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27 October 2020 **ASX Announcement**

QUARTERLY REPORT – 30 SEPTEMBER 2020

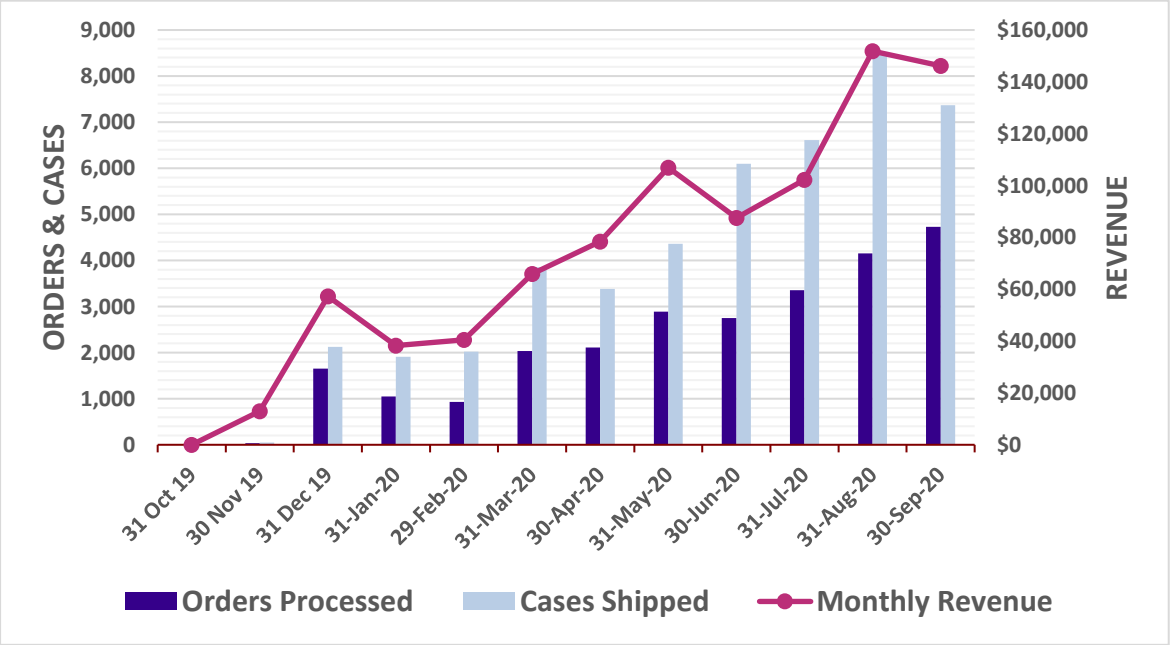
HIGHLIGHTS:

- **WINE**DEPOT enjoys another quarter of 60% plus case volume growth
- **WINE**DEPOT generates $400k revenue in Q1 FY2021, up 48% on last quarter
- **WINE**DEPOT adds over 50 new brands to the platform
- **WINE**DEPOT expands into New Zealand
- **DW8** makes strategic acquisition to accelerate **WINE**DEPOT growth
- **DW8** successfully closes $6m capital raising
- **DW8** anticipates additional funds from conversion of unlisted options
- **WINE**DEPOT partners with Border Express to enhance depot network
- **WINE**DEPOT quadruples sales and marketing team

Digital Wine Ventures Limited (**ASX:DW8**) (**Company**) is pleased to provide a summary of the activity undertaken in the three-month period ending 30 September 2020.

WINEDEPOT **enjoys another quarter of 60% plus case volume growth**

The Company is pleased to advise that **WINE**DEPOT processed a total of 12,230 orders in the September quarter up 58% on the previous quarter's total of 7,754. The total number of cases shipped in the quarter was 22,470 up 63% on the June quarter of 13,825.



Suite 8H, 325 Pitt Street
Sydney NSW 2000

info@digitalwine.ventures

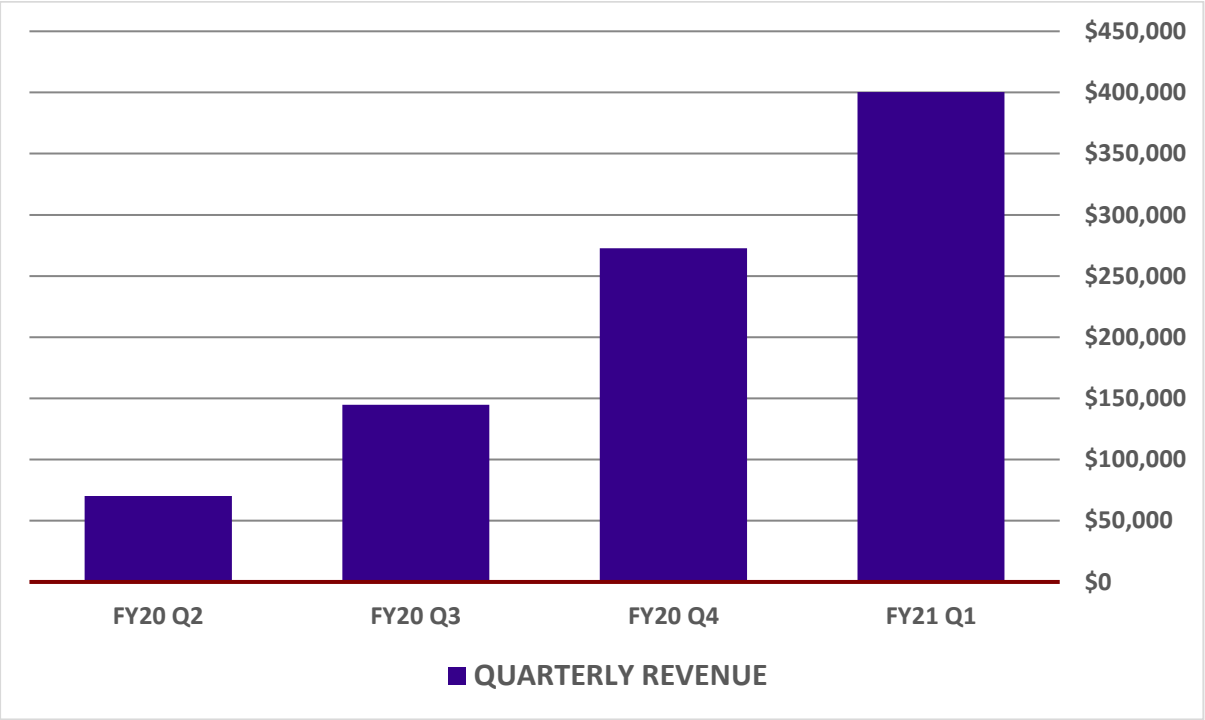
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WINEDEPOT **generates $400k revenue for the quarter**

The Company is pleased to report that the **WINE**DEPOT business generated total revenue of **$400,277** for the quarter ending 30 September 2020, an increase of 48% on the revenue generated in FY2020 Q4.

DW8 CEO, Dean Taylor was very pleased with the result stating:

"It's great to kick off a new financial year with another quarter of double digit revenue growth. While we are coming off a relatively low base, it is encouraging to see the growth we're experiencing in both customers and their order volumes flowing through into the financials. The compounding effect of such high quarterly growth rates bodes well for a very exciting year ahead across our key metrics."



WINEDEPOT **adds over 50 new brands to the platform**

The Company is pleased to report that a total of 52 new brands were welcomed to **WINE**DEPOT's integrated trading and logistics platform over the quarter. This brings the total number of brands with products listed on the platform to 126.

WINEDEPOT **expands into New Zealand**

During the quarter the Company also announced that **WINE**DEPOT had expanded its addressable market, establishing a beachhead presence in the country via the appointment of Ashton Ireland as Business Development Manager in New Zealand.

The investment appears to be paying off with a total of five New Zealand based brands signed up in September alone, with a growing amount of interest from many others.

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DW8 makes strategic acquisition to accelerate WINEDEPOT growth

On 14 October 2020, the Company announced that it has entered into an agreement to acquire Wine Delivery Australia Pty Ltd (**WDA**), a South Australian based fourth-party logistics provider servicing the wine industry.

While currently only operating in South Australia, WDA has experienced double digit growth rates due to the restrictions imposed in response to the COVID-19 pandemic. **WINE**DEPOT intends to expand WDA's cellar door collection service into other Australian wine regions under the **WINE**DEPOT brand.

As part of the Acquisition, Mr James Munn, founder and General Manager of Wine Delivery Australia, will join the **WINE**DEPOT executive team as Head of Business Development (Logistics).

Mr Munn is a highly experienced supply chain professional, with over two decades of experience in the warehousing and logistics sector. Prior to founding Wine Delivery Australia he spent five years working as a logistics consultant. Before that he spent 14 years as the Managing Director of Restore, a company that offered businesses access to an end-to-end logistics solution for their Point of Sale (POS) merchandise, collateral, and technology systems.

Digital Wines CEO Dean Taylor, believes that the acquisition will accelerate the existing double digit customer growth of **WINE**DEPOT by providing a product that allows the business to engage with every winery, craft spirits, craft cider and craft beer producer in the country.

"This acquisition provides us with a unique opportunity to add another 186 brands and thousands of interesting and sought-after products to our B2B Marketplace. This together with our combined organic customer growth rates should allow us to launch our 'paddock-to-plate' inspired B2B Marketplace with substantially more brands and products than the largest three distributors in the country combined."

Other benefits of the acquisition pointed out by Taylor include:

- ***WINE****DEPOT's proposition is enhanced by adding two new services*
- ***WINE****DEPOT will be able to leverage WDA's investment in technology services such as POS systems, Loyalty programs, Business Intelligence and Direct Marketing*
- ***WINE****DEPOT will enjoy further upside from WDA's winePod business, which provides interstate and international tourists an alternative freight solution that allows them to consolidate and ship wines purchased from multiple wineries*
- ***WINE****DEPOT will benefit from significant synergies in freight costs, sales & marketing, customer service, account management, merchandise procurement and general operations*

"While this is a relatively small acquisition, I expect the combination of these benefits will generate a lot of value for DW8 shareholders in due course."

WDA generated approximately $1.5 million revenue in FY 2020, up 60% on prior year, and produced a net profit of $110k in FY 2020 (all numbers unaudited). A key vesting condition for the Performance Rights to be issued to Mr James Munn is that the WDA business model needs to contribute $2.5m and $5m additional revenue in 2021 and 2022 respectively to be met, along with other vesting conditions noted in the ASX release on 14 October 2020.

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DW8 successfully closes $6m capital raise

During the quarter the Company also successfully completed a $6m capital raising (before costs) via a $5m share placement to institutional and sophisticated investors and a $1m Share Purchase Plan (SPP).

DW8 anticipates additional funds from conversion of unlisted options

During the quarter the Company also received a number of applications from legacy unlisted option holders to convert their options to shares at a strike price of $0.03. In total a parcel of 221 million unlisted options were issued to the previous Chairman, board members, corporate advisors, consultants and investors in 2017 when the Company, at that stage named Dawine Limited, was first relisted for trading on the ASX.

In total 67,605,844 of the unlisted options were converted during the quarter with a further 16,666,896 converted to 16 October 2020. The Company anticipates the remaining 136,727,260 unlisted options to be converted before 23 February 2021, when they expire.

WINEDEPOT **partners with Border Express to enhance depot network**

On 16 September 2020 the Company announced that **WINE**DEPOT planned to progressively rollout a national network of temperature-controlled depots in Brisbane, Sydney, Melbourne, Adelaide and Perth in partnership with Border Express.

Digital Wines CEO Dean Taylor, is excited about how the partnership with Border Express is evolving.

"We are very fortunate to have the ongoing support of Luff family who own and operate the Border Express business. Their confidence in our vision and willingness to continue to invest in the partnership is both exciting and encouraging given their 30 years of experience building the largest Australian owned express freight company. I look forward to not only rolling our the new depot network but looking for other ways in which we grow our businesses together."

Border Express Founder Mr. Max Luff is also very encouraged by the deepening partnership between the businesses.

*"Dean's vision for **WINE**DEPOT and the ethos that supports it aligns with our core values. To help him roll out a solution like this that not only makes the wine supply chain more efficient, but also delivers more dollars back into regional areas, is an honour and privilege."*

According to **WINE**DEPOT COO, Steven Alexander, key benefits of the new depot network include:

1. Next day delivery to the east coast capitals from the National Distribution Centre
2. Providing our customers choice of carrier
3. Reduction in logistics costs, flowing through as increased profitability
4. Ability to scale our logistics services more rapidly
5. Maintain delivery times and service levels when one carriers network is congested
6. Increase the number of bonded storage sites to increase our addressable market
7. Differentiate our service and build an even larger moat against potential competition

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WINEDEPOT **quadruples sales & marketing team**

On 14 September 2020 the Company announced that **WINE**DEPOT had recruited several new executives to join its sales and marketing team.

The new hires join head of Business Development, Aaron Brasher, who was appointed in July. With over 25 years' experience in the wine sector working for some of Australia's most well-known brands including **Penfolds, Petaluma and Robert Oatley Vineyards** – Aaron added yet another layer of credibility and talent to the **WINE**DEPOT senior executive team.

Recognising the importance of strong industry relationships and word of mouth referrals, all of the new Business Development Managers would be based within key wine regions including one in New Zealand. New recruits include:

NICK JAMES-MARTIN – Business Development Manager (Margaret River, Western Australia)
Nick has been deeply immersed in the wine industry for almost two decades, gaining invaluable experience across a broad range of roles in well-known wine businesses such as Vasse Felix, Stella Bella, d'Arenberg, Pernod Ricard and Rosemount Estate.

MATTHEW TALBOT – Business Development Manager (Yarra Valley, Victoria)
Matt is a highly successful sales, marketing and operational professional with extensive experience in wine distribution, winery management, hospitality management, brand management, warehousing & logistics and importing and exporting. His most recent role was Sales Director for Joval Wine Group, one of Australia's largest distributors.

ASHTON IRELAND – Business Development / General Manager (Hawkes Bay, New Zealand)
'Ash' is a seasoned wine industry executive with a strong background in business management, having launched, built and recently successfully exiting one of New Zealand's fastest growing and successful wine brands Hãhã. Prior to that he was the General Manager of Craggy Range Vineyards, an internationally recognised winery, responsible for brand advocacy and ambassadorial representation for their Wild Rock brand across domestic and all international markets.

RACHEL KIM – Digital Marketing Strategist
Rachel is an experienced Digital Marketing Strategist with a solid background in marketing strategy, project management, copywriting, content creation and social media marketing. She also has over 5 years of hands-on experience in B2B marketing and lead generation.

SIMON MEILAK – Head of Customer Service
Simon is a highly skilled and successful customer experience executive with over 18 years of contact centre experience in maximizing customer satisfaction, through effective leadership and proactive strategies. He joins us after spending the last 4 years at Pet Circle, an extremely successful startup that has become Australia's 3rd largest e-commerce business.

RISTE STANKOVSKI – Final Mile Manager
Riste is a seasoned supply chain operative with over 30 years' experience in front-line operational management of national multi-node distribution and transport networks. His extensive experience covers elements such as storage, warehousing, kitting, international logistics, inventory control, transportation (rail, air, road and express final mile) and distribution across various channels to market.

Related Party Payments

During the quarter, the Company made payments of $143,582 to related parties and their associates. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.

END

This ASX announcement was approved and authorised for release by the Board of Directors.

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WINEDEPOT **overview**

WINEDEPOT is a cloud-based SaaS technology platform that empowers direct-to-market sales. It provides users value by removing layers of inefficiency in the supply chain.

The platform consists of three key components:

- **Direct-to-Trade Marketplace**
- **Order Management System**
- **Smart Logistics Solution**

Key benefits for users include:

SUPPLIERS	**TRADE BUYERS**
Increased Customer Reach	Single Account Application
Improved Profit Margins	Single Streamlined Order
Quicker & Guaranteed Payments	Single Invoice & Single Delivery
Reduced Costs and Admin	Flexible Payment & Credit Options
Reduced Shipping Times	Broad Product Range
Incremental Sales	Early Payment Discounts

Revenue is generated from:

- **Trading Fees** (% of the overall transaction)
- **Fulfillment Fees** (storage, picking, packing, handling & freight)
- **Subscription Fees** (platform access fees based on number of users and products)

WINEDEPOT plans to solidify its presence in Australia and New Zealand before expanding the platform into other key wine markets such as China, USA, UK, Canada, Hong Kong and Singapore.

Digital Wine Ventures overview

Digital Wine Ventures (ASX DW8) is an Australian Publicly listed company that aims to identify and invest in early stage technology-driven ventures that have the potential to disrupt and digitally transform segments within the global beverage market and support them by providing access to capital, expertise and shared services. **WINE**DEPOT is DW8's cornerstone investment.

To keep abreast of the Company's latest developments and special offers available to investors please visit our blog at **www.digitalwine.ventures/blog**

To view our extensive recent media coverage please visit:

- https://www.digitalwine.ventures/media-coverage.php
- https://winedepot.com/media-coverage/

For more information please visit **www.digitalwine.ventures and www.winedepot.com or contact:**

Dean Taylor, Chief Executive Officer
Digital Wine Ventures Limited
P: (02) 8002 1991

E: dean.taylor@digitalwine.ventures