



Crowd-sourced funding offer document

Dated 16.09.2021

Offer of fully-paid ordinary shares in Sobah Beverages Pty Ltd at \$1.00 per share to raise a maximum of \$1,000,000.

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

ISSUER

Sobah Beverages Pty Ltd
ACN 626274691

INTERMEDIARY

Birchal Financial Services Pty Ltd
AFSL 502618

ALWAYS CONSIDER THE OFFER DOCUMENT
AND THE GENERAL CSF RISK WARNING
BEFORE INVESTING.



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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Yaama.

Hello.

Ngiyani giirr naangu

We all would like to acknowledge

Nhama yalagiiirmawu ngaragay

yalagiyu nhama.

Elders past and present.

Maran Kombumerri Yugambeh

ngiyani winangaylanha, Maran

dhawundi ngiilay ngiyani waan gi gi.

We acknowledge the ancestors of
Kombumerri people of the Yugambeh
language group and Country on
which we work.

Gaba nginda.

Thank you.

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SOBAH

In Yugambeh language, **'bah'** signifies 'place'. 'Sobah' is a place with sun and surf where a fresh and crisp drink can be enjoyed without the headache. In **Gamilaraay** Language, **'badha gali'** means bitter drink.

Letter from the founders

Yaama!

It's a pleasure to share our story and this opportunity to invest in Australia's first-to-market non-alcoholic craft beer company, Sobah Beverages. We are an Aboriginal-led, family business based on beautiful Kombumerri lands known as Burleigh Heads on the Gold Coast, Queensland. Sobah Beverages is an innovative scale-up business in the non-alcoholic adult beverages market.

After spearheading the non-alc craft beer scene in Australia in 2017, we have achieved a very strong foothold in the local market with more than 700 vendors nationwide, including large supermarket chains Dan Murphy's and Coles, regularly turning over our beer. These vendors also include on- and off-premise venues such as bars, restaurants, cafés, bottle shops and independent retailers.

Sobah was founded from the desire to provide a better choice for those who are not drinking, for whatever reason at whatever time. "Sobah" is a play on words, obviously on the word 'sober'. The suffix 'bah' in many east coast Aboriginal languages represents or signifies 'place of'. Therefore, Sobah hints at being a place of sobriety.

Sobah functions from the philosophies of Gamilaraay Lore 'dhiriya Gamil', specifically with focus on three key areas: acting from a position of respecting people, place and the environment; understanding and working towards fulfilling responsibilities to that which we are connected to; and, engaging in positive reciprocity. While we're hard workers, we truly believe we have been privileged in our opportunities thus far and therefore have a responsibility to give back, to share our knowledge and experience, to create opportunities for others, to encourage sustainable and healthy ways of living, and to assist in bringing about positive changes.

Sobah is leading a conversation around Australian societal health issues and breaking down the stigma of socialising sober. We promote healthy lifestyle choices and wellness, social equity, sustainability, raise positive awareness of Aboriginal and Torres Strait Islander culture, smash stereotypes, unite people and, of course, our beers quench thirst.

Sobah's impact includes demonstrating new and more socially responsible business practices, such as balancing purpose and profit. Our brand and products are a vehicle for raising awareness and funds, and providing in-kind support for causes that help people and communities heal. This includes drug and alcohol intervention related work that has a cultural and spiritual focus. This is referred to as 'The Sobah Initiative'.

Sobah Beverages offers the largest variety of unique non-alcoholic craft beers all of which

are infused with Australian native ingredients that are becoming better known to be beneficial for overall wellbeing. This is no surprise to us, native foods have sustained First Nations peoples here for many thousands of years. Our brews are popular with a wide variety of people who're excited about having access to a tasty, refreshing, real beer without alcohol. We're inundated with inquiries from all over Australia and internationally with people asking where or how they can get their hands on Sobah beer and if they can tour our brewery.

While we're four years in, we're just getting started. Since inception we have worked with contract brewers to produce our beers, but it's been our plan to have our own brewery, our own spiritual home, to welcome people from near and far to experience what Sobah is about. Now it's time to build our own brewery bringing all our product development and small-to-medium batch brewing in-house.

Clinton Schultz & Lozen McDiarmid-Schultz
Founders & Directors



COMPANY DETAILS

This offer of shares is made by Sobah Beverages Pty Ltd ACN 626274691 (Company).

Company Name:	Sobah Beverages Pty Ltd
ABN:	65 626 274 691
ACN:	626 274 691
Date of incorporation:	21.05.2018
Registered office:	2/27 Hutchinson Street, Burleigh Heads QLD 4220 AUS
Principal place of business:	2/27 Hutchinson Street, Burleigh Heads QLD 4220 AUS
Other related companies:	Sobah Property Holdings Pty Ltd (not a part of the CSF offer)*

*Note: Sobah Property Holdings Pty Ltd ACN 651 090 514 (Prop Co). Prop Co will act as trustee of the Sobah Property Trust which is in the process of purchasing Unit 1 / 314 Burleigh Connection Road, Burleigh Heads, Queensland 4220 (the Sobah HQ) which will be leased to Sobah Beverages. Prop Co is a related entity in that it is 100% owned by Malibob Pty Ltd which is Clinton Schultz (50% ownership) and Lozen McDiarmid (50% ownership). Clinton & Lozen are the only two directors of Prop Co. For the avoidance of doubt, Sobah Beverages Pty Ltd will not own the real estate of Sobah HQ, but will rent the site from the Prop Co Trust under a long term lease for fair market rent and will fit-out the property (at its own expense) with specialised brewing equipment, offices and retail frontage comprising a brew café and social-cultural hub.



SOBAH

THE SOBAH STORY

Executive summary

An investment opportunity in a high-quality lifestyle company that includes the Sobah brand and a scale-up business that provides:

- access to the fast-growth non-alcoholic craft beer sector;
- an opportunity to accelerate our national revenue growth profile;
- a stake in a proven, profitable business with a high-performance team and culture; and,
- a truly differentiated lifestyle product – non-alcoholic craft beer brewed with Australian bush tucker with international reach and scalability.

Company overview

Sobah is Australia's first-to-market non-alcoholic craft beer company, dubbed by the media as "pioneers of grog-free beers", and by non-alc influences in Australia as the "OG's", and we intend on remaining at the forefront. Our core business is in product development, contract brewing (outsourcing manufacturing), and wholesale and retail distribution of our unique range of non-alcoholic craft beer.

Our aim is to build a recognised and respected international brand by continuing to grow ahead of market demand, offering something unique to the market and entering overseas markets. We believe the Sobah experience is more than just drinking amazing non-alcoholic craft beer. Sobah allows us to provide a unique experience, for consumers to be part of 'doing-good', to promote healthier ways of living while also showcasing Australia's wonderful native produce, aka bush tucker.

In 2022, we will establish the Sobah brewery with a brew café and social-cultural hub where we will work collectively with other Aboriginal and Torres Strait Islander businesses to showcase our products and arts. While all large scale production will remain with our contract brewer, Tribe Brewing Partners, the Sobah brewery is where we will be able to better protect our IP as we develop new, innovative beverages. The brewery will also provide us with the capacity to increase our beverage offering, increase

"Perhaps Sobah's even greater long-term effect will be the ripple of challenge to all Australians to rethink the role alcohol plays in our society. Whether it changes us or not, at least it will provide us with an alternative and, by example, the courage to stand out from the crowd."

The Cove Magazine & Good Food Gold Coast

production and reduce the cost of our product range, specifically with our seasonal, special and limited release brews.

We're passionate about the wellbeing and welfare of our customers and consumers, and actively promote healthy lifestyle choices. The brewery will include a healing and wellness space to conduct workshops and other developmental programs for youths.

Since Sobah launch we have had fans and consumers asking where they can go to tour our brewery and we're excited to be able to have Sobah on the South-East QLD brewery tour radar also offering cultural experiences to both the local Gold Coast community and to visitors from around the world.

Key achievements

December 2016 – April 2017

Clinton starts researching and trialing homebrewed non-alcoholic beer and later engages with a local craft contract brewer to continue developing the innovative beer product - a non-alc pilsner infused with native food.

May 2017

Two Sobah beers, Lemon Aspen Pilsner and Finger Lime Cerveza, launched on tap in Clinto's Kupmurri food truck that were popular with locals at events. Sobah launches on social media to build a fan following. Our presence and interest in our products grows quickly.

December 2017

With the goal of raising funds to launch commercially, Sobah engages with Pozible to crowdfund. Sobah officially launches with a party and the introduction of our third beer Pepperberry IPA. We shipped rewards to over 160 supporters around the country and opened our e-commerce store. For the first time, people outside of South-East Queensland were able to enjoy a cold tinnie of Sobah beer.

February 2018

We fulfilled our first wholesale orders for new retailers in Brisbane, Sydney, Melbourne and Perth, and we scaled up our brewing to 2 x 600L batches per month to meet the demand for our unique brews.

April 2018

Sobah invited Seedlip to join our pop-up bar for the Commonwealth Games and the brief partnership led to international media attention and brand awareness. Sobah was also one of 42 First Nations businesses procured by GOLDOC under the new Reconciliation Action Plan.

September 2018

After 10 months of distributing a coldchain beer, we went back into the R & D phase to stabilise and increase the shelf life of our brews. Recipes were adapted to accommodate for a pasteurisation process without negatively impacting flavour or integrity. It was also time to explore a new contract brewing partner so we could scale production and reduce costs.

December 2018

Sobah's founder Clinton Schultz ran a successful campaign to pitch with other entrepreneurs for the Pitch@Palace initiative and was a Top 12 finalist. Sobah was published in more than 40 newspaper titles across Australia creating a frenzy for our products with retailers quickly selling out.





March 2019

Sobah re-launched, after a four-month hiatus, with a new manufacturer and distribution plan. Our 3 core beers are now brewed in 100hL batches and distributed nationwide using 3PL services. At Gold Coast, Sobah opened "HQ" - a warehouse and showroom - to manage local distribution and our e-commerce operations.

July – December 2019

Sobah started developing new beers and introduced the range Special & Limited Release Brews with the launch of Davidson Plum GF Ale and Boab+Wild Ginger Lager which we offer only from our e-commerce store.

January 2020

Production of the core range doubled to 200hL batches/2,500 cartons per sku per batch. Our local team increases and we begin providing internships to Bond University students.

July 2020

After one of our worst performing months in history (due to the COVID-19 pandemic), Sobah experienced a significant jump in sales, our best to date, due to the dry month and international awareness to mindful drinking and taking care in lockdown. For the third year running, Sobah donated 5% of profits to Dry July through the campaigns of individuals. Sobah beers also launch in 50 hand-picked South-East Qld Dan Murphy's and BWS stores.

July 2020 – June 2021

With the boom in the sober curious movement came the influx of new brands, beverages and distributors in the no- and low-alcohol space. This new market competition was healthy for Sobah and the emerging category proving it's not a trend - non-alc drinks are here to stay. Sobah sold over 20,000 cartons in this period and planning got underway for the brewery.

June 2021

While Sobah had been shipping direct to consumers in New Zealand since commercialising, Sobah began exporting to New Zealand in partnership with new distribution and e-commerce business, Clearhead Drinks.

July 2021

Despite a downturn in growth in on-premise business due to the lockdowns in Sydney and Melbourne, Sobah begins supplying large distributors ALM and Paramount Liquor. Dan Murphy's increases their non-alc range taking Sobah to over 20 'hub' stores across Australia.

August 2021

Sobah began supplying selective Coles stores across Australia and plans are set in place to supply other large corporate companies. Sobah launched an equity crowdfunding campaign via Birchal to raise capital to expand the brand and business to new heights!

Purposeful beer for the greater good.

A First Nations owned, family business making considerate decisions now, so that our team, our community, and the environment, is cared for well into the future.

We measure our worth by the impact we have made and will continue to make in our community and our country.

Our impact

First Nations owned and led

As a First Nations owned and led non-alcoholic beer company, we seek to promote Aboriginal arts, language, history and culture in everything we do - from our delicious non-alcoholic craft beers brewed with native ingredients to our story and our mission.

Founded by Gamilaraay man and psychologist, Dr Clinton Schultz, we're driven by the philosophies of Gamilaraay Lore 'dhiriya Gamil'. That means we start from a position of respecting people, place and the environment; understanding our connections and working towards fulfilling our responsibilities to such; and engaging in positive reciprocity.

Sobah recognises all First Nations Peoples of Australia and acknowledges the diversity in language groups, origins and the 'Dreaming'. We are considerate in sourcing our ingredients and knowledge and strive to engage in the most appropriate and ethical ways possible with First Nations peoples, communities and organisations.

Socialising sober

Sobah was born from a desire to provide a better choice for people who are not drinking for whatever reason at whatever time. That's why we seek to lead a conversation with Australians about our society's issues with alcohol consumption, and to break down the stigma of socialising sober.

Health and wellbeing

Our real passion is in wellbeing. Sobah supports organisations working to help people and communities heal. We actively in supporting strategies that promote mindful drinking and sobriety, as well as healthy living.

We believe that healing is a right; a right that should come with viable and effective choices. That's why we want to help create spaces for traditional, spiritual and culturally influenced choices and healing opportunities that don't rely on government funding, influence or control.

Sobah supports the deadly (awesome) work of Preston Campbell Foundation, The Wayne Weaver Foundation, Foundation for Indigenous Sustainable Health (FISH), The Anangu Ngangkari Tjutaku Aboriginal Corporation (ANTAC), Sober in the Country (SiTC), and programs at grassroots level that have a positive impact on healing their communities. We have several new exciting partnerships in the pipeline also.



B Corp certification

As a profit making business founded for a purpose, Sobah is excited to be on the journey to becoming a certified B Corp - joining an international community of businesses that meet the highest standards of verified social and environmental performance, transparency and accountability. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy.

When we are certified - due to happen in the next few months - we'll be a pioneer First Nations beer company B Corp and the first in the world to be certified! Here in Australia, we'll be the first B Corp non-alcoholic beer company to achieve certification.

As a B Corp we'll be committed to making incremental improvements and we'll use the B Corp Impact Assessment framework to measure our progress and share how we're doing with our employees, our customers and our communities.

Sustainability and climate change

As a First Nations owned and led business, Indigenous science and the knowledge and respect for our country and our natural world is part of our DNA.

That's why Sobah seeks to operate with sustainability, and we put the protection of our natural world at the heart of everything we do. We're not perfect, but we are totally committed and excited to be on a journey that starts with assessing our impact and setting targets. And as part of that, right now we're working on a plan to make our new brewery and operations zero carbon. That means we're looking at how to minimise our carbon emissions and environmental impact in the build and in the technologies and approaches we use to create, brew and pack our non-alcoholic craft beers.

Like many purpose-led businesses we will aim to be guided by the UN Sustainable Development Goals - specifically Goal #3 Good Health and Wellbeing, Goal #12 Responsible Production and Consumption, and Goal #13 Climate Action. We're working on a plan to align with those goals in a meaningful way - starting by collaborating, sharing ideas and acting as a champion for action - as a purpose-led business, as human beings and as part of our local communities.



**REAL BEER
FOR WHEN YOU'RE
NOT DRINKING.**

Our practices are guided by 6 key areas that consider the inclusion and welfare of all stakeholders:



Community welfare

We are committed to contributing to the economic and social wellbeing of the communities in which we operate and in uplifting these principles throughout our value chain.



Employee welfare

Without a strong team there is no strong organisation. Our employees are like family to us, and it's our priority to foster a workplace culture that contributes to our employees' wellbeing emotionally, socially, physically, professionally, and financially.



Customer welfare

Our customers are at the root of our passion for awesomeness, and we are committed to constantly improving the quality and value of our non-alcoholic beverages and to provide the best customer service experiences we can.



Environmental impact

We understand that for our business to flourish, our planet must flourish. Environmental responsibility is at the heart of our business decisions. To address the ecological crisis, Aboriginal peoples must be restored as custodians of Country. We believe no one knows how to navigate the issues of climate change and sustainability on this continent better than First Nations peoples.



First Nations custodianship

Australia's First Peoples have honed and employed holistic land management practices for thousands of generations, practices that are embedded in all aspects of our culture. We are committed to always looking for ways we can grow our support of First Nations Custodianship of Country.



Company governance

How we run our company is incredibly important. We are committed to preserving our mission and uplifting policies and practices that ensure accountability, transparency and the utmost of ethical standards.

PRODUCTS & DISTRIBUTION

Sobah's non-alcoholic craft beer range is crafted with the highest quality ingredients the same way as many craft beers, only with a difference - no booze! Being chemical-free, preservative-free and without additional processes to remove alcohol, Sobah's range retains its intended taste. There are currently eight brews, including a gluten-free option and a cider, in the range with plenty more in the pipeline.

Core range

Sobah's core range of three non-alcoholic craft beers is brewed with contract brewer Tribe Brewing Partners, Goulburn NSW. This range is always available and distributed nationwide and overseas through independent distribution companies, wholesalers and retailers. We aim to add additional products to the core range and scale production by 300% in 2022 with the capacity opportunity at Tribe brewery.

SOBAH

LEMON ASPEN PILSNER

A light, fruity beer from the grapefruit and lychee flavour notes of the native fruit infused within it. The lemon aspen, naturally occurring in Far North QLD throughout the Kuku Yalanji Language Nations lands, is rich in antioxidants and Vitamins A & C. Based on a Czech pale ale, this brew is fresh and citrusy with a distinct hop aroma and flavour. Perfect with any light meal!



Beer&Brewer Review (2020): This is a really pleasant beer that brings big, lovely lemon rind, zest and pepper aromas to the nose. The body is light, as is the palate, to be expected for a beer with such a low ABV, but those lemony flavours are there, ably backed up and balanced by a light malt sweetness and a hint of spice. With its high carbonation, this is a cracking example in a low-alcohol category that is rapidly gathering pace.

FINGER LIME CERVEZA

The Mexican style brew is light, zesty, tangy and hoppy against a sweet yet nutty backdrop. The finger lime, aka 'gualung' is an Australian native citrus fruit naturally occurring around Northern NSW and SE QLD throughout Bundjalung Nations lands. The fruit is rich in folate, potassium and Vitamins C & E. It's a smashable brew for warm weather or after a sweat session!



Beer&Brewer Review (2020): A crystal clear beer with a bright straw colour, this lager brings plenty of grassy hay notes to the palate. There are light citrus notes and zesty lemon there as well, while spearmint also comes to the fore. There's a thin but decent head. The nose is very fresh and offers delightful aromas of citrus and fresh lime along with some light caramel sweetness too. The crisp and clean mouthfeel would cleanse the palate perfectly at a barbecue.

PEPPERBERRY IPA

The distinctive hoppy, citrusy characteristics of pale ales are amplified in an India Pale Ale (IPA). This bold brew has an extra 'hot and spicy' kick from the infusion of the fruit of the Australian Native Pepperberry tree, a plant naturally occurring in the cold high country of Southern NSW, Victoria and Tasmania. The fruit is rich in antioxidants, vitamin E, lutein, zinc, magnesium, and calcium. It's a beer lovers beer!



Beer&Brewer Review (2020): This non-alcoholic beer has a deep, dark straw colour, a slight haze and a decent head. The nose brings refreshing aromas of fruity hops, with melon and grapefruit coming through alongside herbal notes of sage and coriander. The beer has a smooth, clean, refreshing mouthfeel with limited but lingering carbonation. The palate is fresh and lively, with fruity sweetness reminiscent of satsumas, cranberries and blood orange. There are also elements of spiciness and moderate bitterness.

Special and seasonal limited release range

Sobah is committed to making premium quality, uniquely flavoured non-alcoholic craft beer and cider. We are pleased to offer special and seasonal limited release brews that hero bush tucker from various corners of Australia. This range is primarily only available directly from our own e-commerce store and a select few outlets. Our intention is to move this range into our own brewery and scale production to bring down costs and make them more available.

SOBAH



DAVIDSON PLUM GF ALE

A light, sour and aromatic gluten-free brew, this special release is sure to quench thirsts. An earthy aroma with musk and a touch of sweetness, the taste of Davidson plum is tart with some sourness and a slight bitterness.



BOAB + WILD GINGER ALE

Last Summer's popular non-alcoholic craft ginger beer is back with extra ginger zing! Very refreshing with the zingy undertone of ginger and aromatic hops, the boab nut pulp, rich in Vit C, gives the brew a slight syrupy texture and a light citrusy taste.



ANISEED MYRTLE STOUT

Sobah Non-Alcoholic Aniseed Myrtle Stout is an Aussie twist on an English classic. A traditional stout that is grainy, carrying hints of coffee, chocolate and molasses with little hop notes, this brew is paired perfectly with Australian native 'spice' aniseed myrtle that amplifies the licorice flavours.



WATTLESEED GOLD

Sobah's latest non-alcoholic craft beer release (Dec 2020) Wattleseed Gold puts a new spin on a classic Australian style beer by pairing it with roasted wattleseed which has a savoury nutty, roasted coffee aroma, with touches of sweet spice, raisins and chocolate.



MUNTIRES DRY CIDER

ETA September 2021



Branded merchandise and apparel

Sobah t-shirts, caps, sportswear, seasonal apparel and merchandise (coolers, keyrings, coasters, stickers, etc) are produced seasonally in limited releases. Several times per year, we will create special packs for a promotion or host a t-shirt giveaway. We launch new gear a few times a year with traditional stories and messages, taking into consideration the materials and recyclability of the goods we produce. The range is sold from our online store providing an additional revenue stream and we intend to expand further on our apparel range in 2022.

Distribution

Sobah has a growing on- and off- premise customer base of over 700 vendors nationwide as well as a dozen online retailers. We are nationally distributed throughout Australia and New Zealand, both independently using 3PL services to trade directly to customers, and alongside our trade partners in various States: Pail and Cooper (VIC), Froth Craft Beer Distribution (WA), Mr Drinks (TAS), Paramount Liquor (VIC & NSW), and Liquid Specialty Beverages (QLD). We are represented by Clear Head Drinks in New Zealand. Through Pail and Cooper, we have a strong relationship with independent retailers and are now supplying ALM in VIC. We stock our range in Dan Murphy's and BWS, as well as Coles. We have some exciting new prospects with corporate, catering and hotel groups.

Sobah has experienced unprecedented growth and popularity both nationally and internationally and is one of Australia's fastest growing brands in the beverages industry. Our growth has mainly come from selling our story and philosophies as we help to propel the mindful drinking movement here in Australia. We attribute our growth and success to 'people-power' - to our fans, followers and consumers backing us and sharing our story.

In the beginning, our marketing was very much about education and promoting acceptance and inclusion. As pioneers of a new category by being the first-to-market non-alcoholic craft beer in Australia, we've made a significant impact in the beverages industry, and shown that the industry is to take us and the no- and low- drinks movement seriously.

We aren't in this just to make money, or just to have fun. We are in it because there was a gaping whole in the market for decent non-alcoholic drinks and we wanted people to have a choice if they weren't drinking for whatever reason. We've helped to prove that people who're socialising sober are to be afforded decent options on drinks menus.

The Sobah brand and product range provides us with an opportunity to raise awareness to some societal issues we're all facing and to make social changes within Australia. We want to educate people about healthy choices, that it's okay to socialise without booze in hand, provide unique employment opportunities for our mob and promote Aboriginal culture in a positive way. Despite media portrayals and misconceptions, Aboriginal peoples in Australia are less likely to consume alcohol than non-Indigenous Australians. Alcohol related issues is an ingrained Australian societal problem.

For any product to have a chance in this very competitive market, it needs to have a story and strong point of difference. Clinton's story of sobriety, his Aboriginal culture and his philosophies and actions towards helping others has given us a very strong basis for storytelling which sets us apart from everyone else. Over time this 'hero' story has developed - YOU can be the hero of your own story, and with Sobah, you can choose to do and be better.



Slogans and key messaging

The truly social drink.
Real beer for when you're not drinking.
Do less harm. Do more good.
Enjoy the Sobah life.
Enjoy life Sobah.



Initiatives

- **The Sobah Initiative** - Our real passion is in wellbeing and we want to see an Australian future where everyone has the opportunity to heal and thrive in ways that are determined by them. In this space we actively support organisations and strategies that are working with people and communities on social and emotional wellbeing journeys differently than is prescribed or generally funded by government or governing bodies. As our business grows, so will our ability to do more good for people and place, and doing our part to bring about a more inclusive health and wellness sector.
- **Sobah Fit Brand Ambassadorship** - We are passionate about promoting healthy, connected lifestyles for all. This is why we support everyday champions achieving their personal goals in amateur-based sports. Our ambassadors are just as passionate as we are about Sobah and go out of their way to showcase the Sobah brand throughout their networks and across their chosen sporting activities.
- **Sobah Life Podcast** - Peoples lived journeys are filled with lessons that can help so many others. That is why we started the Sobah Life Podcast, a podcast that focuses on the lived experiences of everyday people on a journey from simply surviving through to thriving. Sobah Life is available on all the major podcast platforms and provides an opportunity for the Sobah brand to be discovered to new audiences and new markets. Hosted by Sobah founder and director, Dr Clinton Schultz, a well recognised and respected psychologist and spokesperson for wellness, Sobah Life provides opportunities for listeners to hear lessons for healing presented differently.

Press

Sobah has always been the 'good news story' and we've been fortunate to have a comprehensive portfolio of articles featuring our brand, products and endeavours.

"Clare Burnett (Feb) Investment and brewpub plans for no-alcohol Sobah (BrewsNews)"
[Brews News, 17 February 2021](#)

"Sobah, so good: Australia's first non-alcoholic brewery"
[Food & Drink Business, 10 February 2021](#)

"Five Indigenous Voices on Native Australian Produce, and How You Can Ethically Support the Industry"
[Broadsheet, 27 January 2021](#)

"Sobah is truly a social enterprise with community in mind, but as demand continues to grow they are faced with a complex new issue of competing with multinationals in buying native bush foods"
[National Indigenous Times, 18 December 2020](#)

"Sobah, the first non-alcoholic craft beer company in Australia, is tapping into what's shaping up as one of the fastest growing beer sub-categories, estimated by market research firm Fact MR to be worth \$US28 billion globally by 2027, or up to 5 per cent of the total beer category"
[Westpac, 6 November 2020](#)

"Heaps Normal - est. Canberra mid-2020, raised \$1.3M capital for marketing and growth, valuing business at \$7.2M"
[Smart Company, 16 November 2020](#)



Social media and email

Being a fan-driven business, Sobah has always been heavily social media focused as the primary way to connect to our consumers, with Instagram being our largest audience of 10,000 followers. We're across Facebook (4,009 followers), Twitter, LinkedIn and YouTube, and we create engaging, informative and uplifting content regularly.

Our community of over 6,500 newsletter subscribers, receive regular EDM's from us with more insight into our news, events, products and offers. Our followers are both men and women, fairly evenly represented, with men aged 35-65 and women aged 25-45.

Additional publications

<https://www.smartcompany.com.au/startupsmart/news/heaps-normal-booze-free-beer/>

<https://www.smh.com.au/business/small-business/not-preaching-alcohol-free-brewers-hope-to-change-drinking-culture-20201113-p56eg0.html>

<https://www.brewsnews.com.au/2020/11/05/upflow-releases-range-of-hypotonic-sports-beers/>

<http://www.foodanddrinkbusiness.com.au/news/sobah-so-good-australia-s-first-non-alcoholic-brewery>

<https://www.broadsheet.com.au/feature/indigenous-voices-bush-tucker-native-foods>

<https://hellosundaymorning.org/2021/02/17/reviewing-our-top-four-af-beers/>

Community & Partnerships

- **Memberships** - Sobah is Supply Nation registered and we are members of the Independent Brewers Association (IBA) and now a member of Queensland Social Enterprise Council (QSEC) who are supporting our application to become a certified Social Traders Social Enterprise. Initial certification to become the first B Corp certified non-alcoholic craft beer brewery in the World is underway.
- **Sponsorships** - As a part of The Sobah Initiative, Sobah makes regular product donations and financial contributions to community groups and charities for various events, particularly for fundraising activities. We have recently partnered with Good360, a service that coordinates donations for charity groups across Australia. In June 2021, we donated 125 cartons of beer to several charities including Drought Angels in rural Queensland.
- **Collaborations** - We regularly partner with other businesses for cross-promotions and collaborations, which is an effective way to leverage new business and following through our collective supporters and consumers. In February 2021 we invited fellow non-alcoholic beverages company, Lyre's Spirit Co, to collaborate on a 'beertail' experience that included the release of 'beertail' recipes and an Instagram competition to win a cocktail making box set and ingredients to make one of the 'beertails'. Shortly afterwards we initiated a native foods hamper promotion with a collaboration between Sobah and 12 other First Nations food businesses from across Australia.
- **Events** - Being at events is a great way to engage with new customers and introduce people to our unique tasting non-alcoholic beers. Sobah has been a regular stallholder at local SEQ events such as Moreton Bay Food and Wine Festival, First Nations Artisan Markets, and NAIDOC events such as Musgrave Park Family Fun Day. We set up a 'Sobah Bar' at the 2019-20 Woodford Folk Festival exposing our beers to 100,000 ticket holders and musicians. Sobah was requested in the artists' greenroom everyday. It was such a successful event that we decided that 2020 would be the year of big festivals... However, since then there have not been many opportunities to attend events due to the pandemic. Despite this, our team visits our local vendors to host beer tastings at any available opportunity, which is a great way for us to support our customers and continue to get more people trying our NA brews.



Non-alcoholic beer market in Australia and around the world

With a substantial existing and prospective customer base, Sobah's unique value proposition puts us in an ideal position to capitalise on a sector that has seen 57% growth in the past 5 years to reach over \$16B globally.¹

Beer production is an ancient process. There are some beer companies in Europe that are still making beer after hundreds of years. Low-alcohol beers date back to Medieval Europe where it was safer to drink than water. In the USA, non-alcoholic beers were promoted during Prohibition and many breweries began brewing them in order to stay in business during this period. More recently, growing concerns about alcoholism and the need to avoid alcohol while driving, operating machinery, during pregnancy, while on medication, or while training at an elite level—along with a social movement towards more healthy, organic living—has led to the growing popularity of no- and low-alcohol beverages, particularly non-alcoholic beer.

The no- and low-alcohol beverages category is a whopping 20% chunk of the drinks market globally. According to the 2021 IWSR Drinks Market Analysis' No- and Low-Alcohol Strategic Study, no- and low-alcohol volume in Australia increased by +2.9% in 2020. Overall, the no- and low-alcohol market

outperformed regular alcohol, which registered a volume decline of -1.4% over the year. IWSR forecasts that the no- and low-alcohol volume in Australia will grow by +16% 2020 to 2024.

The leading market players in the global non-alcoholic beer market primarily are Heineken N.V. (Netherlands), Anheuser-Busch InBev SA (Belgium), Erdinger Weibbrau (Germany), Big Drop Brewing Co. (U.K.), Krombacher Brauerei (Germany), Bernard Brewery (Czech Republic), and Suntory Beer (Japan). There are a number of non-alcoholic and alcohol-free beers from these breweries available in the Australian market including the range from Athletic Brewing Co (USA) and Nanny State from BrewDog (Scotland).

Australian produced non-alcoholic beers include Coopers UltraLight, Carlton Zero and Great Northern Zero. Until 2020, Sobah beer was the only Australian produced non-alcoholic craft beer. Since then, beers from new and existing beer brands have emerged including Upflow Brewing, Nott, and Heaps Normal.

¹ Smart Company, 16 June 2021

² Ibid

Retailers, manufacturers, and researchers agree: Non-alcoholic beverages are booming as 60% more customers are now buying non-alcoholic drinks.²

2.3:

SOBAH FIRST STRATEGY

Sobah is the first-to-market non-alcoholic craft beer in Australia and the first non-alcoholic beer brewed with native ingredients in the world. We're owned and operated by First Nations people. We strive to be your first choice.

Now we are building the first dedicated non-alcoholic brewery in Australia which is home to the first non-alcoholic 'Brew Café' in Australia - all of which is underpinned by First Nations' philosophies, ways of being and knowing, with a workforce that is represented by at least 50% of First Nations peoples.

The no- and low-alcohol beverages market here in Australia has increased significantly since 2020; the category is booming and the aim is to remain at the forefront. The opportunity for investors to gain the best value from Sobah's growth is now.

See our 'Strategy on a Page' on the next page!



SOBAH



“Breaking down the stigma of socialising sober and raising positive awareness of Australian First Nations culture”

STRATEGY

Our Vision

By selling bloody good non-alcoholic adult beverages Sobah Beverages will create and support world-leading, community-driven and grass-roots healing and empowering Sobah Initiatives.

Our Mission Statement

1. Acting from a position of respecting people, place and the environment.
2. Understanding and working towards fulfilling responsibilities to that which we are connected to.
3. Engaging in positive reciprocity (giving back).

Our Aim

We break down the stigma of socialising sober and raise positive awareness of Australian First Nations Culture. We are doing this through providing a better choice for those who are not drinking, for whatever reason at whatever time.

FIRST NATIONS

Aboriginal owned and led, majority First Nations employed

Founded by Gamilaroi man and psychologist Dr Clinton Schultz

Sobah functions from the philosophies of Gamilaraay Lore 'dhiriya Gamil'

FIRST CHOICE

Strong brand and story links Sobah to consumers

Sobah is the first choice when people think of NA beer

Sobah continues to push boundaries in the NA beverages space with never seen before drinks and new collaborations.

FIRST FOODS

Non-alcoholic craft beer infused with Australian bush tucker

Promotes the richness of native food

Makes connections to the country and people from which the food originates

FIRST TO MARKET

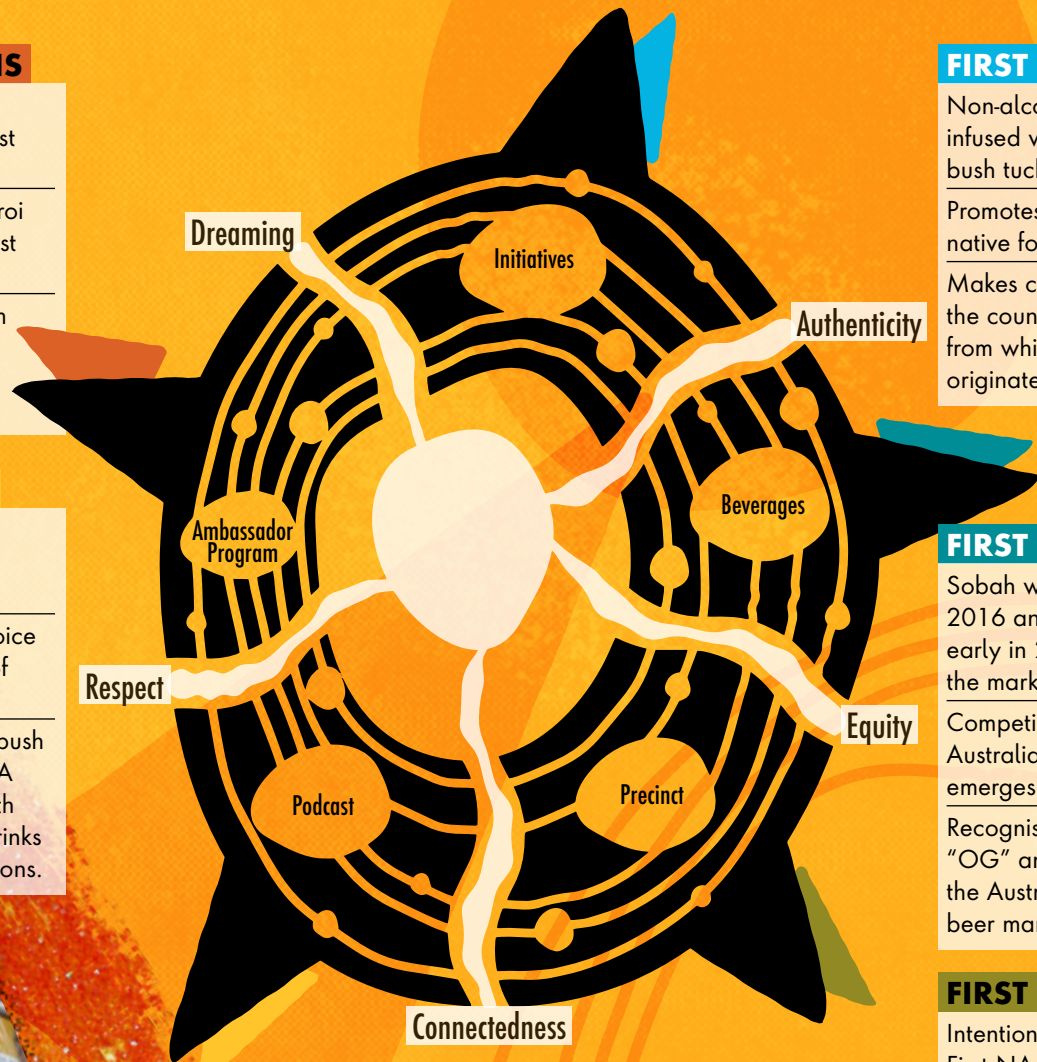
Sobah was devised in 2016 and launched early in 2017 ahead of the market

Competition in Australian market emerges in 2020

Recognised as the "OG" and pioneers in the Australian NA craft beer market

FIRST NA BREWERY

Intention to build the First NA Brewery and cultural precinct solely dedicated to crafting non-alcoholic beverages and promoting First Nations art, culture and food, under banner.



BUSINESS AND REVENUE MODEL

Core Business Model

Sobah's core business model is the contract manufacturing, wholesale distribution and retail sales of our unique range of non-alcoholic craft beer across Australia and New Zealand. Being contract brewers, Sobah has a supply agreement with two breweries to manufacture our products: Tribe Brewing Partners for all larger scale brewing and a small local brewery for all product development and small batch brewing. We have developed excellent relationships with local farmers, producers and wholesalers in the native food agriculture space and we seek to have future impacts in developing the native food industry, specifically for Aboriginal communities and community-based projects.

As one of Australia's fastest growing no- and low-alcohol beverage brands, we aim to take this to the next step and get our fantastic product into the hands of more consumers. Our vision is to positively impact the drinking culture of all Australians and facilitate healthy social enjoyment without the unhealthy social consequences.

A part of that vision includes a modern sustainable brewing facility, café, gallery and cultural hub located at Gold Coast. The brewery will allow us to bring all product development and small-to-medium scale manufacturing in-house, thereby protecting future IP and creating opportunities to partner with researchers and other local producers to innovate in the beverages industry.

Sustainable practices and processes include solar energy, water saving and waste reduction operations, which are strategies that some breweries are investing

in and converting to, and we aim to implement from the beginning. We have always believed in the idea of having a brewery where we could make our beer in our own unique way while educating people about our native foods and culture, and promoting our craft beverages locally to as many people as we can.

The Sobah HQ Brewery property acquisition is expected to settle in May 2022 and will be leased under a long term lease from 'Prop Co' as trustee of the Sobah Property Trust (a related party of Sobah Beverages). The funds from investors pursuant to this Offer Document will not be put towards the property purchase, but will be used to support the internal fit-out of Sobah HQ, including funding the purchase and installation of the brewing equipment (contracted from a Melbourne supplier). The Sobah HQ fit-out completion and commencement of brewing operations is anticipated to occur approximately 12 months from the date of this Offer Document.

By having vertical integration from the manufacture of our beverage range, to wholesale distribution and retail sales, we can control our margin and can bring more beers and other drinks to market more cost effectively. By opening a brew cafe, marketplace (retail space) and venue for hire, we can create opportunities for additional multiple revenue streams.



Growth Opportunities

Sobah's revenue has grown over 300% each year since the brand launched and we plan to continue this trend in the coming years. Our beer is now sold across Australia and in many major bottle shops, venues, cafes, bars and restaurants. We supply corporate companies for their events and teams, and our products are procured regularly by Accor Group Hotels for cultural events and activities.

That being said, there is still scope for huge growth. For example, we are only stocked in selected Dan Murphy's, BWS and Coles stores (who have over 2,500 retail sites between them). We are in the process of establishing a supply agreement with a large hotel group under their member rewards program. Our rapid growth will continue with independent bottle shops and retailers, on-premises venues, large catering companies, corporate businesses and government organisations. To meet demand, we are aiming to triple production of our core range in 2022.

We are also planning on opening up new sales channels for our beer which includes export to SE-Asia, UK and USA. The planned brewery will open up a new, high margin channel for beer sales, as well as promoting the brand, which will further drive sales. There are also new opportunities in lateral markets such as other beneficial craft beverages and contract production and packing for other small craft businesses.



ENJOY LIFE SOBAH.

Production

Sobah is committed to further developing strong relationships with the supply chain 'upstream' which provides us with the security to be able to grow and expand. Our suppliers are an integral part of our success. We're only limited by what and when they can supply us with our ingredients and products. As a contract brewer, we're limited by production schedules therefore forecasting is a very significant part of maintaining our growth and momentum. At times we have not had enough beer to sell and our biggest issue was consistency of supply.

Currently Sobah produces approximately 9000L of non-alcoholic craft beer in the Special Release Range at Pickled Pig Brewery (FY21). When the fit-out of Sobah HQ is complete, Sobah will move brewing of the Special Release & Seasonal beers away from Pickled Pig Brewery to brew in-house allowing for an increase in production to 200,000L per annum and at a

cost reduction of 50%. The Core Range products will continue to be brewed under the third-party contract by Tribe Brewing Partners with production aimed to triple in 2022 from 20,000 cartons (FY21) to 60,000 cartons.

By planning our own brewhouse, we decided to future proof ourselves by purchasing and commissioning a brewery bigger than what our immediate demands will be and ensuring the brewery has space to integrate more equipment as production grows. We are installing a 25hL brewhouse, twin 50hL fermenters and brite tanks, allowing us to significantly increase production with room to grow. We are also installing a 500L pilot system to develop new, innovative products. Our increased warehousing, including cold storage, will allow us to better secure yields of native ingredients required to mitigate any shortfall in seasonal yields and fulfil forecasted production.



2.5:

ORGANISATIONAL STRUCTURE

Without a strong team there is no strong organisation. Our employees, advisors and independent contractors are like family to us, and it's our priority to foster a positive and productive workplace culture and relationship.

Founder and director, Dr Clinton Schultz is the mastermind behind the brewing business and brand. Clinton's role within Sobah is all things beer and brewing related, as well as employee wellbeing and company culture. The daily operations and management of the team are the responsibility of Lozen, who is also one of Sobah's founders and directors.

The Sobah team work weekdays from 9am to 4pm based in our current Burleigh HQ, which is the centre for our e-commerce and local business distribution. We frequently consult with key personnel who are leaders in their own rights and space.

DIRECTORS



Dr Clinton Schultz
Head of Brewing & Culture



Lozen McDiarmid-Schultz
Operations Manager, Sales & Marketing

TEAM



Leticia Haas-Quinlan
E-Commerce, Admin & Warehouse Logistics



Surren Prasad
Warehouse Storeperson



Rachel Sully
Accounts & Admin



Jennah Leigh
Independent Graphic Designer



Alex Sitton
Business & Marketing Assistant



Currently Seeking
Brand Development Manager

ADVISORY BOARD



Steve Mackenzie
Investor & Business Advisor



Daniel Abrahams
Independent Business Advisor



James Grugeon
Social Enterprise Consultant

OTHER INDEPENDENT CONTRACTORS

Andrew Harris
Food Science & Compliance

Dr Tristan Schultz
Relative Creative (Design)

Hickey Lawyers
Legal Advisory

MinterEllison Lawyers
Legal Advisory

Managing Directors

Dr Clinton Schultz

Dr Clinton Schultz is a Gamilaraay man and registered psychologist with a keen interest in holistic wellness. A natural self-starter, Clinton is always looking for new ways to make a positive difference in people's lives. He is a father of three active boys and runs Sobah Beverages alongside his wife, Lozen.

In 2018, Clinton won Griffith University's Most Outstanding First Nations Alumnus Award. Clinton was awarded the 2019 IAHA (Indigenous Allied Health Australia) Health Professional of the Year, and in 2020, he obtained his PhD and was awarded the Chancellor's Medal for PhD Excellence.

Until recently, Clinton was Assistant Professor with Bond University Medical School. He now focuses his time as Director of Marumali Consultations and Sobah Beverages. Clinton's experience as a chef, knowledge of Australian native food and passion for First Nation's culture and health is the driving force of Sobah.

Previously Clinton has acted as a Vice Chair for the Australian Indigenous Psychologists Association (AIPA) and he currently sits on several state and national advisory groups. Clinton specialises in providing Employee Psychological Services (EPS) and Employee Assistance Program (EAP) services for Aboriginal workers, men's well-being, cultural competence auditing and training, cross-cultural psychological and business management services, and Aboriginal focused mentoring and supervision.

Naturally competitive and active, Clinton spends his spare time surfing, rock climbing, riding motorbikes, and competing in ninja warrior competitions.

Roles & responsibilities at Sobah

- Product development and innovation
- Overseeing beer production
- Maintain company culture and wellbeing
- Strategic planning and project management
- Direction and development of social impact and sustainability initiatives
- Responsible for leading the board and representing the company
- Responsible for reviewing the financials of the company
- Oversees compliance with state and federal laws and ethical business practices
- Public relations
- Drive the growth of the brand and business



Lozen McDiarmid-Schultz

Lozen is a former secondary school teacher with a Master of Education in Guidance and Counselling and a Creative Arts Degree with majors in Writing and Theatre.

Previously Lozen worked in the hospitality industry and had a successful independent beauty business for 12 years. A mother of three active boys, Lozen manages Sobah Beverages, a business founded alongside her husband, Clinton in 2017. Lozen's key activities in Sobah are operations management, supply chain coordination, sales and marketing.

Roles & Responsibilities at Sobah

Promote and drive the growth of the brand and business

- Manage marketing strategies and budgets
- Oversee social media and website
- Contributes in the short and long term planning activities including growth strategies
- Establish policies and procedures for all areas of the business.
- Oversee the sales function including establishing targets, strategy and direction.
- Coordinate and oversee all aspects of wholesale distribution.
- Oversee the HR function including payroll, hiring, employee reviews and dismissals.
- Responsible for all areas of finance including financial and tax reporting obligations.
- Oversee aspects of production including production planning, stock control, purchasing and warehousing.

Governance Model

Sobah has retained a talented Advisory Board to provide advice and ensure effective governance.

Advisory Board

Daniel Abrahams

Daniel Abrahams has proven leadership, finance, strategy, execution, risk management and governance credentials across a wide variety of industries, including leading a successful technology start-up to IPO.

Daniel is an independent consultant providing practical expertise on entrepreneurship and leadership programs to universities, helping students and alumni take ideas to commercialisation, and acting as an independent adviser to companies on scaling up. He has worked in transport, financial services, energy, rail and telecommunications infrastructure in senior roles.

Daniel has a proven track record in transforming an organisation's culture by focusing on formulating, designing and executing strategy. Daniel advocates for an inclusive merit based approach to human capital and is eager to be a beacon for ethnic representation across corporate Australia.

Steve Mackenzie

Steve has a diverse business background, having been involved in several successful ventures across many business sectors over the years.

Steve is a former shareholder and CEO of The Lido Group with 20+ years experience in the hotel and hospitality industry. With the introduction of many innovative ideas and processes across the hotel booking and payment sector, Lido's revenue grew by nearly 600% in 8 years. He then sold Lido to the German-based global leaders in the corporate hotel sector, HRS Group at the end of 2019.

Since then he has been semi-retired but also involved as advisor/investor across several 'start-up' ventures. He has known Clinton for over 20 years and has been supporting Sobah since 2017.

James Grugeon

Eco-warrior and social enterprise guru, James Grugeon founded award-winning craft beer company The Good Beer Co – Australia's first social enterprise of its kind – to brew beer for good causes and inspire change by demonstrating what purpose-led businesses can achieve.

The hardworking change-maker has been pioneering corporate social responsibility for 20+ years. He has developed a strong professional and personal relationship with the Sobah founders, and is now assisting to formalise the social enterprise aspect of Sobah Beverages.

James is also consulting on the brewery project with regards to the sustainable strategies and technologies Sobah will develop and implement to effectively construct a carbon negative brewery.

First Australians Capital (FAC)

FAC provides a range of resources to Sobah, including professional business support and services, networking, and access to financial capital.

Stuart Giles (pro bono business advisor Jan-Jun 2021)

Featured with his wife Cathie Reid on the AFR 'Rich List', Stuart's fortune was raised by establishing the Epic Pharmacy chain and growing the Icon Group of cancer care centres. He is also heavily involved with their philanthropic interests at Epic Good Foundation, which focuses on gender equality and Indigenous health.

Stuart has been a long-time customer of Sobah and is a 'true believer' in the product. His business experience and knowledge has been invaluable to Sobah's current expansion process.

2.6:

CAPITAL STRUCTURE

2.6.1

ISSUED CAPITAL (BEFORE AND AFTER THE OFFER)

As at the date of this Offer Document, the Company has 10,058,000 ordinary shares on issue. The majority of shares are held by the Company's founders/directors. Table 1 below sets out the issued capital of the Company before the Offer.

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis.

Table 1: Issued capital of the Company before the Offer

Shareholder	Share type	Shares
Malibob Pty Ltd ACN 151 493 355	Ordinary	9,071,000 (90%)
Stephen Paul MacKenzie	Ordinary	799,000 (8%)
Benjamin Joseph Teakle Thomas	Ordinary	94,000 (1%)
Stacey Maree Rebecca Vervoort	Ordinary	94,000 (1%)
Total		10,058,000 (100%)

Table 2: Issued capital of the Company following the Offer

Shareholder	Minimum Subscription	Maximum Subscription
Existing Shares	10,058,000 (95.26%)	10,058,000 (90.96%)
Offer Shares	500,000 (4.74%)	1,000,000 (9.04%)
Total Shares	10,558,000 (100%)	11,058,000 (100%)

2.6.2:

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 between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, the Board of Sobah Beverages Pty Ltd has the discretion to approve and/or power to refuse a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3 below. A copy of the Company's Constitution, including information relating to restrictions on transfer and drag along and tag along rights, is available in the data room on the Birchal platform.



2.6.3:

SOURCES OF FINANCING, INCLUDING DEBT FINANCING AND OTHER FINANCING

To date, our activities have been largely funded by sales revenue with an excellent record in cash flow management.

In the beginning, Sobah was funded by the company's founders, Clinton and Lozen Schultz (by the Schultz Discretionary Trust). In 2019 & 2020, a proportion of shares were sold to three individual investors (as per the table in section 2.6.1), to meet the growth requirements of the company at the time.

There is a loan from the Schultz Discretionary Trust for \$35,807.99, as seen on the balance sheet (section 2.9.1), which will be paid back in installments when it is suitable to do so. The loan will not be repaid with the proceeds of the Offer.

In July 2020, Westpac provided a loan of \$100,000 to the company to further finance production costs and our rapid growth. At the end of FY21, the balance of the loan was \$28,254.28. The loan was paid out in full in August 2021.

In June 2021, Sobah borrowed from First Australians Capital (FAC) for \$200,000 to meet the 6-month production forecast requirements for several large contracts recently acquired by Sobah with Endeavour and Coles. The first 12-months are interest only and then a 5-year term at 7%.

It is also important to clarify that Sobah Beverages will be providing a guarantee to 'Prop Co' as trustee for the Sobah Property Trust to support the acquisition of Sobah HQ and that, once the acquisition is complete and the lease to the Sobah Beverages has commenced, the guarantee will be unwound.

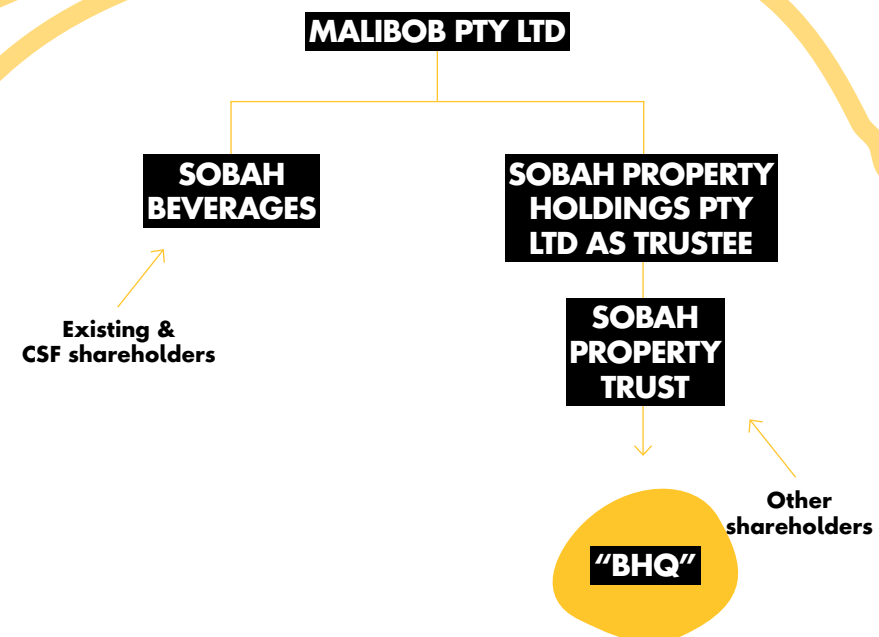




2.6.4:

GROUP STRUCTURE

It is important to note that Sobah Beverages Pty Ltd will not own the real estate for which the brewery will be established. However, as major (90%) shareholders of Sobah Beverages Pty Ltd, Clinton Schultz and Lozen McDiarmid (through wholly owned company Malibob Pty Ltd) have established a new and separate company and unit trust ('Prop Co' as trustee for the Sobah Property Trust) to own the building and become the landlord in which the brewery will be installed. Sobah Beverages will lease the site from 'Prop Co' as Trustee for the Sobah Property Trust under a formal commercial agreement at market value on arm's length terms, thus providing long term security for Sobah Beverages' operations.



RISKS FACING THE BUSINESS

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



PROJECT RISK

As with any expansion project, there are risks that the new venues and programs may not perform as expected. This could affect our future growth rate and profitability of the business. There is a risk that the project could not be delivered on time and on budget.

Approach

Sobah plans to build Australia's first non-alcoholic brewery - craft beer infused with bush tucker as a way to improve social equity and responsibility within the Australian community.

A project of this magnitude could face risks including project delay as a result of construction activities being delayed, cost overruns and delay to scheduled production capacity.

CUSTOMER CONTRACT RISK

There is a risk that Sobah does not fulfill customer contracts.

Approach

Sobah has secured key national accounts with exponential growth prospects to deliver products across Australia. In the event of project delays, there is a risk that customer contracts may not be fulfilled and revenue opportunities may not be realised, or be delayed until the brewery capacity is met to meet the customer demand.

CASH FLOW RISK

There is a risk that Sobah could face negative cash flows by not having sufficient cash or working capital to fund both operations and expansion plans.

Approach

Sobah understands the importance of cash flow and financial management, particularly in a product based business. There is always a risk that consumer demand and contractual obligations with national buyers (on 60-day payment terms) could result in Sobah facing a cash flow shortfall.

REVENUE RISK

There is a risk that revenue may decline from changing customer behaviour or if the non-alcoholic beer market becomes flooded ahead of market demand.

Approach

There is a risk that sales of Sobah products may decline and we may not achieve our sales targets due to changes in consumer behaviour or market saturation of competitive products.



FUNDING RISK

There is a risk in the future that we will not be able to raise more money to continue to fund the growth of the business.

Approach

Sobah is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. We may not raise all of the required funding and therefore not achieve all of its business objectives. However, we have staged the project into phases and may need to raise additional funds in the future from investors or third parties.

There is no assurance that we will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. Sobah's value may be materially affected if the required additional funding is not available.

COMPETITION RISK

There is a risk that competition in the market could have an impact on our revenue and profitability.

Approach

Sobah operates in a highly competitive market, with several known competitors existing and emerging. If we are unable to successfully compete with existing and new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.

INTELLECTUAL PROPERTY RISK

There is a risk that our IP can be sourced and used competitively.

Approach

The threat of having someone copy our products is real, particularly when we contract the manufacturing of our products to third parties. The protection of Sobah's intellectual property is critical to our business and commercial success going forward.

OUTSOURCE RISK

There is a risk that comes with outsourcing manufacturing of products and relying on contract brewing companies to produce high quality products to meet growing demand.

Approach

Sobah could face material risks in the event that its contractors for the supply of product (small batch commercial brewing) are unable to meet demand and deliver quality product on time and budget - to stringent quality control standards.

2.8:

FINANCIAL INFORMATION

Below are the financial statements of the Company for the financial year ended 30 June 2021, which have been prepared in accordance with the Accounting Standards.

2.8.1:

BALANCE SHEET

Assets	
Current Assets	
Cash and Cash Equivalents	314,123.06
Accounts Receivable	75,933.09
Bonds	6,326.88
Inventory	67,338.27
T Pasteuriser	89,451.79
Total Current Assets	553,173.09
Non-Current Assets	
Accumulated Depreciation	-115,364.87
Property, Plant and Equipment	25,913.08
Formation Cost Formation Cost	20,374.79
Total Non-Current Assets	-69,077.00
Total Assets	484,096.09

Liabilities

Current Liabilities

Accounts Payable	65,816.83
GST	-334.26
PAYG Withholdings	4,828.00
Superannuation Payable	2,342.81
Total Current Liabilities	72,653.38

Non-current Liabilities

Financial Liabilities	249,731.39
Total Non-current Liabilities	249,731.39
Total Liabilities	322,384.77

Shareholders Equity

Retained Earnings	-82,615.01
Share Capital	70,200.00
Net Income	164,126.33
Cash Boost	10,000.00
Total Shareholders Equity	161,711.32
Total Liabilities and Equity	484,096.09

PROFIT AND LOSS STATEMENT**Profit and Loss | July 2020 - June 2021****Income**

Total Income	878,732.44
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Cost of Sales

Cost of Sales	348,774.59
---------------	------------

Freight and Delivery	17,656.14
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Closing Stock	1,300.49
---------------	----------

Total Cost of Sales	367,731.22
---------------------	------------

Gross Profit

Total Gross Profit	511,001.22
--------------------	------------

Other Income

Total Other Income	97,355.91
--------------------	-----------

Total Income	608,357.13
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Expenses

Advertising	42,134.78
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Packaging	25,729.39
-----------	-----------

Rent	22,852.96
------	-----------

Research and Development	30,774.66
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Shipping, Freight and Delivery	64,993.22
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Superannuation	16,162.76
----------------	-----------

Wages	139,126.57
-------	------------

Operating Expenses	76,046.35
--------------------	-----------

Depreciation	25,671.27
--------------	-----------

Other Expenses	738.84
----------------	--------

Total Expenses	444,230.80
-----------------------	-------------------

Net Earnings	164,126.33
---------------------	-------------------



2.8.3:

CASH FLOW STATEMENT

July 2020 - June 2021	
Cash Flows from Operating Activities	
Profit for the year	201,510.08
Net adjustments for non-cash income and expenses	(34,648.75)
Net Cash from operating activities	166,861.33
Cash Flows from Investing Activities	
Motor Vehicle at cost	(19,500.00)
Office furniture and equipment at cost	(1,171.27)
Plant and equipment	(5,000.00)
Net Cash used in investing activities	(25,671.27)
Cash Flows from Financing Activities	
Loan - First Australians Capital Ltd	200,000.00
Loan - Marumali Consultations Unit Trust	(25,000.00)
Loan - Schultz Discretionary Trust	(8,377.08)
Loan - Westpac	(65,745.72)
Net Cash used in financing activities	100,877.20
Net Increase (Decrease) in Cash and Cash Equivalents	
Net Increase (Decrease)	242,067.26
Cash and cash equivalents at beginning of year	72,055.80
Cash and cash equivalents at end of year	314,123.06

2.8.4:

STATEMENT OF CHANGE IN EQUITY

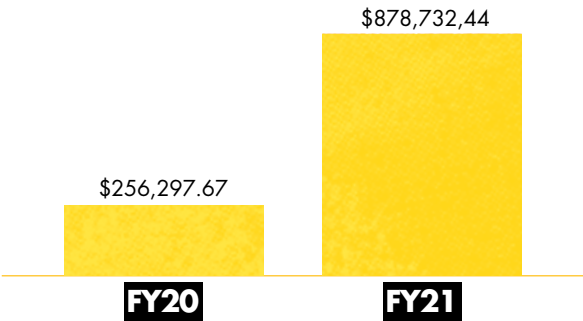
July 2020 - June 2021	Share Capital	Retained Earnings	Revaluation	Total
As at July 1, 2020	214.00	79,615.01		79,401.01
Share Premium Reserve	69,986.00			69,686.00
Prior period error correction				
Add; New Paid in Capital				
Net profit for the year		164,126.33		164,126.33
Cash Boost		10,000.00		10,000.00
Revaluation gain				
Deduct; Owner's Withdrawal				
As at June 30, 2021	70,200.00	94,511.32		164,711.32

2.8.5:
**MANAGEMENT COMMENTS ON HISTORICAL
PERFORMANCE AND OUTLOOK**

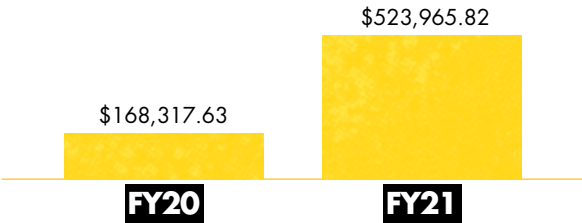
FY21 has seen a 342% increase in revenue and GP% increase of approximately 310%. This growth has been constrained due to limitations within the contract brewery process, seasonality of native ingredients and loss of business due to the current pandemic impacts.

**THE TRULY
SOCIAL DRINK.**

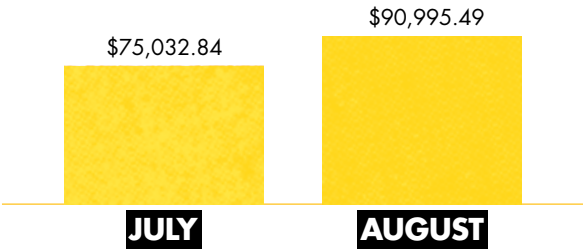
Total income FY21 compared to FY20



Gross profit FY21 compared to FY20



FY22 revenue growth by month



INFORMATION ABOUT THE OFFER

3.1:

TERMS OF THE OFFER

Sobah Beverages Pty Ltd is offering up to 1,000,000 shares at an issue price of \$1.00 per share to raise up to \$1,000,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1.00 per share
Minimum Subscription	\$500,000
Maximum Subscription	\$1,000,000
Minimum parcel size	\$250.00
Opening date	16/09/2021
Closing date	07/10/2021

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.

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.

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.

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 \$500,000	Maximum Subscription \$1,000,000	Financial year (FY)
Brewery fitout	\$257,200	\$650,000	22/23
Sustainability initiatives	\$0	\$60,000	22/23
Brewery operations*	\$90,000	\$90,000	23
Personnel costs*	\$70,000	\$80,000	23
Marketing costs	\$50,000	\$57,200	22
Offer costs	\$32,800	\$62,800	22
Total	\$500,000	\$1,000,000	22/23

Note: Immediate implementation of Sobah's sustainability initiatives for the brewery and broader Sobah HQ is dependent on achieving the maximum subscription.

The Offer costs include 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.

Brewery operational costs include overhead expenses and brewing production expenses for a period of up to six months. Personnel costs are to support the growth of our team specifically in hiring a brewer and ancillary brewery staff, for a period of up to six months.

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 18-24 months. 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 12-18 months. In such circumstances, the Company may consider undertaking a further capital raise offer under the CSF regime. Until additional funding is obtained, we will scale back our investment in renewable technologies and continue to focus our cash resources on establishing the brewhouse, increasing production and marketing activities.



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, i.e. 1:1.

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).

The right to receive dividends is subject to director discretion to retain funds or distribute profits towards the social enterprise mission, including 10% towards the Sobah Initiative or other programs in health, wellness and healing as set out in the Constitution. The Sobah Initiative supports organisations, charities and strategies that work in the field of assisting people and communities healing from loss, and supporting health and wellness, mindful drinking and sobriety. We note that some expenditures may be above the line and so reduce profits available for distribution to Shareholders.

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 have the usual rights to vote to elect and/or remove directors at a general meeting by way of ordinary resolution (50%), which is restricted to shareholders with more than 10% voting power. This is subject to the requirement in the Constitution that the Company, while certified (by Supply Nation) as an Indigenous business, must remain owned, managed and controlled by Indigenous Persons (for further details see the Supply Nation certification requirements (How we verify Aboriginal and Torres Strait Islander status - Supply Nation)).

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 shareholders after secured and unsecured creditors of the Company.

3.3.6:

RESTRICTIONS ON SALE AND TRANSFER

By entering into the Subscription Agreement you are taken to acknowledge that any CSF Shares acquired under the Offer must not be on-sold 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.

Additionally, in accordance with the Constitution, a Shareholder must not sell, transfer, grant an option with respect to, or otherwise dispose of an interest in all or any of its shares in the Company to any person unless the transfer is approved by the Company, or the pre-emptive rights in the Constitution are complied with.

3.3.7:

DRAG ALONG RIGHTS

Where Shareholders holding more than 75% of the Shares in the Company receive an offer from a third party to acquire all of the issued Shares in the Company, those Shareholders may require all other Shareholders of the Company to sell their Shares to that third party.

3.3.8:

TAG ALONG RIGHTS

Similarly, where Shareholders holding at least 75% of the Shares in the Company intend to sell all of their Shares to a third party, then any Shareholders (other than those who intend to sell) will have the right to tag along pursuant to the Constitution.

3.3.9:

PRE-EMPTIVE RIGHTS ON ISSUE OF SHARES

Shares may only be issued or transferred in accordance with the Constitution. Where practicable and subject to limited exceptions, the Company will seek to offer Shares to existing Shareholders on a pro rata basis so that Shareholders can maintain their ownership level in the Company.

3.4:

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 their investment in the Company. 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.



3.5:

INVESTOR REWARDS

In addition to being a shareholder of Sobah Beverages Pty Ltd, a range of rewards are being offered for investors.

The table below sets out the investor rewards based on the amount invested.



Reward	Entry \$250+	Bronze \$500+	Silver \$1,000+	Gold \$5,000+	Platinum \$10,000+
Sobah Merch	Sobah keyring	Sobah keyring Exclusive Sobah Co-owner t-shirt	Sobah keyring Exclusive Sobah Co-owner t-shirt	Sobah keyring Exclusive Sobah Co-owner t-shirt and cap	Sobah keyring Exclusive Sobah Co-owner t-shirt, cap, stubbie cooler, etched glass, cooler pack
Invitation to Sobah's 5th Birthday and Official Opening launch party (TBC - late 2022)	yes	yes	yes	yes	yes, VIP package
Beer Discount available online at sobah.com.au	10% (12 months)	10% (12 months)	15% (12 months)	15% (12 months)	20% (12 months)
Brew Cafe discount (commencing after opening)		10% (12 months)	10% (12 months)	15% (24 months)	15% (24 months)
Taste Panel	1 can	1 can	4-pack	12-pack	12-pack
Limited Beer Release (First tasting)			Invitation to taste pilot beverages	Invitation to taste pilot beverages	Invitation to taste pilot beverages
Birthday Celebration	1 free can or drink at brew cafe on birthday	2 free cans or drink at brew cafe on birthday	2 free cans or drink at brew cafe on birthday	4 free cans or drink at brew cafe on birthday	4 free cans or drink at brew cafe on birthday
Annual Exclusive Event Invitation	You+1 to attend our annual event at Sobah Brewery	You+1 to attend our annual event at Sobah Brewery	You+1 to attend our annual event at Sobah Brewery	You+1 to attend our annual event at Sobah Brewery	You+1 VIP package to attend our annual event at Sobah Brewery
Limited Edition Sobah Artwork / Print			Small	Medium	Large
Sobah Brew Day Out (to be taken after opening brewery)				You +1 - brewery tour, lunch, tasting and entertainment	You & your family - A day with Sobah founders - Gold Coast highlights, brewery tour, lunch, tasting and entertainment

INFORMATION ABOUT INVESTOR RIGHTS

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.

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:

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).

4.3.2:

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.

4.4:

COMPANY UPDATES

The Company will provide regular updates to investors on the Company's website at the following address www.sobah.com.au, via the Company's share registry website at the following address www.cakeequity.com and via the Intermediary's platform.

Glossary

Company means Sobah Beverages Pty Ltd ACN 626274691

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 Birchal 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.

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



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