

## OAK & GRIST DISTILLING FINANCIAL PROJECTIONS

*Period covering Q4 2020 - 2024*

Financial projections are subject to certain risks of the business and may not be achieved. Projections are unaudited and may not be formulated in accordance with US Generally Accepted Accounting Principles. Consult the investment materials for more information on business specific risks and a discussion of the key risks that may impede the achievement of the revenue forecasts presented. There is no guarantee that an investment may achieve any level of return. Review our Risks of Investing before making an investment decision.

### PROJECTIONS

	FCST Q4'20	FCST CY20	FCST Q1'21	FCST Q2'21	FCST Q3'21	FCST Q4'21	FCST CY21	FCST CY22	FCST CY23	FCST CY24
REV	\$ 100,359	\$ 183,546	\$ 106,862	\$ 131,808	\$ 172,100	\$ 180,892	\$ 591,662	\$ 926,571	\$ 1,281,281	\$ 1,859,325
COGS	21,531	86,122	39,501	40,501	40,501	40,501	161,002	207,853	296,826	398,324
GP	78,829	97,424	67,362	91,307	131,600	140,391	430,660	718,718	984,456	1,461,001
GM%	78.5%	53.1%	63.0%	69.3%	76.5%	77.6%	72.8%	77.6%	76.8%	78.6%
OP EX	79,305	217,978	81,570	63,015	73,340	76,489	294,414	353,246	459,086	481,915
OPEX%	79.0%	118.8%	76.3%	47.8%	42.6%	42.3%	49.8%	38.1%	35.8%	25.9%
OI/(L)	(476)	(120,554)	(14,208)	28,292	58,260	63,902	136,246	365,471	525,370	979,087
OM%	-0.5%	-65.7%	-13.3%	21.5%	33.9%	35.3%	23.0%	39.4%	41.0%	52.7%
Oth INC/(EXP)	-	-	-	-	-	-	-	-	-	-
INT INC/(EXP)	-	-	-	-	-	-	-	-	-	-
NI/(L)	\$ (476)	\$ (120,554)	\$ (14,208)	\$ 28,292	\$ 58,260	\$ 63,902	\$ 136,246	\$ 365,471	\$ 525,370	\$ 979,087
% of REV	-0.5%	-65.7%	-13.3%	21.5%	33.9%	35.3%	23.0%	39.4%	41.0%	52.7%

### ASSUMPTIONS AND COMMENTARY

1. Revenue from sales of spirits in 2021 is estimated to be 154% over 2020. The reason for the jump is due to a slow down in 2020 as a result of Covid and an increased demand for products, which is on track with our sales and distribution strategy. Future projections were based on a conservative extrapolation of historical YOY revenue growth. Additionally projections were based around data compiled by the *Craft Spirits Association* and the *Distilled Spirits Council of the United States*

surrounding sales trends and revenue under specific categories within the spirits industry; in particular the high end and super premium categories.

2. New Revenue Item *Barrel Room Tasting Tours*: The projections made in this new revenue category are based around historical distillery visits and tours/tastings that to date have been supplied free of charge. Projected monetization of this experience is further based on industry-accepted valuation of the experience and is consistent with similar offerings from distilleries across the country. These exclusive experiences will occur initially 2 days/week (Friday & Saturday), 3 tours/day, 4 people/tour, \$15/person. Growth rate is assumed at 5% MoM and every January the revenue assumptions resets to by 5% over the previous January period. COGS are included with no addition assumed OPEX beyond new hire.
3. New Revenue Item *Regular Events*: The projections made for this new revenue category are based around historical events previously held at the distillery and will begin with 1 to 2 events/month increasing to 3 to 4 events per month by the end of 2021 with revenue from the event ranging from \$200-\$500 depending on experience offered. Post 2021, the growth rate is assumed at 5% MoM and every January the revenue assumptions resets to by 5% over the previous January period. COGS are included with no addition assumed OPEX beyond new hire.
4. New Revenue Item *Special Events/Wedding onsite*: This new revenue stream is based around a lower than average rate when considering comparable event space rental in the area of the distillery. The rate for booking the space will be \$2k, 1 time per month increasing to 4 per month by 2024 and \$3.5K per booking due to the addition of all inclusive packages. COGS are estimated at 50% with no additional OPEX. This new revenue is untested with no guarantee it will materialize.
5. New Revenue Item *Barrel Sales*: Special barrel sales give the ability for individuals or groups of people (e.g. a wedding party, spirit club) to buy a barrel generating average estimated \$10K per barrel including State and Federal excise taxes on COGS of 30% that will be stored for aging, to be picked up by party's after desired maturation has occurred. It is projected that 1 barrel can be sold every other month in 2021 and the 2, 4, & 8 per month in each of 2022-2024. These projections are based around industry-accepted data from distilleries currently offering Barrel Sale Programs.
6. Cocktails (for off site events) have been requested by customers. Projected revenue at \$10 per cocktail, with an average of 50 people, and an average of 2 cocktails per person per event at 30% COGS and no additional OPEX. This offering is planned to commence in 2021 with an assumed average of 1.5 events per month, with a planned increase to an average of 4 events per month in 2022, and an average of 8 events per month for each 2023 & 2024.
7. All of the projections are forward looking. With the exception of (1) & (2), (3) through (6) are new revenue items and are untested. There is no guarantee any revenue will be generated on assumptions (3) through (6). Sales may not increase or decrease on (1) from current 2020 levels, which would significantly impede operations.