

26 June 2020

Sandra Wutete
Senior Adviser, Listings Compliance (Perth)
ASX Limited
Level 40, Central Park
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Sent by email: ListingsCompliancePerth@asx.com.au

Dear Sandra

RESPONSE TO ASX AWARE QUERY LETTER

We refer to your letter (**ASX Letter**) dated 24 June 2020 to Digital Wine Ventures Limited (**DW8** or the **Company**).

Unless specifically defined otherwise below, capitalised terms used in this letter have the same meaning as given in the ASX Letter.

The Company responds to each of your queries as follows:

1. **Does DW8 consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes

2. **When did DW8 first become aware of the Information?**

The "Information", as defined in the ASX Letter, is that Henschke, one of Australia's most iconic wine brands, had joined the brands using WINEDEPOT's integrated logistics, trading and order management platform.

Henschke signed up to terms for the use of the WINEDEPOT platform on 12 June 2020 (**Sign-Up**). Henschke confirmed its intention to join the brands using WINEDEPOT at approximately 4.05pm AEST on 22 June 2020.

3. **If the answer to question 1 is "yes" and DW8 first became aware of the Information before the relevant date, did DW8 make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe DW8 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DW8 took to ensure that the information was released promptly and without delay.**

As described above, the "Information", as defined in the ASX Letter, is that Henschke had joined the

brands using WINEDEPOT's integrated logistics, trading and order management platform.

Although Henschke agreed terms for the use of the WINEDEPOT platform by the Sign-Up, Henschke had not determined that it actually intended on using WINEDEPOT platform at that time. Henschke had stated that it wished to complete the on-boarding process with WINEDEPOT prior to making this determination.

The material terms of the Sign-Up are as follows:

- Henschke has accepted the terms and conditions of WINEDEPOT's Logistics Services Agreement as are published on the website at <https://beta.winedepot.com/register>.
- The minimum term of each agreement is 3 months and is automatically renewed on a rolling 3-month period unless terminated by either party on 3 months' notice in writing.
- Each commercial agreement is subject to an agreed Rate Card that outlines the fees and charges payable for each of the services provided. A copy of WINEDEPOT's standard Rate Card is available via the website at <https://winedepot.com/rate-card/>
- The Rate Card is typically republished once per year.
- As with all customers, a minimum of 3 months' notice will be provided to Henschke before any increases or decreases to the Rates become active.

WINEDEPOT provides services to its customers, including Henschke, on an 'as required' basis and there are no minimum agreed fees or expected volumes. It is therefore possible that no material revenue materialises from the Henschke agreement.

Accordingly, the Company did not announce the Sign-Up on 12 June 2020 because at that time there was material uncertainty as to whether Henschke would actually use the WINEDEPOT platform and it was considered a matter that was too insufficiently definite as to warrant disclosure at that time.

The on-boarding process with Henschke commenced on 22 June 2020 and progressed well.

At approximately 2.40pm AEST on 22 June 2020, the Company's Chief Executive Officer, Dean Taylor, became aware that the Company's Customer Success Manager had inadvertently issued a blog post at 9.30am AEST disclosing that Henschke had joined the brands using WINEDEPOT. Mr Taylor immediately directed that the blog post be removed, which occurred at 2.45pm AEST.

Mr Taylor then contacted the Company's Customer Success Manager again to try and gather the details surrounding the blog post, such as when it was published.

At 3:10pm AEST Mr Taylor promptly contacted the Company Secretary, Arron Canica, to discuss the Company's continuous disclosure obligations. It was observed that there had been a material increase in the Company's share price and volume traded. A Board call was immediately convened for 3.30pm AEST on 22 June 2020 to discuss any known reasons for the recent trading, other than the inadvertent disclosure. There was difficulty contacting one of the board members who was unable to join the meeting until 3.41pm AEST. The Board meeting concluded shortly after 4pm AEST. It was resolved at this Board meeting that the only known explanation for the trading was the inadvertent disclosure regarding Henschke and that given the trading, an announcement must be prepared for release providing an update.

Mr Taylor subsequently contacted Henschke at 4.03pm AEST to obtain clarity as to Henschke's intentions for using the WINEDEPOT platform. Mr Taylor received confirmation that Henschke has reviewed the WINEDEPOT platform further as part of the onboarding process that day and now determined it does intend on using the platform. The Company cautions however that there can be no certainty of the extent of Henschke's use of the WINEDEPOT platform.

As a result of Henschke's determination, it was considered that the matter was sufficiently material and definite to warrant disclosure.

The Company finalised the announcement for release, which was lodged prior to the commencement of trading on 23 June 2020.

In response to the inadvertent disclosure on the blog the Company has updated its approval procedures to ensure this does not occur in the future.

4. Please confirm that DW8 is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that DW8's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DW8 with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours sincerely

Arron Canicais
Company Secretary
For and on behalf of the Board of Directors of Digital Wine Ventures Limited



24 June 2020

Reference: 19814

Mr Arron Canicaïs
Company Secretary
Digital Wine Ventures Limited

By email

Dear Mr Canicaïs

Digital Wine Ventures Limited ('DW8'): Aware Query

ASX refers to the following:

- A. DW8's announcement entitled "Company Update" lodged on the ASX Market Announcements Platform on 23 June 2020 (the 'Announcement'), disclosing, among other things, that Henschke, one of Australia's most iconic wine brands, had joined the brands using WINEDEPOT's integrated logistics, trading and order management platform ('Information').
- B. The change in price in DW8's securities from a closing price of \$0.01 on 18 June 2020 to a closing price of \$0.016 on 22 June 2020, followed by a further change in price to an intra-day high of \$0.024 on 23 June 2020. There was also a significant increase in the volume of DW8's securities traded from 19 June 2020 to 23 June 2020.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied:
"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:
3.1A.1 One or more of the following applies:
 - *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and**3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks DW8 to respond separately to each of the following questions and requests for information:

1. Does DW8 consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did DW8 first become aware of the Information?
4. If the answer to question 1 is “yes” and DW8 first became aware of the Information before the relevant date, did DW8 make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe DW8 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DW8 took to ensure that the information was released promptly and without delay.
5. Please confirm that DW8 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that DW8’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DW8 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM (AWST) Friday, 26 June 2020**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DW8’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require DW8 to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DW8's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that DW8's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in DW8's securities under Listing Rule 17.3.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sandra Wutete
Senior Adviser, Listings Compliance (Perth)