

3 May 2022**ASX Announcement**

DW8 March Quarterly Update Q3 FY2022 Investor Conference call details and Presentation

DW8 Limited (DW8: ASX), or the "Company", owns and operates **Kaddy**, an integrated marketplace & logistics 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 fulfilment experience, is pleased to invite investors to participate in the **March Quarterly Update Q3 FY2022 investor conference call**.

During the call, CEO Dean Taylor will present an update followed by a Q&A session.

Date and time

Tuesday 3 May 2022 at 2:00 pm AEDT (Sydney time)

Zoom link

https://us06web.zoom.us/webinar/register/WN_1SbPvTZ8QgaFf8xjAke1IQ

Reference materials

- [DW8 March Quarterly Report Q3 FY2022](#) – ASX announcement 29 April 2022
- Investor presentation – attached to this announcement

END

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

Dean Taylor

Chief Executive Officer

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For more information about DW8:

Website: www.dw8.com.au

Blog: <https://www.dw8.com.au/insights>

DW8 Limited (ASX: DW8)

DW8 is an Australian publicly listed technology company that operates **Kaddy**, an integrated marketplace & logistics 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 fulfilment experience.

Our vision is to create a \$1+ billion GMV wholesale beverage marketplace in Australia, then look to expand our unique and innovative technology platform into other key markets.

Kaddy consists of two core divisions:

Kaddy Marketplace is the leading wholesale beverage marketplace in Australia based on monetised GMV, revenue generated and new customer growth. It provides a one-stop shop for wholesale beverage 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 is one of the leading and largest providers of logistics solutions to the beverage industry. It offers 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 and their customers with a fast, efficient and reliable delivery solution.

Suppliers access our fulfilment platform via **Kaddy Connect**, a proprietary cloud-based inventory and order management system that can be integrated with their own technology so that orders flow through seamlessly.

We also operate a social networking platform called **Kaddy Community** which is designed to provide the beverage industry access to a forum where they can share their news, reviews, views, insights and latest announcements.

Kaddy generates revenue via:

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

To learn more about Kaddy, please visit:

Website: www.kaddy.com.au

Blog: <https://www.kaddy.com.au/insights>

Media: <https://www.kaddy.com.au/media-coverage>



An integrated marketplace & fulfilment platform
connecting beverage suppliers and buyers

Investor Update

March Quarter, Q3 FY2022

03/05/2022

ASX: DW8

Disclaimer



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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.

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DW8 Overview

DW8 Overview

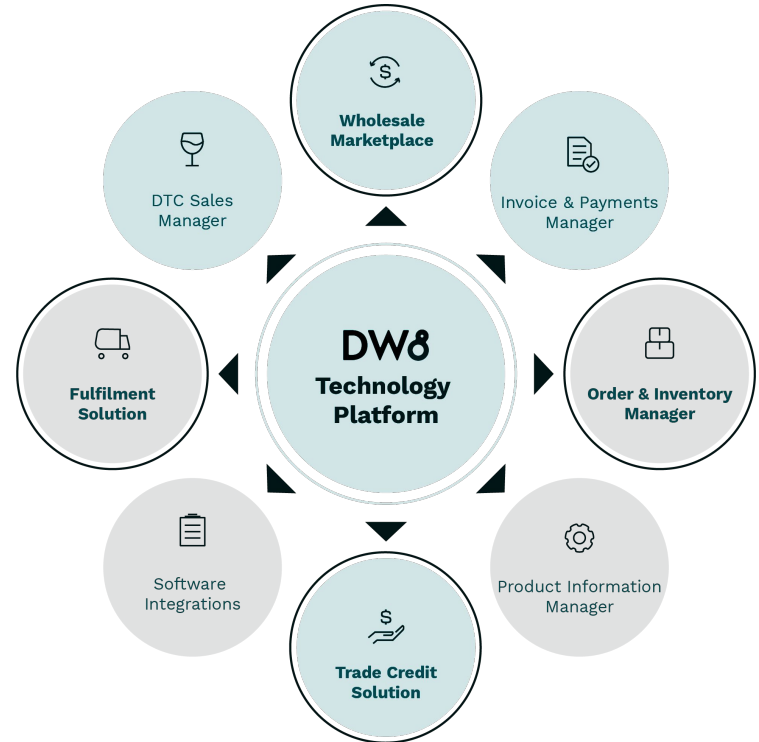
DW8

DW8 (ASX: DW8) owns and operates **Kaddy**, an integrated marketplace & 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 fulfilment experience.

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.

Our platform consists of two core divisions:

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

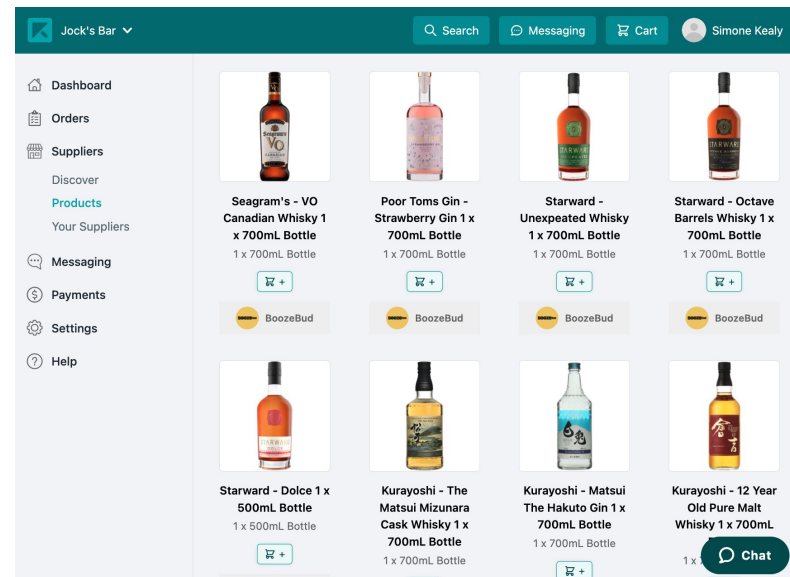


Kaddy Marketplace

DW8

Kaddy Marketplace is the leading wholesale beverage marketplace in Australia based on monetised GMV and revenue being generated. It provides a one-stop shop for wholesale beverage discovery, ordering, invoicing and payments.

- 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, creating opportunities to simplify back-office functions, increase sales opportunities, distribution and reach while improving cash flow.
- Kaddy Marketplace is supported by an integrated fulfilment solution that provides buyers with a unique end-to-end experience that is difficult to replicate.

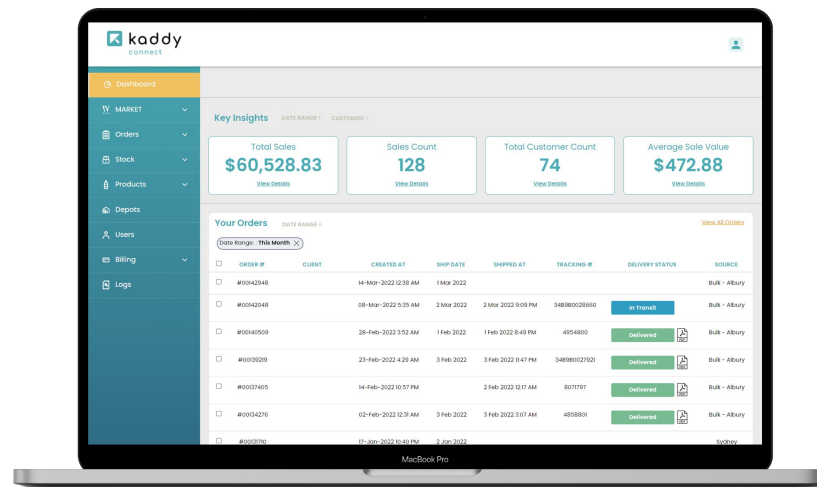


Kaddy Fulfilment

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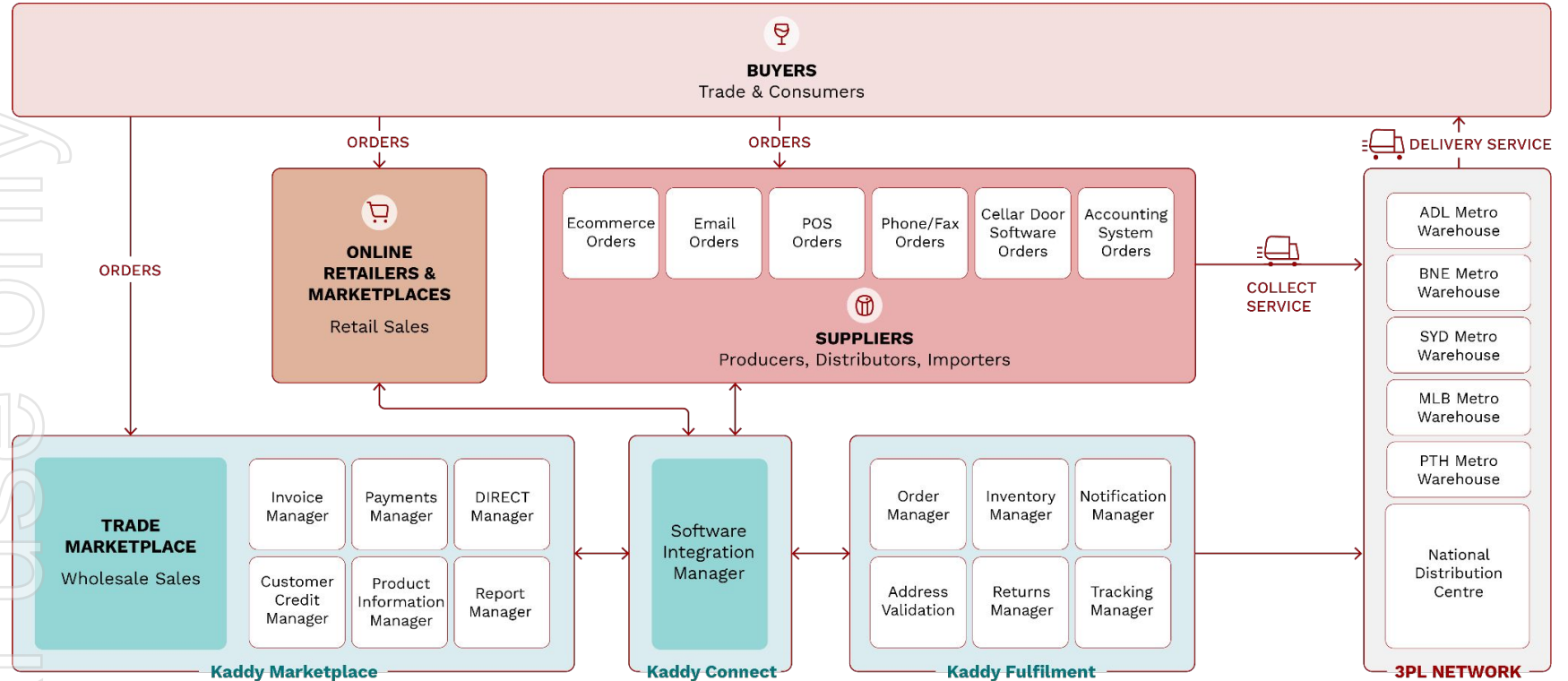
With over 35,000 sqm of warehousing offering cold chain, temperature controlled and bonded storage **Kaddy Fulfilment** is one of the leading and largest providers of logistics solutions to the Australian beverage industry capable of servicing the needs of suppliers of any scale.

- We offer a suite of specialised fulfilment solutions, including warehousing, inventory management and nationwide delivery services.
- With a dedicated fleet servicing major capitals across Australia, we provide suppliers and their customers with a fast, efficient and reliable delivery solution.
- Suppliers access our fulfilment platform via **Kaddy Connect** a proprietary cloud-based inventory and order management system that can be integrated with their own technology so that orders flow through seamlessly.



Kaddy Ecosystem

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Kaddy Customers (Marketplace)

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SOLOTEL

APPLEJACK.

PORTERS
LIQUOR

Cellarbrations

Bucket boys.

MR LIQUOR

1,260+

brands

12,700+

products

1,640+

active buyers

"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**

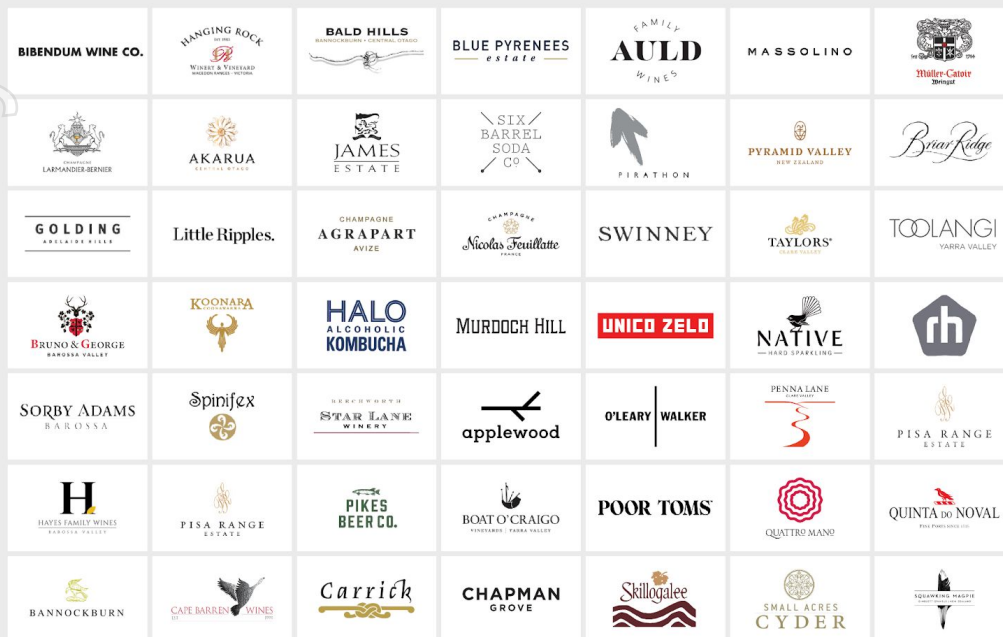
"Kaddy nuked 90% of our accounts receivables issues (and we love you for it)."

Alex Hardie, Mobius Distilling



Kaddy Customers (Fulfilment)

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1,170+

active 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

March Q3 FY2022

Executive Summary - March Q3 FY2022

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From Dean Taylor, CEO DW8 (highlights and outlook*)

OPERATIONAL HIGHLIGHTS

- Strong growth in GMV as the full quarter's contribution from Kaddy flows through
- Large influx of new suppliers our fulfilment platform in Sydney & Melbourne due to our superior service levels
- Cases shipped in March almost back at November record highs (ahead of our internal expectation)
- Step change in revenue expected from:
 - New fuel levy of 7% introduced in April 2022 to offset 3rd party carrier costs
 - New fulfilment rate card being introduced in July 2022 (expected to increase revenues by circa 5%)
- Project One initiatives progressing well and expected to:
 - Release material cost savings and synergies
 - Increase the overlap in suppliers using both fulfilment and marketplace solutions (currently just 4%)
 - Position company well for the next phase of rapid scaling

OPERATIONAL LOWLIGHTS

- Challenging trading conditions:
 - Staff shortages due to COVID
 - On-premise venue closures and reduced trading hours
 - Product supply issues - especially commercial beer
 - Extensive flooding on Australia's East Coast further disrupting the supply chain
 - Sydney (one of our largest markets) had 75 wet weather days in Q3 FY2022

* See March Q3 FY2022 quarterly report for full version of the outlook statement

Quarterly Results - March Q3 FY2022

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Step change in operating metrics following Kaddy acquisition; consolidation prepares platform for growth

Operating revenue

- Revenue of \$4.6m up 497% on Q3 FY2021
- Down 15% on prior quarter Q2 FY2022 as expected due to industry seasonality
- First full quarter of contribution from Kaddy acquisition

Marketplace operating metrics

- GMV of \$4.3m up 169% on prior quarter (strong contribution from Kaddy)
- Trade Buyers of 1,646 up 13% on the prior quarter
- Total brands now available 1,261
- Total product SKU's now available 12,704

Fulfilment operating metrics

- Total cases shipped of 313k up 393% on Q3 FY2021
- Down 18% on prior quarter as expected due to industry seasonality
- Average number of cases shipped per order was 4.13, up 10.5% on the prior quarter

Other major achievements

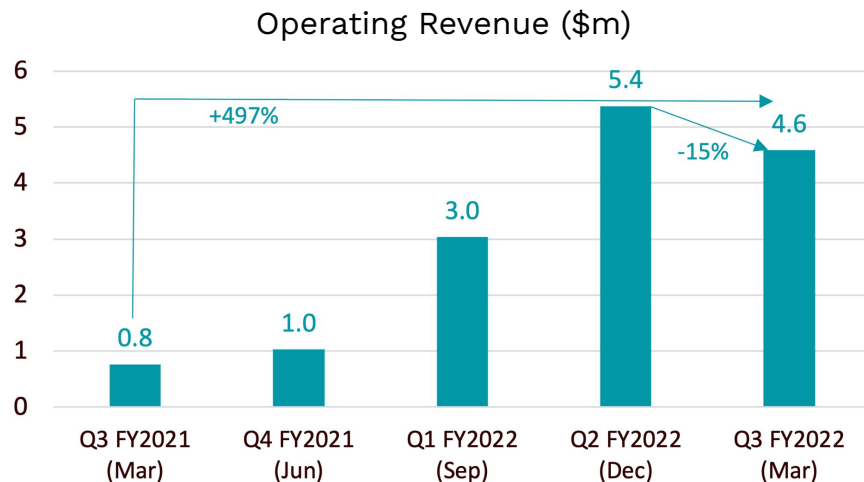
- Project One with material cost savings visible from Sept qtr onwards (restructuring cost hit taken this qtr)
- Kaddy Connect launched
- Kaddy Community launched
- Kaddy new website launched

Quarterly Results - Operating revenue

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Challenging trading conditions across both divisions due to:

- Staff shortages due to COVID
- On-premise venue closures and reduced trading hours
- Product supply issues - especially commercial beer
- Extensive flooding on Australia's East Coast further disrupting the supply chain
- Sydney (one of our largest markets) had 75 wet weather days in Q3 FY2022



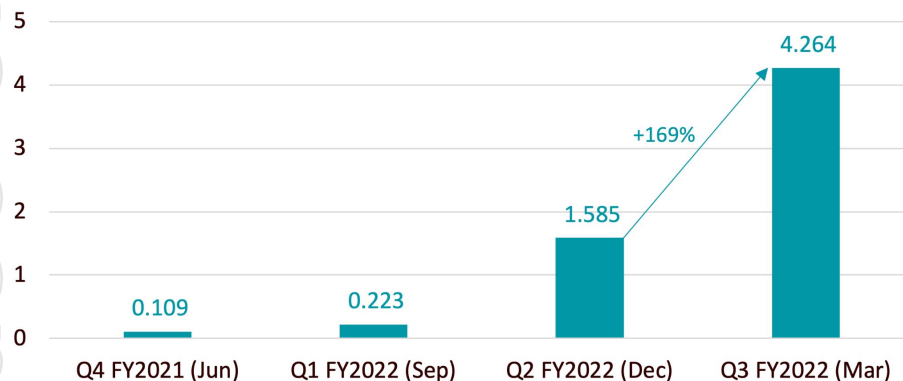
- Operating revenue up 497% on Q3 FY2021
- Down 15% on prior quarter as expected due to industry seasonality (with December being the high quarter)
- First full quarterly contribution from Kaddy acquisition

Quarterly Results - Operating metrics

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Kaddy Marketplace (Trading Platform*)

Marketplace GMV (\$m)



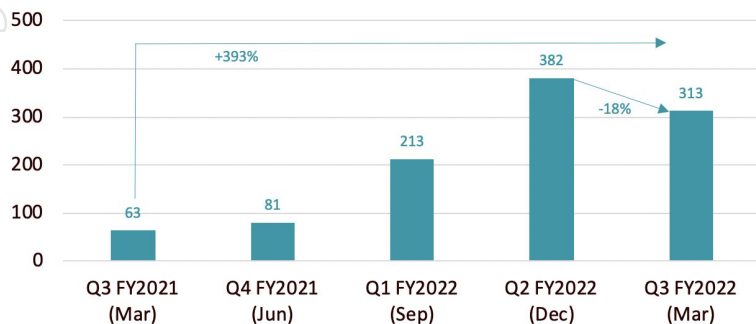
- Up 169% on prior quarter
(no comparison with Q3 FY2021 available)
- Includes Kaddy contribution for first full quarter (acquired December 2021)
- Strong growth in operating metrics:
 - Trade Buyers of 1,646
up 13% on the prior quarter
 - Total Brands of 1,261
up 19% on the prior quarter
 - Total Product SKU's of 12,704
up 5% on the prior quarter

Quarterly Results - Operating metrics

DW8

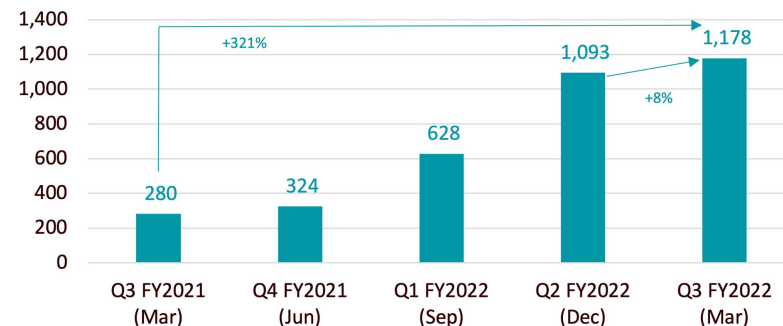
Kaddy Fulfilment (Logistics Platform*)

Cases Shipped ('000)



- Cases shipped 313k up 393% on Q3 FY2021
- Down 18% on the prior quarter as expected due to industry seasonality
- Average number of cases shipped per order fulfilled continues to grow at 4.13, up 10.5% on the prior quarter

Active Suppliers



- Active suppliers 1,178 up 321% on Q3 FY2021
- Up 8% on the prior quarter
- Overlap of suppliers using both Fulfilment & Marketplace platforms at end of March just 4% - meaning there is a large potential to upsell suppliers to also become Marketplace users and vice versa

Operational update

Project One

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During Q3, we launched Project One, a company wide initiative to consolidate four legacy brands and operating entities under a single brand **Kaddy**, releasing operational efficiencies, material cost savings, new revenue generation opportunities and deeper levels of customer engagement while preparing the platform for the next phase of rapid scaling.

- Project One takes advantage of latent synergies available by integrating a number of acquisitions the Company has made in the last two years (Kaddy, Parton Wine Distribution & Wine Delivery Australia).
- 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 both the Marketplace and Fulfilment divisions of the business.
- Consolidation of brands and business units 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.
- Marketplace division savings have been estimated at \$3m p.a.. Fulfilment division savings are yet to be announced. The majority of these savings will take effect in the June ending quarter, with the full benefit of these cost savings visible from the September quarter onwards.

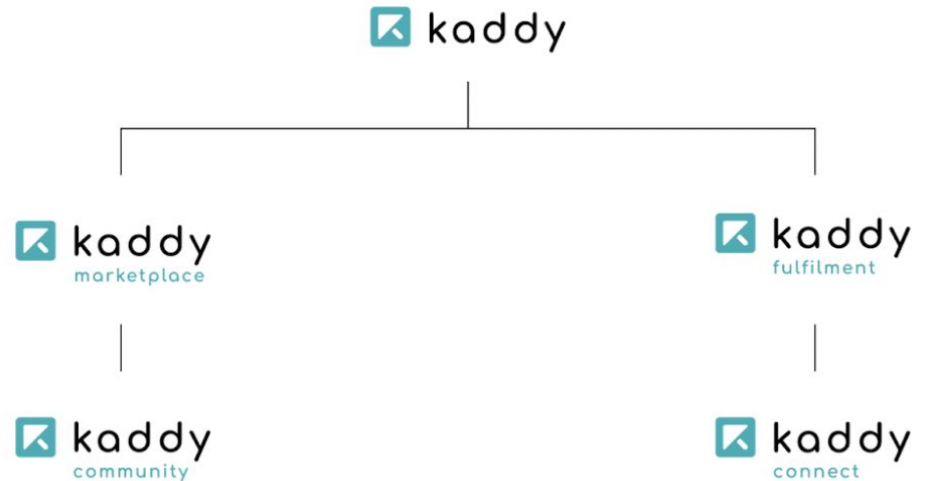
Project One

DW8

Core components:

- One brand ✓
- One vision ✓
- One team ✓
- One website ✓
- One platform ✓
- One community ✓
- One network
- One marketplace
- One order
- One invoice
- One payment
- One delivery

Completed



One website

DW8

As part of Project One we launched a new improved website at www.kaddy.com.au, which will replace the three existing websites operated by Parton, Wine Delivery Australia and Wine Depot.



Buyers ▾

Producers & Distributors ▾

Fulfilment ▾

About ▾

Login

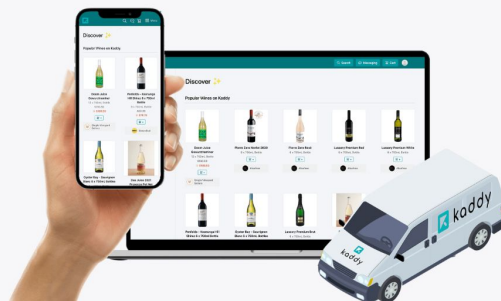
Sign up

**Discover.
Connect.
Trade.
Deliver.**

Kaddy is Australia's leading wholesale beverage marketplace. Supported by an end-to-end national fulfilment solution, our integrated platform is helping thousands of suppliers, distributors, venues and retailers streamline and simplify the way they discover, connect and trade.

Get started

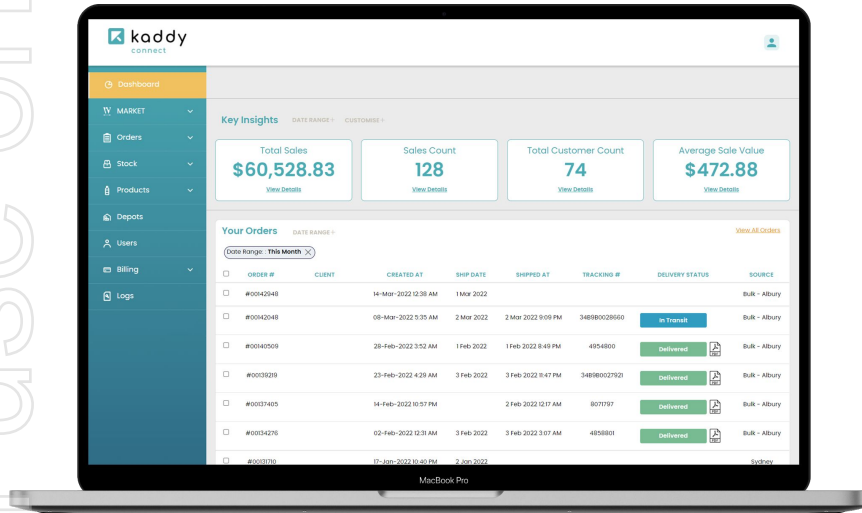
Watch demo



One platform

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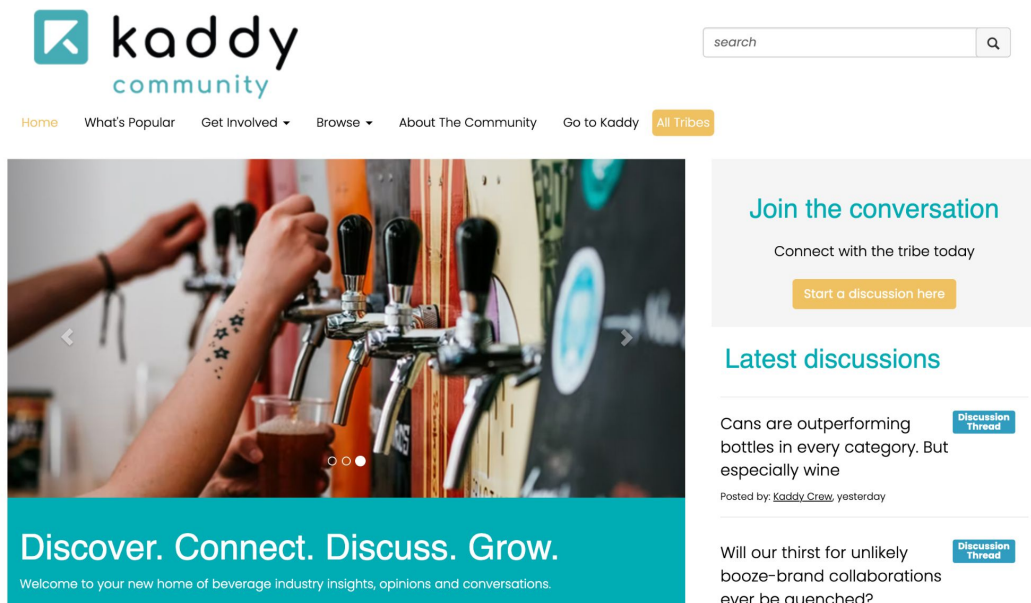
During Q3 we rolled out **Kaddy Connect**, reducing the number of 3rd party applications used across the business. The deployment of Kaddy Connect reduces costs, simplifies operations, improves our customer experience and makes the cross-selling of products and services across the two divisions (Kaddy Marketplace & Kaddy Fulfilment) much easier.



One community

DW8

We are pleased to announce the launch of **Kaddy Community**, a social networking platform which provides the broader beverage industry access to news, reviews, views, insights and latest announcements.



The screenshot displays the Kaddy Community website. At the top left is the logo, which consists of a teal square with a white arrow pointing up and to the right, followed by the text 'kaddy' in a bold, lowercase sans-serif font, and 'community' in a smaller, lowercase sans-serif font below it. To the right of the logo is a search bar with the placeholder text 'search' and a magnifying glass icon. Below the logo and search bar is a horizontal navigation menu with the following items: 'Home' (highlighted in orange), 'What's Popular', 'Get Involved' (with a dropdown arrow), 'Browse' (with a dropdown arrow), 'About The Community', 'Go to Kaddy', and 'All Tribes' (highlighted in orange). The main content area features a large hero image on the left showing a person's arm with a star tattoo pouring beer from a tap. Below this image is a teal banner with the text 'Discover. Connect. Discuss. Grow.' and a smaller line of text: 'Welcome to your new home of beverage industry insights, opinions and conversations.' On the right side of the main content area, there is a light gray box titled 'Join the conversation' with the text 'Connect with the tribe today' and a yellow button labeled 'Start a discussion here'. Below this is a section titled 'Latest discussions' which lists two discussion threads. The first thread is titled 'Cans are outperforming bottles in every category. But especially wine' and is marked as a 'Discussion Thread'. The second thread is titled 'Will our thirst for unlikely booze-brand collaborations ever be quenched?' and is also marked as a 'Discussion Thread'.

kaddy
community

search

Home What's Popular Get Involved Browse About The Community Go to Kaddy All Tribes

Discover. Connect. Discuss. Grow.
Welcome to your new home of beverage industry insights, opinions and conversations.

Join the conversation
Connect with the tribe today
Start a discussion here

Latest discussions

Cans are outperforming bottles in every category. But especially wine
Posted by: [Kaddy Crew](#) yesterday
Discussion Thread

Will our thirst for unlikely booze-brand collaborations ever be quenched?
Discussion Thread

Other exciting news

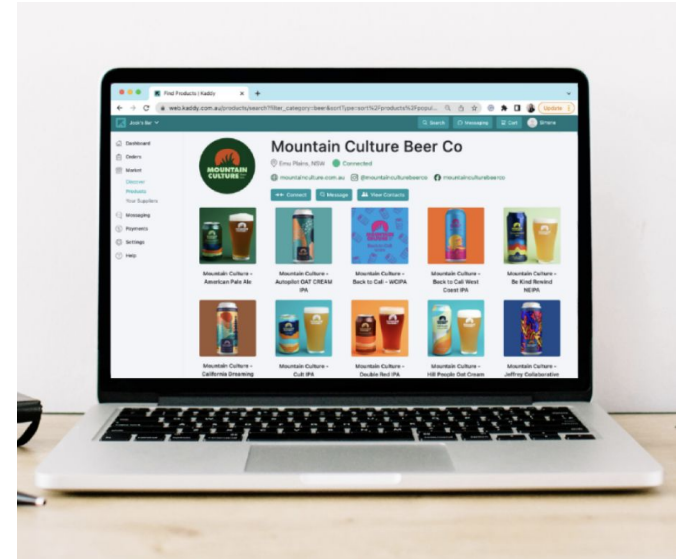
Mountain Culture partnership

DW8

We are pleased to announce that **Mountain Culture Beer Co**, one of the hottest new craft breweries in Australia, has rolled out a wholesale partnership with Kaddy.

Launched in 2019 (incidentally the same year as Kaddy), Mountain Culture has enjoyed extraordinary success. In 2020, Beer and Brewer named Mountain Culture Beer Co Australia's 'Best New Brewery'. A year later, their 'Be Kind Rewind' NEIPA expression was voted as the fifth best pale Ale worldwide, and the best in Australia on popular beer ranking website Untappd. This popularity has translated to sales too, with the brewery recording 'triple-digit growth'.

As Adam Browne, Mountain Culture's National Sales Manager explains "Our production capacity has increased to a level that supports our trade growth plans, and we see Kaddy as the perfect wholesale partner to help bring more Mountain Culture products to thirsty Australian's. Partnering with Kaddy was the logical next step to expand our product reach."



Investment summary

Investment summary

DW8

- ▶ **Australia's leading wholesale alcoholic beverage marketplace** based on monetised GMV and revenue being generated. It's fully integrated marketplace & fulfilment platform is unique and not available anywhere else in the world.
- ▶ **Well positioned to scale further in Australia's \$37.2 billion¹ addressable market** with plans to progressively expand the platform overseas into the US\$1.813 trillion² global beverage market.
- ▶ **Multiple proven and highly scalable revenue streams**, which have the potential to be compounded through cross selling of products and services to existing customers.
- ▶ **Heavily invested senior management team** with deep domain experience, strong industry relationships and proven entrepreneurial success.
- ▶ **Material costs savings, new fuel levy and rate card price increases** to take effect in June ending quarter with the full benefit visible from the September quarter onwards.
- ▶ **Strong pipeline of potential suppliers and buyers** that is expected to continue to drive multiple digit growth across all key metrics.
- ▶ **Growth rate expected to accelerate** from the network effect generated through the consolidation of thousands of existing customers onto one marketplace and platform.

1. 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.

2. Pipecandy.com report published 5 January 2022 titled Market Size of Global Beverage Industry 2022-2024

Board of directors

DW8



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.

Management team

DW8



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

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 COOMBES
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 MUNNN
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.

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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Chief Executive Officer

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E: dean@dw8.com.au

DW8

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