



CROWD-SOURCED FUNDING OFFER DOCUMENT

Offer Opening – 26 November 2024.

Offer of fully-paid ordinary shares in Australian Distilling Ltd at \$0.80 per share to raise a maximum of \$1,600,000.

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

Issuer: Australian Distilling Ltd ACN 160 037 249 | Intermediary: Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618.

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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.

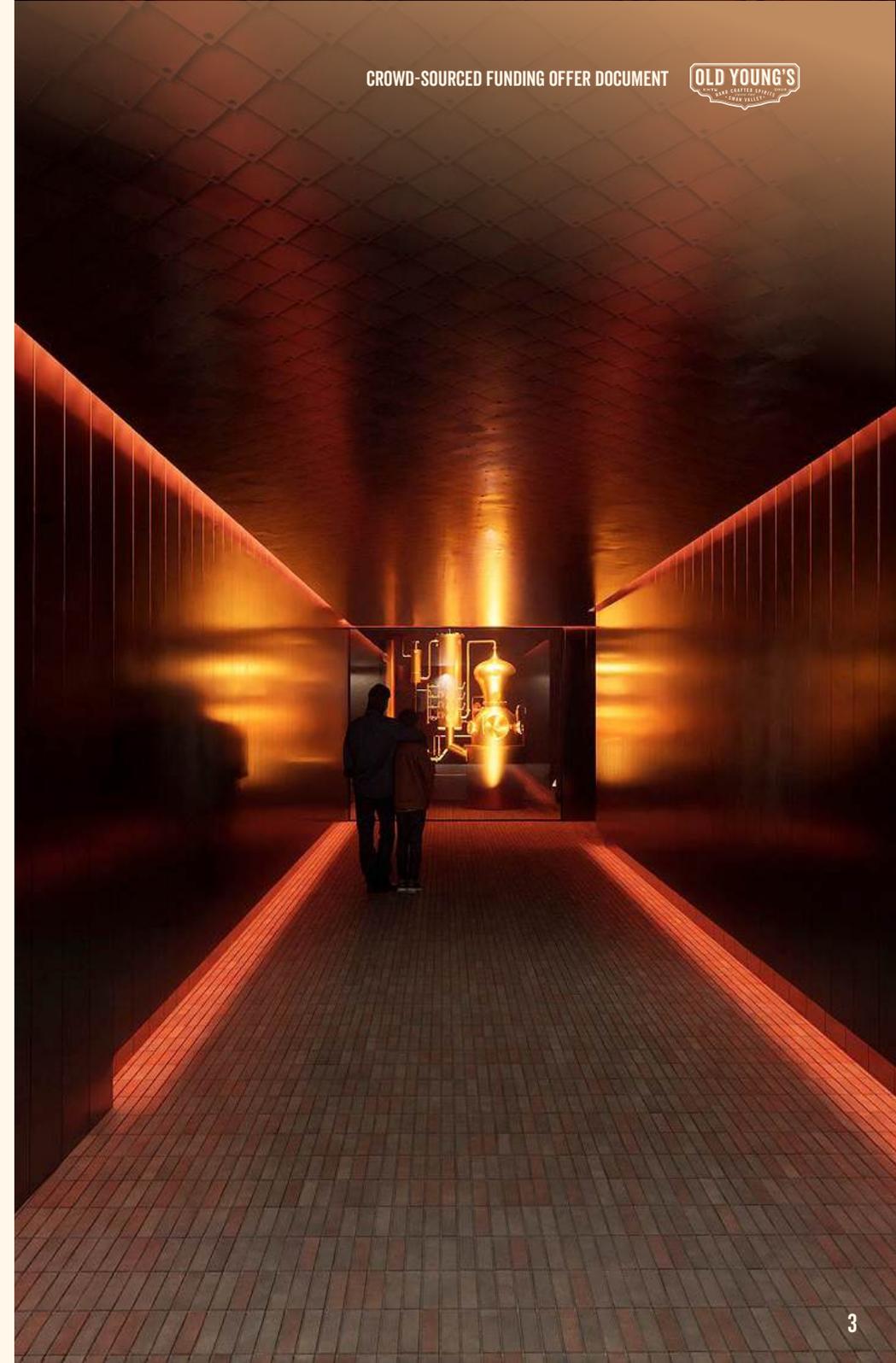
Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

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 FOUNDER

My name is James Young and I am excited to share this opportunity to invest in Old Young's.

Since we launched in May 2016, we have always punched above our weight. World Craft Producer and Brand Innovator of the Year, two-time Australian Champion Distiller, and three-time WA Champion Distiller are all accolades that speak to a level of quality and creativity that sets us apart.

While this adventure may have started with humble aspirations in a 36 sqm shed, I am so proud of what we have achieved and excited for our future plans.

The opportunity for the Australian distillers to thrive both domestically and internationally is something I am so passionate about - we are at the very start of the our industry's journey not the peak.

In March 2023, we set our vision:

"to build an iconic West Australian spirits brand to take on the world"

capturing an increasing share of the growing craft-spirits market. I'm pleased to say that vision continues to serve us well and every day we are making progress.

Industry recognition has been a cornerstone for our success and 2024 has been no different. Australia's best Contemporary Gin and WA Champion Spirit are just two of the awards we have added to the shelf - a more comprehensive list is on page 13.

Old Young's Kitchen was always a big step for us, to see if our approach to spirits could deliver equal success in new arenas. Named in the Top 10 Regional Restaurants in Australia and as a Top 5 Finalist for WA Restaurant of the Year, we are proving that the "Old Young's way" is transferable from the distillery to all areas of our business.

We also continue to innovate, and Old Young's Juniper Society's 50th gin release last month is proof of this. Listening to consumer demand, we also released our first ever ready-to-drink product, Pavlova Spritz, which has also been very well received. Finally, we launched our Seasonal range, which has driven a big increase in our online sales this year.

Beyond these awards and innovations, we also delivered on a number of corporate initiatives in the last 18 months. We now have an entirely new Juniper Society platform, we commissioned a new

still and bottling line, developed a comprehensive Asian export plan, and entirely transformed our governance and financial planning processes.

Now we need to build on these foundations and consider carefully how we can differentiate our brand further and get to scale. After eight and a half years, we're refreshing our branding with new label designs. The new packaging was developed, Stranger and Stranger, the worlds leading spirits design agency (and designers of the Gingin Gln bottle). It is currently in production and will be on shelves by Christmas.

We can't do any of this without the right people and we have had some fantastic talent join our team this year.

Paul Greenham has taken the helm as Head Chef at OYK - Paul comes to us from Si Paradiso and before that Casa, Bread in Common and a string of prestigious London venues.

Scott Conchar, formerly APAC BD Manager for Glenmorangie and Sales Director for Moët Hennessy, has come on board to bring his wealth of experience and contacts to advise our export strategy.

“I'm pleased to say that vision continues to serve us well and every day we are making progress.”

- James Young



We welcomed Benni Steele, our new Business Development Manager to drive our WA wholesale growth, and Matt Partridge, our new Head of Finance and Operations who is going to radically streamline our financial processes and operations.

We have also faced challenges in the past 18 months, along with the rest of the industry. Whilst there is no doubting the opportunities, the exponential growth of small distilleries as a result of a misguided excise remission scheme, coupled with macroeconomic headwinds, has meant even though we recorded a healthy \$5.6M in sales this reflected a drop of 9.3% this year rather than the consistent growth we have become accustomed to. That being said, our revenues dropped significantly less compared to many of our competitors, which we see as an opportunity. Every distillery in the country has been dealing with the same challenges, but a small number can seize the opportunity to build sizeable brands with larger market share of the market. Our goal is to be one of those brands.

One of the unfortunate realities of these shifts has meant that some strategies we employed last year, including an east coast sales team, were poorly timed. They increased our costs at a time when our revenue was under pressure. The lack of expected growth also put the entire cost profile of the business under pressure as well.

We have responded to these challenges by making the important strategy and operational changes required to bring us back to health. We refocused our sales efforts in WA, leveraging our

local advantage where we still have significant room to grow, and on an export strategy that was slowed down last year by the difficult operating environment. Internationally, our award-winning brands give us the opportunity to work with the best distributors - an important advantage for us.

We are still maintaining our East coast presence, via strong relationships with the national retailers: Endeavour (Dan Murphys and BWS) and Coles (Vintage Cellars, First Choice & Liquorland) while our products are all still available outside of WA through our existing distributors.

Operationally, we've sharpened our focus on identifying inefficiencies and hardening our process and risk management. My two fellow Directors have been instrumental in this transformation but there's still a way to go.

Executing this plan will ensure that we deliver on our number one value of sustainability and puts us on a path to profitability across every aspect of the business.

Our successes to date and our ability to withstand challenges are what give me great confidence for our next chapter, built around the plans for a iconic new home.

This building is a powerful expression of everything that Old Young's stands for - sustainability, creativity and ambition. The architect's submissions for our Cathedral of Gin were all incredible. The judging panels did an amazing job selecting the final design. We've been

working closely with the government departments required to help the passage of this project and Tourism WA, in particular, are excited and supportive to see this iconic tourism location come to life in the Swan Valley.

While the path to long-term success for any business is rarely simple and despite our challenges, we have the strategy and team to deliver on our ambitious vision. The recent acquisition of Never Never Distillery by Asahi demonstrates the market's continued interest in strong brands and businesses.

I encourage you to spend some time considering all the information available in this document. I trust you will see, as I do, the long-term potential of this business and choose to join us as we not only make history, but build history too.

Cheers!

James Young

COMPANY DETAILS

This offer of shares is made by Australian Distilling Limited
ACN 160 037 249 (**Company**).

Company Name	Australian Distilling Ltd
ACN	160 037 249
Date of Incorporation	23rd of August 2012
Date of Conversion to Public Company	7th of March 2023
Registered Office	10581c West Swan Road Henley Brook WA 6050
Principal Place of Business	10581c West Swan Road Henley Brook WA 6050
Directors	James Young Melanie Wiese Liam Doyle
Subsidiaries	OYND Pty Ltd (100% wholly-owned Australian Distilling Ltd as trustee for Australian Distilling Property Trust (100% wholly-owned, not currently active)
Company Secretary	Winton Willesee - Azalea Corporate
Share Registry	Computershare
Website	www.oldyoungs.com.au

OUR BUSINESS

SECTION 2.3.1

WE ARE OLD YOUNG'S

“Our Vision is to build an iconic West Australian spirits brand to take on the world.”

“Our Values as we deliver on our vision are to be Sustainable, Principled, Creative and Ambitious.”

Read on to learn more about the history of Old Young's and to get a taste for the potential for what is to come.

TIMELINE & MILESTONES TO DATE

SOMETIME BACK IN 2010

James and his brother Matt share a gin and tonic and muse on the idea of making gin in Gingin.



OCTOBER 2012

James travels to New York to pitch the idea of Gingin Gin to the world's foremost spirits design agency - they love it.

AUGUST 2014

James leaves his job as CEO of Swimming WA having signed an agreement to take over a mothballed distillery in the Swan Valley.



AUGUST 2014 – MAY 2016

James develops the Old Young's core range of products whilst trading under the previous distillery's name, Wild Swan.

NOVEMBER 2015

A pre-release batch of 1829 gin wins our first ever Gold Medal at the Hong Kong International Wine and Spirits Competition.

APRIL 2016

Old Young's Pure No 1 Vodka wins Australian Champion Vodka at the Australian Distilling Awards one month before our official launch.

MAY 2016

Old Young's is born as the sign goes up and we feature in Destination WA the same month!



FEBRUARY 2017

Our first of many (oh so many) orders from Dan Murphy's lands.

MARCH 2017

Six Seasons Gin is launched - initially developed for a one-off dinner, this herbal and earthy gin featuring six native Australian botanicals is an instant hit.

APRIL 2017

Pure No 1 Vodka wins Best International Vodka at the American Distilling Institute Awards.

APRIL 2017

Old Young's are named Australian Champion Distiller and win Australian Champion Vodka for the second time. James misses the awards because he is still on a plane returning from the ADI awards.

MARCH 2018

Common Gin - the navy-strength, juniper beast is launched.

MARCH 2018

Old Young's are crowned Champion Distiller for the second year running. James makes it this time and gets all teary when accepting the award.



JULY 2018

Old Young's collaborates with newly crowned World's Best Bartender, Joe Schofield, to create The Tippling Club gin.

NOVEMBER 2018

Old Young's make a brief foray into the world of Whisky releasing a 19 year old Australian single malt, The Journeyman, matured in 3 casks in 3 states. It sells out and subsequently also wins a gold medal at the Australian Distilled Spirits Awards. Sorry, it's gone folks.



MARCH 2019

Common Gin wins Gold at the San Francisco Spirits Awards.

APRIL 2019

All three Old Young's Gins - 1829, Six Seasons and Common win Gold Medals at the Tasting Australia Awards.

JULY 2019

Our 36 sqm sheds grows to a whopping 54 sqm!



NOVEMBER 2019

Old Young's invited to distill the official 2019 Gourmet Escape Gin, collaborating with Momofuku chef, Paul Carmichael to produce a Caribbean style gin.

DECEMBER 2019

Old Young's Tasting Room grows again with a new shipping container bar and gin wall the showpieces of the new tasting room.

FEBRUARY 2020

Old Young's first sponsorship is exactly what it should be - supporting local storytelling legends Barefaced Stories.

MAY 2020

Old Young's releases our first bottled cocktails.



JUNE 2020

Tim Kempton, formerly Senior Distiller at Sipsmith, joins Old Young's as Head Distiller.

SEPTEMBER 2020

Old Young's Juniper Society Launches with an iconic gin, F*ck Covid.

SEPTEMBER 2020

Our first orders arrive from Coles Vintage Cellars, First Choice and Liquorland.

OCTOBER 2020

Old Young's wins Champion WA Distiller and Champion Vodka at the Perth Royal Spirits Awards.



DECEMBER 2020

Gingin Gin Launches and immediately goes on the shelves of Dan Murphys.

FEBRUARY 2021

Gingin Gin wins the first of many medals with a Gold Medal at the World Gin Awards.

JULY 2021

James is elected President of the WA Distillers Guild

DECEMBER 2021

Old Young's purchases a 45,000sqm dream block with 400m of Swan River frontage.



JANUARY 2022
Old Young's Kitchen opens.

JANUARY 2022

Old Young's sponsors FringeWorld – and launches their own sellout fringe show.



FEBRUARY 2022
Old Young's Pavlova named Australia's Best Vodka at the World Vodka Awards.

APRIL 2022

The distillery is extended – this time by 192 sqm – a 400% increase in floor space

MAY 2022

Old Young's Pavlova Vodka named Australia's Best Vodka in the Dan Murphy's Decoded Awards.

JULY 2022

Old Young's Common Gin scores 96 points in winning yet another gold medal at the International Wine and Spirits Competition.

AUGUST 2022

Old Young's wins WA Champion Distiller for the second time as well the trophy for Champion Vodka.

SEPTEMBER 2022

12 International, National and Local Architects are invited to express interest in pitching for our new Swan Valley home. All 12 submit EOI's. James has the best day ever when he speed dates all 12 and eventually cuts the list to three who will submit designs as a part of an Architectural competition.

NOVEMBER 2022

Gingin Gin named Spirit of the Year at the WA Good Food Guide Awards. Old Young's has 3 spirits in the Top 10 (top 7 actually).



NOVEMBER 2022

Old Young's Kitchen debuts in the WA Good Food Guide at Number 35.

JANUARY 2023

Old Young's Kitchen receives a Chefs Hat in its first year, only one of two in the Swan Valley.

FEBRUARY 2023

Old Young's named Craft Producer of the Year and Brand Innovator of the Year at the Icons of Gins Awards in London!



MARCH 2023

Liam Doyle and Mel Wiese join the Board

MARCH 2023

Old Young's raises \$2.7m in a little under 23 hours – the largest crowd-sourced raise for the year, WA's biggest ever raise and the biggest alcohol raise on Birchal ever.

APRIL 2023

Production Upgrade: 500L Still commissioned



JUNE 2023

Old Young's Kitchen is named in Travel And Luxury Magazine's Australia's Top 10 Regional Restaurants

OCTOBER 2023

James and Cameron McKenzie (Four Pillars) are inducted into Gin Guild in London - the first two Australian Distillers ever. James is inducted by Desmond Payne, master distiller at Beefeater.

NOVEMBER 2023

Black Cherry Gin the first in Old Young's new Seasonal Range Launched



NOVEMBER 2023

Old Young's Kitchen is named as a Finalist for Restaurant of the Year, placing it in the Top 5 restaurants in WA and is also awarded 2 stars



DECEMBER 2023

Pavlova Spritz launched

DECEMBER 2023

Cumulus Studio officially named as the winner of the Old Young's Architecture Competition, with their Tippy Shed concept wowing the design and operations panels

FEBRUARY 2024

Old Young's is invited to collaborate with Singapore Airlines to develop a signature Silver Kris Sling to be served in the brand new lounge at Perth International Airport. The cocktail features our Six Seasons native botanical gin.

FEBRUARY 2024

Juniper Society 2.0 launched giving customers complete flexibility to double up or skip their subscription each month.

MAY 2024

Old Young's ranged in Perth Airport Duty Free.

JULY 2024

Scott Conchar, formerly head of Asia Pacific for Glenmorangie agrees to deliver an Asian export strategy and implementation process for Old Young's.

AUGUST 2024

Old Young's dominates the 2024 Perth Royal Spirits Awards taking home 3 Trophies including Champion Distiller and Champion Gin, along with 5 Gold, 6 Silver and 8 Bronze Medals!

SEPTEMBER 2024

Old Young's Juniper Society gin - Chilli & Rose - is awarded Australia's Best Contemporary Gin at the Australian Gin Awards.

OCTOBER 2024

50th Edition of Old Young's Juniper Society released.



NOVEMBER 2024

Old Young's land 4 spirits in the Top 10 Spirits for WA Good Food Guide Spirits Awards.

AWARDS SINCE 2016



25 TROPHIES

38 GOLD MEDALS

96 SILVER MEDALS

97 BRONZE MEDALS

AWARDS IN 2024



SECTION 2.3.4

PRODUCTS & SERVICES

CORE RANGE - GIN

The Old Young's Core range consists of 3 gins as well as Gingin Gin. Our gins showcase our creativity demonstrate a range of styles - from London Dry to showcasing native botanicals. All gins are made with Tuscan Juniper - we are the only Australian distiller with access to this premium ingredient.

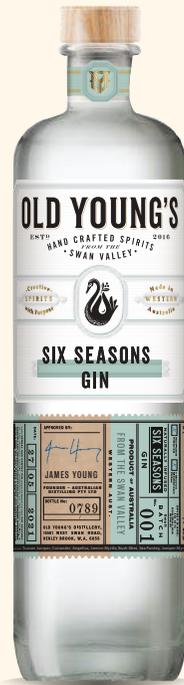


1829 GIN

The perfect Desert Island Gin.

Tasting Note:

Bright, fresh, citrusy. We use our signature Tuscan juniper, add cardamom and native lemon myrtle for aromatics and then turn the citrus level up to 11 with fresh orange and lemon peel.



SIX SEASONS GIN

Our "Ten Minutes to Live" Gin

Tasting Note:

A savoury, herbal and complex gin incorporating 6 native Australian botanicals - one for each of the Six Seasons of the Noongar calendar paired with our signature Tuscan Juniper. This gin has enormous length and layers of flavour.



COMMON GIN

Our Juniper Monster or "Beast-Mode" Gin

Tasting Note:

This navy-strength (57.5%), single botanical (100% juniper) gin, showcases the world's best Tuscan Juniper that is used in all Old Young's gins. The juniper leaps out of the glass in all its piney, peppery and fragrant glory and yet is incredibly smooth for such a high alcohol gin.



GINGIN GIN

A modern classic, serve at sunset.

Tasting Note:

This gin combines 3 traditional, 3 local and 3 exotic botanicals to create an Australian Gin that sits comfortably on premium gin shelves all over the world. Citrus and spice are brought together in perfect balance to create.



SECTION 2.3.4

PRODUCTS & SERVICES

CORE RANGE - VODKA

The Old Young's Core range consists of 3 vodkas as well as our latest release, our Pavlova Spritz ready-to-drink 250ml can. Each vodka showcases local ingredients and demonstrates our purpose - when we make a spirit, we always keep in mind who is drinking it, when and how!



PURE NO 1 VODKA

An Australian Vodka to take on the World's best.

Tasting Note:

Made from Swan Valley grapes and Australian sugarcane, this vodka is incredibly smooth across the tip of the tongue with a hint of warmth but definitely no burn on the back palate. The grape base gives this a viscous mouthfeel.

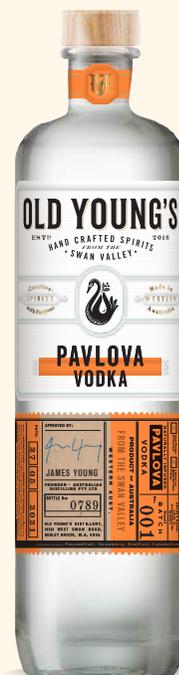


SMOKED VODKA

Our Vodka for Whisky drinkers.

Tasting Note:

Think American BBQ meets peated whisky meets campfire. Hickory, Cherrywood, peat and Eucalyptus are smoked and infused into this vodka to create a unique and full flavoured smoky vodka.



PAVLOVA VODKA

The first (and probably only) classy sweet Vodka you will ever try.

Tasting Note:

After 35 attempts we found just the right blend of passionfruit, strawberry, kiwifruit, burnt sugar and vanilla to truly recreate Pavlova in a bottle. Fruit sweetness but not cloying, there is a reason this is our biggest seller.



PAVLOVA SPRITZ

Our first RTD release - Pavlova Spritz has been an instant hit.

Tasting Note:

Combining Pavlova Vodka, Cranberry, Lime and a dash of Swan Valley Sparkling, this RTD delivers on Old Young's promise of quality and creativity.

SECTION 2.3.4

PRODUCTS & SERVICES

OLD YOUNG'S JUNIPER SOCIETY

Launched in September, Old Young's Juniper Society was our creative solution to tasting room closures during the pandemic. Described as "netflix for gin", for \$65 a month subscribers receive a brand-new, never to be repeated gin. Juniper Society is completely unique where the gins are all distilled by the same distillery and cannot be purchased anywhere else – even at our tasting room.



SEASONAL RANGE

The Old Young's Seasonal range was launched in November 2023, with the release of our Black Cherry Gin. Since then we have released another 4 editions: Lemon Meringue, Old B.A.G., Chilli & Rose and Orange & Cranberry. These flavour forward, crowd-pleaser gins are a big hit on our online store and give loyal customers something new to sample.



SECTION 2.3.4

PRODUCTS & SERVICES

OLD YOUNG'S TASTING ROOM

The Old Young's Tasting Room has been the heart and soul of Old Young's since we opened in May 2016. This is where we tell the Old Young's story, get liquid on lips and inspire customers to become advocates.

A tasting at Old Young's isn't just a run through of our products – it's a 45 minute show – where our tasting room guns take great pride in showcasing their storytelling skills. The way we tell our story is informative, sometimes irreverent and always entertaining! This style has become the benchmark for how we present the whole business. The Tasting Room is a must visit stop for the majority of high-end tours to the Swan Valley and has been featured on numerous occasions in local, national and international press. We also host Make Your Own Gin Making Experiences on site.



OLD YOUNG'S KITCHEN

Since opening almost 3 years ago, Old Young's Kitchen has established itself as the go-to culinary experience in the Swan Valley. Our share-plate menu, infused with Australian native flavours and showcasing WA produce, is perfect for casual catchups through to serious foodie adventures, all paired with a drinks list that showcases Old Young's spirits in signature serves and stunning cocktails. With 3 outdoor areas, stunning gardens, indoor dining and a private dining room, we have been delighting guests, whether they are visiting us for lunch, special occasion dinners, corporate events or weddings. Old Young's Kitchen was named as a finalist for Restaurant of the Year by the WA Good Food Guide in 2024, and has been featured in the LA Times, the Qantas Magazine and was named one of Australia's Top 10 Regional Restaurants by The Australian's Travel and Luxury Magazine.



SECTION 2.3.5

GRAND PLANS

OLD YOUNG'S CATHEDRAL OF GIN

After a comprehensive selection process we are so proud to present the design concepts for Old Young's new distillery and hospitality venue - our Cathedral of Gin.

The brief was simple - to design an iconic new home for Old Young's, that:

- ▶ complements the stunning site located on the banks of the Swan
- ▶ celebrates the distilling process
- ▶ reflects the personality of Old Young's - creative, ambitious and passionate.

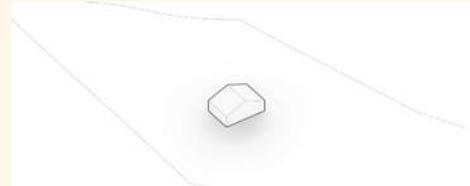
The expectation was the building should house:

- ▶ A distillery including barrel store capable of producing over 1,000,000 bottles of gin, vodka and brandy each year
- ▶ Multiple hospitality offerings including tastings, experiences, tours and education
- ▶ Varied dining and drinking options including functions and events
- ▶ Large kitchen
- ▶ Luxury accommodation
- ▶ Offices and meeting areas for staff

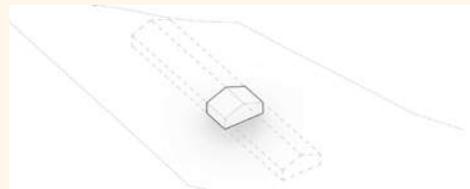
Some of the sites we were inspired by:

- ▶ Marques de Riscal, Rioja
- ▶ Casa Silencio, Oaxaca
- ▶ Rabbit Hole Distillery, Louisville
- ▶ The D'Arenberg Cube, McLaren Vale

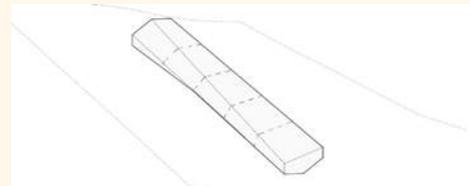
CONCEPT - THE TIPSYP SHED



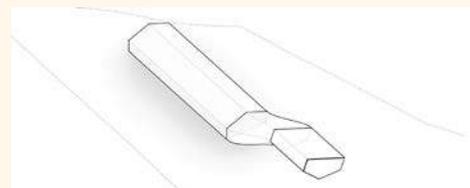
Old Young's started in a small shed



Then they grew



got creative...



and ambitious (elevated)



Images supplied by Cumulus Studio are conceptual and for illustrative purposes only

SECTION 2.3

SECTION 2.3.6

MARKET, COMPETITORS & CUSTOMERS

Spirits is the only alcohol category that remains in growth, reflecting a global trend of premiumisation, where consumers drink less volume but higher quality products. In 2023, the Australian Institute of Health and Welfare reported that apparent consumption of spirits had increased by 10% between 2018-19 and 2019-20, while wine and beer respectively declined by 3.8% and 2.8% each¹.

Currently, the vast majority of spirits consumed in Australia are not Australian owned and produced. The opportunity for spirits to mirror the success of the Australian wine industry as domestic consumption moves to Australian-made is vast. Additionally, according to modelling by economics firm, Mandala, the Australian spirits industry has the potential to become a \$1 billion export powerhouse by 2035². The study found Australia is ideally positioned to capitalise on rising global demand for high quality, premium spirits.

Global demographic trends are a tailwind here as well, as Western Australia is positioned along the most populated timezone on the planet, enabling us to service these huge markets very efficiently and effectively.

At the same time the current macroeconomic environment has resulted in lower discretionary spending among consumers, and biannual excise increases continue to be a challenge for the mid-

sized distillers like Old Young's. This coupled with a poorly designed excise remission scheme, has led to an uneven playing field for small vs medium and large distillers and an overly generous incentive to join the industry. From around 30 distilleries in 2014 to over 700³ today, the landscape has become significantly more crowded. Additionally, national retail chains are increasingly developing and promoting their own in-house product lines, further intensifying competition for independent distilleries.

We see all of this as an opportunity and the basis for this next chapter for our brands. Very few Australian distilleries possess well-known brands, let alone international award-winning recognition. This presents a unique opportunity for these brands to further differentiate themselves and build lasting brand equity.

The closure, consolidation, and downsizing of some distilleries create opportunities for stronger brands to acquire market share and expand their reach. As Australian consumers continue to embrace premium Australian spirits, the multi-national spirits brands will have to make a decision - to give up market share or invest in Australian spirits brands.

¹ Australian Distillers Association - The Australian Spirit - 2024

² Mandala Partners - Spirits Industry Sector Competitiveness Plan - 2024

³ Deloitte Access Economics - Economic contribution of the spirits industry in Australia - February 2024





BUSINESS AND REVENUE MODEL

CORE BUSINESS

Craft Spirits and Premium Experiences

Old Young's manufacture, sell and distribute distilled spirits. We are also in the business of creating premium experiences for our customers – whether it be at a tasting, drinking a cocktail, attending a masterclass or sharing a meal.

When it comes to sale and distribution of our products, we have a number of channels:

Wholesale:

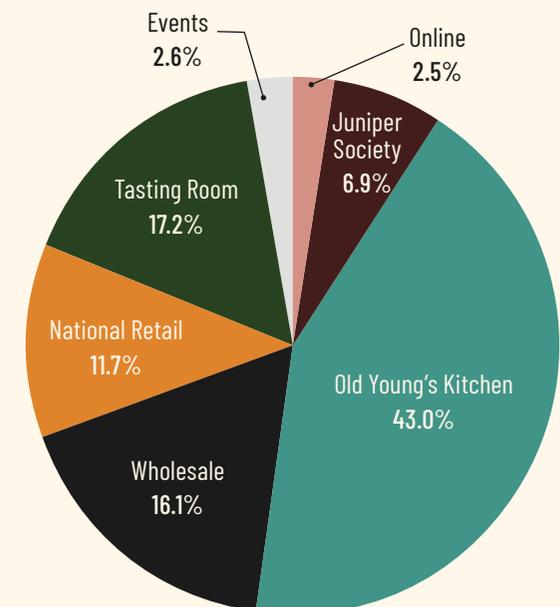
- ▶ National Retail: we maintain excellent relationships with the Endeavour Group (Dan Murphy's and BWS), Coles (First Choice, Vintage Cellars and Liquorland).
- ▶ National Wholesale: our products are available to on and off premise venues via Liquid Mix (WA), Paramount (East Coast) and ALM (nationally).
- ▶ Online Distributors: Old Young's products are also available through Nip of Courage.
- ▶ Export: Old Young's are represented by Distilled LLP in Singapore.

- ▶ Trade Events: We also showcase our products at industry events such as Liquid Mix Live, Buy West, Eat Best and Indie Spirits.
- ▶ Monthly Subscription: Juniper Society is our monthly gin club, that delivers a brand new gin to our members every month. We currently have over 500+ members paying \$65 per month, which delivers consistent, repetitive income.
- ▶ Online Store: this has been a new source of growth, growing 61% in FY24. We have been successful at using our online presence to promote and sell our coveted seasonal range, as well as limited remaining Juniper Society editions for our current members.
- ▶ Events: we also offer tastings and bottle sales at a select number of external and corporate events. Since FY24, we have focused our efforts on larger events such as Good Food & Wine, or local events that support the Swan Valley that has supported us so well.
- ▶ Retail: our Tasting Room is our primary in-person experience for the brand, located in the Swan Valley. This is where customers enjoy tasting experiences, can participate

- in gin masterclasses and Make Your Own Gin experiences. This venue is a significant and high-margin area of the business with ongoing annual FY sales of \$800K-\$1M.
- ▶ Hospitality: Old Young's Kitchen started as an opportunity to showcase our spirits in signature serves and world-class cocktails, paired with shared plates featuring WA produce and native ingredients.

It has now become one of WA's most respected restaurants, winning a Top 5 nomination for Restaurant of the Year in 2024. In addition to the normal lunch and Friday evening service, in 2024 we have grown our functions business by 28% in FY24 including weddings and corporate events, cocktail masterclasses and make your own gin experiences and the FY25 outlook shows even greater growth.

REVENUE BREAKDOWN - FY24



BUSINESS STRATEGY

As we have matured over the last 2 years, we have also crystallized our 5 Year Vision for Old Young's. We want to become Western Australia's largest distiller by revenue and volume and a Top 5 Australian spirits brand. Balancing this ambition is a sharp focus on being a highly efficient and well-run business that delivers consistent profits and has multiple options to return value to shareholders.

We plan to deliver on our goals as part of four primary initiatives, that will guide our long-term investments:

1. Differentiated Global Brand - we are in the fortunate position of having internationally award-winning brands, but we can differentiate further by refreshing our brand packaging and planned iconic home. From this foundation we have the ability to invest thoughtfully in marketing to ensure strong brand awareness in our key markets.

2. Focused Product Development - we have evolved our core product line this year, but we can continue this process to diversify revenue and stay aligned with consumer trends. This also extends to hospitality where we have proven our

ability to deliver premium experiences that weave together our spirits, food, and sense of fun.

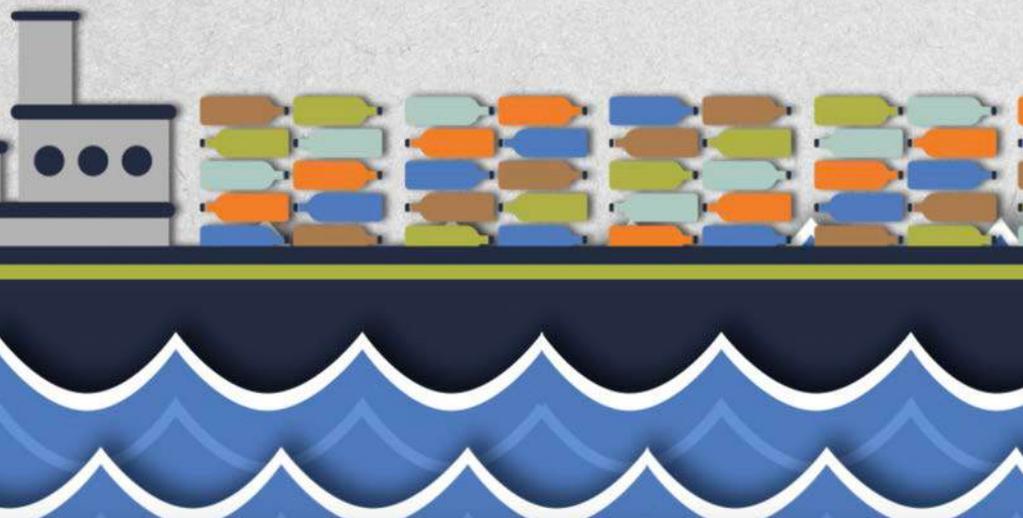
3. Sustained Growth - the crowded domestic market has led to a more parochial wholesale environment for Australian distillers. We are re-focusing our domestic efforts on winning the WA market and using this as a base for overseas expansion. In these markets, our strong brands give us a clear advantage when competing for the best distributors.

4. World-class Business - to achieve our goals, we need to be a brilliantly run business. We have been evolving our operations, governance, and risk management accordingly. The Australian excise environment will remain an obstacle for most local distillers, but these can be mitigated with a tight focus every aspect of supply and manufacturing. By optimising each part of the business without jeopardizing our quality, we plan to deliver further efficiencies to the business.

All deliverables roll up to these four initiatives. Through disciplined execution and strong foundation of brands + team, we are confident in our ability to deliver this plan for all stakeholders.

330,000

BOTTLES SHIPPED



SECTION 2.5.1

ACHIEVEMENTS AND OPPORTUNITIES

DIFFERENTIATED GLOBAL BRAND

Our brands, products, and experiences continued to impress in FY24 and gained further recognition through prestigious awards. Looking ahead to FY25 we're launching new initiatives to further differentiate and drive growth.

FY24 ACHIEVEMENTS

- ▶ New Juniper Society platform launched
- ▶ 50th Juniper Society shipped!
- ▶ New core range packaging on shelves for Christmas
- ▶ Australia's Best Contemporary Gin, WA Champion Distiller, Top 5 WA restaurant
- ▶ Completed international architecture competition for our new home

OPPORTUNITIES

- ▶ Design development and planning approval for Cathedral of Gin
- ▶ New marketing & trade campaigns in key markets
- ▶ Continued participation in the most prestigious awards
- ▶ Enhanced Tasting room and Restaurant experiences to further integrate our brand

FOCUSED PRODUCT DEVELOPMENT

We continue to be market leaders in developing creative products. We've achieved key milestones in FY24 and for FY25 we're focused on optimising production, diversifying our range, and improving our consumer experiences.

FY24 ACHIEVEMENTS

- ▶ New bottling line commissioned
- ▶ New Seasonal releases including Black Cherry, Old BAG and Lemon Meringue
- ▶ Pavlova Spritz "Ready-To-Drink" released
- ▶ Revamped Music To Your Ears Cocktail list launched at OYK
- ▶ Cocktail Masterclasses launched

OPPORTUNITIES

- ▶ Refreshed Old Young's Kitchen menu
- ▶ Second RTD launch
- ▶ Continued product innovation via Juniper Society and Seasonal Releases
- ▶ New sustainable distillery design development
- ▶ Brown Spirits - Brandy project

GROWING REVENUE AND REACH

Getting the business to scale is a strategic imperative to win long-term. We had some successes and failures here in FY24 but are confident in the FY25 initiatives to increase sales in WA and expand overseas.

FY24 ACHIEVEMENTS

- ▶ Now available in Perth Duty Free
- ▶ New sales team focusing on WA growth
- ▶ New sales and events manager employed to drive OYK revenue
- ▶ Developed Asian export growth strategy with Scott Conchar
- ▶ Collaborations with Singapore Airlines and Barefaced Stories

OPPORTUNITIES

- ▶ Renewed investment in our relationships with Dan Murphy's, BWS, Liquorland & Vintage Cellars
- ▶ Trade engagement plan for WA bars launched in conjunction with a lighthouse venue initiative
- ▶ Launching in three new export markets in early FY26
- ▶ Targeting Juniper Society launch in USA

WORLD-CLASS BUSINESS

In FY24 we made many changes to be more efficient and optimized in operations, but we want to be best-in-class for management and margins. In FY25 we're going to continue to improve operations and financial management.

FY24 ACHIEVEMENTS

- ▶ Transitioned to formal Board and governance structure
- ▶ Improved strategic and financial planning
- ▶ Improved cost controls and significant reductions across all businesses
- ▶ Improved OH&S procedures
- ▶ Improved risk management
- ▶ New Finance and Operations leadership hired

OPPORTUNITIES

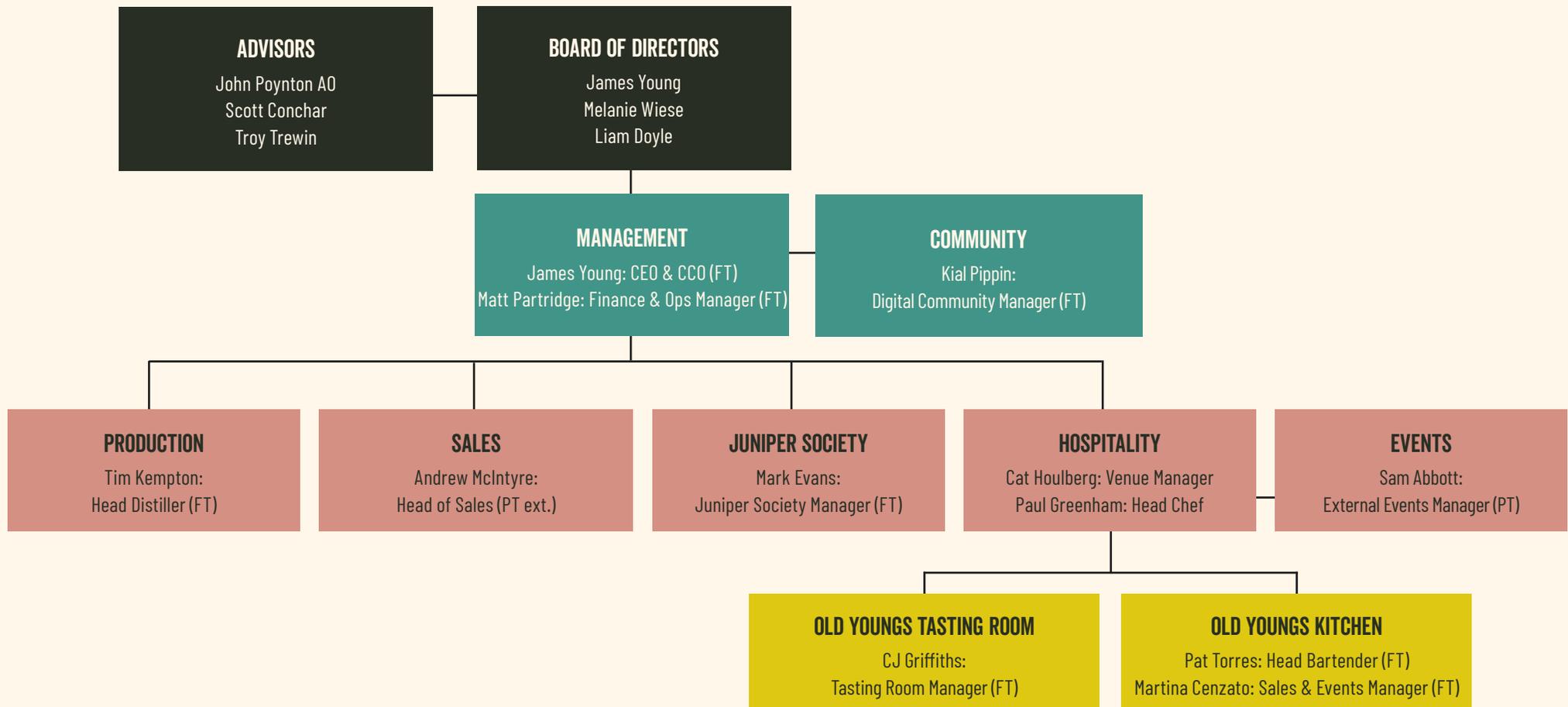
- ▶ Continued improvement in departmental budgeting and performance tracking
- ▶ Continued margin improvement through cost controls and efficiencies
- ▶ Distilling EBIT loss reduced by 60+% in FY25
- ▶ Hospitality EBIT positive in FY25
- ▶ Significant reduction in debt load within 2 years

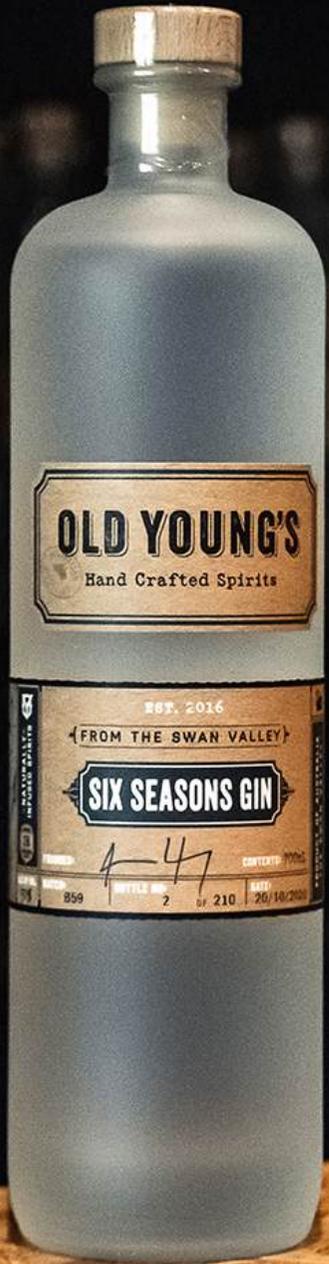


OUR TEAM

SECTION 2.6.1

ORGANISATIONAL STRUCTURE





SECTION 2.6.2

DIRECTORS

**James Young**

Distilling is James' 5th career in 20 years. After leaving university he opened a successful graphic design agency, before selling and moving to Lithuania, where he became the Head Coach of the National Women's Hockey Team.

Upon returning to Australia he worked in some of Perth's biggest advertising agencies, then turned his skills to sports administration where he worked as CEO at Swimming WA, before taking the challenge of distilling world-class spirits.

Since launching Old Young's in 2016, James has seen the business grow from strength to strength, gaining recognition via a swag of awards. James leads the team and is the brand guardian and creative force behind Old Young's.

**Melanie Wiese**

Melanie has spent over 15 years working as a communications strategist in Melbourne, New York and Perth helping some of the world's biggest brands including Diageo, Ford and Proctor & Gamble clarify their value proposition and effectively identify and communicate with their marketplace. Melanie's specialist expertise is in brand strategy, research design and co-creation methodologies to solve organisational problems.

Melanie brings big-brand strategy, intelligence and insight to Old Young's and will be a huge asset as we transition from a brand keeping up with demand to driving our own growth.

**Liam Doyle**

Based in San Francisco but hailing from Perth, Liam Doyle is an experienced senior executive in technology, most recently working as an SVP and GM at Salesforce. After Liam joined Salesforce with an acquisition of his company in 2012, he led the launch and scaled growth of a number of new businesses for Salesforce, in addition to facilitating four strategic acquisitions. He is also currently the chair of the buildOn board for Western USA.

Liam is an early investor in Old Young's and brings over 15 years of strategy and leadership experience with a particular focus on scaling businesses and employing digital experiences.

MANAGEMENT



Tim Kempton – Production

Tim has held the role of Head Distiller and Production Manager for Old Young's since June 2020. Prior to joining Old Young's, Tim was a senior distiller and head of safety at Sipsmith – the first distillery to open in London in over 200 years. Sipsmith have been at the forefront of the craft gin movement and were purchased by Beam Suntory in December 2016.

Since arriving in the Swan Valley, Tim worked with James on the recipe for Gingin Gin and has taken the lead on product development for Old Young's Juniper Society. He leads a team of three in the distillery and will be responsible for our production upgrade.



Andy McIntyre – Sales

Andrew comes to Old Young's with a strong track record in building brands and managing sales teams. Andrew has previously worked as National Sales Manager for Larry Cherubino Wines and as Reserve Brands Ambassador for Diageo in WA and South Australia. He has an enviable reputation within the industry and a national network that is proving to be a key asset for us.

Andrew's role at Old Young's is to mentor and support our brand ambassadors, explore partnerships with national and international distributors, partner with Production on new product development and drive promotions to build the brand in both on-premise and off-premise.



Mark Evans – Juniper Society and Key Accounts

Mark has extensive experience in both marketing, planning and sales. Prior to moving to Australia he worked for Carlsberg and Matthew Clark beverage wholesalers, before taking up a role in Perth with Treasury Wine Estates. Mark joined Old Young's in 2020 and has been our organisational allrounder, filling the roles of Operations and Sales Manager, before taking on key accounts and overall responsibility for Old Young's Juniper Society.

Mark's priority for the next 12 months will be unlocking the huge potential of Juniper Society whilst maintaining our relationships with the Endeavour and Coles groups and our national network of distributors.



Matt Partridge – Finance and Operations – Senior Manager

Matt is our newest addition to the team, joining us as our Finance & Operations Manager, after a number of years in similar roles for mining companies and startups from South Africa, the UK, and Australia.

Matt is already well underway identifying further efficiencies and improvements in the business, from ensuring consistent process adoption through to full business process automation.

He'll be using this more rigorous operational backbone to further harden our financial planning.



Cat Houlberg – Venue Manager

Cat is responsible for the day-to-day management of Old Young's Kitchen and Old Young's Tasting Room which is on track to deliver over \$3.5M in revenue in FY25.

She brings the perfect level of passion and energy that a leader at Old Young's needs to show and is a great role model to the Old Young's Kitchen team.



Paul Greenham – Head Chef

Paul is a highly talented chef who most recently was the Head Chef at Si Paradiso and had a supervisory role at Casa, El Grotto and Found Brewery. He also has Michelin star experience in London and brings a wealth of experience and passion to the role of Head Chef at Old Young's.

A champion of local and seasonal produce, we couldn't be more happy to have him at the helm of Old Young's Kitchen.



Patrick Torres – Head Bartender

Pat is more than a Bar Manager, he is the driving creative force behind the drinks program at Old Young's Kitchen.

He is responsible for the new Music to Your Ears cocktail list and is currently developing a bespoke brine for the perfect dirty Martini. Pat previously worked at Si Paradiso, Mechanics Institute, Foxtrot Unicorn and Choo Choo's.

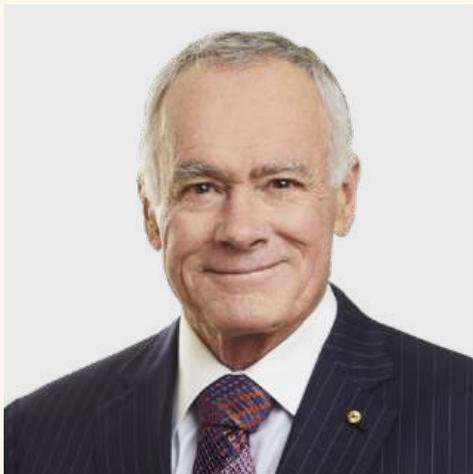


Kial Pippin – Digital Community Manager

Kial has extensive online marketing and sales experience and most recently held a similar role at Tarquins Gin in the UK.

Kial has responsibilities for the marketing for Juniper Society, Old Young's and Gingin Gin as well as his key role in driving online sales for Old Young's. He has been a driving force in developing our seasonal range of spirits and has equally ambitious plans for Old Young's in the next 12 months.

ADVISORS



John Poynton AO

John has more than 40 years' advisory and capital markets experience across equity, debt, infrastructure and property. In parallel with his career as an investment banker, John has also been an active non-executive director of ASX-listed companies, government and education bodies and not-for-profit organisations.

John is currently Chair of Strike Energy Ltd and is Deputy Chair of Sapien Cyber Ltd. He is also a Director of the Future Fund Board of Guardians, Australia's sovereign wealth fund and Perth Airport. In the not-for-profit arena, John has served as chair of Celebrate WA, Giving West and the Foundation of the WA Museum. John invested in Old Young's in 2022 and has quickly become a trusted advisor and mentor to James and a long term asset to the business.



Scott Conchar

Scott is a internationally experienced leader in the spirits industry, with significant experience in the Asia-Pacific region.

Scott previously held the positions of Australian Sales Director for Moët Hennessy and Asia Pacific Development Manager for Glenmorangie. He has also had senior roles with L'Oréal and Oyster Bay Wines.

Scott now consults to a range of clients including multinational spirits companies and is currently working with Old Young's on their export strategy and implementation.



Troy Trewin

Troy has been managing and growing distilling businesses since 2011. As the first CEO after the family sold to new investors in 2013, Troy led Lark Distillery through a challenging period of growth where production was not aligning with sales, and executed a change in strategic direction. Similarly, Troy managed The New Zealand Whisky Collection during a period of expansion in international markets, and guided the business to a successful private and crowdfund capital raise of over \$1M. He has chaired Tasmania's second largest craft brewer, Hobart Brewing Company, since early 2017.

In April 2020 he and three others launched The Distillers Institute - the number one online business course in Australia and New Zealand for those thinking of starting a successful distilling business. They have more than 650 students, with 10% having gone on to open a distillery.



SECTION 2.6

SECTION 2.6.3

GROUP STRUCTURE

All Group companies are shown in the following table:

Entity	ACN	Trading Names	Role	Ownership
Australian Distilling Ltd	160 037 249	Old Young's, Old Young's Juniper Society, Gingin Gin	Spirits production, sales, events, subscription service.	Approx 46,900,000 shares owned by parties spelled out in Table 1
OYND Pty Ltd	649 753 462	Old Young's Kitchen	Hospitality venue	100% owned by Australian Distilling Ltd
Australian Distilling Ltd ATF Australian Distilling Property Trust	NA	NA	Inactive at present	100% owned by Australian Distilling Ltd



CAPITAL STRUCTURE

SECTION 2.7.1

ISSUED CAPITAL

As at the date of this Offer Document, the Company has 46,902,811 ordinary shares on issue. There are no options on offer. Founder and Director, James Young holds the greatest number of shares. Table 1 below sets out the issued capital of the Company before the Offer.

Table 1: Issued capital of the Company before the Offer

Shareholder	Share Type	Shares	
James Young	Ordinary	21,622,427	(46.10%)
Melinda Young	Ordinary	4,250,000	(9.06%)
Liam Doyle	Ordinary	2,285,715	(4.87%)
Early Investors (30 total)	Ordinary	15,145,206	(32.29%)
2023 CSF INVESTORS	Ordinary	3,599,463	(7.67%)
Total		46,902,811	(100.00%)

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis (i.e. presuming all options are exercised).

Table 2: Issued capital of the Company following the Offer

Shares	Minimum Subscription		Maximum Subscription	
Existing Shares	46,902,811	(98.95%)	46,902,811	(95.91%)
Offer Shares	500,000	(1.05%)	2,000,000	(4.09%)
Total Shares	47,402,811	(100.00%)	48,902,811	(100.00%)

- Please see section 2.7.4 Any securities issued under the separate warrant program will have a dilutionary impact.



SECTION 2.7.2

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.

A more detailed description of the rights and liabilities associated with the shares is set out in Section 3.3.

A copy of the Company's constitution is available for inspection at the Company's registered office during normal business hours and on the Intermediary's platform.

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

SECTION 2.7.3

SOURCES OF FINANCING

To date, the Company has been funded through a combination of equity, debt, government grants and retained earnings through reinvestment of profits. Moving forward, the Company continues to have access to these sources:

Equity

Shareholder funds: This is our primary source of capital to fund venue development, production, marketing and sales as we seek working capital to expand into new markets in line with our long term

strategy. We will continue to seek investors as the primary source of capital as the need arises.

Debt

We will progressively seek debt financing as the business ramps up revenues and operating profits. As at the date of the Offer, the Company has the following loans:

- ▶ Judo Bank - a 15-year variable rate loan with a balance of \$1.378M for land and buildings located at Caroline Retreat.
- ▶ Kitchen, distillery plant and equipment via an Asset Finance Agreement through Bankwest. These loans are at fixed rates and payable over a period of one to three years. A total amount of \$113,375 will be paid over the next 1-2 years.
- ▶ Short term premium funding for insurance amounting to \$69,400.
- ▶ An unsecured interest free director loan for \$352,334, to be repaid at the companies discretion. The loan will not be repaid with CSF funds.

Government Grants

Successful federal grants have included \$100,000 through a Manufacturing Modernisation Grant, a Business Growth Grant and High Growth Accelerator Grant of \$20,000 each through the Entrepreneurs' Program, and three Export Market Development Grants. State grants have included an Access Asia Grant for \$30,000, Agrifood and Beverage vouchers amounting to \$14,000. The company will continue to monitor available grants.

SECTION 2.7.4

LEAD INVESTOR ARRANGEMENT

Pursuant to a separate Warrant Deed Poll, the Company will after the CSF Offer concludes and shares are issued, grant Lead Warrant Investors (as defined below) the right (but not the obligation) to subscribe for one additional fully paid ordinary share per each Committed CSF Share (Warrant), up to an aggregate maximum cap for all Lead Warrant Investors of 1,250,000 Warrants (Warrant Cap). Each granted Warrant can be exercised within a three-year term from the CSF shares issuance date at an exercise price of \$0.80.

Participation in warrant program

A Lead Warrant Investor is a specific wholesale investor that invests an amount equal to or above \$20,000 in this CSF Offer and:

- ▶ was provided a lead commitment letter by the Company prior to the CSF Offer opening;
- ▶ returned a signed lead commitment letter on or before the date set out in the lead commitment letter pursuant to which the relevant person committed to subscribe for a specified number of shares in this CSF Offer (Committed CSF Shares); and
- ▶ applied for and paid for at least the Committed CSF Shares.

Warrants will be granted on a "first come, first serve" basis until the Warrant Cap is exhausted (based on the date and time the person returned the signed lead commitment letter).

RISKS FACING THE BUSINESS

An investment in Australian Distilling 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).

RISK AREA	IDENTIFIED RISK	MITIGATION
IH&S	Our natural environment and industrial health & safety, including psychosocial environment (in cognisance that this is an industry wide challenge for the hospitality sector) are identified and monitored risks. Staff workload, stress and training are board monitored risks.	Improving physical safety at the distillery remains a priority, and we are working through a thorough plan from external experts. This includes psychosocial welfare of our staff. All relevant training and items of regulatory compliance are up to date.
Financial	Like any small business, cash flow continues to be our primary financial risk, along with cost of living pressures driving down demand. The maturity of our control environment present potential exposure to fraud.	Robust cash forecasting, a rigorous financial system and controls have all matured along with our business model. Debt agreements with the ATO (a legacy from covid excise relief) are in place.
Operational	We have identified continuity of key personnel, events leading to reputational risk (including food safety), supply chain disruption (including imports of key ingredients), cyber and data security as key exposures.	All food standards and responsible service obligations are trained, certified and consistently measured. We have supply chain contingencies and reputation management and crisis communications plans in place. Our data is held on a secure server and our cyber safety has a path to maturation plan.
Strategic	Our identified strategic risks are a volatile competitive environment (including the excise regulatory changes), downward pressure long term drinking trends and craft gin, and maintaining momentum towards our long term vision.	We are constantly monitoring our external environment and active participation in industry advocacy. Our spirits exposure is mitigated by diversification and innovation in RTDs, and through our Juniper Society business model. Momentum towards our vision is being driven at board level and through capital raising.

FINANCIAL INFORMATION

Australian Distilling Pty Ltd was incorporated in 2012 and converted to a unlisted public company on 7 March 2023.

The Company operates:

- ▶ as a distilling business which also owns the Caroline Retreat location, and;
- ▶ as the holding company for OYND Pty Ltd which owns and operates a licensed restaurant neighbouring the distilling operation and tasting room in the Swan Valley in Western Australia.

The following pages are the consolidated financial statements of Company and its controlled subsidiary for the financial years ended 30 June 2023 and 30 June 2024, which have been prepared in accordance with the Accounting Standards. These accounts are a summarised version of consolidated financial statements prepared by Grant Thornton.



SECTION 2.9

SECTION 2.9.1

BALANCE SHEET

CONSOLIDATED BALANCE SHEET

	As at 30-Jun-24	As at 30-Jun-23
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	44,364	860,191
Trade and Other Receivables	282,744	324,974
Inventories	286,134	395,119
Other	45,428	78,823
Total Current Assets	658,670	1,659,107
NON-CURRENT ASSETS		
Property, Plant & Equipment	3,258,287	3,304,147
Intangible Assets	167,167	191,861
Total Non-Current Assets	3,425,454	3,496,008
Total Assets	4,084,124	5,155,115



SECTION 2.9

	As at 30-Jun-24	As at 30-Jun-23
LIABILITIES		
CURRENT LIABILITIES		
Trade and Other Payables	607,241	329,788
Borrowings	183,627	185,552
Income Tax	69,994	92,460
Provisions	439,233	392,544
Other	2,272,130	1,638,337
Total Current Liabilities	3,572,225	2,638,681
NON-CURRENT LIABILITIES		
Borrowings	1,587,870	1,653,070
Employee Benefits	5,576	-
Total Non-Current Liabilities	1,593,446	1,653,070
Total Liabilities	5,165,671	4,291,751
Net Assets	(1,081,547)	863,364
CAPITAL & RESERVES		
Share Capital	3,773,725	3,773,725
Accumulated Losses	(4,855,272)	(2,910,361)
Total Capital & Reserves	(1,081,547)	863,364



SECTION 2.9

SECTION 2.9.2

PROFIT AND LOSS STATEMENT

CONSOLIDATED PROFIT AND LOSS STATEMENT

	For the 12 months ended 30 June 2024	For the 12 months ended 30 June 2023
REVENUE		
Wholesale Sales	1,451,830	1,676,640
Export Sales	-	18,376
Juniper Society and other online sales	500,186	474,473
Events Income	134,866	113,148
Tasting Room Income	896,358	1,150,788
Other	20,262	- 5,605
Wedding Sales	242,515	271,121
Restaurant Revenues	1,957,649	2,037,269
Total Revenue	5,203,666	5,736,210



SECTION 2.9

For the 12 months For the 12 months
ended 30 June 2024 ended 30 June 2023

COST OF SALES

Cost of Goods Sold	2,995,391	3,319,210
Gross Profit	2,208,275	2,416,999
Other Income	411,301	395,210
Total Other Expenses	(4,564,487)	(3,932,103)
EBITDA	(1,680,414)	(1,119,894)
Depreciation and Interest	(314,497)	(397,326)
Net Profit/(Loss) before Income Tax	(1,944,911)	(1,517,220)

Please refer to the management commentary following for more detail regarding the balance sheet and profit and loss presented here and in the pages previous.

Current Year Performance

With specific reference to the 2024-25 financial year, please note: (numbers to end of September 2025):

- ▶ Total revenue of \$1,018,000 recorded from July 1 to September 30.
- ▶ Total loss for the 3 months end of September was \$119,185
- ▶ Staff costs reduced by 18%
- ▶ Reduced costs resulted in a significant improvement in the bottom line as described in the Management commentary.
- ▶ 33% increase in Trade and other Receivables and a corresponding 5% decrease in Payables
- ▶ Cash at Hand increased from ~\$40k to over \$100,000 during this period



SECTION 2.9

SECTION 2.9.3

CASH FLOW STATEMENT

CASH FLOW STATEMENT

	For the 12 months ended 30 June 2024	For the 12 months ended 30 June 2023
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	5,663,286	6,241,293
Payments to suppliers	(6,714,258)	(7,411,548)
Interest received	3,914	4,296
Government Grants	27,273	20,000
Income Tax refund/payable	114,663	(65,087)
Interest and other finance costs	(182,773)	(137,286)
Net cash from operating activities	(1,087,885)	(1,348,332)
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase Property & Equipment	(241,201)	(218,428)
Loans to related parties	98,475	(152,510)
Net cash used in investing activities	(142,726)	(370,938)



SECTION 2.9

For the 12 months
ended 30 June 2024

For the 12 months
ended 30 June 2023

CASHFLOWS FROM FINANCING ACTIVITIES

Share Capital Issue Proceeds	-	-	2,502,462
Proceeds from Borrowings	569,724	(612,128)	
Repayment of Borrowings	(154,940)	100,377	
Net cash used in financing activities	414,784	1,990,711	
Net increase in cash & cash equivalents	(815,827)	271,441	
Cash brought forward	860,191	588,750	
Cash carried forward	44,364	860,191	

CROWD-SOURCED FUNDING OFFER DOCUMENT

OLD YOUNG'S
CRAFTED SPIRITS
TRIAK VALLEY



SECTION 2.9

SECTION 2.9.4

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Accumulated Losses	Total Equity
Balance at 1 July 2022	3,773,724	(1,393,140)	2,380,584
Loss after Income tax for the year	-	(1,517,220)	(1,517,220)
Total Comprehensive Income for year	-	(1,517,220)	(1,517,220)
Balance at 30 June 2023	3,773,724	(2,910,360)	863,364

	Issued Capital	Accumulated Losses	Total Equity
Balance at 1 July 2023	3,773,724	(2,910,360)	863,364
Loss after Income tax for the year	-	(1,944,911)	(1,944,911)
Total Comprehensive Income for year	-	(1,944,911)	(1,944,911)
Balance at 30 June 2024	3,773,724	(4,855,271)	(1,081,547)



SECTION 2.9.5

MANAGEMENT COMMENTS ON HISTORICAL PERFORMANCE AND OUTLOOK

REVENUE GROWTH

Achieving economies of scale through sustained growth is fundamental to our long-term strategy. We firmly believe that there is a large opportunity for the few Australian craft distillers that achieve scale during this period of economic and regulatory headwind. FY24 didn't follow the growth trajectory of previous years, but contrary to our peers, we managed to protect most of our revenue during this difficult time, losing only 9.3% in revenue in FY24 vs anecdotal 30-50% losses across the industry. This relatively small deceleration reflects the strength of our brand and products.

Our renewed focus on the WA market in FY25 is already bearing fruit, with greater engagement and subsequent sales in on and off-premise which gives us confidence we can return to FY23 numbers. In addition, our completed export plan gives us a clear path for significantly growing our footprint in a number of new potential markets.

Revenue for the restaurant was also affected by an overall slow down in discretionary spending from consumers in FY24. We are starting to see signs of improvement, with the economic environment stabilising and increased marketing efforts. Events revenue has improved (+63% YoY)

giving us confidence that our FY25 budgets, that reflect a 9% overall growth rate across both the distilling and hospitality business is achievable. This would return us to FY23 revenue levels but coupled with our efficiency initiatives has a significant impact on our ability to apply capital.

GROSS MARGINS

Margin performance is a critical factor of long-term success for Australian distillers in particular. The realities of increased supply chain costs and overall macroeconomic uncertainty have affected our business as all others.

In FY24 we did slightly improve gross margin from distilling activities from 45% to 47%. Margins have been even more of focus in FY25. The two primary mechanisms are pricing and unit costs.

Improved pricing through strict management of discounts and tracking excise increases within our channels is ensuring we maintain our current margin profile. Regarding COGS, we are already executing initiatives including eliminating low volume core products, reducing ABV on some products to lessen our excise burden, and moving bottling from our European supplier to a Chinese equivalent, reducing the fully loaded cost of a bottle by up to 50%.

For our hospitality and retail businesses we are instituting similar expense discipline, where we have are managing our OYK food and beverage costs and staffing levels to match industry benchmarks.

PROFIT AND SCALE

Our strategic plan contains targets for all business units within the group to be individually profitable. Our FY24 performance was below par on that measure, driven by an expensive sales expansion effort, coupled with immature cost and staffing controls and challenges with our supply chain management.

The investment made in an east coast sales team in particular lead to an 8.9% increase in staffing costs, without the requisite increase in sales volume. There were bright spots with online sales growing significantly, as did our events income.

We made the decision to change course in mid FY24, refocusing our efforts on WA and international exports, where we have both local and brand equity advantage. We initiated efforts to sell non-critical assets, and found sources of short-term corporate finance. We also restructured the organization and have seen immediate improvements in both growth and cost controls by operating with a smaller and more focused team. Overseas we expect the advantages to be even greater, with large markets to tackle that smaller competitors can't access.

In addition to seeking out opportunities for sustainable growth, we have also been laser focused on cost improvements across the business, and the forecasted impacts are dramatic. Our forecasts show a 53% improvement in corporate expenses and a 14% improvement in staffing costs (our biggest cost) in FY25.



These initiatives also include rationalising our events participation, engaging new suppliers, and instituting tighter everyday control of our COGS, overheads, and casual staffing. We are confident these initiatives could reduce the overall FY25 Australian Distilling EBIT loss to less than \$500k and deliver a positive EBIT result for Old Young's Kitchen. These necessary changes will make us much better stewards of our capital moving forward, and enable us to work actively on reducing debt load as well.

CASHFLOW

As a result of the headwinds experienced in FY24 and distraction as the organization strove to mature as fast as possible, the business saw a significant reduction in available cash in FY24.

Cash and equivalents reduced by 816k in in FY24, whilst the combination of slowing revenue, immature financial management processes, from expenses to debt collection, accelerated the challenges in day-to-day cashflow management.

The turnaround in FY25 as a result of our changes is already apparent however, as seen in the YTD 102K cash position. These are the result of the much more disciplined and efficient management of the business, which we anticipate to continue from here forward.

INTERNAL CONTROL MANAGEMENT

Our number one value is sustainability, but the challenges of the past year tested this, putting every part of the business under pressure. This served as the catalyst to much tighter financial management and control.

We also instituted governance improvements in strategic and financial planning, as well as risk management. Collectively, these have resulted in dramatic cost reductions and margin improvements, improved long-term decision making for investments, and a promising path back to growth for both the hospitality and distillery.

Finally, corporate debt load has been a burden on the business since COVID relief efforts were reversed, and we have been actively engaging with all parties to sustainably reduce our debt load over the next two years.

OUTLOOK

Despite the headwinds last year, our outlook for premium spirits domestically and overseas remains extremely positive.

1. Domestic growth: The current proportion of domestic spirit sales fulfilled by Australian owned and locally produced brands still tracks significantly behind more mature categories like wine and beer. With an Australian consumer preference for buying local, we see the potential for the Australian spirits industry to replicate the success of the Australian wine industry.

2. Export opportunity: Our target export markets for FY26 presents a significant growth opportunity - servicing markets with not only with significant overall consumption of gin and vodka, but who are still in a growth phase unlike many other regions globally. The opportunity is there for for businesses with award-winning brands and scaleable production capacity.

3. Premium preferences: The "drink better" consumer sentiment is reflected in the demand for premium spirits remaining strong, with quality reining over quantity. Within this premium segment, we are one of the most awarded and recognised.

4. WA tourism focus: The Swan Valley has already been singled out as a Tourism WA as key pillar in their strategic plans, with its proximity to the city and myriad food and beverage offerings, wineries, breweries and restaurants. They and other government departments have been openly supportive of our building project, which we believe will both accelerate development and assist with commercial success.

5. Competitive Consolidation: For both the domestic and export markets, the crowded field actually represents an opportunity for the few brands that have the strongest brand equity and we believe that consolidation is inevitable. Our rebrand and iconic home are two pillars of this strategy to thrive. As we manage to protect our revenue and turnaround our costs, compared to our competitors, this positions us well to now take share and be well position for the consolidation.

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



TERMS OF THE OFFER

Australian Distilling Ltd is offering up to 2,000,000 shares at an issue price of \$0.80 per share to raise up to \$1,600,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$0.80 per share
Minimum Subscription	\$400,000
Maximum Subscription	\$1,600,000
Opening date	26 November 2024
Closing date	5 December 2024

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



USE OF FUNDS

Intended use	Minimum Subscription	Maximum Subscription
Brand Marketing	\$40,000	\$300,000
Export Launches	\$60,000	\$160,000
Cathedral of Gin	\$100,000	\$250,000
Operational Evolution	\$25,000	\$100,000
Corporate Finance Adjustments	\$50,000	\$300,000
New Product Development	-	\$100,000
Working Capital	\$90,000	\$259,000
Offer Costs	\$35,000	\$131,000
Total	\$400,000	\$1,600,000

Working capital includes overhead expenses and purchasing of inputs for production.

The Offer costs includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 7.5% of all funds raised by the Company through Birchal Financial Services Pty Ltd (Intermediary), plus \$3000 for administration and setup costs. The Offer costs also include a fee due to our digital marketing agency, Glide, of up to 0.5% of all funds raised.

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 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 activities as described in the table left.



RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the CSF 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 following is a summary of the more significant rights and liabilities attaching to the shares being offered pursuant to this CSF offer. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

To obtain such a statement, persons should seek independent legal advice. Full details of the rights and liabilities attaching to shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours and on the Intermediary's platform.

SECTION 3.3.1 GENERAL MEETINGS

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the constitution of the Company.

SECTION 3.3.2 VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

1. each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
2. on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
3. on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

SECTION 3.3.3

DIVIDEND RIGHTS

Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the shareholders entitled to the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

The Directors may from time to time pay to the shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on shares which are participating shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of shares.

SECTION 3.3.4

WINDING-UP

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

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

SECTION 3.3.5

SHAREHOLDER LIABILITY

As the shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

SECTION 3.3.6

TRANSFER OF SHARES

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act.

SECTION 3.3.7

RESTRICTIONS ON SALE AND TRANSFER

We also draw your specific attention to the fact that any CSF Shares acquired under the Offer must not be onsold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

SECTION 3.3.8

FUTURE INCREASE IN CAPITAL

The issue of any new shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue shares as they shall, in their absolute discretion, determine.

SECTION 3.3.9

VARIATION OF RIGHTS

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

SECTION 3.3.10

ALTERATION OF CONSTITUTION

In accordance with the Corporations Act, the constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.



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.

DETAILS OF PREVIOUS CSF OFFER

On 7 March, 2023, the Company made a CSF Offer on the Intermediary's platform.

Under that CSF Offer, the Company offered up to 3,600,000 ordinary shares at a \$0.75 share price. The CSF Offer was successfully completed and the maximum subscription amount was raised.

Under that CSF Offer, the directors of the Company were James Young, Melanie Wiese and Liam Doyle.



INFORMATION ABOUT INVESTOR RIGHTS



SECTION 4.1

COOLING-OFF RIGHTS

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

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

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

SECTION 4.2

COMMUNICATION FACILITY FOR THE OFFER

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

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

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

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



PUBLIC COMPANY CORPORATE GOVERNANCE OBLIGATIONS

SECTION 4.3.1

ANNUAL GENERAL MEETINGS

The Company is required to hold an annual general meeting (AGM) at least once in each calendar year and within five (5) months after the end of the Company's financial year. The Company's financial year is from 1 July to 30 June each year.

If shareholders have any queries or concerns about the Company, they should contact Company Secretary, Winton Willesee at winton@azalea.com.

SECTION 4.3.2

ANNUAL REPORT

The Company prepares annual financial reports and Directors' reports at the end of each financial year and lodges these 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.

The Directors of the Company are required to make a declaration that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

SECTION 4.3.3

DISTRIBUTION OF ANNUAL REPORT

The Annual Report must be distributed to members within the earlier of 21 days before the Annual General Meeting or four months after the end of the financial year. Shareholders can elect to receive the Company's annual reports electronic copy free of charge, by emailing winton@azalea.com.

COMPANY UPDATES

The Company will provide regular updates to investors via email.



GLOSSARY

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. The Maximum Subscription is subject to rounding based on the share price of the Offer.

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

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

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



FURTHER INFORMATION

If you would like to discuss anything in relation to the Old Young's crowd-sourced funding campaign, please feel free to contact me below.

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