

24 December 2021

ASX Announcement

DW8 SIGNS BINDING AGREEMENTS TO EFFECT PURCHASE, SALE & LEASEBACK OF NATIONAL DISTRIBUTION CENTRE

Highlights

- DW8 signs binding agreements to effect purchase, sale and long-term leaseback relating to its National Distribution Centre (“**NDC**”) with settlement expected in Q3 FY2022.
- One-off cash profit of ~\$3.5m net of costs is expected.
- A further ~\$1.1m of previously invested capital will also be released, through the sale and leaseback of the temperature control systems that have been recently installed at the NDC.
- Under the new lease agreement, **WINEDEPOT** has the option to expand the NDC warehouse floor area by up to 10,770 sqm to cater for future growth requirements.
- This transaction strengthens **WINEDEPOT**’s competitive position within the Australian market

DW8 Limited (ASX: DW8 or the “**Company**”, is pleased to provide an update regarding the purchase, sale and leaseback of its **NDC** with the signing of binding agreements that will generate a one-off cash profit to DW8 of ~\$3.5m, net of costs.

As part of the leaseback agreement the new property owners have also agreed to purchase the temperature control systems recently installed in the NDC and lease these back to **WINEDEPOT**. This is expected to release a further ~\$1.1m of previously invested capital.

Together these two transaction elements will generate a significant cash injection for the Company.

As previously disclosed, as part of its national logistics network, **WINEDEPOT** leases a 7,250 sqm warehouse in Barnawartha, Victoria, located on a 40,000 sqm site on the outskirts of Albury-Wodonga which it uses as its NDC.

The NDC is strategically positioned to service the east coast market where **WINEDEPOT** has established a strong presence, allowing next day delivery to 85% of Australia’s population. The potential for this transaction to occur was first announced to shareholders on 29 October 2021 (see [ASX announcement](#)).

Under the existing lease agreement, **WINEDEPOT** had negotiated an option to purchase the NDC from the current owner. Over the last 12 months there has been a significant increase in demand for property suitable for 3PL warehousing operations. This in turn has led to an increase in industrial property values.

Recognising the potential to strengthen **WINEDEPOT**’s competitive position and balance sheet by generating a one-off cash profit, the Company exercised its option to purchase the NDC and then sold it alongside a new long-term leaseback agreement.

The Company used a sales campaign to identify a property owner with the appetite, experience and capability to expand the NDC to cater for **WINEDEPOT**'s future growth requirements. Settlement is expected to occur in early February 2022.

The purchaser is Albertson CT Pty Ltd as trustee for the Ascot Capital Albertson Property Trust ("**Purchaser**"), a West Australian company specialising in property development and facilities management with a long and successful track record of developing quality assets in Australia and around the world.

DW8 CEO Dean Taylor said, *"We are very pleased to have signed the binding purchase, sale and long-term lease back agreements. This transaction has been a win-win for us both financially and strategically for our current and future operational requirements. It allows us to top up our already strong cash position without any dilution to investors and provides the Company with additional funding that can be used to accelerate existing growth strategies."*

"We are also excited to partner with Ascot Capital, a highly regarded property development and management group, who already own and manage assets in each of the cities where we operate. Beyond this transaction we see significant potential to work together on other property development projects."

The material terms of the agreements are summarised below.

- The Purchaser is Albertson CT Pty Ltd as trustee for the Ascot Capital Albertson Property Trust. The Company is required to pay the current owner of the Site an upfront deposit of \$68,000 and the balance of the purchase price of \$6.732m at settlement. Settlement is scheduled to occur on or about 7 February 2022 ("**Settlement Date**").
- The Purchaser is required to pay the Company an upfront deposit of \$1.060m and the balance of the purchase price of \$9.540m at settlement. The on-sale of the NDC to the Purchaser is subject to and conditional upon the contemporaneous completion of the purchase of the NDC by the Company from the current owner on the Settlement Date. The Company cautions that the agreement for the purchase of the NDC from the current owner is not subject to and conditional upon the contemporaneous completion of the on-sale of the NDC to the Purchaser. There is therefore a risk that the initial sale of the NDC from the current owner to the Company completes, and the subsequent on-sale from the Company to the Purchaser does not complete.
- The new lease is for a 12 year term and may be extended by **WINEDEPOT** for an initial additional term of 10 years, and then a further additional term of 10 years, subject to the provision of written notice prior to the expiry of the lease term and certain other customary conditions.
- Customary termination rights apply in favour of the Purchaser in the event of, amongst other things, default, damage and insolvency events. The lease is at market rates (as assessed by an independent property valuer) and other terms considered customary for an industrial property of its kind.

END

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

DW8 Limited (ASX: DW8)

DW8 is an Australian publicly listed company that aims to invest in early-stage technology-driven ventures that have the potential to disrupt and or digitally transform segments within the global beverage market. The Company changed its name from Digital Wine Ventures Limited to DW8 Limited in November 2021.

DW8's two core assets are **WINEDEPOT** (winedepot.com), an integrated trading, order, inventory, payment and logistics management platform; and **KADDY** (kaddy.com.au), a B2B wholesale beverage marketplace.

The company generates revenue via:

- Transaction fees (% of the transaction value)
- Subscription fees (per user accessing the platform)
- Order processing & fulfillment fees (storage, picking, packing, handling & freight)

SHAREHOLDER NEWS

WINEDEPOT has recently launched **INSIDER**, an invitation only membership program for employees working within the broader hospitality industry. The program provides a range of benefits including highly competitive prices on alcohol purchases.

As an embedded benefit, DW8 shareholders holding more than 10,000 shares are eligible to participate in the program. Shareholders wishing to access the program should register at **<https://market.winedepot.com>**

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For more information about DW8, please visit www.dw8.com.au

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning DW8 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 DW8 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.

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