



Digital Wine Ventures Limited
ACN 086 435 136

REPLACEMENT PROSPECTUS

This Prospectus is being issued for the following offers:

- a non-renounceable pro rata offer to Eligible Shareholders of 1 new Share for every 10 Shares held on the Record Date, at an issue price of \$0.006 per new Share, together with 1 free-attaching Quoted Option for every 9 new Shares subscribed for (**Entitlement Offer**);
- any shortfall under the Entitlement Offer at an issue price of \$0.006 per new Share, together with 1 free-attaching Quoted Option for every 9 new Shares subscribed for (**Shortfall Offer**); and
- an offer of up to 38,566,940 Placement Options to subscribers under the Placement, on the basis of 1 free-attaching Quoted Option for every 4 Shares subscribed for and issued under the Placement (**Placement Options Offer**),

together, (**Offers**).

THIS IS A REPLACEMENT PROSPECTUS DATED 15 NOVEMBER 2019. IT REPLACES THE PROSPECTUS DATED 12 NOVEMBER 2019.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

IMPORTANT INFORMATION

This Prospectus replaces the prospectus lodged by the Company on 12 November 2019 (**Original Prospectus**). The material differences between this Prospectus and the Original Prospectus is an adjustment to the issue price to \$0.006 (and flow on changes to use of funds, expenses, pro forma balance sheet and amount raised under the Offers) in order to comply with Listing Rule 7.11.2 requirement as to issue price, a change to the Entitlement Offer free-attaching Quoted Options ratio flowing from the change of issue price and a change to the timetable. Under the timetable for the Prospectus the Record Date is now Wednesday, 20 November 2019 with the Offers opening on Monday, 25 November 2019 and closing on Wednesday, 4 December 2019. The issue date for the Shares and Quoted Options has been changed to Wednesday, 11 December 2019. There are no other material changes to the Prospectus.

This Prospectus is dated 15 November 2019 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 8H, 325 Pitt Street, Sydney, New South Wales, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.5).

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Securities under the Offers can only be submitted on an original Application Form sent with a copy of this Prospectus by the Company. If the application is by BPAY® there is no need to return the original Application Form.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references

to currency are to Australian dollars and all references to time are to the time in Sydney, New South Wales, Australia unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Dean Taylor	Managing Director
Piers Lewis	Non-Executive Chairman
James Walker	Non-Executive Director
Paul Evans	Non-Executive Director

Company Secretary

Arron Canicaïs

Registered and Principal Office

Suite 8H, 325 Pitt Street
SYDNEY NSW 2000

Phone: +61 2 8002 1991
Email: info@digitalwine.ventures
Website: www.digitalwine.ventures

ASX Code:

Shares: DW8
Quoted Options: DW8O (proposed)

Share Registry*

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723

Auditor*

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
PERTH WA 6000

Solicitors

HWL Ebsworth
Level 20, 240 St Georges Terrace,
Perth WA 6000

Lead Manager

Peak Asset Management Unit Trust
39/55 Collins Street
Melbourne VIC 3000,
a Corporate Authorised Representative
of Equity Underwriters Pty Ltd holder of
an Australian Financial Services Licence
(AFSL No. 244 040)

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

PROPOSED TIMETABLE

Lodgement of Prospectus with ASIC and ASX Lodgement of Appendix 3B with ASX Notice of Entitlement Offer sent to Optionholders	pre-market Friday, 15 November 2019
Notice of Entitlement Offer sent to Shareholders	Monday, 18 November 2019
Shares quoted on an “EX” basis	Tuesday, 19 November 2019
Record Date for determining Entitlements	Wednesday, 20 November 2019
Prospectus and Application Forms dispatched	Monday, 25 November 2019
Last day to extend Closing Date	Friday, 29 November 2019
Closing Date (5pm AEST)*	Wednesday, 4 December 2019
Securities quoted on a deferred settlement basis	Thursday, 5 December 2019
Notification of shortfall	Monday, 9 December 2019
Issue date of new Securities	Wednesday 11 December 2019
Anticipated date for commencement of new Securities trading on a normal settlement basis	Thursday, 12 December 2019

* The Directors may extend the Closing Date by giving at least three Business Days’ notice to ASX prior to the Closing Date. As such, the date the Securities offered under this Prospectus are expected to be issued and commence trading on ASX may vary.

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LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata 1-for-10 Entitlement Offer at an issue price of \$0.006 per Share with one free attaching Quoted Option for every nine new Shares subscribed for, to raise up to approximately \$612,000 (before costs).

Eligible Shareholders also have the opportunity to subscribe for any Securities that are not subscribed for under the Entitlement Offer pursuant to the Shortfall Offer under this Prospectus.

The Company recently completed a Placement as announced on 8 November 2019. This Prospectus also incorporates an offer to Placement Subscribers of 38,566,940 free-attaching Quoted Options on the basis of one Quoted Option for every four Placement Shares issued. This offer includes the Quoted Options proposed to be issued to Directors, James Walker and Paul Evans on the assumption that Shareholder approval is received at the Company's annual general meeting on 29 November 2019.

The funds raised by the Placement and the Offers under this Prospectus are intended to be applied towards additional human resources, technology research & development, marketing and advertising and general working capital. For further details on the proposed use of funds to be raised under the Offers, please see Section 1.4 of this Prospectus.

The Board recommends that you take up your Entitlement after reading this Prospectus in its entirety including the risks outlined in Section 4.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

The Prospectus includes further details of the Offers and the effect of the Offers on the Company, and a statement of the risks associated with investing in the Company. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Offers.

I look forward to your continued support,

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Piers Lewis', is written over a light blue rectangular background.

Piers Lewis
Non-Executive Chairman

INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.3
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Securities involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none">• the Company's technology, in terms of its operation and development, as well as its marketability, take up by customers, potential competition and potential infringement of its intellectual property rights;• risk of third parties accusing or commencing proceedings against the Company or any of its officers, employees or contractors of an alleged infringement of their third-party intellectual property rights, breach of a restraint of trade, breach of existing non-compete contractual obligations, or misuse of confidential information;• ongoing funding requirements as the funding provided in the recent Placement and the Entitlement Offer is expected to provide the required working capital to June 2020.	Section 4
<p>Entitlement Offer</p> <p>This Prospectus is for a non-renounceable entitlement offer of one new Share for every ten existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.006 per new Share to raise up to approximately \$612,000 (before costs). Participants in the Entitlement Offer will also be issued one free-attaching Quoted Option for every nine new Shares subscribed for.</p>	Section 1.1

Key Information	Further Information
<p>Shortfall Offer</p> <p>Any Securities not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.</p> <p>Eligible Shareholders may apply for Securities under the Shortfall Offer subject to such applications being received by the Closing Date.</p> <p>The issue price for each new Share to be issued under the Shortfall Offer shall be \$0.006 being the price at which new Shares have been offered under the Entitlement Offer. Participants in the Shortfall Offer will also be issued one free-attaching Quoted Option for every nine new Shares subscribed for.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.2. There is no guarantee that Eligible Shareholders will receive new Securities applied for under the Shortfall Offer.</p>	Section 1.2
<p>Placement Options Offer</p> <p>As announced on 8 November 2019, the Company issued a total of 127,344,683 Shares at \$0.0065 per Share to the Placement Subscribers, to raise \$827,000 (before costs).</p> <p>The Placement Subscribers are entitled to be issued one free-attaching Quoted Option for every four Shares subscribed for and issued under the Placement. The offer of up to 38,566,940 Placement Options to the Placement Subscribers is made pursuant to this Prospectus.</p> <p>The Placement Options Offer includes the offer of 931,538 Placement Options to James Walker and 5,769,231 Placement Options to Paul Evans, Directors of the Company on the assumption that shareholder approval is received for their participation in the Placement at the Company's annual general meeting on 29 November 2019.</p>	Section 1.3
<p>Eligible Shareholders</p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> • are the registered holder of Shares as at 5.00pm on the Record Date; and • have a registered address in Australia or New Zealand. 	Sections 1.16 and 1.17
<p>Underwriting and Lead Manager</p> <p>The Entitlement Offer is not underwritten.</p> <p>Peak has been appointed Lead Manager to the Entitlement Offer.</p>	Sections 1.7 and 5.9.
<p>Use of funds</p> <p>Funds raised under the Entitlement Offer will be used towards additional human resources, technology research and development, marketing and advertising and general working capital.</p>	Section 1.4
<p>Effect on control of the Company</p> <p>The Company is of the view that the Offers will not affect the control of the Company.</p> <p>No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offers.</p> <p>Shareholders should note that if they do not participate in the Offers, their</p>	Sections 1.8 and 1.9

Key Information					Further Information
holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.9.					
Indicative capital structure and pro-forma balance sheet The indicative capital structure upon completion of the Offers is set out below:					Sections 3.1 and 3.2
	Shares	Unquoted Options	Quoted Options	Performance Rights	
Balance at the date of this Prospectus	1,021,159,780	237,000,000	-	100,000,000	
To be issued pursuant to the Offers	102,115,978	-	49,913,160	-	
Shares to be issued under the Director Placement	26,923,077	-	-	-	
Total ¹	1,150,198,835	237,000,000	49,913,160	100,000,000	
Note 1: This total assumes the necessary shareholder approvals are received at the Company's annual general meeting to be held 29 November 2019, for the Director's participation in the Placement.					
The indicative pro-forma balance sheet showing the effect of the Offers is in Section 3.2.					

Key Information			Further Information																						
<p>Directors' interests in Shares and Entitlements</p> <p>The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:</p> <table><tr><th rowspan="2">Name</th><th rowspan="2">Existing Shares</th><th colspan="2">Entitlement</th></tr><tr><th>Shares</th><th>Quoted Options</th></tr><tr><td>Dean Taylor</td><td>85,369,434</td><td>8,536,943</td><td>948,549</td></tr><tr><td>Piers Lewis</td><td>37,900,000</td><td>3,790,000</td><td>421,111</td></tr><tr><td>James Walker</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Paul Evans</td><td>-</td><td>-</td><td>-</td></tr></table> <p>It is the intention of Dean Taylor to take up all or part of his Entitlement specified above under the Entitlement Offer. As at the date of this Prospectus, Piers Lewis does not propose to take up his Entitlement.</p> <p>As announced on 30 October 2019, James Walker has agreed to subscribe for up to 3,846,154 Shares and 961,538 Quoted Options and Paul Evans has agreed to subscribe for up to 23,076,923 Shares and 5,769,231 Quoted Options on the same terms and conditions as the Placement Subscribers, subject to the receipt of prior Shareholder approval. This approval is intended to be sought at the Company's annual general meeting to be held on 29 November 2019.</p>			Name	Existing Shares	Entitlement		Shares	Quoted Options	Dean Taylor	85,369,434	8,536,943	948,549	Piers Lewis	37,900,000	3,790,000	421,111	James Walker	-	-	-	Paul Evans	-	-	-	Section 5.8(b)
Name	Existing Shares	Entitlement																							
		Shares	Quoted Options																						
Dean Taylor	85,369,434	8,536,943	948,549																						
Piers Lewis	37,900,000	3,790,000	421,111																						
James Walker	-	-	-																						
Paul Evans	-	-	-																						
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>			Key Information and Section 4																						

1. Details of the Offers

1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of:

- (a) ordinary fully paid Shares at an issue price of \$0.006 each to Eligible Shareholders on the basis of one new Share for every ten Shares held at 5.00pm on the Record Date; and
- (b) free-attaching Quoted Options on the basis of one Quoted Option for every nine new Shares issued under to Eligible Shareholders.

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options will be exercised before the Record Date. On the basis that no existing Options are exercised prior to the Record Date, the Entitlement Offer is for a maximum of 102,115,978 Shares, to raise up to approximately \$612,000 (before costs).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

A summary of the rights and liabilities attaching to the Shares offered under the Entitlement Offer is in Section 5.1.

A summary of the rights and liabilities attaching to the Quoted Options offered under the Entitlement Offer is in Section 5.2. All Shares issued upon the exercise of the Quoted Options will rank equally with the Shares on issue at the date of the Prospectus, as summarised in Section 5.1.

1.2 Shortfall Offer

Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price of Shares offered under the Shortfall Offer will be \$0.006 each, which is the issue price at which Shares have been offered to Eligible Shareholders under the Entitlement Offer. Participants in the Shortfall Offer will also be issued with one free-attaching Quoted Option for every nine Shares subscribed for and issued under the Shortfall Offer.

Shortfall Securities will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

No Shares will be issued to an Applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company unless prior Shareholder approval is received.

A summary of the rights and liabilities attaching to the Shares offered under the Shortfall Offer is in Section 5.1.

A summary of the rights and liabilities attaching to the Quoted Options offered under the Shortfall Offer is in Section 5.2. All Shares issued upon the exercise of the Quoted Options will rank equally with the Shares on issue at the date of the Prospectus, as summarised in Section 5.1.

1.3 Placement and Placement Options Offer

As announced on 8 November 2019, the Company issued a total of 127,344,683 Shares at \$0.0065 per Share to institutional and sophisticated investors, none of whom is a related party of the Company (**Placement Subscribers**), to raise \$827,000 (before costs) (**Placement**). As the issue of the Shares under the Placement occurred prior to the Record Date, the Placement Subscribers who are Eligible Shareholders are entitled to participate in the Entitlement Offer.

The Placement Subscribers are also entitled to be issued one free-attaching Quoted Option for every four Shares subscribed for and issued under the Placement (**Placement Options**). The offer of up to 38,566,940 Placement Options to the Placement Subscribers is made pursuant to this Prospectus (**Placement Options Offer**).

The Placement Options Offer includes 961,538 Quoted Options to James Walker and 5,769,231 Quoted Options to Paul Evans, both Directors of the Company, on the assumption that Shareholder approval is received at the Company's annual general meeting on 29 November 2019 for their participation in the Director Placement.

The Company also intends to seek Shareholder approval at its annual general meeting on 29 November 2019 for the issue of up to 31,730,769 Quoted Options to the Placement Subscribers. In the event the requisite approval is not provided, the Company intends to issue the Placement Options using its placement capacity under Listing Rule 7.1.

A summary of the rights and liabilities attaching to the Placement Options is in Section 5.2. All Shares issued upon the exercise of the Placement Options will rank equally with the Shares on issue at the date of the Prospectus, as summarised in Section 5.1.

1.4 Use of funds

Completion of the Offers will result in an increase in cash at hand of approximately \$612,000 (before payment of costs), on the assumption that the Offers are fully subscribed.

The following indicative table sets out the proposed use of funds raised under the Offers:

Proposed use	\$	%
Additional human resources	366,556	59.89%
Technology research & development	93,035	15.20%
Advertising & marketing	74,428	12.16%

Proposed use	\$	%
Costs of the Offers	54,844	8.96%
General working capital ¹	23,137	3.78%
Total	612,000	100.00

Notes:

1. Working capital includes but is not limited to corporate office, administration, staff and operating costs, directors' fees, executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
2. The above table is based on the assumption that the Offers are fully subscribed. If the Offers are not fully subscribed, the Company intends to scale back its proposed use of funds by reducing the expenditure undertaken on additional human resources and advertising and marketing.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the success of exploration activities, access conditions, weather and any changes in the business and economic environment.

1.5 Opening and Closing Dates

For the Entitlement Offer and Placement Options Offer, the Company will accept Application Forms from the date it dispatches the Prospectus until 5.00pm on 4 December 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

The Shortfall Offer will remain open for a period of up to three months from the Closing Date (or such shorter period as determined by the Directors), however Eligible Shareholders who wish to participate in the Shortfall Offer must submit their Applications to the Company by no later than the Closing Date.

1.6 Minimum subscription

There is no minimum subscription for the Offers.

1.7 Underwriting

The Offers are not underwritten.

1.8 Effect on control of the Company

(a) Summary

The total number of Shares proposed to be issued under the Offers is 102,115,978 which will constitute 9.1% of the Shares on issue following completion of the Offers (assuming no other Shares are issued or Securities exercised or converted to Shares prior to the Record Date).

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company.

No nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Application Form.

(b) Majority Shareholder

The Company's largest Shareholder is Dean Taylor, the Company's Managing Director. Mr Taylor currently has a voting power in the Company of 8.4%.

In the unlikely event that Mr Taylor is the only participant in the Entitlement Offer and subscribes for his Entitlement in full (comprised of 8,536,943 Shares and 948,549 Quoted Options), his voting power would increase to 9.1%.

The Company will not issue Securities to Mr Taylor under the Shortfall unless prior Shareholder approval is obtained.

(c) Other Shareholders

No Shareholder's voting power in the Company may increase to 20% or above as a result of the Offers.

1.9 Potential dilution

Shareholders should note that if they do not participate in the Offers, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement to Shares	Shareholding if Entitlement not subscribed	% post Offer
Shareholder 1	45,000,000	4.41%	4,500,000	45,000,000	4.01%
Shareholder 2	22,500,000	2.20%	2,250,000	22,500,000	2.00%
Shareholder 3	11,250,000	1.10%	1,125,000	11,250,000	1.00%
Shareholder 4	5,625,000	0.55%	562,500	5,625,000	0.50%
Shareholder 5	2,812,500	0.28%	281,250	2,812,500	0.25%

The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The above table also assumes that no Shares are issued other than those offered pursuant to this Prospectus, including by exercise of the Quoted Options issued pursuant to this Prospectus.

1.10 Substantial Shareholders

Based on information known to the Company as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Dean Taylor	85,369,434	8.4%

1.11 No rights trading

The rights to Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, your Entitlement will lapse.

1.12 Issue Date and dispatch

All Securities under the Offers are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Securities under the Offers.

1.13 Application Monies held on trust

All Application Monies received for the Securities under the Offers will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued.

1.14 ASX quotation

Application has been or will be made for the official quotation of the Securities offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Securities offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.15 CHESS

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX,

operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Company's share registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.16 Ineligible Foreign Shareholders

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Offers.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Entitlement Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Securities that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Entitlement Offer.

The Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these Securities is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand). This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.17 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

1.18 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.19 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.20 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2019, can be found in the Company's Annual Report announced on ASX on 30 August 2019 and, for the half-year ended 31 December 2018, the Half Year Accounts announced on ASX on 28 February 2019. The Company's continuous disclosure notices (i.e. ASX announcements) since 30 June 2019 are listed in Section 5.5. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.21 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's holding of Securities in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be

charged for access. Access requests must be made in writing to the Company's registered office.

1.22 Enquiries concerning Prospectus

For enquiries concerning the Application Forms and the Prospectus, please contact Digital Wine Ventures Limited on +61 8 8002 1991 or the Company Secretary on +61 08 6555 2950.

For general Shareholder enquiries, please contact Advanced Share Registry Services on 61 3 9389 8033.

2. Action required by Shareholders

2.1 Acceptance of Entitlement in full

Should you wish to accept all of your Entitlement under the Entitlement Offer and you are not paying by BPAY®, then applications for Securities under this Prospectus must be made on the relevant Application Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Application Form.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Digital Wine Ventures Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia 6009

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the Closing Date. **If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form and you will not need to return the Application Form.**

2.2 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are not paying by BPAY®, then applications for Securities under the Entitlement Offer must be made on the relevant Application Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided, including the number of Shares and Quoted Options you wish to accept and the amount payable (calculated at \$0.006 per Share accepted), and attach a cheque, bank draft or money order for the appropriate Application Monies.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Digital Wine Ventures Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.1.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the Closing Date. If you elect to pay via BPAY®, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form.

2.3 If you wish to apply for Shortfall Securities

If you are an Eligible Shareholder and you wish to apply for Securities in excess of your Entitlement under the Entitlement Offer by applying for Shortfall Securities, you may do so by completing the relevant separate section of the relevant Application Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Application Form. Any Securities applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 1.2.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Digital Wine Ventures Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.1.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form and you will not need to return the Application Form.

The Company may also provide application forms with a copy of this Prospectus to other investors who are invited to subscribe for Shortfall Securities in accordance with the allocation policy described in Section 1.2.

2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

2.5 Placement Options Offer

Separate Application Forms will be provided with a copy of this Prospectus to the Placement Subscribers for completion and return in accordance with the instructions set out in the relevant Application Form and this Prospectus in respect of the Placement Options Offer.

2.6 Application Form

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of

Securities accepted by the Company. The Application Form does not need to be signed to be a binding application for Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application Form as valid and how to construe, amend or complete the Application Form, is final.

The Company will send this Prospectus, together with the relevant Application Form, to all Eligible Shareholders and Placement Subscribers.

By completing and returning your Application Form with the requisite Application Monies (if applicable), or making a payment via BPAY®, you will be deemed to have:

- (a) represented and warranted that you are an Eligible Shareholder, if your Application Form is in respect of the Entitlement Offer;
- (b) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;
- (c) agreed to be bound by the terms of the relevant Offer;
- (d) declared that all details and statements in the Application Form are complete and accurate;
- (e) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (f) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the Securities to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;
- (g) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the Securities are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) acknowledged that the Securities offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

2.7 Enquiries concerning your Entitlement

For all enquiries concerning the Prospectus, please contact Digital Wine Ventures Limited on +61 8 8002 1991 or the Company Secretary on +61 08 6555 2950.

For all general shareholder enquiries, please contact Advanced Share Registry Services on +61 3 9389 8033.

3. Effect of the Offers

3.1 Capital structure on completion of the Offers

	Number of Shares	Number of Unquoted Options	Number of Quoted Options	Number of Performance Rights
Balance at the date of this Prospectus	1,021,159,780	237,000,000 ¹	-	100,000,000 ²
Shares to be issued under Director Placement ³	26,923,077	-	-	-
Maximum number of Securities to be issued under the Offers ⁴	102,115,978	-	49,913,160	-
TOTAL	1,150,198,835	237,000,000	49,913,160	100,000,000

Notes:

1. Comprising:
 - (a) 221,000,000 Options exercisable at \$0.03 each on or before 23 February 2021; and
 - (b) 16,000,000 Options exercisable at \$0.015 each on or before 30 May 2020.
2. Comprising:
 - (a) 50,000,000 Class A Performance Rights on the terms set out in the Company's Notice of Meeting dated 30 October 2018; and
 - (b) 50,000,000 Class A Performance Rights on the terms set out in the Company's Notice of Meeting dated 30 October 2018.
3. The issue of shares under the Director Placement is subject to Shareholder approval being obtained at the Company's annual general meeting to be held on 29 November 2019.
4. Assumes that all Securities offered under the Offers are issued. The actual number of Securities issued will vary based on the Securities subscribed for and issued pursuant to the Offers. This number is also subject to rounding. The Placement Options Offer includes the Options to be issued to Directors Paul Evans and James Walker subject to shareholder approval (see section 1.3 for further details).

3.2 Pro forma consolidated statement of financial position

Set out below is:

- (a) the audited consolidated statement of financial position of the Company as at 30 June 2019 (**Balance Date**);
- (b) the unaudited effects of the Offers (assuming the Offers are fully subscribed); and
- (c) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraph 3.2(b).

The statements of financial position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and the pro forma

assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated form and does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	Audited 30-Jun-19 \$	Pro Forma Adjustment \$	Pro Forma 30-Jun-19 \$
Current Assets			
Cash and cash equivalents	889,285	1,385,592	2,274,877
Trade and other receivables	53,228	-	53,228
Total Current assets	942,513	1,385,592	2,328,105
Non-Current Assets			
Plant and equipment	6,935	-	6,935
Intangible assets	339,003	-	339,003
Total Non-Current Assets	345,938	-	345,938
TOTAL ASSETS	1,288,451	1,385,592	2,674,043
Current Liabilities			
Trade and other payables	388,333	-	388,333
Total Current Liabilities	388,333	-	388,333
TOTAL LIABILITIES	388,333	-	388,333
NET ASSETS	900,118	1,385,592	2,285,710
EQUITY			
Contributed equity	7,928,374	1,385,592	9,313,966
Reserves	1,587,637	-	1,587,637
Accumulated losses	(8,615,893)	-	(8,615,893)
TOTAL EQUITY	900,118	1,385,592	2,285,710

Basis of Preparation

The pro forma balance sheet has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the audited financial position as at 30 June 2019 and is adjusted to reflect the following assumptions:

- (a) the placement of 127,344,683 shares at \$0.0065 per Share to sophisticated investors completed on 8 November 2019;
- (b) the Offers are fully subscribed and \$612,000 is raised by the issue of 102,115,978 Shares at \$0.006 per Share; and
- (c) the costs of the Offer are approximately \$54,844.

Other than in the ordinary course of business or as described above and the Placement (as announced to ASX on 25 October 2019), there have been no other material changes to the Company's financial position between 30 June 2019 and the date of this Prospectus.

The pro forma balance sheet does not include the Director Placement (up to \$175,000), on the basis that this remains subject to the receipt of prior Shareholder approval.

3.3 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest:	\$0.008 on 20, 23 September and 1, 5 November 2019
Lowest:	\$0.006 on 9, 10, 11, 25 September and 16 and 29 October 2019

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.007 per Share on 12 November 2019.

4. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks; however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) Limited operating history

The Company has a short operating history and the unproven long-term potential of its business model makes any evaluation of the businesses or its prospects difficult.

No assurances can be given that the Company will achieve ongoing commercial viability through the successful acquisition and retention of customers and implementation of its business plans in respect of the Company.

The Directors consider that the recent acquisition of Wine Depot will complement the Company's existing platform and sales channels and provide an opportunity to streamline many facets of the merged business. However, there are risks with the acquisition of any new business and there is no certainty that the benefits of the acquisition will be as anticipated.

(b) Development and marketing of the Wine Depot Platform

The Company has recently launched Wine Depot, a cloud-based integrated trading, order management and logistics platform (**Platform**). Through the Platform the Company offers a range of services.

The success of the Company depends upon the Company's ability to continue to commercialise the Platform. A failure to successfully commercialise the Platform could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position. The global marketplace for most products and services is ever changing due to new technology, changes in consumer preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. The Company is seeking to mitigate this risk by offering a variety of services through its platform and also targeting a more than one segment of the wine market, however there is a material risk that the Platform is not accepted by the market which could adversely impact the Company's operations.

(c) Additional requirements for capital

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds.

Further funding is likely to be required by the Company to support its ongoing activities and operations beyond June 2020, including the need to enhance the Platform and enhance its operating infrastructure.

The Board believes its available cash and maximum net proceeds under the Offer and the Director Placement should be sufficient to fund the Company's activities until approximately June 2020.

The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of development. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(d) Contractual risk

The Company is party to various third-party logistics contracts. Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provision, the Company will be successful in enforcing compliance.

There is no guarantee that the Company's contracts will be renewed upon expiry. If the Company's contracts are not renewed then it will need to seek new logistics contracts which could be costly and may not result in a suitable new contract being obtained.

Further as part of the Company's usual commercial agreements for the Wine Depot Platform, the Company provides services on an as required basis and there are no minimum fees or expected volumes set. It is therefore possible that no material revenue is realised from any particular commercial agreement.

(e) Competition risk

There is significant competition in the wine industry generally. The Company competes with a range of incumbent businesses, which creates a high barrier

to entry for new participants. There is no assurance that new and or existing competitors will not succeed in developing platforms or distribution networks that are more effective or economic than those developed by the Company, or which would render the Wine Depot Platform obsolete and/or otherwise uncompetitive.

The large number of market participants can complicate customers' discrimination between competitors, increasing the difficulty of achieving market share and revenue. The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions for products and services, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.

There is also the potential for significant consolidation in the Company's targeted market, resulting in a fewer number of competitors each having greater financial and other resources. Any such consolidation could also adversely affect the Company's ability to gain market share and commercialise its sales platforms.

(f) Staffing and reliance on key management

The responsibility of successfully implementing the Company's development and commercialisation strategy depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment with the Company. There is also a risk to the business where there is a turnover of development staff that have knowledge of the technology and business. This loss of knowledge could result in leakage or misappropriation of confidential information. Whilst the Company aims to mitigate this risk by imposing contractual restraints on use and ownership of the Company's confidential information, there could also be increased costs for the Company in having to replace the implicit knowledge and skills of departing employees.

(g) Supply risk

Wine is an agricultural product. As a consequence, wine is exposed to normal agriculture risks associated with the environment, including weather, force majeure events and disease associated with crops. To the extent that such agricultural factors adversely impact the quality and quantity of ingredients available for the production of wine, the Company's suppliers may have difficulty in securing a stable supply of such ingredients, adversely affecting their need to use the Platform.

To mitigate this risk, the Company intends to diversify the type and range of products distributed through its Platform to other alcoholic beverages. It also intends to work with a wide number of different suppliers located in a number of different jurisdictions, both domestically and internationally

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to the supply of current and potential products, distribution channels and points of sale. There can be no assurance that the Company will be able to attract and retain such organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(h) Foreign legal systems and operating risks

Some of the Company's business operations are conducted in Asia. Accordingly, a portion of the Company's results of operations, financial condition and prospects are dependent on economic, political and legal developments in overseas jurisdictions.

The Company's operations in foreign jurisdictions are governed by foreign laws and regulations. The introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities may have an adverse impact on the Company's operations.

(i) Foreign exchange risk

Some of the Company's costs and expenses are denominated in RMB, or a USD equivalent thereof. Accordingly, the depreciation and/or the application of the RMB relative to the Australian dollar would result in a translation loss on consolidation which is taken directly to shareholder equity.

In addition, the reporting currency of the Company's financial reports is denominated in Australian currency. Any depreciation of the RMB relative to the Australian currency may result in lower than anticipated revenue, profits and earnings. The Company will be affected on an ongoing basis. Any change in the ability to convert RMB to Australian dollars or other foreign currency due to currency control may have an adverse effect on the financials of the Company from time to time.

(j) Third party logistics and warehousing

The Company relies upon third party logistic providers for its operations. International freight forwarders are also used to transport wine to other countries. As a consequence, there are risks associated with the delivery of wine via the freight forwarder that the goods may be damaged or not arrive as expected. Additionally, domestic logistic providers may also under-perform or not perform on the delivery of the goods to the Company's clients.

The management and performance of the warehouse used by the Company is also partially dependent on the third parties and there are risks associated with their performance.

(k) Inventory

Pursuant to the Company's third-party logistics contracts, the Company does not own the inventory it stores and instead holds it on consignment at the risk of the owner.

There is a risk that third-parties could claim damages against the Company if inventory is damaged, lost or stolen while in the Company's custody and the Company is found to be negligent in its actions.

(l) Wine Taxation

The making, importation and selling by wholesale of wine is subject to taxation by the Australian government. The amount of taxation applied significantly affects the Company's business.

There is a risk that the Australian government may increase or modify the taxation applied to the making, importation and selling of wine.

If the taxation regime is to change, this may affect the trading conditions of the wine market and the Company's performance and revenue.

4.2 Risks relating to the Company's technology

(a) Cloud-based Platform

The usability of the Company's Platform depends upon various factors outside the control of the Company including (but not limited to) device operating systems, mobile device design and operation and platform provider standards.

The Company has developed its Platform for use across a number of internet access platforms, mobile and desktop devices and software operating systems.

The Company will be dependent on the ability of its Platform to operate on such platforms, devices and operating systems however it cannot control the maintenance, upkeep and continued supply of effective service from external suppliers in these areas. Any changes in such platforms, operating systems or devices that adversely affect the functionality of the Company's Platform or give preferential treatment to competitive products could adversely affect usage of the Company's products.

(b) Reliance on access to the internet

The Company depends on the ability for customers, staff and management to access the internet. Access is provided by various classes of entities in the broadband and internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to the Company, usage of the Platform may be negatively impacted.

The performance of the internet and its acceptance as a business tool have been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Platform would be significantly reduced, which would harm its business.

(c) Brand establishment and maintenance

The Company believes that establishing and maintaining the Company's brands is important to growing its customer base and product acceptance. This will depend largely on the Company's ability to provide innovative product and service within expected service levels. The actions of external industry participants may affect the brand if customers do not have a positive experience using the Platform. If the Company fails to successfully establish and maintain its brand its business and operating results could be adversely affected.

(d) Marketing and sales success

The Company is focusing on marketing and sales to fully commercialise the Platform. By its nature, there is no guarantee that the Company's marketing

campaign will be successful and convert into new users for the Company. In the event that it is not successful, the Company may encounter difficulty in bringing the Platform to market and creating awareness of the Company brand. This would likely have an adverse impact on the Company's sales and profitability.

Even if the Company does successfully commercialise the Platform, there is a risk that the Company will not achieve a commercial return. The Company may not be able to make sufficient revenues to cover its operating and capital costs, or new technology may overtake the Company's technology.

(e) Attracting customers to the Platform

The Company's revenues are affected by its ability to attract paying customers to register to use the Company Platform. Various factors can affect the level of customer engagement, including:

- (i) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in less users visiting the website and registering to use the Platform.
- (ii) Brand damage: If the Company or the Company suffers reputational damage, customer engagement could be affected.
- (iii) Search engine traffic: Traffic to the Company website will be driven in significant amounts by Internet search engines, such as Google. Should these search engines make changes to their algorithms and procedures that direct this traffic, the Company could see a substantial drop in customers that visit the Company website. For example, search engines regularly update their algorithms that determine the ranking of results it returns for any given search term. The Company will attempt to follow relevant search engine guidelines and online best practice to maintain the flow of traffic to the Company website, but such changes could adversely affect the traffic to the website.

A decline in traffic to the Company website could lead to a decline in the number of customers registering to use the Platform, which in turn may affect the Company's profitability.

(f) User experience

The Company's business model is based on revenue arising from paying customers using services offered via the Platform. Poor user experience may affect customer take-up, retention and level of usage of the Platform. Factors which may contribute to poor customer experience include:

- (i) ease of opening and configuring an account;
- (ii) ease of entering, processing and tracking orders;
- (iii) the accuracy and speed of delivery; and
- (iv) level of customer support provided.

Poor customer service experiences may result if the Company does not have sufficient numbers of customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption

to monitoring and account management systems utilised by customer service personnel.

Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Platform. If any of these occur, it may adversely impact the Company's revenues.

(g) Operating system changes

The Company uses third party operating systems with the providers of these systems regularly updating their systems. It is possible when these updates occur it could cause some of the Company's product to not operate as efficiently as before. This will require the Company to change the code on its system which may take some time to remedy.

(h) Software risk

A number of the Company's products and possible future products contain or will contain open source software, and the Company licenses some of its software through open source projects, which may pose particular risks to its proprietary software and products in a manner that could have a negative effect on its business.

The Company will utilise open source software in a number of its products and will use open source software in the future. The terms of many open source licenses to which the Company will be subject have not been interpreted by Australian or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on the Company's ability to provide or distribute its products.

(i) Software integrations risk

One of the Company's focuses as part of Wine Depot is developing integrations between its Platform and 3rd party software applications. There is a risk that the integration between the Platform and certain 3rd party software applications may not be readily achievable. Where integration is complex this could result in an increase in costs for the Company or affect the number of third parties that are able to utilise the Company's Platform.

(j) Payment processor distribution or availability

The Company Platform utilises multiple payment gateways to collect payment from customers. If these payment gateways suffer outages or they cease to offer their services to the Company, this will affect the Company's ability to receive payments.

Inability to accept payments even for a short period of time, could negatively impact upon the Company's revenues and its ability to grow.

(k) Internet law and website availability

China's internet law and website availability in China is determined by the Chinese government. Access to websites can be removed at the sole discretion of the Chinese government.

A decision to block the Company website by the Chinese government even if resolved after a short period of time, will negatively impact upon the Company's revenues and its ability to grow.

(l) Protection of the Company's intellectual property rights

The Company's intellectual property rights are valuable, and any inability to protect them could reduce the value of its Platform, products and brand.

The Company has trade secrets and other intellectual property rights that are important assets. The Company may therefore rely on a combination of confidentiality and license agreements with its consultants and third parties with whom it has relationships, as well as domain name, trade secret and copyright, to protect its brand and other intellectual property rights.

The Company does not currently have any patent protection of its intellectual property and it is not yet known whether it will be in fact possible to obtain any patent protection of its intellectual property.

If the Company fails to protect its intellectual property, competitors may gain access to its technology which could harm the business.

(m) Infringement of third party intellectual property rights or restraints of trade

If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

Similarly, parties may from time to time accuse the Company or its personnel or contractors of contravening restraint of trade or non-compete contractual obligations, or commence legal action against the Company for claims of such nature.

(n) The Platform may contain programming errors, which could harm its brand and operating results

The Platform contains complicated programming and its objectives are to quickly develop and launch new and innovative products and features. The Platform may therefore contain now or in the future, errors, bugs or vulnerabilities. Any errors, bugs or vulnerabilities discovered could result in (among other consequences) damage to the Company's brand, loss of customers, loss of platform partners, fall in revenues or liability for damages, any of which could adversely affect the Company's business and operating results.

(o) Reliance on third party providers

The Company will rely on third party providers and internet search engines (amongst other facilities) to direct customers to the Platform.

Should the Company's brand or its products fail to attract a high level of internet search ranking, direction of customers to its products could be limited and its business and operating results could be adversely affected.

The Company relies on mobile app marketplaces, such as iTunes and Android, to facilitate downloads of the Platform. Should any operators of Apps platforms utilised by the Company make changes to limit or make more difficult for access to its products, the Company's business and operating results may be affected. The Company's search result rankings is outside of its control and competitors' search engine procedures may result in their websites or Apps receiving a higher search result ranking. Reduced numbers of potential customers directed to the Company's products could adversely affect its business and operating results.

(p) Changes in technology

The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies.

For example as announced by the Company on 24 April 2018, the Company is investigating the use of distributed ledger blockchain based technology as part of its existing platform and business model.

Failure to continue to expand its products and grow in response to changing technologies so may impact the success of the Company.

Further, the cost of responding to changing technologies is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business. The Company will seek to offset such costs where possible through applications for the research and development tax concession. However, these concessions are available in only limited circumstances and, even where the Company makes a claim which it and its advisors believe has merit, it cannot be assured that the Australian Taxation Office and AusIndustry will deem the claim to be compliant.

(q) Hosting provider disruption risk

The Company uses a variety of hosting providers including Amazon Web Services and Microsoft Azure/21Vianet, to store all data gathered from its customers.

Should these hosting providers suffer outages, for example due to catastrophic destruction following a natural disaster, service to the Company Platform may also be disrupted. If these hosting providers ceased to offer its services to the Company and the Company was unable to find a replacement service quickly, this could lead to a disruption of service.

(r) Data loss, theft or corruption

The Company stores data with a variety of third party service providers and Cloud computing service providers. Hacking or exploitation of some unidentified vulnerability in its network could lead to loss, theft or corruption of data which, in turn, could negatively impact upon the Company's revenues and profitability.

(s) Security breaches

If the Company's security measures are breached, or if its products are subject to cyber-attacks that restrict customer or staff access to the Platform, its offering may be perceived as less secure than competitors and customers may stop using the Company's services.

4.3 Risks relating to operating a subsidiary in China

As the Company has business operations in China, it will be subject to those risks associated with operating in a foreign jurisdiction. There is a risk that the government of China may change its policies regarding foreign investment, which may have an adverse impact on the Company's profitability.

(a) China legal environment

Due to uncertainties in the Chinese political and legal environment, the Company may be exposed to political and legal risks, adversely affecting the viability of its operations in China. Similarly, the Company may be exposed to risks around contractual enforcement in China.

Although the Chinese legal system is well-established, it may be less certain than legal systems in other countries. This uncertainty could lead to the following risks:

- (i) difficulties in obtaining effective legal redress for breaches of laws or regulations or in respect of property rights;
- (ii) inconsistencies between and within laws, regulations, decrees, orders and resolutions, or uncertainty in the application of laws and regulations;
- (iii) difficulties in enforcing foreign judgments and arbitral awards, particularly against state bodies; and
- (iv) lack of jurisprudence and administrative guidance on the application of laws and regulations, particularly with respect to taxation and proprietary rights.

Therefore, the Company may have difficulty in obtaining effective legal redress in circumstances where the Company or its subsidiaries are adversely affected by a breach of law or regulation.

(b) Foreign investment risk

There are substantial uncertainties regarding the interpretation and application of Chinese laws, rules and regulations governing foreign investment in the business of the Company.

The official interpretation of Chinese laws, regulations and rules may be uncertain, subject to retrospective application or otherwise subject to change. In particular, the Company is dependent upon the licenses it has been granted, which allow it to operate its business in compliance with China's regulatory regime. New laws, regulations and rules may impose additional requirements on the Company's business, Dawine Trading (Shanghai) Limited, incorporated in the People's Republic of China or the Company. There is therefore a risk that Chinese regulatory authorities may deem Dawine Trading (Shanghai) Limited or the Company to be in violation of existing or future Chinese laws, regulations, licences or rules. Likewise, Dawine Trading (Shanghai) Limited or the Company may fail to obtain or maintain requisite permits, licences and approvals.

Any such violations may lead to Chinese authorities revoking or restricting related party transactions between the group entities, requiring the Company or Dawine Trading (Shanghai) Limited to restructure their

operations and ownership structure, prohibiting or restricting the use of Company funds to finance the business operations in China or revoking business or operating licences of Dawine Trading (Shanghai) Limited, adversely affecting the Company's operations and financial position.

4.4 General risks

(a) Management of growth

There is a risk that management of the Company will not be able to implement its intended growth strategy of the recently acquired Wine Depot project. The capacity of the Company's management to properly implement the Company's strategic direction may affect the Company's financial performance.

(b) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(c) Regulatory risk

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(d) Insurance risk

Insurance against all risks associated with information technology security is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(e) Litigation risk

The Company is exposed to possible litigation risks including intellectual property disputes, product liability claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic and political outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(g) Economic Conditions

The performance of the Company may be significantly affected by changes in economic conditions, and particularly conditions which affect wine consumption in China and other jurisdictions in which the Company operates. Changes in economic conditions could affect the ability of the Company to operate and could increase the costs of operation the Company. Adverse economic conditions, including economic recession, may have a negative impact on the Company's ability to raise capital.

Factors such as inflation, currency fluctuation, and interest rates have an impact on operating costs, media expenditures and stock market prices.

The Company's future possible profitability and the market price of its Shares can be affected by these factors, which are beyond the control of the Company and its Directors, particularly due to the Company operating in the fast changing economic conditions in China and other relevant countries.

4.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is provided below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against

the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes

validly cast for Shares at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Rights and liabilities attaching to Quoted Options

The rights attaching to the Quoted Options are regulated by the Constitution, the Corporations Act, the Listing Rules and the general law. The following is a summary of the key terms of the Quoted Options:

- (a) **(Entitlement):** Each Quoted Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date):** The Quoted Options will expire at 5.00pm (Sydney time) on 31 December 2022 (**Expiry Date**). A Quoted Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Exercise Price):** Subject to paragraph 5.2(i), the amount payable upon exercise of each Quoted Option is \$0.015 per Option.
- (d) **(Exercise):** A holder may exercise their Quoted Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Quoted Options specifying the number of Quoted Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Quoted Options being exercised,

(Exercise Notice). An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Quoted Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

- (e) **(Timing of issue of Shares on exercise):** Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Quoted Options specified in the Exercise Notice.
- (f) **(Transferability):** The Quoted Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
- (g) **(Ranking of Shares):** All Shares allotted upon the exercise of Quoted Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.
- (h) **(Quotation):** The Company intends to apply for quotation of the Quoted Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Quoted Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (i) **(Reconstruction):** If at any time the issued capital of the Company is reconstructed, all rights of a holder of Quoted Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

- (j) **(Participating rights):** There are no participating rights or entitlements inherent in the Quoted Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Quoted Options without exercising the Quoted Options.
- (k) **(Amendments):** A Quoted Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Quoted Option can be exercised.

5.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the ASX can be found on the Company's website.

5.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Entitlement Offer a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2019, being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the financial statements of the Company for the half year ended 31 December 2018;
- (c) the annual report of the Company for the financial year ended 30 June 2019, being the last annual report of the Company lodged with ASIC after lodgement of the financial statements referred to in paragraph 5.5(a) above and before the issue of this Prospectus; and
- (d) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph (b) above until the date of this Prospectus:

Date lodged	Subject of Announcement
13.11.19	Trading Halt
13.11.19	Pause in Trading
12.11.19	Non-Renounceable Entitlement Offer
12.11.19	Notice to Optionholders
12.11.19	Appendix 3B
12.11.19	Prospectus
08.11.19	Cleansing Statement
08.11.19	Appendix 3B
01.11.19	Initial Director's Interest Notice
30.10.19	Notice of Annual General Meeting/Proxy Form
30.10.19	Quarterly Report
30.10.19	Appendix 4C- quarterly
30.10.19	Appointment of Non-Executive Director
25.10.19	DW8 launches Capital Raising to fund WINEDEPOT expansion
23.10.19	Trading Halt
21.10.19	WINEDEPOT signs up Casella Family Brands
09.10.19	WINEDEPOT bolsters its executive team
02.10.19	Initial Director's Interest Notice
02.10.19	Final Director's Interest Notice
02.10.19	Final Director's Interest Notice
26.09.19	WineDepot Develops Strategic Partnerships
12.09.19	Appointment and Resignation of Non-Executive Directors
30.08.19	Appendix 4G and Corporate Governance Statement
30.08.19	Appendix 4E and Annual Report to Shareholders

Date lodged	Subject of Announcement
26.08.19	Ceasing to be a substantial holder
20.08.19	WineDepot counts down to launch
14.08.19	Change of Directors Interest Notice
05.08.19	Change of Directors Interest Notice
24.07.19	Quarterly Report
24.07.19	Appendix 4C - quarterly
23.07.19	Change in Substantial Holding
22.07.19	Investor Update
19.07.19	Cleansing Statement
19.07.19	Appendix 3B
18.07.19	Ceasing to be a substantial holder
10.07.19	WineDepot partners with Wine Storage and Logistics
08.07.19	Trading Halt
08.07.19	Pause in Trading
01.07.19	WineDepot enters into strategic alliance with Australia Post

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in offering and issuing the Shares under this Prospectus.

5.8 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with:
 - (A) its formation or promotion; or
 - (B) the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

as an inducement to become, or to qualify as, a Director; or

- (iv) for services provided in connection with:
 - (A) the formation or promotion of the Company; or
 - (B) the Offer.

(b) Security holdings

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.

Director	Shares	Unquoted Options	Performance Rights
Dean Taylor	85,369,464	-	100,000,000 ¹
Piers Lewis	37,900,000	12,000,000 ²	-
James Walker ³	-	-	-
Paul Evans ⁴	-	-	-

Notes:

1. Comprising:
 - (a) 50,000,000 Class A Performance Rights on the terms set out in the Company's Notice of Meeting dated 30 October 2018; and
 - (b) 50,000,000 Class A Performance Rights on the terms set out in the Company's Notice of Meeting dated 30 October 2018.
2. Unlisted Options exercisable at \$0.03 with an expiry date of 23 February 2021.
3. Shareholder approval is being sought at the Company's annual general meeting on 29 November 2019 to issue 3,846,154 Shares and 961,538 Quoted Options to James Walker under the Placement.

4. Shareholder approval is being sought at the Company's annual general meeting on 29 November 2019 to issue 23,076,923 Shares and 5,769,231 Quoted Options to Paul Evans under the Placement.

Dean Taylor intends to take up some or all of his Entitlement. Piers Lewis does not intend to take up his Entitlement at this stage.

(c) Remuneration

The Constitution provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding \$500,000. This amount may be varied by an ordinary resolution passed by Shareholders in general meetings. The fees are to be divided among the non-executive Directors as the Directors shall determine, and in default of agreement then in equal shares.

The remuneration of the executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors. The Company currently has one Executive Director, Dean Taylor.

Mr Dean Taylor, who is the Company's Chief Executive Officer, is engaged on the following terms:

- (i) Term: No fixed term. Commenced on 1 December 2018.
- (ii) Remuneration:
 - (A) Base salary: \$250,000 per year (excluding superannuation);
 - (B) Sign-on bonus: \$100,000, to be settled by the issue of 16,666,667 Shares;
 - (C) Long term incentive: 100,000,000 Performance Rights, which will vest into Shares upon satisfaction of performance milestones; and
 - (D) Short term incentive: The Board may, in its absolute discretion, elect to provide an annual bonus of up to an amount equal to 25% of the base salary.
- (iii) Termination:
 - (A) Either Mr Taylor or the Company may terminate the employment upon the provision of at least three months' written notice to the other party. This notice period increases to twelve months if the Company gives notice to Mr Taylor within three months of a change of control event occurring.
 - (B) The Company has standard summary termination rights upon the provision of written notice to Mr Taylor.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the year to 30 June 2019:

Director	Directors' fees, and salary (\$)	Super-annuation (\$)	Share based payments (\$)	Total (\$)
James Walker ¹	-	-	-	-
Paul Evans ²	-	-	-	-
Piers Lewis ³	122,500	-	-	122,500
Dean Taylor ⁴	114,583	-	100,000	214,583
Michael Edwards ⁵	36,000	-	-	36,000
Sam Atkins ⁵	36,000	-	--	36,000
Anthony Ramage ⁶	14,800	-	-	14,800

Note to 2019 remuneration:

1. Mr Walker was appointed as a Non-Executive Director on 30 September 2019 and therefore did not receive remuneration prior to 30 June 2019.
2. Mr Evans was appointed as a Non-Executive Director on 1 November 2019 and therefore did not receive remuneration prior to 30 June 2019.
3. Mr Lewis' role converted from Executive Chairman to Non-Executive Chairman, effective 30 November 2018.
4. Mr Taylor was appointed as Chief Executive Officer on 1 February 2019.
5. Mr Edwards and Mr Atkins resigned as directors, effective 30 September 2019.
6. Mr Ramage resigned as a director on 28 November 2018.

Directors received the following remuneration for the year to 30 June 2018:

Director	Directors' fees, and salary (\$)	Super-annuation (\$)	Share based payments (\$)	Total (\$)
Piers Lewis	210,000	-	-	210,000
Michael Edwards	36,000	-	-	36,000
Sam Atkins	76,000	-	-	76,000
Anthony Ramage ¹	7,000	-	-	7,000

Note to 2018 remuneration:

1. Mr Anthony Ramage was appointed as a director on 20 April 2018.

Further it should be noted that Mr Piers Lewis is a director and has an indirect interest in 50% of the shares in Small Cap Corporate Pty Ltd which provides the Company with company secretarial services and was paid \$64,334 for the year 30 June 2018 and \$120,925 for the year to 30 June 2019 for company secretarial services.

5.9 Interests of Peak Asset Management

On 23 October 2019, the Company entered into an agreement with Peak to act as Lead Manager in relation to the Placement and Offers (**Lead Manager Mandate**).

In return for Peak's services as Lead Manager, Peak is entitled to the following fees from the Company:

- (a) 1% management fee on the total amount raised in the Placement and Offers (including any Director participation); and
- (b) 6% capital raising fee for any funds raised by or introduced by Peak in the Offers.

The Lead Manager Mandate also contains confidentiality provisions usual for this type of agreement.

5.10 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

5.11 Expenses of Offer

The estimated expenses of the Offer are approximately as follows:

	\$
ASIC fees	4,008
ASX quotation fee	9,377
Legal and preparation expenses	15,000
Lead Manager fee	6,120
Printing, mailing and other expenses	20,339
Total	54,844

5.12 Consents

- (a) Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.
- (b) Each of the parties referred to in this Section:
 - (i) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

- (ii) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.
 - (c) Peak has given its written consent to being named as the Lead Manager to the Company in this Prospectus. Peak has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.
 - (d) HWL Ebsworth has given its written consent to being named as the Solicitors to the Company in this Prospectus. HWL Ebsworth has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.
 - (e) Advanced Share Registry Services has given its written consent to being named as the share registry to the Company in this Prospectus. Advanced Share Registry Services has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.
-

6. Directors' authorisation

The issue of this Prospectus has been authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Piers Lewis
Non-Executive Chairman

Dated: 15 November 2019

7. Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Advanced Share Registry Services means Advanced Share Registry Ltd (ACN 127 175 946).

AEST means Australian Eastern Standard Time.

Applicant means a person who submits an Application Form.

Application Form means either the Entitlement Offer Application Form or the Placement Options Offer Application Form, as applicable.

Application means a valid application for Shares made on an Application Form.

Application Monies means application monies for Shares received by the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date has the meaning given to it in Section 1.5.

Company means Digital Wine Ventures Limited (ACN 086 435 136).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001* (Cth).

Director Placement means the proposed placement of 3,846,154 Shares and 961,538 Quoted Options to Mr James Walker and 23,076,923 Shares and 5,769,231 Quoted Options to Mr Paul Evans on the same terms and conditions as the Placement, subject to the receipt of prior shareholder approval to be sought at the Company's annual general meeting on 29 November 2019.

Directors mean the directors of the Company.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the number of new Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being one new Share for every existing ten Shares held on the Record Date.

Entitlement Offer Application Form means the application form provided by the Company with a copy of this Prospectus that describes the entitlement of Eligible Shareholders to subscribe for Shares and Quoted Options pursuant to the Entitlement Offer and the Shortfall Offer.

Entitlement Offer means the offer under this Prospectus of up to approximately 102,115,978 new Shares to Eligible Shareholders in the proportion of one new Share for every ten Shares held on the Record Date.

Ineligible Foreign Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Lead Manager Mandate has the meaning given in Section 5.9.

Listing Rules means the listing rules of ASX.

Offers means the offers under this Prospectus to subscribe for Securities, namely, the Entitlement Offer, Shortfall Offer and Placement Options Offer, and **Offer** means any one of those offers, as applicable.

Option means the right to acquire one Share in the capital of the Company.

Original Prospectus means the prospectus dated 12 November 2019.

Peak or Lead Manager means the Trustee for Peak Asset Management Unit Trust (ABN 81 891 265 739) (AFS: 244040).

Placement has the meaning given in Section 1.3.

Placement Options has the meaning given in Section 1.3.

Placement Options Offer Application Form means the application form provided by the Company with a copy of this Prospectus that describes the entitlement of Placement Subscribers to subscribe for Placement Options pursuant to the Placement Options Offer.

Placement Options Offer has the meaning given in Section 1.3.

Placement Share means a Share issued pursuant to the Placement.

Placement Subscriber has the meaning given in Section 1.3.

Platform has the meaning given in Section 4.1(b).

Prospectus means this prospectus dated 15 November 2019.

Quoted Options means Options issued on the terms and conditions in Section 5.2.

Record Date means 5.00pm on the date identified in the Timetable as the record date.

RMB means the official currency of the People's Republic of China.

Section means a section of this Prospectus.

Securities mean any securities including Shares or Options issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall Offer means the offer of the Shortfall under this Prospectus, which includes the offer in relation to the Shortfall Securities.

Shortfall or **Shortfall Securities** means Entitlements not subscribed for under the Entitlement Offer.

Timetable means the timetable on page iv.

VWAP means volume weighted average price.

Wine Depot means Wine Depot Holdings Pty Ltd (ACN 627 925 400).