

31 January 2023

ASX Announcement

Strategic Investor Provides Access to up to \$7.3m Funding to Accelerate Kaddy Platform Growth

Highlights

- Singapore based strategic investor **J Oasis Port Services Pte Ltd** (J Oasis) has agreed to invest up to \$7.3m into Kaddy via a Convertible Note (Note)
- \$2.3m will be subscribed within two weeks (or such later date as may be agreed between the parties). An additional \$5.0m is available on the same terms, subject to mutual agreement from both parties (total \$7.3m).
- As previously announced on 19 and 22 December 2022 existing major shareholders and senior management invested \$1.024m in the Note
- As previously announced on 19 December 2022, Singapore based strategic investor **Triton Growth Management Pte Ltd** (Triton) invested \$0.7m (before costs) into Kaddy via a Convertible Note. Triton and Kaddy have amended the previously executed agreement to reflect the fact that it is not anticipated that Triton will invest further funds. All three investments above in the Notes are on the same pricing terms.
- Total funds raised by Kaddy through the Note now total \$1.724m with a further \$2.3m to be subscribed shortly. This meaningful funding strengthens Kaddy's balance sheet and bolsters its cash reserves.
- The majority of the funds will be used as working capital to help scale the Kaddy platform in Australia and investigate opportunities to expand the platform into other markets
- The combination of additional funding with the significant cost reductions, driven by exiting the consumer segment and focusing solely on the Core B2B customers in Fulfilment and Marketplace, extends the Company's cash runway
- Cost savings target focused mainly on the fulfilment side of the business of \$5.7m p.a. on track, of which \$2.3m p.a. has already been realised (up from \$2.1m p.a. announced on 19 December 2022); further initiatives underway in Kaddy Marketplace

Kaddy Limited (ASX: KDY; "Kaddy" or the "Company"), formerly DW8, is a unique and innovative 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 trade orders.

The Company is pleased to announce that J Oasis Port Services Pte Ltd (J Oasis), has agreed to invest into Kaddy up to \$7.3m via the Note which is on the same pricing terms as the Note announced on 19 December 2022 (see [ASX announcement](#)).

\$2.3m will be subscribed within two weeks (or such later date as may be agreed by the parties). Kaddy will remain in dialogue with J Oasis concerning an additional \$5.0m, available on the same terms, subject to mutual agreement from both parties.

The funds will be used for working capital and to take advantage of opportunities to accelerate the growth of the Kaddy platform both locally and internationally.

Together with entering into the agreement with J Oasis, Kaddy and Triton agreed contemporaneously to amend the existing convertible note subscription agreement announced on 19 December 2022.

Triton's total investment in the Note is \$700,000 (already received) and Triton's director appointment right has been removed. No further funding is expected from Triton.

The additional working capital provided by J Oasis will allow the Company to take advantage of the significant investment it has made over the last year consolidating its four legacy businesses acquired and developed over the last two years onto one platform 'Kaddy' and provide resources to allow the Company to execute on its recently stated strategy to reposition the fulfilment side of the business as a pure play B2B focused warehousing and logistics service provider for the beverages industry.

The funding extends the Company's cash runway and helps bridge the gap to when the Company expects the synergies and savings of \$5.7m p.a. (see [ASX announcement](#) 7 November 2022), to start being released on a meaningful basis later this financial year.

J Oasis representative Edmond Wang said: *"We are very pleased to be following through on our intention to invest in the Kaddy Platform and to be in dialogue with the management team under the new leadership of Steve Voorma and Board. We remain engaged in dialogue to increase our current commitment totaling \$2.3m to up to \$7.3m in total under the Convertible Note offering."*

Kaddy CEO Steve Voorma said: *"The additional funding will substantially de-risk our cash requirements until such time that operational savings hit their full run rate. The savings target of \$5.7m p.a. remains on track, of which \$2.3m p.a. has now been realised (up from \$2.1m p.a. announced on 19 December and target announced on 7 November 2022). We look forward to working with J Oasis to secure additional funding of up to \$7.3m in total."*

About J Oasis

J Oasis Port Services Pte Ltd is part of a group of companies which has its roots in major port operations with a focus on maintenance and re-locations. From there J Oasis expanded into warehousing and logistics activities and has established itself as an integrated service group.

Convertible Note - Key Terms Summary

Amount	\$2.3m, face value (with ability to extend to \$7.3m in total, on same terms subject to mutual agreement from both parties)
Rate	10% interest p.a. The interest is payable in shares if the Convertible Note is converted (subject to the receipt of prior shareholder approval, as noted below), or cash in the event the Convertible Note is redeemed.
Term	1 year from the issue date, the Convertible Note will convert into shares if not previously converted into shares or redeemed
Conversion price	\$0.05
Conversion	The conversion of the Convertible Note is subject to, and conditional on, the receipt of prior shareholder approval and any required ASX waivers. A notice of general meeting seeking the requisite shareholder approvals will be issued shortly.
Redemption	Redemption is upon an event of default or change of control event.
Security	Unsecured
Appoint a Director	J Oasis has the right but not the obligation to appoint one Non-Executive Director. This right will expire in the event that J Oasis's relevant interest in shares is less than 10% for more than 10 consecutive days.

Attaching Options 9,200,000 unlisted options will be issued to J Oasis (or its nominees) The options will expire on 30 June 2023 and have an exercise price of \$0.10. The issue of the options is subject to and conditional on the receipt of prior shareholder approval.

Additional terms The agreement contains such other provisions considered customary for agreements of its nature, including representations and warranties, covenants, undertakings and events of default.

END

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

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For more information about Kaddy

Website: <https://corporate.kaddy.com.au>

Sign-up to receive investor news [here](#).

Kaddy Limited (ASX: KDY)

Kaddy is an Australian publicly listed technology company that operates **Kaddy**, a unique and innovative 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 fulfill trade orders.

Our platform consists of the following divisions:

Kaddy Marketplace is a one-stop shop for wholesale beverages discovery, ordering, invoicing and payments. Buyers have access to a broader range of products, a streamlined ordering and invoicing process, and flexible payment options. Suppliers can also connect with a diverse range of venues and retailers, creating opportunities to simplify back-office functions, increase sales opportunities, distribution and reach while improving cash flow.

Kaddy Fulfilment offers the beverages industry a suite of specialised fulfilment solutions, including warehousing, inventory management and nationwide delivery services. With a dedicated fleet servicing major capitals across Australia, it provides suppliers with a fast, efficient and reliable delivery solution.

Kaddy Community is a social networking platform designed to provide like-minded beverage industry professionals access to a forum to share their news, reviews, views, insights and latest announcements.

Kaddy plans to solidify its presence in Australasia before expanding the platform into other key markets such as the UK, Europe, USA, Canada and Asia

Kaddy generates revenue via:

- Order processing fees (% of the order value)
- Accelerated payment fees (% of the order value)
- Fulfilment fees (storage, picking, packing, handling & freight)
- Membership fees (SaaS subscriptions)
- Advertising fees (promotions, branding & corporate display)

Forward-Looking Statements

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



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and similar expressions are forward-looking statements. Although Kaddy 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.