



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

Coffee Microcaps

Investor Presentation, 24 February 2022

ASX: DW8

Agenda

DW8

1

DW8 Overview

2

Results – December Q2 FY2022

3

Industry

4

Strategy

5

Investment Summary



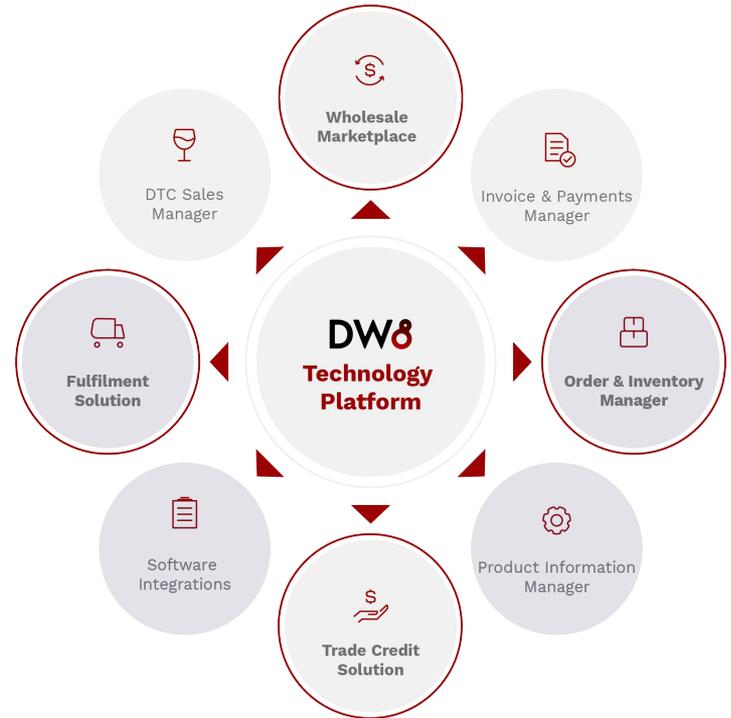
DW8 Overview

Corporate overview

DW8 (ASX: DW8) operates an integrated trading, payment & order fulfilment platform that allows beverage suppliers to **connect** with buyers, **simplify** operations, **deliver** a superior fulfilment experience.

Our unique vertically integrated B2B platform is central to our success, differentiating us from the competition and allowing us to lead the digital transformation of the local beverage industry.

Being able to offer the industry an end-to-end solution is key to being Australia's leading beverage marketplace.



○ Notes platform's primary functionality

Our brands

Operating under our motto '**Let drinks flow**', our core brands are:



Launched September 2019, WINEDEPOT is the leading tech enabled fulfilment platform in Australia serving the beverage industry

- ✓ Australia focused with global ambition
- ✓ Operates in D2C, B2C, B2B
- ✓ 600+ suppliers (mainly wine focused)
- ✓ 1,000+ products
- ✓ 350+ registered buyers (mainly on-premise)
- ✓ End-to-end national fulfilment solution



Launched September 2019, Kaddy is the leading wholesale beverage marketplace in Australia for discovery, ordering and payments

- ✓ Australia focused with global ambition
- ✓ Operates in B2B only
- ✓ 400+ suppliers (mainly craft beer, spirits, cider, seltzer)
- ✓ 9,000+ products
- ✓ 1,500+ registered buyers (mainly off-premise)
- ✓ Supplier managed fulfilment model

Our solutions



Trading Platform

- 1 MARKETPLACE**
Direct-to-trade marketplace (Kaddy)
- 2 DIRECT**
Direct-to-consumer sales via 3rd party marketplaces
- 3 INSIDER**
Industry focused staff drinks program

Fulfilment Platform

- 1 CONNECT**
Order, inventory, payment & integration manager
- 2 3PL Network**
Our own specialised national logistics network
- 3 COLLECT Service**
Ex cellar door fulfilment solution

Our value proposition



Connect
Buyers with sellers



Simplify
Operations



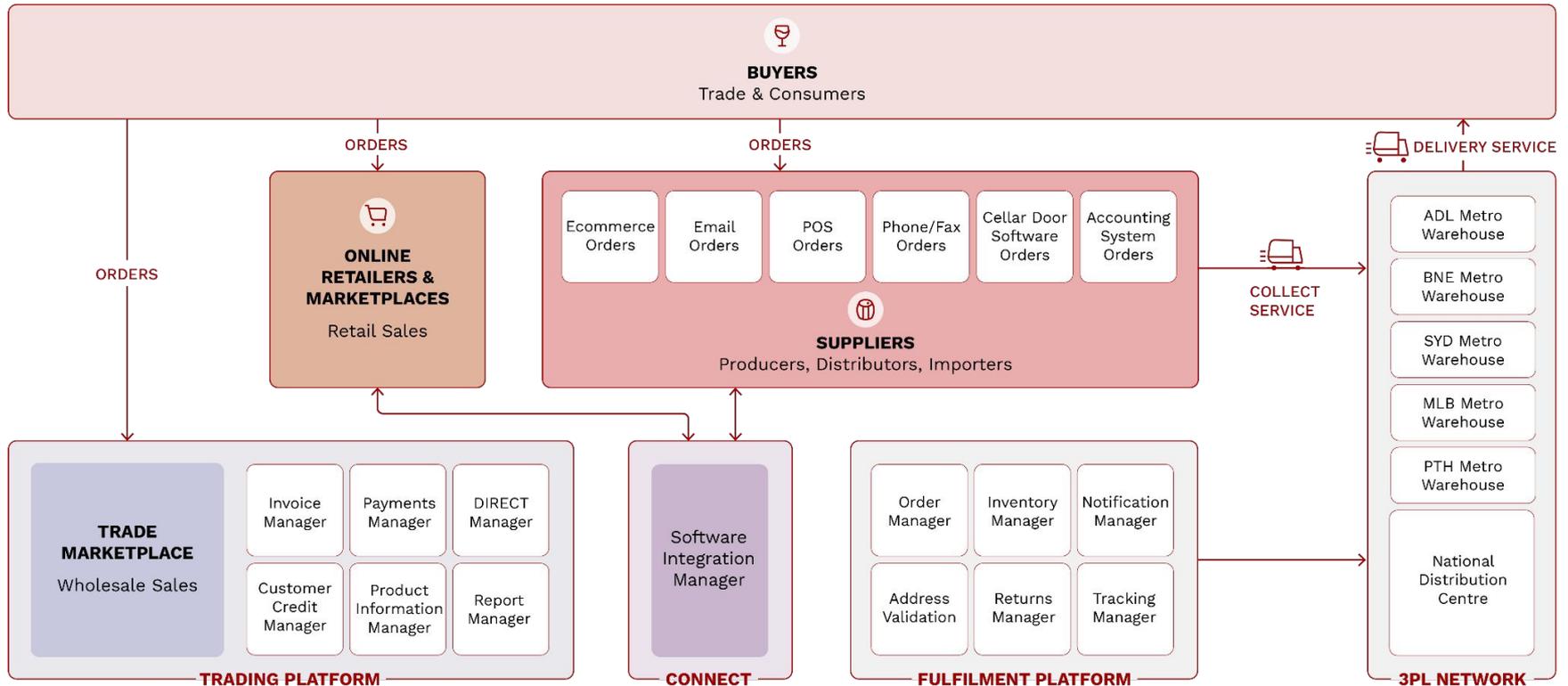
Deliver
Superior fulfilment



Support
Our community

Our 3PL Network includes 7 depots totalling 35,000 sqm of warehousing offering cold chain, temperature controlled and bonded storage capable of servicing the needs of suppliers of any scale.

Our integrated platform



Our customers - trading (marketplaces)

DW8

SOLOTEL

APPLEJACK.

PORTRERS
LIQUOR

Cellarbrations

Bucket boys.

MR LIQUOR

2,000+

registered buyers

target market - 2 sides:

restaurants, bars, clubs, hotels, caterers
bottle shops, online retailers

suppliers

"The service is incredible, super easy, nice and quick. It's just jump on, a couple of clicks and you're away."

Lachlan Sturrock, Applejack Hospitality

"Because there are customers who now want to work with Kaddy, we get wrapped up into their world. So they're helping us get new customers and sell more beer."

Andrew Fineran, Batch Brewing Co

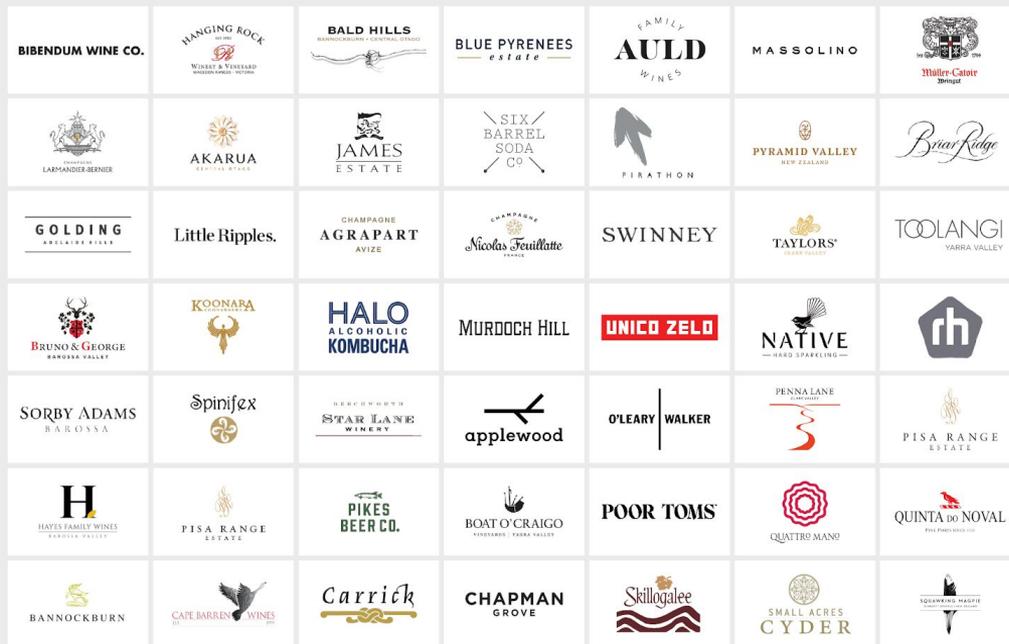
"Kaddy nuked 90% of our accounts receivables issues (and we love you for it)."

Alex Hardie, Mobius Distilling



Our customers - fulfilment (logistics)

DW8



1,000+
suppliers

target market

wine, beer, seltzer, spirits producers
distributors, agents & importers

"As a small family business, we really value the simplicity and streamlined way that Market allows us to get our beers to market."

Jamie Pike, Pike Beer

"We're a small family run winery that sells mainly to consumers. The longstanding issue is that it's very hard to improve upon the delivery costs and times offered by freight companies like Australia Post. This is at the core of what WINEDEPOPT are trying to solve and why we have come onboard."

Matteo Grilli, Primo Estate

"Best experience I've ever had from an alcohol delivery service, extremely satisfied!"

William Rice (an end customer of a supplier)



Results
December Q2 FY2022

Outlook – Dean Taylor, CEO DW8 said (key points*)

- **Two strategic acquisitions** completed strengthening our operational capability, market penetration & value proposition.
- **Acquisitions have driven substantial top line growth** which we expect to continue over the remainder of this financial year as the network effect generated from hundreds of new suppliers and buyers joining our platform kicks in.
- **Parton Wine Distribution**, acquired in August 2021, contributed a full quarter of revenue for the first time.
- Despite the challenging and ever-changing trading conditions due to Covid 19, Parton performed very well, helping us to set a number of order **fulfilment records** in November and December.
- **Kaddy**, acquired in early December, provided just three weeks contribution to the December GMV and revenue results.
- On a proforma basis, key metrics of Kaddy business unit have grown very substantially.
- Material increase in our combined **supplier base** from **acquisitions provides** a large opportunity to drive further growth by **cross selling of our trading and fulfilment solutions**.
- **Synergies from integrating Kaddy and Parton** into the existing technology platform will start being released.
- A number of other major **initiatives are underway** which will continue to build out the two key components of our platform and strengthen our offering.
- **New customer growth** across both trading and fulfilment platforms remains strong.
- **Onboarding of larger suppliers** should assist in getting the operating metrics back up to December quarter levels by Q4.
- **Sale and leaseback of our National Distribution Centre** generating a \$4.8m inflow banked in February.

Quarterly Results - December Q2 FY2022



Strategic transactions deliver substantial growth

Operating revenue

- Revenue grew **78%** on prior quarter (Q1 FY2022)
- Up **736%** on Q2 FY2021
- First full contribution from **Parton Wine Distribution** acquisition
- **Kaddy** contribution for only 3 weeks of December

Operating metrics

- Trading GMV up **615%** on prior quarter
- Fulfilment cases shipped up **79%** on prior quarter
- Active suppliers up **74%** on prior quarter

Acquisitions

- **Kaddy** – transformational strategic positioning of beverage platform
- Structural growth in GMV, revenue and suppliers & customers
- **Parton Wine Distribution** acquisition first full quarter of revenue contribution

Supply chain infra & strategic developments

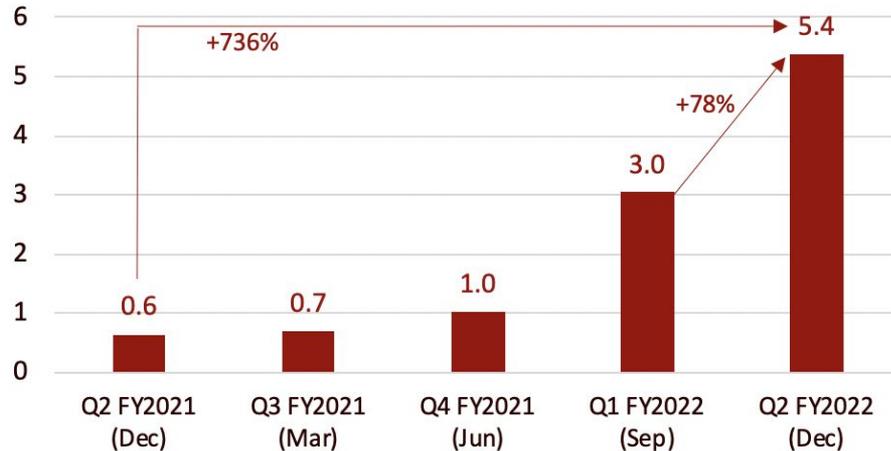
- **National Distribution Centre** – sale and long-term leaseback completed releasing \$4.8m cash in February 2022
- **WINEDEPOT INSIDER** launched, **WINEDEPOT** Adelaide logistics site opened, **WINEDEPOT DIRECT** launched

Quarterly Results – Operating revenue



The current Covid-19 Omicron wave has negatively impact industry wide beverage sales in all sales channels. We are confident that this short term effect will pass and that historic growth rates will be restored. We expect to drive additional revenue growth through the conversion of a strong pipeline of potential suppliers and buyers.

Operating Revenue (\$m)

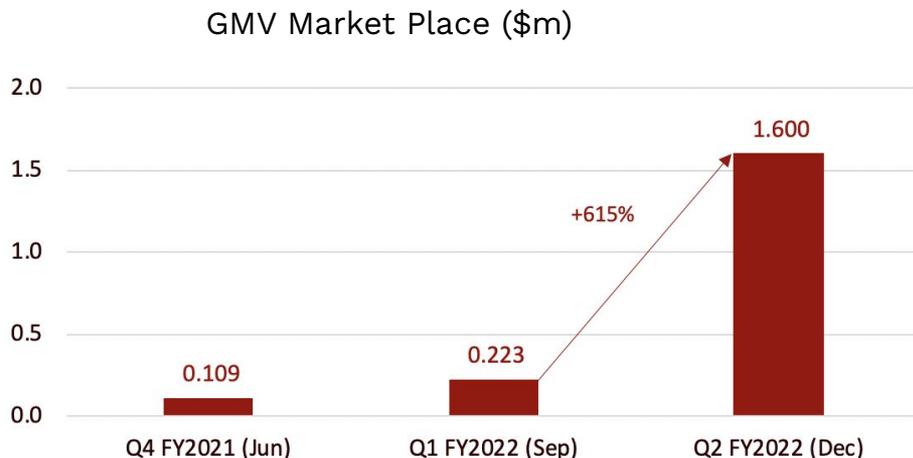


- Up 78% on prior quarter
- Up 736% on Q2 FY2021
- Includes Kaddy revenue contribution for only last three weeks of December

Quarterly Results – Operating metrics



Trading Platform

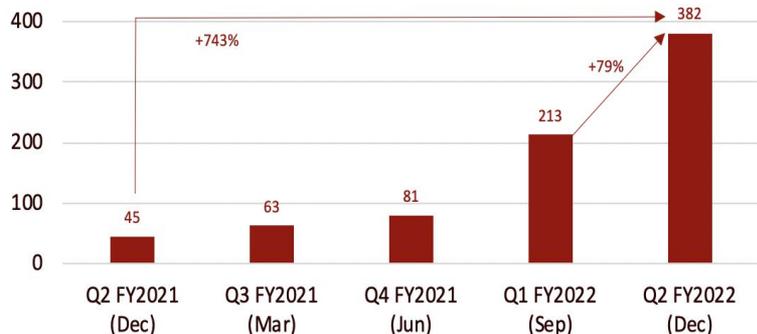


- Up 615% on prior quarter
- Kaddy's total GMV for Q2 FY2022 was circa \$4.5m up 13% on the prior quarter. The charts only include Kaddy GMV for only last three weeks of December
- **WINEDEPOT** standalone GMV growth was 46.1% on the prior quarter
- Total orders generated in Q2 FY2022 were up 31% on previous quarter however product availability issues from certain key suppliers led to substantially smaller than average order sizes

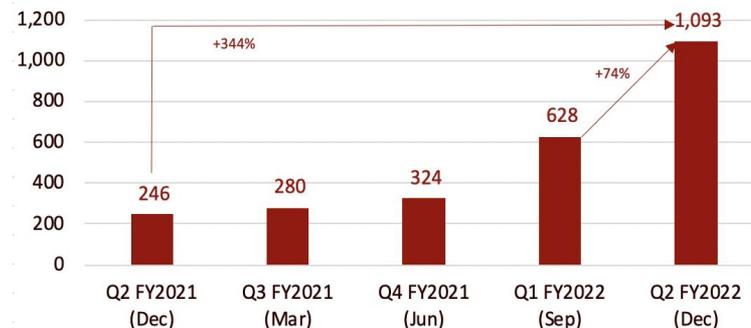
Quarterly Results – Operating metrics

Fulfilment Platform (Logistics)

Cases Shipped ('000)



Active Suppliers



- Average number of cases shipped per order fulfilled was 3.74, up 27.8% on the prior quarter
- Does not include Kaddy contribution which does not currently provide fulfilment services

- Includes Kaddy suppliers

Trading Platform

- **MARKETPLACE**
(direct-to-trade marketplaces “WINEDEPOT Market” and “Kaddy”)
 - Capability significantly bolstered by successful Kaddy acquisition
 - Kaddy’s entire team relocated into DW8’s Sydney office in February
 - Platform consolidation underway
- **DIRECT**
(direct-to-consumer sales via 3rd party marketplaces)
 - Launched in August 2021
- **INSIDER**
(industry focused ‘staff drinks’ membership program)
 - Launched in November 2021

Fulfilment Platform (Logistics)

- **CONNECT**
(order, inventory, payment & technology integration manager)
 - 2nd gen platform to launch in Q2 FY2022
- **3PL NETWORK**
(national logistics network, including Parton Wine Distribution)
 - Parton acquired in August 2021 going well
 - Significant synergies to be released from relocating existing customers into Parton sites
 - Expansion with Adelaide site opened
 - Capital expenditure projects underway
- **COLLECT SERVICE**
(formerly Wine Delivery Australia, ex cellar door fulfilment)
 - Planned expansion delayed by operational and Covid-19 travel constraints

Operating cash flow explanation (Quarterly Appendix 4C)



It is important to note that GMV from the trading platform is now accounted for in the cash flow statement on a gross basis, into the cash receipts and cash cost line items.

- This has led to inflating the cash receipts and cash cost line items in the current Appendix 4C
- The impact of this will increase further in the next 4C, as we account for a full quarter of Kaddy GMV
- Our margin is the commission (5% to 10%) generated on a net basis

Kaddy's **Cash receipts on GMV** are booked here (section 1.1)

Kaddy's **Cash costs on GMV** are booked here (section 1.2b)

Appendix 4C Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
DW8 LIMITED		
ABN		Quarter ended ("current quarter")
59 086 435 136		31 December 2021
Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$
1. Cash flows from operating activities		
1.1 Receipts from customers	7,194,143	10,433,044
1.2 Payments for		
(a) research and development	(328,784)	(562,392)
(b) product manufacturing and operating costs	(6,092,133)	(8,071,362)
(c) advertising and marketing	(434,747)	(759,340)
(d) leased assets	-	-
(e) staff costs	(3,358,936)	(5,720,591)
(f) administration and corporate costs	(556,286)	(1,193,690)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	477	1,354
1.5 Interest and other costs of finance paid	(21,369)	(27,831)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,597,635)	(5,900,808)

Cash

- Cash balance at 31/12/2021 = \$8.4m
- Topped up by \$4.8m on February 2022
(purchase, sale and long-term leaseback of National Distribution Centre and return of previously invested capital expenditure)
- Management believes the current cash runway of the Company will extend into calendar year 2023

Cost base

- December Q2 FY2022 operating costs includes non-recurring costs of circa \$600k from strategic transactions and B2B marketplace launch activities.
- Cost base includes spending on initiatives to grow and strengthen the business operationally and underwrite its leadership position
- Synergies achieved through the integration of Parton and Kaddy provide scope for meaningful cost savings over coming quarters
- In addition trading GMV has been booked on a gross basis as described on slide 18.

The cost base increased in Q2 FY2022 due to the consolidation of the combined entities of DW8 including the recently acquired Kaddy, which is in an investment phase scaling for growth.



Industry

Australian Beverage Industry

Our total addressable market \$37.2 billion



50,000+

Licensed venues ⁸

2,850+

AU & NZ Wineries ⁴

2,500+

Distributors & Importers ⁵

700+

Breweries ⁶

300+

Distilleries ⁷

1. <https://www.statista.com/outlook/cmo/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 \$22.1 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



Strategic Initiatives

Project One

Project One is an overarching strategic initiative that embraces and embodies the 4 pillars of our value proposition: **connect, simplify, deliver** and **support**. In summary it is all about unifying our four existing businesses into one distinct vision, simplifying the way that we operate and then presenting ourselves to the industry as one brand and team.

- **One Vision**
- **One Brand**
- **One Platform**
- **One Team**
- **One Marketplace**
- **One Website**
- **One Network**
- **One Fleet**

Accelerate the network effect

By bringing all of our suppliers and buyers onto one marketplace & platform, allows us to accelerate organic growth by leveraging the network effect.

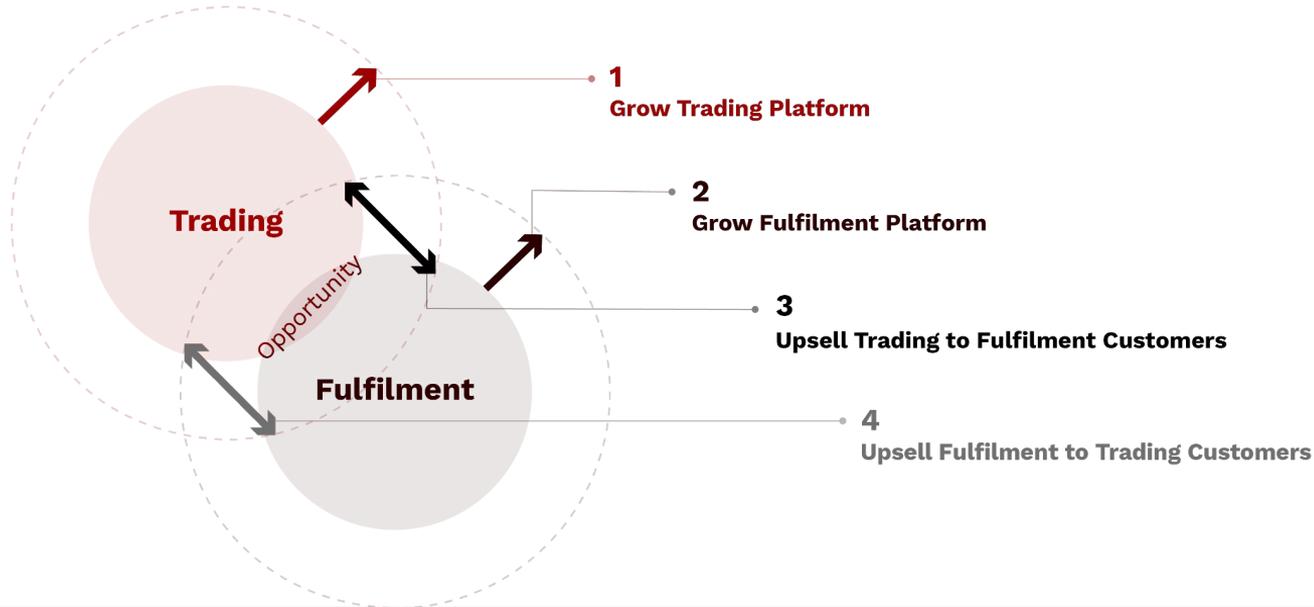
As DW8's ecosystem of buyers and sellers grows, the value unlocked for the industry is compounded. Combining DW8 and Kaddy will result in a major step change in scale providing a competitive moat that is highly defensible.

2. Currently there is very limited overlap between the trading and fulfilment customer databases.



Cross sell to compound growth

Another key initiative is cross selling customers between our trading and fulfilment platforms - providing the liquor industry with a game-changing end-to-end experience that until now has not existed. It also increases our yield per customer. The strategy allows us to develop even stickier relationships with our customers, making our already significant competitive moat even wider and deeper.



Superior fulfilment experience



The world's most successful marketplaces leverage fast, cost-effective and reliable fulfilment solutions to differentiate their customer value propositions and propel sales growth.

Since launching in September 2019, DW8 has established itself as one of Australia's largest and leading providers of alcoholic beverage fulfilment services.

We manage and operate a national network of warehouses that includes sites in Adelaide, Brisbane, Melbourne, Sydney & Perth supported by a bulk storage and interstate distribution facility that is strategically located in Albury-Wodonga.

The investment we have made in developing our own dedicated fulfilment platform provides the foundations required to underpin the rapid scaling of the trading platform without any dependence on third parties.

It also creates a significant competitive moat that is very difficult to replicate.

1,500,000+

Cases shipped per year

Based on Q2 FY2022 annualised run rate

DW8's tech enabled fulfilment platform includes cold chain, temperature controlled and bonded storage allowing the business to cater for the needs of emerging craft beer, spirits, cider and seltzer markets.

Multiple revenue streams



TRADING REVENUE

SEGMENT VALUE

\$20b

Total addressable market

FULFILMENT REVENUE

VOLUME OF CASES

190m

Total addressable market

SAAS REVENUE*

PLATFORM USERS

175,000+

Employees within target market

\$17b

Wholesale liquor market

\$170m

Est. volume at \$100 / case

50,000+

Total licenced venues

+ \$1.8b

Online liquor retail market

+ 10m

Est. online volume at \$150 / case

3,850+

Combined producers

+ \$1.2b

DTC wine, beer & spirits market

+ 10m

Est. DTC volume at \$150 / case

2,500+

Distributors

Seasoned board of directors



PAUL EVANS
NON-EXECUTIVE CHAIRMAN

Paul has 29 years of private equity experience with 3i in the United Kingdom and with AMP, Gresham and Ironbridge in Australia. In 2003 Paul became one of the Founding Partners of Ironbridge and has represented Ironbridge on the Boards of Barbeques Galore, iNova Pharmaceuticals and Amart Furniture. From 2017 to 2021 Paul was Director, Operations for Pacific Road Capital. He is also a keen wine collector and the Chairman of Elderton Wines Advisory Board.



JAMES WALKER
NON-EXECUTIVE DIRECTOR

James is a seasoned executive, with a track record in successfully commercialising cutting-edge technology in emerging markets. He has headed a number of Australian and international technology companies, including as CEO of DroneShield (ASX:DRO) and CFO of Seeing Machines (AIM: SEE). James is currently Executive Chair of Buglass (ASX:BLG) and Native Mineral Resources (ASX:NMR) as well as joint CEO of Scalare Partners Pty Ltd.



DEAN TAYLOR
CHIEF EXECUTIVE OFFICER

Dean is a start-up veteran with 28 years of industry experience and seven successful ventures under his belt. He brings deep domain ecommerce, marketplaces, digital transformation & platform business experience. Named one of the 50 Stars of Wine and TOP 50 People in E-commerce, he is well known and highly regarded within the beverage industry, digital, online retail and entrepreneurial communities.



MIKE ABBOTT
EXECUTIVE DIRECTOR
Head of Platforms

Mike is co-founder and CEO of Kaddy and will lead the combined DW8 marketplace business as Head of Platforms. Previously to Kaddy, Mike co-founded Uber in Australia in 2012 and spent 6 years building out Australia and New Zealand – one of the strongest Uber markets globally. Mike spent time as GM of Queensland before becoming Head of Operations, Strategy & Planning for ANZ. Prior to Uber Mike spent 6 years working in Corporate Finance at Bell Potter.

Experienced & invested leadership team



NICK DETMOLD
CHIEF OF STAFF

Nick is an experienced liquor and beverage industry executive having held senior strategy and commercial leadership roles with Beam Suntory and Coca-Cola Amatil across the Asia Pacific region and numerous advisory roles working with craft and start-up beverage businesses in the Australian market. He also brings extensive business integration and project management experience.



CLINT LANDER
CFO (Interim)

Clint has over 25 years finance and commercial experience predominantly within high growth technology companies. His previous roles include Chief Financial Officer (ASX:EVS) and Finance & Commercial Director of Bravura Solutions and Damovo UK. Clint has a Graduate Diploma in Management and Master of Business Administration from the AGSM @ UNSW Business School.



DAVIDE DEFENDI
CTO

Davide is a technology leader experienced in advancing companies from inception through to sale, across several industries. From a start-up perspective Davide has been involved with/founded two digital agencies, a technology recycling & service business, an instant messaging business similar to WhatsApp. He's served on the boards of both public ASX listed and private companies.



RICH COOMBS
HEAD OF COMMERCIAL

Co-founder of **Kaddy**, Rich also co-founded several successful beverages businesses including Batlow Cider, Will & Co Coffee and Capital Brewing. He has a deep understanding of all facets of wholesale operations, including sales, marketing and distribution, as well as supply chain management. Prior to these ventures, Rich spent 5 years in Investment Banking at UBS and Investec.



JAMES MUNN
HEAD OF LOGISTICS

Founder of Wine Delivery Australia acquired in 2020. James is a highly experienced supply chain professional, with over two decades of experience in the warehousing and logistics sector. James also co-founded Restore, a company offering an end-to-end logistics solution for businesses Point of Sale (POS) merchandise, collateral, and technology systems.

A graphic with a dark background featuring a grid of glowing red dots and lines, creating a sense of depth and movement. The text "Investment Summary" is overlaid in white.

Investment Summary

Investment summary



- ▶ DW8 is **Australia's leading wholesale alcoholic beverage marketplace**. It's fully integrated trading, payment & fulfilment platform is unique and not available anywhere else in the world.
- ▶ **Huge growth potential** following **acquisition of Kaddy** in December 2021 (B2B beverage marketplace) **through vertically integrating** (cross selling) the trading and fulfilment platforms to existing customers; **synergies being unlocked**
- ▶ **Opportunity to scale the business ecosystem** further in Australia (fragmented market) and expand the business model into overseas markets; numerous operational enhancement projects across the platform underway
- ▶ **Strong Board and management team** with deep industry experience; directors & founders through acquisition remain heavily invested in the business
- ▶ **Cost base reductions and synergies to be announced in H2 FY2022** Meaningful cost savings achieved through post merger integration to flow through over the coming quarters.
- ▶ **Strong pipeline of potential suppliers and buyers** in the process of being onboarded is expected to drive revenue growth in H2 FY2022

Contact

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For more information about DW8 (ASX: DW8)

Website: www.dw8.com.au

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



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