

September 28, 2021

**DIGITAL
BRANDS
GROUP**

DBG Announces \$37.5M to \$42.5M for 2022 Revenue Guidance, an increase of 350% from 2021

AUSTIN, Texas, Sept. 28, 2021 /PRNewswire/ --**Digital Brands Group, Inc. ("DBG")** (NASDAQ: DBGI), a curated collection of luxury lifestyle, digital-first brands, today announces its initial 2022 revenue guidance of \$37.5 million to \$42.5 million, an increase of 350% from 2021 revenue expectations. Additionally, the Company forecasts positive EBITDA for 2022, as it leverages its shared services platform

"Our 2022 revenue guidance reflects the power of our brand portfolio, especially as we are able to benefit from the full year revenue contribution from our acquisitions in 2022," said Hil Davis, Chief Executive Officer of Digital Brands Group.

"This forecasted increase of 350% in our year over revenue growth does not reflect any potential additional acquisitions, nor does it reflect any meaningful benefit from our expected increase in marketing spend."

"Additionally, we expect to achieve cash flow EBITDA in 2022 due to the leverage we are experiencing from our shared services platform. We are excited about the cost savings we are experiencing from this shared services platform, especially as it relates to revenue generating marketing initiatives."

Our forecasted increase in 2022 revenues is driven by the following factors:

- **For DSTLD:**
 - The addition of wholesale revenue with limited key accounts for brand awareness;
 - A meaningful increase in digital marketing advertising, which was minimal in 2021;
 - A full year of selling on Amazon;
 - A full inventory stock for the entire year;
 - And new product expansion driven by our recently hired women's designer
- **For Bailey 44:**
 - A full year of wholesale revenue versus six months in 2021;

- A meaningful increase in digital marketing advertising, which was minimal in 2021;
- And a full inventory stock for the entire year.
- **For Harper & Jones:**
 - A full year of revenue contribution versus approximately seven months in 2021;
 - New showroom openings;
 - The full year benefit of new clothiers who started in the second half of 2021;
 - And a meaningfully larger ready to wear offering versus 2021.
- **For Stateside:**
 - A full year of revenue contribution versus four months in 2021;
 - New product categories in women's knits and woven tops;
 - A meaningful increase in digital marketing advertising, which was minimal in 2021.

Finally, as we discussed in our S-1, we expect to continue to grow through acquisitions and expect to continue to acquire companies this year, most of which will require GAAP PCAOB audits. These audits take time, which results in a delayed acquisition timeframe weighted toward the back three to four months of 2021.

Forward-looking Statements

Certain statements included in this release are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting DBG and therefore involve several risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "should," and "may" and other words and terms of similar meaning or use of future dates, however, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements regarding DBG's plans, objectives, projections and expectations relating to DBG's operations or financial performance, and assumptions related thereto are forward-looking statements. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. DBG undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Potential risks and uncertainties that could cause the actual results of operations or financial condition of DBG to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: risks arising from the widespread outbreak of an illness or any other communicable disease, or any other public health crisis, including the coronavirus (COVID-19) global pandemic; the level of consumer demand for apparel and accessories; disruption to DBG's distribution system; the financial strength of DBG's customers; fluctuations in the price, availability and quality of raw materials and contracted products; disruption and volatility in the global capital and credit markets; DBG's response to changing fashion trends, evolving consumer preferences and changing patterns of consumer behavior; intense competition from online retailers; manufacturing and product innovation; increasing pressure on margins; DBG's ability to implement its business strategy; DBG's ability to grow its wholesale and direct-to-consumer businesses; retail industry changes and challenges; DBG's and its vendors' ability to maintain the strength and security of information technology systems; the risk that DBG's facilities and systems and those of our third-party service providers may be vulnerable to and unable to anticipate or detect data security breaches and data or financial loss; DBG's ability to properly collect, use, manage and

secure consumer and employee data; stability of DBG's manufacturing facilities and foreign suppliers; continued use by DBG's suppliers of ethical business practices; DBG's ability to accurately forecast demand for products; continuity of members of DBG's management; DBG's ability to protect trademarks and other intellectual property rights; possible goodwill and other asset impairment; DBG's ability to execute and integrate acquisitions; changes in tax laws and liabilities; legal, regulatory, political and economic risks; adverse or unexpected weather conditions; DBG's indebtedness and its ability to obtain financing on favorable terms, if needed, could prevent DBG from fulfilling its financial obligations; and climate change and increased focus on sustainability issues. More information on potential factors that could affect DBG's financial results is included from time to time in DBG's public reports filed with the SEC, including DBG's Annual Report on Form 10-K, and Quarterly Reports on Form 10-Q, and Forms 8-K filed or furnished with the SEC.

About Digital Brands Group

We offer a wide variety of apparel through numerous brands on a both direct-to-consumer and wholesale basis. We have created a business model derived from our founding as a digitally native-first vertical brand. Digital native first brands are brands founded as e-commerce driven businesses, where online sales constitute a meaningful percentage of net sales, although they often subsequently also expand into wholesale or direct retail channels. Unlike typical e-commerce brands, as a digitally native vertical brand we control our own distribution, sourcing products directly from our third-party manufacturers and selling directly to the end consumer. We focus on owning the customer's "closet share" by leveraging their data and purchase history to create personalized targeted content and looks for that specific customer cohort. We have strategically expanded into an omnichannel brand offering these styles and content not only on-line but at selected wholesale and retail storefronts. We believe this approach allows us opportunities to successfully drive Lifetime Value ("LTV") while increasing new customer growth.

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