



PORTFOLIO TRANSITION – FREQUENTLY ASKED QUESTIONS

1. Why is Winexpert™ doing this?

Our industry has been challenged for several years now as more consumers are exiting the industry than entering. The key issue we face as an industry is that we have an aging demographic and we need to invest in attracting the next generation of consumers while continuing to serve our current customer base. Winexpert™ is committed to addressing these issues by improving our quality, creating strong, consumer focused brands and launching a portfolio that resonates with today's consumer.

2. Why is the kit smaller? How is a smaller kit an improvement?

We wanted to improve our quality, so we started from the beginning and through advancements in formulations, innovation and technology it allowed us to develop a superior product in a smaller format. The smaller format wine kit has a higher brix (sugar) content which results in a more stable product. A more stable product allows for less pasteurization time. This will result in improved color, aromatics and taste, which will result in better wine! This new format is manufacturer, retailer, consumer and environmentally friendly.

3. Why have so many SKUs been deleted, and brands altered?

New consumers view our industry as cluttered and confusing. Our new consumer-friendly portfolio contains tiers under a master brand that easily explain the different levels of wine kit we offer. To achieve this, we eliminated underperforming skus and made some changes so that we can offer the best-selling styles at tiers where they will best be suited. At the same time, we will have more flexibility to offer limited release products that will attract and retain consumers. In addition, by focusing more on a master brand name, we will be able to market one unified brand to consumers.

4. When will the new products be available?

The Winexpert™ new releases scheduled for launch on March 2 (Island Mist and Reserve Rosé) will come in the new packaging formats and then the rest of the portfolio is scheduled to transition at the beginning of April. New products will be available when the old products run out. There will be a period of time beginning on approximately April 1 where we expect to be sending retailers old and new packaging. We understand that this transition period is not ideal, but your Sales Rep will work with you to try and make the transition as smooth as possible.

5. How will these changes help attract new consumers to the industry? Is there a Social Media strategy?

The new portfolio alone won't attract new consumers to the industry but will help convert prospective consumers. A variety of digital tactics, including social media, will be used to not only engage our current consumers but also to attract new consumers to the industry. We'll strive to drive awareness of the winemaking proposition to new consumers. Once engaged, these new consumers will be more likely to move from interest to purchase due to the streamlined portfolio, updated branding and improved quality.

6. How will these changes benefit the retailer?

Improved wine quality at every tier level is the biggest driver behind these changes. In addition, retailers will have a portfolio that is unified under one master brand which makes the portfolio easier for customers to understand when they shop. The kits are now lighter which means they are easier to lift and transport, they take up less space and produce less waste.

7. How do you plan to announce these changes to consumers?

Changes will be announced to consumers via social media and on our website beginning in February when we will communicate that exciting changes are coming. In March we will introduce the new brands on social media and announce the changes, brand overviews and a new look on our websites. In April, the new Winexpert™ website with full product listings will go live. At the same time, the new “On The House” website will go live. Throughout April/May/June various social posts highlighting new product offerings, improvements etc. will be utilized.

8. How do I register for the Global Vintners Conference in August?

*Conference & hotel registration is **NOT** available at this time. Full details on registration, and hotel booking information will be provided in the coming weeks.*

9. What will happen with the Limited Edition program?

This program will remain. The current program is selling in old size format, but next year’s offering will be in the new format, which will be 14L in size.

10. Will processing of the product be any different?

Water will now be added to the Après kits but other than that, no significant change. All kits will continue to yield 23L.

11. Will the add-packs and F-packs change?

Add-packs and F-packs will not change.

WINERY SPECIFIC QUESTIONS

1. The Island Mist size is changing, does that mean that the Winery Series sizes will also change?

Yes, they will be 1L smaller from 15L to 14L but they will still make the same amount. They will also now come in two boxes as opposed to one. F-pack sizes will not change.

2. Will the Additive Pack change in the new format of Winery Series or regular Island Mist?

Since the volume of the finished wine is the same, there is no change to the contents of the additive pack or the quantities, but the Winery Series additive pack will go from 4 individual packs to one super pack.

3. What instructional changes will occur for Wineries?

No instructional changes other than moving to a single, larger additive packet.

4. How does this change affect a Winery Series' production volumes and the resulting finished product?

No change. While the base bladder is 1 L smaller, it still produces the same finished volume. A volume change to the base does not impact TTB approval. Only the flavors mentioned below will require TTB approval due to flavor improvements.

5. When will the new FID sheets be available?

Some Winery Series formulas are transitioning and improved as they have been over the last year. Only the following flavors have new formulas and will need TTB approval (FIDs):

Green Apple, Black Cherry, White Cranberry (already approved, FIDs to come soon), Strawberry, Blackberry, Raspberry. All other flavors can use the current FIDs.

When the new formulas are available commercially, the FIDs will be available. Target date is April 1st.

6. Do the old FIDs apply to the new format?

Size change does not impact current FIDs. We will be submitting for some formula updates, such as manufacturing location, however this will be at a later date and there is a 6 month grace period, which will bring us into 2021.

7. With kit volumes (starting materials) lower, will that affect a need for change in their federal labels?

As with Winery series, the size change does not mean a change is required for labelling, however over the last year there have been a series of changes to supplier that does require TTB approval. Similarly, with the portfolio change there are some flavor improvements, and these also require new FIDs (submission as new formula).

8. For Après, are there f-pack changes and will moving from full strength to water-added change label approvals?

No changes currently. Since the finished kit remains the same alcohol level, it does not impact label approval.