



OK Boocha Pty Ltd Crowd-sourced funding offer document

Dated 23 August 2023

Offer of fully-paid ordinary shares in OK Boocha Pty Ltd at \$1 per share to raise a maximum of \$525,000

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



ISSUER

OK Boocha Pty Ltd ACN
625971404

INTERMEDIARY

Birchal Financial Services Pty Ltd
ACN 621 812 646 AFSL 502618

Always consider the general CSF
risk warning and offer document
before investing

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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.

Information about the company



Letter from the founders

Today marks a significant milestone in the Ok Boochoa journey. We are extremely proud to offer you the opportunity to become co-owners in our business and we hope you'll join us in spreading our sweet nectars to the far reaches of this vast land.

What began as a conversation between a couple of mates in the surf, is now one of the Sunshine Coast's premium beverage manufacturers. With over 200 stockists on the Sunshine Coast alone we are now ready to expand further afield and share our delicious, healthy drinks with all who wish to enjoy them.

Using predominantly locally sourced ingredients and focusing on wellbeing as well as taste, we created a range of premium raw kombucha, zero sugar sparkling waters and most recently we teamed up with a local spring to provide sustainably packaged spring water (in a can rather than a plastic bottle).

OK stands for Only Kindness, 'Kind to the body, kind to the planet and kind to the taste buds.' Our beverages are all healthy alternatives to soft drinks and are packaged in environmentally sustainable, locally produced 100% recyclable aluminum cans.

Our can sales have increased by over 64% year on year and with the global functional beverages industry growing at a rate of CAGR 8.94% and the no-alc industry growing at CAGR 8.2% (fortunebusinessinsights.com), Ok Boochoa is perfectly positioned to take advantage of the enormous growth in both of these sectors.

Ok Boochoa currently has no shareholders other than the founding trio and no major capital investment. Minor start-up capital was personally provided by the 3 founders. The existing loans will not be repaid with financing from this share offer.

After recently signing up with a national food services distributor we need to be ready to meet demand. Our warehouse is currently being expanded by an extra 165m2 to accommodate this growth and your valued investment will assist us to fit-out this project, increase production and grow our manufacturing and sales team.

We're incredibly excited to invite you to jump on board and ride the wave of kindness with us.

Company details

This offer of shares is made by OK Boocho Pty Ltd ACN 625971404

Company name	OK Boocho Pty Ltd
ACN	625971404
Date of incorporation	04/05/2018
Registered office	10 Koala Crescent Cooroy, Qld 4563
Principal place of business	1/40 Dacmar Rd Coolum Beach, Qld 4573
Directors	Scott Moffat Cairns Alexander Amor Robinson
Website	www.okboocho.com.au



Our business

2.2.1 About the Company

Ok Stands for Only Kindness. Our mission is to create products that are kind to the body, kind to the planet and kind to the taste buds. Our beverage range is not only delicious and healthy, it's also packaged in infinitely recyclable, locally made aluminium cans.

Brewing began in 2018 after a conversation in the surf between old friends Alex and Scotty about the lack of healthy drinks that actually tasted great.

Recipes were tried and tested in Alex's single car garage using Scotty's beer brewing equipment until we found just the right combination of zing and flavor. Our family and friends couldn't get enough of our kombucha and kept raving about how amazing it tasted.

So Alex's fiancée Cynthia designed a beautiful logo, Scotty's wife Sacha came onboard with her admin, organizational and book keeping skills and OK Boocha was born.





Our story

We rented a table in a commercial kitchen once a week and began brewing in 60 litre fermenters. Initially we provided kegs and refill stations to IGA supermarkets and local health food stores.

For a couple of years it was more of a hobby than a business. We all kept our 'day jobs' and reinvested any revenue straight back into the business.

As demand increased we moved to our own 166m2 factory, now brewing in 2000 litre stainless steel tanks.

In 2020 the demand for locally produced products with health benefits soared. Our Sunshine Coast community appeared to have an insatiable appetite for our delicious, healthy drinks.

We realized we needed a ready to go packaged product. So we researched the most sustainable packaging and found that aluminium cans were by far the most sustainable option as they are 100% recyclable and locally made. Cynthia came up with a gorgeous can design, we got our logo trademarked, moved into our own factory and kombucha canning began onsite.

Goodness in cans

This new avenue has boosted our business dramatically. Since 2020....

- Can sales have increased by over 64% every year.
- We've brewed over 130,000 litres of kombucha.
- Launched two new product lines
 - Zero Sugar Flavoured Sparkling Waters
 - Sunny Coast Water
- Ranged 9 drinks in over 200 retail and food services outlets.
- Won the Food Agribusiness Network's award for the Best Bespoke Food or Beverage Product (2021).

We've Supplied

- Some of the finest restaurants, café's, bars, bakeries, and health food stores on the Sunshine Coast
- 24 IGA supermarkets
- Noosa Festival of Surfing
- Woodford Folk Festival
- Sunshine Coast Airport
- Sunshine Coast Council Events Centre (Venue 114)
- Sunshine Coast Stadium



Timeline

FY 2018-2019

- After a conversation in the surf about the lack of healthy drinks that also tasted great we played with kombucha recipes until we found the perfect balance of zing and flavour
- Hired a table in a commercial kitchen and began brewing
- Created refill stations and sold 598 kegs of Boocha to IGA supermarkets and health food stores.

FY 2019 - 2020

- Sold 858 kegs to IGA supermarkets and health food stores
- Moved into our own premises.

FY 2020 – 2021

- Began canning our kombucha
- Won Food Agribusiness Award for best bespoke food or beverage product.
- 37,776 cans sold this FY
- 1 Distributor (Markris)
- Logo trademarked

FY 2021 - 2022

- Created and launched OK flavoured sparkling waters
- 64,126 cans sold this FY year
- 3 Distributors – (Markris, Prime, Fruitlink)

FY 2022 2023

- Created and launched Sunny Coast Water
- 106,667 Cans sold this FY
- 6 Distributors (Markris, Prime, Fruitlink, Thirst Choice, Food To Make You Smile, Bidfood).



Section 2

What's next?

We haven't even begun to supply the Brisbane food services market yet. That's our goal for the next 6 months. We intend to then work our way down the East Coast region by region.

We're a passionate team, dedicated to crafting the most delicious health-boosting alternatives to soft drinks and alcohol using premium ingredients. Our boocha is slow brewed, fermented to perfection and unpasteurized, so it retains all of its health benefits and tastes amazing. Our Sparkling waters contain probiotics and are flavoured with food grade essential oils. Our pure spring water comes from Mt Beerwah right here on the Sunshine Coast.

To this point we've grown organically. The three founding members (Scotty, Alex and Sacha) are currently the only shareholders and we have had no outside investment.

We plan to continue our growth trajectory without compromising on our vision or the quality of our products. All of the ground-work is done and we're ready to expand into new regions and markets.



Our products





Premium Handcrafted Kombucha

Our kombucha is slow brewed, fermented to perfection, raw, unpasteurized AND delicious. Kombucha is a natural source of probiotics (live organisms that promote a healthy balance of gut bacteria).

Probiotics play a crucial role in supporting digestive health, aiding nutrient absorption and enhancing the immune system. (www.unl.edu)
Antioxidants – Support the immune system. They help combat oxidative stress by neutralizing harmful free radicals in the body (www.health.harvard.edu).

Zero sugar flavoured sparkling waters

Flavoured with food grade essential oils. Light, refreshing and delicious. With prebiotic (chicory root inulin) to support gut health and overall wellbeing (www.ift.org).

Unlike probiotics, which are live beneficial bacteria, prebiotics are non-living, indigestible fibres that act as food for these beneficial bacteria. They create an environment conducive to the growth and activity of probiotics, ultimately fostering a balanced and diverse gut microbiome (www.unl.edu).



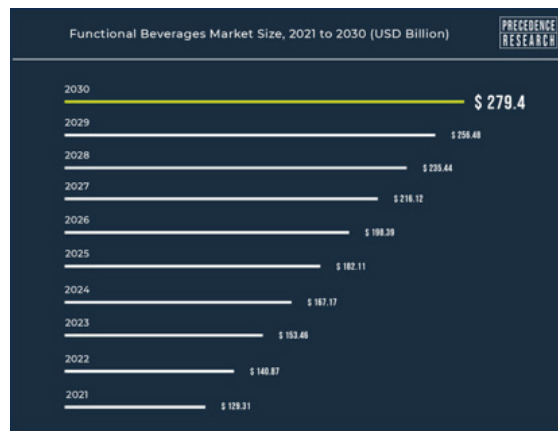
Sunny Coast Water

Locally sourced pure spring water from Mt Beerwah.
Still and Sparkling.
A plastic free initiative.

Section 2.2.4

INDUSTRY

The functional drinks market is one of the fastest growing industries in the world. According to Precedence Research, globally it was valued at U.S 129 Billion in 2021. It is projected to reach U.S 279 Billion by 2030 with a CAGR of 8.94%.



The non-alcoholic sector has also experienced significant growth, with sales of non-alcoholic products reportedly increasing by 150% in liquor stores since 2020 and 130% in pubs since 2021 (Public Health Research and Practice phrp.com.au)

The non-alcoholic sector has also experienced significant growth, with sales of non-alcoholic products reportedly increasing by 150% in Australian liquor stores since 2020 and 130% in pubs since 2021 (Public Health Research and Practice phrp.com.au)

Food Services is where the majority of our revenue currently comes from. We haven't really begun to supply this sector outside of the Sunshine Coast yet but with Bidfood (a national food services distributor) now onboard we look forward to the potential this will offer us for growth.

The entire Ok Boocha range aligns with both the functional beverage and non-alcoholic markets and we are well positioned to expand within these booming industries as consumer demand for healthier beverage options continues to grow.



Our revenue

Comes from three major streams...

1. **Retail** (Including 24 IGA supermarkets, large health food chains such as Flannerys, smaller independent health food stores, gourmet grocers).
2. **Food Services** (Cafes, bars, bakeries, restaurants, takeaway venues)
3. **Wholesale** (Distributors, festivals incl Woodford Folk Festival and the Noosa Festival of Surfing , Sunshine Coast Stadium, Sunshine Coast Airport, Sunshine Coast Council events etc.

With over 200 stockists on the Sunshine Coast, over 100,000 cans sold in the last financial year and a national distributor now on board. We've already done all of the hard yards.

We've perfected our delicious recipes using premium (and wherever possible, locally sourced) ingredients. Our Tea and sugar both come from Qld and Northern NSW.

We've created some gorgeous branding.

We've sourced the most sustainable packaging, which is also locally made.

And we've done all of this without any outside investment.

Now all we need to do is scale up our production to meet our ever-increasing demand.



Business & revenue model

We aim to build on our locally established customer base to become a nationally recognised brand. Continuing to offer consumers healthy and delicious soft drink alternatives through our various distribution networks. As a wholesale business, we currently directly supply our kegs to our refill station customers ourselves, however our canned products are now predominantly supplied to retailers through our various distributor partnerships.

We currently have 6 distributors. Two on the Sunshine Coast, two in Brisbane, one in Melbourne and having just signed up with our first national distributor (Bidfood), we have been given the opportunity to grow beyond SEQ.

We currently manufacture all of our products onsite; however we have outsourced the canning of our zero sugar flavoured sparkling waters range in the past, and should we reach our capacity in house, we have the ability to engage external canning contractors to meet demand.

Our canned spring water range, “Sunny Coast Water”, is only just over 6 months old and has the ability to scale dramatically.

We have an unlimited supply of spring water from Mt Beerwah Spring and a dedicated storage vessel and canning line. As the relatively new concept of canned water becomes more acceptable, we expect significant growth in this department.

Business strategy

To this point we have grown organically but funds raised through equity crowd sourced funding would provide Ok Boocho with the opportunity to expand our production facilities and to enter new regions and markets. It would allow us to purchase more brewing and fermenting equipment to scale up our production and to build a larger coldroom. Funds would also assist with overhead costs, packaging, and employing extra staff to assist in the factory and in sales and marketing. We purchase our cans and ingredients in bulk as this reduces the cost per item. Funding would assist with cash flow for the larger stock purchases.

We will also employ a marketing company to generate awareness of our products in new regions.

We’ve streamlined our production processes and have great relationships with all of our suppliers (who are more than capable of meeting our growth requirements).

So we are geared up and ready for expansion.

Community is where we thrive. We understand that being active participants in community events not only helps our brand, but also contributes meaningfully to society. We intend to continue supporting community groups, charity events and sponsoring up-and-coming talent.

We have found this really helps with brand awareness as well as positively contributing to the community.

We do not expect to make a profit in the short term, particularly during this expansion phase. However, with Bidfood (a national distributor) now distributing our entire range of beverages, we’re excited for the growth we’re expecting in the next 6-12 months.

Our Team

Name	Role	Duties	Skills & Experience
Scotty Cairns	Director, General Manager	Factory manager, sales	B.Arts – Double Major Business and Economics Sales Rep. - National Glass - Bradnams - Ray White Real Estate
Alex Robinson	Director, Sales Manager	Sales, head brewer	Long time fermenter Dip Architectural Tech Founder/CEO of 'Born Cultured'
Sacha Cairns	CFO, Admin, Procurement	Bookkeeping, procurement, brewing, admin	Bachelor of Communications Grad Dip Ed Teacher, Hospitality



Capital structure

Issued capital (before and after the Offer)

As at the date of this Offer Document, the Company has 2,100,000 ordinary shares on issue. All of these shares are held by the Company's founders/directors

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

Shareholder	Share Type	Shares
Cairns family trust (Sacha Cairns)	Ordinary	700,000 shares (33.3%)
Cairns family trust (Scott Cairns)	Ordinary	700,000 shares (33.3%)
Alexander Robinson	Ordinary	700,000 shares (33.3%)
Total		2,100,000 shares (100%)

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

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

Shares	Minimum Subscription	Maximum Subscription
Existing ordinary Shares	2,100,000 (96.39%)	2,100,000 (80%)
Offer Shares	78,750 (3.61%)	525,000 (20%)
Total Shares	2,178,750 (100%)	2,625,000 (100%)



Rights and liabilities associated with securities

Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares.

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 rights to receive dividends. Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions.

The Directors have the discretion to approve and power to refuse a transfer of shares to a third party.

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.

Shareholders Agreement

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

Sources of financing, including debt financing and other financing

To date, the business has been funded through a combination of operating income, founder loans and grants.

Founder loans

To date, the founding shareholders have loaned funds of \$68,203.66 in total to the Company.

The key terms of these loans are set out below. The founder loans will not be repaid with the funds raised under the Offer.

Amount outstanding-
\$68,203.66

Interest – 0%

Repayment date - At the discretion of the Company

Debt funding

At the date of this offer, the Company has debt financing on two company vehicles to a total of \$46,017.

Grant funding

The Company has received two Government grants to a total of \$35,000.

Key risks facing the business

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).

General scale up risks

If costs to achieve the Company's targeted revenue growth are more than estimated, the profitability of the company may be reduced and/or the company may have insufficient cash reserves to achieve its planned product rollout.

Distribution Risks

The Company relies on third party distributors and vendors to sell its product. If suitable third parties are not found on favourable terms, this may negatively affect the margins and profitability of the Company.

Cash Flow

The Company's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.

Recruiting Risk

Attracting, training and retaining staff in our industry 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.

Supply Chain Issues

Disruption to the Company's supply chain could affect the Company's ability to produce inventory at commercially acceptable cost, and in a timely manner, which would have a direct impact on the Company's revenue and profitability.



Section 2.8

Below are the financial statements of the Company for the financial years ended June 2021, 2022 and 2023 which have been prepared in accordance with the Accounting Standards

OK Boocho Pty Ltd ABN 85 625 971 404 Profit and Loss Statement For the year ended 30 June 2023			
	2023 \$	2022 \$	2021 \$
Trading Income			
Sales	319,631	237,761	203,439
Total Trading Income	319,631	237,761	203,439
Cost of Sales			
Opening stock	38,324	8,045	365
Purchases	149,148	106,354	72,766
Closing stock	- 59,760 -	38,324 -	8,045
Total Cost of Sales	127,712	76,075	65,086
Gross profit	191,919	161,686	138,353
Expenses			
Administration & operating expenses	48,214	29,151	42,664
Sales & marketing expenses	5,486	4,569	4,194
Occupancy expenses	29,563	26,906	22,822
Employment expenses	71,275	81,392	100,084
Depreciation expenses	13,040	9,754	5,292
Finance costs	3,793	3,071	1,765
Total Expenses	171,371	154,843	176,821
Operating Profit	20,548	6,843	- 38,468
Other Income			
Government grants and incentives	25,000	10,000	46,135
Other revenue	1,959	414	2
Total Other Income	26,959	10,414	46,137
Net profit before income tax	47,507	17,257	7,669
Income tax (credit) expense	-	-	-
Net profit after income tax	47,507	17,257	7,669

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

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OK Boocho Pty Ltd ABN 85 625 971 404 Balance Sheet as at 30 June 2023			
Note	2023 \$	2022 \$	2021 \$
Assets			
Current Assets			
Cash assets	11,102	3,227	9,746
Receivables	13,361	17,391	8,975
Inventories	59,760	38,324	8,045
Other	1,300	1,300	1,300
Total Current Assets	85,523	60,242	28,066
Non-Current Assets			
Property, plant and equipment	141,533	116,729	77,511
Intangible assets	4,135	500	500
Other	1,105	1,505	813
Total Non-Current Assets	146,773	118,734	78,824
Total Assets	232,296	178,976	106,890
Liabilities			
Current Liabilities			
Current tax liabilities	4,093	1,699	7,893
Employee entitlements	1,512	-	2,856
Total Current Liabilities	5,605	1,699	10,749
Non-Current Liabilities			
Loans from associates	68,204	51,546	25,001
Financial liabilities	48,562	63,313	25,979
Total Non-Current Liabilities	116,766	114,859	50,980
Total Liabilities	122,371	116,558	61,729
Net Assets	109,925	62,418	45,161
Equity			
Issued capital	24	24	24
Retained profits	109,901	62,394	45,137
Total Equity	109,925	62,418	45,161

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OK Boocha Pty Ltd
ABN 85 625 971 404
Statement of Cash Flows
For the year ended 30 June 2023

	2023	2022	2021
	\$	\$	\$
Cash Flow From Operating Activities			
Receipts from customers	323,978	229,533	197,925
Receipts from grants	25,000	10,000	46,135
Interest received	74	1	2
Other receipts	1,675	414	-
Payments to suppliers and employees	- 300,569	- 255,186	- 240,398
Net GST	8,884	3,004	4,776
GST payments to ATO	- 7,896	- 5,428	- 2,940
Interest and other costs of finance	- 3,393	- 2,763	- 1,578
Net cash provided by (used in) operating activities (note 2)	47,753	- 20,425	3,922
Cash Flow From Investing Activities			
Proceeds from disposal of plant & equipment	210	-	-
Payments for plant & equipment	- 38,360	- 48,972	- 47,717
Payments for intangible assets	- 3,635	- 1,000	- 1,500
Net cash provided by (used in) investing activities	- 41,785	- 49,972	- 49,217
Cash Flow From Financing Activities			
Proceeds of borrowings	-	47,236	30,990
Repayment of borrowings	- 14,750	- 9,902	- 5,011
Loans from associates	16,658	26,545	25,000
Net cash provided by (used in) financing activities	1,908	63,879	50,979
Net increase (decrease) in cash held	7,876	- 6,518	5,684
Cash at the beginning of the year	3,226	9,744	4,061
Cash at the end of the year (note 1)	11,102	3,226	9,745

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OK Boocha Pty Ltd
ABN 85 625 971 404
Statement of Cash Flows
For the year ended 30 June 2023

	2023	2022	2021
	\$	\$	\$
Note 1. Reconciliation Of Cash			
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.			
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Business transaction account	4,887	2,316	8,896
Business saver account	6,191	886	825
Cash on hand	24	24	24
	11,102	3,226	9,745

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	47,507	17,257	7,669
Depreciation	13,040	9,754	5,292
Amortisation	400	308	187
(Profit) / Loss on sale of property, plant and equipment	306	-	-
(Increase) decrease in trade and term debtors	4,031	- 8,417	- 5,946
(Increase) decrease in finished goods	- 21,436	- 30,279	- 7,680
Increase (decrease) in other creditors	1,512	- 2,855	1,385
Increase (decrease) in sundry provisions	2,393	- 6,193	3,015
Net cash provided by operating activities	47,753	- 20,425	3,922

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OK Boocha Pty Ltd
ABN 85 625 971 404
Statement of Changes in Equity
For the year ended 30 June 2023

	2023 \$	2022 \$	2021 \$
Equity			
Opening balance	62,418	45,161	37,492
Increases:			
Profit for the year	47,507	17,257	7,669
Share capital	-	-	-
Total Increases	<u>47,507</u>	<u>17,257</u>	<u>7,669</u>
Decreases:			
Loss for the year	-	-	-
Dividends paid	-	-	-
Total Decreases	<u>-</u>	<u>-</u>	<u>-</u>
Total Equity	<u>109,925</u>	<u>62,418</u>	<u>45,161</u>

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

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Management comments on historical performance and outlook

Having secured three new distributors in the past financial year our can sales have increased by over 65% and achieved a gross profit of \$191,919 which is 60% of our sales revenue. In previous financial years we were personally delivering to a large proportion of our retail and food services customers. Distributors generally take a 20-30% profit margin which reduces revenue in the short term but was a strategic decision for the long term growth of the company.

We are raising funds to scale up production, and even the minimum raise would allow us to purchase a large enough coldroom for forklift access which will save an enormous amount of manual handling and therefore time, plus more cold storage for finished product. It would also enable us to purchase more stock in bulk. Purchasing in bulk is more expensive up front but decreases the cost per can.

A maximum raise would allow us to employ factory staff so we can get out on the road to convert more sales; focus on management, advertising and scaling up production (fermenting and carbonating equipment); and purchase more stock in bulk.

While we continue to scale the business, we do not expect to be profitable in the short-term.

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.



Information about the offer



Section 3.1

Terms of the offer

The Company is offering up to 525,000 shares at an issue price of \$1 per share to raise up to \$525 000. The key terms and conditions of the Offer are set out below.

Terms	Details
Shares	Fully-paid ordinary shares
Price	\$1 per share
Minimum Subscription	\$ 78,750
Maximum Subscription	\$ 525, 000
Opening date	23 August, 2023
Closing date	7 September, 2023

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.

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.



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
Sales and Marketing	\$0	\$10,000
Factory Expansion	\$30,000	\$60,000
Production Capital Expenditure (equipment) and Working Capital (stock costs, packaging, overheads, employee wages)	\$21,750	\$396,000
Offer costs	\$27,000	\$59,000
Total	\$78,750	\$525,000

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 12 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 12–18 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 expansion and continue to focus our cash resources on growing at a slower rate.



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

3.3.4 Election and removal of directors

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (60%).

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. Holders of fully-paid ordinary voting shares rank [ahead/behind] other classes of shares (if any).

3.3.6 Restrictions on sale or transfer

Drag along and tag along rights

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

- ***Drag Along Rights***

- if a Member or Members, who holds more than 30% of the issued capital of the Company, receives an offer (Offer) from third party (Offeror), for the purchase of all of the issued capital of the Company, including all option rights, then that Member or Members have the right to require that all other Members sell their Shares to the Offeror.
- Upon a Member or Members receiving an Offer (the Offerees), and if the Offerees wish to exercise the right described in Rule 20.4(a) , then the Offerees must:
 - notify the Company, and the other Members (including those with options to acquire Shares (the Option Holders)) (the Drag Along Notice) in writing of the terms of the Offer, and their wish to exercise their rights under Rule 20.4(a) ; and
 - the Drag Along Notice must set out the terms of the Offer and advise the other Members and Option Holders of the Offerees requirement that they transfer their shares to the Offeror and that the Option Holders must exercise their option rights and sell their Shares to the Offeror, on those same terms.
- Each Member and Option Holder must sell their Shares and do all things necessary and sign all papers and documents necessary in order to sell their Shares to the Offeror, on the terms and within the time frames specified in the Drag Along Notice, with time being of the essence with respect to all dates and times mentioned in the Drag Along Notice.

- Each Member and Option Holder must sell their Shares and do all things necessary and sign all papers and documents necessary in order to sell their Shares to the Offeror, on the terms and within the time frames specified in the Drag Along Notice, with time being of the essence with respect to all dates and times mentioned in the Drag Along Notice.
- In order to satisfy their obligations under Rule 20.4(c) , the Members and Option holders must sign Share transfers and provide any share certificates for their Shares together with all signed discharges and/releases as are necessary for their Shares to be transferred to the Offeror free of all encumbrances and security interests.
- Each Member irrevocably appoints the Company to be its agent to sign all documents and do such things as are necessary to effect the sale or disposal of such Shares to which this Rule 19 applies in the manner contemplated by this Rule.

● **Tag rights**

- If Shareholders who together hold 50% 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 50% may also 'tag'-along and sell their shares on the same terms.

If the Company has no CSF shareholders and is regulated under Chapter 6 of the Corporations Act, the Constitution contains a mechanism to 'turn off' the drag along and tag along provisions (as these provisions cannot functionally apply if the Company is regulated by Chapter 6 of the Corporations Act).

Exit provisions

If the Board gives notice to the Members of its intention to approve or undertake an Exit Event (Exit Event Notice) then (subject to obtaining the necessary consents or approvals contemplated in this Constitution and provided that where the Exit Event involves the sale of Shares, all Shares of the same class are to be sold on the same material terms, including as to price):

Pre-emptive rights on transfer

If the Directors receive a Sale Notice, the shares specified in the Sale Notice will first be offered for sale to the other Members ("Non-Selling Members") in proportion to their shareholdings.

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 by law, the rules of the relevant stock exchange, or as may be recommended by the relevant financial adviser to enable the success of the IPO.

Discretion to refuse to register a transfer of shares

The Directors may refuse to approve a transfer of shares without giving reasons but only if the Directors have not previously approved that transfer of shares.

On-sale restrictions under the Corporations Act

Shares acquired under the Offer may 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.

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

Pre-emptive rights

Rights of Existing Members

(a) With the exception of any Shares issued under Rule 10.2(c), before issuing Shares of a particular class, the Board must offer them to each Member who holds 15% or more of the total issued Shares of that class. For the avoidance of doubt, Shareholders who hold less than 15% of the total issued Shares in that class are not entitled to be issued Shares under this clause 10.2(a).

(b) The pre-emption rights set out in section 254D of the Corporations Act are expressly excluded.

(c) The Board may issue such Shares without first offering them to Members holding Shares of a particular class under clause 10.2(a), in the following circumstances:

(i) (***conversion of Shares***) an issue of Shares on conversion or exercise of rights attaching to a particular class of Shares;

(ii) (***buy-back funding***) an issue of Shares where the proceeds of the issue are used to fund a buy-back, cancellation, purchase or redemption of any Shares by the Company envisaged under this Constitution, any ESOP or terms of issue or other applicable constitutional document for a class of Shares;

(iii) (***ESOP***) an issue of Equity Securities under any ESOP;

(iv) (**CSF shares**) an issue of CSF Shares pursuant to the CSF Regime;

(v) (**IPO**) an issue of Shares pursuant to an IPO;

(vi) (**Exit Event**) an issue of Shares pursuant to an Exit Event;

(d) As far as practicable, the number of Shares offered to each Member under Rule 10.2(a) must be in proportion to the number of Shares of that class already held by that Member.

(e) To make the offer, the Board must give each Member a statement setting out the terms of the offer, including:

(i) the number of Shares offered to that Member;

(ii) the total number of Shares offered; and

(iii) the period for which the offer will remain open.

(f) The Board may issue any Shares not taken up under the offer under clause 10.2(a) as it sees fit.

(g) The Members, by resolution in general meeting, may authorise the Board to make a particular issue of shares without complying with Rules 10.2(a) to 10.2(e).

(h) The rights granted by this.

3.3.8 Amendments to the Constitution

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting. At least 75% of the voting members of the Company must vote in favour of the resolution for it to pass.

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:

- 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.



Investor rewards

In addition to being a shareholder of OK BOOCHA Pty Ltd a range of rewards are being offered for investors.

up to \$1,000

OK sticker and 20% discount on our entire range of products.
Pre-arranged PICK UP ONLY from our factory.

over \$1,000

OK sticker and 20% discount on our entire range of products.
Pre-arranged PICK UP ONLY from our factory.
OK T-shirt.



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.



Propriety company corporate governance

4.3.1 Annual report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

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

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.

4.3.2 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 share registry website at the following address www.registrydirect.com.au] (free of charge) or can purchase the report from ASIC.

4.3.3 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).

4.3.4 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.

Company updates

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



Glossary

Company means OK Boocha Pty Ltd . ACN 625 971 404

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 Birchal 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

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



