April 3, 2023

# Fresh Vine Wine Announces Full Year 2022 Financial Results, Net Revenue up 68%

***Positioned to Accelerate Growth in "Better for You" Wine Category***

**Among Top 20% U.S. Wineries by Case Volume Size in Under Two Years, Goal is to Reach the Top 5% Within One to Two years**

MINNEAPOLIS, April 03, 2023 (GLOBE NEWSWIRE) -- 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 financial results for the fiscal year ending December 31, 2022, with full year revenue growth of 68% for fiscal 2022 over the 2021 period.

Rick Nechio, Interim Chief Executive Officer of Fresh Vine Wine, said, "Fresh Vine Wine is growing year-over-year at a remarkable rate and leading the way in the fast-growing premium 'Better for You' wine category. This success has led national retailers to take notice of our "premiumization" of the category, resulting in an increasing number adding Fresh Vine to their chain authorizations. We view this as a significant strategic accomplishment that will rapidly improve our visibility, awareness and availability across the country. In less than two years, Fresh Vine has moved into the Top 20% of U.S. wineries by case volume size, according to *Wine and Vines Analytics, and this national platform provides the foundation to achieve our goal to move up into the Top 5% within one to two years.

"Fresh Vine Wine is now one of the most awarded wines by taste and quality in the 'BFY' category and due to our leading premium brand positioning, retailers are increasingly opening new opportunities for us because Fresh Vine Wine is driving their incremental dollar wine sales. I'm excited by our growing momentum and popularity to achieve even greater heights in 2023. The build out of our platform across all 50 states is expected to be completed by summer 2023."

**Updated Business Highlights for Fiscal 2022**

- Expanded our portfolio of Premium Better for You wines from three to seven varietals
- Invested $3.7 million in inventory, valued at nearly $8 million at year end 2022, which will be used to meet our growth objectives for 2023
- Right-sized and strengthened our organization, streamlined operations, and reduced our monthly operating expenses by approximately 50% beginning in Q4 2022
- **Successfully established premium brand pricing, with a $17 average price point transaction at retail, a $5 premium over leading competitors. This is especially important to national retailers, who value this "premiumization" of the category because it represents potential incremental revenue

**Retail**

- Increased our number of stores during 2022, from 468 in 2021 to 3,073
- Total number of PODs rolling 12 months now stands at 6,808
- Fresh Vine Wine Sauvignon Blanc is now entering chain retail, one of the most popular wine varietals, which we believe will drive incremental sales

**Geographic Expansion**

- Deepened and expanded our wholesaler relationships, now with four of the five largest domestic wine distributors
- Successfully opened distribution in 47 states, the District of Columbia, and Puerto Rico in 2022, and launched our product availability in the omnichannel with leading ecommerce beverage retailers, which many offer same day home delivery
- Plan to be at retail in all 50 states by summer 2023

**Direct to Consumer**

- Direct to Consumer (DTC) in 2022 represented 32% of net revenue, compared to 46% in 2021.
- DTC shipped to 6,304 ZIP codes in the U.S. during 2022

**Fiscal Year 2022 Financial Results and Commentary**
Net revenue in fiscal 2022 was $2.86 million, up 68% from $1.70 million in fiscal 2021. Growth was primarily attributable to our increased presence in the wholesale market, where we continued to expand our distributor network and geographic presence, and the launch of our wine subscription club, which drove direct-to-consumer sales. Fiscal 2022 wholesale and DTC revenue were approximately $1.7 million and $911,000, respectively, compared to approximately $772,000 and 774,000 during fiscal 2021. The Company's 2022 operating expenses were $11.4 million. During the year, the Company purchased additional inventory as a strategy to mitigate industry supply chain disruptions. In addition, the company heavily invested in sales and marketing activities and increased staffing and infrastructure to position the Company for future growth. In the third quarter of 2022, the Company put in place several cash preservation initiatives that remain ongoing.

**Liquidity and Capital Resources**
The Company's cash and cash equivalents balance as of December 31, 2022, was $2.1 million. The Company has no material debt. In March of 2023, we concluded our subscription rights offering, receiving net proceeds of approximately $2.7 million. We intend to use these proceeds, along with proceeds from sales of our inventory, to fund our working capital requirements and for general corporate purposes.

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**Source: Wine and Vines Analytics*
***Source: Nielsen Scan 52 weeks ending 2/13/2023, Total US x AOC + Liquor Plus + Conv*

**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. 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. Fresh Vine Wine positions its core brand lineup as an affordable luxury, retailing between $14.99-$24.99 per bottle. Fresh Vine Wine's varietals currently include its Cabernet Sauvignon, Chardonnay, Pinot Noir, Rosé, Sauvignon Blanc,

Sparkling Rosé, and a limited Reserve Napa Cabernet Sauvignon. All varietals are produced and bottled in Napa, California.

**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, our ability to achieve positive cash flow from our operations on our anticipated timeframes or at all; the launch of the Company's wines with national grocery retailers and the impact of such launch the Company's operating results; 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 are or 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.

Source: Fresh Vine Wine