

# Appendix 4D

## Interim Report

### DW8 LIMITED

ACN

086435136

Six Months Ended

31 DECEMBER 2021

Corresponding period was the six months ended 31 December 2020

### Results for announcement to the market

RESULTS					
		\$A	%		\$A
Revenues from ordinary activities	Up	7,461,122	753	to	8,452,455
Loss from ordinary activities after tax attributable to members	Up	(6,252,020)	265	to	(8,614,452)
Loss for the period attributable to members	Up	(6,252,020)	265	to	(8,614,452)

### EPS

Earnings per Security (cents per share)	31 Dec 2021	31 Dec 2020
Basic loss per share (cents per share)	(0.44) cents	(0.2) cents
Diluted loss per share (cents per share)	(0.44) cents	(0.2) cents

### Net Tangible Asset Backing

	31 Dec 2021	31 Dec 2020
Per Ordinary Security (cents per share)	(0.2) cents	0.6 cents

### Dividend Payable

No dividends have been paid or declared during the period.

### Dividend Re-investment Plan

There is no dividend re-investment plan in operation.

### Control gained over entities having material effect

	31 Dec 2021	31 Dec 2020
Parton Wine Distribution Pty Ltd	100%	0%
Kaddy Australia Pty Ltd	100%	0%

### Loss of control of entities having material effect

Name of entity (or group of entities)	NIL
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### Details of associates and joint venture entities

Name of entity (or group of entities)	NIL
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This report is based on the Half Year Financial Report which has been subject to review by the Auditors. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the Interim Financial Report for the Half Year Ended 31 December 2021 and the 30 June 2021 Annual Financial Report.

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# **DW8 LIMITED**

**ABN 59 086 435 136**



## **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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**DIRECTORS**

Paul Evans – Non-Executive Chairman  
Dean Taylor – Executive Director and Chief Executive Officer  
James Walker – Non-Executive Director  
Mike Abbott – Executive Director and Head of Platforms

**COMPANY SECRETARY**

Arron Canicais

**REGISTERED AND PRINCIPAL OFFICE**

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Sydney NSW 2000  
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**SHARE REGISTRY**

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands, WA, 6009  
Telephone: (08) 9389 8033  
Facsimile: (08) 9262 3723

**AUDITORS**

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008  
Telephone: (08) 9426 0666

**SOLICITORS**

HWL Ebsworth Lawyers  
Level 20,  
240 St Georges Terrace  
Perth WA 6000

**SECURITIES EXCHANGE**

Australian Securities Exchange Limited (ASX)  
Home Exchange - Perth  
ASX Code – DW8 (Ordinary Shares)  
ASX Code – DW8O (Listed options with a \$0.015 exercise price and 31 December 2022 expiry date)

Your Directors present their half year report for DW8 Limited (formerly Digital Wine Ventures Limited) (referred to hereafter as 'DW8' or the 'Company') and its controlled entities ('Group') for the half year ended 31 December 2021.

## 1. DIRECTORS

The names of the Directors of the Company in office during the half year and up to the date of this report are as follows:

DIRECTORS	POSITION	APPOINTMENT / (RESIGNATION)
Mr Paul Evans	Non-Executive Chairman	Appointed 1 November 2019
Mr Dean Taylor	Executive Director / Chief Executive Officer	Appointed 1 February 2019
Mr James Walker	Non-Executive Director	Appointed 30 September 2019
Ms Michelle Anderson	Non-Executive Director	Appointed 1 July 2021, Resigned 27 November 2021
Mr Michael Abbott	Executive Director	Appointed 8 December 2021

Directors were in office for the whole of the financial period and to the date of this report unless otherwise stated.

## 2. PRINCIPAL ACTIVITIES

DW8 is an Australian publicly listed technology company that operates an integrated trading, payment & order fulfilment platform that allows beverage suppliers to connect with buyers, simplify operations and 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.

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



WINEDEPOT (winedepot.com), a technology enabled beverage fulfilment solution



KADDY (kaddy.com.au), a B2B wholesale beverage marketplace.

DW8 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.

The Company generates revenue via:

- Trading fees (% of the transaction value)
- Fulfilment fees (storage, picking, packing, handling & freight)
- Subscription fees (charged per user accessing its platform)

## 3. CORPORATE STRUCTURE

DW8 Limited (DW8) is a Company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange ('ASX') under ASX code DW8 and whose shares are publicly traded on the Australian Securities Exchange Limited. DW8 changed its name from Digital Wine Ventures Limited during the period, recognising the expansion of its addressable market into the broader beverage industry. An overview of the ownership structure for DW8 (the Group) is shown below:

DW8 Limited	- Parent Entity
Kaddy Pty Ltd	- 100% owned controlled entity
Wine Depot Holdings Pty Ltd	- 100% owned controlled entity
Wine Delivery Australia Pty Ltd	- 100% owned controlled entity
CGWDH Pty Ltd	- 100% owned controlled entity
Dawine (HK) Limited	- 100% owned CGWDH Pty Ltd (to be liquidated)

#### 4. REVIEW OF OPERATIONS

##### OPERATING METRICS

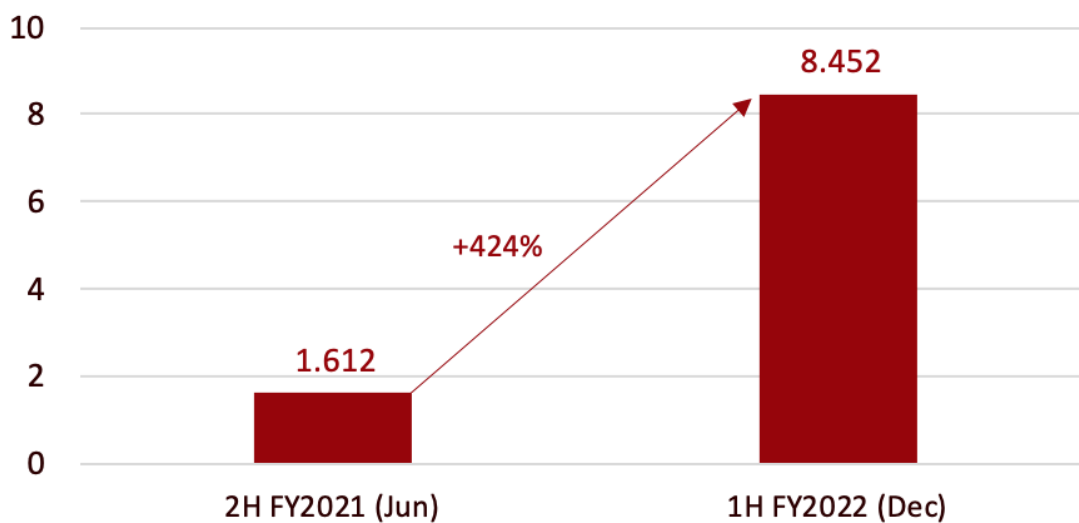
Growth in operating metrics during the period are the result of continued organic growth, bolstered by two acquisitions.

DW8 completed the acquisitions of Parton whose results are included from 9 August 2021 and Kaddy, whose results are included from 9 December 2021.

##### Operating Revenue and Trading Platform – Market Place GMV

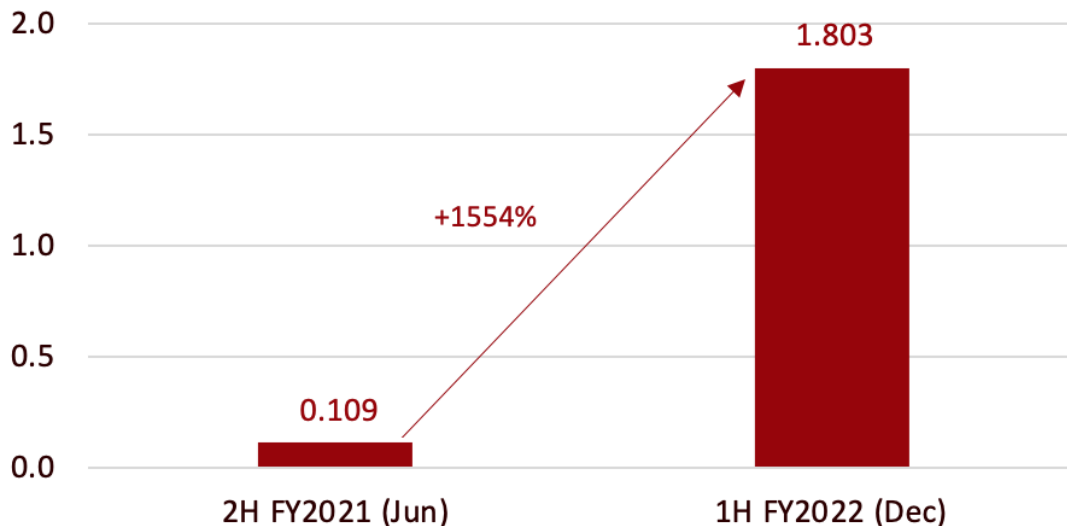
Operating Revenue in 1H FY2022 was \$8.452m, up 424% on the prior half year (2H FY2021) total of \$1.612m and up 752% on 1H FY2021 total of \$991,333.

##### Operating Revenue (\$m)



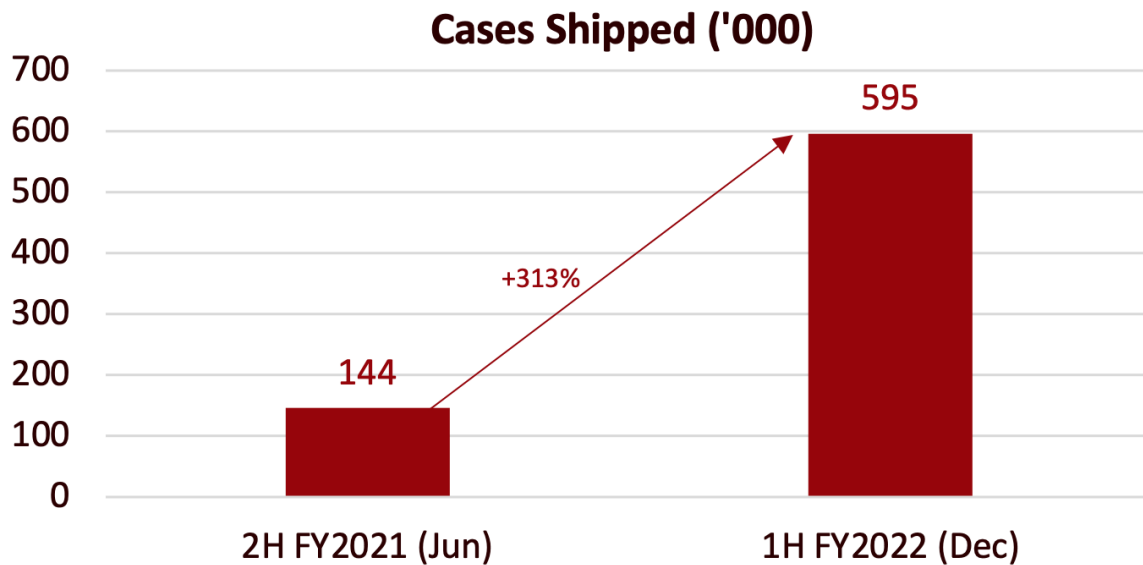
Marketplace GMV in 1H FY2022 was \$1.803m, up 1,554% on the prior half year (2H FY2021) total of \$0.109m. The marketplace platform was only launched in 2H FY2022 thereby no comparison is available with 1H FY2021.

##### Total Market Place GMV (\$m)

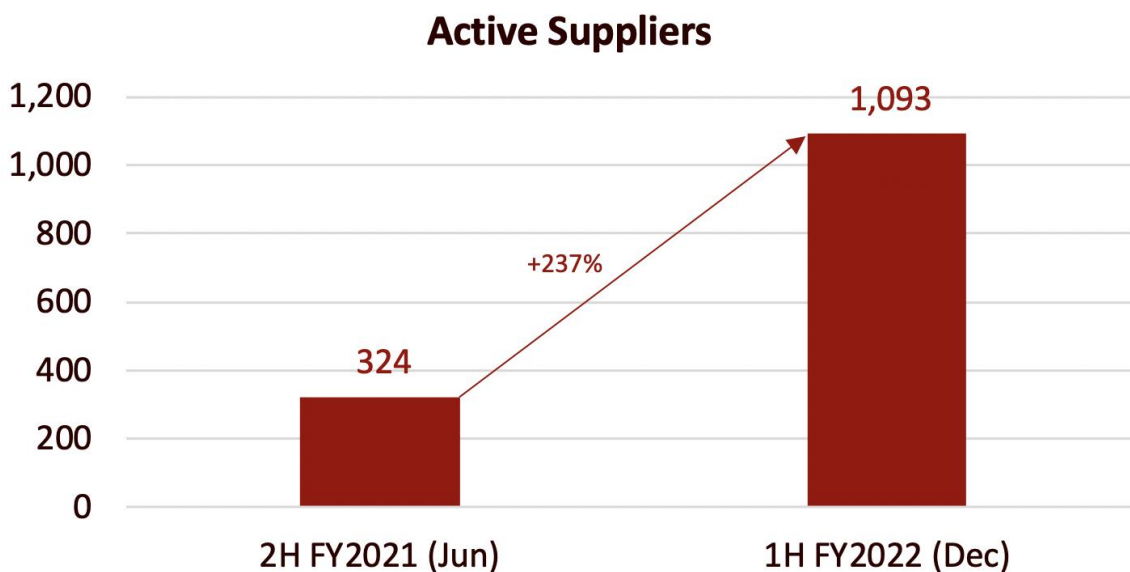


## Fulfilment Platform - Cases Shipped and Active Suppliers

Cases Shipped in 1H FY2022 were 594,796, up 313% on the prior half year (2H FY2021) total of 144,138 cases and up 779% on 1H FY2021 total of 67,646 cases.



Active Suppliers in 1H FY2022 were 1,093 up 237% on the prior half year (2H FY2021) total of 324 and up 344% on 1H FY2021 of 246 suppliers.



### KEY MILESTONES ACHIEVED IN 1H FY2022

#### KADDY Acquisition

The acquisition of 100% of Kaddy Australia Pty Limited (Kaddy) in the December quarter was completed following shareholder approval (see [ASX announcement 8 December 2021](#)). Kaddy is Australia's leading wholesale beverage marketplace, and the acquisition both allows DW8 to penetrate deeper into the wholesale beverage market and brings a network of over 2,000 registered wholesale customers and more than 450 suppliers. For further information about the acquisition of Kaddy, see [ASX announcement](#) and [Investor Presentation](#) of 15 October 2021.

Kaddy's results are included for only a portion of the half year period under DW8 control being from 9 December 2021.

### **National Distribution Centre (NDC)**

The Company entered into binding agreements to effect the purchase, sale and long-term leaseback of its NDC in Barnawartha, Victoria (7,250 sqm warehouse with potential to expand by a further 10,770 sqm).

Since period end a one-off cash profit of \$3.266m net of costs was generated subsequent to reporting date. A further \$1.095m of recently invested capital was also be released at settlement, through a long-term funding agreement provided by the new landlord for the state-of-the-art temperature control systems that have been installed at the NDC. Both payments totalling \$4.361m were received in February 2022.

The transaction strengthens DW8's competitive position within the Australian liquor market, allowing its customer orders to be delivered next day to 85% of Australia's population. See [ASX announcement 24 December 2021](#).

### **Parton Acquisition**

Parton Wine Distribution Pty Limited (Parton) was acquired in August 2021 to help accelerate the development of the fulfilment component of our integrated trading, payment, and fulfilment platform.

The acquisition provided us with the operational infrastructure required to offer the liquor industry access to a specialised national beverage fulfilment solution, which until now has been unavailable for most industry suppliers.

It also provides a significant step change in our operational capability, which in turn allows the Group to start attracting and servicing much larger accounts. This significantly reduces the Group's reliance on third party logistics providers, which in turn allows the Group to start set new benchmarks in service levels for the industry.

The acquisition also provided a significant lift across key performance metrics in terms of cases shipped, total order volume and number of suppliers. The acquisition has expanded the Group's competitive moat by providing our suppliers with an end-to-end supply chain solution. For further information about the acquisition of Parton, see [ASX announcement of 19 July 2021](#).

Despite the challenging and ever-changing trading conditions due to Covid 19, the business unit is performing very well, setting a number of order fulfilment records in November and December.

Parton's results are included for only the portion of the half year period under which DW8 has had control, being from 9 August 2021.

## **TRADING PLATFORM**

**MARKETPLACE** (direct-to-trade marketplaces including "WINEDEPOT Market" and "Kaddy")

- DW8 significantly bolstered its B2B wholesale liquor marketplace capability during the period through the successful acquisition of Kaddy. Development work has already commenced to integrate Kaddy into the CONNECT platform, with the view of it becoming the Company's primary B2B wholesale liquor marketplace offering by Q4 FY2022. Kaddy's entire team is relocating into DW8's Sydney head office in February 2022.
- While new buyer growth across both marketplaces during the December quarter was solid, the expected lift in trading activity from the re-opening of venues which were closed due to Covid-19 was not as strong as expected due mostly to the outbreak of the Omicron variant.

**DIRECT** (direct-to-consumer sales via 3rd party marketplaces)

- The 'DIRECT' sales channel manager module was launched on 10 August 2021. The module provides platform users the ability to list their products for sale on a growing list of 3rd party direct-to-consumer (DTC) e-commerce platforms and marketplaces including eBay, Vivino and Amazon (yet to be launched)
- Sales generated from these DTC channels are then automatically fulfilled for the suppliers.

**INSIDER** (industry focused 'staff drinks' membership program)

- 'INSIDER' was soft launched to DW8 shareholders in November 2021. The intention is to expand and enhance the program over the next 12 months providing 'INSIDERS' access to:
  - Wine and other beverages at highly competitive prices
  - Tastings, dinners, educational programmes and other events



- A news feed and rich information resource covering everything going on in the industry
- At this stage only DW8 staff and shareholders have been provided access to the program. The program will be expanded to the broader industry later this year once Kaddy has been fully integrated into the platform allowing all suppliers access to the sales channel.

## **FULFILMENT PLATFORM**

### **CONNECT** (order, inventory, payment & technology integration manger)

- CONNECT is an online portal that we have developed that provides our suppliers access to the products and services offered by the Company. It sits at the heart of our unique integrated technology platform.
- The first generation of CONNECT was launched in September 2019 as a 'freemium' product with users not required to pay access fees. The second generation of the CONNECT platform is currently under development and is scheduled to be launched in the June quarter. It contains enhanced features that will pave the way for a 'premium' subscription to be introduced, commercialising the product.

### **3PL NETWORK** (formerly Parton Wine Distribution, a city-based warehousing & logistics service)

- DW8 has been very pleased with the performance of the Parton business since it was acquired in mid-August 2021. There has been negligible turnover in either staff or suppliers, and it has continued to grow revenue despite uncertain trading conditions.
- WINEDEPOT's existing 4PL customers have been relocated into the respective Parton sites releasing significant synergies. Both Parton and WINEDEPOT's underlying organic supplier growth rates have been maintained. Several capital expenditure projects are under way which will release further operational efficiency and operating expense savings.
- Parton significantly adds to DW8's key performance metrics in terms of order volume, number of suppliers, logistics delivery capability (dedicated delivery fleet servicing Sydney, Melbourne and Perth metro areas) and warehousing. See [ASX Announcement 19 July 2021](#).
- DW8 expanded its 3PL Network during the quarter, opening a directly controlled site in Adelaide. Now the site is operational, it is expected to fill quickly as suppliers utilising our fulfilment services in other states take advantage of our controlled presence to offer their customers higher service levels.

### **COLLECT SERVICE** (formerly Wine Delivery Australia, ex cellar door fulfilment service)

- The planned expansion of the COLLECT model into other states has been delayed by operational and interstate travel constraints related to Covid-19. The Company expects to resume the roll out program in 2022 focusing on Victoria & New South Wales, once all the state borders fully reopen.

## **CORPORATE**

### **Placements**

During the period the Company successfully closed a \$14.4m capital raising at \$0.056 per share (excluding directors' participation of \$100,000 which was subject to shareholder approval), consisting of \$12.625m placement to sophisticated and institutional investors and \$1.775m from a SPP to existing shareholders (see [ASX announcement of 5 November 2021](#)). Total shares issued as part of the capital raising are 257,294,971 new fully paid ordinary shares.

Funds raised were applied to the acquisition of Kaddy (\$6.75m) and expansion of the Kaddy marketplace.

During the period the Company also successfully closed a \$7.375m capital raising at \$0.065 per share (excluding directors' participation of \$125,000 which was subject to shareholder approval) to sophisticated and institutional investors (see [ASX announcement of 19 July 2021](#)). Total shares issued as part of the capital raising are 113,461,540 new fully paid ordinary shares.

During the period the Company converted a total of 8,929,320 DW8 listed options and 8,417,960 unlisted options which resulted in a total cash injection of \$344,389 before costs.

## 5. FINANCIAL POSITION & OPERATING RESULTS

The financial results of the Group for the half year ended 31 December 2021 are:

	31-Dec-21	30-Jun-21
Cash and cash equivalents (\$)	7,469,492	6,355,191
Net assets (\$)	37,509,153	8,796,137

	31-Dec-21	31-Dec-20
Revenue (\$)	8,452,455	991,333
Net loss after tax (\$)	(8,614,452)	(2,362,432)

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period the Group successfully completed the acquisition of 100% of the issued capital of Kaddy Pty Limited (Kaddy), Australia's leading wholesale alcoholic beverage marketplace. The consideration for Kaddy was comprised of \$6.75 million cash plus adjustments for net cash balances of Kaddy on completion and the issue of 484,102,289 fully paid ordinary shares in DW8 subject to vesting and escrow provisions. Refer Business Combinations note for more detail. The acquisition delivered significant increase across a number of key metrics including GMV, active suppliers and trade buyers.

During the period the Group successfully completed the acquisition of 100% of the issued capital of Parton Wine Distribution Pty Limited (Parton), one of Australia's largest specialist beverage third party logistics providers. The consideration for Parton was entirely performance based through the issue of performance securities that vest on certain performance targets being achieved. Refer Business Combination note for more detail. The acquisition delivered significant increases across a number of key metrics including orders processed, cases shipped and active suppliers.

## 6. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to the reporting date, the Group has finalised the purchase, sale and leaseback of the Group's National Distribution Centre located at 10 Albertson Road, Barnawartha Victoria.

The Group negotiated a purchase option over the NDC when it entered into the existing lease for the premises and with the subsequent increase in demand for industrial warehouse property and their associated values, the Group decided to exercise the purchase option, sell the property and lease it back. These binding agreements were entered into on 24 December 2021 and settlement of the transactions occurred on 9 February 2022.

The key terms of the transactions are summarised below:

Purchase price: \$6,800,000 including GST plus stamp duty of \$423,742.

Sale price: \$10,600,000 including GST, less commission of \$132,500.

On completion of the sale, the Company entered into a new lease on the property with the new landlord, the Ascot Capital Albertson Property Trust. The initial term of the lease is 12 years with 2 x 10 year options to extend the term.

Further, as part of the lease the landlord has agreed to finance the Group's previous investment of \$1,095,438 in temperature control systems installed at the premises and funded out of the Group's cash. This amount has been received from the landlord during February 2022. The Group is to repay the \$1,095,438 advanced by the landlord via 144 monthly instalments together with interest on the outstanding balance at the rate of 8.75% per annum.

The Company appointed an interim Chief Financial Officer, Clinton Lander following the resignation of Matthew Johnson (announced 1 February 2022).

The Directors are not aware of any other matters or circumstances have arisen, since the end of the year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

**7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION**

The Company will continue to pursue its principal activity of expanding its integrated trading, payment & order fulfilment platform as outlined under the heading 'Review of Operations' of this Report.

**8. ENVIRONMENTAL REGULATIONS**

There have been no recorded incidents of non-compliance with any applicable international, national or local declarations, treaties, conventions or regulations associated with environmental issues during the year. There have not been any known significant breaches of any environmental regulations during the period under review and up until the date of this report.

**9. DIVIDENDS**

No dividends were paid during the period and no recommendation is made as to dividends.

**10. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES**

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 10.

This Directors' report is signed in accordance with a resolution of the Board of Directors:



Paul Evans  
Chairman

Sydney, New South Wales  
Dated: 28 February 2022

To the Board of Directors,

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit director for the review of the financial statements of DW8 Limited for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

  
**HALL CHADWICK WA AUDIT PTY LTD**

  
**DOUG BELL CA**  
**Director**

Dated this 28<sup>th</sup> day of February 2022  
Perth, Western Australia

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**DW8 LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**



	Notes	31-Dec-21 \$	31-Dec-20 \$
Revenue		8,452,455	991,333
Cost of sales		(3,628,784)	(1,051,649)
<b>Gross profit</b>		<b>4,823,671</b>	<b>(60,316)</b>
Other income		7,862	48,861
<b>Expenses</b>			
Administration, consulting and other expenses	5	(1,649,312)	(835,864)
Advertising and marketing expenses		(579,050)	(265,793)
Office and warehouse expenses		(328,824)	(17,256)
Salaries and wages		(6,547,019)	(948,245)
Director fees		(136,307)	(75,903)
Share based payments		(565,729)	(139,898)
Acquisition related expenses		(418,423)	-
Depreciation expense		(171,254)	(26,498)
Amortisation expense		(39,565)	(39,565)
Amortisation On Right of Use assets	12	(1,289,658)	-
Impairment expense	8,13	(1,198,205)	-
Interest Expense		(522,640)	(1,954)
<b>Loss from continuing operations before income tax</b>		<b>(8,614,452)</b>	<b>(2,362,432)</b>
Income tax expense		-	-
<b>Loss from continuing operations after income tax</b>		<b>(8,614,452)</b>	<b>(2,362,432)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(373)	4,729
<b>Other comprehensive income for the period, net of tax</b>		<b>(373)</b>	<b>4,729</b>
<b>Total comprehensive loss for the period</b>		<b>(8,614,826)</b>	<b>(2,357,703)</b>
<b>Loss per share attributable to ordinary equity holders (cents)</b>			
- Basic loss per share		<b>(0.44)</b>	<b>(0.20)</b>
- Diluted loss per share		<b>(0.44)</b>	<b>(0.20)</b>

The accompanying notes form part of these financial statements.

**DW8 LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**



	Notes	31-Dec-21 \$	30-Jun-21 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		7,469,492	6,355,191
Trade and other receivables	6	4,190,599	680,270
Inventories		219,384	89,956
<b>Total Current Assets</b>		<b>11,879,475</b>	<b>7,125,417</b>
<b>Non-Current Assets</b>			
Plant and equipment	7	2,311,042	366,077
Leasehold improvement in progress		933,910	-
Right of use asset	12	13,508,014	2,282,260
Intangible asset	8	29,512,903	2,673,369
Other Asset	9	970,586	430,033
<b>Total Non-Current Assets</b>		<b>47,236,455</b>	<b>5,751,739</b>
<b>TOTAL ASSETS</b>		<b>59,115,930</b>	<b>12,877,156</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	3,415,134	1,292,996
Provisions	11	732,428	198,340
Financial Liabilities		674,075	143,148
Lease Liabilities	12	3,055,755	431,883
<b>Total Current Liabilities</b>		<b>7,877,392</b>	<b>2,066,367</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	12	12,981,703	2,014,652
Contingent consideration	13	747,682	-
<b>Total Non-Current Liabilities</b>		<b>13,729,385</b>	<b>2,014,652</b>
<b>TOTAL LIABILITIES</b>		<b>21,606,777</b>	<b>4,081,019</b>
<b>NET ASSETS</b>		<b>37,509,153</b>	<b>8,796,137</b>
<b>EQUITY</b>			
Issued capital	14	59,580,049	23,712,158
Reserves	15	4,104,551	2,644,974
Accumulated losses		(26,175,447)	(17,560,995)
<b>TOTAL EQUITY</b>		<b>37,509,153</b>	<b>8,796,137</b>

The accompanying notes form part of these financial statements.

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**DW8 LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**



	Issued Capital	Share-based Payment & Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2020</b>	<b>9,545,478</b>	<b>1,503,906</b>	<b>83,926</b>	<b>(10,629,363)</b>	<b>503,947</b>
<b>Comprehensive income:</b>					
Loss for the period	-	-	-	(2,362,432)	(2,362,432)
Other comprehensive loss	-	-	4,729	-	4,729
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>4,729</b>	<b>(2,362,432)</b>	<b>(2,357,703)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Securities issued during the year	11,446,349	-	-	-	11,446,349
Capital raising costs	(410,166)	-	-	-	(410,166)
Options Issue	-	139,898	-	-	139,898
Rights	-	-	-	-	-
<b>Total equity transactions</b>	<b>11,036,183</b>	<b>139,898</b>	<b>-</b>	<b>-</b>	<b>11,176,081</b>
<b>At 31 December 2020</b>	<b>20,581,661</b>	<b>1,643,804</b>	<b>88,655</b>	<b>(12,991,795)</b>	<b>9,322,326</b>
	Issued Capital	Share-based Payment & Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2021</b>	<b>23,712,158</b>	<b>2,584,323</b>	<b>60,651</b>	<b>(17,560,995)</b>	<b>8,796,137</b>
<b>Comprehensive income:</b>					
Loss for the period	-	-	-	(8,614,452)	(8,614,452)
Acquisitions	-	-	-	-	-
Other comprehensive (loss)/income	-	-	(373)	-	(373)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(373)</b>	<b>(8,614,452)</b>	<b>(8,614,826)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Securities issued during the year	38,020,642	-	-	-	38,020,642
Share based payments	-	565,729	-	-	565,729
Capital raising costs	(2,152,751)	-	-	-	(2,152,751)
Options Issue	-	894,221	-	-	894,221
Rights	-	-	-	-	-
<b>Total equity transactions</b>	<b>35,867,891</b>	<b>1,459,950</b>	<b>-</b>	<b>-</b>	<b>37,327,841</b>
<b>At 31 December 2021</b>	<b>59,580,049</b>	<b>4,044,273</b>	<b>60,278</b>	<b>(26,175,447)</b>	<b>37,509,153</b>

The accompanying notes form part of these financial statements.

**DW8 LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**



Notes	<u>31-Dec-21</u>	<u>31-Dec-20</u>
	\$	\$
<b>Cash flows used in operating activities</b>		
Receipts from customers	5,126,469	1,049,913
Payments to suppliers and employees	(15,850,128)	(3,196,862)
Interest received	3,677	1,361
Interest paid	-	(1,954)
<b>Net cash flows used in operating activities</b>	<b><u>(10,719,982)</u></b>	<b><u>(2,147,542)</u></b>
<b>Cash flows used in investing activities</b>		
Purchase of plant and equipment	(1,383,959)	(121,439)
Acquisition of subsidiary net of cash acquired	(6,750,000)	(505,201)
Purchase of intangible assets		(114,162)
<b>Net cash flows used in investing activities</b>	<b><u>(8,133,959)</u></b>	<b><u>(740,802)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of securities and securities subscriptions, net of costs	21,420,970	9,127,926
Principal lease payments		(23,572)
Payments of financial liabilities	(1,452,728)	(2,809)
<b>Net cash flows from financing activities</b>	<b><u>19,968,242</u></b>	<b><u>9,101,545</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>1,114,301</b>	<b>6,213,201</b>
Cash and cash equivalents at the beginning of the period	6,355,191	585,873
<b>Cash and cash equivalents at the end of the period</b>	<b><u>7,469,492</u></b>	<b><u>6,799,074</u></b>

The accompanying notes form part of these financial statements.

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## **1. REPORTING ENTITY**

DW8 Limited (referred to hereafter as 'DW8' or the 'Company') is a Company domiciled in Australia. The consolidated financial statements of the Company as at and for the period ended 31 December 2021 comprise the Company and its controlled entities ('Group'). The Group is a for profit entity and its principal business is providing software, logistics services and marketplace platform facilitating beverage distribution.

The address of the Company's registered office is Level 7, 61 York, Sydney NSW 2000.

## **2. BASIS OF PREPARATION**

This interim financial report is intended to provide users with an update on the latest annual financial statements of DW8 Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the half-year.

The consolidated financial statements were authorised for issue by the Board of Directors on 28 February 2022.

### **(a) Statement of Compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual report and shall be read in conjunction with the most recent annual financial report.

### **(b) Basis of Measurement**

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

### **(c) Estimates**

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

### **(d) Going Concern**

The half year financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company and the Group's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the half year financial report, the Group recorded an operating loss for the period ended 31 December 2021 of \$8,614,452 (31 December 2020: \$2,362,432). Included in this loss were acquisition related expenses and share based payments of \$418,423 and \$565,729 respectively and a goodwill impairment expense of \$1,198,205 related to Wine Delivery Australia Pty Ltd. During the period the Group incurred \$10,719,982 (31 December 2020: \$2,147,542) cash outflows from operating activities and \$8,133,959 (December 2020: \$740,802) cash outflows from investing activities which included \$6,750,000 for the acquisition of subsidiaries during the half year (refer note 13). Cash outflows from operating activities included \$3,804,619 of payments to settle pre-acquisition liabilities of Partons.

Management have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet its commitments and working capital requirements for the 12 month period from the date of signing this report. The ability of the Group to continue as a going concern is principally dependent on the Group generating cashflows from operating activities and managing costs in line with available funds.

In the event that the above are not achieved the Group will need to raise funds from issued capital and/or debt sources. Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the Directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group not achieve the matters set out above, there is material uncertainty as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The half year financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this report have been set out below.

#### (a) Accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The accounting policies are consistent with the most recent annual financial statements.

#### (b) Accounting Standards that are mandatorily effective for the current reporting period

In the half-year ended 31 December 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021.

### 4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors.

The Group operates only in one reportable segment being predominately 'wine distribution'. The Board considers its business operations in wine distribution to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

### 5. EXPENSES

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
	\$	\$
<b>Administration, consulting and other expenses</b>		
Corporate consulting fees	525,452	179,911
Short term lease expense	73,484	41,207
Accounting and company secretary fees	312,248	183,275
Subscriptions	222,867	33,366
Website - Development	97,200	-
Telecommunications expenses	69,254	9,269
Share Registry	81,584	44,373
ASX & ASIC fees	79,989	52,509
Audit fees	26,053	12,002
Other expenses	161,181	279,953
<b>Total Administration, consulting and other expenses</b>	<b><u>1,649,312</u></b>	<b><u>835,864</u></b>

**6. TRADE AND OTHER RECEIVABLES**

	31-Dec-21	30-Jun-21
	\$	\$
Trade receivables	3,689,869	572,049
Provision for Doubtful Debts	(12,525)	(34,771)
GST / VAT recoverable	(75,116)	40,362
Prepayments	365,335	59,232
Other receivables	216,065	21,398
Deposit for office	6,970	22,000
	<b>4,190,599</b>	<b>680,270</b>

**7. PROPERTY PLANT AND EQUIPMENT**

	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	WAREHOUSE EQUIPMENT	MOTOR VEHICLES	TOTAL
	\$	\$	\$	\$	\$
<b><u>Half-Year Ended 31 December 2021</u></b>					
<b>Opening net book amount</b>	97,790	43,082	-	225,205	366,076
Additions from acquisitions	1,244,092	30,415	1,380,791	1,977,179	4,632,477
Adjustment/Transfers	(23,862)	17,378	-	(8,043)	(14,527)
Additions	43,596	39,065	402,217	17,700	502,578
Disposal of assets	-	-	-	(46,460)	(46,460)
Depreciation expense in relation to acquisitions	(1,000,152)	(30,049)	(651,529)	(1,265,467)	(2,947,197)
Depreciation expense	(24,360)	(15,931)	(56,832)	(84,782)	(181,906)
Impairment	-	-	-	-	-
<b>Closing net book amount</b>	<b>337,102</b>	<b>83,960</b>	<b>1,074,648</b>	<b>815,332</b>	<b>2,311,042</b>

**At 31 December 2021**

Cost	1,379,883	141,369	1,783,009	2,250,161	5,554,421
Accumulated depreciation and impairment	(1,042,780)	(57,409)	(708,361)	(1,434,830)	(3,243,380)
<b>Net book amount</b>	<b>337,102</b>	<b>83,960</b>	<b>1,074,648</b>	<b>815,332</b>	<b>2,311,042</b>

	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	WAREHOUSE EQUIPMENT	MOTOR VEHICLES	TOTAL
	\$	\$	\$	\$	\$
<b><u>Year Ended 30 June 2021</u></b>					
<b>Opening net book amount</b>	815	1,086	-	-	1,901
Additions	115,243	53,424	-	317,875	486,542
Depreciation expense	(18,268)	(11,428)	-	(92,670)	(122,366)
Impairment	-	-	-	-	-
<b>Closing net book amount</b>	<b>97,790</b>	<b>43,082</b>	<b>-</b>	<b>225,205</b>	<b>366,077</b>

**Year Ended 30 June 2021**

Cost	116,058	54,510	-	317,875	488,443
Accumulated depreciation and impairment	(18,268)	(11,428)	-	(92,670)	(122,366)
<b>Net book amount</b>	<b>97,790</b>	<b>43,082</b>	<b>-</b>	<b>225,205</b>	<b>366,077</b>

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**DW8 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**DW8**

**8. INTANGIBLE ASSETS**

Note	WINE DEPOT PLATFORM DEVELOPMENT	GOODWILL WDA	GOODWILL PARTON	GOODWILL KADDY	TOTAL
	\$	\$	\$	\$	\$
<b>Half-Year Ended 31 December 2021</b>					
<b>Opening net book amount</b>	276,957	2,396,412	-	-	2,673,369
Business Combination	-	-	5,439,683	22,637,622	28,077,305
Impairment expense	-	(1,198,205)	-	-	(1,198,205)
Amortisation expense	(39,566)	-	-	-	(39,566)
<b>Closing net book amount</b>	<b>237,391</b>	<b>1,198,207</b>	<b>5,439,683</b>	<b>22,637,622</b>	<b>29,512,903</b>
<b>At 31 December 2021</b>					
Cost	395,651	2,396,412	5,439,683	22,637,622	30,869,368
Accumulated amortisation and impairment	(158,260)	(1,198,205)	-	-	(1,356,465)
<b>Net book amount</b>	<b>237,391</b>	<b>1,198,207</b>	<b>5,439,683</b>	<b>22,637,622</b>	<b>29,512,903</b>

	WINE DEPOT PLATFORM DEVELOPMENT	GOODWILL WDA	GOODWILL PARTON	GOODWILL KADDY	TOTAL
	\$	\$			\$
<b>Year Ended 30 June 2021</b>					
<b>Opening net book amount</b>	356,086	-	-	-	356,086
Business Combination - Wine Delivery Australia I	-	2,396,412	-	-	2,396,412
Additions	-	-	-	-	-
Amortisation expense	(79,129)	-	-	-	(79,129)
<b>Closing net book amount</b>	<b>276,957</b>	<b>2,396,412</b>	<b>-</b>	<b>-</b>	<b>2,673,369</b>
<b>At 30 June 2021</b>					
Cost	395,651	2,396,412	-	-	2,792,063
Accumulated amortisation and impairment	(118,694)	-	-	-	(118,694)
<b>Net book amount</b>	<b>276,957</b>	<b>2,396,412</b>	<b>-</b>	<b>-</b>	<b>2,673,369</b>

**9. OTHER ASSETS**

	31-Dec-21	30-Jun-21
	\$	\$
Bank Term Deposits (security for property lease bank guarantees)	970,586	430,033
	<b>970,586</b>	<b>430,033</b>

**10. TRADE AND OTHER PAYABLES**

	31-Dec-21	30-Jun-21
	\$	\$
Trade and other payables	2,709,738	986,141
Accruals	548,984	307,116
Unearned Revenue	3,582	-
Other payables	152,830	(261)
	<b>3,415,134</b>	<b>1,292,996</b>

**11. PROVISIONS**

	31-Dec-21	30-Jun-21
	\$	\$
Annual Leave Liability	732,428	198,340
	<b>732,428</b>	<b>198,340</b>

**12. LEASE LIABILITIES**

The Group leases an office in Sydney and warehouses across the country. In addition to its original Barnawartha warehouse (VIC), and to supports its country wide footprint, the Group entered in July 2021 into a lease for a second warehouse located in Edinburgh (SA).

Furthermore, and as result from the acquisition of the Parton business, the Group has integrated and can now rely on four additional warehouses respectively located in Welshpool (WA), Forrestfield (SA), Noble Park (VIC) and Prospect (NSW).

The information pertaining to those leases is presented below:

a. Right-of-use Assets

	\$
Balance at 1 July 2021	2,282,260
Additions	12,515,413
Depreciation charge for the year	(1,289,658)
Balance at 31 December 2021	<u><b>13,508,014</b></u>

b. Lease Liabilities

	\$
<b>Maturity Analysis</b>	
Less than one year	3,055,755
One to Five Years	12,981,703
	<u><b>16,037,458</b></u>

c. Other Information

	\$
<b>Other Information</b>	
Short term lease expense	406,206
Interest expense on lease liabilities	478,677
Total cash outflow from leases	1,463,649

**13. BUSINESS COMBINATION**

**Acquisition of Kaddy Australia Pty Ltd**

On 8 December 2021 the Group acquired 100% of the issued capital of Kaddy Australia Pty Limited (Kaddy), a leading B2B beverage marketplace in Australia, enabling discovery, ordering and payments. The acquisition is part of the Group's strategy to rapidly scale it's marketplace and integrate with Wine Depot's tech-enabled national logistics platform. The Business Combination has been provisionally accounted for at reporting date. The acquisition consisted of a consideration pursuant to a share sale agreement of:

- \$6,750,000 cash subject to final net cash adjustments per the share sale agreement
- 326,411,149 new ordinary shares in Company that vest on completion date.

Per the share sale agreement, consideration shares that vest on completion are subject to the following escrow periods:

- 96,264,324 shares: 6 months from completion date.
- 96,264,323 shares: 12 months from completion date.
- 42,129,948 shares: 18 months from completion date.
- 42,129,948 shares: 24 months from completion date.

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	<b>8 Dec 2021</b>
Purchase consideration:	\$
Cash Paid	6,750,000
Net cash adjustment payable	356,677
Ordinary Shares issued	15,667,735
	<b>22,774,412</b>

The assets and liabilities recognised as a result of the acquisition are as follows:

	<b>8 Dec 2021</b>
	\$
Cash	819,849
Accounts Receivable	858,332
Other Current Assets	356,358
Property Plant & Equipment	9,919
Accounts Payable	(574,578)
Staff Liabilities	(271,403)
Other Current Liabilities	(560,679)
Other Non Current Liabilities	(501,007)
<b>Net identifiable Assets Acquired</b>	<b>136,790</b>
Add: Goodwill	22,637,622
<b>Net Assets Acquired</b>	<b>22,774,412</b>

In addition to the consideration shares, Kaddy employees were issued a further 157,691,160 new ordinary shares in the Company that vest over 3 years from completion date, subject to Kaddy achieving certain GMV targets as defined in the share sale agreement and also subject to the applicable employee remaining employed by the Group at each six month anniversary of the completion date. As these shares are tied to continued provision of services, they are not considered part of the consideration on business combination and will be accounted for as shared based remuneration payments expensed over the vesting period.

As at 31 December 2021, the amount recognised as a share based payment expense is \$239,136.

Michael Abbott and Richard Coombes (Kaddy Founders) and certain nominated senior employees of Kaddy (“Nominated Executives”) will be also offered performance rights in the Group. The performance rights, which are yet to be issued or granted, will:

In respect of the Kaddy Founders, amount to up to 3% in aggregate of DW8's fully-diluted share capital as at Completion (to be allocated in agreed proportions), and be subject to the satisfaction of certain financial targets, as noted in the table below, in respect of the Kaddy business after Completion; and

Tranche	% of fully diluted share capital of DW8 at Completion	1 <sup>st</sup> condition – Achieve a total minimum GMV in the preceding 12 months	2 <sup>nd</sup> condition – Achieve a total minimum TR in the preceding 12 months
1	1%	\$100 million	\$5 million
2	1%	\$200 million	\$10 million
3	1%	\$300 million	\$15 million

In respect of the Nominated Executives, amount to up to 1.5% in aggregate of DW8's fully-diluted share capital as at Completion (to be allocated in agreed proportions), and be subject to the satisfaction of certain financial targets, as noted in the table below, in respect of the Kaddy business after Completion; and

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Tranche	% of fully diluted share capital of DW8 at Completion	1 <sup>st</sup> condition – Achieve a total minimum GMV in the preceding 12 months	2 <sup>nd</sup> condition – Achieve a total minimum TR in the preceding 12 months
1	0.5%	\$100 million	\$5 million
2	0.5%	\$200 million	\$10 million
3	0.5%	\$300 million	\$15 million

**Acquisition of Parton Wine Distribution Pty Ltd**

On 9 August 2021, the Group acquired 100% of the issued capital of Parton Wine Distribution Pty Limited (Parton), one of Australia’s largest specialist wine and beverage logistics providers. The acquisition is part of the Group’s strategy to scale and in-house its national logistics capability to complement its rapidly expanding beverage marketplace. The Business Combination has been provisionally accounted for at reporting date. The consideration for the acquisition is entirely performance based via an Earn Out through the issue of performance securities (“**Earn Out Securities**”) vesting in two tranches upon the achievement of the following milestones:

	Relevant Period	Minimum Annual Revenue	Minimum Annual EBITDA
Milestone 1	FY 2022	\$15 million	\$350,000
Milestone 2	FY 2023	\$15 million	\$350,000

The number of DW8 Shares to be issued upon the vesting and exercise of achievement of the Earn Out Securities will rise and fall depending on the Annual Revenue and EBITDA generated by PWG in each of the next 2 financial years, as set out in the following table.

EBITDA From	EBITDA To	Earnout Ratio	DW8 Shares
\$ 950,000	any number	150%	19,298,246
\$ 900,000	\$ 949,999	142%	18,226,121
\$ 850,000	\$ 899,999	133%	17,153,996
\$ 800,000	\$ 849,999	125%	16,081,871
\$ 750,000	\$ 799,999	117%	15,009,747
\$ 700,000	\$ 749,999	108%	13,937,622
<b>\$ 650,000</b>	<b>\$ 699,999</b>	<b>100%</b>	<b>12,865,497</b>
\$ 600,000	\$ 649,999	86%	11,027,569
\$ 550,000	\$ 599,999	71%	9,189,641
\$ 500,000	\$ 549,999	57%	7,351,713
\$ 450,000	\$ 499,999	43%	5,513,784
\$ 400,000	\$ 449,999	29%	3,675,856
\$ 350,000	\$ 399,999	14%	1,837,928
\$ 300,000	\$ 349,999	0%	-

As at the completion date, the Group has assigned a probability of the minimum targets for Milestone 1 being satisfied of 0% and a probable Earnout Ratio of 100% being achieved for Milestone 2.

Based on the share price at completion of \$0.072 and a discount rate of 12%, the present value of the contingent consideration has been assessed at \$747,682.

	9 Aug 2021 \$
Purchase consideration:	
Cash Paid	-
Contingent Consideration	747,682
	747,682

The assets and liabilities recognised as a result of the acquisition are as follows:

	9 Aug 2021 \$
Cash	166,490
Accounts Receivable	2,522,809
ROU Asset	11,863,881
Property Plant & Equipment	1,671,334
Accounts Payable	(1,292,511)
Staff Liabilities	(532,949)
Other Current Liabilities	(7,376,902)
Other Non Current Liabilities	(11,714,153)
<b>Net identifiable Assets Acquired</b>	<b>(4,692,001)</b>
Add: Goodwill	5,439,683
<b>Net Assets Acquired</b>	<b>747,682</b>

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**Acquisition of Wine Delivery Australia Pty Ltd**

On 30 November 2020 the group acquired 100% of the issued capital of Wine Delivery Australia Pty Limited, a sales and logistics business servicing the wine industry. The acquisition significantly increased the number of wineries within the group's customer base. The acquisition accounting has been finalised and there has been no changes to the accounting provisionally reported as at 30 June 2021.

	<b>30 Nov 2020</b>
	\$
Purchase consideration:	
Cash Paid	600,000
Ordinary Shares issued <sup>(i)</sup>	1,799,647
	<b>2,399,647</b>

- (i) The consideration included 40,660,807 fully paid ordinary shares in DW8 at a deemed issue price of \$0.04426 each (Consideration Shares). The share price used for the Consideration Shares is equal to the 30 day VWAP upon the date of the Non-Binding Term sheet for Acquisition was signed by the parties.

The assets and liabilities recognised as a result of the acquisition are as follows:

	<b>30 Nov 2020</b>
	\$
Cash	94,799
Accounts Receivable	198,724
Property Plant & Equipment	68,235
Accounts Payable	(256,156)
Staff Liabilities	(34,286)
Financial Liabilities	(68,078)
<b>Net identifiable Assets Acquired</b>	<b>3,237</b>
Add: Goodwill	2,396,410
<b>Net Assets Acquired</b>	<b>2,399,647</b>

The company performed an impairment test on the WDA acquisition, being a value in use discounted cashflow forecast. As a result of the effect of COVID on the business unit's operations, the Company has recorded an impairment loss of \$1,198,205 on the goodwill acquired on acquisition of WDA.

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**14. ISSUED CAPITAL**

	31-Dec-21		30-Jun-21	
	\$	No.	\$	No.
(a) Fully paid ordinary shares	59,580,049	2,644,321,492	23,712,158	1,667,592,407

(b) Movement in ordinary shares	\$	No.	Issue price
<b>Balance at 30 June 2021</b>	<b>23,712,158</b>	<b>1,667,592,407</b>	
Option Conversion		752,402	
Share issued on 27 July 2021	7,375,000	113,461,540	0.065
Share issued on 25 October 2021	12,625,000	225,446,430	0.056
Share issued on 25 October 2021	72,949	2,917,960	0.025
Share issued on 5 November 2021	1,783,518	31,848,541	0.056
Share issued on 9 December 2021	22,655	1,510,318	0.015
Share issued on 15 December 2021	125,000	2,232,142	0.056
Share issued on 15 December 2021	100,000	1,538,461	0.065
Share issued on 15 December 2021	111,285	7,419,002	0.015
Share issued on 15 December 2021	137,500	5,500,000	0.025
Performance Rights Conversion	-	100,000,000	-
Kaddy Consideration Shares	15,667,735	484,102,289	-
Capital raising costs	(2,152,751)		
<b>Balance at 31 December 2021</b>	<b>59,580,049</b>	<b>2,644,321,492</b>	

**15. RESERVES**

	31-Dec-21		30-Jun-21	
	\$	No.	\$	No.
Options reserve	4,044,273	64,582,040	2,584,323	52,750,000
Foreign currency translation reserve	60,278	-	60,651	-
	<b>4,104,551</b>	<b>64,582,040</b>	<b>2,644,974</b>	<b>52,750,000</b>

<u>Movement reconciliation</u>	31-Dec-21	30-Jun-21
	\$	\$
<b>Options reserve</b>		
<b>Opening Balance</b>	2,584,323	1,503,906
Share base Payments	239,136	
Issue of options	1,220,814	730,417
Performance Right recognition	-	350,000
<b>Closing Balance</b>	<b>4,044,273</b>	<b>2,584,323</b>
<b>Foreign currency translation reserve</b>		
<b>Opening Balance</b>	60,651	83,926
Effect of translation of foreign currency operations to group presentation	(373)	(23,275)
<b>Closing Balance</b>	<b>60,278</b>	<b>60,651</b>

**16. OPTIONS AND PERFORMANCE RIGHTS**

**OPTIONS UNLISTED**

	31-Dec-21	30-Jun-21
	Number of options	
Opening Balance	52,750,000	221,000,000
<b>Movements of options during the year</b>		
Unlisted options Exercised	(8,417,960)	(213,000,000)
Unlisted Options issued	20,250,000	52,750,000
Expired during the year	-	(8,000,000)
<b>Closing Balance</b>	<b>64,582,040</b>	<b>52,750,000</b>

**OPTIONS LISTED**

	31-Dec-21	30-Jun-21
	Number of options	
Beginning Balance - Exercisable at 1.5c, expiry date 31 December 2022	46,580,459	50,788,339
<b>Movements of options during the year</b>		
Listed options Exercised	(8,929,320)	(4,207,880)
Granted during the year	-	-
Expired during the year	-	-
<b>Closing Balance</b>	<b>37,651,139</b>	<b>46,580,459</b>

**PERFORMANCE RIGHTS**

	31-Dec-21	30-Jun-21
Beginning Balance	125,000,000	100,000,000
<b>Movements of Performance rights during the year</b>		
Expired during the year		
Performance rights Exercised	(100,000,000)	
Performance rights issued *	-	25,000,000
Performance rights issued **	38,596,492	-
<b>Closing Balance</b>	<b>63,596,492</b>	<b>125,000,000</b>

\*These rights relate to the performance rights issued to James Munn as part of the Wine Delivery Australia acquisition

\*\*These rights relate to the performance rights issued to Richard Raddon as part of the Parton Wine Distribution acquisition

**17. COMMITMENTS**

There have been no material changes in commitments since the last annual reporting date.

**18. CONTINGENT ASSETS AND LIABILITIES**

There have been no material changes in contingent assets or contingent liabilities since the last annual reporting date.

**19. DIVIDENDS**

There were no dividends paid or declared during the half year ended 31 December 2021.

**20. EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the reporting date, the Group has finalised the purchase, sale and leaseback of the Group's National Distribution Centre located at 10 Albertson Road, Barnawartha Victoria.

The Group negotiated a purchase option over the NDC when it entered into the existing lease for the premises and with the subsequent increase in demand for industrial warehouse property and their associated values, the Group decided to exercise the purchase option, sell the property and lease it back. These binding agreements were entered into on 24 December 2021 and settlement of the transactions occurred on 9 February 2022.

The key terms of the transactions are summarised below:

Purchase price: \$6,800,000 including GST plus stamp duty of \$423,742.

Sale price: \$10,600,000 including GST, less commission of \$132,500.

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**DW8 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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On completion of the sale, the Company entered into a new lease on the property with the new landlord, the Ascot Capital Albertson Property Trust. The initial term of the lease is 12 years with 2 x 10 year options to extend the term.

Further, as part of the lease the landlord has agreed to finance the Group's previous investment of \$1,095,438 in temperature control systems installed at the premises and funded out of the Group's cash. This amount has been received from the landlord during February 2022. The Group is to repay the \$1,095,438 advanced by the landlord via 144 monthly instalments together with interest on the outstanding balance at the rate of 8.75% per annum.

The Company appointed an interim Chief Financial Officer, Clinton Lander following the resignation of Matthew Johnson (announced 1 February 2022).

No further matters or circumstances have arisen, since the end of the year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

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**DIGITAL WINE VENTURES LIMITED**  
**DIRECTORS' DECLARATION**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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The Directors of the Company declare that:

- 1) The financial statements, comprising the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001; and
  - (a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the period ended on that date.
- 2) In the Directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3) The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Paul Evans  
Chairman

Sydney, New South Wales  
Dated: 28 February 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DW8 LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of DW8 Limited ("the Company") and Controlled Entities ("the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DW8 Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2(d) in the half year financial report which indicates that the Group incurred a net loss of \$8,614,452 during the half year ended 31 December 2021. As stated in Note 2(d), these events or conditions, along with other matters as set forth in Note 2(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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## Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**HALL CHADWICK WA AUDIT PTY LTD**



**DOUG BELL CA**  
**Director**

Dated this 28<sup>th</sup> day of February 2022  
Perth, Western Australia

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