

APPENDIX 4D
HALF-YEAR REPORTING PERIOD
RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current reporting period:	Half year ended 31 December 2019
Previous interim reporting period:	Half year ended 31 December 2018
Previous full year reporting period:	Full year ended 30 June 2019

Revenue from ordinary activities decreased 46% - \$74,850

31 December 2019	\$86,823
31 December 2018	\$161,673

Loss from continuing operations after income tax decreased 2% - \$14,119

31 December 2019	(\$823,820)
31 December 2018	(\$837,939)

Net loss for the period attributable to members decreased 2% - \$14,119

31 December 2019	(\$823,820)
31 December 2018	(\$837,939)

Net tangible assets per security

31 December 2019	\$0.0011
30 June 2019	\$0.0006

Paid or proposed dividend per share:

31 December 2019	-
31 December 2018	-

Details of entities over which control has been gained or lost during the period

No entities were gained or lost during the period.

Commentary on results

Full commentary on the results for the reporting period can be found in the Director's Reports and the consolidated financial statements for the half-year ended 31 December 2019.

DIGITAL WINE VENTURES LIMITED

ABN 59 086 435 136



HALF YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

DIGITAL WINE VENTURES LIMITED
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FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



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DIRECTORS

Paul Evans – Non-Executive Chairman
Dean Taylor – Executive Director and Chief Executive Officer
James Walker – Non-Executive Director

COMPANY SECRETARY

Arron Canicaïs

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SECURITIES EXCHANGE

Australian Securities Exchange Limited (ASX)
Home Exchange - Perth
ASX Code – DW8 (Ordinary Shares)

DIGITAL WINE VENTURES LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



Your Directors present their half year report for Digital Wine Ventures Limited (referred to hereafter as 'Digital Wine' or the 'Company') and its controlled entities ('Consolidated Entity' or 'Group') for the half year ended 31 December 2019.

1. DIRECTORS

The names of the Directors of the Company in office during the half year and up to the date of this report are as follows:

DIRECTORS	POSITION	APPOINTMENT / (RESIGNATION)
Mr Paul Evans	Non-Executive Chairman	Appointed 1 November 2019
Mr Dean Taylor	Executive Director / Chief Executive Officer	Appointed 1 February 2019
Mr James Walker	Non-Executive Director	Appointed 30 September 2019
Mr Piers Lewis	Non-Executive Chairman	Appointed 23 February 2017 / Resigned 29 November 2019
Mr Michael Edwards	Non-Executive Director	Appointed 23 February 2017 / Resigned 30 September 2019
Mr Sam Atkins	Non-Executive Director	Appointed 23 February 2017 / Resigned 30 September 2019

Directors were in office from incorporation until the date of this report unless otherwise stated.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company during the half-year were wine distribution, focusing on the Australian wine market. The Group has launched Wine Depot, an online platform aiming to make the wine supply chain more efficient by allowing retailers the ability to connect with suppliers and drop ship orders directly to their customers from inventory held in strategically placed depots.

3. CORPORATE STRUCTURE

Digital Wine Ventures Limited is a company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange ('ASX') under ASX code DW8 and whose shares are publicly traded on the Australian Securities Exchange Limited. An overview of the ownership structure for Digital Wine is shown below:

Digital Wine Ventures Limited	- Parent Entity
Wine Depot Holdings Pty Ltd	- 100% owned controlled entity
CGWDH Pty Ltd	- 100% owned controlled entity
Dawine (HK) Limited	- 100% owned CGWDH Pty Ltd
Dawine Trading (Shanghai) Limited	- 100% owned Dawine (HK) Limited

4. REVIEW OF OPERATIONS

Digital Wine aims to identify early stage technology-driven ventures that have the potential to disrupt and digitally transform the existing supply chain and support them by providing access to capital, deep domain expertise, industry relationships and shared services.

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

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

Key milestones achieved over the last 6 months of operations include:

On 1 July 2019, the Company announced an exclusive partnership with Australia Post, to establish a network of 'depots' in capital cities. The partnership greatly reduced the initial capital requirements and allowed the Company to open its first four depots well ahead of the original schedule.

On 10 July 2019, the Company announced it had partnered with **Wine Storage and Logistics Pty Ltd (WSL)**, a privately owned Australian company that provides logistics services to the global wine and beverage industry. Under the agreement, WSL established a dedicated central storage and distribution facility, which will serve as **WINEDEPOT**'s main depository for suppliers' inventory and be used to support an expanding network of 'depots'.

On 17 September 2019, the Company announced that **WINEDEPOT** had been officially launched at a major wine industry direct-to-consumer (DTC) conference held in Orange NSW. CEO Dean Taylor presented the breakthrough platform in front of 150 senior wine industry leaders, describing the DTC market as a "Sleeping Giant" worth over \$1 billion per year that is allowing wine producers to claw back the margin lost to retailers over the last decade.

On 26 September 2019 the Company announced that **WINEDEPOT** had entered into strategic partnerships with a number of leading software providers and consultants servicing the global wine industry. Under the Strategic Partnership agreements, the parties will develop and promote a technical integration between their respective software platforms – providing hundreds of Australian wineries using the software applications direct access to the **WINEDEPOT** platform.

On 21 October 2019, the Company announced that Casella Family Brands, Australia's largest and most successful family owned wine business, had signed up as a customer of **WINEDEPOT**'s integrated logistics, trading and order management platform.

Under the agreement **WINEDEPOT** will manage the fulfillment of Casella Family Brands' entire product portfolio across a range of domestic channels. The portfolio includes a number of iconic Australian wine brands including [yellow tail] Wine, Casella Family Wines, Peter Lehmann Wines, Brand's Laira Coonawarra, The Magic Box Wine Collection, Morris of Rutherglen and Baileys of Glenrowan.

The company also announced over the period that several other wineries had been signed up as customers.

The Company also announced that Vodka Plus, a craft spirit producer had signed up to use **WINEDEPOT** for their national distribution. Importantly this increased the size of the addressable market.

On 22 November 2019, the Company announced that it had commenced operations and had processed its first wave of orders on behalf of paying customers. Shortly after that on 11 December 2019, the Company announced that **WINEDEPOT** had its first 1,000+ order day, showing the potential of the platform to scale and support its customers during major promotions, sales campaigns and seasonal periods.

During the period, the Company also completely refreshed the Board, replacing former directors Mr Piers Lewis, Mr Michael Edwards and Mr Sam Atkins with Mr Paul Evans and Mr James Walker, both highly respected and experienced executives.

Mr Evans has 27 years of private equity experience including with 3i in the United Kingdom and with AMP and Ironbridge in Australia. He is also a wine enthusiast and is the Chairman of the Elderton Wines Advisory Board. He takes the Chair at DW8.

Mr Walker is a seasoned executive, with over twenty years' executive and board experience, where he has built and scaled-up technology businesses across a wide range of global industries.

CEO Dean Taylor believes that the new directors bring the knowledge, experience and relationships required to help roll out and scale **WINEDEPOT** as a global technology business.

During the quarter the company successfully closed a \$1.6m capital raising. Funds raised will be used towards additional human resources, technology research & development, marketing and advertising and general working capital for the expansion of the **WINEDEPOT** business. The new funding was provided via the combination of a Placement and Rights Issue based on the following terms:

PLACEMENT

154,267,760 new fully paid ordinary shares (split between 127,344,683 to sophisticated investors and 26,923,077 to directors) at an issue price of \$0.0065 per share with 38,566,940 free attaching options (split between 31,836,171 to sophisticated investors and 6,730,769 to directors) issued on the ratio of 1 option for every 4 fully paid shares subscribed.

DIGITAL WINE VENTURES LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



RIGHTS ISSUE

102,115,921 new fully paid ordinary shares at an issue price of \$0.006 per share with 11,346,211 free attaching options issued on the ratio of 1 option for every 9 fully paid shares subscribed.

The free attaching options have subsequently been listed and are exercisable at \$0.015 per option on or before 31 December 2022.

5. FINANCIAL POSITION & OPERATING RESULTS

The financial results of the Group for the half year ended 31 December 2019 are:

	31-Dec-19	30-Jun-19
Cash and cash equivalents (\$)	1,592,372	889,285
Net assets (\$)	1,684,730	900,118
	31-Dec-19	31-Dec-18
Revenue (\$)	86,823	161,673
Net loss after tax (\$)	(823,820)	(837,939)

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the period under review not otherwise disclosed in this report or in the half year report.

7. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen, since the end of the year, which significantly affected, or may significantly affect, the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in subsequent financial years.

8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

The Company will continue to pursue its principal activity of wine distribution as outlined under the heading 'Review of Operations' of this Report.

9. DIVIDENDS

No dividends were paid during the period and no recommendation is made as to dividends.

10. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 6.

This directors' report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read 'Dean Taylor'.

Dean Taylor
Director

Sydney, New South Wales
Dated: 25 February 2020

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements Digital Wine Ventures Limited for the period ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 25th day of February 2020

DIGITAL WINE VENTURES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME



FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	<u>31-Dec-19</u>	<u>31-Dec-18</u>
		\$	\$
Revenue		86,823	161,673
Cost of sales		(72,620)	(111,779)
Gross profit		14,203	49,894
Other income		24,626	712
Expenses			
Administration, consulting and other expenses	5	(463,572)	(546,174)
Advertising and marketing expenses		(76,451)	(122,168)
Depreciation expense		(1,975)	(4,822)
Director fees		(238,805)	(143,300)
Foreign exchange gain / (loss)		1,878	6,980
Office and warehouse expenses		(7,733)	(13,752)
Salaries and wages		(65,882)	(49,491)
Travel expenses		(10,109)	(15,818)
Loss from continuing operations before income tax		(823,820)	(837,939)
Income tax expense		-	-
Loss from continuing operations after income tax		(823,820)	(837,939)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(8,672)	15,785
Other comprehensive income for the period, net of tax		(8,672)	15,785
Total comprehensive loss for the period		(832,492)	(822,154)
Loss per share attributable to ordinary equity holders			
- Basic loss per share		(0.001)	(0.001)
- Diluted loss per share		(0.001)	(0.001)

The accompanying notes form part of these financial statements.

DIGITAL WINE VENTURES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019



	Notes	31-Dec-19 \$	30-Jun-19 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,592,372	889,285
Trade and other receivables	6	192,692	53,228
Inventories		16,346	-
Total Current Assets		1,801,410	942,513
Non-Current Assets			
Plant and equipment		1,626	6,935
Intangible asset		395,651	339,003
Total Non-Current Assets		397,277	345,938
TOTAL ASSETS		2,198,687	1,288,451
LIABILITIES			
Current Liabilities			
Trade and other payables	7	513,957	388,333
Total Current Liabilities		513,957	388,333
TOTAL LIABILITIES		513,957	388,333
NET ASSETS		1,684,730	900,118
EQUITY			
Issued capital	8	9,545,478	7,928,374
Reserves	9	1,578,965	1,587,637
Accumulated losses		(9,439,713)	(8,615,893)
TOTAL EQUITY		1,684,730	900,118

The accompanying notes form part of these financial statements.

DIGITAL WINE VENTURES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



	Issued Capital	Share-based Payment & Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2018	6,410,021	1,491,755	30,507	(6,960,376)	971,907
Comprehensive income:					
Loss for the period	-	-	-	(837,939)	(837,939)
Other comprehensive loss	-	-	15,785	-	15,785
Total comprehensive loss for the period	-	-	15,785	(837,939)	(822,154)
Transactions with owners in their capacity as owners:					
Securities issued during the year	658,360	-	-	-	658,360
Capital raising costs	(43,385)	-	-	-	(43,385)
Share based payments	-	12,152	-	-	12,152
Total equity transactions	614,975	12,152	-	-	627,127
At 31 December 2018	7,024,996	1,503,907	46,292	(7,798,315)	776,880
	Issued Capital	Share-based Payment & Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2019	7,928,374	1,526,910	60,727	(8,615,893)	900,118
Comprehensive income:					
Loss for the period	-	-	-	(823,820)	(823,820)
Other comprehensive loss	-	-	(8,672)	-	(8,672)
Total comprehensive loss for the period	-	-	(8,672)	(823,820)	(832,492)
Transactions with owners in their capacity as owners:					
Securities issued during the year	1,716,041	-	-	-	1,716,041
Capital raising costs	(98,937)	-	-	-	(98,937)
Total equity transactions	1,617,104	-	-	-	1,617,104
At 31 December 2019	9,545,478	1,526,910	52,055	(9,439,713)	1,684,730

The accompanying notes form part of these financial statements.

DIGITAL WINE VENTURES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



Notes	31-Dec-19	31-Dec-18
	\$	\$
Cash flows used in operating activities		
Receipts from customers	15,403	85,353
Payments to suppliers and employees	(819,266)	(781,974)
Interest received	389	710
Net cash flows used in operating activities	(803,474)	(695,911)
Cash flows used in investing activities		
Purchase of plant and equipment	(544)	(1,996)
Purchase of intangible assets	(56,648)	-
Net cash flows used in investing activities	(57,192)	(1,996)
Cash flows from financing activities		
Proceeds from issue of securities and securities subscriptions, net of costs	1,563,753	492,930
Net cash flows from financing activities	1,563,753	492,930
Net increase in cash and cash equivalents	703,087	(204,977)
Cash and cash equivalents at the beginning of the period	889,285	1,019,115
Cash and cash equivalents at the end of the period	1,592,372	814,138

The accompanying notes form part of these financial statements.

1. REPORTING ENTITY

Digital Wine Ventures Limited (referred to hereafter as 'Digital Wine' or the 'Company') is a Company domiciled in Australia. The consolidated financial statements of the Company as at and for the period ended 31 December 2019 comprise the Company and its controlled entities ('Consolidated Entity' or 'Group'). The Group is primarily involved in wine distribution, focussing on the rapidly expanding Asian wine market.

The address of the Company's registered office is Suite 8H, 325 Pitt Street, Sydney NSW 2000.

2. BASIS OF PREPARATION

This half year financial report is intended to provide users with an update on the latest annual financial statements of Digital Wine Ventures Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the half-year.

The consolidated financial statements were authorised for issue by the Board of Directors on 25 February 2020.

(a) Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of Measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

(c) Estimates

When preparing the half year financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the half year financial statements, including the key sources of estimation uncertainty were the same as those applied in the Consolidated Entity's last annual financial statements for the year ended 30 June 2019.

(d) Going Concern

The half year financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and the Group's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the half year financial report, the Group recorded an operating loss for the period ended 31 December 2019 of \$823,820 (31 December 2018: \$837,557) and a cash outflow from operating activities of \$803,474 for the period ended 31 December 2019 (31 December 2018: \$695,911) and at reporting date, had a working capital surplus of \$1,287,453 (30 June 2019: \$554,180).

The ability of the Group to continue as a going concern is principally dependent upon the following:

- the commencement of profitable operations by the Wine Depot platform;
- securing funds by raising capital from equity markets; and
- managing cashflow in line with available funds.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. In the event the above matters are not achieved, the Group will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecast and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this report have been set out below.

(a) Accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The accounting policies are consistent with the most recent annual financial statements, except for the below addition:

Revenue

The Group recognises revenue from two major sources:

- Wine storage
- Wine distribution

Wine storage:

Revenue for wine storage services are recognised over the period of time that the service is provided.

Wine distribution:

Revenue for wine distribution is recognised at the point of time that wine is picked from storage by the distributor.

(b) Accounting Standards that are mandatorily effective for the current reporting period

In the half-year ended 31 December 2019, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and as a result of adopting the following Standard:

- AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

a. Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

–

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

b. Initial Application of AASB 16: Leases

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated.

Based on the assessment by the Group, it was determined there was no impact on the Group as it has a low value lease. As such, the Group has not recognised a lease liability and right-of-use asset for this lease.

There has been no significant change from prior year treatment for leases where the Group is a lessor.

Lease liabilities are measured at the present value of the remaining lease payments, where applicable. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors.

The Group operates only in one reportable segment being predominately 'wine distribution'. The Board considers its business operations in wine distribution to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

5. EXPENSES

	31-Dec-19	31-Dec-18
	\$	\$
Administration, consulting and other expenses		
Accounting and company secretary fees	132,630	99,908
ASX / ASIC fees	29,054	24,110
Audit fees	11,303	10,249
Corporate consulting fees	113,786	237,407
Sign-on bonus	-	100,000
Legal fees	39,680	20,311
Rent	21,654	-
Share registry	24,972	7,830
Other expenses	90,493	46,359
Total Administration, consulting and other expenses	463,572	546,174

6. TRADE AND OTHER RECEIVABLES

	31-Dec-19	30-Jun-19
	\$	\$
Trade receivables	95,658	-
GST / VAT recoverable	53,401	24,901
Prepayments	41,323	14,159
Other receivables	-	14,168
Deposit for warehouse	2,310	-
	192,692	53,228

7. TRADE AND OTHER PAYABLES

	31-Dec-19	30-Jun-19
	\$	\$
Trade and other payables	241,396	124,433
Accruals	42,305	59,508
Other payables	230,256	204,391
	513,957	388,332

DIGITAL WINE VENTURES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



8. ISSUED CAPITAL

	31-Dec-19		30-Jun-19	
	\$	No.	\$	No.
(a) Fully paid ordinary shares	9,545,478	1,158,074,574	7,928,374	884,923,430

(b) Movement in ordinary shares	\$	No.	Issue price
Balance at 30 June 2019	7,928,374	884,923,430	
Shares issued on 19 July 2019	53,350	8,891,667	0.006
Shares issued on 8 November 2019	827,740	127,344,683	0.0065
Shares issued on 18 December 2019	341,867	56,977,814	0.006
Shares issued on 18 December 2019	175,000	26,923,077	0.0065
Shares issued on 23 December 2019	318,083	53,013,903	0.006
Capital raising costs	(98,937)	-	-
Balance at 31 December 2019	9,545,478	1,158,074,574	

9. RESERVES

	31-Dec-19		30-Jun-19	
	\$	No.	\$	No.
Options reserve*	1,526,910	287,788,339	1,526,910	237,000,000
Foreign currency translation reserve	52,055	-	60,727	-
	1,578,965	287,788,339	1,587,637	237,000,000

	31-Dec-19	30-Jun-19
	\$	\$
<u>Movement reconciliation</u>		
Options reserve		
Opening Balance	1,526,910	1,491,755
Issue of options	-	35,155
Closing Balance	1,526,910	1,526,910
Foreign currency translation reserve		
Opening Balance	60,727	30,507
Effect of translation of foreign currency operations to group presentation	(8,672)	30,220
Closing Balance	52,055	60,727

* During the period ended 31 December 2019, the Company issued 50,788,339 quoted options exercisable at \$0.015 each on or before 31 December 2022 that were freely attaching as part of placements during the period.

10. COMMITMENTS

There have been no material changes in commitments since the last annual reporting date.

11. CONTINGENT ASSETS AND LIABILITIES

There have been no material changes in contingent assets or contingent liabilities since the last annual reporting date.

12. DIVIDENDS

There were no dividends paid or declared during the half year ended 31 December 2019.

13. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen, since the end of the year, which significantly affected, or may significantly affect, the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in subsequent financial years.

DIGITAL WINE VENTURES LIMITED
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

The Directors of the company declare that:

- 1) The financial statements, comprising the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the period ended on that date.
- 2) In the Directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 3) The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Dean Taylor
Director

Sydney, New South Wales
Dated: 25 February 2020

Independent Auditor's Report

To the Members of Digital Wine Ventures Limited

Report on the Audit of the Financial Report

Opinion

We have reviewed the financial report of Digital Wine Ventures Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity’s financial position as at 31 December 2019 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Independent Auditor's Report

To the Members of Digital Wine Ventures Limited (*Continued*)



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Digital Wine Ventures Limited and its subsidiaries is not in accordance with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the 6 months ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

We draw attention to Note 2(d) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$823,820 during the half year ended 31 December 2019. As stated in Note 2(d), these events or conditions, along with other matters as set forth in Note 2(d), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 25th day of February 2020