

3 June 2020

ASX Announcement

WINEDEPOT launches National Distribution Centre to cater for growth expected from B2B Marketplace.

HIGHLIGHTS:

- **WINEDEPOT** to establish a National Distribution Centre in the Albury-Wodonga region
- **WINEDEPOT** partners with Borders Express to develop a dedicated national freight service
- **WINEDEPOT** increases storage capacity to cater for growth expected from B2B marketplace
- **WINEDEPOT** NDC to reduce operating costs and depot replenishment times

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

WINEDEPOT to launch National Distribution Centre

The Company is pleased to report that **WINEDEPOT** is in the process of launching a 10,000 pallet climate-controlled National Distribution Centre (NDC) in the Albury-Wodonga region.

Strategically located on the border of New South Wales and Victoria, **WINEDEPOT**’s NDC is centrally located within a large number of major wine producing regions including the Alpine Valleys, Beechworth, Bendigo, Canberra District, Goulburn Valley, Glenrowan, Gundagai, Hilltops, King Valley, Murray Darling, Perricoota, Riverina, Rutherglen, Strathbogie Ranges, Swan Hill and Tumbarumba.

Located almost half way between Sydney and Melbourne on one of the countries busiest freight routes, the NDC will provide wineries in the area access to a much-needed regional storage and distribution hub capable of supporting next day deliveries to the east coast capitals. With good road and rail access to both Sydney and Melbourne ports, it also provides a central location where wine producers can consolidate, pack and ship their export customer orders.

The NDC is also expected to generate substantial efficiencies for **WINEDEPOT** by reducing storage and freight costs while improving depot replenishment times.

Digital Wines CEO Dean Taylor explains that the establishment of a major distribution centre in the Albury-Wodonga region was always part of his original vision for **WINEDEPOT**.

“Strategically it makes a lot of sense. Not only will it make **WINEDEPOT**’s end-to-end fulfillment solution more appealing to NSW and Victorian customers and reduce operating costs but also provide us with an important resource to support our B2B Marketplace when it goes live later this year.”

“This facility provides us with an extra 10,000 pallet spaces of climate-controlled storage that can be increased to 25,000 pallets if required. Having this additional storage capacity will help us onboard customers and products much more quickly, particularly distributors with large portfolios.”



“The additional capacity also provides us the opportunity to increase our presence in the bulk packaged wine storage market, at a time when Wine Australia is warning that the global over supply of wine will be its highest in at least 10 years.”

WINEDEPOT partners with Borders Express to establish NDC and develop a dedicated national freight service for wineries

The Company is pleased to announce that it has partnered with **Borders Express** a privately owned Australian company that provides storage, transport and 3PL distribution services, to establish the Albury-Wodonga NDC and develop a dedicated national freight service for wineries.

Digital Wines CEO Dean Taylor is excited about the partnership saying “What attracted us to Borders Express from the outset was not just the scale and reach of their operation, but also the fact they are a privately owned and operated family business who understand what it takes to build and support a national business.”

“We were fortunate that the Luff family recognised the potential of our vision and were willing to invest in a partnership by providing us access to highly competitive prices which will allow us to build up the storage and logistics volumes required to support our NDC and depot network.”

“They have the fleet, sites, technology, people and passion that I believe is required to support the service level we want to provide our customers. Our partnership with them enhances our proposition and allows us to release even more value for our customers and the broader wine and beverage industry.”

Borders Express Founder Mr. Max Luff is also positive about the partnership and sees enormous potential for **WINEDEPOT**’s platform to drive much needed consolidation in what can only be described as a very fragmented and inefficient market.

“Dean’s vision for **WINEDEPOT** is genuinely exciting. The cost of moving a few pallets at a time around the country is expensive and highly erosive on most wineries margins. Working with him to help create a network that will make that much more affordable for the wine industry is something that we are proud to be part of.”

The material terms of the agreements are summarized below:

- Borders will provide **WINEDEPOT** with storage, logistics, freight and 3PL services to support the NDC and dedicated national freight service.
- **WINEDEPOT** and Borders have agreed a schedule of fees for these services.
- The services are supplied on an as required basis and there are no minimum use or volume requirements applicable to **WINEDEPOT**.
- The Agreement is for an initial term of 2 years with options to extend it further in the future.

WINEDEPOT’s expects to launch the NDC and dedicated national freight service in July.

END

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

WINEDEPOT overview

WINEDEPOT is a cloud-based platform that uses technology to connect wine industry; unlocking the value, time and resources trapped the existing supply chain. It consists of three key components:

- **B2B Marketplace**
- **Order Management System**
- **Smart Logistics Solution**

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

Key benefits for suppliers include:

- Reduced operating and freight costs
- Reduced shipping times;
- Reduced administration and resources;
- Increased margins, customer reach and incremental sales.

WINEDEPOT launched the Smart Logistics Solution and Order Manager System in November 2019, and expects the B2B Marketplace to go live later this year. The business plans to solidify its presence in Australia before expanding the platform into other key wine markets such as China, USA, UK, Canada, Hong Kong, Singapore and New Zealand.

Digital Wines overview

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

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Dean Taylor, Chief Executive Officer

Digital Wine Ventures Limited

P: (02) 8002 1991

E: dean.taylor@digitalwine.ventures