

30 November 2020

ASX Announcement

Wine Delivery Australia Acquisition Complete

HIGHLIGHTS:

- **DW8 successfully completes acquisition of Wine Delivery Australia**
- **WINEDEPOT welcomes another 180 new brands to its platform**
- **WINEDEPOT expects its reported key metrics to improve as follows:**
 - Customer base to increase by 180 to 360 unique brands
 - Number of orders to increase by circa 8,500 per month
 - Number of cases shipped to increase by circa 16,000 per month
- **Other benefits of the transaction include:**
 - **WINEDEPOT** core value proposition improved by adding a *door-to-door* offering
 - **WINEDEPOT** addressable market expanded in both Australia and new Zealand
 - **WINEDEPOT** expects combined volumes to reduce operating costs

DW8 successfully completes acquisition of Wine Delivery Australia

Digital Wine Ventures Limited ("**Digital Wine**" or "**the Company**") is pleased to announce that it has completed the acquisition of Wine Delivery Australia Pty Ltd (**WDA** or **Wine Delivery Australia**), a South Australian based fourth-party logistics provider (4PL) servicing the wine industry (**Acquisition**).

Wine Delivery Australia provides a logistics service to South Australian wineries, allowing them to dispatch orders directly to customers from their cellar doors, more economically than through the mainstream carriers. They also offer an intra and interstate pallet transport solution for regional wineries, which again leverages the economies of regionally consolidated freight volumes.

This is slightly different to **WINEDEPOT**'s model, which includes a warehousing solution that allows producers to hold inventory in depots in key markets, outsource the pick and pack function and leverage the metro locations to fulfill same and next day deliveries.

The combination of the freight volumes will allow **WINEDEPOT** to optimize its existing infrastructure, resources and supply relationships, which very quickly will lead to a reduction in operating costs and improve the profitability of each order.

While currently only operating in South Australia, with the support of the **WINEDEPOT**, it is intended that WDA will expand its *door-to-door* model into other Australian and New Zealand wine regions as part of **WINEDEPOT**'s Smart Logistics Solution.

Digital Wines CEO Dean Taylor is confident that there's considerable upside for both customers and shareholders in the transaction.

*"The acquisition of **Wine Delivery Australia** perfectly compliments our **WINEDEPOT** business and greatly enhances our core customer value proposition by providing us with a mechanism to fulfill consumer and trade orders from inventory held at the wineries. It also expands our addressable market, by providing us with a solution that caters for wineries that wish to store and manage their own inventory."*

*"While it's a relatively small acquisition, I expect the synergies, value proposition improvements and customer relationships will generate a lot of value for DW8 shareholders in due course. It also shows the potential for us to accelerate the development of the **WINEDEPOT** business through carefully selected strategic acquisitions."*

"This is an area where the board has deep domain experience and by taking a highly selective approach can add a lot of value."

WINEDEPOT welcomes another 180 new brands to its platform

The Company is pleased to announce that **WINEDEPOT** will be welcoming 180 unique new customers to its integrated trading, logistics and order management platform as part of the Wine Delivery Australia acquisition

Some of the brands currently using Wine Delivery Australia's services include:

Barossa Valley Estate

Bird in Hand

Chapel Hill

Dogridge

Fox Creek Wines

Gemtree Wines

Geoff Merrill Wines

Grant Burge Wines

Greenock Creek Wines

Hardy's Tintara

Hewitson

Highbank

Hollick Coonawarra

Howard Vineyard

Kangarilla Road Winery

Karrawatta Wines

Katnook Estate

Knappstein Wines

Landhaus Wines

Maxwell Wines

Murray Street Vineyards

Noon Winery

Olivers Taranga

Penny's Hill

Petaluma

Paulett Wines

Pikes

Pirramimma

Rieslingfreak

Rymill Coonawarra

SC Pannell Wines

Seppeltsfield

Serafino Wines

Shaw & Smith

Shingleback Wines

Sidewood Estate

Soul Growers

St Hallett Wines

The Lane Vineyard

The Wilson Vineyard

Torbreck

Zonte's Footsteps

WINEDEPOT expects reported key metrics to rise sharply

The Company was pleased to announce at the Annual General Meeting held on 25 November 2020, that **WINEDEPOT** expects its reported key metrics to rise sharply once it consolidates its monthly order and cases shipped volumes with those being processed by Wine Delivery Australia.

The following table illustrates the estimated impact on the reported monthly key metrics if the WDA acquisition was completed on 1 November 2020. The consolidation of WDA will occur from 1 December 2020.

	WDA Estimated*	Wine Depot Estimated*	Combined total Estimated*
Unique Brands	180	180	360
Revenue / mth	\$160k	\$160k	\$320k
Orders / mth	8,500	6,500	15,000
Cases / mth	16,000	11,000	27,000

* Numbers shown are rounded estimates for each business for the month of November 2020.

END

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

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** (to be launched in March 2021)
- **Order Management System**
- **Smart Logistics Solution**

Key benefits for users include:

SUPPLIERS

Increased Customer Reach
Improved Profit Margins
Quicker & Guaranteed Payments
Reduced Costs and Admin
Reduced Shipping Times
Incremental Sales

TRADE BUYERS

Single Account Application
Single Streamlined Order
Single Invoice & Single Delivery
Flexible Payment & Credit Options
Broad Product Range
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 consolidate 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. **WINEDEPOT** is DW8's cornerstone investment.

Digital Wine Ventures has recently launched a blog to keep investors abreast of the latest developments and promote discounts and special offers available to investors. For more details visit www.digitalwine.ventures/blog

To view our most 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:

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