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Fresh Vine Wine Celebrates First Year as Public Company

Fresh Vine Wine Prepared to Accelerate Growth in “Better for You” Wine Category

With Scalable Platform Now In Place, Aggressive New Sales & Marketing Strategy Gaining Traction

MINNEAPOLIS, Dec. 19, 2022 (GLOBE NEWSWIRE) -- Fresh Vine Wine, Inc. (NYSE American: VINE), the leading producer of premium lower carb, lower sugar, and lower calorie wines in the United States, celebrated its first year as a public company today, noting its significant progress and outlining several strategic initiatives to unlock the company’s growth potential and deliver shareholder value.

Rick Nechio, Interim Chief Executive Officer of Fresh Vine Wine, added, “On behalf of our entire organization, I am extremely proud to celebrate Fresh Vine Wine’s first year as a public company. I especially want to thank our shareholders, who have supported us as our Award Winning wines essentially created a disruptive new space in the wine industry. To date, we have established a strong base in the direct-to-consumer (online), retail, and wholesale distribution channels as we work to increase brand awareness, education, and engagement with customers. As we continue to execute and refine our sales and marketing strategy, we are actively launching digital and promotional campaigns that we believe will accelerate products to market and generate subsequent revenues. While we have predominantly focused on establishing a scalable platform and preparing for future growth this year, we believe we are positioned to realize the fruits of our labor in 2023 and beyond.”

The major components of the Company’s strategy are outlined below.

We Are Focusing in the Fastest Growing Wine Category

Similar to other progressive developments in the Food & Beverage industry, consumer preferences increasingly demonstrate a demand for a “Better for You” wine alternative. By bringing Fresh Vine Wine to market, the company has provided a solution to consumers’ unmet needs and delivered an innovative product that compliments their healthy and active lifestyles. Fresh Vine Wine’s product development and launch efforts are being rewarded as consumers take notice. Nielsen scan data for the 52 weeks ending Nov 30th, 2022, indicates that Fresh Vine Wine retail sales are up 290%, with our 92 Point Cabernet Sauvignon showing year-over-year growth of 314% over this period.

Similarly, retailers have also noted this growing trend and are allocating more shelf space to healthy food and beverage options, including wine. To this end, we are investing in brand awareness and education to help retailers understand the benefits and possibilities of healthy wine choices. We want Fresh Vine Wine to be synonymous with “Better for You” in the minds of both consumers and retailers, simplifying purchasing decisions and helping our consumers find healthy wine wherever they shop, much as grocers have already done with products across numerous other categories.

Leverage Multiple Distribution Networks

The company is working tirelessly to establish its brand presence in the direct-to-consumer (online), retail, and wholesale distribution channels. In the past year, the company has built a presence in 47 states, formed vendor relationships with four of the five largest wine distributors in the United States, has grown to 6,249 points of distribution, and is working with 138 retail chains. Collectively, this expansion has driven a ~300% annual increase in points of distribution.

Direct-to-Consumer (Online)

Providing a simplistic purchasing experience for today's digitally savvy customers, Fresh Vine Wine has upgraded its online presence to allow individuals to purchase wine directly through its website, omnichannel and other ecommerce wine purveyors. Direct-to-Consumer (DTC) performance has been exceptional this year, reaching 6,304 zip codes in the United States with more than 57,432 bottles sold online this year. Moreover, website transactions are accelerating largely as a result of the company's digital initiatives, which included the launch of its own smart shopping cart and convenient check-out methods offered by best-in-class digital payment processing vendors.

Additionally, the company entered into several partnerships in 2022 with the country's leading online wine purveyors (Vivino, Wine.com) and delivery services (Drizly, Instacart, Gopuff, and DoorDash).

Retail

One of the Company's strategic initiatives is to make our products available at the largest retailers in the United States. In 2022, the Company made significant progress toward this and now has a presence with the country's three largest retailers, one of which has recently increased the number of stores stocking Fresh Vine Wine by 80%. Having engaged an experienced digital marketing agency to implement new digital strategies and marketing initiatives, Fresh Vine Wine's retailers are now seeing an acceleration in inventory turnover and an increase in in-store sales.

Wholesale

As the company's most significant source of revenues, Fresh Vine Wine continues to deepen and expand its wholesale relationships. With four of the five largest wholesalers now working to distribute Fresh Vine Wine across the country, the company is actively supporting in-market execution with various marketing efforts, promotional programs, and pricing models. With these capabilities now defined and many early challenges behind us, the company will shift its focus in 2023 to execution excellence, delivering more value to our wholesale and retail partners with greater efficiency and effectiveness.

Develop a Growing Portfolio of High-Quality, Award-Winning Wines

During 2022 the Company expanded its portfolio from 3 to 7 varietals. With a reasonably robust product portfolio now in place, the company has not only gained credibility for the quality and breadth of its varietals but has sufficient inventory to meet growing consumer demand. The company's wines were recognized by various industry authorities with 16 separate awards last year, which is a testament to the value that our winemaker, Jamey Whetstone, brings to the company. While the company has evaluated potential future varietals, its immediate focus is to sell through its available inventory with a focus on cash conversion.

Right Sized and Strengthened the Organization

As Fresh Vine Wine matures, it has made several organizational changes that have right-

sized the company and introduced several significant capabilities. On the marketing front, the company engaged a new digital marketing agency and enlisted the services of a wine and celebrity-focused sales organization. This shift has enabled the Company to convert a significant percentage of Salaries & Wages and Advertising & Marketing expenses from a fixed cost basis to a performance- and equity-based compensation model.

These changes not only properly incent performance but support the company's ongoing cash preservation efforts. Collectively, structural revisions have reduced the Company's H2 2022 cash requirement by more than \$5.0 million, preserving capital for our highest strategic priorities and investments while providing additional runway for the growth strategy to gain traction in market.

Mr. Nechio concluded, "Over the course of the past year we have developed a clear vision of our role and opportunity in the Wine Industry. At the same time, we are shepherding the organization through significant operational changes to lower costs and improve overall productivity. We are confident in our strategy and believe we have the right plans in place to achieve sustainable growth across each sales channel."

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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-\$24.99. 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, our ability to achieve positive cash flow from our operations on our anticipated timeframes or at all; the inclusion of the Company's wines in Fall resets of four national, big box grocery retailers and the impact of such inclusion of 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