

7 September 2020

ASX Announcement

WINEDEPOT Direct-to-Trade Marketplace to offer users access to Credit as a Service

HIGHLIGHTS:

- **WINEDEPOT** to offer Credit as a Service to Direct-to-Trade Marketplace users
- **WINEDEPOT** expects guaranteed and accelerated payment terms to attract suppliers
- **WINEDEPOT** expects single account, single invoice, single delivery & single payment to appeal to trade buyers
- **WINEDEPOT** Credit as a Service adds another revenue stream to the business model

Digital Wine Ventures (DW8 ASX), or the “**Company**”, is pleased to report that it has entered into a proposal to partner with Multi Service Pty Limited (“**Multi Service**”), a global B2B payment solutions provider, to offer Credit as a Service (CaaS) to users of **WINEDEPOT**’s Direct-to-Trade Marketplace when it is launched later this year.

Similar to Afterpay and other point-of-purchase credit solutions, it is intended that **WINEDEPOT**’s credit solution will be outsourced to our payment solutions partner, who will take responsibility for managing the invoicing, collection and fraud detection processes. Importantly the payment solutions partner will also assume the risk and recourse while guaranteeing payment.

Digital Wines CEO, Dean Taylor is confident that the provision of CaaS will have significant appeal to both suppliers and trade buyers, whose cash flows have been under intense pressure due to the government restrictions related to COVID-19 which forced the majority of restaurants and hospitality venues to close over the last few months.

“For as long as I can remember, the hospitality industry has relied heavily on overly generous terms provided to them by wine and alcohol suppliers. It is not uncommon for suppliers to wait up to 120 or 180 days to be paid in full. There is no doubt that COVID-19 has made the situation worse.”

“To help the industry get back on its feet, we intend to offer suppliers using our Direct-to-Trade Marketplace the ability to receive cleared funds within 48-72 hours of each sale. Stacked on top of all the other benefits our platform will offer, I have no doubt that suppliers will find this optional service this very attractive.”

Mr Taylor is also confident that the addition of Credit as a Service will also appeal to trade buyers who will no longer need to open and manage accounts with dozens of different suppliers on different trading terms. Instead they will be able to purchase everything they need through a single account on a single invoice, that is received in a single delivery and settled with single payment 30 days from the end of each month.

“What attracted us to Multi Service to provide the Credit as a Service product is their deep domain experience and investment in cutting-edge technology that allows their payment system to be integrated directly into our own platform. This allows us to make the customer credit approval process as frictionless as possible, with credit lines of up to AUD \$250,000 approved in less than 30 seconds.”

“The proposed introduction of the Credit as a Service product will also provide **WINEDEPOT** with an additional revenue stream, while at the same time reducing administration costs. It makes our whole proposition very attractive to both suppliers and trade buyers.”

“Given all of the challenges that Australian wineries have been through over the last six months, I expect wine producers in particular will find the ability to accelerate their cash cycle flow and reduce their account administration, collection and recovery costs for a small fee very attractive. I believe that the addition of this service will help to accelerate our penetration into Australia’s existing \$5.3billion ¹ wholesale liquor market.”

The Company cautions that the proposal with Multi Service is subject to and conditional on the execution of a definitive binding Services Agreement. The additional material terms of the proposal are noted below:

- **Term:** Two years from the launch of the service, with the term to automatically extend for a further one year unless either party seeks to terminate earlier. Either party may terminate for a material unremedied breach, and the Company has additional termination rights to terminate for convenience.
- **Fees:** A one-off implementation fee and minimum monthly fees are to apply for the term of the Services Agreement. The fees are considered market-standard and are not considered material.

END

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

¹ IBISWORLD Liquor Wholesaling in Australia Industry April 2018

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
Single Streamlined Order
Single Invoice & Single Delivery
Flexible Payment & Credit Options
Broad Product Range
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 shared 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:

Dean Taylor, Chief Executive Officer
Digital Wine Ventures Limited
P: (02) 8002 1991

E: dean.taylor@digitalwine.ventures