

16 March 2022**ASX Announcement**

DW8 March 2022 Update – Project One Synergies Investor Presentation

DW8 Limited (DW8: ASX), or the "Company", is an integrated marketplace, payment & fulfilment platform operating under 'Kaddy' that provides beverage suppliers an end-to-end supply chain solution which allows them to connect with buyers, simplify operations, streamline payments and deliver a superior fulfilment experience.

The Company is pleased to share an investor presentation, **March 2022 Update – Project One Synergies**, and welcomes investors to participate in its Investor Conference call today at 12:30 pm AEDT.

For further details about the call see [ASX announcement](#) dated 15 March 2022.

Shareholder offer

DW8 invites shareholders to take advantage of a special offer that we are making to members of INSIDER - an invitation only 'staff drinks' program for the beverage and hospitality industry. Details of the offer can be found within the attached Investor Presentation on slide 20.

END

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

Dean Taylor

Chief Executive Officer

P: (02) 8363 3351

E: dean.taylor@digitalwine.ventures

For more information about DW8:

Website: www.dw8.com.au

Blog: www.digitalwine.ventures/insights

Media: <https://winedepot.com/media-coverage/>

DW8 Limited (ASX: DW8)

DW8 is an Australian publicly listed technology company that operates **Kaddy**, an integrated marketplace, payment & fulfilment platform that provides beverage suppliers an end-to-end supply chain solution that allows them to connect with buyers, simplify operations, streamline payments and deliver a superior delivery experience.

Our unique and innovative technology platform is central to our success and enabled Kaddy to establish itself as Australia's leading beverage marketplace and drive the digital transformation of the local beverage industry.

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, Hong Kong and Singapore.

Kaddy generates revenue via:

- Marketplace fees (% of the GMV / transaction value)
- Fulfilment fees (storage, picking, packing, handling & freight)
- Subscriptions (charged per user accessing the platform)

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.



An integrated trading, payment & fulfilment platform
connecting beverage suppliers and buyers

Project One Update

Investor Presentation, 16 March 2022

ASX: DW8

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Project One

Bringing all operations under a single brand 'Kaddy'

DW8 (ASX: DW8) owns and operates Kaddy; an integrated marketplace, payment & fulfilment platform that provides beverage suppliers an end-to-end supply chain solution which allows them to connect with buyers, simplify operations, streamline payments and deliver a superior delivery experience.

Our vision is to create a **\$1 billion GMV wholesale beverage marketplace** in Australia, then look to expand that trading platform into other markets. We believe the only way to achieve this is by providing users an end-to-end solution that incorporates a best-in-class fulfillment experience, which in turn facilitates:

- One Account
- One Order
- One Invoice
- One Payment
- One Delivery

Project One ensures that our whole team is united and aligned with one distinct vision, leading the much-awaited digital transformation of the beverage industry.

Project One



Project One is an overarching company wide strategic initiative that embraces and embodies the four pillars of our customer value proposition: **connect, simplify, deliver and support.**

In summary it is all about unifying our four existing businesses under a single brand umbrella, **Kaddy**, simplifying the way that we operate and presenting ourselves to the industry as a one stop solution.

Project One takes advantage of latent synergies available by integrating several strategic acquisitions DW8 has made in the last two years including:

- Wine Delivery Australia
- Parton Wine Distribution
- Kaddy

Bringing these businesses together into a single, brand-led, end-to-end solution compounds the value of the synergies and brand awareness while enhancing the customer value proposition and providing step changes in capability across the entire platform.

MARKET AWARENESS & PERFORMANCE

Launched in 2019, **Kaddy** has very quickly established itself as the leading wholesale beverage marketplace in Australia based on monetised GMV, revenue generated and key growth metrics. It is already home to:

- 1,300+ brands
- 13,000+ products
- 2,300+ trade buyers

Its low commission rate, freight and product pricing management tools make the platform very attractive to all segments of the liquor industry, especially the beer market which tends to operate on lower margins.

‘OPEN SOURCE’ MARKETPLACE MODEL

Kaddy’s open marketplace and self-managed fulfilment model provides it access to large addressable market. The platform is also very attractive to distributors, importers and agents who represent a large percentage of the leading brands within the wholesale market.

One brand

DW8

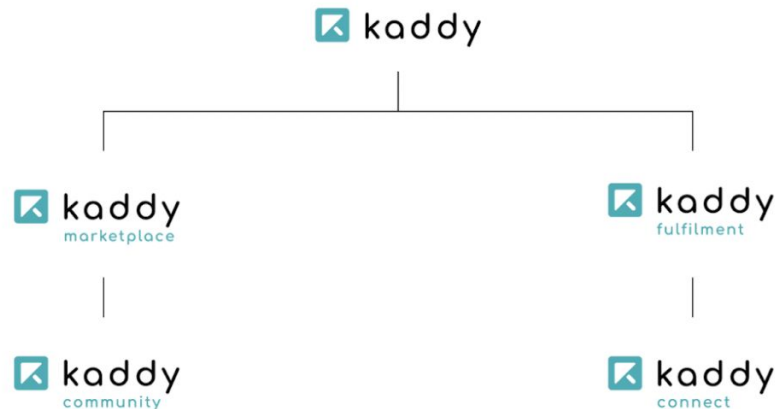
MORE EXPANDABLE

The 'Kaddy' name is also product and market agnostic, allowing it to be used beyond beverages and in other verticals. When it comes to international expansion, their marketplace is highly scalable so can be established in a new market quicker & more cost effectively.

MORE ALIGNED

The brand is also better identified as a technology company. This will be reinforced by a move away from descriptors such as 'wine', 'depot', 'delivery', 'distribution' and 'logistics'.

We therefore see Kaddy as the most appropriate umbrella brand for our integrated platform going forward.



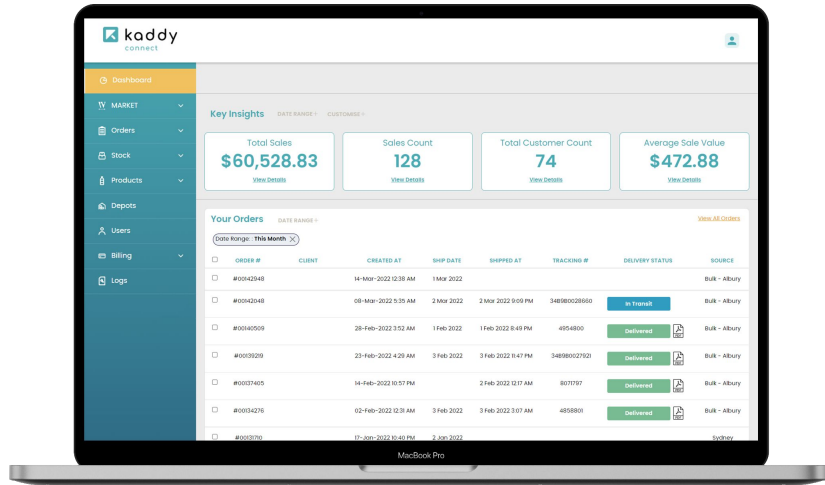
Kaddy Brand Hierarchy

One platform

DW8

A core component of Project One is the rollout of **Kaddy Connect** (formerly Connect), across Kaddy Fulfilment division, reducing the number of third party warehouse and transport management applications used across the business. This will make it much easier to further reduce our reliance on third party carriers, simplify operations, improve our customer experience, and reduce costs.

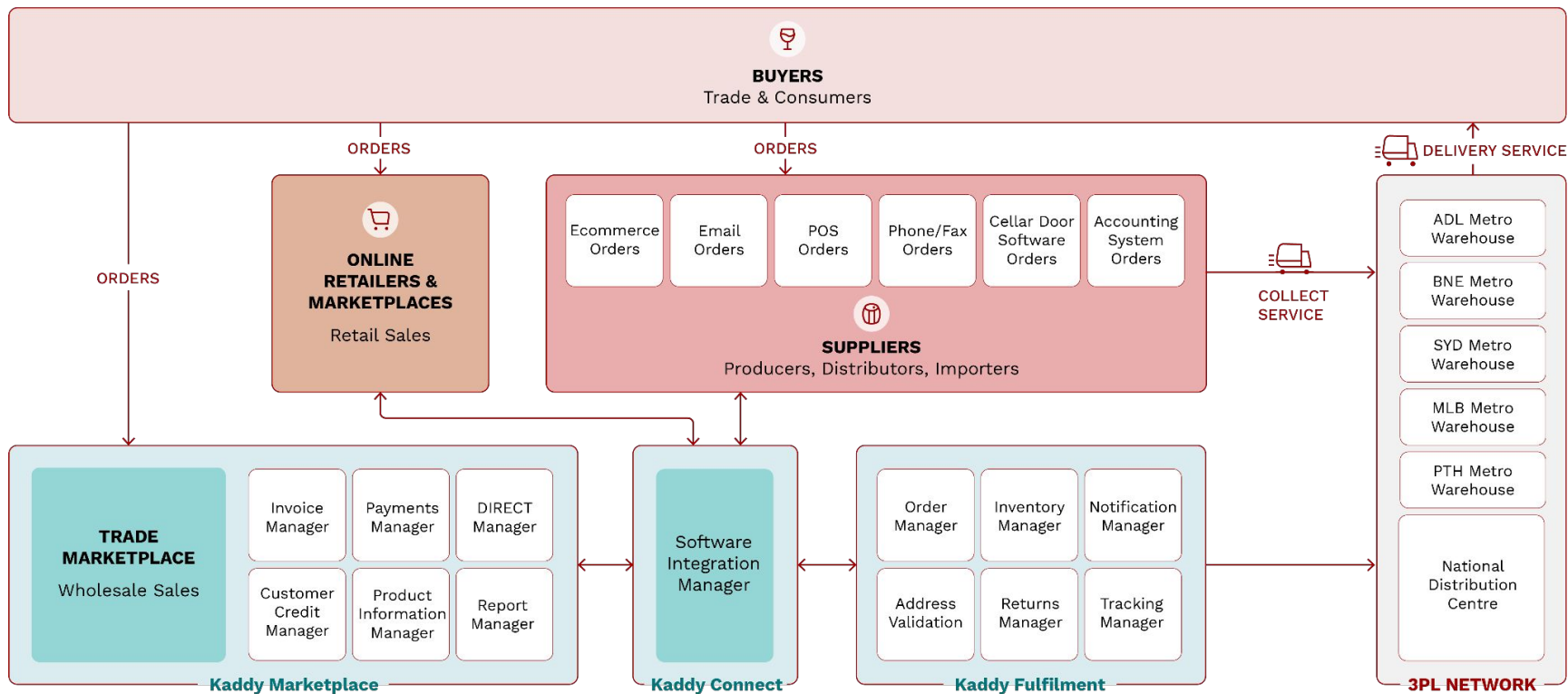
With all of our customers on Kaddy Connect, the cross-selling of products and services across the two divisions (Kaddy Marketplace & Kaddy Fulfilment) will be much easier. This is expected to help lift the lifetime value of both existing and new customers while further reducing our average customer acquisition cost.



Kaddy Connect

One platform

DW8



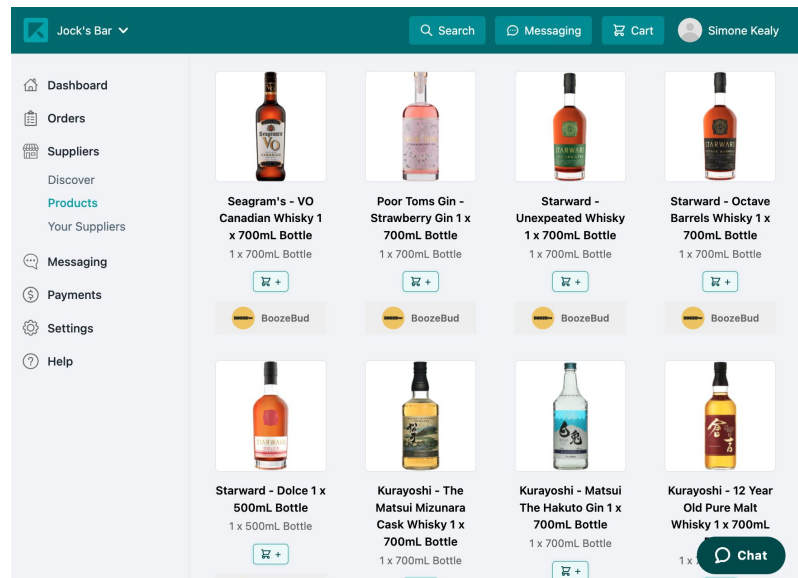
One marketplace

DW8

Currently DW8 operates two wholesale beverage marketplaces, each supported by its own team of engineers, product managers, digital marketers, sales managers and customer support. Combined with customer acquisition costs, supporting each platform is a significant expense to the company.

As part of Project One, **Kaddy Marketplace** will become our primary wholesale marketplace. This releases significant cost savings through:

- Reduction in technology spend
- Reduction in advertising & branding costs
- Reduction in marketing costs
- Reduction in consultants and contractors
- Reduction in internal resources



Kaddy Marketplace

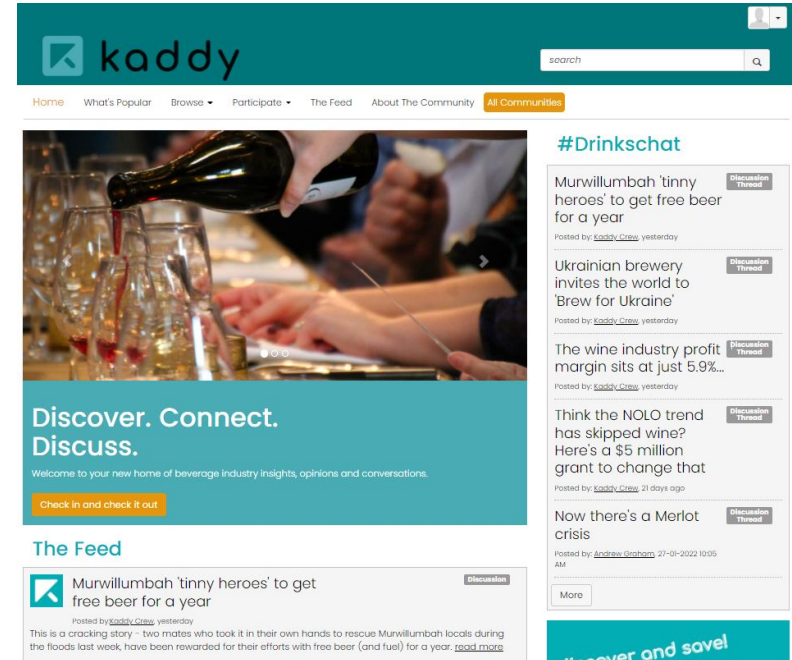
One community

DW8

Kaddy Community, 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.

As part of Project One, **Insider**, an invitation only staff drinks program for the beverage and hospitality industry that currently sits within WINEDEPOT MARKET, will be relocated to Kaddy and become embedded with Kaddy Community.



Kaddy Community

One network

DW8

Since launching in 2019, DW8 has quickly established itself as one of Australia's leading specialist beverage fulfillment providers.

We have achieved this by providing a fast, cost-effective and reliable solution that allows our own customers to propel sales growth.

To compliment this **Kaddy Fulfilment** is expanding our Collect solution's addressable market, by allowing Kaddy Marketplace users (buyers and sellers) access to our dedicated delivery fleet.

This will provide distributors, retailers and restaurateurs access to a same and next day fulfilment solution we currently offer to regional wineries for their ecommerce & online orders, without having to use our full 3PL warehousing solution.



Kaddy Fulfilment

The rebranding of warehouses, delivery fleet and driver uniforms is expected to help build strong brand awareness that both divisions can take advantage of.



Cost savings & impact on cash flows

Cost savings & revenue growth

DW8

Project One provides material cost savings and releases significant efficiencies, process improvements and revenue generation opportunities across the integrated trading, payments and order fulfilment platform.

The cost-saving initiatives identified to date are expected to **reduce the current cost base by over \$3m p.a.** or \$750k per quarter (operating cash flows). The majority of these savings will come from the consolidation of marketplaces which will take effect during the March and June ending quarters.

It is expected that the full benefit of these cost savings along with those yet to be realised from integration initiatives in the **Kaddy Fulfilment division** will be visible from the September quarter onwards. In the near term, a number of one-off restructuring costs will also be incurred and booked into the March quarter.

Revenue generation opportunities are expected as a result of our rapidly expanding ecosystem supported by unified branding.

Marketplace division

Savings identified to date

\$3m p.a.

Fulfilment division

Savings potential to be defined over coming quarters

Revenue opportunities

Revenue growth opportunities

DW8

One brand will increase platform awareness across our target markets, accelerating new customer growth. More touch points will increase customer engagement.

One platform will allow easier cross-selling of products and services, increasing revenue yield per customer. Subscription fees will introduce a new revenue stream.

One marketplace will create a compounding network effect attracting more buyers with access to a bigger range. Increased basket size, more frequent purchasing and more buyers will power GMV and revenue growth.

One network will drive improved customer service levels, which in turn drives existing customer consumption and new customer growth.

One community will establish the Kaddy platform as the primary link between the beverage and hospitality industries and introduce corporate display and other brand building related revenue streams.



Outlook

YTD trading performance

While the rapid spread of Omicron dampened marketplace sales in both December and January, GMV in February 2022 returned to the same levels as November 2021, indicating that the much awaited 'reopening trade' NSW and Victorian venues were waiting for has finally arrived. The increase in on-premise ordering has also flown into our Fulfilment Division. Our fulfilment division on boarded a record number of new 3PL suppliers in January and February, who were attract by the high service levels we were able to maintain over the busy November & December period.

Kaddy Marketplace

▪ MARKET CONDITIONS

- Softer than expected January sales across the entire beverage industry
- Signs that 'reopening trade' finally arrived in February with GMV back to November 2021 levels
- Marketplace supplier pipeline includes a number of larger wine distributors

Kaddy Fulfilment

▪ MARKET CONDITIONS

- Venue closures dampened volumes in Dec / Jan
- Omicron impacted staffing & service levels
- Strong lift in February with monthly case volumes up 23% on January
- 2nd gen CONNECT expected to launch in March
- SaaS revenue expected from July onwards

Summary

- ▶ **'Project One'** - DW8 to bring all of its operations under a single brand **'Kaddy'**
- ▶ **Kaddy Marketplace** to become primary wholesale marketplace
- ▶ **Deeper customer engagement** is expected to release material savings; generate additional revenues, prepare the platform for further scaling and develop a deeper level of engagement with the existing customer base
- ▶ **Cost-saving initiatives** across the Kaddy Marketplace division are expected to reduce the current cost base by over \$3m p.a. or \$750k per quarter. We are also undertaking a range of technology and operational integration projects that are expected to improve the profitability of the Fulfilment division
- ▶ **Kaddy Marketplace** GMV returned in February 2022 to the same record levels as November 2021 indicating that the 'reopening trade' in NSW and Victoria has finally arrived
- ▶ **Cash on hand and cost-saving initiatives are expected to extend runway into calendar year 2023**

Shareholder Offer

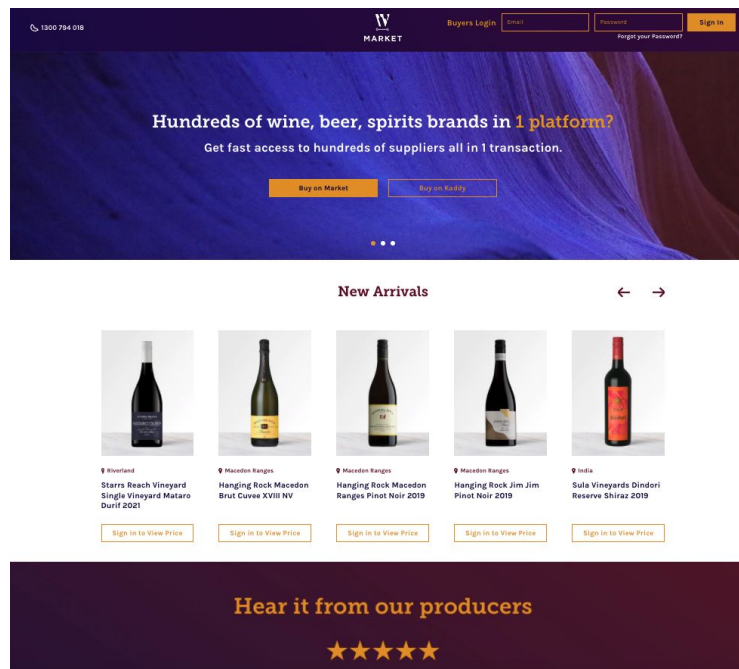


DW8 invites shareholders to take advantage of a special offer we're offering to members of INSIDER.

INSIDER is an invitation only 'staff drinks' program that provides members of the drinks and hospitality industry access to beverages at wholesale plus prices. As part of Project One, INSIDER is being temporarily closed and relocated into Kaddy Community.

Simply enter the voucher code **INSIDERDEAL** while checking out to get an extra 10% off any INSIDER purchase made via WINEDEPOT Market. There is no minimum spend and buyers can use the discount code as many times as they wish until the 30 April 2022.

To take advantage of this special offer please visit:
<https://market.winedepot.com/discount/INSIDERDEAL>



INSIDER membership program

Contact

Dean Taylor

Chief Executive Officer

P: (02) 8363 3351

E: dean@dw8.com.au

For more information about DW8 (ASX: DW8)

Website: www.dw8.com.au

Blog: www.digitalwine.ventures/investors-blog

Media coverage: <https://winedepot.com/media-coverage/>



1300 933 768

www.dw8.com.au

Level 7 61 York St Sydney NSW 2000

ABN 59 086 435 136