

29 June 2022

ASX Announcement

# Kaddy Marketplace expects significant lift across key metrics from Bibendum partnership

## Highlights:

- **Kaddy** modifies the material terms of the Bibendum foundation partnership and transfers agreement from Winedepot Market to Kaddy Marketplace
- **Bibendum** partnership to promote Kaddy to its entire database of thousands of trade buyers
- **Bibendum** to receive 20,000,000 DW8 shares subject to performing operational marketing activities and generation of sales on the Kaddy Marketplace (modified based on original agreement)
- **Kaddy Marketplace** expects the Bibendum partnership will drive a significant uplift across its key operating metrics including:
  - Attract new trade buyers
  - Increase purchase frequency
  - Generate a larger average order size
  - Accelerate GMV growth (via a compounding effect of other key metrics)

**DW8 Limited (ASX: DW8 or the “Company”)**, operates **Kaddy**, a unique and innovative technology platform which provides beverage suppliers an end-to-end supply chain solution that allows them to connect with buyers, simplify operations, streamline payments and fulfill both trade and consumer orders.

The Company is pleased to announce an update to material terms of its relaunched partnership with Bibendum Wine Co Pty Ltd (Bibendum), one of Australia’s leading fine wine and beverage distributors.

## **Bibendum Foundation Partnership**

The foundation partnership between DW8 and Bibendum was first entered into and announced in March 2021 (see [ASX announcement](#) 30 March 2021). Under the original terms of the partnership Bibendum would list a substantial part of its portfolio of international and Australian wines and craft spirits on DW8’s Winedepot Market and invite its customers to join the platform via a referral program that includes an incentive voucher towards the customer’s initial transaction.

Subsequent to forming the partnership, DW8 successfully acquired the Kaddy Australia Pty Ltd (Kaddy) business, and has now completed the consolidation of its existing Winedepot Market business unit under the Kaddy platform (see [ASX announcement](#) 10 March 2022). As a result of this consolidation, DW8 and Bibendum have agreed to modify the terms of their foundation partnership to transition the partnership from the Winedepot Market business to Kaddy Marketplace.

The objective of the original partnership remains unchanged, in that Bibendum will list a substantial part of its portfolio of international and Australian wines and craft spirits on the Kaddy Marketplace platform and invite its customers to join the platform via a referral program that includes an incentive voucher towards the customer’s initial transaction on Kaddy Marketplace. The material terms of the updated partnership are summarised below.

The transfer of the Bibendum partnership agreement allows Kaddy to retire the Winedepot Market platform at the end of this month, further reducing its cost base.

**According to Kaddy's Head of Commercial, Rich Coombes:**

*"We are excited to relaunch and migrate the Bibendum partnership to Kaddy Marketplace, promoting our platform across their large database of trade customers, representing thousands of venues across Australia, and we're confident that this will drive a significant lift across our key metrics.*

*When Bibendum promoted Winedepot Market to its customers last year, there were only about 800 products available and almost all of these were contained within the wine segment. The Winedepot Market platform also lacked trade specific functionality.*

*Now, trade buyers whom Bibendum introduces to Kaddy Marketplace will have an entirely different experience. For a start, they will have the ability to choose from a product range that's almost 20 times bigger than Winedepot Market including the best range of craft beers, spirits, seltzers and non-alcoholic beverages in the country.*

*Importantly, through our expanding network of liquor wholesalers, this range now includes a large portfolio of highly commercial brands and products listed at extremely competitive prices. Being able to purchase all of these products in one place will dramatically improve the buyer's experience, which we expect will lead to an increase in purchasing frequency and average basket size which in turn compounds to accelerate GMV growth.*

*Secondly, they will also have access to a much wider range of functionality including features such as upfront payment incentives, sample requests, pouring discounts and the ability to connect and communicate with sales representatives from their usual suppliers on the platform.*

*They also will be able to take advantage of Kaddy Community and the news, reviews and insights being shared by fellow trade buyers and suppliers."*

**About Bibendum**

Established in 2004 by notable Australian wine figure Robert Walters, Bibendum is one of Australia's most successful fine wine and beverage distribution businesses, with a strong focus on imports of highly sought-after brands from Australia, New Zealand, France, Italy, Spain, Portugal, Germany, Austria, Hungary and South Africa.

In addition to the approximately 160 local and international wine producers that they represent, Bibendum also stocks a range of craft spirits from the UK, Scotland, Ireland, Japan, USA, Mexico, Italy, France and Australia which are sold via their Bibendum Bar business.

Bibendum's owner, Robert Walters is also the founder of Place of Changing Winds, a prestigious, organic vineyard and winery located in the Macedon Ranges of Victoria.

No stranger to ecommerce, Robert was also a co-founder of WINE PLANET, Australia's first publicly listed online wine business (formerly ASX: WIN) which was acquired by Cellarmaster Wines Pty Limited, a subsidiary of Fosters, in 2001.

**A summary of material terms of the Bibendum partnership agreement with DW8 and Kaddy:**

- Bibendum will introduce its database of trade buyers to the Kaddy Marketplace through undertaking a multi-stage email marketing campaign to be completed over 3 months.
- New trade buyers introduced by Bibendum to the Kaddy Marketplace will receive an incentive voucher worth A\$300 for one time use on the Kaddy Marketplace, with a minimum spend condition and expiry date. Bibendum will be entitled to a fee of \$250 for each purchase made by Bibendum trade buyers using a voucher. The sum of the fees paid per converted lead has been reduced under the new agreement, reducing the cash cost required to support the partnership.
- In recognition of the marketing and management costs, as well as the significant value they bring as a foundation partner, Kaddy will pay Bibendum a fee of \$100 for each trade buyer introduced by Bibendum.
- Bibendum will also be entitled to reduced platform fees for the Kaddy Marketplace.
- DW8 will issue Bibendum (or its nominees) 20,000,000 fully paid ordinary shares within five business days of Bibendum achieving both of the below milestones (which must be achieved by 14 July 2023):
  - *Marketing milestone:* Bibendum completing the email marketing campaign in full; and
  - *Sales milestone:* trade buyers introduced by Bibendum and to whom an incentive voucher has been provided, generating a total of at least \$600,000 worth of sales on Kaddy Marketplace (or the previous Winedepot Market platform), as verified by an auditor or other suitably qualified independent expert as appointed by DW8.

The agreement to issue the shares to Bibendum is made pursuant to ASX Listing Rule 7.1. The shares issued to Bibendum are subject to a voluntary escrow period of 6 months.

- In the unlikely event that the Sales milestone is satisfied solely by trade buyers satisfying the minimum spend condition and using the voucher, once the associated fees are paid to Bibendum, the “base case” scenario would generate a total net revenue to DW8 of \$50,000.
- There are no limits to the number of trade buyers (leads) that Bibendum can introduce to Kaddy Marketplace. There are also no guarantees that the leads introduced by Bibendum will go on and open an account and or make ongoing purchases via Kaddy Marketplace. It is therefore not possible to forecast potential revenues that may be generated under the partnership. It is possible that no material revenue materialises from the partnership with Bibendum. Further, There are no minimum fees or expected volumes specified in the partnership. No customer details will be passed from Bibendum to Kaddy without the explicit consent of the customer.

**END**

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

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## DW8 Limited (ASX: DW8)

DW8 is an Australian publicly listed technology company that operates **Kaddy**, a unique and innovative platform which provides beverage suppliers an end-to-end supply chain solution that allows them to connect with buyers, simplify operations, streamline payments and fulfill both trade and consumer orders.

Our platform consists of the following divisions:

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

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

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

Kaddy generates revenue via:

- Order processing fees (% of the order value)
- Accelerated payment fees (% of the order value)
- Fulfilment fees (storage, picking, packing, handling & freight)
- Membership fees (SaaS subscriptions)
- Corporate display advertising fees (advertising, promotions & product placement)

Kaddy plans to solidify its presence in Australasia before looking for opportunities to expand the platform into other markets and or verticals.

### Forward-Looking Statements

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning DW8 Limited's planned operations and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although DW8 Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*