

8 November 2021

ASX Announcement

Q1 FY22 Trading Update

Digital Wine Ventures (DW8 ASX), or the “**Company**”, is pleased to advise investors that it will be hosting a webinar on Wednesday 10 November 2021 at 2pm AEDT / 11am AWST to provide investors with a quarterly Trading Update.

We welcome you to join the webinar with CEO Dean Taylor of Digital Wine Ventures, who will run through the recently released Q1 FY2022 results and provide some guidance on the Company’s outlook for the remainder of the financial year.

To participate in the webinar, shareholders and investors will need to register via the link below

https://us02web.zoom.us/webinar/register/WN_Gf4T8tY6SwW47TLfxL2qfQ

A copy of the Q1 FY2022 Trading Update that will be discussed in the presentation is attached.

A recorded copy of the webinar will be available following the event via the company blog at www.digitalwine.ventures

END

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

WINEDEPOT (winedepot.com)

is a tech enabled logistics platform designed to streamline wine & beverage distribution. It consists of five key components:

- **MARKET** – direct-to-trade marketplace
- **DIRECT** – direct-to-consumer sales manager
- **CONNECT** – order, inventory & technology integration manager
- **LIQUIDITY** – payment management solution
- **LOGISTICS** – fulfillment solution

Revenue is generated via:

- **Trading Fees** (% of the wholesale transaction value)
- **Sales Commissions** (% of the retail transactions generated)
- **Connect Platform Fees** (monthly subscriptions, listing and integration fees)
- **Liquidity Fees** (% of the transaction value funded)
- **Logistics Fees** (storage, picking, packing, handling & freight)

WINEDEPOT plans to solidify its presence in Australasia before expanding the platform into other key markets such as the USA, UK, Europe, Canada, Hong Kong and Singapore.

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 or digitally transform segments within the global beverage market.

To keep abreast of DW8's latest developments please visit www.digitalwine.ventures/blog

To view recent media coverage please visit:

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

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Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Digital Wine Ventures Limited's planned operations and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Digital Wine Ventures Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.



Q1 FY22

Trading Update

November 2021

Digital Wine Ventures Limited (ASX: DW8)



Disclaimer

This presentation has been prepared by Digital Wine Ventures Limited (ACN 086 435 136) (Digital Wine or the Company). The information contained in this presentation is current at the date of this presentation. The information is a summary overview of the current activities of the Company and does not purport to be all inclusive or to contain all the information that a prospective investor may require in evaluating a possible investment. This presentation is for general information purposes and is not intended to be and does not constitute a prospectus, product disclosure statement, pathfinder document or other disclosure document for the purposes of the Corporations Act 2001 (Cth) (Corporations Act) and has not been, and is not required to be lodged with the Australian Securities & Investments Commission. It is to be read in conjunction with the Company's disclosures lodged with the Australian Securities Exchange, including the Company's financial statements and previously lodged Prospectus. The material contained in this presentation is not, and should not be considered as, financial product or investment advice. This presentation is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor which need to be considered, with or without professional advice, when deciding whether or not an investment is appropriate. This presentation contains information as to past performance of the Company. Such information is given for illustrative purposes only and is not — and should not be relied upon as — an indication of future performance of the Company. The historical information in this presentation is, or is based upon, information contained in previous announcements made by the Company to the market.

Forward Looking Statements

This document contains certain “forward-looking statements”, including statements identified by use of words such as ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘predicts’, ‘intends’, ‘targets’, ‘plans’, ‘goals’, ‘outlook’, ‘aims’, ‘may’, ‘will’, ‘would’, ‘could’ or ‘should’ and other similar words that involve risks and uncertainties. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Digital Wine, which may cause actual results to differ materially from those expressed or implied in such statements. Except as set out above, the Company and the Directors cannot and do not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Presentation, except where required by law. These statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These key risk factors are set out in Section 3 of the Company's Prospectus dated 23 October 2018. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this Presentation. This Presentation, uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information, however considers it has a reasonable basis for its inclusion in this Presentation. Estimates involve risks and uncertainties and are subject to change based on various factors.

Our mandate:

Digital Wine Ventures (ASX:DW8) aims to invest in early-stage technology-driven ventures that have the potential to disrupt and digitally transform the global wine and beverage market.

Our vision

To provide the technology that empowers and digitally transforms the entire wine and beverage industry.

Let drinks flow

Our purpose

To streamline wine & beverage distribution.

To connect buyers with sellers.

To simplify technology.

To deliver on expectations.

To share the value released.

Our brands



1. Subject to shareholder approval at the upcoming AGM

Our platform

01

MARKET (KADDY)

wholesale beverage marketplace



02

DIRECT

direct-to-consumer sales manager



03

LOGISTICS

fulfilment and delivery solution



04

CONNECT

order, inventory & technology integration manager



05

LIQUIDITY

payment management solution



Our value proposition

The value we deliver:



Connect

Buyers & sellers



Deliver

A smarter logistics solution



Simplify

Processes using technology



Share

The value released

We provide beverage producers, distributors & importers an integrated trading, logistics and payment management solution to help them service both trade and consumer markets.

01 | Quarterly highlights

OUR COMPANY HAS NEVER BEEN IN A STRONGER POSITION TO EXECUTE ON OUR VISION.

- **Record QoQ growth** - across all key metrics
- **Solid cash reserves** - bolstered by recent capital raising/s
- **Multiple proven revenue streams** - all highly scalable
- **Rapidly growing GMV** - with strong tailwinds in both trade and consumer segments
- **Profitable logistics business** - will help fund future cash requirements
- **Significantly larger TAM** - \$37¹ billion total addressable market in Australia alone
- **Excellent product market fit** - powering strong organic growth
- **High levels of industry engagement** - as both customers & investors
- **Experienced & talented team** - highly incentivised to deliver upon earn out targets

1. <https://www.statista.com/outlook/cmo/alcoholic-drinks/australia>

01 | Quarterly highlights



OUR COMPANY CONTINUED TO GENERATE RECORD GROWTH ACROSS ALL KEY METRICS IN Q1 FY22

REVENUE

\$3.04m (\$4.62m proforma)
Up **685%** on Q1 FY2021

↑ **195%**
QoQ

MARKETPLACE GMV

\$206,827
378 buyers acquired

↑ **89%**
QoQ

CASES SHIPPED

213,159 (314,260 proforma)
Up **851%** on Q1 FY2021

↑ **289%**
QoQ

ACTIVE SUPPLIERS

304 (723 total)
Up **964%** on Q1 FY2021

↑ **94%**
QoQ

AVERAGE NET PROMOTER SCORE (NPS)

82.3

NOTE: The proforma numbers shown provide an indication of what the result would have been if Parton's full quarter results are included for the quarter.

01 | Quarterly highlights

SUCCESSFUL LAUNCH OF:

WINEDEPOT MARKET

Sydney | Melbourne

WINEDEPOT DIRECT

vivino ebay amazon

WINEDEPOT ADELAIDE

New depot

CORPORATE ACHIEVEMENTS:

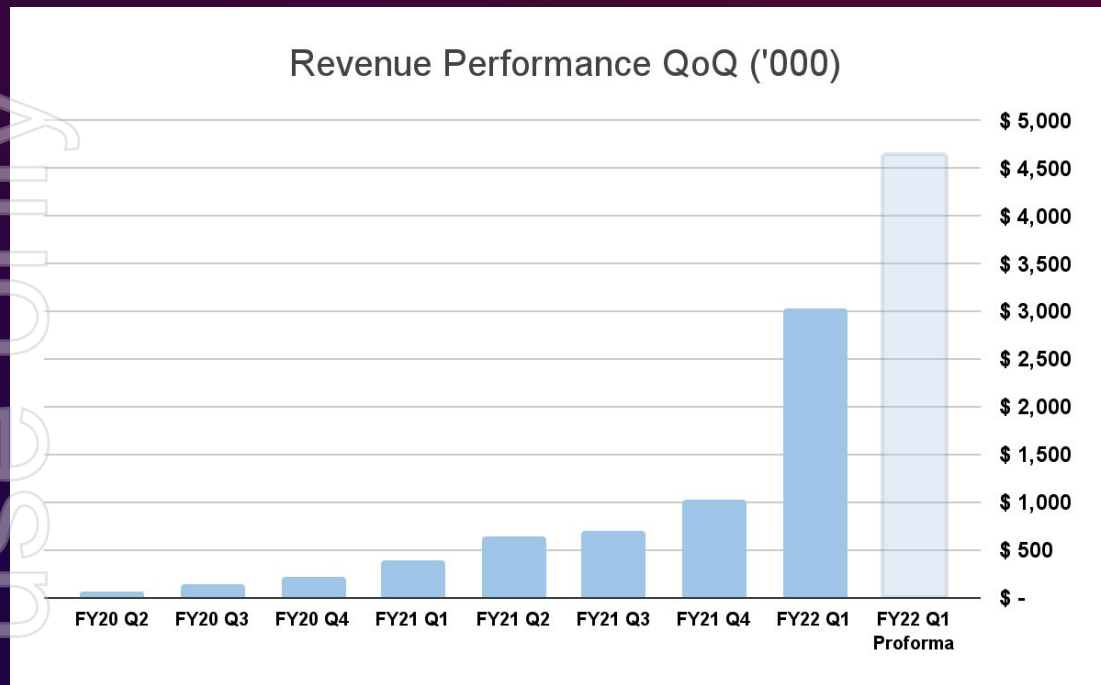
Parton Wine Distribution
acquisition successfully
completed

\$7.375m capital raised
via share placement

Kaddy acquisition terms
agreed & announced

02 | Key metrics - REVENUE

WE EXPERIENCED STRONG ORGANIC REVENUE GROWTH DURING FY2022 Q1, ACCELERATED BY THE PARTON ACQUISITION.



Revenue run rate

\$18.6m+

per annum

Based on proforma of FY2022 Q1 annualised

348%

QoQ revenue growth

Based on FY2022 Q1 proforma result

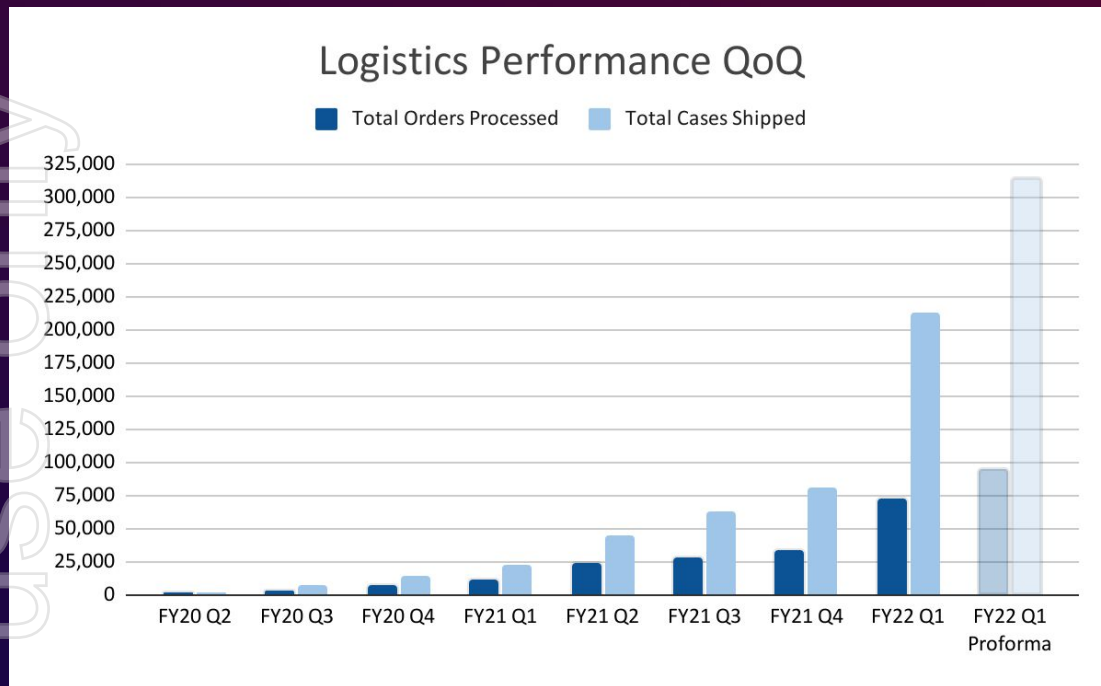
NOTE:

FY22 Q1 shows our actual results with Parton's numbers being included from the 9 August 2021 completion date.

FY22 Q1 Proforma shows what the result would have been if Parton's full quarter numbers are included.

02 | Key metrics - LOGISTICS

THE ACQUISITION OF PARTON DROVE A SIGNIFICANT LIFT IN ORDERS PROCESSED & CASES SHIPPED DURING THE QUARTER



Current run rate

1,250,000+

Cases shipped per year
Based on FY2022 Q1 Proforma annualisation

51,750+

Pallets shipped per year
Based on FY2022 Q1 Proforma annualisation

14,500+

Kegs shipped per year
Based on FY2022 Q1 Proforma annualisation

NOTE:

FY22 Q1 shows our actual results with Parton's numbers being included from the 9 August 2021 completion date.

FY22 Q1 Proforma includes Parton's numbers for the full quarter and provides a more accurate depiction of the company's underlying performance going forward.

02 | Key metrics - SUPPLIER ACQUISITION

SOME OF THE BRANDS WHO HAVE BECOME ACTIVE SUPPLIERS DURING THE LAST QUARTER EITHER ORGANICALLY OR THROUGH THE PARTON ACQUISITION:

 Briar Ridge Vineyard	 CALABRIA FAMILY WINES	 CRITTENDEN ESTATE TM HORNINGTON PENINSULA FAMILY WINEMAKERS	 TARRAWARRA ESTATE	 TAYLORS [®]
 DeBORTOLI FAMILY WINEMAKERS	 FRANKLAND ESTATE	 Huia	 TORBRECK BAROSSA VALLEY	 VOYAGER ESTATE MARGARET RIVER
 PHOENIX Beers	 SHAW + SMITH	 Skillogalee	 THORN-CLARKE — BAROSSA WINEMAKERS —	 WINDOWRIE
Phoenix Beers	Shaw & Smith	Skillogalee	Thorn Clarke Wines	Windowrie

New suppliers

Since 30 June 2021

304

New Active Suppliers

225 via Partons

New Active Suppliers from Parton acquisition

79 via organic

New Active Suppliers acquired organically

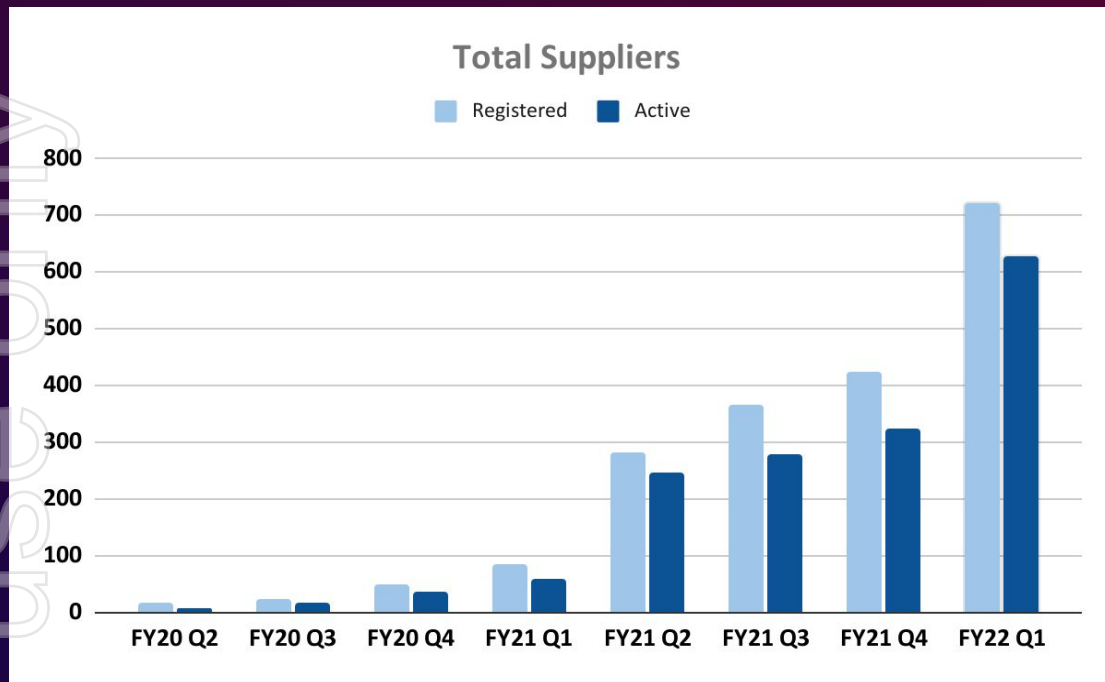
94%

Increase in Active Suppliers since 30 June 2021

02 | Key metrics - SUPPLIER ENGAGEMENT



THE COMBINATION OF ORGANIC GROWTH AND PARTON INCREASED OUR SUPPLIER COUNT BY 94% DURING FY2022 Q1.



Total suppliers

As of 30 September 2021

723

Registered Suppliers

628

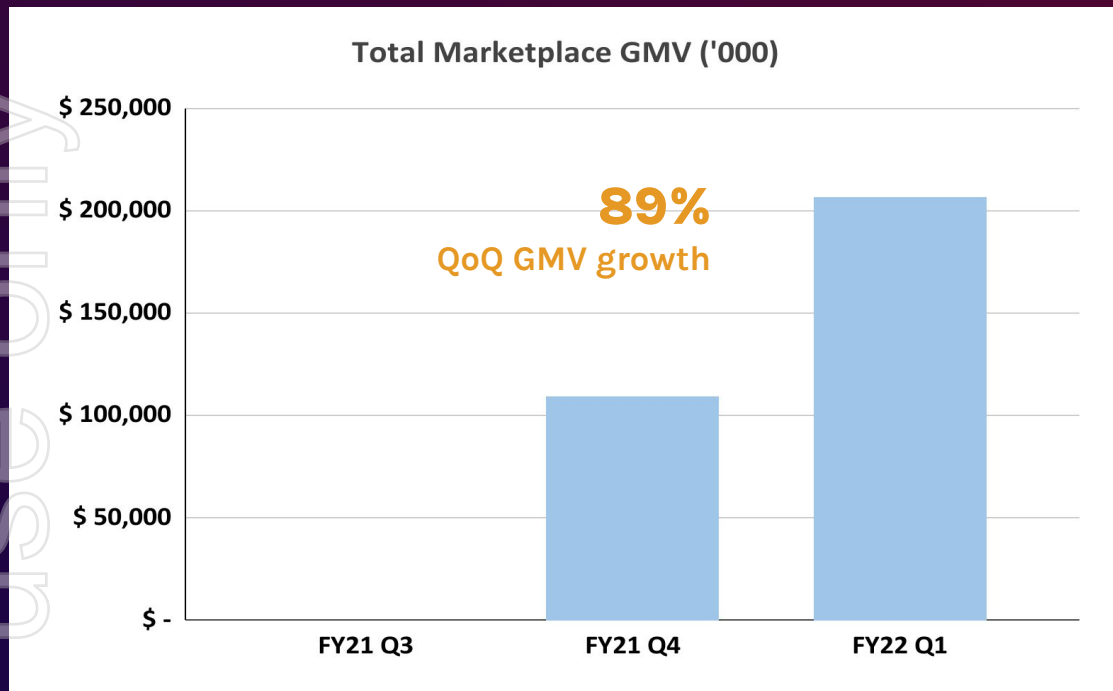
Active Suppliers

84%

% of Active Suppliers who used products and services during quarter

02 | Key metrics - GMV

LOCKDOWNS AROUND THE COUNTRY STALLED THE LAUNCH AND GROWTH OF OUR NEWEST PRODUCT WINEDEPOT MARKET.



Launch program

Delayed due to COVID-19 lockdowns

Sydney

Hard launched 16 June 2021

Lockdown 26 June to 11 October 2021

Melbourne

Launched 14 July 2021

Lockdown 16 to 27 July 2021

Lockdown 5 August to 22 October 2021

Adelaide

Launched 13 October 2021

02 | Key metrics - TAM



THE COMBINATION OF KADDY, MARKET, DIRECT & INSIDER SIGNIFICANTLY EXPANDS OUR TOTAL ADDRESSABLE MARKET.



Strong industry trends:

1. Craft, independent & boutique products - among fastest growing niches
2. Premiumisation - value growth outpacing volume growth

¹ <https://www.statista.com/outlook/cmo/alcoholic-drinks/australia>

² Retail Drinks Australia, Category Insights - Liquor projections for FY21 and beyond presented by IRI - May 2021

³ Company estimate based on a 60% of the \$22.1 billion Total Retail Liquor Market cost of goods; and

⁴ 25% of the \$15.1 billion on-premise cost of goods, the difference between the Total Retail Liquor Market and Total Liquor Market.

⁴ IBIS World - Wine Production in Australia Industry Report Sept 2021

⁵ IBIS World - Liquor Wholesaling in Australia Industry Report June 2021

⁶ Craftbeerreview.com 'The Brewery List'

⁷ <https://thewhiskylister.com.au/distilleries/australia>

⁸ IBIS World - Liquor Wholesaling in Australia Industry Report June 2021

50,000+

Licensed venues ⁸

2,850+

AU & NZ Wineries ⁴

2,500+

Distributors & Importers ⁵

700+

Breweries ⁶

300+

Distilleries ⁷

03 | New Product Development - DIRECT

IN Q1 WE ALSO LAUNCHED DIRECT ALLOWING SUPPLIERS TO LIST THEIR PRODUCTS ON CONSUMER MARKETPLACES.



New integrations

With consumer marketplaces

Vivino

Launched in August 2021

eBay

Launched in September 2021

Amazon

Launching in November 2021

03 | New Product Development - INSIDER

WINEDEPOT'S 'INSIDER' PROGRAM IS DUE TO BE LAUNCHED IN NOVEMBER.

In short it is an invitation only *staff drinks program* for the 175,000 or so people that are directly employed within the food, wine and beverage industry.

The program has been designed to provide those in the industry access to a range of benefits including:

- highly competitive prices on wine and other beverages;
- invitations to tastings, dinners, educational programs and other events,
- access to Insider Community, a rich source of information keeping members abreast of everything going on in the industry

As an embedded benefit, DW8 shareholders will be access to the invitation only program.

Shareholders interested in taking advantage of the benefits program should register at <https://market.winedepot.com/>



04 | Outlook for FY22 - LOGISTICS



OUR LOGISTICS DIVISION IS WELL POSITIONED TO EXPLOIT THE RAPIDLY IMPROVING TRADING CONDITIONS AS MUCH OF THE AUSTRALIAN POPULATION EMERGES FROM MONTHS OF COVID LOCKDOWNS.

Synergies achieved from merging Parton and WINEDEPOT logistics networks stacked with strong organic growth should allow the division to become profitable in FY22. Key themes include:

FY22 Q2

- Reopening of the on-premise segment will drive a substantial increase in orders particularly in NSW & VIC.
- Pent up demand combined with the seasonal lift should deliver another round of record key metrics in Q2
- Consolidation of the BEX depots into Parton sites will allow us to release synergies of circa \$1m per annum

FY22 Q3

- We expect customer cross pollination from Kaddy acquisition will start flowing into the group's numbers in Q3
- Launch of the 'Collect' service (formerly known as WDA) in Sydney, Melbourne and Perth will lift case volumes
- On-boarding of some larger accounts will provide a solid increase our base load of order volumes

FY22 Q4

- A strong pipeline of potential suppliers expected to onboard in Q3, should drive solid volume growth in Q4
- Expansion of our 'Collect' and 'Cross Dock' capability to cater for Kaddy orders will power growth in Q4
- Cost efficiencies generated from capital expenditure projects should start flowing into the P/L

04 | Outlook for FY22 - MARKETPLACES



GMV GENERATED VIA OUR MARKETPLACE DIVISION IS ALSO EXPECTED TO GROW STRONGLY FOR THE REMAINDER OF FY22
Key drivers of this include Kaddy and our recently released direct-to-consumer sales channels. Other themes include:

MARKET

- The on-premise segment reopening in Sydney & Melbourne should generate a solid rebound in MARKET activity
- Expansion of the marketplace into Adelaide, Brisbane and NSW regional areas should increase buyer numbers
- Pent up 'social' demand combined with the seasonal lift should drive record off-premise ordering as well
- Kaddy's GMV contribution will become visible in Q2 (December only), although fully clear in Q3

INSIDER

- The launch of the Insider Program across the shareholder base going into Christmas is expected to bolster GMV
- Member numbers should grow rapidly as the program is rolled out across the wine, beverage and food industries
- The launch of our industry focused social networking platform in Q2 should drive further growth in FY22

DIRECT

- Sales activity is a function of the number of marketplaces integrated and the number of products listed on those
- This will create a compounding effect in the number of sales generated over time
- We expect to see a solid lift in sales volumes as awareness of the channel develops

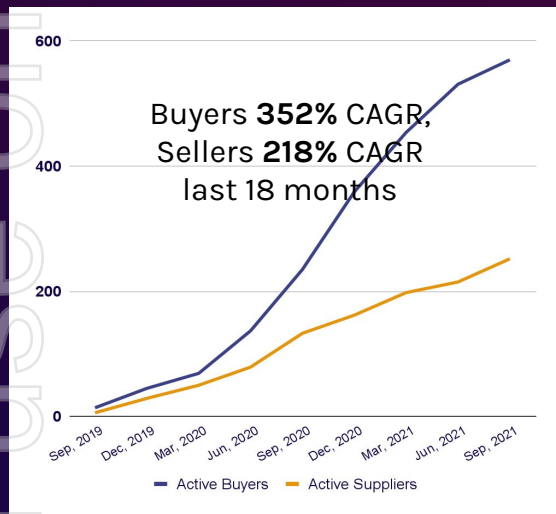
05 | Catalysts - GMV growth via Kaddy

THE COMPLETION OF THE KADDY ACQUISITION WILL PROVIDE A MATERIAL LIFT IN OUR MARKETPLACE GMV. Pent up demand, seasonal activity across both on and off-premise venues, organic growth and the network effect should lift Kaddy's current run rate well above \$18m per annum.

Active Users QoQ¹

GMV QoQ

Orders QoQ



¹: Active Users are Buyers and Suppliers involved in at least one transaction during the quarterly period

05 | Catalysts - National network in place



THE RECENT ACQUISITION OF PARTON WINE DISTRIBUTION POSITIONS WINEDEPOT AS ONE OF THE LARGEST SPECIALIST THIRD PARTY LOGISTICS PROVIDERS TO THE WINE AND BEVERAGE INDUSTRY IN THE COUNTRY.

Our national network of strategically located depots, coupled with our investment in cutting-edge technology that allows suppliers to service both consumer and trade channels, makes our platform highly attractive to customers of all scales.

To date the majority of the suppliers we service have been small to medium sized producers, importers or distributors.

Now that we have a wholly controlled National Network and continue to demonstrate consistently high service levels, we expect an increasing number of larger suppliers and multinational beverage companies will take a closer at our integrated trading, logistics and payment platform.

Not only could this generate a material (>25%) increase in the number of orders and cases being shipped by the company, the activation of these larger suppliers within our trade and consumer marketplaces is also likely to accelerate the network effect, driving deeper engagement in the trade buying community.

05 | Catalysts - Adhoc development profits

THE COMPANY IS ASSESSING THE SALE AND LEASEBACK ITS NDC PROPERTY.

Provided a suitable buyer can be found, the Company will exercise an option that it negotiated at the time the current lease was entered into to purchase the property and then it will commit to a new long term lease of the current and a future warehouse to be developed on the site.

The arbitrage between the option strike and property sale price may generate an attractive capital gain in Q2/Q3.

Similar strategies to take advantage of our property requirements in other geographic locations will be explored in due course.





Thank you

To keep abreast of all the latest news and events,
including our soon to be released 'Insider Club' please
register your contact details at:

www.digitalwine.ventures

Glossary

Term	Definition	Calculation/Comment
GMV	Gross Merchandise Value	GMV is a non-IFRS measure, it represents the total value of transactions invoiced and processed by our marketplaces with payments through our own banking facilities on a cash basis, before deducting incentives, cancellations and refunds, chargebacks, discounts. It excludes GST
NPS	Net Promoter Score	NPS is a widely used market research metric that typically takes the form of a single survey question asking respondents to rate the likelihood that they would recommend a company, product or service.
Operating Revenue	Management's core measure of revenue	Operating Revenue is revenue recognised in accordance with AASB15. It does not include any incentives or discounts offered to new suppliers. It excludes GST
QoQ	Quarter on Quarter	QoQ is a measuring technique that calculates the change between one fiscal quarter and the previous fiscal quarter.
Revenue Run Rate	An indication of what 12 months revenue would total based upon the company's most recent financial results.	Revenue Run Rate refers to the financial performance of a company based on using current financial information as a predictor of future performance assuming the current trading conditions will continue.
Suppliers - Active	Management's leading indicator of the number of active suppliers that are now generating revenue.	Active Suppliers are suppliers that have registered on our platform/s and started to use products and services offered by the company.
Suppliers - Registered	Management's leading indicator of growth in suppliers	Registered Suppliers are suppliers that have registered on our platform/s but have not utilised any products or services offered by the company as yet. The lag between registering and activity can vary between days and months. There is no guarantee that all Registered Suppliers will become Active Suppliers. Registered Suppliers who confirm that they are not proceeding to become Active are deleted from the database.