March 31, 2022

Fresh Vine Wine Announces Fourth Quarter and Full Year 2021 Financial Results

December 2021 IPO Provides Capital to Accelerate Growth Strategy

2021 Revenues Increase 681% While Fourth Quarter Revenues Grew 19% Sequentially Compared to the Third Quarter, Reflecting an Acceleration in Momentum and an Inflection Point in the Company's Growth Trajectory – With Most Growth Occurring Prior to IPO Funding

IPO Proceeds Deployed to Grow the Brand, Increase Awareness, and Procure Inventory to Sustain Strong Sequential Momentum in 2022

Over 1,000 New Points of Distribution Added in First Quarter, More Than All of Last Year

Celebrities Nina Dobrev and Julianne Hough, Initial and Ongoing Investors, Continue to Enthusiastically Endorse FVW Celebrating Partners and Product Launches Among Their More Than 30 Million Social Media Followers

MINNEAPOLIS, March 31, 2022 /PRNewswire/ -- Fresh Vine Wine, Inc. (NYSE American: VINE), the premier producer of premium lower carb, lower sugar, and lower calorie wines in the United States, today reported strong financial results for the three months and fiscal year ended December 31, 2021, including year-over-year annual revenue growth of 681% from $217 thousand in 2020 to $1.700 million in 2021.

Janelle Anderson, CEO of Fresh Vine Wine, Inc., said, "I am extremely proud of our team, which grew the business both for the year and sequentially in the fourth quarter by executing on extremely aggressive marketing and go-to-market strategy, while concurrently completing our IPO. This reflects an inflection in the company's growth trajectory and is indicative of the results we expect this year. We have already put the IPO proceeds to work building our brand, investing in our people, and procuring inventory. In the first quarter of 2022, we added over 1,000 new points of distribution (PODs), which is more than twice the 900 PODs we had at time of IPO. We believe that this leading indicator, coupled with our increased inventory levels, suggest accelerating revenue growth and strong first quarter results."

Ms. Anderson continued, "The speed of our expansion is remarkable, which speaks to the quality of our sales and marketing strategy and the pedigree of our organization. Our success reinforces the viability of consumer demand for our category-defining, premium tasting brand of lower carb, lower sugar, lower calorie wines. We plan to continue this positive trajectory in 2022 by introducing new product offerings and expanding our marketing efforts, in part by leveraging the 30 million-plus social media followers of our celebrity spokespeople and co-founders, Nina Dobrev and Julianne Hough. It is encouraging and rewarding to begin this year with significant positive momentum."

Recent Business Highlights

- In December 2021, the Company closed its Initial Public Offering, raising net proceeds of $19.2 million
- Added 1,000 Points of Distribution in the first quarter

Retail

- Launched in our first national "C-Store" where we have been authorized at their more than 1,600 California locations

- Securing a top national convenience store chain to carry our wines in the state of California is a true breakthrough for Fresh Vine Wine and further validates the demand for our lower carb, lower calorie, lower sugar premium wines

- Secured placement at the newest resort on the Famous Las Vegas Strip

- *FVW* wines premium Cabernet Sauvignon, Chardonnay and other varietals will be featured at 22 various venues at the newly launched Resorts World Las Vegas

- Expanded partnership with retail grocer, Hy-Vee, for the distribution of our premium Limited Reserve Napa Cabernet

- To be featured at all Hy-Vee stores in the Upper Midwest

- Announced a partnership with CRAVE American Kitchen & Sushi Bar

- Featured as a premium wine pairing and frequently recommended as the perfect complement to their special lunch and dinner menus

Geographic Expansion

- Expanded into 6 new states in the first quarter of 2022, including Nevada coincident with the Resorts World launch

- FVW now available nationwide, one of the Company's key strategic priorities.

Direct to Consumer

- Experienced record-breaking single day sales on two separate occasions, reflecting the impact of our social media marketing strategy

- Record demand after major shareholders Nina Dobrev and Julianne Hough appeared across national media following VINE IPO day and then again after their appearance

on The Ellen Show https://bit.ly/36VuRd4. Expect more exciting appearances representing Fresh Vine Wine by these highly influential celebrities

New Product Release

- Released a fifth varietal, a Limited Reserve Napa Cabernet Sauvignon

- The introduction of this premium wine represents further progress in our business objectives to leverage our presence at retail to increase distribution and fuel future growth.

- Announced the bottling of our 2021 Vintage Rosé at 21 times the quantity of 2020 Rosé bottled

- After selling out the entire 2020 Rosé Vintage within months of bottling, now bottling the 2021 Vintage Rosé at 21 times the amount of Rosé bottled for the 2020 vintage.

Fourth Quarter and Fiscal Year 2021 Financial Results and Commentary

Net revenue in fiscal 2021 was $1.70 million, up from $217,000 in fiscal 2020. Growth was primarily attributable to our increased presence in the wholesale market, where we significantly expanded our distributor network and geographic presence, and the introduction of our wine club, which drove direct-to-consumer sales. Of total 2021 revenue, $773,000 was from our wholesale distribution channel and $774,000 was from our direct-to-consumer sales channel. As fourth quarter revenues were affected by an inventory drawdown precipitated by very strong demand, the Company used this period to accelerate the timing of the launch of its Strategic Services segment, which netted over $150,000 of revenue in the quarter, and is expected to continue quarterly in fiscal 2022. Selling, general and administrative expenses were $4.79 million for the fiscal year ended December 31, 2021, compared to $1.33 million for the fiscal year ended December 31, 2020, largely driven by increases in Selling, Marketing and General & Administrative expenses. The year-over-year increase in Marketing expenses primarily resulted from our sports marketing partnerships while the increase in General & Administrative expenses is the result of increased salaries and wages needed to support the growth in sales. Selling expenses generally follow our sales volume growth. The Company reported a net loss of $9.97 million, or ($1.12) per share, for fiscal 2021, compared to a net loss of $1.29 million, or ($0.21) per share in fiscal 2020.

Liquidity and Capital Resources

- The Company's cash and cash equivalents balance as of December 31, 2021, was $16.1 million. The Company has no material debt.

About Fresh Vine Wine, Inc.
Fresh Vine Wine, Inc. (NYSE American: VINE) is a premier producer of lower carb, lower calorie premium wines in the United States, kicking off a 2022 growth plan following its IPO in mid-December 2021. Fresh Vine Wine's brand vision is to lead the emerging natural and accessible premium wine category, as health trends continue to accelerate in the US marketplace. The 2020 US wine market was a $69 billion category. Fresh Vine Wine plans to accelerate growth in 2022 by amplifying its marketing, expanding product offerings, and expanding its team. Fresh Vine Wine positions its core brand lineup as an affordable luxury, retailing between $14.99-$22.99. Fresh Vine Wine's varietals currently include its Cabernet Sauvignon, Chardonnay, Pinot Noir, and Rosé.

Forward-Looking Statements
This press release includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as "anticipate," "expect," "plan," "could," "may," "will," "believe," "estimate," "forecast," "goal," "project," and other words of similar meaning. These forward-looking statements address various matters including statements regarding the timing or nature of future operating or financial performance or other events. Each forward-looking statement contained in this press release is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Applicable risks and uncertainties include, among others, the Company's ability to hire additional personnel and to manage the growth of its business; the Company's reliance on its brand name, reputation and product quality; the Company's ability to adequately address increased demands that may be placed on its management, operational and production capabilities; the effectiveness of the Company's advertising and promotional activities and investments; the Company's reliance on celebrities to endorse its wines and market its brand; general competitive conditions; fluctuations in consumer demand for wine; overall decline in the health of the economy and consumer discretionary spending; the occurrence of adverse weather events, natural disasters, public health emergencies, or other unforeseen circumstances that may cause delays to or interruptions in the Company's operations; risks associated with disruptions in the Company's supply chain for grapes and raw and processed materials; the impact of COVID-19 and its variants on the Company's customers, suppliers, business operations and financial results; disrupted or delayed service by the distributors the Company relies on for the distribution of its wines; the Company's ability to successfully execute its growth strategy; the Company's success in retaining or recruiting, or changes required in, its officers, key employees or directors; the Company's ability to protect its trademarks and other intellectual property rights; the Company's ability to comply with laws and regulations affecting its business, including those relating to the manufacture, sale and distribution of wine; claims, demands and lawsuits to which the Company may be subject and the risk that its insurance or indemnities coverage may not be sufficient; the Company's ability to operate, update or implement its IT systems; the Company's ability to successfully pursue strategic acquisitions and integrate acquired businesses; the Company's potential ability to obtain additional financing when and if needed; the Company's founders' significant influence over the Company; and the risks identified in the Company's other filings with the SEC. The Company cautions investors not to place considerable reliance on the forward-looking statements contained in this press release. You are encouraged to read the Company's filings with the SEC, available at www.sec.gov for a discussion of these and other risks and uncertainties. The forward-looking statements in this press release speak only as of the date of this document, and the Company undertakes no obligation to update or revise any of these statements. The Company's business is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties.

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