

BLUE SPRINGWATER PTY LTD CROWD-SOURCED FUNDING OFFER DOCUMENT

DATED 3 September 2020

Offer of fully-paid ordinary shares in Blue Springwater Pty Ltd at \$1.00 per share to raise a maximum of \$150,000

This crowd-sourced funding (**CSF**) offer document relates to the Offer of fully-paid ordinary shares in Blue Springwater Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (**Corporations Act**).

ISSUER

Blue Springwater Pty Ltd ACN 639265464

INTERMEDIARY

Birchal Financial Services Pty Ltd AFSL 502618



TABLE OF CONTENTS

SECTION 1: RISK WARNING	3	SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS	26
SECTION 2: INFORMATION ABOUT THE COMPANY	4	4.1 COOLING-OFF RIGHTS	26
2.1 COMPANY DETAILS	5	4.2 COMMUNICATION FACILITY FOR THE OFFER	26
2.2 DESCRIPTION OF THE BUSINESS	6	4.3 PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS	26
2.3 BUSINESS AND REVENUE MODEL	12	4.4 RELATED PARTY TRANSACTIONS	27
2.4 BUSINESS STRATEGY	14	4.5 TAKEOVERS	27
2.5 ORGANISATIONAL STRUCTURE	15	GLOSSARY	28
2.6 CAPITAL STRUCTURE	15		
2.7 DIRECTORS AND SENIOR MANAGERS	17		
2.8 RISKS FACING THE BUSINESS	18		
2.9 FINANCIAL INFORMATION	20		
SECTION 3: INFORMATION ABOUT THE OFFER	21		
3.1 TERMS OF THE OFFER	21		
3.2 USE OF FUNDS	22		
3.3 RIGHTS ASSOCIATED WITH THE SHARES	24		
3.4 INVESTOR REWARDS	25		
3.5 WHAT CAN I DO WITH MY SHARES?	25		

SECTION 1: RISK WARNING



Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

SECTION 2: INFORMATION ABOUT THE COMPANY

LETTER FROM THE FOUNDERS

Did you know that 370 million single use plastic water bottles enter our waterways and land fill every year? ¹

12 months ago we didn't either.

Blue Springwater was born from a conversation with a close friend of Matthew's who also has a significant presence in the wholesale industry. The conversation centered around creating an alternative spring water offering to single-use plastic bottles.

We're confident that consumers will prefer an environmentally sustainable alternative to plastic bottled water, provided that:

1. It offers the same convenience.
2. It's available at a comparable price.

We felt that we could take it one step further, and create a disruptor brand in the bottled water market. This is where our in-house flexibility comes into play.

Blue Springwater is new, but the business has the immense advantage of the facilities, expertise, customer base and resources of Blue Sky Beverages – mitigating most risk that comes with a growth line.

We're raising funds to purchase an expanded printing system, which will allow us to print in-house and provides a tremendous competitive advantage to similar market entrants. Most importantly, it will contribute to an ongoing pipeline of our unique, infinitely recyclable aluminium bottles.

Once the still water product is established, we have an exciting range of sparkling and Australian botanical flavours ready and waiting.

We would love you to be there with us.

Section 2: Information about the Company



2.1 COMPANY DETAILS

This offer of shares is made by Blue Springwater Pty Ltd ACN 639 265 464 (the Company). The Company was incorporated on 20 February 2020.

Company Name	Blue Springwater
ACN	639 265 464
Offer Type	Crowd-sourced funding
Offer Date	3 September 2020
Offer Details	Offer of fully-paid ordinary shares in Blue Springwater Pty Ltd at \$1 AUD per share to raise a maximum of \$150,000
Registered Office and Contact Details	BOWDEN LIBERATORE, 67 Bellwood Street, DARRA QLD 4076
Principle Place of Business	62 Nicholson Street, GREENSLOPES QLD 4120
Related Companies	BLUE SKY BEVERAGES PTY LTD



2.2 DESCRIPTION OF THE BUSINESS

Based in Brisbane, we are a passionate group that is committed to breaking the single-use plastic cycle by offering a compelling, value for money alternative to the consumer. We are accomplishing this with a unique and Australian-first infinitely recyclable aluminium bottle.

2.2.1 ABOUT THE COMPANY

Blue Springwater was formed in February 2020 as a subsidiary to Blue Sky Beverages.

Blue Sky Beverages was established in 2010 and produces a range products – such as cold brew coffee under the Grubb Bros. Brewing brand, collagen and magnesium functional beverages, as well as a range of sparkling beverages. Its customer base includes both wholesalers and retailers.

Blue Sky Beverages' production capabilities extend across still and sparkling beverage offerings in aluminium cans and bottles and glass bottles.

2.2.2 KEY DIFFERENTIATORS

There are many players in the bottled spring water market. All except a few offer single-use plastic bottles as their only packaging solution. We have several key points of difference.

Our offering is packaged in an aluminium bottle. We print labelling in-house, and as a result, have the flexibility to create unique bottles designs.

This means that our offering can operate across multiple sales channels.

2.2.3 PRODUCTS / SERVICES

Our product range starts with the aluminium bottle. Currently, we have a 450ml and 330ml offering, with the flexibility to move up to 750ml.

We have the manufacturing capabilities to produce a still spring water and a sparkling spring water. While we have started with a still water, there has been strong interest in sparkling as well.

Thanks to our in-house printing capabilities, we have the potential for powerful partnerships and services, which very few competitors can offer. We are able to print bespoke bottles carrying the customer's livery and our logo.

For the bespoke bottles – which to date have been taken up by councils, food groups and sports clubs as a fundraising opportunity – we charge a design fee of \$50 and unit cost of \$1.60.

2.2.4 DISTRIBUTION

Blue Springwater has multiple distribution channels some are in place already.

Our sales strategy is split into 5 channels. These being:

- Direct-to-Store
- eCommerce
- Wholesale distribution and council partnerships
- Banners, in Woolworths, Shell, etc
- Fundraising and licensing

Section 2: Information about the company



Direct to store:

We currently distribute to outlets across southeast Queensland, and this is growing as brands awareness increases.

Blue Sky Beverages has been servicing many of these stores for years, maintaining outstanding relationships. Some have served as “trial stores” when testing the Blue concept. These stores offered valuable insights into how consumers respond to these products.

In these stores, we are realising sales of 4 - 8 units per store per week (UPSPW) in the colder months. These volumes will generally double across summer, and we are very happy with the initial results.

Wholesale Distribution:

We have a national supply agreement in place with the Distributor Group. They reach 15,000 outlets and are currently waiting on our goahead to release stock.

Within this network, they supply the likes of Sydney, Melbourne and Taronga Zoos, etc. – all of whom are waiting on an alternative to the single-use plastic water bottle.

Council Partnerships:

We are launching an Australian-first partnership with Tourism Noosa, as part of their Plastic Free program. We have created a bespoke range of prints available to 600 member outlets of the Noosa Plastic Free program.

e Commerce:

This is a new channel for the business, but one that is growing strongly and will be an excellent channel to grow revenue in the long term. Businesses and consumers are proving more than happy to order online.

Our average selling price per unit is \$2.29. This is compared to our wholesale cost price of \$1.29 and our direct-to-store price of \$1.60.

Given our printing and production flexibility, we believe a water brand can be taken online. Every board or meeting room in the country that is currently offering plastic water bottles is an opportunity.





Every 2 months, there will be a new theme of prints that households and businesses can order as part of a mixed carton. By continually offering a new story, the bottles become collectible, aspirational and – at the same time – have a profoundly positive impact on the environment. The ultimate goal will be to reach a subscription service, in which we will send out a carton or more of each release to customers. Imagine the conversation in meeting rooms when the host rolls out infinitely recyclable bottles, instead of single-use plastic.

This is where our social media presence will be key. The goal will be for our monthly releases to be highly anticipated events, with pre-orders in place.

Some of the key advantages of the eCommerce opportunity is the speed to market, which would allow seasonal events – such as an NRL or AFL range of bottles – to arrive perfectly timed at the start of each season. Selling online allows us to protect our full margin and still offer the product at a value price.

National & State Banners:

These include Woolworths, Coles and Aldi – as well as fuel banners. It is an important channel, but one that is quite expensive to participate in. We are looking forward to presenting to these outlets as review periods open up in 2021.

Fundraising:

Sports clubs are always looking for opportunities to raise funds, and they represent an excellent opportunity. What better way for a club to raise money than with a bespoke bottle printed with their livery – which is infinitely recyclable and priced on par with the typical fundraising chocolate bars?

There are nearly 70,000² sporting clubs in Australia – most of whom are run not-for-profit by volunteers.

2.2.4 MARKETING

Our marketing is a very important component of our strategy. We have an ongoing digital campaign that sees the Blue website average 8,000 visitors per week. In conjunction with this, our collaborations with artists often see particular posts reaching over 120,000 people.

Our online presence is:

- Website: www.bluespringwater.com.au
- Online store: www.bluespringwater.store
- Instagram: @blue_springwater
- Facebook: @bluespringwateraus

As we expand our production capacity, our digital reach will grow to engage key influencers and brand ambassadors. We are also in negotiations with licensing partners for some exceptional brands, which will drive an extraordinary level of awareness – i.e. millions of fans and followers in Australia for Blue Springwater.



Section 2: Information about the company



Brand Communication and Activation

While there is plenty of research suggesting that consumers would like to switch to an environmentally friendlier bottled water option, a strong, fun brand will be required to truly gain traction.

The Blue Springwater brand awareness message has two facets.

Our core belief is that single-use plastic of any kind is a scourge. Right now, there are over 150 million tonnes of plastic waste in our oceans and waterways. When this plastic does eventually break down, it does so into microplastics that find their way into the food chain of almost every living thing – including us.

The effect on sea life in particular is devastating. In Australia, we recycle a little over 20% of single-use plastic water bottles – which leave 370 million bottles finding their way into our waterways and landfill each year.

Aluminium is infinitely recyclable. In fact, 70% of aluminium bottles and cans are recycled back into new bottles and cans. It's a closed loop that's repeatable again and again and again. An aluminium bottle also uses 11% less energy to chill, versus a similarly sized plastic bottle and 32% less energy than a comparably sized glass bottle.

We believe that more can be done to both drive conversation and sales of environmentally sustainable solutions. While we will utilise traditional in-store mechanisms – such as a strong price point and displays – our key opportunity to shine comes from themed prints on our bottles.

A recent example of this is our collaboration with Tanea Teresa Art, Wellborn and Numpty – all young Brisbane artists.

We conducted limited prints of each of their pieces on our bottles, and through their network and ours, we reached over 80,000 people through social media. Needless to say, they sold exceptionally well.

The power of these partnerships is that the story is incredibly shareable, and there are no other water brands that can claim to have this flexibility.

This is a powerful tool, particularly when it comes to presenting to key retail accounts, as well as to the consumer in a digital landscape.

MARKET & COMPETITORS

The bottled water market

The Australian bottled water market was worth \$702 million in 2018 / 2019 and is expected to exceed \$800 Million by 2025. Each year, over 450,000,000 single-use plastic water bottles are sold in Australia. It is one of the only beverage categories to see sustained growth.³

Market Information:

The bottled water category has seen continued growth since its launch in the 1980s. In 2017, Australia's average per capita consumption was 30.8L.

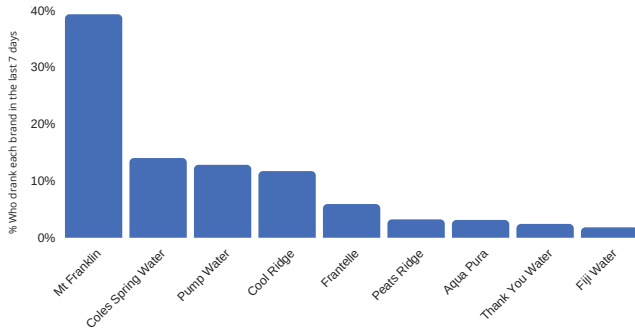
In 2015, 5.3 million people (or 27.1% of Australians over 14) drank bottled water in any given seven days – an increase on 2014, when 4.9 million Australians drank bottled water over the same period.

The bottled water market is dominated by Mt Franklin and to a lesser degree Coolridge.

Section 2: Information about the Company



10 most popular bottled water brands in Australia



Source: Roy Morgan Single Source (Australia), – December 2015 (n=3,662).

Overall, a greater proportion of Australian women (29.7%) than men (24.5%) drink bottled water in an average seven days, and this pattern is evident across most of the top 10 brands. Cool Ridge and Fiji Water have the most pronounced gender skew towards women, while only Peats Ridge is consumed by slightly more men than women.

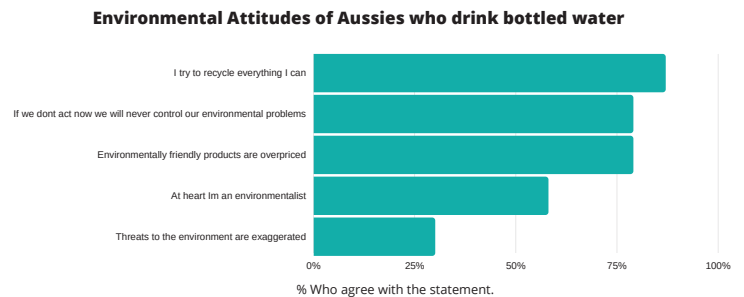
Australians under 50 are markedly more likely than older Australians to drink bottled water, with its popularity peaking among the 25-34 year-old bracket – a third of whom drink it in an average week.

When asked about their environmental attitudes, people who drink bottled water do not differ dramatically from those who do not.

They are:

- Slightly more likely to believe that 'environmentally friendly products are overpriced' (70% vs 67% of non-bottled water drinkers),
- Slightly less likely to agree that 'at heart, I'm an environmentalist' (58% vs 61%),
- Slightly more likely to believe that 'if we don't act now, we'll never control our environmental problems' (79% vs 77%).

Environmental attitudes of Australians who drink bottled water vs those who do not



Source: Roy Morgan Single Source (Australia), January 2014 – December 2014 (n=15,944).

While the green beliefs of the two groups aren't as dissimilar as one might expect, their consumption of non-alcoholic beverages in general varies considerably.



2.3 BUSINESS AND REVENUE MODEL

Our key generator of income is the sale of our aluminium bottle into the primary sales channels.

Revenue from each of these channels will be driven in the following ways.

Wholesale Distribution:

Our agreement with The Distributors (their trading name) gives us access to 39 wholesale members across the country. These members supply 15,000 customers. Revenue comes from the sale of our product into the group. Growth will come from presenting to key retail groups whom The Distributors serviced. These include Caltex, BP and Puma.



CALTEX



Direct-to-Store:

Involves supplying directly to retail outlets via our delivery vehicles. It entails regular visits to stores, taking orders, and delivering the goods. Growth will come predominantly from building a sales team – providing more boots on the ground to speak with new customers.

eCommerce:

Our ecommerce channel has been built primarily to create access to our products for non-retail businesses – such as law firms, accountants, and agencies. Any entity that has a board room or meeting room and wants to make a positive change by switching out plastic for our bottles is our target.

We will build awareness of this over time through a comprehensive digital campaign across all platforms – which will also include targeted mail-outs, extensive press release activity, and engagement with key business mentors.

Licensing:

We are pursuing key strategic licensing agreements that will allow us access to huge entertainment brands across our bottles. Revenue from licensing agreements would roll across all sales channels and would be eagerly embraced, particularly across the wholesale and retail markets.

Fundraising:

Our fundraising program allows clubs to place their livery on the bottles to sell as a collectible to members and fans. The average sales generated from each fundraising program that we run is \$800 to \$1,600. There are 70,000 sports clubs in Australia.

Growth opportunities come through approaching more clubs and receiving support from key sporting bodies – such as Football Queensland, Football NSW, etc.

Margins for the various sales channels:

Wholesale – high volume / lower margin: 54%
Direct-to-store – medium volume / medium margin: 63%
eCommerce – lower volume / high margin: 74%

Our greatest driver of volume is our printing capacity.

A single operator can operate nine printers. Nine printers operating on two six-hour shifts, Monday to Friday, would complete up to 10,260 bottles.

END SINGLE USE PLASTIC

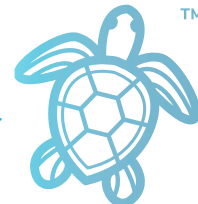
BL  E

Blue Spring Water Art Series

*An infinitely recyclable aluminium bottle
with designs from local artists.*

LIMITED EDITION AUGUST
COLLECTION - OUT NOW
WWW.BLUESPRINGWATER.STORE





Blue Spring Water currently has three of these printers. are running for 10 hours a day, 4 days per week to manage local demand. We plan to release stock into some wholesale partners from September

2.4 BUSINESS STRATEGY

Our business strategy is to harness changing attitudes towards single-use plastic across governments, businesses and consumers.

Aluminium vs. Glass vs. Plastic

Approximately 23% of plastic is 'recycled'. In fact, a more accurate term would be that it is downcycled – i.e. its material is used for progressively lower quality and functionality products, until eventually, it ends up in landfills or the ocean.

Glass has a higher recycling rate than plastic. However, in most cases it is also downcycled.

The greatest disadvantages of glass are:

1. Shipping weight. It is significantly more expensive to freight than either plastic or aluminum.
2. Energy consumption. Glass bottles use 32% more energy to cihll than comparable size aluminium cans or bottles.



Aluminium in Australia has a recycling rate of over 70%. Its key difference is that it can be recycled back into cans and bottles indefinitely. It also provides similar shipping benefits to that plastic, due to its light weight.

Legislative Influences

Both globally and locally, there is building momentum to reduce single-use plastic.

Both China and Indonesia have set dates to ban single-use straws, food containers and plastic bags.

Closer to home, these legislative changes are being driven more at the council level – and some regional councils in particular are proving very proactive. In the near term, they could likely ban single-use plastics, including water bottles.

Some of these councils are: Noosa, Byron Bay, Perth, Townsville and Cairns. Blue Springwater has a growing partnership with the first two; however, it is our key focus to engage at all levels of government to drive change.

Business policy changes.

Businesses have made similar commitments. For example, Accor has set a goal to remove all single-use plastic items from their hotels rooms globally by 2022.

Netflix⁴ has banned single-use plastic water bottles in all offices and on all production sites globally.

Universities across the United States and Europe have also banned single-use plastic water bottles.

The challenge here in Australia is that there has not really been an alternative to the plastic water bottle... until now.



2.5 ORGANISATIONAL STRUCTURE

Matthew Isles is the Executive Director and Managing Director of the Company. The following directors and senior managers report to Matthew.

- Jason Liew**
 Responsible for finances, cost planning, financial forecasting, ASIC and Company compliance.
- Peter Schmidt**
 Responsible for the production of all mainstream and limited edition runs, supply chain, demand planning and logistics.
- Fiona Kay**
 Responsible for national route and grocery sales, wholesale and exporting.

Subject to the funding campaign, there is a provision for a dedicated Territory Manager to drive sales opportunities at the outlet level.

2.6 CAPITAL STRUCTURE

Currently, Blue Springwater is utilising equipment and production space provided by Blue Sky Beverages – its initial share holder.

Blue Sky Beverages has also provided startup capital to purchase bottles and printers, storage and filling equipment, and provides the labour to produce.

Bluesky Beverages will charge at cost the production of Blue Spring Water to Blue Spring Water and complete flexibility to the weekly demands required to fulfill orders. We expect the growth of the brand to be quite significant – meaning cash holdings will be crucial.



2.6.1 ISSUED CAPITAL

Blue Springwater Pty Ltd has ordinary shares on issue. Table 1 below sets out the issued capital of Blue Springwater Pty Ltd.

Table 1: Issued capital of the Company

Shareholder	Share Type	Shares	Options
Bluesky Beverages Pty Ltd	ORD	1,000,000	Nil
Total		1,000,000	



REVENUE MODEL

Nine printers will produce on average a gross profit of \$7,560 per week based on two 6-hour shifts per day, Monday to Friday.

In the short term, our capacity to generate profit runs hand in hand with the number of printers that we are operating.

HYPOTHETICAL PROFIT ANALYSIS BASED ON NUMBER OF PRINTERS AND HOURS USED PER WEEK

The table below represents a hypothetical weekly financial result based on the number of printers utilised and the hours operated in that week.

The hours assume a possible production time of 6 days allowing a seventh day for general servicing and maintenance if required. Although this generally takes place after each print run. Currently there are 3 printers in use at 40 hours per week. Current demand for stock until further positions are filled and / or more printers are purchased is 6 weeks.

Hours Operating Per week

Printer	5	10	15	20	30	40	50	60	70	80	90	100	110	120	130	140
3	-2946	-2892	-2838	-2784	-2676	-2568	-2460	-2352	-2244	-2136	-2028	-1920	-1812	-1704	-1596	-1488
4	-2883	-2766	-2649	-2532	-2298	-2064	-1830	-1596	-1362	-1128	-894	-660	-426	-192	42	276
5	-2820	-2640	-2460	-2280	-1920	-1560	-1200	-840	-480	-120	240	600	960	1320	1680	2040
6	-2757	-2514	-2271	-2028	-1542	-1056	-570	-84	402	888	1374	1860	2346	2832	3318	3804
7	-2694	-2388	-2082	-1776	-1164	-552	60	672	1284	1896	2508	3120	3732	4344	4956	5568
8	-2631	-2262	-1893	-1524	-786	-48	690	1428	2166	2904	3642	4380	5118	5856	6594	7332
9	-2568	-2136	-1704	-1272	-408	456	1320	2184	3048	3912	4776	5640	6504	7368	8232	9096



FINANCIAL MODELLING CONTINUED

Production Teams

A production team consists of upto 4 people who across a week will operate upto 9 printers for a period of 140 hours.

The first production team carries with it the non direct and direct costs of the business such as rent, electricity etc. As indicated in the table, the greater the printing capacity per hour the greater the profit generated.

A production team does have a peak profit, once reached, a second team and with it an addition of print capacity will be added. The second production team and those following on under our current modelling will be profitable at a much lower volume than the first team and will be incremental to the overall business result.

The number of teams operating is very scalable.

The intent of printing in house is to remove risk (ie not be caught with dead stock) and provide flexibility (to print smaller runs). That being said there will be some bottle prints such as our own core design for the The Distributors Group that may reach the point in which we print during bottle production by doing this we then bypass our inhouse printing.

This has a number of positive impacts: It will increase our net margin on that particular bottle, it will free up print capacity significantly, allowing for another stage of growth.



2.6.2 EQUITY (PRE- AND POST-OFFER)

Table 2 sets out the issued capital of the Company following the offer.

Table 2: Issued capital of the Company before the Offer

Shares	Minimum Subscription	Maximum Subscriptions
Existing Shares	95%	85%
Offer Shares	50,000 5%	150,000 15%
Total	1,050,000 100%	1,150,000 100%

2.6.3 RIGHTS AND LIABILITIES ASSOCIATED WITH SECURITIES

As at the date of this Offer, the only class of shares on issue are ordinary shares. There is no shareholders agreement, and as such the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, the Company has the discretion to approve a transfer of shares to a third party.

A more detailed description of the rights associated with the shares is set out in Section 3 below.

2.6.4 DEBT FUNDING AND OTHER SOURCES OF FUNDING

Blue Spring has no debt. However it will draw on the resources and assets of Blue Sky Beverages at cost until it has generated enough free cash to fund growth on its own.





2.7 DIRECTORS AND SENIOR MANAGERS

2.7.1 OUR DIRECTORS AND MANAGEMENT

Matthew Isles – Director

Matt established Blue Sky Beverages in 2010 as a wholesale beverage distributor. In 2013, after 12 months of development, he launched Grubb Bros. Brewing – a cold brew coffee produced in house. In 2015, Matt sold the distribution arm to focus on what he is most passionate about, creating brands that people love.

Since then, a Blue Sky has developed a successful nitro cold brew range, as well as a range of collagen and magnesium health beverages.

Prior to Blue Sky, Matt spent many years working for a global leader in confectionery.

Matt believes in engaging a diverse team to complement each team member's strengths. He loves working with people who are as committed to the brands as he is, because quality really does come from passion.

Jason Liew – Director

Jason is a chartered accountant with the ICAANZ and an experienced CFO, with over 25 years of experience – including working in the chartered accounting profession with KPMG, and with public and private companies in Australia and PNG.

His experience covers accounting, treasury, cash flow management, budgeting, forecasting, and financial and management analysis and reporting. Jason holds a Bachelor of Commerce from the University of Queensland.

Peter Schmidt

Peter has many years in food production and is an expert in line installation, commissioning and production – as well as supply chain management and inbound-outbound logistics.

Fiona Kay

Fiona is a sales professional with many years experience working for large Australian food manufacturers and has successfully ranged products into retail, food service and QSR throughout Asia, Middle East, Europe and Australia



2.8 RISKS FACING THE BUSINESS

An investment in Blue Springwater Pty Ltd should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with Blue Springwater Pty Ltd (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Risk	Description
Cash flow risk	The Company's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.
Funding risk	The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives. The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available.
Intellectual property risk	The Company has taken measures to protect its intellectual property. However, there is a risk that the intellectual property protection measures in place are inadequate or ineffective, which could have an adverse impact on the Company's ability to compete, control the representation of its brand, and pursue its business objectives.
Insolvency risk	The Company is not yet profitable. The company is seeking to obtain further funding to achieve its objectives. There is no guarantee that funding will be available on favourable terms or that the Company will receive any level of funding at all.

Section 2: Information about the company



Key person

As an early stage business, the Company is susceptible to the loss of key team members as they are considered critical to the continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be.

Startup risk

The Company has a limited operating history] and will build the business with the funds raised through this crowd-sourced funding offer.

As an early stage business, the Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, the Company is not yet profitable and is yet to generate revenue through certain anticipated revenue streams.

The commercial success of the business will depend on many factors including the Company's ability to attract and retain quality staff and loyal customers.

Brand risk

If the Company does not maintain consistent levels of quality and service in its offering, the Company's brand and reputation could be damaged. In an increasingly connected world, damage to a company's brand and reputation can be catastrophic. The Company is acutely aware of this risk and is vigilant to ensure that it maintains a consistently high level of product quality and customer service.



2.9 FINANCIAL INFORMATION

Blue Springwater Pty Ltd is a newly-formed business with minimal trading history to date. Accordingly, the financial statements reflect this situation. For the purpose of meeting the content requirements of the CSF regime, financial statements, prepared in accordance with the Accounting Standards have been included as an appendix.

SECTION 3: INFORMATION ABOUT THE OFFER

3.1 TERMS OF THE OFFER

Blue Springwater Pty Ltd is offering up to 150,000 shares at an issue price of AU \$1.00 per share to raise up to \$150,000.

The key terms and conditions of the Offer are set out in the Table below.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not complete

Table 4: Terms of the Offer

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1.00
Minimum Subscription	\$50,000
Maximum Subscription	\$150,000
Minimum parcel size	250 shares
Opening date	3 September 2020
Closing date	24 September 2020

A description of the rights associated with the shares is set out in Section 3.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten.





3.2 USE OF FUNDS

The table below sets out the intended use of funds raised under this offer based on the minimum and maximum subscription amounts.

Table 5: Use of funds

Intended use	Opt 1: Minimum Subscription	Opt 2: Maximum Subscription
Printer Purchase	\$27,000	\$60,000
Packaging Purchase (Bottles)	\$12,000	\$37,200
Production	Nil	\$15,000
Working capital	\$5,200	\$27,000
Offer costs	\$5,800	\$12,800
Total funds	\$50,000	\$150,000

In Table 5, 'working capital' includes overhead expenses, employee wages and marketing.

Printer Purchase:

A bespoke printer that allows us to print directly onto our bottles in-house. It provides the ultimate flexibility of design and a very significant competitive advantage. A single operator can use up to nine printers at a time. Our capacity to print ultimately drives our filling capacity, as it is the slower part of the process, but is infinitely scalable.

Packaging Purchase:

The bottles come with a 10-week lead time from purchase, hence the requirement for working capital in that period.

Production:

Our current filling capacity is 24,000 units per week. This can be doubled for a limited cost (See Opt 2)

Section 3: Information about the Company



The Offer is not underwritten and there is no guarantee that these funds will be raised.

The cost of the Offer includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary.

These fees are up to 6% of all funds raised by the Issuer through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.



3.3 RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

3.3.1 VOTING RIGHTS

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

3.3.2 DIVIDENDS

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act.

For example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors.

3.3.3 GENERAL MEETINGS AND NOTICES

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

3.3.4 ELECTION AND REMOVAL OF DIRECTORS

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

3.3.5 WINDING-UP

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to holders of ordinary shares after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank ahead of other classes of shares (if any).

3.3.6 RESTRICTIONS ON SALE AND TRANSFER

We also draw your specific attention to the fact (and by entering into this Subscription Agreement you are taken to acknowledge) that any CSF Shares acquired under the Offer must not be onsold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document. Certain preemptive rights on transfer apply to non CSF shareholders and a first right of refusal to the founder applies on the sale or transfer for any CSF shareholder.



3.4 INVESTOR REWARDS

In addition to being a shareholder of Blue Springwater Pty Ltd, a range of incentives and rewards are being offered for investors.

These include: A special one off very collectible print on a bottle, custom printed hemp t shirt.

Below sets out the gifts based on amount invested.

Tier 1 \$500 and above a very limited edition (shareholders only) collectable bottle.

Tier 2 \$5000 and above a unique Blue Spring Water hemp T Shirt

3.5 WHAT CAN I DO WITH MY SHARES?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit the business. These include, but are not limited to:

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS

4.1 COOLING-OFF RIGHTS

You have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows: by following the link and instructions on the CSF Offer page on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

4.2 COMMUNICATION FACILITY FOR THE OFFER

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

4.3 PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS

4.3.1 ANNUAL REPORT

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end).

The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

Section 4: Information about the Company



The Company may be required to have its financial reports audited in the future if it raises more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

4.4 RELATED PARTY TRANSACTIONS

If the Company successfully completes this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as it continues to have CSF shareholders).

This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

4.5 TAKEOVERS

If the Company successfully completes this offer and has more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles

of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.



ARTIST SERIES
Pure Australian Spring Water
Sourced from the pristine springs of Bilambil, NSW

GLOSSARY

Company means Blue Springwater Pty Ltd

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money

CSF means crowd-sourced funding under Part 6D.3A of the Corporations Act

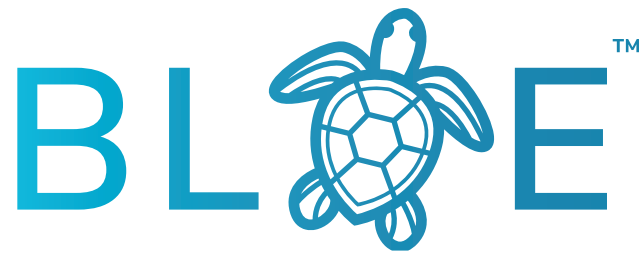
Intermediary means Birchall Financial Services Pty Ltd AFSL 502618

Maximum Subscription means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer

Minimum Subscription means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer

Offer means an offer of fully-paid ordinary shares by the Company under this CSF offer document

Wholesale Investor means an investor who satisfies the definition of a 'wholesale client' under Chapter 7 of the Corporations Act 2001 (Cth).



CHEERS FOR GIVING US A LOOK

Any questions?

Please contact us to
find out more.

sales@blueskybev.com.au



Appendix : Balance Sheet



BALANCE SHEET Blue Spring Water Pty Ltd

Date 01 Jul 2020

ASSETS

CURRENT ASSETS		
Cash	0.00	
Accounts receivable	0.00	
Inventory	0.00	
Prepaid expenses	0.00	
Short-term investments	0.00	
TOTAL CURRENT ASSETS		0.00
NON-CURRENT ASSETS		
Property/land	0.00	
Furniture	0.00	
Vehicles	0.00	
Equipment/tools	0.00	
Long-term investments	0.00	
TOTAL NON-CURRENT ASSETS		0.00
TOTAL ASSETS		0.00

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	0.00	
Payroll	0.00	
Sales tax	0.00	
Income tax payable	0.00	
Short-term loans	0.00	
	0.00	
	0.00	
TOTAL CURRENT LIABILITIES		0.00
LONG-TERM LIABILITIES		
Long-term loans	0.00	
Other long-term liabilities	0.00	
TOTAL LONG-TERM LIABILITIES		0.00
TOTAL LIABILITIES		0.00

OWNER'S EQUITY

Owner's investment	100.00	
Owner's drawings	0.00	
Retained earnings	0.00	
TOTAL OWNER'S EQUITY		100.00
TOTAL LIABILITIES AND OWNERS EQUITY		100.00

Appendix: Digital Media



<https://twitter.com/9NewsQueensland/status/1300323908416163841?s=08>

<https://youtu.be/G0g4D93vk9g>