

**SYDNEY, Australia**

21 October 2019

**ASX Announcement**

## **WINEDEPOT signs up Casella Family Brands, Australia's largest family owned winery, as a foundation customer**

### **HIGHLIGHTS:**

- **WINEDEPOT** confirms that Casella Family Brands has signed up as a customer
- The Agreement includes Casella Family Brands' portfolio of iconic Australian wine brands
- **WINEDEPOT** confirms several other smaller scale wineries are also using its services as customers
- **WINEDEPOT** explains revenue model and key drivers of success

**Digital Wine Ventures (DW8 ASX)**, or the "**Company**", is pleased to provide an update on the progress of its **WINEDEPOT** business.

### **WINEDEPOT successfully onboards Casella Family Brands**

The Company is pleased to announce that Casella Family Brands has signed up as a customer of **WINEDEPOT's** integrated logistics, trading and order management platform.

Casella Family Brands is Australia's largest and most successful family owned wine business. Each year the group crushes between 160,000 and 200,000 tonnes of fruit making them the second largest wine producer in Australia<sup>1</sup>. Casella Family Brands also operates a number of regional wineries throughout Australia.

Under the agreement **WINEDEPOT** will manage the fulfillment of Casella Family Brands' entire product portfolio across a range of domestic channels. The portfolio includes a number of iconic Australian wine brands:

- [yellow tail] Wine
- Casella Family Wines
- Peter Lehmann Wines
- Brand's Laira Coonawarra
- The Magic Box Wine Collection
- Morris of Rutherglen
- Baileys of Glenrowan

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<sup>1</sup> Australia's largest wine companies by total production volume – The Australian and New Zealand Wine Industry Directory 2019

Digital Wines CEO Dean Taylor believes that the agreement with Casella Family Brands validates the need for a disruptive supply chain solution such as **WINEDEPOT**.

“Casella’s Yenda winery site covers a working area of 95 acres and can store over 260 million litres of wine. At the other end of the spectrum, we also work with micro producers who hand make just a few hundred cases of wine per year.”

“What this shows is that our platform caters for wine businesses of almost any scale. Having that degree of product market fit at this stage in our business cycle is very exciting.” says Taylor.

Flaminio Dondina, Casella Family Brands’ General Manager of Procurement/Distribution/Strategy, believes that **WINEDEPOT** will provide several important measurable benefits to the company.

“**WINEDEPOT**’s network and technology offering perfectly complements our domestic distribution model with a reliable solution for small deliveries. Due to the scale of our business and the number of regional wineries under the Casella Family Brands’ umbrella, this partnership will add significant value to our organisation by reducing complexity, increasing operational efficiencies and improving delivery times. We look forward to a successful and long-term partnership with **WINEDEPOT**.”

## **WINEDEPOT confirms several other smaller scale wineries now using their services**

The Company is also pleased to announce that several smaller scale wineries have also been signed up as customers of **WINEDEPOT**’s integrated logistics, trading and order management platform.

Early adopters include wineries from leading Australian wine regions such as the Adelaide Hills, Coonawarra, McLaren Vale and include:

- **Redman Wines**
- **Brown Hill Wines**
- **Gatch Wine**
- **Maan Wines**

Digital Wine Ventures CEO Dean Taylor notes that the take up rate of customers to date is in line with expectations.

“We always knew that launching just prior to Christmas would have its challenges. For most of those in the industry, the majority of profits are generated in the spring quarter, so they tend to shy away from making operational changes during this period.”

“The fact that we’ve had this many of the pre-registrations already convert to customers up is a great testament to the strength of the proposition that we are providing the wine industry.”

## WINEDEPOT revenue model

WINEDEPOT expects to generate revenue by providing wine producers, distributors, importers and retailers access to an end-to-end supply chain solution that incorporates a range of services including:

- **Fulfillment fees** - includes receiving, picking, packing, next day delivery
- **Storage and slot fees** - for holding and storing products within our network
- **Surcharges** – adhoc fees for various optional services
- **SaaS fees** – for using our cloud-based ERP application/s

Upon the B2B marketplace being launched, additional revenue is expected from **Trading fees** for processing orders via our B2B Marketplace. This will be charged as a percentage of the transaction value and vary between sales channels and the different market segments serviced.

Key drivers of revenue for the WINEDEPOT business are therefore:

- Number of suppliers – using our platform
- Number of products – distributed in our network
- Quantity of inventory – stored in our network
- Volume of orders – processed and fulfilled
- Number of sales channels – connected to our platform

### Material terms of the commercial agreement/s:

- Each of the Customers mentioned in this announcement has accepted the Terms and Conditions of WINEDEPOT's **Logistics Services Agreement** as published on the website at <https://beta.winedepot.com/register>
- The minimum term of each agreement is 3 months and is automatically renewed on a rolling 3-month period unless terminated by either party on 3 months' notice in writing
- Each commercial agreement is subject to an agreed **Rate Card** that outlines the fees and charges payable for each of the services provided. A copy of WINEDEPOT's standard Rate Card is available via the website at <https://beta.winedepot.com/register>
- The Rate Card is typically republished once per year. A minimum of 3 months' notice will be provided to each Customer before any increases or decreases to the Rates become active
- It is important to note that WINEDEPOT provides services to Customers on an as required basis and there are no minimum fees or expected volumes set in the commercial agreement.
- Similarly there are no limits to the quantity of products, amount of inventory or volume of orders that a customer can provide to WINEDEPOT.
- It is therefore possible that no material revenue materialises from any Customer agreement. Conversely if any Customer's service requirement is larger than the current and forecast WINEDEPOT infrastructure can support, their access to services may be limited while WINEDEPOT expands its capacity within Australia Post's infrastructure.

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## **WINEDEPOT business overview**

**WINEDEPOT** is a cloud-based technology platform that has been designed to connect wine industry stakeholders to reduce the time, margin and capital wasted in the existing supply chain.

Catering for **producers, distributors, importers and retailers** of all sizes, the vertically integrated trading, order management and logistics platform provides an end-to-end supply chain solution capable of servicing a wide variety of sales channels including the rapidly growing direct-to-consumer and online market segments.

Key benefits the cloud-based technology platform provides stakeholders include:

- Reduced freight costs & shipping times;
- Reduced paperwork & administration;
- Reduced working capital requirement;
- Reduced errors & breakages;
- Increased customer reach;
- Increased customer satisfaction and repeat sales.

**WINEDEPOT's** integrated wine trading and smart logistics platform is being launched in Australia before being expanded into other key markets for Australian wine such as China, USA, UK, Canada, Hong Kong, Singapore and New Zealand.

**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 share services.

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

**For more information** please visit [www.digitalwine.ventures](http://www.digitalwine.ventures) and [www.winedepot.com](http://www.winedepot.com)

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