



An integrated marketplace & fulfilment platform
connecting beverage suppliers and buyers

Investor Update

June Quarter, Q4 FY2022

03/08/2022

ASX: DW8

Disclaimer



This presentation has been prepared by DW8 Limited (ACN 086 435 136) (DW8 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 4 of the Company's Prospectus dated 15 November 2019. 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.

1	Overview	4
2	Results June Q4 FY2022	11
3	Operational outlook	18
4	Appendix	22

1. Overview

DW8 (Kaddy) Overview

DW8

DW8 (ASX:DW8) owns and operates '**Kaddy**' - a unique and innovative cloud-based technology platform which provides beverage suppliers an end-to-end supply chain solution that allows them to connect with buyers, simplify operations, streamline payments and fulfil both trade and consumer orders.

The platform consists of the following divisions:

- **Kaddy Fulfilment**
- **Kaddy Marketplace**
- **Kaddy Community**

Our vision is to create a **\$1 billion GMV wholesale beverage marketplace** in Australia, then look to expand the platform into other markets and product verticals.



Kaddy Marketplace

Kaddy Marketplace is Australia's leading wholesale beverage marketplace based on monetised GMV, Revenue, Active Buyers and Active Suppliers

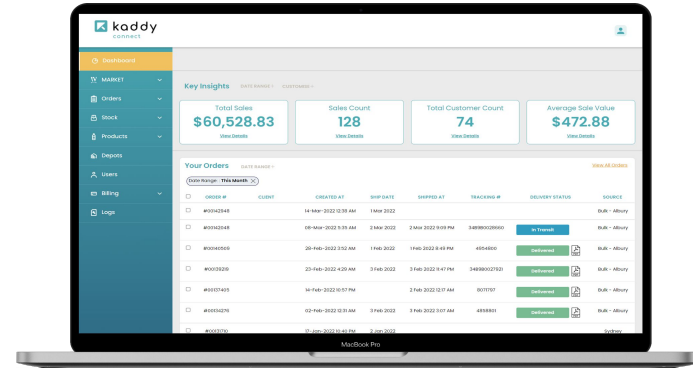
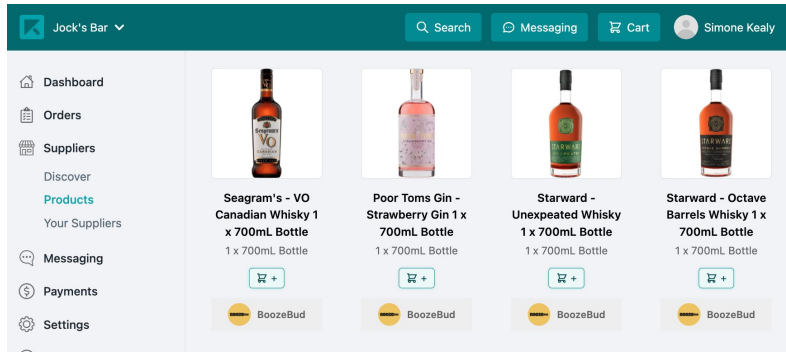
- Buyers have access to a broader range of products, a streamlined ordering and invoicing process & flexible payment options
- Suppliers can connect with a diverse range of venues and retailers
- Trading platform accessible via a proprietary cloud-based system that can be integrated with suppliers' own systems
- Suppliers have optional access to an integrated fulfilment solution

Kaddy Fulfilment

DW8

Kaddy Fulfilment is one of the leading and largest providers of beverage logistics solutions in Australia, with 7 warehouses around the country

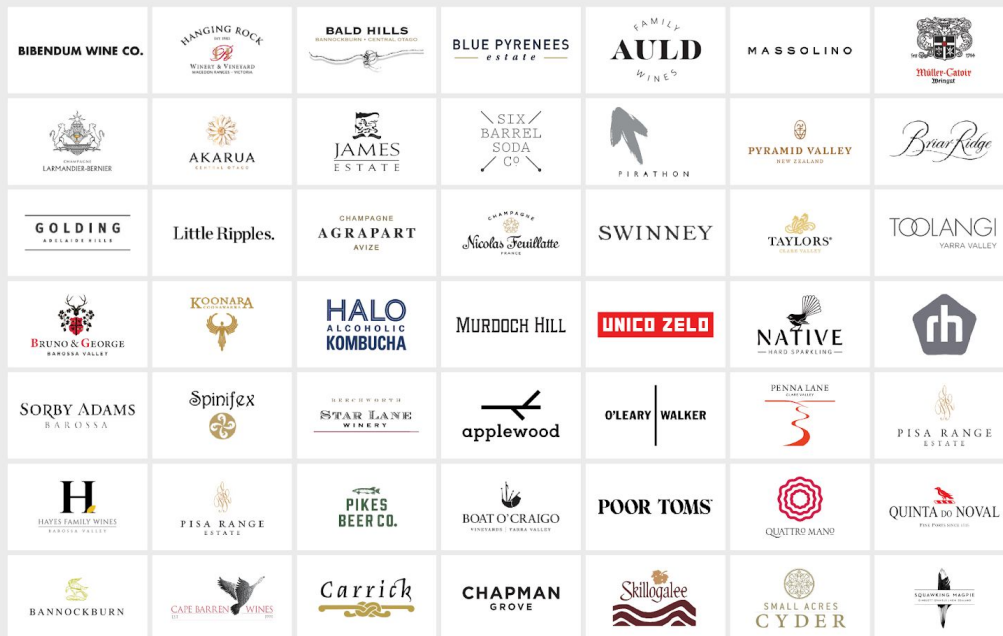
- Fulfilment solutions including warehousing, inventory management and nationwide delivery
- Dedicated fleet servicing major capitals across Australia
- Fulfilment platform accessible via a proprietary cloud-based system that can be integrated with suppliers' own systems
- Bonded, temperature controlled and cold storage available



To see a video demonstration of our platforms please visit <https://www.kaddy.com.au/demo>

Kaddy Customers (Marketplace & Fulfilment)

DW8



1,211+

Total activated suppliers*

947+

Total active suppliers*

893+

Suppliers active in last 120 days*

6%

Ratio of suppliers using both marketplace & fulfilment solutions

target market

6,400+ wine, beer, seltzer, spirits producers distributors & importers

* *Totals shown as at 30 June 2022 - please note that the metrics on the Kaddy website will vary depending on when last updated

Kaddy Customers (Marketplace only)

DW8

SOLOTEL

APPLEJACK.

PORTERS
LIQUOR

Cellarbrations

Bucket boys.

MR LIQUOR



2,848+

Total activated trade buyers*

1,480+

Total lifetime active buyers*

904+

Total buyers active in last 90 days*

528+

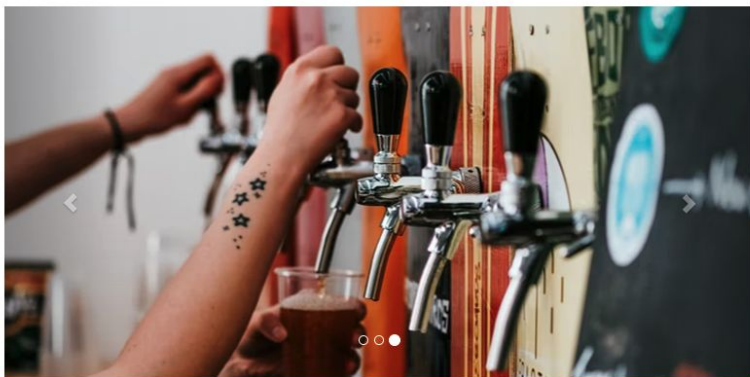
Total marketplace suppliers

target market

50,000+ licenced venues including:
restaurants, bars clubs, hotels,
caterers, sporting clubs, bottle shops
& online retailers



Home What's popular Get involved ▾ Browse ▾ About Go to Kaddy **All tribes**



Welcome to Kaddy Community

Your home of beverage industry insights, opinions and conversations.

Let's start a conversation

search Q

Latest discussions

What's the most important age cohort to the beverage industry? Here is the answer

Discussion Thread

Posted by: [Kaddy Crew](#) 4 days ago

Want to know how to become a carbon neutral brewery?

Discussion Thread

Posted by: [Kaddy Crew](#) 4 days ago

The launch of another wine NFT business - but does anyone care?

Discussion Thread

Posted by: [Kaddy Crew](#) 6 days ago

The latest Sustainable Winegrowing Australia

Discussion Thread

1,009+

community members*

(up 49% on total at 31 May 2022)

Kaddy Community is an online social network platform designed to provide like-minded beverage industry professionals with a content-rich forum where they can share their news, reviews, views, insights and latest announcements will soon be launched.

Like the news feeds provided by the major social media platforms, Kaddy Community will provide a secondary interaction that encourages daily visits from a much wider audience that enhances engagement across the entire platform.

Kaddy Community will also be used to generate marketing revenue via corporate display advertising, media buyouts, new product launches and other promotional placements designed to attract brand spend.

Less work.
More business.



2. Results June Q4 FY2022

Executive Summary - June Q4 FY2022

DW8

- 1 Over the last 6 months our primary focus has been on preparing our platform** for the next phase of growth.
We have completed the consolidation phase that we needed to have.
- 2 We have demonstrated our ability to successfully acquire and integrate businesses** extracting synergies & releasing savings.
This capability is valuable and is now embedded in our team.
- 3 Our attention has turned to rightsizing and sustainably managing our cost base**
Also being prepared to let good people go to make room for great people.
- 4 Take advantage of the combined customer base on a single platform to drive the network effect**
Increasing the yield per supplier and compound the benefits of organic growth.
- 5 We have recognised that there's friction between suppliers & buyers** that's causing GMV leakage.
We are in the process of rolling out strategies to prevent transactions going off platform.
- 6 Leverage new pricing model to acquire more enterprise suppliers** to improve the range of products on the platform.
Use competitive pricing and promotions to increase buyer engagement, purchase frequency and average order values.
- 7 Take advantage of technology, process and reporting improvements rolled out across our Fulfilment division**
To increase efficiency, productivity and profitability.
- 8 Develop and deploy strategies to reduce capacity constraints**
To increase the volume of orders that can be processed - especially coming into peak periods.

Quarterly Results Summary - June Q4 FY2022

DW8

Business structural consolidation and resetting nearing completion.
Strategic funding secured to accelerate growth.

Operating revenue

- Q4 revenue of \$5.1m up 11% on prior quarter Q3 FY2022
- Up 399% on Q4 FY2021
- FY2022 up 596% on FY2021

Marketplace operating metrics

- GMV of \$4.02m down 4% on prior quarter *
- Trade buyers of 2,848 up 13% on prior quarter
- Total brands of 2,034 available **
- Total product SKUs of 17,390 available **

Fulfilment operating metrics

- Total cases shipped of 304k down 3% on prior quarter
- Up 277% on Q4 FY2021
- Average number of cases shipped per order was 3.7, down 10.6% on the prior quarter

Other major achievements

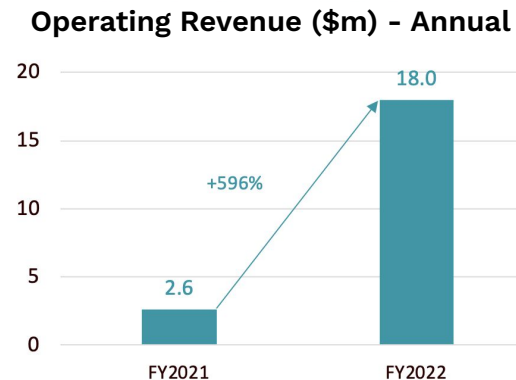
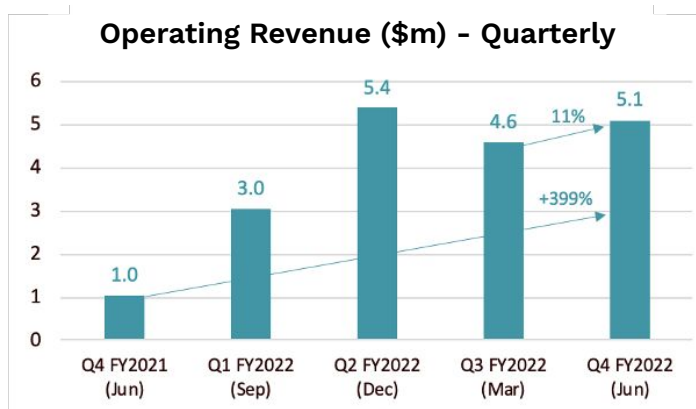
- Two national liquor wholesalers signed up
- Strategic funding of up to \$10m announced post quarter end
- Debtor finance facility \$3.0m being installed
- Project One savings of \$4.0m p.a. fully visible from Q1 FY2023

Quarterly Results - Operating revenue

Financial results should be read in the context of a combination of impacts on trading volume:

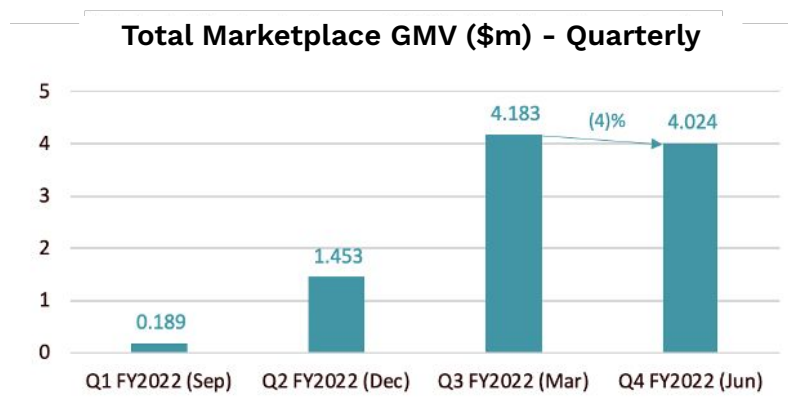
- One-off external factors
 - Macroeconomic uncertainty
 - COVID impacts (leading to staff shortages & capacity constraints)
 - Poor and extreme weather events
 - Abnormal seasonality
 - Integration of acquisitions

- Q4 2022 up 399% on Q4 FY2021 (up 11% on prior quarter)
- FY2022 up 596% on FY2021



Quarterly Results - Operating metrics

Kaddy Marketplace (Trading Platform)*/**



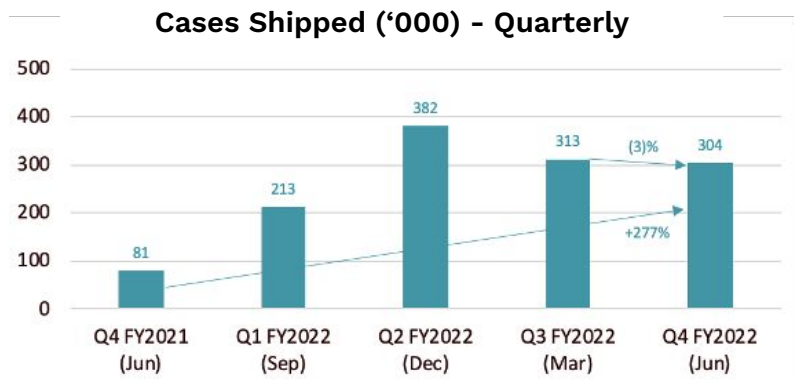
GMV

- The GMV for previous quarters have been restated in this report to standardise and align with a new GMV definition (see Q4 FY2022 Quarterly report - Appendix), which accounts for end or month timing differences between an order being placed and the order's invoice being raised.
- The GMV shown for both Q4 and Q3 FY2022 includes a small contribution from Wine Depot Market.

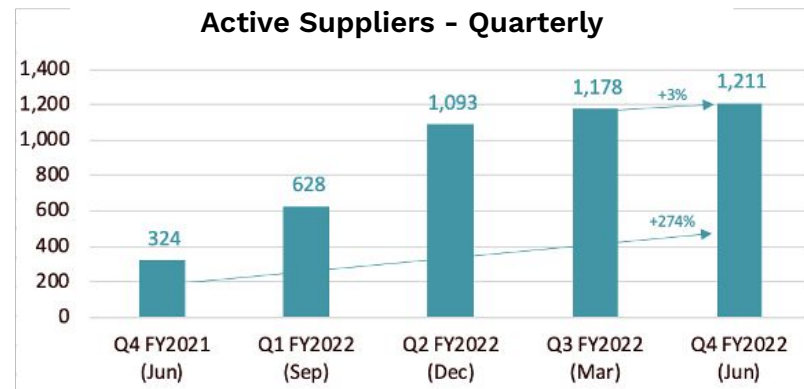
- Kaddy (acquisition) contribution from December 2021
- Strong growth in operating metrics:
 - Total Activated Trade Buyers of 2,848 up 13% on the prior quarter
 - Total Brands of 2,034 up 61% on the prior quarter
 - Total Product SKU's of 17,390 up 37% on the prior quarter
- Trading headwinds included economic uncertainty, ongoing poor weather, high exposure to craft, transactions going off platform and high number of Australians going overseas in Q4

Quarterly Results - Operating metrics

Kaddy Fulfilment* (Logistics Platform)



- Cases shipped 304k down 3% on prior quarter
- Up 277% on Q4 FY2021, FY2022 up 473% on FY2021
- Average number of cases shipped per order fulfilled at 3.7, down 10.6% on the prior quarter. FY2022 up 7% on FY2021.



- Active suppliers 1,211 up 3% on prior quarter
- Up 274% on Q4 FY2021
- Overlap of suppliers using both Fulfilment & Marketplace platforms at end of March just 6% (an improvement of 50% on the prior quarter) meaning there is a large potential to upsell suppliers to also become Marketplace users and vice versa

Improved revenue, GMV & operating cash flows

Financial outlook



Substantial cost savings and synergies to be visible from Sept Q1 FY2023

- Full cost savings and synergies of \$4.0m p.a. expected to be realised
- Fulfilment rate card increases (effective 1 July 2022 expected to lift divisional revenue by circa 10%)
- Expected transition of fulfilment division from loss making into profitability during FY2023
- Marketplace GMV growth expected from:
 - Extra 4,500+ products available on Marketplace, providing a vastly improved mainstream product offering
 - Uplift in sales due to the seasonal increase in beverage consumption during Q1 and Q2
 - Introduction of supplier driven promotional and marketing tools
 - Increasing the overlap of Kaddy Fulfilment suppliers using Kaddy Marketplace
 - New functionality and strategies to keep more Marketplace transactions on platform
- Drawdown of \$5.0m (cash inflow to DW8) out of the \$10.0m available funding facility*
- Expected placement of debtor finance facility (Kaddy Fulfilment) releasing up to \$3.0m cash if fully drawn
- Improved account receivable collections (new policy introduced 1 July 2022)
- Market trading activity headwinds are however expected to remain tough despite seasonal activity historically increasing in the September and December quarters

* Subject to counterparty agreement.

4. Operational outlook

Project One aims to unify DW8's offerings

Project One involves the consolidation of all operations under a single brand “Kaddy” and a simplification of customer value proposition resulting in two divisions:

- **Kaddy Marketplace**
- **Kaddy Fulfilment** (formerly WINEDEPOT LOGISTICS)

Savings & synergies:

- A\$4.0m p.a. expected savings to be fully released across both divisions from Q1 FY2023 (September quarter) as previously announced.
- Once-off restructuring costs negatively impacted the Company expenses and net cash from operating activities this quarter.

Progress to date

- ✓ One brand
- ✓ One vision
- ✓ One team
- ✓ One website
- ✓ One platform
- ✓ One community
- ✓ One logistic network
- ✓ One marketplace

Factors expected to drive growth in Q1 & Q2 FY23 DW8

1

Marketplace Division

- Expected uplift as we come into to Q1 and Q2 FY23, traditionally the industry's busiest trading periods
- Onboarding of two national wholesalers significantly bolstering our commercial product offering
 - Should increase range by circa 4,000+ products
 - Highly competitive pricing and access to banner promotion programs
 - Increased basket size from both new and existing buyers
- A range of enhancements designed to reduce the number of transactions moving off platform
 - New membership program introduced
 - New tiered pricing structure introduced reducing order processing fee to as little as 1.25%
 - Expansion of payment methods and terms available to buyers
 - Additional functionality & integrations, making the platform easier to use

2

Fulfilment Division

- Changes to the senior management team (details to be announced)
- Expected uplift as we come into to Q1 and Q2 FY23, traditionally the industry's busiest trading periods
- Onboarding of a number of larger 3PL accounts across national network
- Very strong pipeline of potential customers (with a waitlist in some locations)
- Operational improvements to improve warehouse productivity and remove capacity constraints
- Introduction of discounted freight rates for suppliers using Kaddy Marketplace (to increase overlap)
- Structural uplift in revenue from:
 - Rate increase (effective 1 July 2022)
 - Fuel levy currently 8.75% (adjusted monthly)

Investment summary



- 1 Australia's leading wholesale beverage marketplace** based on monetised GMV, Revenue, Active Buyers and Active Suppliers
One of the largest and leading providers of specialised logistics solutions to the Australian beverage industry
- 2 Diverse vertically integrated revenue streams** generated via Order Processing fees, Accelerated Payment fees, Fulfilment fees, Membership fees (SaaS subscriptions) and Corporate Display Advertising fees
- 3 Large addressable market** that is highly fragmented consisting of thousands of suppliers across wine, beer, spirits, cider and non-alcoholic segments in Australia alone
- 4 Capacity to rapidly scale** with specialised infrastructure and systems that allow the platform to scale quickly into new market segments, verticals and geographies
- 5 Proven ability to integrate and unlock synergies** as demonstrated from the successful acquisitions of Wine Delivery Australia, Parton Wine Distribution and Kaddy that has unlocked over \$4m in revenue synergies and cost synergies
- 6 Well positioned to take a significant share of Australia's \$37.2 billion¹ addressable market** with plans to progressively expand the platform overseas into the US\$1.813 trillion² global beverage market growing at 4% CAGR
- 7 Highly capable and experienced senior management team** with deep domain experience across the wine, beverage and technology sectors with, strong industry relationships and multiple proven entrepreneurial success stories
- 8 New funding facility of A\$10.0m and debtor financing facility of up to A\$3.0m materially increases the cash runway**

4. Appendix

Highly capable management team

DW8



DEAN TAYLOR

CHIEF EXECUTIVE OFFICER

- Start-up veteran with 28 years of industry experience and 7 successful ventures
- Deep domain ecommerce, marketplaces, digital transformation & platform business experience
- One of the 50 “Stars of Wine” and TOP 50 People in E-commerce



NICK DETMOLD

CHIEF OF STAFF

- Experienced liquor and beverage industry executive having held senior strategy and commercial leadership roles with Beam Suntory and Coca-Cola Amatil across APAC
- Numerous advisory roles with craft and start-up beverage businesses in the Australian market
- Extensive business integration and project management experience



CLINT LANDER

CHIEF FINANCIAL OFFICER

- Over 25 years finance and commercial experience
- Prior roles include CFO (ASX:EVS) and Finance & Commercial Director of Bravura Solutions and Damovo UK



DAVIDE DEFENDI

CHIEF TECHNOLOGY OFFICER

- Founded two digital agencies, a technology recycling & service business, an instant messaging business similar to WhatsApp.
- Prior experience serving on the boards of both public ASX listed ASY, DW8 and private companies



RICH COOMBES

HEAD OF COMMERCIAL (MARKETPLACE)

- Co-founder of Kaddy plus several successful beverages businesses including Batlow Cider, Will & Co Coffee and Capital Brewing
- Deep understanding of wholesale operations, including sales, marketing, distribution, and supply chain management
- Investment Banking experience at UBS and Investec



DAVID RADDON

NATIONAL OPERATIONS MANAGER

- Co-founder of Parton Wine Distribution
- With 25 years of hands-on logistics and operational experience, David brings a wealth of experience to the 150-strong Kaddy Fulfillment team.
- Previous experience includes SCT, Chrisco, Southcorp and Linfox

Supported by a well credentialed board

DW8



PAUL EVANS

NON-EXECUTIVE CHAIRMAN

- 29 years of PE experience across 3i, AMP, Gresham and Ironbridge
- Founding Partner of Ironbridge and has represented Ironbridge on the Boards of Barbeques Galore, iNova Pharmaceuticals and Amart Furniture
- Former Director, Operations for Pacific Road Capital.
- Chairman of Elderton Wines Advisory Board



JAMES WALKER

NON-EXECUTIVE DIRECTOR

- Track record of successful commercialisation of cutting-edge technology in emerging markets
- Former roles include CEO of DroneShield (ASX:DRO), CFO of Seeing Machines (AIM: SEE).
- Current Executive Chair of Buglass (ASX:BLG) and Native Mineral Resources (ASX:NMR) as well as joint CEO of Scalare Partners



DEAN TAYLOR

EXECUTIVE DIRECTOR

- Start-up veteran with 28 years of industry experience and 7 successful ventures
- Deep domain experience in ecommerce, marketplaces, digital transformation & platform businesses
- One of the 50 “Stars of Wine” and TOP 50 People in E-commerce



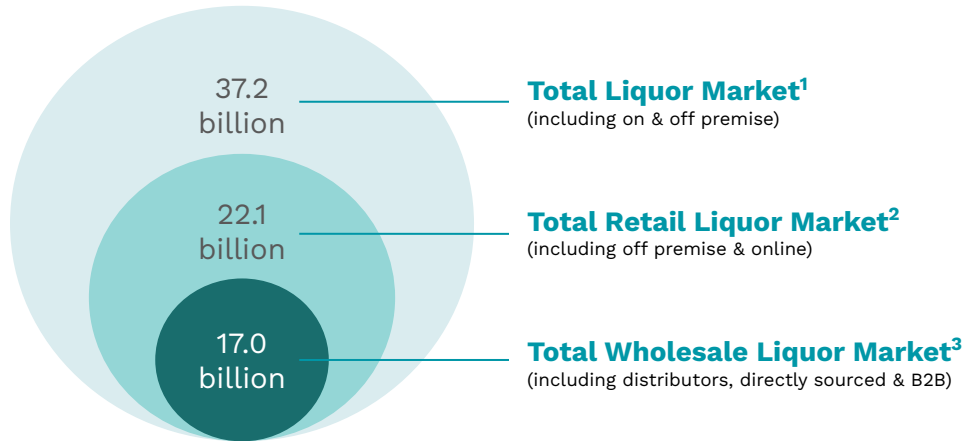
MIKE ABBOTT

EXECUTIVE DIRECTOR

- Co-founder and CEO of Kaddy
- Co-founded Uber in Australia in 2012
- Held a number of roles at Uber including former GM of Queensland and Head of Operations, Strategy & Planning for ANZ
- Corporate Finance experience at Bell Potter across ECM and M&A

Australian beverage industry

Our total addressable market \$37.2 billion



50,000+
Licenced venues⁸

2,850+
AU & NZ Wineries⁴

2,500+
Distributors & Importers⁵

740+
Breweries⁶

330+
Distilleries⁷

1. <https://www.statista.com/outlook/cma??/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 \$22.3 billion Total Retail Liquor Market cost of goods and b) 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://thewhiskylist.com.au/distilleries/australia>
8. IBIS World – Liquor Wholesaling in Australia Industry Report June 2021

Kaddy revenue model

Marketplace revenue

- Kaddy Marketplace is a trading platform connecting beverage Suppliers to Trade Buyers
- Revenue is generated from order processing and payment fees applied to orders processed
- This is supplemented by wholesale margin generated via Bevvy

Fulfilment revenue

- Kaddy Fulfilment offers the beverage industry a suite of specialised fulfilment solutions including warehousing, inventory management and nationwide delivery
- Revenue is generated via activity based warehousing and delivery charges

Membership revenue

- Kaddy Membership is a new SaaS subscription based revenue stream that has been tested over the last 6 months and will be introduced in Q1 FY2023
- Suppliers are charged a monthly fee between \$50-250 / month that provides them access to a range of benefits. Over time the program will be extended to trade buyers

Marketing revenue

- Kaddy Marketing is a new revenue stream expected to be fully commercialised in FY2024
- Revenue will be generated by providing suppliers brand development, advertising, marketing and promotional tools designed to channel marketing budget onto platform

For more information about DW8 (ASX: DW8)

Website: www.dw8.com.au

Blog & Media: www.dw8.com.au/insights

For more information about Kaddy

Website: www.kaddy.com.au

Contact

Dean Taylor

Chief Executive Officer

P: (02) 8363 3351

E: dean@dw8.com.au

DW8

ABN 59 086 435 136