



An integrated marketplace & fulfilment platform
connecting beverage suppliers and buyers

Investor Presentation

Company Update & Entitlement Offer (Rights Issue)
DW8 is raising funds to grow the Kaddy Platform

13/09/2022
ASX: DW8

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Kaddy overview

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Appendix

1. Kaddy Overview

Introducing Kaddy

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Kaddy is a unique and innovative cloud-based technology platform that is helping to digitally transform the wholesale beverage industry.

Our platform consists of three key components:

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

all designed to make beverage distribution easy!



To see a video demonstration of Kaddy's platform please visit:

<https://www.kaddy.com.au/demo>

Investment summary

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Our vision is to create a \$1 billion GMV wholesale beverage marketplace in Australia and then expand into other markets and verticals

Australia's largest wholesale beverage marketplace

Based on:

- Monetised GMV
- Revenue generated
- Number of platform users

A leading provider of beverage fulfilment solutions

- 35,000 sqm of warehousing across the major capitals
- Fulfilling trade & consumer orders

Multiple proven and rapidly growing revenue streams

- Marketplace fees
- Fulfilment fees
- Membership fees
- Marketing fees

**Strong product fit
Huge market potential**

- \$37.2bn¹ in Australia alone
- US\$1.813 trillion² global beverage market growing at 4% CAGR

Platform ready for next phase of growth

- Custom built technology engineered to rapidly scale
- Integrations to provide a best in class user experience

Experienced team with strong industry relationships

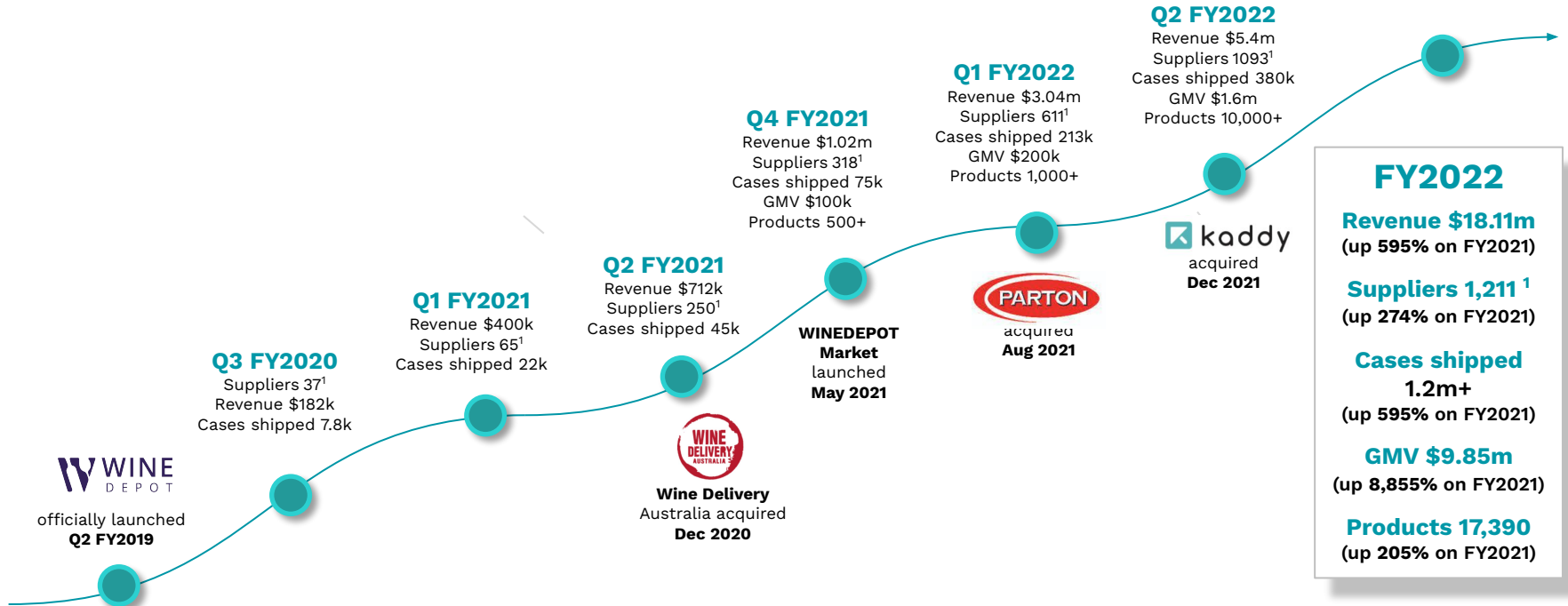
- Deep domain knowledge
- Track record of successes
- Bolstered by recent management changes

Highly engaged customer base 4,000+ users

- With a strong pipeline of potential customers
- Nature of model leverages network effect to accelerate customer growth

Kaddy's transformational growth

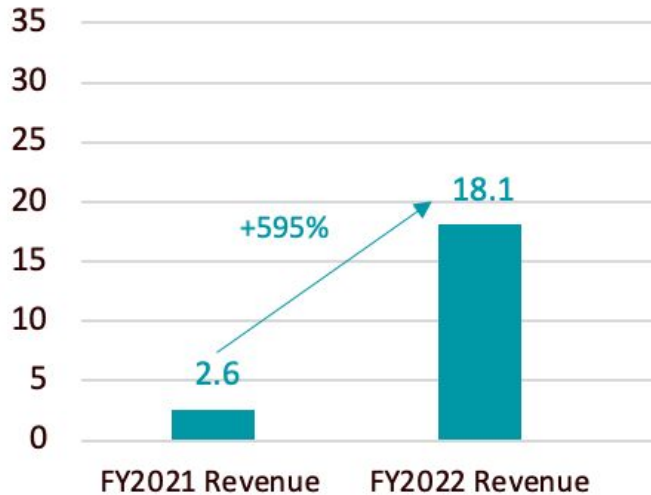
DW8



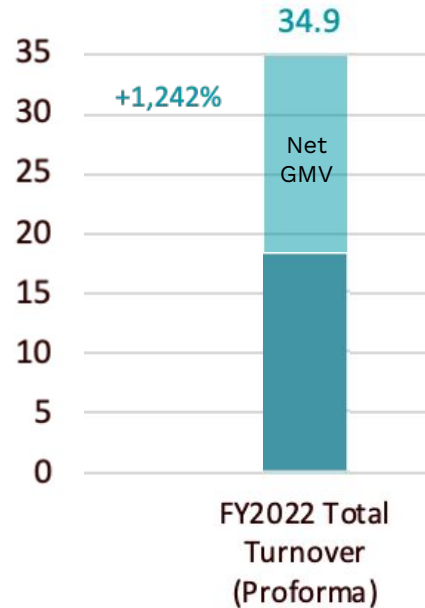
¹ Cumulative total of Active Suppliers is shown - see glossary for full definition

Kaddy's FY2022 financial performance

Operating Revenue (\$m) - Annual



Total Turnover (\$m)



**FY2022
Operating Revenue**

\$18.11m

Up 595% on FY2021

**FY2022
Total Turnover ¹
(Proforma)**

\$34.92m

Includes Kaddy GMV from 1 July 2021

¹ Total Turnover shown is a proforma that Includes Kaddy Marketplace's GMV since 1 July 2021 - see glossary for full definition

Kaddy's FY2022 key metrics (Marketplace)

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Kaddy Marketplace is Australia's leading wholesale beverage marketplace based on monetised GMV, revenue, and active customers

**FY2022
Total GMV**

\$9.85m

Up 8,855% on FY2021
Includes Kaddy GMV from 7 December 2021

**FY2022
Proforma GMV**

\$17.16m

Includes Kaddy GMV from 1 July 2021

**Total
Marketplace Suppliers ¹**

528

Up 79% on FY2021

**Total
Activated Buyers ¹**

2,848

Up 111% on FY2021

**Total
Lifetime Active Buyers ¹**

1,479

Up 113% on FY2021

**Total
Brands ¹**

2,034

Up 414% on FY2021

**Total
Product SKUs ¹**

17,390

Up 205% on FY2021

¹Totals shown are current as at 30 June 2022 and exclude any contribution from Wine Depot Market which was retired on 30 June 2022

Kaddy's FY2022 key metrics (Fulfilment)

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Kaddy Fulfilment
is one of the leading
and largest providers
of specialised
beverage logistics
solutions in Australia

FY2022
Cases shipped

1,215,417

Up **493%** on FY2021

FY2022
Orders processed

99,465

Up **236%** on FY2021

FY2022
Average cases / order

3.63

Up **71%** on FY2021

Total
Activated Suppliers

as at end June 2022

1,211¹

Up **274%** on FY2021

Total
Active Suppliers

as at end June 2022

947¹

% of suppliers active
in last 120 days

as at end June 2022

94%

Average
Net Promoter Score

As at end June 2022

58.3

¹ These supplier totals include those using Kaddy Marketplace - see glossary for full definition

2. Entitlement offer

Entitlement Offer (rights issue), up to \$9.85m

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The board of directors would like to extend an opportunity to existing shareholders to continue to back our vision to revolutionise global beverage distribution and welcome their participation in this capital raising, which has been led by a US-based institutional investor.

Institutional investor confirmed

- **Placement of \$5m** via 3 tranches (**\$1.5m already received**)
- **US-based institutional investor confirmed**
See [ASX announcement](#) 'Funding arrangement' for further details
- **Non-executive directors are taking up their full entitlement under offer**

Entitlement Offer (Rights issue)¹

- **Raise up to \$4.85m**
- **Offer ratio 1 for 6**
1 new share purchasable at offer price for every 6 existing shares held
- **Free 1:2 attaching option** exercisable at \$0.015, expiring 31/3/2023. 1 free option for every 2 rights shares taken up
- **You may apply for more than your entitlement** (see offer documentation)

Offer terms

- **Offer price \$0.011** per new share
- **26.7% discount to last closing price of \$0.015** (17 August)
- **35.5% discount to 30 day VWAP**

Timeline

- **Record date:** 23 August 2022
- **Offer opened:** 26 August 2022
- **Offer closes:** 20 September 2022 (5pm Sydney time unless closed sooner)

¹ See [ASX announcement](#) 18 August 2022 'Prospectus' for further details

Entitlement offer (Rights issue) - documentation DW8

What to do if you have not received your Application form and Prospectus?

- If you have elected 'electronic communications' - documents have been sent by email
Follow link to the share registry and forms to take up the offer and make payment
- If you have elected by 'post' - documents have been sent by mail
- Replacement forms can be sent or emailed to you if required

To contact our share registry:

- Advanced Share Registry Services on: (08) 9224 6807
or
- If you have an account, login to Advanced Share Registry (or set up an account)

DW8 is pleased to invite investors to participate in an investor webinar to be presented by CEO Dean Taylor via Zoom.

During the call he will present a Company update based on the contents of this presentation followed by Q&A session.

Date and time

TODAY | Tuesday 13 September 2022 at 12:00pm AEDT (Sydney time)

Zoom link:

https://us06web.zoom.us/webinar/register/WN_JsOKWFBuTZC4SrqEla2cEg

3. Operational update

Improved cash position & extended runway

DW8

Cash released

1 Debtor finance facility

\$3m facility approved.
\$1.8m cash released immediately

2

R&D tax refunds

Ready for lodgement.
Expected to release \$0.8m to \$1m cash

3

Improved collections

The introduction of a new collections policy has improved cash receipts

New capital being injected

4

Institutional Placement up to \$5.0m¹

Available via 3 instalments
\$1.5m already received

5

Entitlement Offer up to \$4.85m

Discussions are being held with strategic and sophisticated investors in respect of any shortfall

6

Entitlement Options up to \$3.3m

Expiring 31 March 2023 would generate up to \$3.3m additional cash if fully exercised

Savings, synergies & revenue lifts

7

Project One

\$4m p.a. of savings and synergies are expected to become fully evident in Q1 FY2023

8

New Rate Card

A new rate card took effect on 1 July 2022 increasing Kaddy Fulfilment revenue by circa 10%

9

Capacity Growth

Total pallets stored by Kaddy Fulfilment has increased almost 20% since 30 June 2022

¹ See [ASX Announcement](#) on 18 August 2022 'DW8 Secures Institutional Funding' for further details

Q1 FY2023 - on track to be a record quarter

DW8

Operating performance

1

Revenue growth

August was a record month for revenue. July close to Nov/Dec too. Record quarter expected.

2

GMV growth

August was a record month for GMV up 25% on June 2022

3

Seasonal growth ¹

We expect to see an increase in activity across both divisions in Q1 and Q2

4

Cash burn

Cost savings & revenue lifts are flowing through. Cash burn expected to be materially lower in Q1 FY2023

5

GMV leakage

A range of initiatives are underway to reduce Marketplace GMV leakage. Initial results encouraging.

6

Capacity Constraints

Recent growth has left little capacity available to sell in Sydney & Melbourne. New sites being explored.

7

ILG Liquorstop

Largest liquor cooperative Using Kaddy to launch into new markets. 4,500+ products expected

8

S&P Liquor Group

(Part of Hairydog Group) Using Kaddy to expand their wholesale division in new markets. 1,000+ products now listed

9

Asahi beverages

Recently onboarded, Using Kaddy Fulfilment for seasonal overflow capacity

Challenges being addressed

Recent customer wins

¹ The Australian beverages industry is cyclical with the peak period being the December quarter.

Kaddy Marketplace - growth reignited

DW8

Q1 FY2023
is shaping up to be a
stronger quarter for
Kaddy Marketplace
after a challenging
start to 2022

**August
GMV¹**

\$1.64m

Up 25% on June 2022

**August
Orders¹**

2,763

Up 30% on June 2022

**Total
Marketplace Suppliers¹**

573

Up 9% on June 2022

**Total
Activated Buyers¹**

3,136

Up 10% on June 2022

**Total
Lifetime Active Buyers¹**

1,635

Up 11% on June 2022

**Total
Brands¹**

2,837

Up 39% on June 2022

**Total
Product SKUs¹**

19,552

Up 12% on June 2022

¹Totals shown are current as at 31 August 2022 and exclude any contribution from Wine Depot Market which was retired on 30 June 2022

1

Business Development

- **Onboarding of largest liquor co-operative in Australia**
 - Have listed 500+ skus so far with another 4,000 in progress
 - Mostly mainstream brands and labels (complimenting our craft range)
 - Competitive tension expected to drive highly competitive pricing
 - Expanded range & pricing expected to increase order frequency and average basket size
- **Increased engagement with major hospitality, pub and retail banner groups**
 - The onboarding of national wholesalers allows us to start servicing the larger venue operators
- **Deeper engagement with key suppliers**
 - Leveraging their existing customer bases to drive the network effect

2

Platform Development

- **A range of marketing based activities to keep GMV on platform including:**
 - Buyer rebates based on total platform spend
 - First purchase discount vouchers (supplier funded)
 - Improved payment options for buyers
 - Incentive vouchers for new and inactive trade buyers
- **Additional functionality including:**
 - Improved search, filtering, import & export capability
 - New integrations catering for enterprise level users
 - Kaddy supplier profiles now shareable

1

Business Development

- **Management Team Changes**
 - New Head of Supply Chain (Fulfilment) - Mario Gonzalez
 - 18 years experience
 - Strong background in strategy & supply chain transformation
 - Joins us from Martin Brower (McDonald's supply chain)
 - New Head of Commercial (Fulfilment)
 - Number of pallets stored has increased by ~5,000 pallets (almost 20%) since 30 June
 - New major accounts to come onboard include Asahi beverages
 - New Warehouse Managers & Supervisors in various locations
 - New Customer Onboarding & Success Manager

2

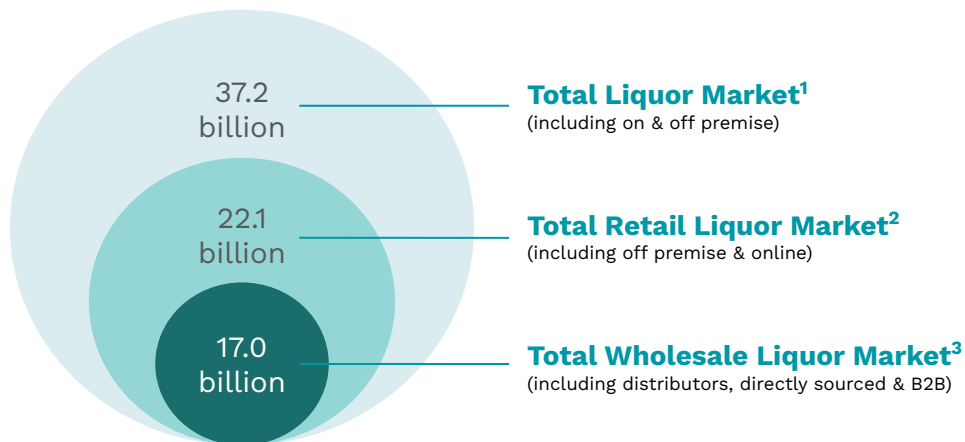
Platform Development

- **Expansion of warehouse footprint**
 - Expansion of Sydney & Melbourne planned in CY2023
 - Provides additional capacity to cater for waitlist, strong pipeline expected organic growth
 - We currently a waitlist at many sites
- **Expansion of warehouse footprint National roll out of CONNECT platform**
 - Increase the overlap of suppliers using both Marketplace & Fulfilment divisions
 - Improved productivity, efficiency and reduces administration costs
 - Allows for the introduction of subscription and membership revenue to Fulfilment division

4. Appendix

Australian market size

Total addressable market \$37.2 billion



50,000+
Licenced venues⁸

2,850+
AU & NZ Wineries⁴

2,500+
Distributors & Importers⁵

740+
Breweries⁶

330+
Distilleries⁷

- <https://www.statista.com/outlook/cma??/alcoholic-drinks/australia>
- Retail Drinks Australia, Category Insights - Liquor projections for FY21 and beyond presented by IRI - May 2021
- 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
- IBIS World - Wine Production in Australia Industry Report Sept 2021
- IBIS World - Liquor Wholesaling in Australia Industry Report June 2021
- Craftbeerreview.com 'The Brewery List'
- <https://thewhiskylist.com.au/distilleries/australia>
- IBIS World - Liquor Wholesaling in Australia Industry Report June 2021

Glossary

Term	Definition
Gross Merchandise Value (GMV)	GMV is a non-IFRS measure that represents the total value of transactions (ex GST) invoiced on behalf of suppliers via Kaddy Marketplace before deducting incentives, rebates, refunds, cancellations, chargebacks, discounts and our marketplace fees.
Operating Revenue	Operating Revenue is revenue recognised in accordance with AASB15. It excludes incentives, discounts, GST and net GMV.
Total Turnover	Total Turnover is calculated by adding Operating Revenue, GMV then deducting marketplace fees which are already included in Operating Revenue. It provides an indication of the total value of invoices raised and collected by the company.
Activated Suppliers	Total number of suppliers that have opened an account with Kaddy Marketplace, Kaddy Fulfilment or both since inception
Active Suppliers	Total number of Activated Suppliers who have used Kaddy Marketplace or Kaddy Fulfilment services in the last 120 days
Marketplace Suppliers	Total number of Active Suppliers who have listed products on Kaddy Marketplace ¹
Activated Buyers	Total number of trade buyers that have opened a Kaddy Marketplace account, but may or may not have used it yet ¹
Lifetime Active Buyers	Total number of Activated Buyers who have placed at least one order via Kaddy Marketplace ¹
Active Buyers	Total number of Activated Buyers who have used Kaddy Marketplace in the last 90 days ¹

¹Please note that these marketplace metrics exclude Wine Depot Market which was retired on 30 June 2022

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

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