



Winc Investor Presentation



January 2022

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Today's speakers



Geoff McFarlane

Co-Founder, CEO, and Board
Member



Brian Smith

Co-Founder, President
and Chairman of the Board

We at Winc are omni-channel brand builders

With a modern portfolio of fast-growing brands

SUMMER
WATER.

LOST
POET

FOLLY OF
THE BEAST

THE
WONDERFUL
WINE CO.

CHOP SHOP

Proven omni-channel brand builders

3.4% year-over-year net revenue
growth in Q3 2021

Demonstrated wholesale success

107% net revenue growth, 53.2%
growth in retail accounts in Q3 2021

Digital-first marketing strategy

~600M ad impressions in 2021

Strong acquisition strategy and pipeline

Acquired Natural Merchants assets
in May 2021

Proven high-return brand development

4.6x average gross profit ROIC for
new brand development in 2020

Our core and emerging core brands

Growing quickly with ample opportunity for scale



Our five current core brands



SUMMER
WATER.



FOLLY OF
THE BEAST



CHOP SHOP



POET



THE
WONDERFUL
WINE CO.



CHERRIES
& RAINBOWS



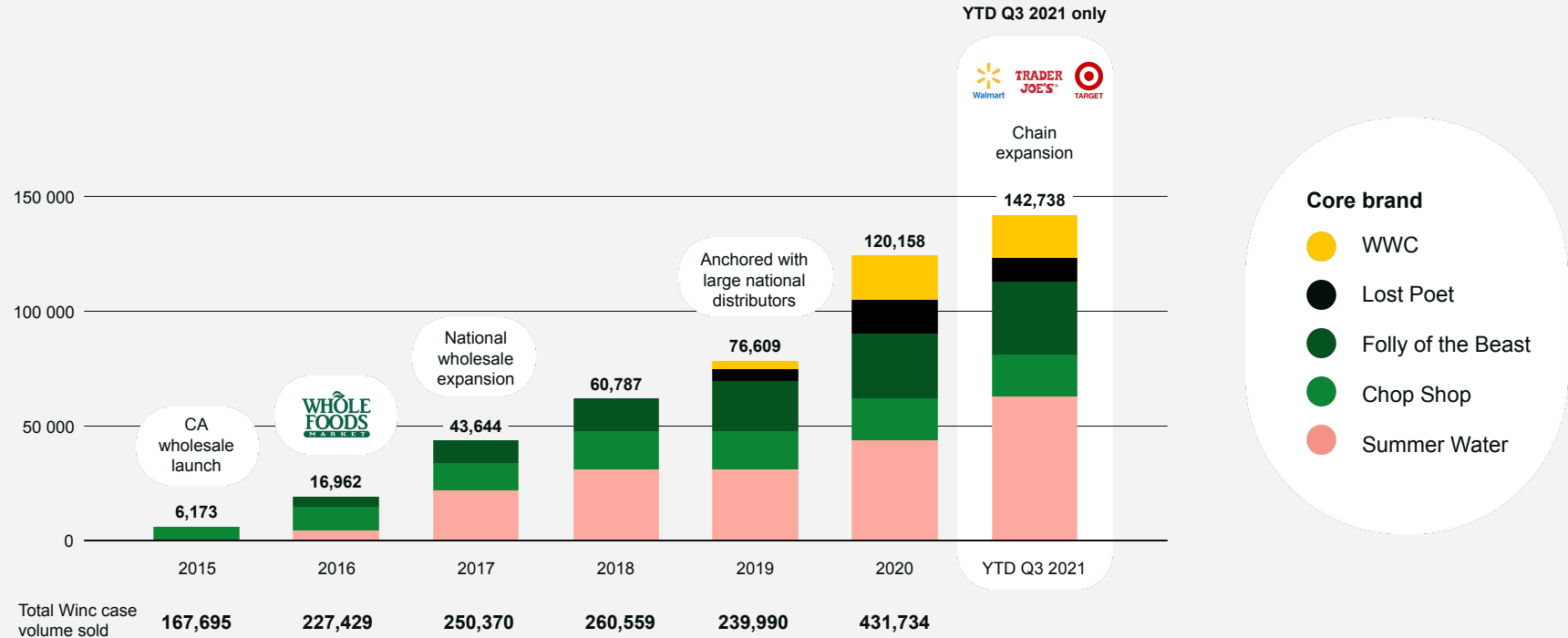
PIZZOLATO
ORGANIC WINE



LES HAUTS
DE LAGARDE

Emerging core brands

Our core brands have developed into a successful omni-channel portfolio



SUMMER WATER.

Top-rated domestic rosé by
Wine Enthusiast

#56 Enthusiast Top 100 2020

Both vegan and eco-friendly,
Summer Water Rosé is basically
summer in a glass.

BUSTLE



Summer Water



Summer Water will be...

NATIONALLY distributed in major retail chains like Whole Foods

AMPLIFIED omni-channel through digital marketing, pop-up events, national partnerships, and more

#1

best-selling ultra-premium domestic rosé ⁽¹⁾

4th

highest velocity per door, all rosé ⁽¹⁾

#56

on Wine Enthusiast's Top 100 2020

~350K

households delivered

100K+

cases of production in 2021

88%

omni-channel revenue growth, Q3 2021

(1) Nielsen



LOST

POET



Lost Poet Wine From Winc & Atticus
Is Here To Become The Instagram
Aesthetic Of Millennial Dreams.

BUSTLE



Lost Poet



Top 4%

of wines ranked by Vivino ⁽¹⁾

Highest-rated

red blend on Winc.com

Partnership

with Instagram influencer and poet Atticus (1.6M followers)

3x

growth in production 2019 - 2020

Lost Poet will be...

FLAGSHIP brand with Target nationally

ON THE WINE MENUS at top restaurants in the US



Launched as Target exclusive

(1) As of June 30, 2021

Highlights of our other core brands



FOLLY OF THE BEAST

+106K lifetime cases

Top-quality Pinot Noir for a premium price, acclaimed in Wine Enthusiast, Sommeliers Choice Awards, and more

93 points on Tasting Panel (2018 vintage)



CHOP SHOP

+98K lifetime cases

Strong chain footprint with placements in chains like Whole Foods, Albertsons, Kroger, and more



THE WONDERFUL WINE CO.

+36K lifetime cases

Organic, better-for-you product in Winc portfolio, launched in Walmart



Omni-channel, digital-first growth strategy

Modern path to the consumer driving growth and awareness



Digital marketing and Winc.com insights

Leverage content, social, ads, affiliate articles for brand awareness; collect learnings from data on purchase rates, at-home trial, consumption rates and patterns from innovation site

Access to ~3.6M leads and ~120K active online members



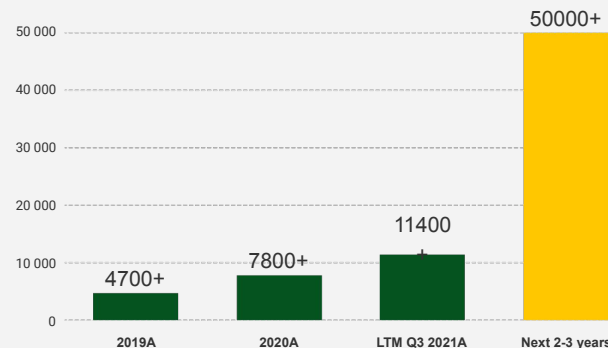
ATTICUS AND WINC CREATE LOST POET WINE

- DINE MAGAZINE | BY STEPHEN NELSON -



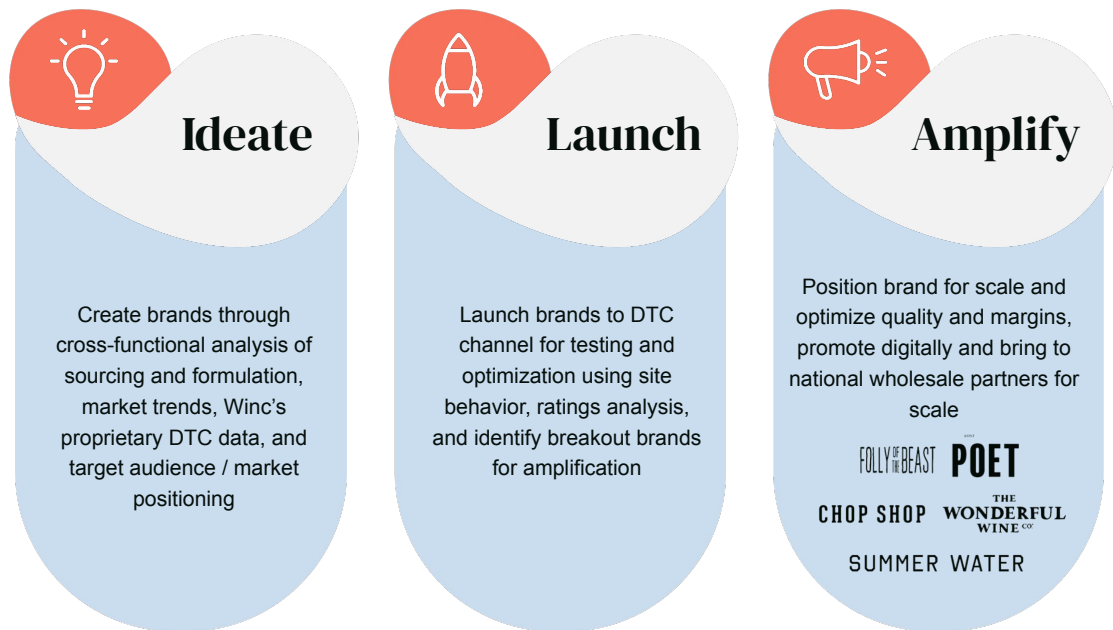
Retail door and wholesale shelf expansion

Line of sight to 50,000 retail locations supplied with pipeline of new brands and velocity-boosting marketing and other growth strategies



Highly innovative, differentiated, and repeatable brand development strategy

We believe our proprietary process for brand identification of scale materially de-risks launch...



...and creates attractive top-line results

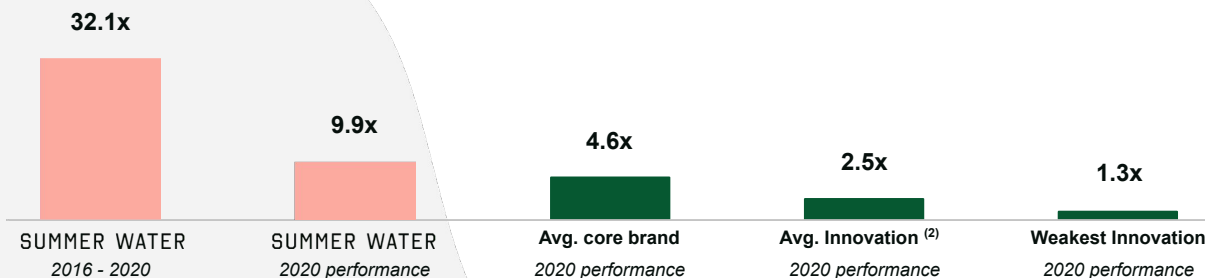
Core brand net revenue (\$M)

53% Growth 2019 - 2020



High returns on invested capital: Attractive gross profit return on new product development

We believe our repeatable brand development framework generates attractive returns on successful brand launches while minimizing the financial risk of new product launches



Net revenue	\$18.2M	\$6.1M	\$3.1M	\$1.4M	\$0.6M
Gross profit	\$8.5M	\$2.6M	\$1.2M	\$0.7M	\$0.3M
Gross margin	47%	43%	40%	50%	54%
Avg. development cost ⁽¹⁾	\$270K	\$270K	\$270K	\$270K	\$270K
Gross profit return	32.1x	9.9x	4.6x	2.5x	1.3x

(1) Development costs include the addition of the prior 3 months of internal G&A that were directly involved in the development and launch of the product into market

(2) Innovation projects are defined as new brands and/or varietal extensions of existing brands that recorded their first sales in either 2019 or 2020 and received dedicated internal resources during their development

Future growth opportunities



Continued growth of core portfolio

Innovation pipeline

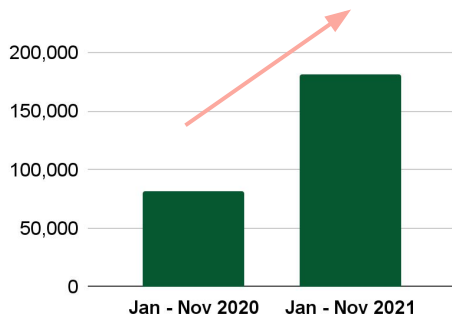
Acquisition strategy

Driving sales and velocity in existing retail accounts

Our omni-channel marketing and unique data-backed products propel our wholesale growth

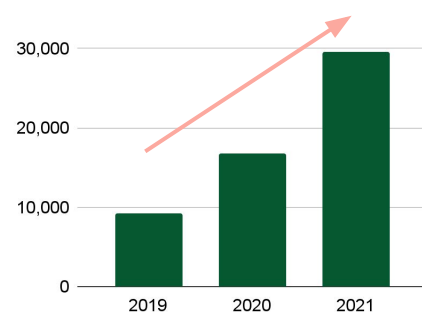
123%

Growth in unit sales at Whole Foods ⁽¹⁾



75%

Growth in chain depletions, 2021 vs. 2020 ⁽²⁾



Activating new retail accounts and doors

We have tremendous whitespace within wholesale to grow placements and number of accounts



20%

Penetration in Target stores nationally - roughly 400 out of 1,900 stores



11%

Penetration in Walmart stores nationally - roughly 530 out of 4,700 stores

(1) Whole Foods stores that sold Winc products in both 2020 and 2021; Whole Foods data as of December 2, 2021

(2) Depletion data as of January 5, 2022

Future growth opportunities



Continued growth of core portfolio

Good Twin: non-alcoholic organic wine

Addressing fast-growing part of wine market and opportunity to meet growing consumer health trend, validated by third party research and proprietary Winc data



Premium non-alcoholic wine category projected to grow at 13% CAGR ⁽¹⁾

Innovation pipeline

WKND: ready-to-drink canned cocktail

Capturing a laid-back, fun aesthetic aligned with growing trend in market and millennials' desire for new formats, environmentally friendly packaging



Acquisition strategy

Celebrity prosecco

Partnering with high-profile celebrity to develop a new prosecco brand, capitalizing on Winc's capabilities and celebrity influence to reach a diverse, millennial audience

Developed in partnership with Natural Merchants supplier

Prosecco category projected to grow at 25% CAGR ⁽¹⁾ and has significant untapped opportunity

Path to further category expansion

(1) International Wines and Spirits Record

Future growth opportunities



Continued growth of core portfolio

Acquirer of choice: Winc's unique ability to achieve economies of scale and drive omni-channel growth

Our unique capabilities enable us to acquire wholesale brands and then amplify digitally or to acquire digital brands and then unlock their wholesale potential

Innovation pipeline

Acquisition strategy

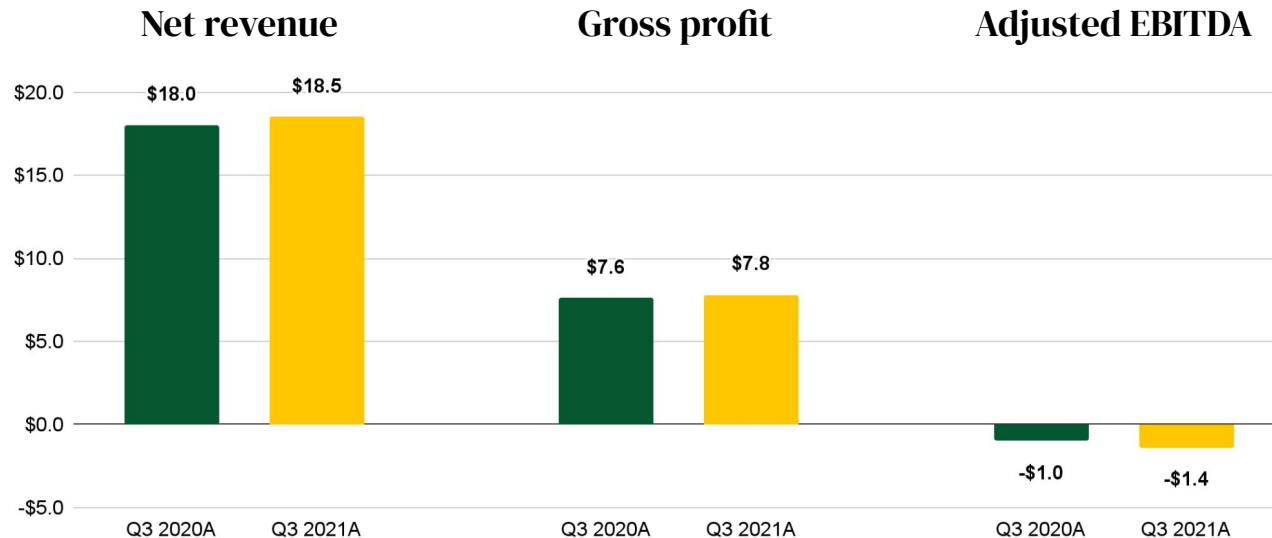
Recent acquisition: Natural Merchants

- 📦 **Boosted our capabilities** through access to organic supply partners, enhanced potential for future organic brand launches, and widened geographic reach
- 📦 **Expanded our wholesale portfolio** by over 20 SKUs with organic products in high demand
- 🌱 **Direct-to-consumer organic offering potential**
- 🏆 **Solidifies Winc as key supplier in organic wine category**, which is projected to grow at 11.6% CAGR through 2027 ⁽¹⁾ and was identified as the top opportunity type of wine for younger consumers ⁽²⁾



Q3 2021 financial update

Three months ending September 30, 2021



34%
Growth in core brand case volume

53%
Increase in retail accounts

107%

Wholesale YoY growth

3.4%

Overall YoY growth

42%

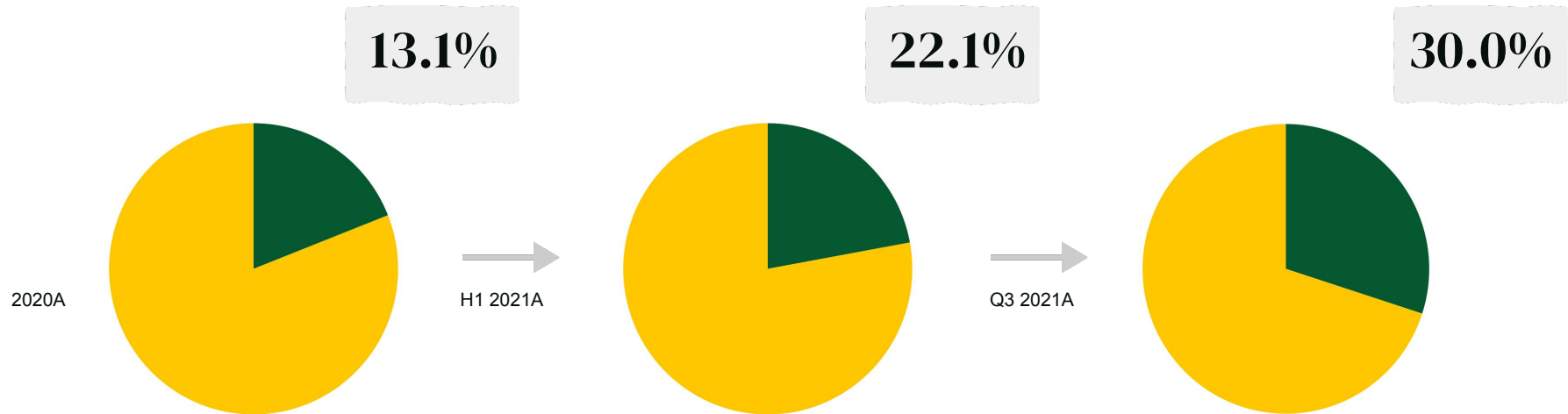
Q3 2021 gross margin

-8%

Q3 2021 Adj. EBITDA margin

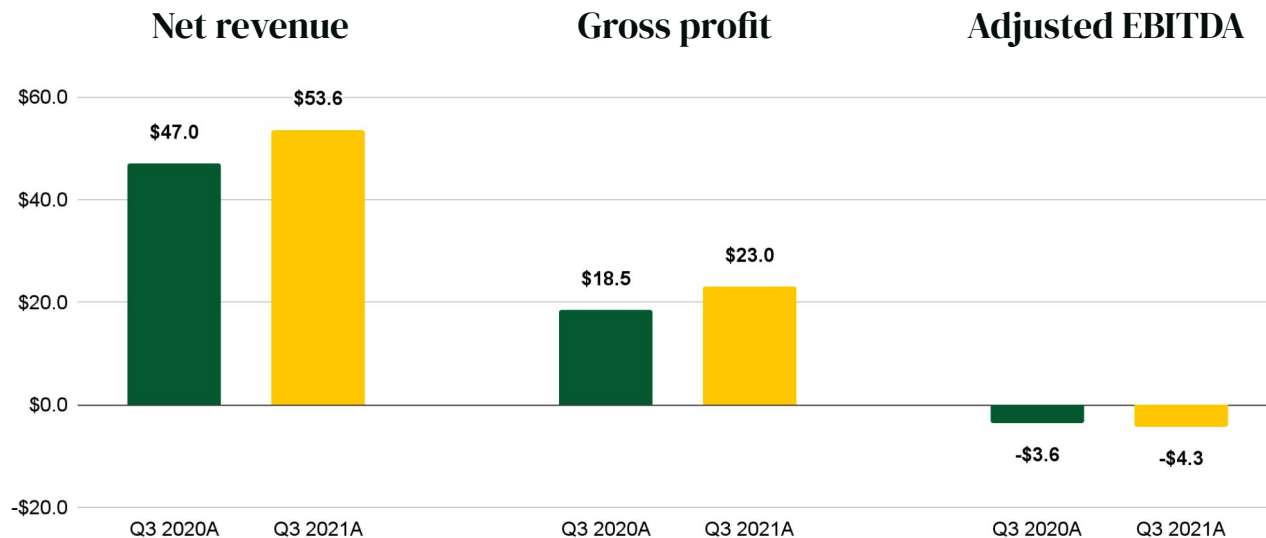
Our growing wholesale channel increasingly represents proportion of overall revenue

● DTC ● Wholesale



YTD Q3 2021 financial update

Nine months ending September 30, 2021



14%

Growth

24%

Growth

-8%

Q3 YTD 2021 Adj.
EBITDA margin

Winc

Appendix

We believe we have a differentiated omni-channel strategy that captures the best of “the old” and “the new”



Constellation
Brands

VWE

VINTAGE WINE ESTATES



DUCKHORN
VINEYARDS



E&J. Gallo Winery

Have grown to significant scale through channel expertise in wholesale
Brand building and acquisition
Lack speed to market and first-party data
Unsophisticated DTC channels and connection to customer

Winc

Emerging at-scale wholesale channel
Successful portfolio of brands and acquisition strategy
**Speed to market, first-party data,
and digital-first growth strategy**
Asset-light production model

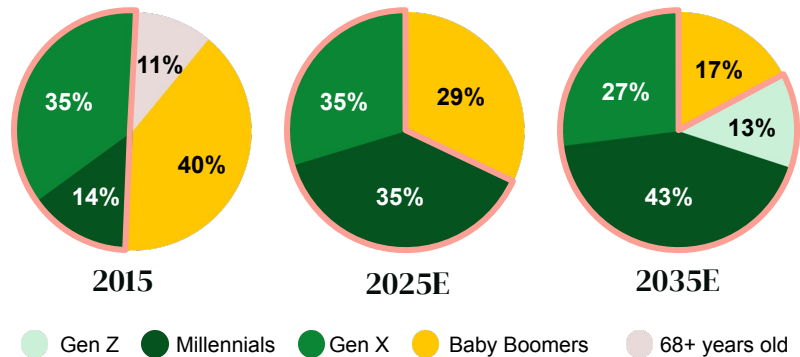
Sector tailwinds

Shifting demographics of the wine industry

Winc

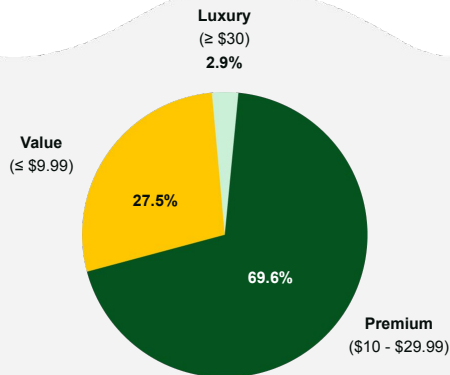
76% of our DTC members are aged 44 and younger

US wine consumption by age over time⁽¹⁾



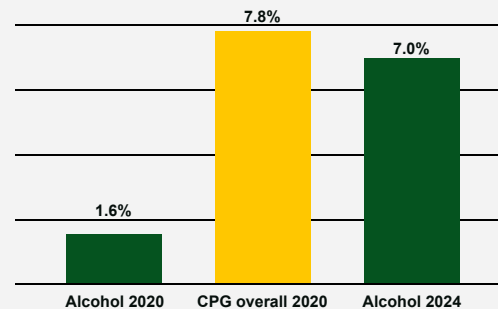
Premiumization

US wine volume market share by price band⁽²⁾



Shift to online purchasing

Online penetration in alcohol vs. CPG⁽³⁾



(1) Silicon Valley Bank: State of Wine Report 2016

(2) International Wine and Spirits Record (IWSR), 2020. All wine categories

(3) IRI, International Wine and Spirits Record (IWSR), 2020



Key takeaways



Highly scalable,
rapidly growing
business with
omni-channel presence



Wholesale
distribution channel
is primary growth
driver



Focus
on building
large-scale brands
that resonate with
younger consumers



Asset-light
outsourced
production model



Stable and
improving gross
margins

Our process from grape to glass



01



Proprietary Winc brand ideation

Our in-house creative team uses market analysis and our proprietary Winc.com consumer data to create brands

Sourcing and asset-light production with contracted partners

Our product team finds the best grapes each season through our global partners and produces and bottles it in contracted facilities



02

03



Scalability with quality

Our proprietary brands, control of most important aspects of supply chain, and DTC platform allow us to further refine products with a focus on premium wines of superior quality

Adjusted EBITDA reconciliation



(\$M)	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
Net loss	(\$5.7)	(\$1.3)	(\$9.1)	(\$5.0)
Interest expense	\$0.1	\$0.1	\$0.5	\$0.7
Income tax expense	\$0.0	\$0.0	\$0.0	\$0.0
Depreciation and amortization expense	\$0.2	\$0.1	\$0.5	\$0.4
EBITDA	(\$5.4)	(\$1.0)	(\$8.0)	(\$4.0)
Stock based compensation	\$0.8	\$0.1	\$1.0	\$0.2
Gain on debt forgiveness - PPP note payable	-	-	(\$1.4)	-
Forgiveness of employee promissory notes issued for stock option exercises	\$3.5	-	\$3.5	-
Change in fair value of warrants	(\$0.2)	-	\$0.6	\$0.2
Adjusted EBITDA	(\$1.4)	(\$1.0)	(\$4.3)	(\$3.6)
<i>Net loss margin</i>	<i>-31.1%</i>	<i>-7.4%</i>	<i>-16.9%</i>	<i>-10.8%</i>
<i>Adjusted EBITDA margin</i>	<i>-7.3%</i>	<i>-5.5%</i>	<i>-7.9%</i>	<i>-7.7%</i>