

14 July 2020

ASX Announcement

COMPANY UPDATE

HIGHLIGHTS:

- **WINEDEPOT** ships a record number of cases in June, up 40% on May's previous record
- **WINEDEPOT** experiences 93% growth rate in quarterly order volumes
- **WINEDEPOT** expects Direct-to-Trade Marketplace to accelerate customer growth rates

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

WINEDEPOT ships record number of cases in June, up 40% on previous record

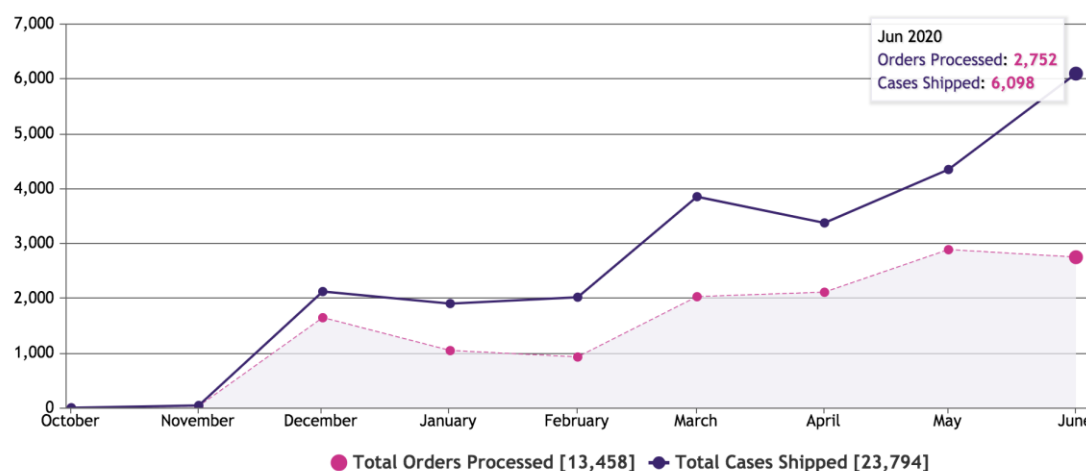
The Company is pleased to advise that **WINEDEPOT** processed 2,752 orders in June, bringing the total number of orders processed in Q2 to 7,754 up 93% on the previous quarter.

While the quarterly growth was slightly less than the 100% indicated in the ASX update released on 9 June 2020, the shortfall was mainly due to a timing difference caused by a stocktake completed across our depot network in the last few days of June.

However, the small shortfall in order numbers was offset by a higher than expected average number of cases per order, which brought the total number of cases shipped in June to a new record high of 6,098, 40% higher than May's previous record.

Digital Wines CEO Dean Taylor is very pleased with how the business is progressing.

Monthly Orders Shipped



The record number of cases shipped also helped to drive the total number of cases processed (which includes stock movements in and out of the depots) in June to a new record high of 11,325, up 35% on May's result as the business on boarded a large number of new customers.

WINEDEPOT expects Direct-to-Trade Marketplace to accelerate customer growth rates

“With over 6 months trading under our belt now, we have had the chance to iron out the bugs, refine our systems and processes and build up enough data to see how well each part of our business is performing.”

“The trend lines across all key metrics are very encouraging and confirm that our technology and logistics platform is handling the compounding growth in both customers and orders extremely well. I feel that we are now in a good position to start ramping up our customer acquisition program in preparation for the launch of our Direct-to-Trade Marketplace later this year.”

“It’s also important to remember that currently all of our growth is coming from customers using our Smart Logistics Solution. While there appears to be plenty of latent demand for this proposition, the launch of the Direct-to-Trade Marketplace introduces a dimension to our platform that will appeal to a much broader audience.

“COVID-19 has had a massive impact on the Australia wine industry, shutting down export and on-premise markets and in many parts of the country destroying wine tourism. This coupled with one of the smallest national vintages in over a decade, means that wine producers need to find ways to maximise their profitability on every single sale”.

“Up until now Direct-to-Consumer sales channels have been the only way for producers to achieve this. However when our Marketplace goes live later this year, for the first time ever they will have access to a Direct-to-Trade solution that offers similar benefits.”

“Up until now nothing like the Direct-to-Trade Marketplace we are taking to market has existed. It’s therefore no wonder that many of the hundreds of registrations received to date have expressed their interest in using it. I’m really very excited about providing brand owners and producers access to a platform that has the potential to hundreds of millions a year by avoiding the 35% margin lost to traditional distribution.”

END

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

WINEDEPOT overview

WINEDEPOT is a cloud-based SaaS technology platform that empowers direct-to-market sales. It provides users value by removing layers of inefficiency in the supply chain.

The platform consists of three key components:

- **Direct-to-Trade Marketplace** (to be launched later this year)
- **Order Management System**
- **Smart Logistics Solution**

Key benefits for users include:

SUPPLIERS

Increased Customer Reach
Improved Profit Margins
Quicker & Guaranteed Payments
Reduced Costs and Admin
Reduced Shipping Times
Incremental Sales

TRADE BUYERS

Single Account Application
Streamlined Ordering
Broad Product Range
Single Invoice & Delivery
Flexible Payment Options
Early Payment Discounts

Revenue is generated from:

- **Trading Fees** (% of the overall transaction)
- **Fulfillment Fees** (storage, picking, packing, handling & freight)
- **Subscription Fees** (platform access fees based on number of users and products)

WINEDEPOT 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 Wine Ventures 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.

Digital Wine Ventures has recently launched a blog to keep investors abreast of the latest developments and promote discounts and special offers available to investors. For more details visit www.digitalwine.ventures/blog

To view our most recent media coverage please visit:

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

For more information please visit www.digitalwine.ventures and www.winedepot.com or contact:

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