

**Seductively Beer.**

# PHILTER

Dated 2 November 2023

## Replacement Crowd-sourced Funding Offer Document

**Offer of fully-paid ordinary shares in Philter Brewing Pty Ltd at \$5.00 per share to raise a maximum of \$4,500,000**

This replacement crowd-sourced funding (CSF) offer document, dated 2 November 2023, relates to the Offer of fully-paid ordinary shares in Philter Brewing Pty Ltd, and replaces the CSF offer document dated 24 October 2023. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

**Issuer**  
**Philter Brewing Pty Ltd ACN 616 427 340**

**Intermediary**  
**Birchal Financial Services Pty Ltd ACN 621 812 646**  
**AFSL 502618**

# PHILTER

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# PHILTER

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.**

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## **SECTION 2: INFORMATION ABOUT THE COMPANY**





PHILTER BREWING PTY. LTD.  
92-98 Sydenham Rd, Marrickville NSW 2204  
Phone: +61 (02) 9199 9655  
invest@philterbrewing.com  
ABN: 39 616 427 340

Welcome aboard, you legend!

We're thrilled to offer you the chance to join the ownership team at Philter Brewing. There are big plans in the pipeline for the next stage of our development, and we're excited to have you along for the journey.

#### **Building a Brand and Taking it to Australia**

In March 2017, Philter released our first beer, the XPA. It won Best Pale Ale at the Australian Craft Beer Awards within four months of launch – then went on to take out Champion Pale at Australia's biggest beer awards three times in our first 14 months in business. And we didn't even have our own brewery yet!

By the time Philter was awarded Gypsy Brewer of the year at the 2018 Australian International Beer Awards, we'd released four beers without our own brewing space. What we did have was easily one of the most recognisable brands on the shelf or tap bank.

#### **Philter Comes Home**

By the end of FY19, Philter had achieved \$3m in sales and it was time to build our own brewing space and venue. We signed a 14-year lease for an untouched 1960's factory that had long been an icon on the streetscape of industrial Marrickville. We were proud to become part of the historical fabric of the suburb we love.

In January 2020, we installed a 25hl 4 vessel brewhouse with a fermentation cellar able to produce 950,000 litres of beer per year. Philter Public Bar and Restaurant was ready to welcome beer fans by early September. In 2021, we quenched Sydney's thirst for open-air fun when we revealed Marrickville Springs - the area's first rooftop bar. A sunny oasis offering beer slushies, cocktails and good times, the Springs is also an incredibly successful event space.

#### **30 beers and \$30m in revenue**

Since 2017 Philter has released more than 30 beers and established wholesale distribution in over 2200 major and independent stores across Australia. We're pouring at Sydney Football Stadium and have taps in hundreds of independent pubs and bars, as well as in leading groups like Merivale, ALH and Solotel.

Our average revenue has increased by 43% per annum, and in FY23 we cracked \$30m in total revenue since inception. We have expanded our brewery to 1.5m litres capacity and continued to win dozens of industry accolades – most recently Champion NSW Brewery at the 2023 Indies.

Six years in, Philter remains loudly, proudly independent. And we're still about making great beer with love, for everyone.

#### **The Future's Bright**

Our mission has always been to be a top 5 Independent Brewery with distribution across Australia and abroad. With your support and investment, we will continue to drive momentum in our own backyard while exploring opportunities interstate and overseas. Our primary objectives over the next 12 months will be:

- Upgrading our brewing equipment to facilitate a volume increase to almost double our current output
- Increasing presence and distribution on our home turf in NSW as well as in wider markets within Australia
- Expanding our Philter hospitality footprint in strategic locations across Australia
- Exploring & nurturing new business opportunities

Thanks for believing in us, it means the world. We can't wait to make you proud.

Mick and Stef.



This offer of shares is made by Philter Brewing Pty  
Ltd ACN 616 427 340.

## Section 2.1:

Company Name:  
**Philter Brewing Pty Ltd.**

ACN:  
**616 427 340**

Date of Incorporation:  
**13<sup>th</sup> December, 2016**

Registered Office:  
**92-98 Sydenham Rd, Marrickville, NSW, 2204**

Principle place of business:  
**92-98 Sydenham Rd, Marrickville, NSW, 2204**

Directors:  
**Michael Neil (Company Secretary), Stefan  
Constantoulas, Christopher Dalton**

Website:  
**[www.philterbrewing.com](http://www.philterbrewing.com)**

## Section 2.1: COMPANY DETAILS

A photograph of a neon sign for Philter Brewing. The sign is rectangular with rounded corners and features the words "PHILTER" and "BREWING" in a stylized, outlined font. The sign is illuminated with a bright blue light, and the background is a dark, textured wall.

# PHILTER

## Section 2.2: ABOUT PHILTER BREWING

**Philter was born out of a backyard chat between Marrickville mates and neighbours, Mick Neil and Stef Constantoulas. Beer lovers and brand experts, between them they had the business, marketing and trade know-how to build a bold presence on the ever-expanding craft brewing landscape.**

**We busted onto the Sydney beer scene with the release of our XPA in 2017. We quickly set ourselves apart with a look that nods to the aesthetic of iconic Australiana paired with a modern beer profile.**

**Since then, we've been bringing the love with sessionable, easy drinking favourites and limited releases. We're all about quality ingredients, good times and making great beer for everyone.**



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# PHILTER

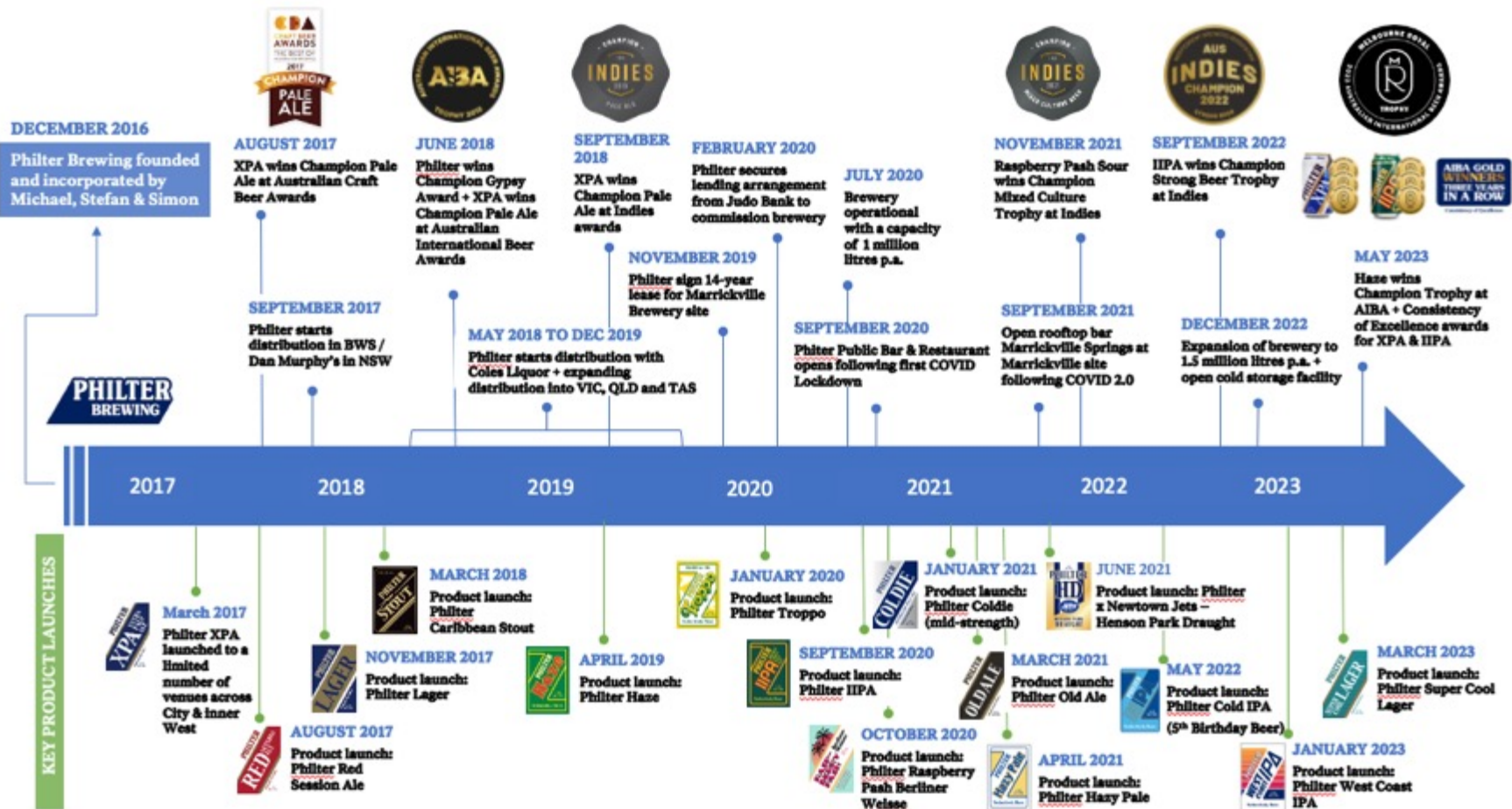
## GROWTH OF PHILTER



FY17	FY18	FY19	FY20	FY21	FY22	FY23
20K Litres	246K Litres	521K Litres	513K Litres	899K Litres	983K Litres	1.2M Litres
\$96K	\$1.4M	\$3M	\$3.4M	\$5.6M	\$7.1M	\$8.5M
COVID						

Philter total production and sales revenue per financial year since launch

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**Quality ingredients. Great Beer. No Bull\$#!&.**



# PHILTER

## Mission & Objectives

### **Mission**

To be a top 5 Independent Brewery with distribution across Australia and abroad.

### **Business Objectives**

While continuing to drive momentum in our own backyard and exploring more opportunities interstate and overseas, our primary objectives for the next 12 months will be:

- **UPGRADING OUR BREWING CAPACITY TO 2.5M LITRES** – increasing our current output by 60% and investing in efficiency solutions
- **DRIVING WHOLESALE DISTRIBUTION GROWTH** - Increasing presence and distribution on our home turf in NSW as well as wider markets within Australia
- **EXPANDING OUR HOSPITALITY FOOTPRINT** – Taking the Philter experience to more consumers
- **EXPLORING KEY GROWTH OPPORTUNITIES** – Investing new areas to drive new revenues streams including e-commerce, new product categories, partnerships & sponsorships and export

A man wearing a denim vest and sunglasses is holding a can of Philter beer. The background is a blurred outdoor setting.

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# PHILTER

## OUR CORE VALUES

**Proudly Australian  
& Independent**

**Great Phucking  
Beer**

**Keep it Simple  
Mate**

**Socially  
Responsibility**



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# PHILTER

NAME

# PHILTER

**Definition & Meaning:**

A potion or charm credited with magical power  
supposed to cause the person taking it to fall in love.

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# PHILTER

## OUR PRODUCTS & SERVICES

**Quality ingredients. Great Beer. No Bull\$#!&.**

The Philter Philosophy is simple. We're all about using the best ingredients to create well-balanced, sessionable beers for everyone.

Our beer is packaged and sold in cartons and kegs. Cartons are primarily supplied to bottle shops - equating to 65% of wholesale revenue. Kegs sales to pubs and bars make up the remaining 35%.

We offer a Core Range and Seasonals/Limiteds. Core beers such as the award winning XPA are available year-round.

Seasonals and Limiteds are released according to a strategic calendar. You'll find our stout in stock in Winter and our sours in Spring.

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# PHILTER

## OUR BEERS

We've always had one aim: to craft well-balanced, sessionable beers using the best domestic and international ingredients.

Our packaging philosophy is bold and nostalgic with an eye to cut-through on shelf. The XPA can is iconic in the Philter portfolio and its modern retro classic diagonal design has informed each subsequent tinnie creation. Every can tells a story and connects with heritage 20th century product and brand design. Take our Hazy Pale can, it harks back to a classic hit in Australia's motoring history - the famous Holden Sandman panel van!



### XPA - EXTRA PALE ALE

Our beloved first-born brew and the backbone of the business. In FY23, sales of our XPA equated to 75% of wholesale trade.

When Philter started, our product strategy was to launch with a highly commercial interpretation of a modern Australian pale ale. XPAs were new and trending at that time, so it made sense to make our own. At 4.2% abv, ours was different to the few on the market.

Now, it is arguably one of the most awarded pale ales on the market and is distributed all over Australia.

**How does it taste?** Full of tropical fruit aromas and delivering a distinctly refreshing hop flavour with a balanced finish.

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# PHILTER

## OUR BEERS – CORE RANGE



### SUPER COOL LAGER

The newest permanent member of the portfolio. First released in keg in January of this year with cans following in May, Super Cool lager has quickly become our fastest growing core range product. Sitting at 4.2%, it's a super clean, super crisp, super refreshing, Super Cool lager.

As of September 2023, the Super Cool Lager is ranged across NSW in Liquorland, Vintage Cellars, First Choice, Dan Murphy's and BWS. It is readily available in independent stores and can be found on tap in venues across Sydney, Brisbane and Melbourne.

Due to its late release date the Super Cool did not contribute to revenue in FY23, but we anticipate this product to contribute significantly to FY24.

**How does it taste?** We've brewed it to be extremely sessionable with a light malt body and a classic dry finish inspired by the great Japanese rice lagers.

### RED SESSION ALE

Our second brew and still one of our most popular. Released in August 2017, the 'Red' as it is affectionately known, is a cult classic. It's based on the American Red Ale, but we gave it a unique Australian spin with Aussie Cascade and Galaxy Hops. The ABV sits lower at 4.8% than its American cousins and therefore it sits in the session beer category.

The Red has always been consistent and has great distribution across NSW primarily selling through independents, but you can also find it across Sydney in BWS and Dan Murphy's. Philter Red Session Ale contributed to 4% of wholesale revenue in FY23

**How does it taste?** Our Red is punchy and is full of bold hop aromas. This beer is loaded with passionfruit, melon, citrus and berry notes. A light crystal malt character and medium bitterness to finish make this a ripper of a session ale.





# PHILTER

## OUR BEERS – CORE RANGE



### HAZY PALE

Launched in April '21, the Hazy Pale quickly became a hit with IPA lovers who wanted a pale ale to satisfy their Hoppy appetite. It has steadily become the second largest contributor at 5% in wholesale revenue and is our second-best seller in our hospitality venues. It can be found all over the Eastern seaboard with ranging in NSW National chains.

**How does it taste?** Packed full of new world hop varieties, the hazy pale has all the flavour you expect from a haze and the signature refreshment of our pales with tropical fruit, floral, melon and lemon-lime aromas. This one is a juicy, easy-drinking gem.

### OLD ALE

The Old Ale was released when we realised there was a gap in the on-premise market for a good, sessionable dark beer. While there were plenty of dark beers available, most were bigger, bolder, heavier, seasonal ... and expensive. We had successfully marketed our own big dark beer in the Caribbean Stout but we felt there was space for something lighter - at 4.2% abv our Old Ale fits the bill.

The Old Ale was born in March 2021. The beer was released to remarkable feedback and encouragement but unfortunately was stifled by the 2021 lockdowns and never had a real chance until 2022. It's now established and available year round. It can be found across NSW, SE QLD and Victoria, mainly through independent stores.

Philter Old Ale contributed 2% of wholesale revenue in FY23

**How does it taste?** It's our take on a classic Aussie old. It's a brewery old ale crafted using roasted malts for a rich flavour full of chocolate and coffee notes with a medium bitter finish. It's smooth, it's dark, it's old school.



# PHILTER

## OUR BEERS SEASONALS (IPAs)



To date, we have 6 IPAs on rotation, including our heavily awarded IIPA & HAZE. These beers are produced seasonally and released in limited quantities primarily across the independent wholesale channels.

# PHILTER

## OUR BEERS SEASONALS & LIMITEDS



Our first limited beer was the Caribbean Stout, launched as our fourth release in April 2018, in celebration of our first birthday. A full-bodied tropical stout sitting at 7% abv, this one proved that Philter could make not only sessionable brews, but big, complex beers as well.

Over the years we have released sours, big red ales, hoppy lagers, saisons and even European classics like a marzen.

These beers are limited releases produced seasonally and stocked primarily in independent bottle shops and good brew pubs.







# PHILTER



The Newtown Jets is our much-loved local footy club and an institution in Sydney's Inner West. It was a founding club, formed in 1908 and, in our opinion, remains the greatest team in the history of Rugby League. In 2021 we signed a long-term sponsorship with the Jets and have exclusive pouring rights at their home ground on game days.

The Henson Park Draught is the Aussie draught we made with love for the mighty Jets and their spiritual home, Henson Park. It's crafted with 100% Australian hops for straight up classic refreshment.

Best of all? 5% of all sales go back to the club.

**OFFICIAL BEER OF THE  
NEWTOWN JETS**

# PHILTER

## COLLABORATIONS

Collaborations are key to our brand position and consumer connection. We believe a great collaboration comes together like salt & pepper or cheese and peperoni. They are an opportunity to connect with a new audience and above all create really great product while having fun.

### A Philter and M/SF/T Collaboration

Beloved Brew is what happens when mates share a love of tins. The Mad Minds at surf movement M/SF/T love a simple beer as much as Philter does, so the two brands got together and made a pale with 100% Australian hops. Nothing complicated, just a straight up Aussie classic.

Released in October 2019. Iconic.



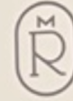
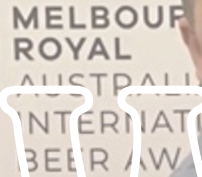
### Philter x Polish Club Collaboration

We made this Pilsener with love for music, mates and Marrickville. It was in collaboration with Polish Club, a Sydney two-piece who record around the corner on Faversham St.

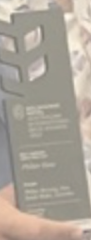
Released in September 2023. Go find it now.







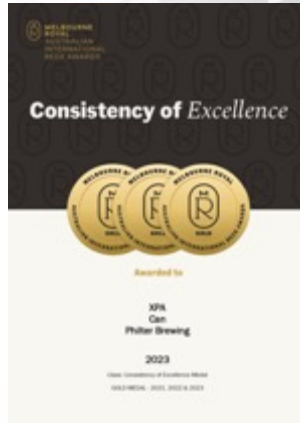
# AWARDS







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# PHILTER XPA **NO.1 PALE ALE\***

**AWARDED BY AUSTRALIA'S  
TOP THREE BEER AWARDS  
(professional judges / experts)**

**\*Pale Ale is approximately 65% of the craft beer  
market in Australia.**

MAJOR  
AWARDS

PHILTER



AUSTRALIAN GYPSY BREWER AWARD  
PRESENTED BY FBTP/PAK  
PHILTER BREWING,  
NEW SOUTH WALES, AUSTRALIA



# PHILTER

## INDUSTRY

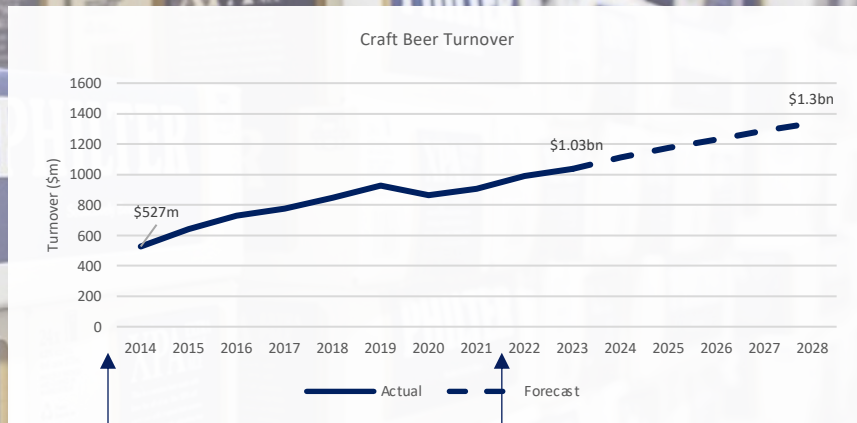
Australian craft beer revenues have doubled over the past decade to \$1bn in FY23. Since 2013, craft beer has grown from 9 to 20% of the Australian beer market, and craft brewery acquisition prices have grown from \$1.0m in 2013 to \$500m in 2021.

The craft brewing industry in Australia has expanded to over 600 breweries. Research agencies predict continued strong growth for craft breweries in the next 5 years with expected annual growth of 5%.

Complementing solid growth domestically, the export market is expected to see strengthening demand from several Asian countries, including Japan and Malaysia.

Philter's success in out-performing industry growth makes us well-placed to capitalise on the positive craft beer outlook

Source: IBISWorld Industry Report: Craft Beer Production in Australia, Matthew Reeves, February 2023



Cricketers Arms  
sale - <\$1m

Fermentum sale  
->\$500m

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# PHILTER

## OUR BUSINESS MODEL



### WHOLESALE

Business to Business sales to independents, wholesalers & national chains including pubs, bars, clubs, bottle-shops



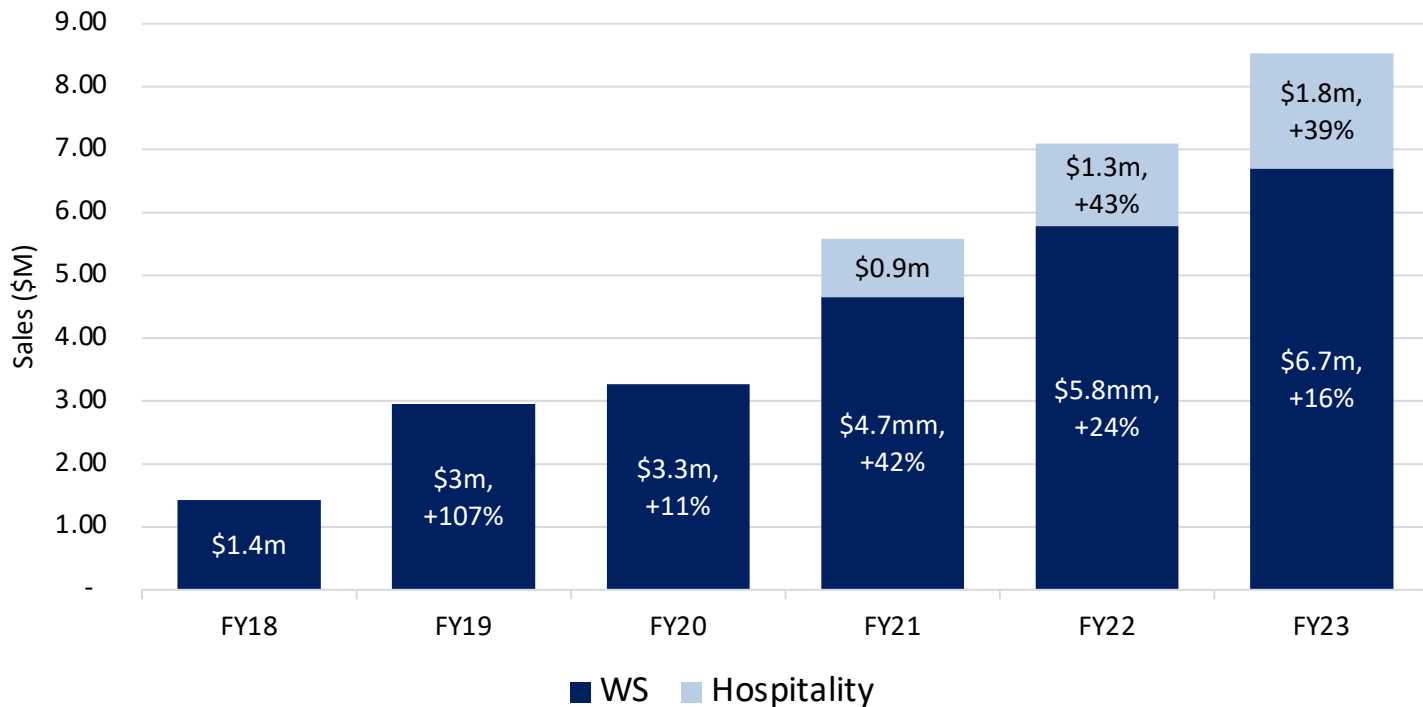
### HOSPITALITY

Revenues from our hospitality operations at the brewery in Marrickville & direct to consumer sales through our website

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# PHILTER

## SOURCE OF REVENUE



WS = Wholesale revenue incl, pubs, bars, bottle shops, & restaurants

HOSPITALITY = Revenue from Philter Restaurant & Bar, Marrickville Springs, & online sales

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# PHILTER

## WHOLESALE HIGHLIGHTS



**\$6.7M in Beer  
Sales in FY23**



**XPA 75% of  
total sales**



**Solid  
distribution in  
major Indie  
Bottle shops**



**Strategic  
relationships  
with  
wholesalers  
ALM,  
Paramount,  
& ILG**



**XPA pouring  
@ the Sydney  
Football  
Stadium**



**XPA ranged in  
all Dans stores  
in NSW & VIC**



**Over 2K  
distribution  
points**



**Multiple  
SKU's  
ranged in  
DM, BWS,  
Liquorland,  
1<sup>st</sup> Choice,  
& VC**



**Strong brand  
presence  
across NSW,  
VIC, & QLD**



# PHILTER

## WHOLESALE DISTRIBUTION

### INDEPENDENTS

NSW/ACT  
QLD  
VIC  
TAS

**Total:**  
**1,449**



NSW/ACT  
VIC  
TAS

**Total:**  
**163**



**Dan  
Murphy's**

NSW/ACT

**Total:**  
**321**



NSW/ACT

**Total:**  
**57**

**VINTAGE CELLARS**  
AUSTRALIA'S FINE WINE SPECIALIST

NSW/ACT

**Total:**  
**207**

**LIQUORLAND**

NSW/ACT

**Total:**  
**20**

**First Choice**  
LIQUOR MARKET



**PHILTER BREWERY**  
92-98 Sydenham Rd, Marrickville

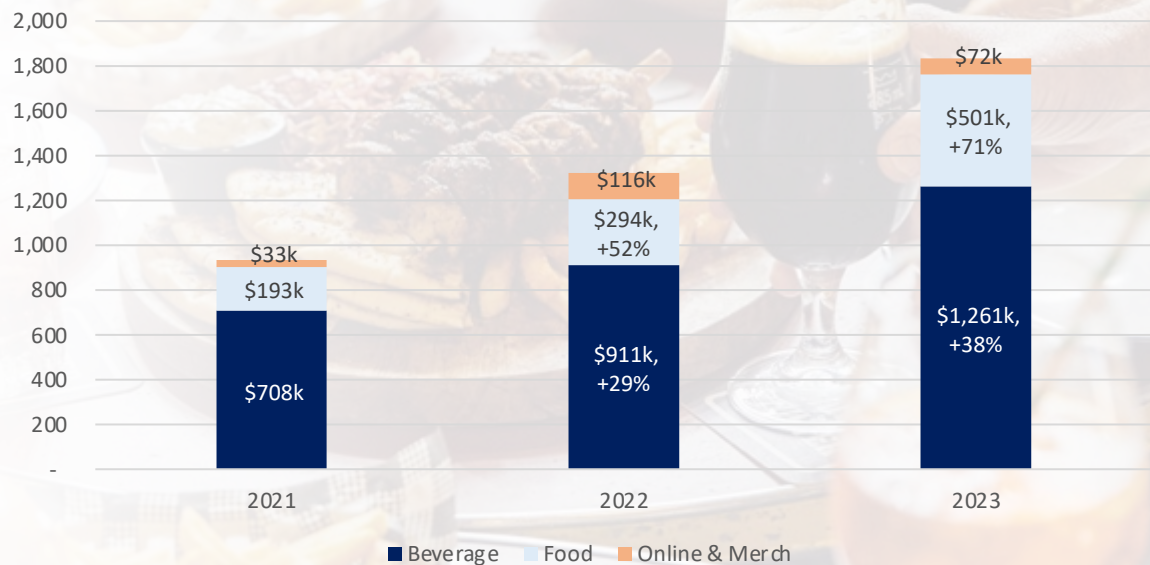


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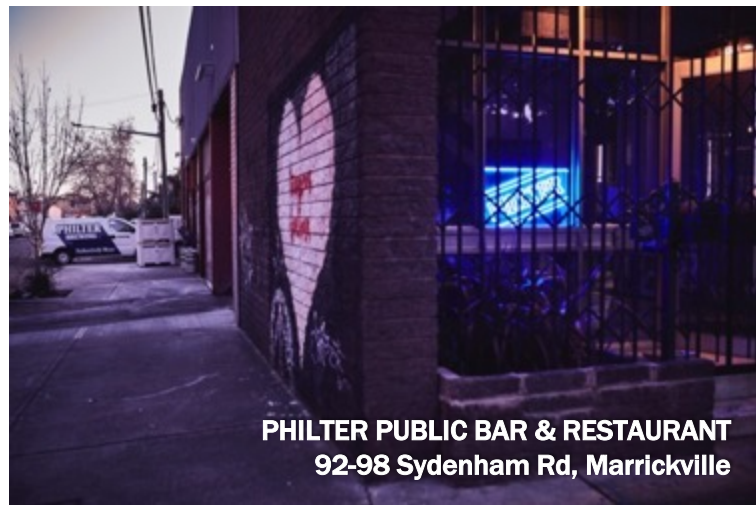
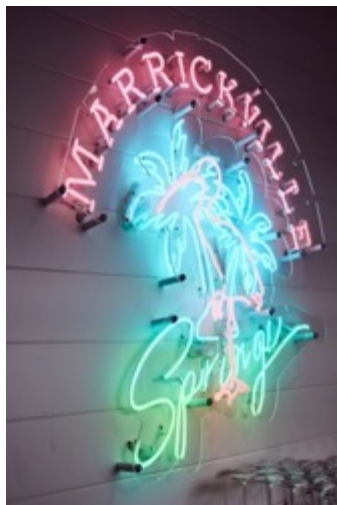
## HOSPITALITY HIGHLIGHTS

- 200 capacity venue in the heart of Sydney's Inner West – Australia's brewery capital
- Marrickville's only rooftop bar and sought after function venue – Marrickville Springs
- Pouring 16 beers across 2 bars
- Full commercial kitchen with strong contribution to revenue
- Restaurant license with PSA (primary service of alcohol) – Ability to pour wine, cocktails and spirits.
- Indoor and outdoor seating
- Retail shop for take-aways and merchandise
- Annualised growth of 39%
- 4.6 star google rating (215 reviews)

Revenue Mix - Hospitality



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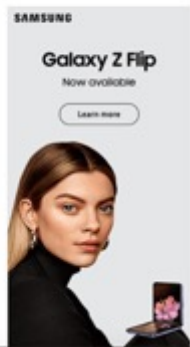
**PHILTER PUBLIC BAR & RESTAURANT**  
92-98 Sydenham Rd, Marrickville



# Philter Bar & Restaurant Accolades

## Sydney's Best Bar Openings of 2020

A former detective's office-turned-bar, inner-west pubs given new leases on life, and a long-awaited brewery has added variety and spice to Sydney's drinking scene this year.



### Philter Brewing, Marrickville

It's been a stellar year for new breweries in the inner west. But few have been as keenly anticipated as Philter, which opened in a former Marrickville yoghurt factory – just blocks from the backyard where the brewery was founded in 2017 – in August. The space itself is split in two: there's the wood-panelled bar room, furnished with a vintage tiled bar and bistro-style tables. And then there's the bit where the magic happens, dominated by rows of shiny tanks that pump out 1.5 million litres of a beer a year. And while the vast majority of Philter's taps are, naturally, taken up with its own beers – no bad thing – there are also revolving guest taps, natural vino and a decent pizza menu. In essence, Philter is the perfect drinking experience for 2020 – laid-back, no frills and friendly.



# BROADSHEET



A brewery in an old yoghurt factory

### PHILTER BREWING

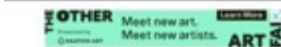
92-98 Sydenham Road, Marrickville

Set in an old yoghurt factory opposite Wicks Park, Philter Brewing is very well placed – it's just down the block from Batch and close walking distance to *Sauce*, *Wildflower*, *Gritter* and *Wille The Boatman*. Yeah, it has turned into one massive brewery crawl indeed. The brewpub pays homage to the building's 1950s heritage, as well as the 1980s Australiana vibe of Philter's can design. Expect 'suburban pub nostalgia' aplenty, like hanging Tiffany lamps, hand-painted signage and a handmade tile bar with a bar top that's been rescued from a local pub. Plus a black chesterfield sofa and simple round tables and chairs. The somewhat kitschy, old school fit-out certainly suits the brand well. The public bar overlooks a brand new brewery and boasts a viewing deck with bar stools, so punters can watch the brewers in action while they sip fresh-as drops. It'll produce over one-million litres of beer per year, heaps of which will end up on the bar's taps.

# CONCRETE PLAYGROUND.

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# Philter Bar & Restaurant Accolades



Inner West Brewery Philter Is Opening Its New Rooftop Bar Marrickville Springs This Week

The sun-soaked rooftop is adorned with a neon bin chicken and will serve Philter brews as well as frozen cocktails.



## Marrickville Springs

A tropicana themed bar hits this Marrickville brewery rooftop

20 OCTOBER 2021 AT 10:40

Sydney can't get enough of rooftop bars. And we can't get enough of breweries. So it was only a matter of time before one of Marrickville's most beloved craft beer purveyors hit the bullet and brought this love affair full circle. Enter: Marrickville Springs, the '80s tropicana resort-style bar atop Philter Brewing in Sydney's inner west. Opening on Friday October 22, the airy sky-high bar is pretty in pink, with warm wooden bench seating and tropical plants galore.

PHILTER



## First Look: Philter Opens Marrickville Springs, a Rooftop Bar Above Its Warehouse Brewery

It looks like Palm Springs sprouted in the inner west: pastel hues, white breezeblocks, and swaying greenery beneath the infamous Marrickville flight path. It's serving Jacoby's cocktails, Aussie wines, and frozen beer slushies alongside Philter's very best brews.



Subscribe to our newsletter, curated by locals.



## Beer slushies are now a thing – the Sydney breweries making them for summer

CALLAN BOYS

October 29 2021



Stef Constantoulas, co-founder of Philter, with his beer slushies at the brewery's new rooftop bar. Photo: James Brickwood

A hard-earned thirst needs a big cold beer, and there are few ways to serve a beer colder than in slushie form.



are keen to get out to their locals again. By the time I've finished my chat with owner Stef Constantoulas, the venue is looking as lively as any casual Saturday afternoon.

"We've kind of done half capacity booking and half capacity walk-ins," Stef says.

"We want people booking but if they happen to be passing and feel like a beer we don't want people to miss out. We want to encourage people to come in, sit down, say g'day, have a beer then enjoy a few more at all the great pubs and venues in Marrickville.

"We've still been here but what we've missed and what we're excited to see are just people coming in for a drink. We've missed you!"



Philter filling up shortly after midday on the first day following 2021's lengthy lockdown.

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# PHILTER

## BUSINESS STRATEGY

### BREWING CAPACITY UPGRADE TO 2.5M LITRES

Investing in additional fermenters to achieve gross capacity of 2.5m liters

Improve brew yields by upgrading centrifuge

Add new packaging solution to move away from plastic to cardboard

Invest in 5hL pilot kit for R&D of new products and to service retail / online

### DRIVING WHOLESALE DISTRIBUTION GROWTH

Maximizing growth opportunities available with National chains including Dan Murphy's, Liquorland and BWS

Investing in long-term relationships with key on-premise customers

Continue to develop relationships with large hospitality groups i.e. Merivale, ALH, Solotel

### EXPANDING OUR HOSPITALITY FOOTPRINT

Expand Marrickville venue via an additional 150m2 with an increase in capacity of +80 patrons

Establish 2 new Philter Brew-bars in strategic locations to drive brand awareness and significantly grow retail revenues

Develop Philter retail concept with the foundation to scale

### EXPLORING OTHER OPPORTUNITIES

Invest in E-com store and launch new Beer Club

Utilise production facility to develop new product offers

Maximise strategic partnerships and sponsorships to drive brand awareness and revenue

Explore export opportunities with long term outlook in key markets



# PHILTER

## GROWTH STRATEGY & PERFORMANCE MANAGEMENT

Philter is a successful brand that is both a beer and lifestyle brand. We have managed to build a strong distribution network in major cities across NSW, SE Qld and Greater Melbourne. We want to bolster our commercial team with experienced talent to take advantage of our momentum. In addition to our strength in our home state, we have good traction interstate and will further develop our distribution reach in Australia.

Our long-term roadmap includes the following strategic pillars:

- Establishing a brewing capacity upgrade to 2.5m litres
- Driving wholesale distribution growth
- Expanding our Hospitality Footprint
- Exploring and nurturing other opportunities

We have a well-defined strategy that will help the organisation stay focused on its long-term goals while adapting to changes and opportunities in the business environment. It is our framework for decision-making, resource allocation, and performance measurement that will ensure the company's success over the specified period.

We manage the financial considerations of this plan and our actual results through a three-way financial model that is a comprehensive projection tool encompassing the income statement, balance sheet and cash flow forecast. This allows our management team to monitor the company's financial performance and position. This management process also allows us to forecast capital levels in advance to help us navigate the seasonality of the retail landscape and protect the business from unforeseen cash flow risks like natural disasters and, in more recent times, the global pandemic.

# PHILTER

## WHOLESALE & PRODUCTION

### **Production Expansion & Wholesale Growth**

Since establishing the Brewery at Marrickville in 2020, we have set up the facility to scale. By expanding our production capacity in the brewery cellar and creating production efficiencies through equipment upgrades, we will be able to increase our wholesale sales significantly over the coming years. The investment in these areas will allow us to meet growing demand, reduce costs and improve output.

We plan to invest in a finished packaging solution for carton production to move us away from current plastic clips and into a more environmentally-friendly packaging solution.

The planned investment of a 5hL pilot brew kit will support our new product development and allow experimental small batch brews that will be available exclusively to our hospitality venues and online store. This will enhance competitiveness in the market through the independent brewpubs and bottle shops.

The capacity increases at the Marrickville site will allow us to maximize growth opportunities available with national chains including Dan Murphy's, Liquorland and BWS. It will warrant more strategic cooperation with key on-premise customers in Sydney and in key locations across NSW and interstate, including large hospitality groups like Solotel, ALH and Merivale.



# PHILTER

## HOSPITALITY EXPANSION

### **Philter Hospitality Expansion**

#### *Expand the House of Worship*

In 2024 we plan to increase our focus on Philter hospitality venues starting with the planned expansion of the venue in Marrickville. We will increase venue floorspace by 150m<sup>2</sup>, adding an additional 80-person capacity. The positive result of pouring our own product in venue delivers customer satisfaction, loyalty and, from a commercial perspective, high margins & profitability.

The Sports Bar situated in 100 Sydenham Road is an exciting project that will allow us to branch the venue into a complimentary concept with a new experience for our customers.

#### *Venue 2 expansion*

We plan to drive brand awareness by expanding Philter retail into a key location in Sydney with the aim of connecting with both current and new customers. A new venue will stimulate our off-premise business and support our wholesale growth ambitions.

#### *Venue 3 expansion*

As per venue 2, we will take our learnings and duplicate a winning formula to bring Philter to a new locality to increase brand value. Here we would consider opportunities both in Sydney and interstate.





# PHILTER

## OTHER OPPORTUNITIES

### **Online & Philter Phan Club**

To date, our online store hasn't received the attention it deserves. Investing in an online store can be a rewarding endeavour, but it's essential to approach with a clear point of difference and to provide an exceptional customer experience. Investing in a pilot kit at the Marrickville site will allow the release of limited-edition products at a higher frequency, providing a unique offering to our soon-to-be-launched Philter Phan Club.

### **New products – alcoholic beverages, RTDs & seltzers**

The brewery has the capability to produce product outside of beer, including Seltzers and other carbonated drinks. We are currently in the early R&D phase for extension into new categories where there are clear opportunities to add value to Philter's wholesale and retail ambitions.

### **Strategic events & partnerships**

We are regularly approached to produce large volumes of beer for major events or to brew collabs with brand partners. Regularly, we have to decline due to capacity. An increase in production capability will maximise these opportunities.

### **Export**

With increased capacity, export becomes a considerable option to drive sales growth. This strategy will take time - effective export strategies often involve long-term commitment to building relationships and understanding the dynamics of the target markets.

# PHILTER

## OUR TEAM



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# PHILTER

## OUR TEAM



Seductively Beer.



# PHILTER

## OUR FOUNDERS



### **Stefan Constantoulas (Director)**

Stefan is a beer lover and brand expert. He's worked for the past 17 years in beer, cider and spirits sales and marketing, including positions at Lion and Beam Suntory.

Stef leads the front-end of the business, driving business development and the sales & marketing team



### **Michael Neil (Director)**

Michael is a well-rounded GM with extensive wholesale/retail business experience both in Australia and abroad. Most recently, he served as APAC GM for O'Neill, the global surf lifestyle brand.

Mick leads the management team with focus on marketing, operations, finance and planning.



### **Simon Quinn (Advisor)**

Simon is an influential figure in the Australian property development and hospitality sector. He's also a builder, a beer baron, a cattle farmer, a keynote speaker and an entrepreneur.

Simon is a co-founder & sits on the board as a trusted advisor.

# PHILTER

## LEADERSHIP TEAM



**Alec Longair**  
**(Head of Finance)**

Alec is a Deloitte-trained Chartered Accountant with experience ranging from large US-listed groups to, more recently, high-growth SMEs across UK, US and Australia. He joined Philter in 2020 just after the Marrickville Brewery build was complete.



**Max Haemmerle**  
**(Head Brewer)**

Originally from Bavaria, Germany, Max studied Brewing & Beverage Technology at Weihenstephan University before cutting his teeth at Riedenburger Brauhaus. He joined Philter in 2021 following a five-year stint at Australian Brewery.



**Pete Rundle**  
**(Venue Manager)**

Pete leads our bar and restaurant heading up the team with aplomb and wickedly dry humour. Then he turns around and saves the day by chucking together three office chairs in 5 minutes flat and fixing the stupid printer when no one else can.



**Sam Jonstone**  
**(National Account Mgr)**

Sam is a senior sales and marketing executive with 15 years' experience in large multinational FMCG organisations and boutique independent businesses, having held management roles in both sales and marketing



# PHILTER

## ADVISOR & NON-EXECUTIVE DIRECTOR



**Chris Dalton (Non Executive Director)**

Chris is a pragmatic and well regarded corporate and commercial lawyer. He is an experienced company director and has been a trusted adviser to Philter since 2017.



# PHILTER

## Section 2.8

# CAPITAL STRUCTURE

As at the date of this Offer Document, the Company has 11,730,225 ordinary shares on issue. The majority of shares are held by the Company's founders/directors.

Table 1 below sets out the issued capital Company before the Offer

Shareholder	Share Type	Shares
Prospector & Co	Ordinary	2,532,075 (21.6%)
Constantoulas Investments Pty Ltd	Ordinary	2,532,075 (21.6%)
Vedast Pty Ltd	Ordinary	1,632,930 (13.9%)
Susan Quinn Pty Ltd	Ordinary	1,632,930 (13.9%)
Jesse Quinn Pty Ltd	Ordinary	1,632,930 (13.9%)
Tashtego Pty Ltd	Ordinary	589,095 (5.0%)
#Shareholders holding <5%	Ordinary	1,178,190 (10.1%)
Total		11,730,225 (100%)

Table 2: Issued capital of the Company following the Offer of the (on a fully diluted basis)

Shareholder	Share Type	Minimum Subscription	Maximum Subscription
Existing	Ordinary	11,730,225 (99.1%)	11,730,225 (92.9%)
Offer Shares	Ordinary	100,000 (0.9%)	900,000 (7.1%)
Total		11,830,225 (100%)	12,630,225 (100%)

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# PHILTER

## RIGHTS AND LIABILITIES ASSOCIATED WITH SECURITIES

As at the date of this Offer, the only class of shares on issue are ordinary shares. The Company's directors may adopt an Employee Share Option Plan equal to a maximum of 10% of the total issued share capital of the Company from time-to-time.

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company's Constitution is available on the Intermediary's platform.

### Ordinary Shares

The rights and liabilities associated with the ordinary shares are set out in the Company's constitution, including:

- All ordinary shares have the same voting rights and the same rights to receive dividends
- Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions
- The Board has the discretion to approve a transfer of shares to a third party
- The Constitution gives special rights in relation to the drag to Vedast Pty Ltd and to 'Participating Shareholders' (Vedast Pty Ltd, Constantoulas Investments Pty Ltd or Prospector & Co Pty Ltd) in relation to pre-emptive rights on issue or transfer of shares
- The Constitution includes a definition of a "Major Member" which means a shareholder with an equity proportion of 10% or more.
- The Major Member concept relates to:
  - The directors having to provide the Major Members with a copy of the business plan and budget or an amendment, as the case may be, upon request.

The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3 below.

### Employee Share Option Plan (ESOP)

The Company may implement an employee share option plan (ESOP) to attract, retain and incentivise key employees. The maximum number of options that can be issued under the existing ESOP is 10% of the share capital of the Company. As at the date of this CSF Offer Document, the Company has not issued any options.

### Shareholders Agreement

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

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# PHILTER

## SOURCES OF FINANCING, INCLUDING DEBT FINANCING & OTHER FINANCING

To date, the business has been funded through a combination of shareholder loans and bank debt.

From inception in 2017 to 2020, the business was funded through loans from the founding shareholders. The balance of shareholder loans to the Company, before the Offer totalled \$698,410. These are unsecured loans, currently interest-free and no fixed repayment schedule. The terms of these loans may change at the discretion of the Company, but will not be repaid with the funds raised under the Offer.

The business has also accessed financing with Australian lenders. The terms of these loans are listed below.

Institution	Type	Principle	Current Balance	Security	Issue Date	Maturity Date
Australian Lender	Term Loan	\$3,450,000	\$3,142,608	The assets and undertaking of the company	Dec'21	5 years (repayments over 10 years)
Australian Lender	Term Loan	\$514,500	\$446,963	The assets and undertaking of the company	Sep'22	5 years
Australian Lender	Overdraft Facility	\$1,000,000	\$954,510	The assets and undertaking of the company	Dec'21	1 year - rolling
Australian Lender	Bank Guarantee	\$60,500	\$60,500	The assets and undertaking of the company	Sep'22	N/A – until lease expires
Australian Lender	Equipment Finance	\$79,486	\$75,375	Solar Panels	May'23	5 years
Australian Lender	Equipment Finance	\$231,348	\$39,782	Brewery Equipment	Nov'19	4.5 years

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# PHILTER

## KEY RISKS FACING THE BUSINESS

An investment in the Company 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 the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Risk	Description
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.
Staffing Risks	Attracting, training and retaining staff in our industry with a high skill level and plenty of experience can be difficult. The Company may fail to attract key personnel that are critical to the Company's growth and performance. Any delay in recruiting key personnel (or any failure to hire), may have a significant adverse impact on the management of the Company, and may, in turn, have adverse impacts on financial performance.
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.
Raw Material Risk	The Company's products utilise formulations involving harvested ingredients and like most breweries, the Company does not itself harvest. Accordingly, the Company is reliant on accessing supply from third party suppliers and ensuring that there are supply agreements in place that align with the Company's growth trajectory. While the Company has long-term contracts in place, it is aware that any changes to the wholesale market with respect to the supply of raw materials used to manufacture the Company's products will impact the Company's cost of goods sold and ultimately its profitability.

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## SECTION 2.9: FINANCIAL INFORMATION

Following is the financial statements of the Company for the financial years ended 30 June 2023 and 30 June 2022, which have been prepared in accordance with the Accounting Standards.

# PHILTER

## PROFIT & LOSS STATEMENT

### Philter Brewing Pty Ltd For the year ended 30 June 2023

	2023	2022
<b>Income</b>		
<b>Revenue</b>		
Wholesale Sales	6,696,213	5,777,997
Retail Sales	1,834,199	1,320,989
<b>Total Revenue</b>	<b>8,530,412</b>	<b>7,098,987</b>
<b>Total Income</b>	<b>8,530,412</b>	<b>7,098,987</b>
<b>Direct Costs</b>		
Cost of Sales	3,775,676	3,177,321
<b>Total Direct Costs</b>	<b>3,775,676</b>	<b>3,177,321</b>
<b>Gross Profit/(Loss)</b>	<b>4,754,736</b>	<b>3,921,666</b>
<b>Other Income</b>		
Other Income	473,311	987,915
<b>Total Other Income</b>	<b>473,311</b>	<b>987,915</b>
<b>Operating expenses</b>		
Administration & marketing expenses	1,334,846	1,014,385
Employee benefits expense	2,673,622	2,062,196
Operating expenses	761,455	651,971
<b>Total Operating Expenses</b>	<b>4,769,923</b>	<b>3,728,552</b>
<b>EBITDA</b>	<b>458,124</b>	<b>1,181,028</b>
<b>Other Expenses</b>		
Depreciation & Amortization	529,254	361,042
Interest & Financing Costs	652,189	429,949
Income Tax	(168,077)	123,958
<b>Total Other Expenses</b>	<b>1,013,366</b>	<b>914,949</b>
<b>Net Profit After Tax</b>	<b>(555,242)</b>	<b>266,080</b>



# PHILTER

## BALANCE SHEET

Philter Brewing Pty Ltd  
As at 30 June 2023

30 JUN 2023 30 JUN 2022

### Assets

<u>Current Assets</u>		
Cash and Cash Equivalents	76,233	50,685
Trade and Other Receivables	608,573	457,366
Inventories	373,785	331,075
Other Assets	1,022	1,614
<b>Total Current Assets</b>	<b>1,059,613</b>	<b>840,740</b>
<u>Non-Current Assets</u>		
Related Part Balances	20,323	20,323
Property, Plant and Equipment	2,849,518	2,656,989
Intangible Assets	40,650	40,650
Deferred Tax Asset	84,241	-
Other Assets	2,256,051	1,672,144
<b>Total Non-Current Assets</b>	<b>5,250,783</b>	<b>4,390,105</b>
<b>Total Assets</b>	<b>6,310,396</b>	<b>5,230,845</b>

### Liabilities

<u>Current Liabilities</u>		
Trade and Other Payables	1,852,604	1,587,241
GST Payable	35,406	21,851
Financial Liabilities	1,005,419	332,543
<b>Total Current Liabilities</b>	<b>2,893,429</b>	<b>1,941,636</b>
<u>Non-Current Liabilities</u>		
Related Party Balances	642,410	797,814
Financial Liabilities*	6,398,287	5,476,047
Deferred Tax Liability	-	83,836
<b>Total Non-Current Liabilities</b>	<b>7,040,696</b>	<b>6,357,697</b>
<b>Total Liabilities</b>	<b>9,934,125</b>	<b>8,299,333</b>

<b>Net Assets</b>	<b>(3,623,729)</b>	<b>(3,068,488)</b>
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### Equity

Share Capital	1,050	1,050
Retained Earnings (Accumulated Losses)	(3,624,779)	(3,069,538)
<b>Total Equity</b>	<b>(3,623,729)</b>	<b>(3,068,488)</b>

\*Includes \$2.5m of lease liability

# PHILTER

## CASH FLOW STATEMENT

### Philter Brewing Pty Ltd For the year ended 30 June 2023

	2023	2022
<b>Operating Activities</b>		
Receipts from customers	9,245,300	7,783,758
Payments to suppliers, employees and others	(9,530,277)	(7,656,403)
Interest and other finance costs	(382,908)	(247,129)
Income tax received	471,730	835,772
Cash receipts from other operating activities	-	155,057
<b>Net Cash Flows from Operating Activities</b>	<b>(196,155)</b>	<b>871,055</b>
<b>Investing Activities</b>		
Payment for property, plant and equipment	(544,550)	(403,956)
Investment in intangibles	-	(2,140)
<b>Net Cash Flows from Investing Activities</b>	<b>(544,550)</b>	<b>(406,096)</b>
<b>Financing Activities</b>		
Proceeds from borrowings	1,254,988	3,773,097
Repayment of borrowings	(488,735)	(4,230,114)
<b>Net Cash Flows from Financing Activities</b>	<b>766,253</b>	<b>(457,017)</b>
<b>Net Cash Flows</b>	<b>25,548</b>	<b>7,942</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	50,685	42,743
Net change in cash for period	25,548	7,942
Cash and cash equivalents at end of period	76,233	50,685

# PHILTER

## STATEMENT OF CHANGES IN EQUITY

	Issued Capital \$	Retained profits \$	Total Equity \$
Balance at 1 July 2021	1,050	(3,124,795)	(3,123,745)
Cumulative catch-up AASB 16 first time adoption	-	(210,822)	(210,822)
Balance at 1 July 2021 - restated	1,050	(3,335,617)	(3,334,567)
Profit after income tax expense for the year	-	266,080	266,080
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	266,080	266,080
Balance at 30 June 2022	1,050	(3,069,537)	(3,068,487)

	Issued Capital \$	Retained profits \$	Total Equity \$
Balance at 1 July 2022	1,050	(3,069,537)	(3,068,487)
Profit after income tax expense for the year	-	(555,242)	(555,242)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(555,242)	(555,242)
Balance at 30 June 2023	1,050	(3,624,779)	(3,623,729)



# PHILTER

## MANAGEMENT COMMENTS

After average annual growth of 44% across FY21 and FY22, FY23 continued strong growth reaching sales of \$8.5m, an increase of 20% from the prior year. This growth was underpinned by strong growth in our on-premise keg business (+67%) and on-site retail operation (+38%). These revenue streams are continuing to grow in FY24 and will be supported by growth in the off-premise carton market after securing additional ranging across the 2 x major off-premise customers: Endeavour Group and Coles Liquor. Off-premise growth is also expected through expanded partnerships with key independent groups and trade partners.

Despite significant input cost increases, gross margin improved from 55.2% to 55.7%, reflecting strategic growth initiatives in higher-margin revenue streams, and reduced reliance on external contract brewing. Gross margin is expected to improve further in future years through increased in-house production capacity and continued growth in high-margin hospitality revenue.

Operating expenditure grew 23% in FY23 with the main drivers being (i) additional 3 months of retail costs (Covid-19 lockdowns closed Philter Taproom in Q1 of the prior year), (ii) additional warehousing cost & logistics cost while we transitioned to our new warehouse & distribution centre, and (iii) additional production costs in-line with additional in-house production capacity.

EBITDA remains healthy at \$458k for FY23, bringing accumulated EBITDA for the prior 2 years to \$1.6m.

After 5 years of growth funded entirely by debt, the persistent RBA interest rate increases since May-22 have increased our financing costs significantly, making debt no longer a viable option to fund future growth.

*Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by the Company and has not been validated by an independent third party.*

## SECTION 3: INFORMATION ABOUT THE OFFER





# PHILTER

## Section 3.1: TERMS OF THE OFFER

The Company is offering up to 900,000 shares at an issue price of \$5.00 per share to raise up to \$4,500,000. The key terms and conditions of the Offer are set out in the table to the right.

A description of the rights associated with the shares is set out in Section 3.3.

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](http://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 completed, you will be refunded your application money.

Retail 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 and there is no guarantee that these funds will be raised.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$5.00 per share
Minimum Subscription	\$500,000
Maximum Subscription	\$4,500,000
Opening date	24 October 2023
Closing date	9 November 2023

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# PHILTER

## Section 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.

Intended use	Minimum Subscription	Maximum Subscription
Retail Expansion	\$400,000	\$1,700,000
Brewery Expansion/Upgrade	-	\$1,200,000
Debt Reduction	\$50,000	\$1,000,000
Working Capital	\$17,200	\$327,200
Offer costs	\$32,800	\$272,800
<b>Total</b>	<b>\$500,000</b>	<b>\$4,500,000</b>

Working capital includes purchasing of raw materials, sales & marketing costs and the cash impact of carrying higher stock levels to prevent lost sales through fulfilment issues.

The Offer costs 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 Company through Birchall 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.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 24 months.

If this CSF Offer is unsuccessful, or if only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12 months. In such circumstances, the Company may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime or other debt or equity funding. Until additional funding is obtained, we will scale back the brewery upgrade and delay pursuing the non-retail revenue growth opportunities and continue to focus our cash resources on the immediate retail expansion opportunities.

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# PHILTER

## Section 3.3 RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the shares under this Offer will be fully-paid ordinary 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 (or any one of them) have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares by giving notice to the shareholders.

A quorum at a general meeting requires two or more shareholders representing more than 50% of the issued share capital of the Company, one of whom must be Vedast Pty Ltd, Constantoulas Investments Pty Ltd or Prospector & Co Pty Ltd.

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# PHILTER

## RIGHTS ASSOCIATED WITH THE SHARES

### 3.3.4 Election and removal of directors

The shareholders Vedast Pty Ltd, Constantoulas Investments Pty Ltd or Prospector & Co Pty Ltd may each appoint, replace or remove one Director for so long as they remain shareholders.

Other Directors may be appointed by a resolution (50%) of Directors.

### 3.3.5 Winding-up

If the Company is wound up, the liquidator, with the sanction of a special resolution of the Company, will divide among the Members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

### 3.3.6 Restrictions on sale and transfer

Drag along and tag along rights:

The Constitution contains drag and tag-along rights, as follows:

- **Drag rights** - If the shareholder Vedast Pty Ltd, and no other shareholder, finds a bona fide third party purchaser who has offered to purchase all of the shares issued by the Company, they can 'drag' (by notice) the remaining shareholders to either:
  - buy all of the issued shares in the company on terms no less favourable than those offered by the third party purchaser within 28 days the notice to do so by issuing a counter notice; or
  - sell their shares on the terms specified in the most favourable of either the third party purchaser's offer or the shareholders' counteroffer in response to the drag notice.

The pre-emptive rights process does not need to be undertaken in order for the drag along to be triggered.
- **Tag rights** - If Shareholders who together hold 75% or more of the shares on issue propose to sell their shares to a third party under one transaction (or series of transactions) the remaining 25% may also 'tag'-along and sell their shares on no less favourable terms.

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# PHILTER

## RIGHTS ASSOCIATED WITH THE SHARES

### **Exit provisions:**

The Board may approve an Exit including an IPO, share sale, asset sale or another transaction which results in a change of control.

If the Board approves an Exit:

- all Shareholders must exercise all rights and do all things to enable the Exit to occur; and
- all shareholders and directors appoint the company as its attorney for the purposes of giving effect to the Exit.

### **Pre-emptive rights on transfer:**

If a Shareholder provides a notice to transfer its shares (other than as a permitted disposal), the Company must first offer the shareholders Vedast Pty Ltd, Constantoulas Investments Pty Ltd or Prospector & Co Pty Ltd the right to purchase those shares on the same terms as offered in the transfer notice.

The Constitution also includes carve outs for transfers to related parties or transfers of not more than \$100,000.00 (adjusted in relation to the CPI in each subsequent year) once in any 12 month period.

### **Escrow arrangements in an IPO:**

If an Exit Proposal is approved under the Constitution and that Exit Proposal involves an IPO , each shareholder agrees to enter into any required escrow arrangements as may be required.

### **Discretion to refuse to register a transfer of shares:**

The Board has the discretion to approve a transfer of shares to a third party.

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# PHILTER

## RIGHTS ASSOCIATED WITH THE SHARES

### **3.3.7 Pre-emptive rights / anti-dilution on issue of shares**

If the Company resolves to issue new Equity Securities (which includes shares, options, warrants, convertible notes or any other instrument convertible into shares), it must first offer the new Equity Securities to each Participating Shareholder (Vedast Pty Ltd, Constantoulas Investments Pty Ltd or Prospector & Co Pty Ltd) unless one of the following exceptions apply:

- The shareholders approve the issue of new Equity Securities by a Special Majority Member Resolution;
- The Substantial Shareholders waive the pre-emptive rights provisions related to the issuance of new Equity Securities;
- The Equity Securities are issued in connection with any split, dividend or recapitalisation by the Company, or on conversion of any convertible securities;
- The Equity Securities are issued as part of an approved ESOP;
- The Equity Securities are issued as part of an Exit approved in accordance with the Constitution; and
- The Equity Securities are issued as part of the consideration for an acquisition of an interest in any business, entity or company (such acquisitions to be approved by the Board by Special Resolution Vote of 75% if the value of the acquisition is \$50,000.00 or more and not accounted for in the Company's current budget).

### **3.3.8 Amendments to the Constitution**

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution of the members. At least 65% of the voting shareholders of the Company must vote in favour of the resolution for it to pass.

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## SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS





# PHILTER

## Section 4.1: COOLING-OFF RIGHTS

If you are a retail investor 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 (Cooling-off Period).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio 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.

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Section 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.



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## Section 4.3: PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS

### 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.

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

### Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's website, on the Company's share registry website (free of charge) or can purchase the report from ASIC.

### Related party Transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue 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).

### Takeovers

If we successfully complete this Offer and have 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.

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## Section 4.4:

## COMPANY UPDATES

The Company will provide regular updates to investors on the Company's website at the following address

[www.philterbrewing.com](http://www.philterbrewing.com), via the Company's share registry website and via the Intermediary's platform.



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# PHILTER

## GLOSSARY

**Company** means Philter Brewing Pty Ltd ACN 616 427 340

**Cooling-off Period** means the period ending five business days after an application is made under this Offer, during which a retail 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 ACN 621 812 646 AFSL 502618

**Maximum Subscription** means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer.

**Minimum Subscription** means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer.

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

**Retail investor** has the meaning given to the term “retail client” under the Corporations Act

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**CHEERS**