May 16, 2022

Fresh Vine Wine Announces First Quarter 2022 Financial Results

First Quarter 2022 Revenues Increase 675% Year over Year and Accelerate to 43% Sequential Growth over the Fourth Quarter of 2021

A Sixth Varietal – Sauvignon Blanc – Ready to Launch next month

Celebrities Nina Dobrev and Julianne Hough, initial and ongoing investors are enthusiastic about Fresh Vine Wine's growth and new market expansion. Brand activations, appearances and social media engagements are planned to continue brand awareness to their 30+ million social media followers.

MINNEAPOLIS, May 16, 2022 /PRNewswire/ -- Fresh Vine Wine, Inc. (NYSE American: VINE), the premier producer of premium lower carb, lower sugar, and lower calorie premium wines in the United States, today reported strong financial results for the three months ended March 31, 2022. For the quarter, revenue was up 675% year-over-year and 43% sequentially from the fourth quarter of 2021.

Janelle Anderson, CEO of Fresh Vine Wine, Inc., said, "I am extremely excited to announce another quarter of significant growth. Revenues were up 675% year-over-year and, more importantly, up 43% sequentially, which represents an acceleration in our sequential growth rate compared to 19% for the fourth quarter of 2021.

"During the first quarter we put the proceeds of our December IPO into immediate action implementing our growth strategy. This includes a ramp up in marketing spend, strengthening of our staffing and infrastructure, and the acquisition of wine inventory critical for spring, summer and fall retail resets to capitalize on upcoming heavier selling seasons."

The results of the company's numerous initiatives have been impressive:

- Strong operational execution, with over 6,000 total cases shipped and invoiced (almost 300,000 5 oz. glasses of wine) in the quarter, ~100% increase quarter over quarter
- Doubling of Wholesale channel revenues quarter over quarter, a key company growth strategy
- Added an incremental +1,000 new points of distribution (PODs) ended the quarter with over +2,000 total PODs

- Added retail outlets such as, The Fresh Market, Lowe's Foods, wine.com, and many other highly respected banners across various retail channels
- Acceptance into Aspen Food &Wine Classic, slated to attend June 2022, introducing the brand to top buyers, as well as trade and key industry representatives
- The company's year-to-date inventory investments exceeds $3.5 million, specifically in response to increased demand. This inventory build will allow Fresh Vine Wine to meet balance of year demand and mitigate supply chain risks the industry is facing
- Increased inventory in part reflects increased production of our 2021 Vintage Rose, where we produced 21 times more 2021 Vintage that we did 2020 Vintage Rose – which sold out
- Planned exciting new press and consumer events and maintained significant social media presence featuring our celebrity owners, Nina Dobrev and Julianne Hough

Fresh Vine Wine also significantly strengthened the organization in the first quarter, led by the hiring of Ellen Scipta, who is an accomplished, experienced public company CFO. In addition, the company expanded our sales organization with experienced industry veterans to grow our national chain retail points of distribution, which is frequently considered a leading indicator of future growth.

Janelle Anderson continued, "Fresh Vine Wine is a category-defining product that appeals to the product demand in the rapidly expanding Better for You category. To capitalize on this trend, we will be launching our new varietal, Sauvignon Blanc, one of the top 3 most popular wines in the world, just in time for the warm summer months. I am incredibly pleased with the progress we have achieved building a foundation for growth of both a new company and a new consumer category in such a short amount of time. Now, with the capital to implement a robust growth strategy, we believe we will be able to continue to grow the Fresh Vine Wine brand throughout the United States and other promising international markets."

Recent Business Highlights

- In the first quarter the Company shipped over 6,000 cases, ~100% sequential increase
- Gross Margins in the first quarter were flat. With our emphasis on the wholesale channel, we expect to see increasing revenues and compressed margins.
- The ($4.3 million) loss for the quarter includes approximately $2.0 million in non-cash stock compensation, with stock compensation expected to decline to less than $1 million in subsequent quarters
- The Company's cash and cash equivalents balance as of March 31, 2022, was approximately $11.2 million and $8.0 million as of May 13, 2022. Of this the largest portion was used to purchase inventory to mitigate supply chain issues. The company continues to aggressively invest in driving awareness and distribution, inventory, staffing, and the foundations necessary for company growth and success. The Company has no material debt.
- Headcount increased by 36% in the first quarter, adding strategic CFO and strengthening our sales organization allowing us to expand into new markets

New Product Release

- Planning to shortly release a new varietal, Sauvignon Blanc
    - Sauvignon Blanc is one of the top 3 most popular white wines in the world, and the release of this varietal was coordinated with the warm summer season, when a disproportionate share of white wine varietals are sold

- We also listened to requests from our extremely loyal consumer base asking for a Sauvignon Blanc

Retail

- Fresh Vine Wine is looking forward to be included in summer and fall retail resets in large regional and national chains
- True Food Kitchen is launching a national menu offer on June 29th, opening on Chardonnay by the glass in 42 restaurants in 17 states. True Food Kitchen is the leading health-driven seasonal restaurant and scratch bar where real food and serious flavors are served
- Secured distribution on wine.com, the nation's largest online wine retailer

Geographic Footprint

- Fresh Vine Wine is now available throughout the entire United States through DTC and key agreements with the most prominent distributors across the country
- Opened 5 new markets: Washington, Hawaii, Oregon, Alaska and Colorado

Direct to Consumer

- Continued to grow the DTC business with 13% sequential growth in Fresh Vine Wine Club membership

Bottling of New Vintage Rose

- The new vintage of Rose has been bottled and is now shipping to retail after a successful DTC pre-order sale
- The Company bottled 21 times as much 2021 Vintage Rose as was bottled in the 2020 Vintage

First Quarter Financial Results and Commentary

Net revenue in the first quarter of 2022 was $929,125, up from $119,925 in the same period a year ago. Revenue in the wholesale channel was $529,840 compared to $55,393 in the first quarter of 2021 while direct to consumer revenues were $248,401 in the quarter, up from $64,532 a year ago. Compared to the full year fiscal 2021 when wholesale and direct-to-consumer revenues were approximately equal, wholesale revenues, in the first quarter more than doubled. The Company is focused on leveraging its nationwide wholesale distribution market as the channel that offers rapid growth potential, and the year-over-year increase experienced this quarter is validation of this strategy's success. Strategic Services segment revenues were $150,884, consistent with the company's previously articulated expectations. Service revenues are expected to suspend at the end of the current calendar quarter to allow the company's lean team to prioritize the growth and expansion of the Fresh Vine Wine brand.

Selling, general and administrative expenses were approximately $2.7 million for the three months ended March 31, 2022, compared to $649,733 for the quarter ended March 31, 2021, driven by increases in Selling, Marketing and General & Administrative expenses. Selling expenses generally follow our sales volume growth and include annual sponsorship

agreements in the sports and entertainment industry. The year-over-year increase in marketing expenses primarily resulted from increased advertising and social media marketing. The year-over-year increase in general and administrative expenses is the result of increased salaries as operational activity increased from 2021 to 2022 relating to the sales activity increasing throughout 2021 The Company reported a net loss of approximately $4.3 million, or ($0.35) per share, for first quarter of 2022, compared to a net loss of approximately $1.3 million, or ($0.19) per share in the first quarter of 2021. Included in the first quarter loss was an approximate $1.9 million of non-cash, equity-based compensation, this expense is expected to be less than $1 million per quarter starting in the current calendar quarter.

As the foundation of success, the company has invested in driving market awareness, broadening distribution, increasing staffing, and building inventory to support upcoming distribution into large regional and national chains. The Board of Directors and management are evaluating growth strategies to maintain its current quarterly rate of investment in operations and growth initiatives. The Company has no debt and will need to raise additional capital/seek debt or equity financing by the fourth quarter of this fiscal year. If the company is not able to do so, it could be required to defer additional investments in inventory and significantly reduce expenses to sustain its growth plan into the fourth quarter of 2022.

Readers are referred to, and encouraged to read in its entirety, the company's Quarterly Report on Form 10-Q for the three months ended March 31, 2022, to be filed with the Securities and Exchange Commission, which includes further detail on the company's business plans, operations, financial condition, and results of operations.

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 with Sauvignon Blanc expected to launch late June.

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 obtain debt or equity financing on acceptable terms, the ability to successfully reduce its expenses in the absence of additional financing, the adequacy of the Company's existing cash resources to fund its operations or any particular period of time, 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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