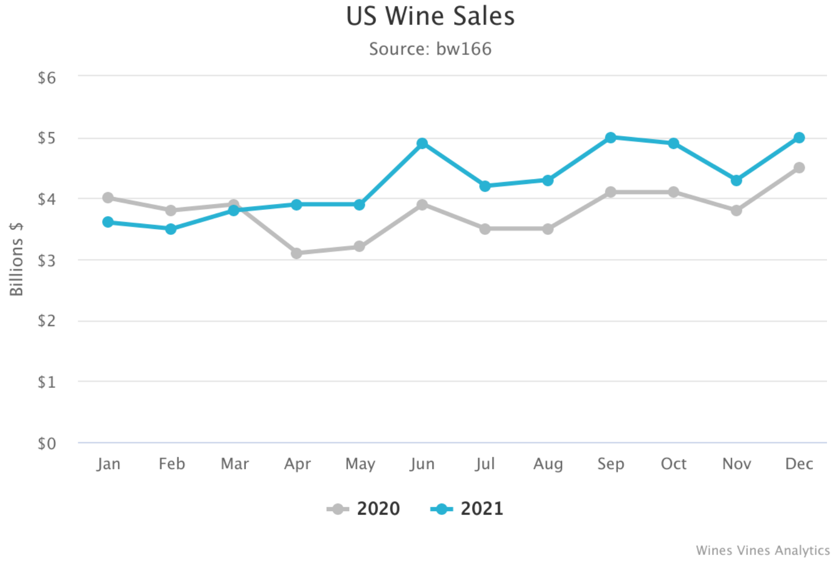
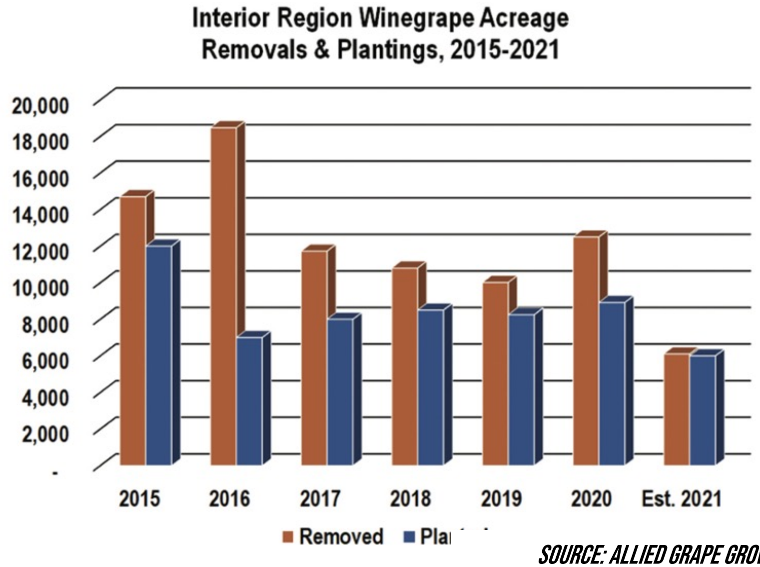
Central Coast Insights Distributors Panel

March 28, 2022

2021 Industry Review and 2022 Predictions

US Wines Sales – 2021





SOURCE: ALLIED GRAPE GROWERS

We cover 5 of the top 7 markets

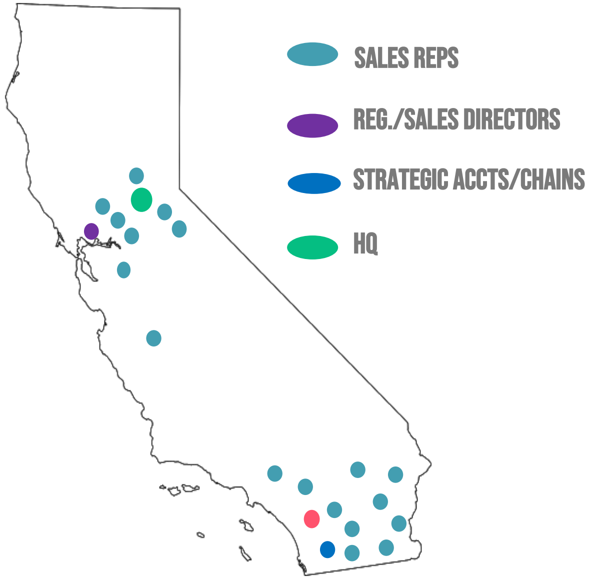
SOURCE: WINE INTELLIGENCE

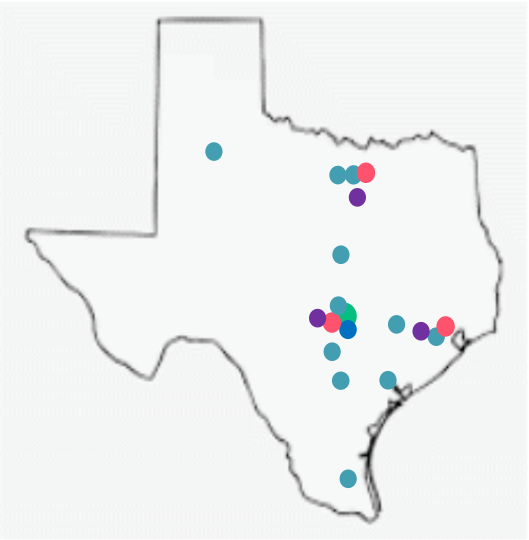
- US Wine sales Est vary: +10% to minus 2%
- Distributor depletions down 8-9%;
- Spirits up 6%; taking share from "value" wine/beer
- On Premise up 20% but still 9% below 2019; 10% permanently closed; Smaller wine lists
- Off-Premise down 5% but still above 2019
- Digital sales up 20-25% after 30% in 2020;
- DTC –Sales increased 13%

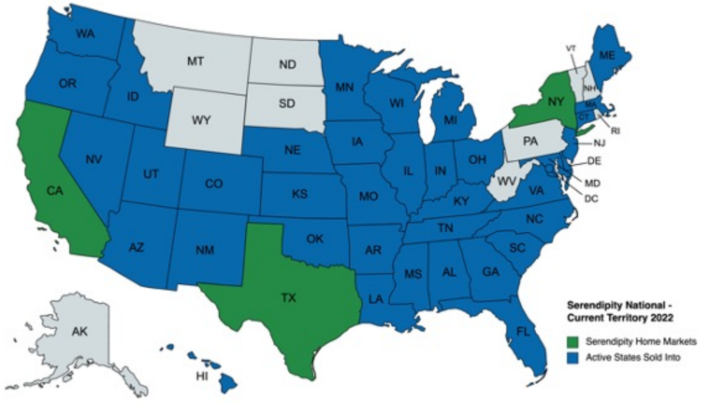
- Imports growing faster than domestic;
- Premiumization; $10-$20 share up 2-3%;
- Sparkling sales acceleration +9%-13%
- Clean and healthy (Natural, lower alc)
- Alternative formats, and RTD'
- Boomers declining <40 not wine-engaged;
- WineRAMP - Enhance wine's US image

- Industry Consolidation Continues
- RNDC acquires Youngs part of Opici
- Napa purchase; Winc buys NM
- Retailers push more control brands
- Logistics - Increased lead times
- Production - short vintages in FR, IT, Napa
- Inflation

Serendipity History and Footprint







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2003

2022

1 EMPLOYEE; 1 HATCHBACK;
1 SHARED STORAGE SHED

146 EMPLOYEES /90+ SALES / BRAND MGT
TX & CA DISTRIBUTION (26+% OF US)
NATIONAL IMPORT SERVING 40 STATES
7 WAREHOUSES /170 DI CONTAINERS