

16 September 2020

ASX Announcement

WINEDEPOT sets an industry benchmark as it rolls out National Network of Temperature-Controlled Depots

HIGHLIGHTS:

- **WINEDEPOT** plans to roll out National Network of Climate-Controlled Depots
- **WINEDEPOT** expands delivery fleet, to improve service levels & cater for expected growth
- **WINEDEPOT** to offer bonded storage, expanding its addressable market
- **WINEDEPOT** builds 'moat' against potential competition

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

WINEDEPOT to roll out National Network of Temperature-Controlled Depots

The Company is pleased to report that **WINEDEPOT** has expanded its partnership with Border Express to roll out a National Network of Temperature-Controlled Depots progressively in Brisbane, Sydney, Melbourne, Adelaide and Perth over the next 6 months.

Digital Wines CEO Dean Taylor, founder of **Wine Ark**, Australia's largest climate-controlled wine storage business for private collectors, is excited to get back into the sector albeit at a commercial scale this time.

"When I launched Wine Ark in 1999, very few people realised the devastating impact that high and variable temperatures could have on wine. Almost singlehandedly we managed to educate private collectors as to how wine should be stored and set the benchmarks for that industry. However there's no point for the end consumer going to all that effort, if the wine is damaged in the supply chain before it gets to them."

"What is scary is that very few distributors or 3PL providers utilise any temperature control in their warehouses. Temperatures in ambient warehouses can often reach over 40 degrees in summer at ground level and well over 50 degrees at higher levels. While most winery owners would hate to know that's how their wine are been treated, up until now there hasn't really been any other option."

"It is therefore my honour and privilege to set another benchmark for the industry by progressively rolling out a National Network of Temperature-Controlled Depots for the wine and beverage industry. I am confident that our move will be greatly appreciated by not only wine producers using our service but also consumers alike, when they receive a delivery from **WINEDEPOT**."



Digital Wines CEO Dean Taylor is excited about how **WINEDEPOT**'s partnership with Border Express is evolving.

"We are very fortunate to have the ongoing support of Luff family who own and operate the Border Express business. Their confidence in our vision and willingness to continue to invest in the partnership is both exciting and encouraging given their 30 years of experience building the largest Australian owned express freight company. I look forward to not only rolling out the new depot network but looking for other ways in which we grow our businesses together."

Border Express Founder Mr. Max Luff is also very encouraged by the deepening partnership between the businesses.

"I believe much of Border Express' success comes from our strong family values. We never lose sight of the fundamentals of customer care and continually strive to deliver an exceptional service level for our customers. As the third generation of our family moves into the business, we've never been more focused on embracing innovation and setting benchmarks within our industry. We understand that this takes time, effort and patience."

"Dean's vision for **WINEDEPOT** and the ethos that supports it aligns with our core values. To help him roll out a solution like this that not only makes the wine supply chain more efficient, but also delivers more dollars back into regional areas, is an honour and privilege."

WINEDEPOT expands delivery fleet to cater for expected growth

According to **WINEDEPOT** COO, Steven Alexander, who is overseeing the roll out of the new depot network, believes the move will provide a range of other benefits for **WINEDEPOT** and its customers.

"The first of these is that it allows us to expand our network of final mile carriers. Up until now we have relied exclusively on Australia Post to complete both our trade and consumer deliveries. While we plan to continue using Australia Post for direct-to-consumer orders, we will engage with a selection of other carriers for our direct-to-trade orders which tend to be larger, more time sensitive and often have very specific delivery requirements."

"Having access to more than one carrier allows us to maintain service levels when the network is congested more effectively. It also allows us to scale our platform more rapidly and de-risks our operation considerably. Introducing competition across the fleet also allows us to put pressure on improving service levels and costs."

"Secondly we will be able to increase the number of sites where we offer bonded storage. This has massive cash flow advantages for our customers who's range includes beer and spirits as it allows them to delay the excise and duties payable, which should in turn increase our addressable market."

"Thirdly is that by being based within Border Express' existing freight network allows us to not only replenish our east coast depots overnight but also to cross-dock orders picked and packed at our National Distribution Centre (NDC) overnight too. This may not sound like much but it allows customers using our NDC the ability to send us picking orders into the evening with guaranteed next day delivery service to all of the east coast capitals. Being able to service the entire east coast market from one inventory instance will make our National Distribution Centre a very attractive option for many producers."

“Lastly but by now the least, the strategy to temperature-control our depots reinforces our customer proposition, reduces our cost of doing business and help us to build an even larger moat against potential competition.”

The material terms of the agreements are summarized below:

- Border Express will provide **WINEDEPOT** with storage, logistics, freight and 3PL services to support the new depot network.
- **WINEDEPOT** and Border Express 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 expects to have its National Network of Temperature-Controlled Depots fully operational within 6 months, with Sydney, Melbourne and Brisbane expected to be up and running by the end of this year ready for summer..”

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
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/>

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