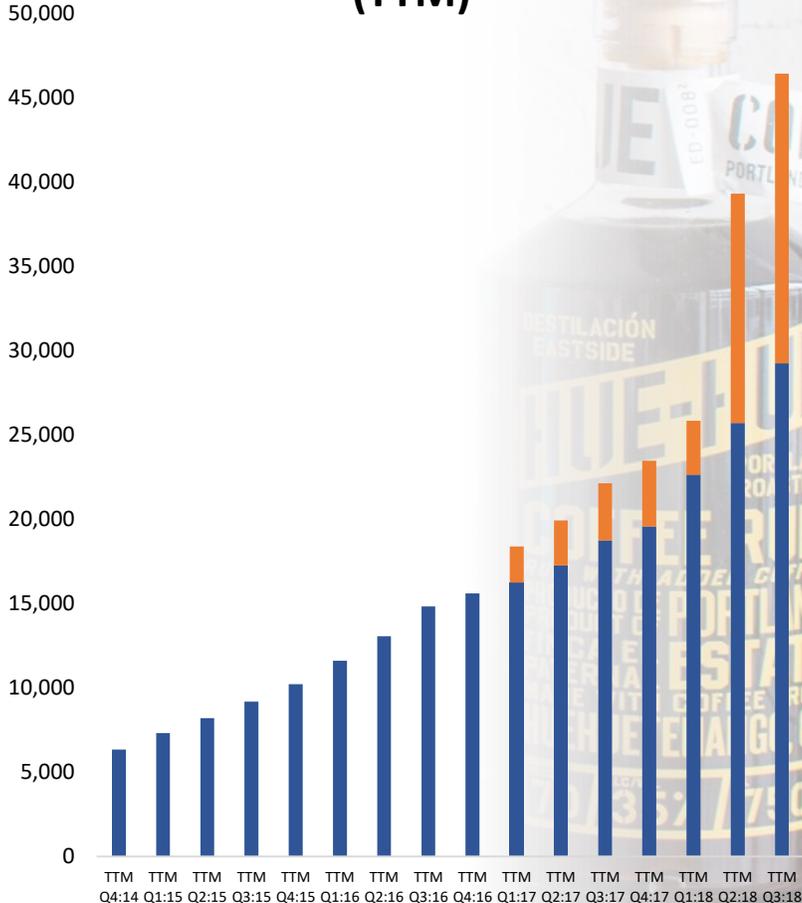


STRONG PERFORMANCE TRENDS

**Annual Sales
(\$ in Millions)**



**Cases Shipped
(TTM)**



BRANDED PRODUCTS



CRAFT SPIRIT EXPLOSION

- ▶ **The number of active craft distillers in the U.S. grew by 15.5% over the last year to 1,835 in August 2018.**
- ▶ **\$3.7 billion in sales, growing at an annual growth rate of 29.9%.**
 - ▶ 7.2M cases in retail sales in 2017 up 23.7%.
- ▶ **The market share of U.S. craft spirits reached 3.2% (volume) and 4.6% (value) in 2017.**
 - ▶ 1.0% (volume)/1.2% (value) in 2011
 - ▶ 2.6% (volume)/3.8% (value) in 2016
- ▶ **2% of the larger producers responsible for 57.2% of the cases sold in craft.**
 - ▶ 92.3% of U.S. craft producers are classified as small producers (between 0 and 10,000 proof gallons removed from bond).
 - ▶ Responsible for just 13.1% of the cases sold annually.
- ▶ **Craft spirits has long way to catch up to craft beer market share**
 - ▶ Case volumes would need to equal 31.3M to reach craft beer current market share of 12.8%

Craft Spirits Retail Sales by Value, \$ Billion



U.S. Craft spirits are distilled spirits that are produced in the U.S. by licensed producers that have not more than 750,000 proof gallons (or 394,317 9L cases) removed from bond, market themselves as craft, are not openly controlled by a large supplier, and have no proven violation of the ACSA Code of Ethics. http://dsihiv6ixmam.cloudfront.net/pdf/2018_Craft%20Spirits%20Data%20Project_092418%20FINAL.pdf

STRONG ACQUISITION MARKET OF BRANDS

- ▶ Recent acquisitions in the industry as high as 20X revenue
- ▶ Large companies are BUYING brands, **NOT BUILDING** them

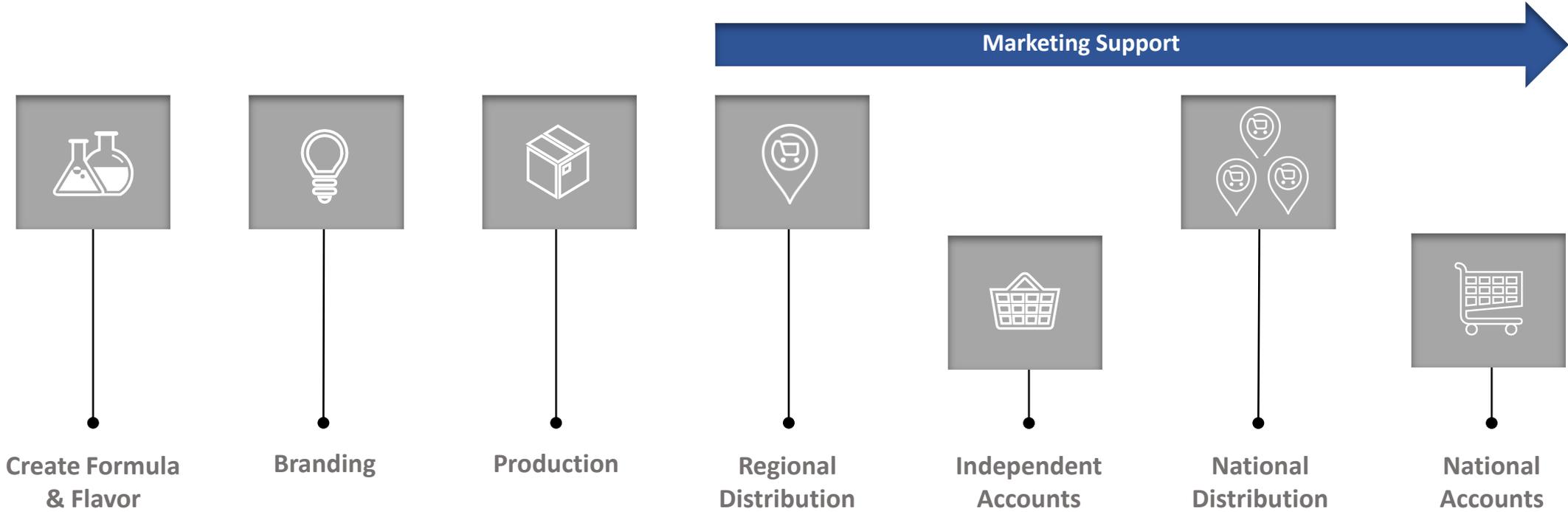
| Year | Brand | Acquirer | Cases ('000 9L) | Acquisition Price | Price/Case | Revenue Multiple |
|------|-------------------------------|---------------|-----------------|-------------------|------------|------------------|
| 2017 | Casamigos | Diageo | 120 | \$700M+ | \$5,833 | ~20X |
| 2017 | Bulldog Gin | Group Campari | 150 | \$58M | \$387 | 4.9X |
| 2016 | Aviation Gin | Davos Brands | 20 | N/A | N/A | N/A |
| 2016 | High West | Constellation | 70 | \$160M | \$2,285 | ~6X |
| 2015 | Ballast Point (San Diego, CA) | Constellation | N/A | \$1B | N/A | ~10X |
| 2015 | ANGEL'S ENVY Bourbon | Bacardi | 45 | N/A | N/A | N/A |
| 2012 | Pinnacle & Calico Jack | Beam | 3,000 | \$605M | \$202 | 4.9X |
| 2011 | Skinny Girl | Beam | 110 | \$90M | \$818 | 11.2X |
| 2010 | Zacapa | Diageo | 100 | \$200M | \$2,000 | 15.8X |
| 2007 | Cabo Wabo | Campari | 56 | \$91M | \$1,429 | 9.6X |
| 2007 | Ketel One | Diageo | 1,700 | \$1,800M | \$1,059 | 8.4X |
| 2007 | Svedka | Constellation | 1,100 | \$384M | \$349 | 8.4X |
| 2006 | 42 Below | Bacardi | 90 | \$91M | \$1,011 | 13.0X |



EASTSIDE DISTILLING



PLATFORM FOR LONG-TERM GROWTH



Create Formula & Flavor

Branding

Production

Regional Distribution

Independent Accounts

National Distribution

National Accounts

Award-winning master distillers

Sandstrom Partners

Craft Canning + Bottling
Motherlode

Strong presence in Pacific Northwest

Product currently deployed in many of the country's largest independent retailers, including ABC, Total Wine, Specs

National distribution through Republic National Distributing Company (RNDC), Southern Glazer's Wine & Spirits, Breakthru Beverage Group, Young's Market

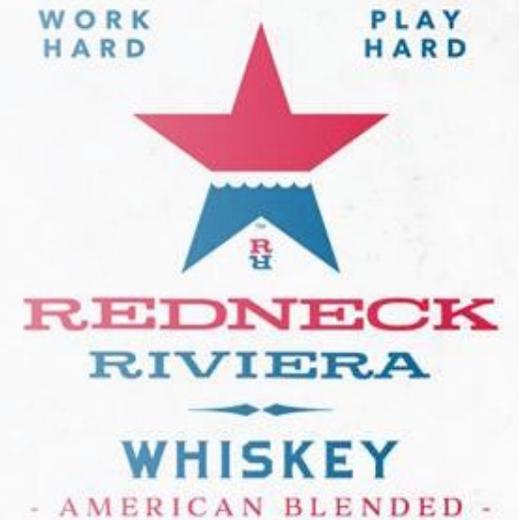
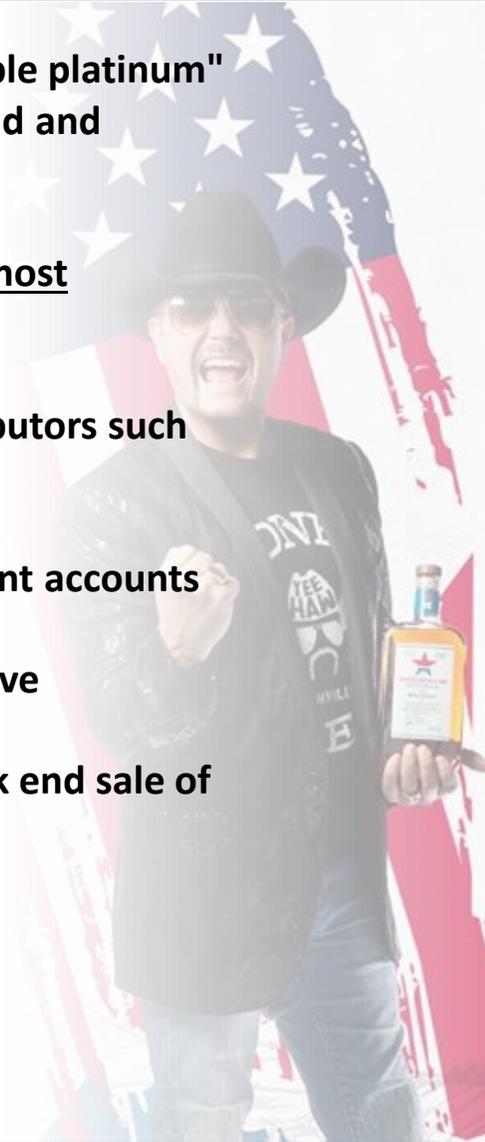
Product currently deployed in Walmart, Costco, Albertson/Safeway, Jewel, and others

REDNECK RIVIERA WHISKEY

EASTSIDE
DISTILLING

Successful 1st Year Launch – Exciting 2019 Plan

- ▶ Redneck Riviera Whiskey is a collaboration between John Rich, a "multiple platinum" country music singer and songwriter performs with the "Big & Rich" band and Eastside Distilling
- ▶ Product launched in February 2018 and has quickly become one of the most successful first year product launches in spirits history
- ▶ Product is currently distributed in 39 states by both large national distributors such as RNDK and Southern Glazer, as well as regional distributors
- ▶ Increasing points of distribution include leading national and independent accounts
- ▶ Brand extensions coming, including recently launched Granny Rich reserve
- ▶ Agreement is royalty free for Eastside, with John Rich sharing in the back end sale of the brand



INCREASING POINTS OF DISTRIBUTION

Leading National and Independent Accounts

- ▶ As of November 2018, Redneck Riviera Whiskey is currently located in 4,395 points of distribution (684 on-premise and 3,711 off-premise accounts, which also now include over 1,100 chain-account locations).
- ▶ Approved authorizations scheduled for rollout in Q1 2019 will substantially add to points of distribution for the chain accounts (with over 1,800 currently planned).



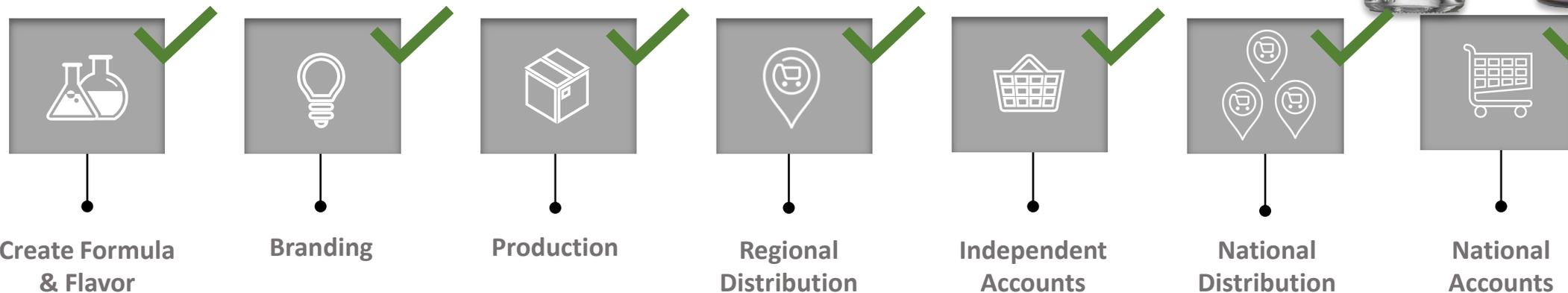
PROMOTIONAL SUPPORT IS HIGH

John Rich driving tremendous interest through media, private events, and tours.



LEVERAGE SUCCESS OF REDNECK RIVIERA WHISKEY TO BUILD OTHER BRANDS

- ▶ Redneck Riviera Whiskey success has helped establish Eastside Distilling as a fully integrated spirits company capable of driving multiple brands through the platform
 - ▶ Award-winning distilling team has always been a strength of Eastside, with “Best in Category” awards at most recent LA International Spirits Competition
 - ▶ World class branding partner, Sandstrom Partners, has strong track record of brand success in the craft spirits industry
 - ▶ Recent acquisition of Craft Canning + Bottling has enhanced capacity = facilities can now produce over 500,000 cases of bottled product or 2.7 million cases of canned products (or some combination thereof) per year.
 - ▶ Strong relationships with the industry’s largest and most influential distributors
 - ▶ Sales personnel on the ground to support brands looking to adding additional “products to the bag”
 - ▶ Success with the country’s leading independent and national retailers



EXCITING NEW MARKET OPPORTUNITIES: RTDs

(Ready-to-Drink, Single Serving Cocktail)

- ▶ Eastside has recently announced its entry into the fast growing Ready-to-Drink (RTD) market with the introduction of the Portland Mule Ready-to-Drink Cocktail
 - ▶ Shipping now, selling at a rate of around 50 flats per week
 - ▶ Leveraging the company's production capabilities to bring products to market
 - ▶ Lowers costs and shortens time to market
 - ▶ As an industry category, RTD cocktails have grown rapidly, with growth expected to continue over the coming years.
 - ▶ According to Technavio, a research firm, low alcohol RTD drinks are expected to be one of the best performing sectors through 2021, with an expected cumulative annual growth rate (CAGR) of 8.2%.
 - ▶ Growth is driven by changing lifestyle and alcohol consumption habits, including the convenience and portability of the cans.



EXPANDING OUR BEVERAGE FOCUS:

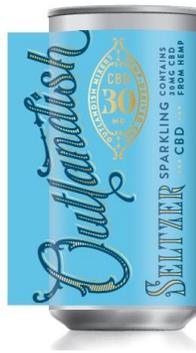
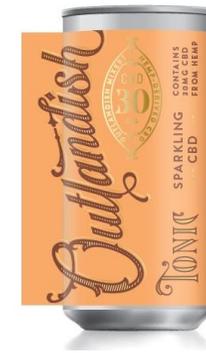
Fast-growing Market For CBD Beverages

- ▶ **Eastside planning to enter the CBD-based beverage arena**
 - ▶ **Rapidly growing consumer appeal toward CBD and improving regulatory environment**
 - ▶ **Excellent ingredient to add to liquid = ability to create unique beverage opportunity**
- ▶ **The next two years are shaping up to be critical for the CBD market and recent reports indicate that the cannabidiol (CBD) market is estimated to grow by 700 percent to \$625 Million by 2020 according to Hemp Business Journal**



Eastside's First CBD Product to Address the Growing New Market

- ▶ Formed Outlandish Beverages, LLC an Oregon LLC for making and selling products that don't have alcohol
 - ▶ Hemp CBD was decriminalized in Oregon and our only legal requirement as an Oregon only CBD beverage producer is compliance with our existing Oregon Department of Agriculture certification
- ▶ Formed an LLC in Kentucky as the preliminary step in a partnership with an affiliate of established agricultural company, Caudill Seed, to produce high-grade CBD hemp oil as an ingredient
- ▶ Production is totally separate from our federally bonded alcohol production and warehouse space
- ▶ First products nearing completion – near-term market launch
 - ▶ Sales person samples
 - ▶ Cans and labels ready for initial run of 12,000 cans
 - ▶ Will be sold in both 4 pack boxes and 24 can flat packs for use in bars and restaurants
- ▶ Gives Eastside headstart for potential Nationwide rollout in the future
- ▶ Although we are fully licensed and legal to sell CBD products within Oregon, like many other companies, before we do so we intend to get an opinion from NASDAQ that are listing would not be impacted
- ▶ No plans to market or ship interstate before FDA federal legality is clear



CO-PACKING PRODUCTION



- ▶ Through two recent acquisitions (Motherlode in 2018 and Craft Canning + Bottling in 2019), Eastside has developed one of the premier Northwest canning and bottling operations
- ▶ These production capacities help to drive revenue and cash flow and have significant capacity to meet the increased demand of the company's own branded products
- ▶ Key capabilities of Eastside's production capabilities
 - ▶ Fixed canning line: State of the art capabilities and extends across the full range of formats, including 187 ml, 200 ml, 250 ml, 355 ml (both 12 oz standard and "sleek" diameters) and 375 ml with sparkling or still wine capability, as well as 16oz and 19.2oz. Industry leading cold stabilization is by Velcorin dosing as either a complete solution or on a stand-alone basis.
 - ▶ Mobile Canning ops: Operates nine Wild Goose MC-250 canning machines, with the capacity to can over 3.8 million gallons per year. Custom in-house designed and manufactured fully automated depalletizers and twist rinses. Eastside is taking delivery of three new dual speed canning lines in Q1 2019 and additional Velcorin and filtration equipment. CC+B leads the industry with a full suite of quality control equipment, including luminometers, DO/CO2 analyzers, and seam inspection equipment.
 - ▶ Fixed and Mobile Bottling: Operates three 6-head bottling lines for glass, two of which are dedicated to 22 oz "bomber" format, with a third running 500ML glass. Pre-labeling capabilities enable shorter set-up times, lower loss numbers, and more consistent O2 numbers throughout each SKU. To ensure the best in quality control, their DO/CO2 meters, crown "go/no-go" gauges, and luminometers make sure each bottle not only meets customer needs but exceeds them.
- ▶ Mobile capabilities – allows flexibility for private-label clients



CRAFT CANNING + BOTTLING ACQUISITION

- ▶ To accelerate and leverage the company's canning operations, the Company acquired Craft Canning + Bottling (CC+B) in January 2019
 - ▶ Premier mobile provider of packaging solutions to alcoholic beverage producers in Oregon, Washington and the Front Range of Colorado
 - ▶ Finished production of more than 17 million cans
 - ▶ Ability to leverage Eastside's well-equipped fixed facility in Portland, allowing for sales synergies and operational efficiencies of both operations
 - ▶ CC+B has been a word of mouth business that has maxed capacity annually – increased advertising spend, coupled with available capacity, should help to grow revenues
- ▶ Financials (est.)
 - ▶ 2018 Revenue: \$6 million
 - ▶ Less than 1x sales multiple
 - ▶ Grew revenue by more than 50% in 2018
 - ▶ Adjusted EBITDA: \$1.2 million
 - ▶ Approximately 4.5x Adj. EBITDA multiple
- ▶ Purchase Price: \$5.235 million
 - ▶ Cash: \$2 million
 - ▶ 3-year Note: \$800,000
 - ▶ Equity: \$2.435 million (at \$7.20 per share)



FINANCIAL SUMMARY

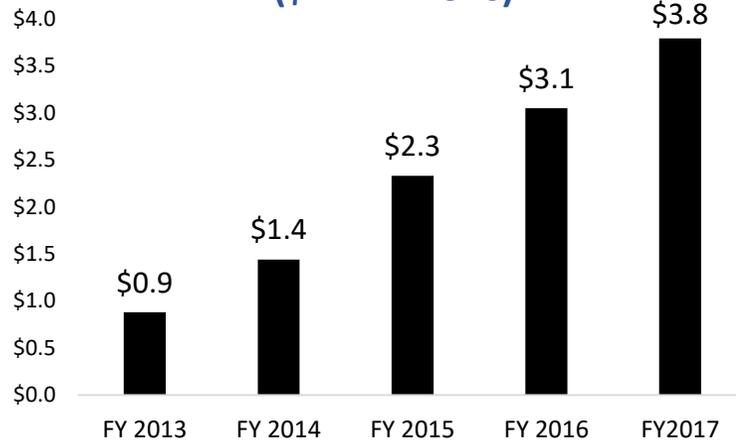
| Issuer | Eastside Distilling, Inc. |
|---------------------------------|---|
| Market Cap | \$53.9 million |
| Stock Price (1) 52-Week Range | \$5.92 \$5.50 - \$8.74 |
| Basic Shares Outstanding (2) | 9.10 million |
| Warrants | 1.1 million avg. ex price \$6.83 |
| Options | 0.89 million avg. ex price \$5.62 |
| FD Shares Outstanding | 11.1 million |
| Debt Outstanding | Approx. \$5.2 million – <i>mostly long-term (including \$800K from CC+B) no warrants or conversion features</i> |
| Cash (9/30/18) | \$4.85 million + \$7.3 million (net) from November 2018 offering - \$2 million from CC+B |
| EBITDA | (\$1.39) million – MRQ |



Note: (1) As of March 11, 2019 (2) Includes 1.235 million shares during November 2018 public offering and 0.34 million shares from CC+B

RAPID REVENUE GROWTH

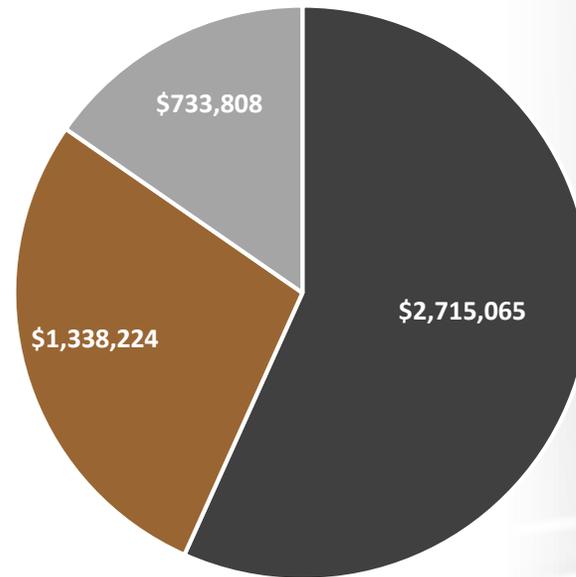
**Annual Sales
Over 50% CAGR
(\$ in Millions)**



**YTD Sales
Up 80%
(\$ in Millions)**



**Breakdown of Revenue
2018 YTD (Q3 2018)**



- Wholesale (Branded Products)
- Private Label (Production Capabilities)
- Retail/Special Events (Eastside Stores)

Financial results do NOT include historical results from CC+B acquired in Jan. 2019

- ▶ 2018 Est. Revenue of \$6 million
- ▶ 2018 Est. Adj. EBITDA of \$1.2 million



▶ High Growth Rate, supported by:

- ▶ *Strong organic growth*
- ▶ *Accretive acquisition strategy*

▶ Platform Built to Support Multiple Brand Hits

- ▶ *Redneck Riviera Whiskey launch in 2018 with Country Music Superstar John Rich is one of the fastest growing spirits launches in history*
- ▶ *Award-winning distilling team that consistently wins awards at major spirits competitions*
- ▶ *Company has proven branding firm, Sandstrom Partners, rebranding the legacy portfolio and working to launch new products*
- ▶ *Recent acquisition of Craft Canning + Bottling helps to drive efficiencies in production, while driving incremental revenue for private label production capabilities*
- ▶ *Success of Redneck Riviera Whiskey has built a sales and distribution infrastructure set to bring new products to market*

▶ Favorable Industry Trends

- ▶ *Huge, multi-billion industry*
- ▶ *Craft = significantly faster growing category*
- ▶ *Substantial number of new entrants, but most are small and lack resources to make it big = attractive acquisition environment*

▶ Highly Attractive Industry Valuations

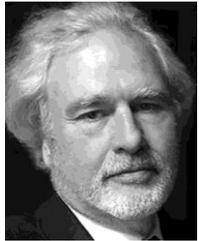
- ▶ *Broad brand portfolio provides multiple opportunities for a “hit” product*

▶ Experienced Team

- ▶ *Strong public company and SEC knowledge*
- ▶ *Experienced production, blending, and distilling leadership*



MANAGEMENT TEAM



Grover Wickersham
Chairman & CEO

Long career building emerging growth companies

Advised numerous well known growth companies, including Genentech, Cree and U-Haul

Former SEC branch chief and Harvard MBA

Bought and took public S&W Seed Company and grew it from \$6 million in sales to \$85 million in sales through acquisition



Robert Manfredonia
President

25 years of experience helping liquor companies drive new business growth, distributor focus and forging strong relationships with external business partners

Joined Eastside as VP of National Accounts in April 2018

Previously ran National Accounts for Russian Standard Vodka



Melissa "Mel" Heim
EVP Ops & Master Distiller

10+ years as a distillery blender

Joined Eastside in 2012

Leader in craft spirits

First female master distiller west of the Mississippi

Winner of scores of industry awards

One of only people in spirits named to "40 under 40" by a major wine and spirits industry publication



Steve Shum
Chief Financial Officer

20+ years of executive experience with finance, operations, public company reporting

Prior to joining Eastside in 2015 as chief financial officer, Steve served as a director and CFO/COO of a global renewable energy company

BS in Finance and BS in General Management, Portland State University



Jarrett Catalani
Vice President of Sales

27 years experience specializing in launching new spirits brands

Dieago veteran and member of team that launched Bulleit Bourbon and Ciroc Vodka

As SVP of sales for Russian Standard, lead the U.S. launch of Russian Standard Vodka

Other brand rollouts include Pete's Wicked Ale and the U.S. launch of Czech Beer Pilsner Urquell