



DRINK WEST PTY LTD

CROWD-SOURCED FUNDING OFFER DOCUMENT

Dated 5 May 2022

**Offer of fully-paid ordinary shares in
Drink West Pty Ltd at \$1.00 per share to
raise a maximum of \$2,000,000.**

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



Issuer

Drink West Pty Ltd ACN 636 007 746

Intermediary

Birchal Financial Services Pty Ltd AFSL 502618

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SECTION 1

RISK WARNING

SECTION 1

RISK WARNING

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

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

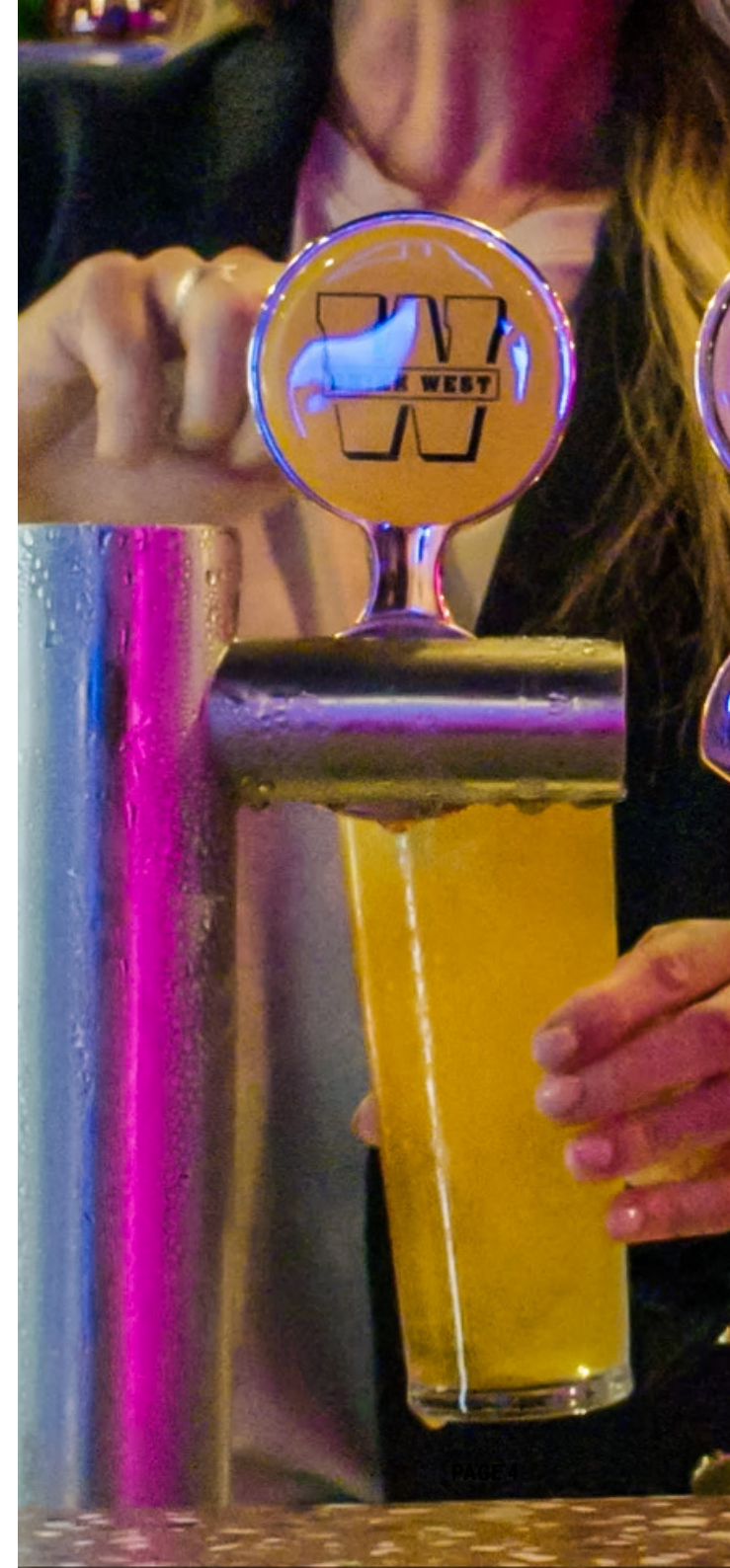
Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

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

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

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

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





SECTION 2

INFORMATION ABOUT THE COMPANY

SECTION 2

LETTER FROM THE FOUNDERS

Dear prospective Drink West investors,

We are excited to offer you the opportunity to own a part of the upcoming Drink West Brewery and be part of Drink West's Crowd-Source Funding ("CSF") offering.

We started Drink West in 2019 with the vision to create a beer for the people of the West by the people of the West. The same way Victoria, the Great North, Bondi and even Byron have a beer that represents their people.

Now we want the people of the West to be an owner in a brand they can be proud of.

Drink West has been in high demand, selling thousands of cans and kegs over the last few years. Now, we're ready to increase our production capabilities and build an iconic landmark in Western Sydney, the Drink West Brewery.

Based in the beating-heart of Western Sydney and hometown of Tai, Tyson and Nathan - Penrith.

The Drink West Brewery is designed to brew, distribute and sell Drink West in pubs, restaurants and bottle shops Australia-wide, with the ability to produce up to 2,000,000L per year.

We've got everything ready to go: the plans and costings are done, we've even found the perfect Brewery Director, Neal Cameron. Neal has opened 42 breweries around Australia in the last 2 years and has identified Drink West as the next big brand. Neal has chosen to join us permanently and help take the Drink West Brewery to the next level.

2022 has already been a momentous year for Drink West:

Nathan Cleary, Penrith Panthers star player, joined the Drink West team.

Tai won his last UFC fight by KO and is now ranked 3rd in the UFC World Heavyweight division.

Tyson has returned to the UFC octagon to win his first fight back by TKO in the first round.

Our "What About Me" Beer Commercial featuring Shannon Noll received over 3 million views online.

Drink West has signed to become the **"Official Beer Partner of the UFC"**.

The team are at the top of their game and have amassed a social media following of collectively over 1,000,000 followers. Giving us the perfect opportunity to promote Drink West across Australia and the world.

With your investment, we can fund the Drink West Brewery and accelerate our growth to be the next major beer brand.

Tai Tuivasa & Tyson Pedro



SECTION 2.1

**COMPANY
DETAILS**

This offer of shares is made by Drink West Pty Ltd ACN 636 007 746 (Company).

Company name	Drink West Pty Ltd
ACN	636 007 746
Date of incorporation	05/09/2019
Registered office	1/2 Castlereagh St, Penrith NSW 2750
Principal place of business	5-7 Ross Street, PARRAMATTA NSW 2150
Wholly-owned Subsidiaries	Drink West Brewery Pty Ltd ACN 657 364 111 (100% wholly-owned)

SECTION 2.2

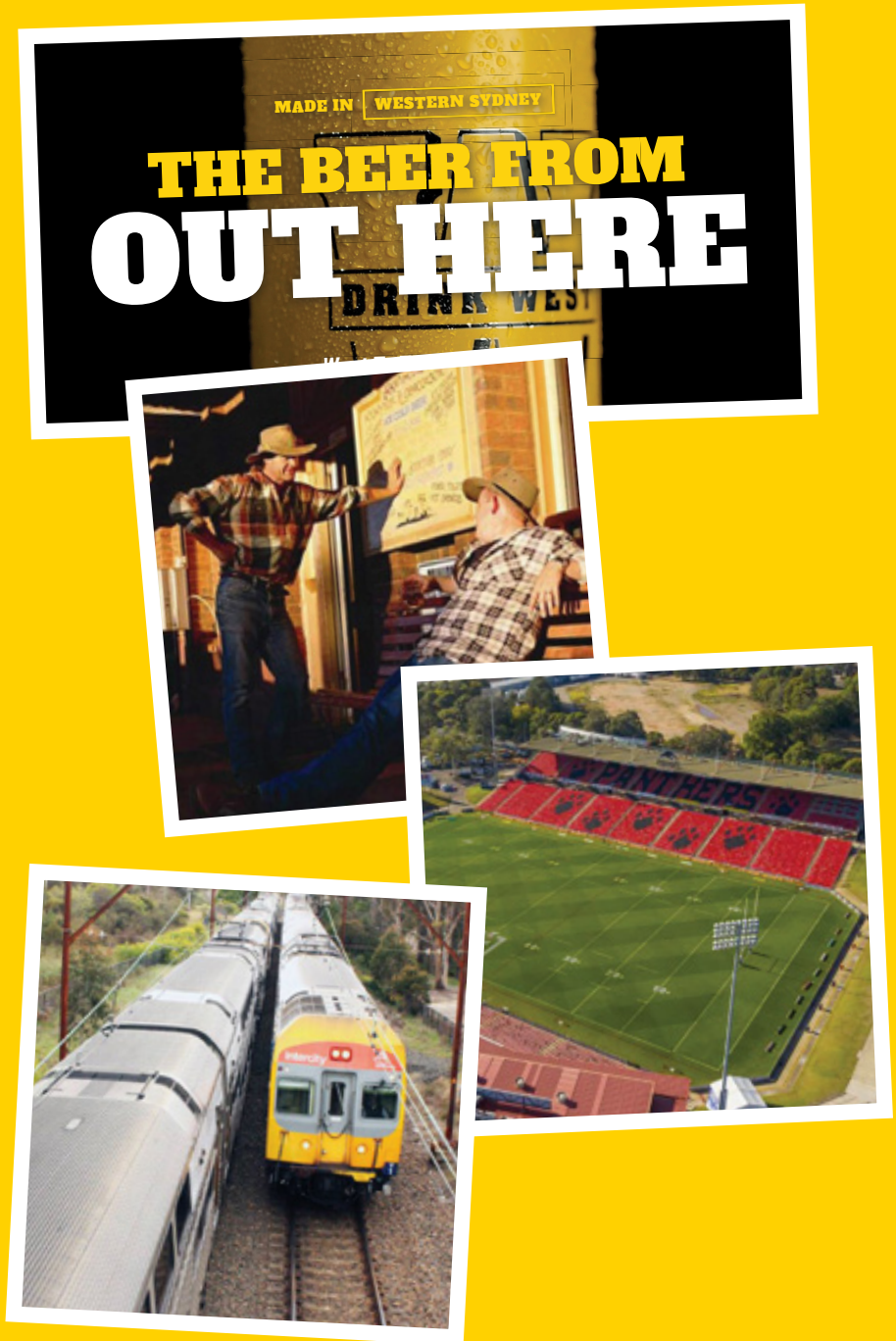
DESCRIPTION OF THE BUSINESS

2.2.1 About the Company

Drink West is an Australian beer brand, started in 2019 by UFC icons Tai Tuivasa and Tyson Pedro. After identifying a gap in the contemporary beer market for an easy drinking lager with a bold brand.

Tai & Tyson's vision was to create **"The Beer from out Here"**, a beer that truly represents the people of the West. A beer that's perfect for a Sunday sesh at the pub with your mates or celebrating a game-winning try.

DRINK WEST



SECTION 2.2

DESCRIPTION OF THE BUSINESS

2.2.1 About the Company

The new **Drink West Brewery** aims to be the home of Drink West and an iconic landmark for Western Sydney. The 750 sqm brewery is a part of the new **\$100m Manufactor precinct**, which is a new manufacturing and industrial hub, where products are made locally with opportunities to sell them on site within the beautiful facility that is open to the public. The Manufactor precinct is expected to be the home of numerous businesses with up to 450 staff onsite. Our ambition at The Brewery is to host our own tap room, brewery tours and other major events.

The Brewery can take advantage of the alcohol manufacture tax incentive, increase output capacity, reduce unit cost and increase brand awareness. The Drink West Brewery is expected to allow us to increase our product range to offer a variety of beers for every occasion. Along with limited edition brews, exclusively available at the brewery.

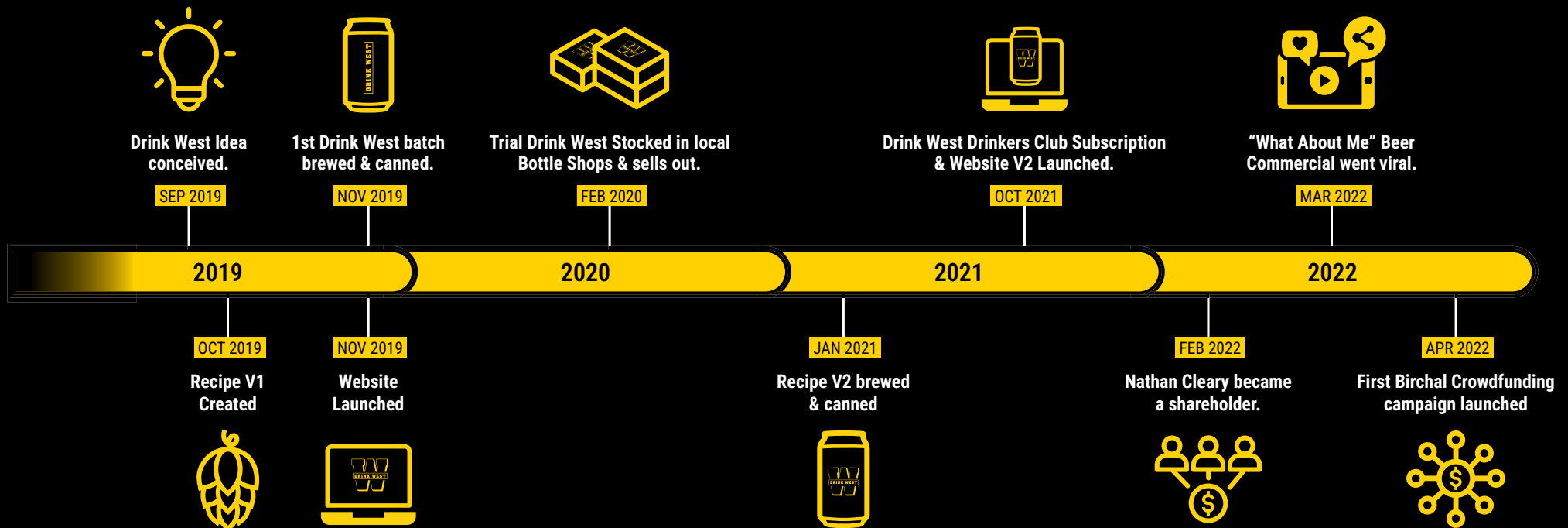
We are now in the DA phase of building the brewery and plan for the Drink West Brewery to open within the next 6 months. We do not have a liquor licence for the brewery yet. We are in the early stages for the liquor licence application.



SECTION 2.2

DESCRIPTION OF THE BUSINESS

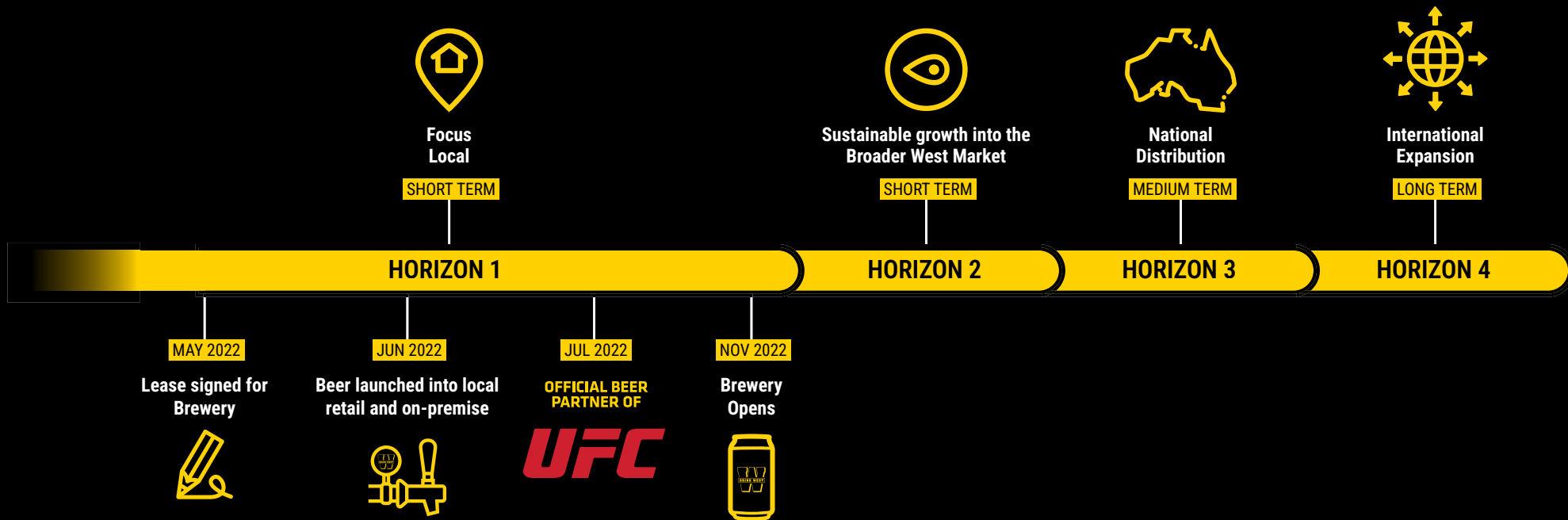
2.2.2 Historical Timeline



SECTION 2.2

DESCRIPTION OF THE BUSINESS

2.2.3 Future Timeline



SECTION 2.3

BUSINESS AND REVENUE MODEL

Drink West's revenue streams are broken down into three key areas:

Retail (Bottle Shops)

On Premise (Restaurant, Bars, Hotels)

Online (Via Drink West Website)

Since Drink West started trading in 2019, it has been sold online and via wholesale to local bottle shops and restaurants in Western Sydney. Over this time we have been able to determine a strong demand for this product and we are now preparing the production capacity to match via the upcoming brewery.

Drink West aims to continue its co-packing production with multiple breweries as we launch our Horizon 1 marketing strategy. Once our Brewery opens in late 2022 we will aim to increase our net margin and brew up to **2,000,000** litres internally.



SECTION 2.4

BUSINESS AND REVENUE MODEL

Drink West is sold in three forms:



50L KEGS



6 PACK OF 355ML CANS



24 PACK OF 355ML CANS

SECTION 2.4

BUSINESS AND REVENUE MODEL

Beer Manufacturing Tax Incentive

As of 1st July 2021, the Federal Government changed the cap on alcohol excise rates, from \$100,000 to **\$350,000** in annual rebates.¹ Which has resulted in significantly better bottom lines for small breweries.

¹Australian Taxation Office, Excise on Alcohol, Jan 2022



SECTION 2.4.1

PRODUCTS / SERVICES

2.4.1.1 Current Range

DRINK WEST LAGER

Refreshing easy drinking lager. Full-bodied with a well-balanced bitterness, crisp and clean finish. Goes well with pizza, a schnitty or watching the footy.

4.5% Alc/Vol



SECTION 2.4.1

PRODUCTS / SERVICES

2.4.1.2 Future Range

DRINK WEST SESH

Our beer for beer lovers and extraordinary. Rich and fruity with a subtle bitterness. Super refreshing. Mid strength beer with a full strength flavour. Perfect for a Sunday arvo sesh.

3.5% Alc/Vol

DRINK WEST



SECTION 2.4.1

PRODUCTS / SERVICES

2.4.1.2 Future Range

DRINK WEST ZERO

A great alternative that's just as refreshing as the real thing. The Zero is a non-alcoholic beer uniquely brewed to give you that full strength taste and quench. Perfect for the responsible sober soldiers that don't wanna feel left out.

0.5% Alc/Vol

DRINK WEST



SECTION 2.4.1

PRODUCTS / SERVICES

2.4.1.2 Future Range

DRINK WEST SPECIAL BREWS

A range of ever changing brews on tap at the Brewery, with unique flavours and balances to keep the adventurer in you excited every visit. Some might even turn into a crowd favourite and be a permanent fixture in our growing line up.

DRINK WEST



SECTION 2.4.2

MARKETING & DISTRIBUTION

2.2.3.1 Marketing

Drink West is a distinctive brand with globally recognised cultural icons at the forefront of its creation. For us to take advantage of our unique and diverse influence, we have to continually build on the rich cultural heritage of our local communities and weave that into the fabric of our brand.

That means recognising meaningful moments in people's lives and the significant part that Drink West can play in those moments to connect with consumers on a deeper emotional level.

TARGET MARKET

Generally speaking, Drink West's target consumer is people from the age of 18-35 years old.

We will further our position and continue to push our message of being the choice beer for the people, with significant promotion in a key cultural space - sports and entertainment. It's where our target profile enjoys great highs and lows, and where they come together for great times with friends. Through this space we can drive our brand message, increase customer loyalty and gain commercial success.

SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing

CUSTOMER CHOICE

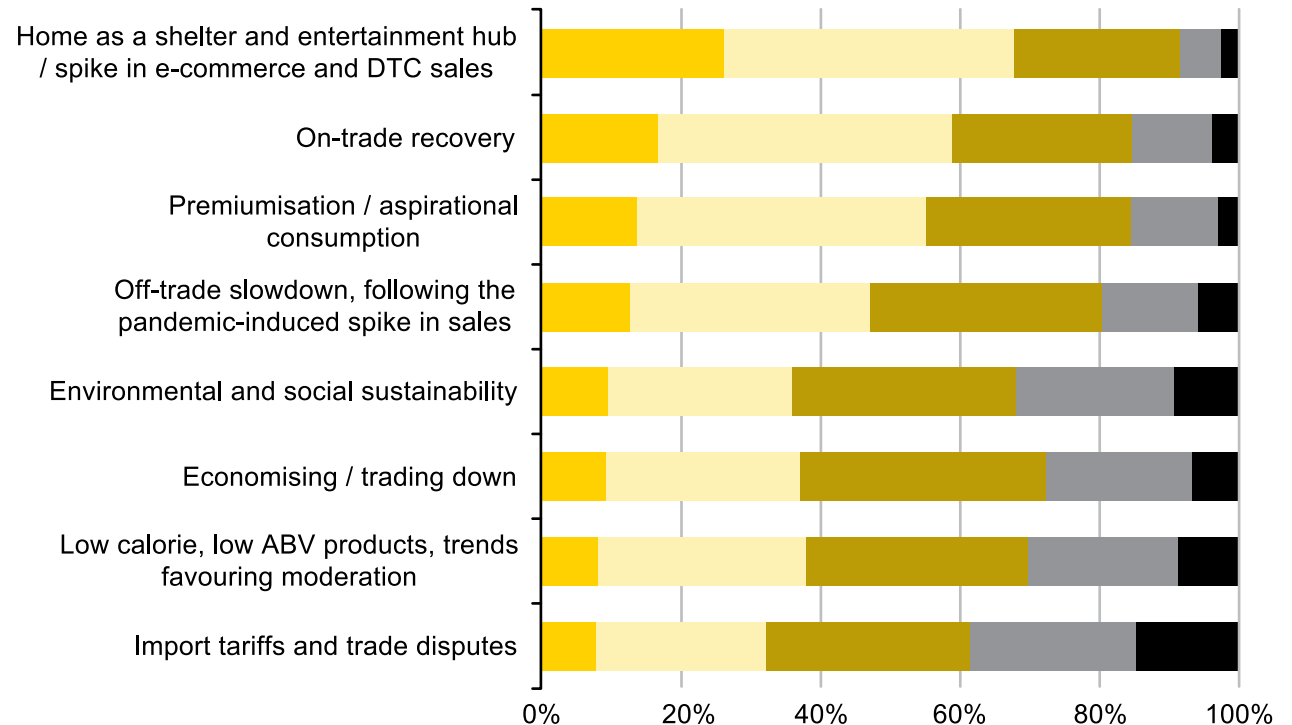
Top three factors impacting Alcoholic Drinks sales

E-commerce & DTC sales

On-trade recovery

Premiumisation

Our marketing strategy will be tailored towards these 3 top influential factors of the industry.



Key Factors on alcoholic drinks sales in the past year

Source: Euromonitor International Voice of the Industry: Alcoholic Drinks Survey, November 2021

SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing

CUSTOMER PROFILE



NICK THE FOOTY FAN



CHRIS THE TRADIE



HAYDEN THE WEEKEND WARRIOR

SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing

MARKETING STRATEGY

We invest in world-class marketing to sustainably build and grow the presence of our Drink West brand.

Our approach to how we develop, fund and execute on our message ensures that we resonate with our consumers. Driven strongly by innovative campaigns that build on the rich Australian sporting culture.



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

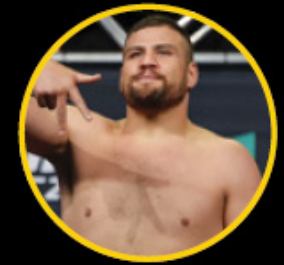
SOCIAL MEDIA

Our current social media following has seen a massive growth spike in the last 3 months. Drink West has the unique ability to cut through the noise on social media due to the existing influence of Tai, Tyson and Nathan, the shareholders of Drink West.

At the top of their careers, their following and engagement has grown significantly in the past 12 months as a result of their sporting achievements. To make best use of this springboard, Drink West will continue to have our current and future ambassadors post, share and talk about the Drink West brand on their individual accounts.



**DRINK
WEST**



**TAI
TUIVASA**



1 MILLION+
SOCIAL MEDIA FOLLOWERS



**TYSON
PEDRO**



**NATHAN
CLEARY**



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

BRAND PARTNERSHIPS

Drink West has recently secured a major partnership to become the **"Official Beer Partner of the UFC"** in Australia. Which includes use of the UFC branding and logos, advertisement placement on the "Direct to Australia" UFC feed, promotion on UFC Australia social media plus a range of joint consumer promotions between Drink West x UFC.

This partnership will allow Drink West to be advertised nationwide to one of our core demographics, leverage the brand equity of the UFC and enhance our reputation in the consumer mindset.

Brand partnerships are an essential part of our marketing strategy to build reputation and awareness as we execute our horizon strategy. Both on a macro level with brands such as the UFC and also micro level such as local sporting clubs.

**OFFICIAL BEER
PARTNER OF**



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

WEBSITE

Our new Shopify website went live in October 2021 with an improved design, better e-commerce capabilities and venue search functionality.

The new website also saw the launch of the Drink West “Drinkers Club” monthly subscription program.



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

EMAIL & SMS

Our subscriber database has **grown by 400%** since launching our new website in October 2021.

With automated email and SMS flows established, we continually optimise our email flows to grow online sales and communicate exciting announcements.

Growing our email database additionally provides us the data to enhance our social media advertising & strengthen our customer profiling initiatives.

Since Launching
New Website

400%
SUBSCRIBER GROWTH

SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

EVENTS

We aim to hold a number of exclusive Drink West co-marketing campaigns each year at hospitality venues and our large retailer pipeline to connect with and strengthen our presence in local communities.

To do this, we aim to hold **brand activations** in the stores of our large retailers and food and beverage services to share catalog brand recognition.

At the brewery we will be able to host events such as **masterclasses**, **tours**, **tastings** and **sporting events**. As well as host functions such as **birthdays**, **bucks** and **team bonding**.

One of our recent events was a Meet & Greet with Tai, Tyson, Nathan and Shannon Noll, which had a significant turn out.



SECTION 2.2.3

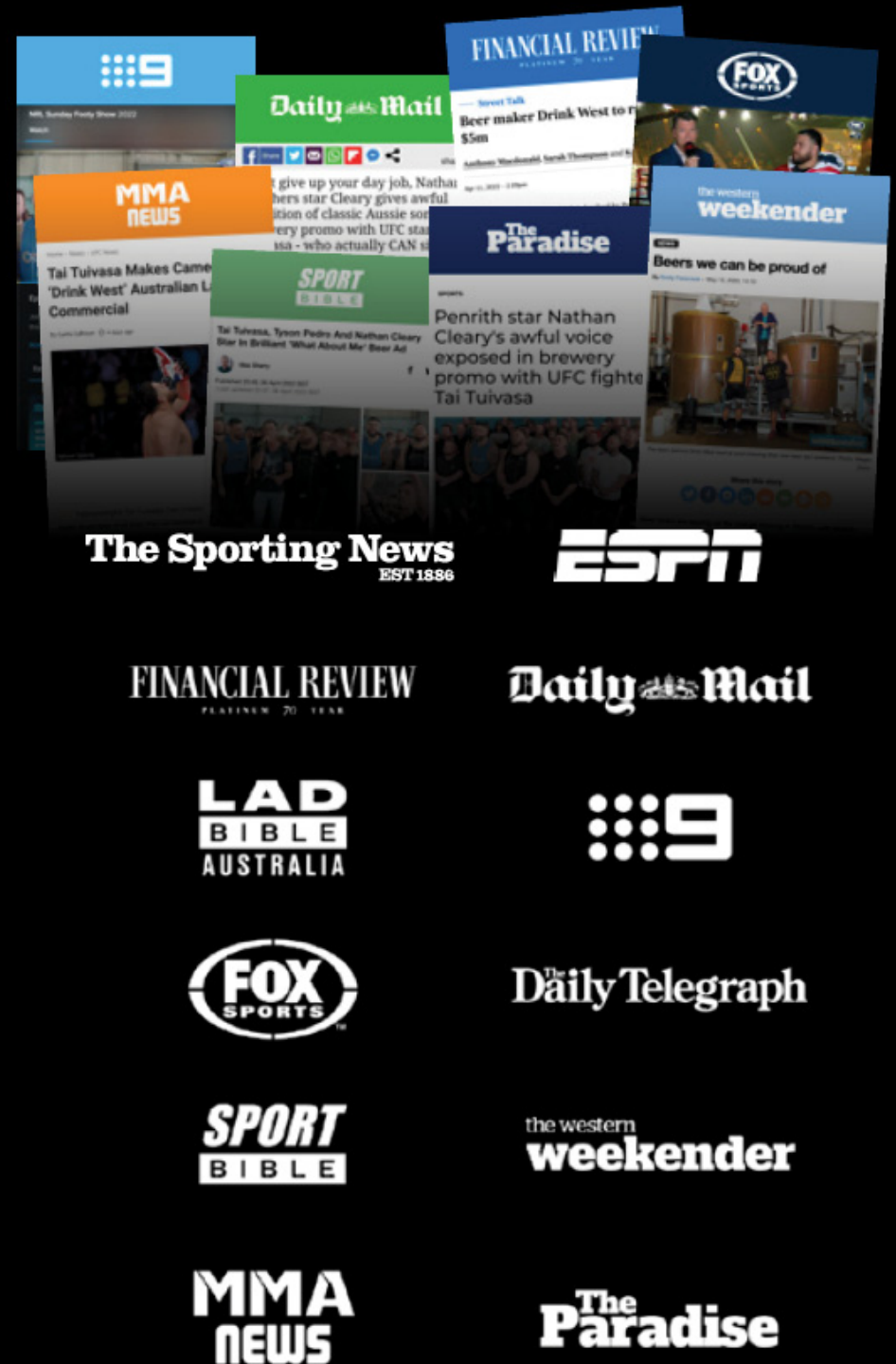
MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

PRESS

Over the last few years Drink West has been mentioned in the world's leading news and media publications.

Most recently we have been featured in the Australian Financial Review highlighting our capital fund raise and the involvement of our shareholders.



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

RESPONSIBLE MARKETING

Our Marketing Code represents our commitment to ensuring that our messaging across the board depicts and encourages responsible and moderate drinking behaviors, and never aims to focus on persons younger than the legal alcohol purchasing age.

Our Marketing Code is reviewed every year and sets a mandatory standard for responsible marketing. Key industry bodies and advertising regulators publicly report any breaches of these alcohol marketing codes.

PROMOTING POSITIVE DRINKING HABITS

Drink West stands for responsible drinking habits. So we want our customers to be ambassadors for responsible consumption - to drink smarter, not more. That means, promoting moderation and continuing to address the harmful use of alcohol.

Our commercial success is contingent on how we create a positive social impact wherever we sell and distribute our product.

DRINK WEST

WHO ARE WE?

**DRINK WEST IS...
UNAPOLOGETICALLY
THE PEOPLE'S BEER.**

SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

BRAND

Representing the culture and people of its namesake, Drink West originates from the breweries in Western Sydney. Like all westies we encourage beer drinkers to cherish life's most meaningful moments.

Western Sydney is inclusive and diverse by nature - a melting pot of cultural backgrounds. From the way we attract our talented team members, to the way we source our services and represent diversity through our brand, we welcome everyone with open arms.

Drink West resonates with all working class Australians, aligning itself with all those who typify themselves as working class or the people who "have a go".

The Drink West brand is proud, in-your-face and we're ready to represent our people with confidence and conviction. Our messaging is intent on removing barriers, while having a positive impact on our customers, communities and suppliers.



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.1 Marketing Channels

BRAND NAME & LOGO

The Drink West brand name embodies the area that the business represents. It's clear, concise and to the point.

The brand name was selected as a reminder to who we are, what we're about and where we come from.

"It's not from where you'd rather be, it's from where you were born to be. If you know anything about the area, you know it's all black and gold."



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.2 Sales & Distribution

Drink West aims to invest in growing the brand and its presence in its localised geography.

With our brewery centered in the heartland of Penrith, our community has the opportunity to get behind a locally produced brand and thrive with us. Once our local community knows and loves our Lager, and can enjoy it at every retailer and tap in the area, it's about replicating that process to expand into adjacent regions interstate, nationally and finally internationally.



SECTION 2.2.3

MARKETING & DISTRIBUTION

2.2.3.2 Sales & Distribution

Our Sales strategy is set out in 4 separate stages, each with a different set of milestones with the same principle in mind - penetration and awareness in local communities.

These stages are:

- HORIZON 1** – Focus Local
- HORIZON 2** – Broader Sydney & Greater West
- HORIZON 3** – National
- HORIZON 4** – International



SALES & DISTRIBUTION

HORIZON 1 Focus Local (Short Term)

Launching on June 1st, 2022 our Horizon 1 Strategy is to focus our marketing efforts locally. We will aim to highly concentrate our marketing and direct sales team to focus within the boundaries of Windsor, Blacktown, Camden and Penrith. Our build from the west out mentality allows us to test and perfect our marketing spend then once we build out Brewery we will have the economics of scale to move onto our Horizon 2 Strategy.

Sales Strategy

Focus on having Drink West readily available to the community of **Western Sydney** to be the most notable beer in the region (see map). The team will use a high concentration of Online, Direct and Traditional methods within the semi-circle of Western Sydney from Penrith to Blacktown to Windsor to Camden.

Target

To be in every local sporting club, restaurant, liquor store, pub, club and large supplier chain in the region.



SALES & DISTRIBUTION

HORIZON 1 Focus Local (Short Term)

How?

Our first goal is to be the beer of choice amongst locals in the Penrith and surrounding Western Sydney LGAs.

The main distributors of beer in Penrith are the city's major food, beverage, accommodation and retail services. This includes First Choice Liquor Penrith, Cellarbrations Penrith, Astina Suites, Log Cabin, O'Donoghues Irish Pub, Peachtree hotel and Pioneer Tavern. Selling to these local distribution channels and having our product accessible to consumers in their venues is the key focus of this first stage of the sales strategy.

Drink West aims to do this by sponsoring local sporting clubs, organising brand activations in local liquor shops for "Friday Arvo Beer Tastings" and using our current database and investor database to build brand awareness in the local region.

We expect this will help our on-premise Sales manager close sales and sell our beer into licensed premises.

Our Online Sales have **grown by over 200%** in April 2022 compared to March 2022.

In March 2022, Drink West hired a Sales Manager to work alongside our Head of Growth, Jake Farragher to secure these wholesale contracts. Since then, Drink West has secured sales contracts with O'Donoghues, Emu Hall, Mary's Castle Hill, The Dancing Bear, Log Cabin, Vasco Bar, Theo's, Allan Grammar, Troy's Liquor, Oakdale Workers Club and one of Western Sydney's fastest growing Hospitality Group's, Breaking Bread Hospitality, which includes venues such as Duck Duck Goose, Gellafrenda, plus the upcoming Orchard and Flower Shop venues. These landmark venues, and the sales pipeline of venues similar to it in Penrith will be supplied kegs to sell Drink West on tap.

Operating in tandem with our wholesale efforts, Drink West will be sold directly to our early adopters nationwide online through our website and through our current retail networks.

2.2.3.2

SALES & DISTRIBUTION

HORIZON 1 Focus Local (Short Term)

Milestones

3 MONTHS

Invest heavily in our marketing and sales strategy

6 MONTHS

Build a 2,000,000 litre capacity per year Brewery

12 MONTHS

Be the most notable beer in Western Sydney



SALES & DISTRIBUTION

HORIZON 2 Sustainable growth into the Broader West Market (Short Term)

In the second 12 months of operation we will utilise our B2B partner channels to build into the Broader Sydney and Greater West regions.

This is possible with a supercharged production capacity that will be available via our upcoming brewery. Our margins will improve immensely, allowing for cheaper production which will give us economies of scale. As a result, we will be able to sell more beer, for less to the food, beverage and accommodation services stretching from Parramatta to regional Bourke.

Our key focus will again be to sell into established RSL's, clubs and sports bars where we will be able to hone in on and have our products available to our key customer profile: Sports Lovers. Drink West is already in discussion with a number of established food and beverage brands in the regional Western area that can be leveraged to drive customer adoption of the brand.

The brewery will also add a unique platform to engage and recruit new consumers and create jobs for the Penrith community. It will be a place where all of our consumers can experience the brand through tastings, masterclasses, tours, functions and events. By growing our margins, and improving our economies of scale we will have the ability to organise larger brand activations with innovative experiences.



2.2.3.2

SALES & DISTRIBUTION

HORIZON 2 Sustainable growth into the Broader West Market (Short Term)

Building the Sales Team

B2B Sales

Our wholesale sales division armed with the know-how and industry expertise to expand the Drink West brand nationally. The B2B team will be responsible for acquiring and servicing key national accounts and independents, where 85% of all liquor in Australia is sold through.¹

B2C Sales

Our on the ground sales and marketing team that will focus on providing strong in person and online experiences to direct consumers on our website, in the brewery and various brand activation efforts across the country and overseas.

¹Statista, Market share in alcohol retail in Australia in 2020, by store type, May 2020

SALES & DISTRIBUTION

HORIZON 3 National Distribution (Medium Term)

Global Beer Companies spend double digit percentages re-investing in their brand to grow their existing portfolio and expand into adjacent categories.

At this point to grow the Drink West brand we will look to apply this reinvestment strategy to support sustainable growth, building on our learnings in the first 24 months.

Appointing a National Sales Manager and a Brand Manager will be the priority. To secure new National distributors and to capitalise on our brand presence nationally. Since launching the viral “What About Me” commercial, Drink West has received a high volume of interest from various national accounts. Today these accounts will be procured through our existing partner channels and sales team.

Our goal at this stage is to have Drink West in the stores of every national retailer in Australia. From **BWS**, to **Liquorland** and **Dan Murphy's**. We are currently in the sampling process with a number of Australia’s largest alcohol retailers.

There will be a large focus on PR, and traditional mainstream media channels to catapult Drink West onto the national alcohol beverage landscape.

Key Personnel

To facilitate the national growth of Drink West we will invest in key personnel who will leverage their knowledge of each market’s needs in order to sell and market our brand efficiently.

Brand Manager

Generate and execute plans to increase awareness and demand, manage and obtain strategic influencer relationships and execute product specific go-to-market strategies (GTM).

National Sales Manager

Craft cluster strategy and build a high performing sales team that can drive the P&L of the business, drive comprehensive GTM plans with state and regional counterparts.

2.2.3.2

SALES & DISTRIBUTION

HORIZON 4 International Expansion (Long Term)

As our national footprint increases, we can focus our investment into areas we believe will benefit us for international expansion - our people, supply chain, e-commerce and data, capital expenditure and mergers and acquisitions.

With our experience growing the Drink West brand across Australia, our goal would then be to extend that growth into key international markets.

OCEANIA

ASIA

NORTH AMERICA (West Coast)



SECTION 2.2.4

MARKET & COMPETITORS

Australian Beer Industry

The Australian beer industry in 2022 is estimated to be worth around **\$5 billion**.¹

There are two main players in the local beer industry, CUB/Asahi and Lion, who accounted for almost **80% market share** in 2019/2020. With Coopers and Coca-Cola Amatil accounting for a further **8%**, leaving approx **12%** to the independent beer producers.²

The Contemporary beer category is a relatively new category in the last 10 years which fills a gap in the market between traditional beer and craft beer.

Contemporary beer brands are modern beers that incorporate the latest consumer trends and are priced competitively compared to the super-premium craft beers on offer.³

¹IBIS, Beer Manufacturing in Australia - Market Research Report, February 2022

²ACIL Allen Consulting, Economic Contribution of the Australian Brewing Industry 2018-19 from Producers to Consumers, March 2020.

³IWSR, New beer segment emerges in Australia, Apr 2022

The Australian beer industry in 2022
is estimated to be worth around

\$5 BILLION

SECTION 2.2.4

MARKET & COMPETITORS

Australian Beer Industry

Contemporary beer company, Great Northern Brewing, has become the most popular beer in the commercial beer category. Gaining **12% market share**, beating out traditional beers such as Tooheys New.¹

One of the major market trends of 2021/2022, is the consumer's growing preference for **"No to Low Alcohol"** (NOLO) beverages. IWSR forecasts that the no and low alcohol volume in Australia is expected to grow by **+16%** in 2020 to 2024.²

It's no secret that Australia is drinking less beer as a whole. However this slight down trend has seen the emergence of innovative and diverse offerings in the market such as craft beer, seltzer's and no to low alcohol beverages.³

Our consumers demand premium, innovative, and diverse offerings.

With this in mind, Drink West plans to strengthen its product line by launching **"Drink West Sesh"** with a lower Alc/Vol of 3.5% and a non alcoholic **"Drink West Zero"** as our entry into this growing market. Drink West Sesh & Drink West Zero are in the conceptualisation stage and recipe development is anticipated to begin once the brewery is operational.

¹Statista, Market share of leading commercial beers in Australia in 2019, July 2019

²IWSR, No- and Low-Alcohol Strategic Study, February 2021

³Statista, Craft beer in Australia - statistics & facts, Apr 22

SECTION 2.2.5

DRINK WEST'S UNIQUE MARKET POSITION

Drink West is in a unique position to scale due to the following reasons:



SPORTING ICON'S REACH & INFLUENCE

Drink West is owned by UFC & NRL icons:
Tai Tuivasa, Tyson Pedro and Nathan Cleary.

With **over 1M followers**, media connections and social influence, the team has the ability to open doors and distribution channels faster than a traditional emerging brand.



STRONG BREWERY TEAM

Neal's **extensive industry knowledge** and experience establishing & operating breweries allows us to produce a consistent brew at high volumes to meet demand.

SECTION 2.2.5

DRINK WEST'S UNIQUE MARKET POSITION

Drink West is in a unique position to scale due to the following reasons:



EXPERIENCED GROWTH TEAM

Beyond our sporting icons, the Drink West team is made up of experts across business development, hospitality, marketing and sales. With a track record of **growing companies** within Western Sydney and Nationwide.



STANDOUT BRANDING

With its bold black and yellow **"W"**, Drink West stands out from other conservatively packaged beer brands on any shelf.

SECTION 2.2.5

DRINK WEST'S UNIQUE MARKET POSITION

Drink West is in a unique position to scale due to the following reasons:



HIGH VOLUME BREWING CAPACITY

The Drink West Brewery is designed to have the capacity to produce **2,000,000 litres of beer per annum** (before additional capex), with can and keg packaging capabilities.



FAST GROWING DISTRIBUTION NETWORK

We've begun to stock a wide variety of **pubs, bottle shops** and **wholesalers** since launching the viral "What About Me" commercial with venues indicating they will keep stocking it on an ongoing basis due to its sell through.

SECTION 2.3

INDUSTRY ANALYSIS

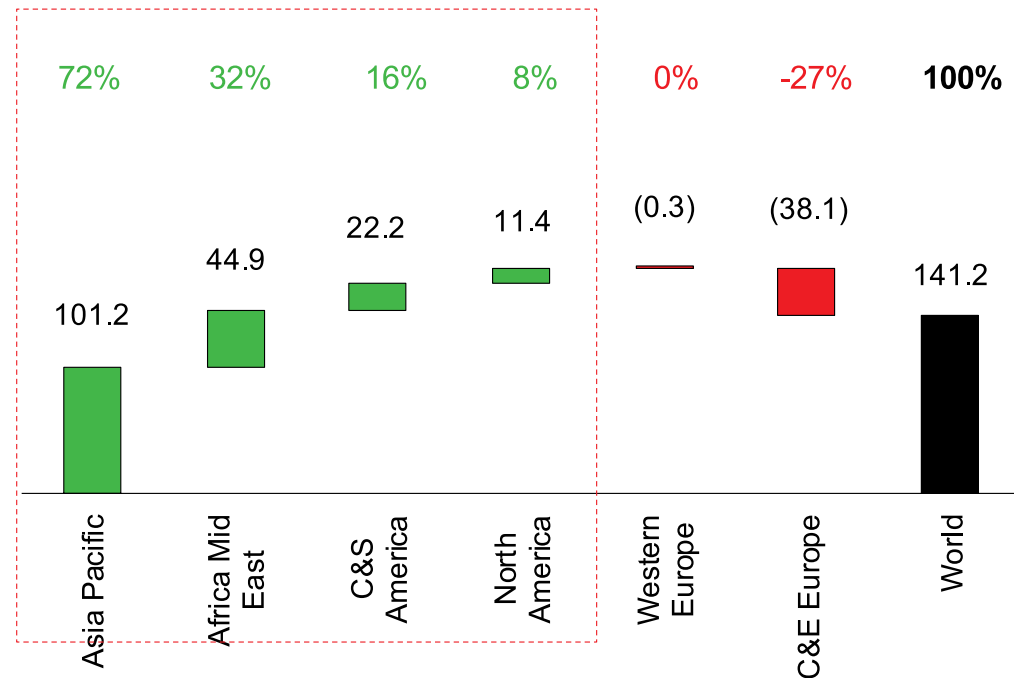
Asia Pacific is the destination for Beer Growth

The global beer market in total revenue is **US\$180 billion**, with Asia Pacific the largest continent in consumption of beer at **35% of all consumption**.

With a world consuming over **140 million incremental litres of Beer each year**, the fastest growing region, is right where Drink West operates being the Asia Pacific region.

The Asia Pacific region represents over **70% or 100 million litres** of the incremental volume being drunk each year in the beer category.

This is a tailwind that benefits Drink West, in that it is operating within the fastest growing continent in the world.



Incremental Beer Volume by Region

Source: Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

SECTION 2.3

INDUSTRY ANALYSIS

Australia is a leading Profit Pool

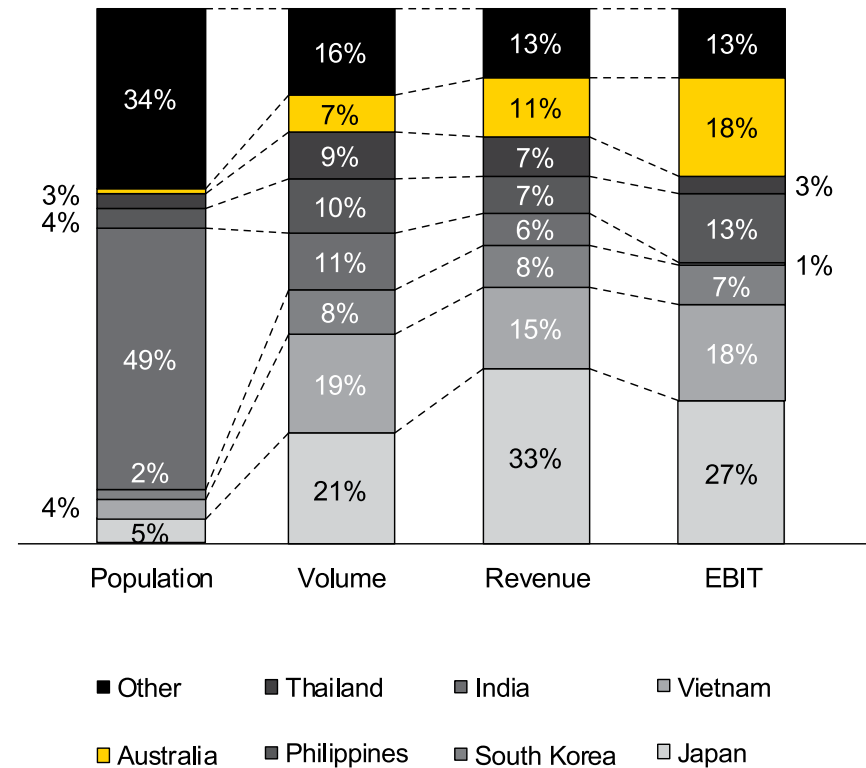
Australia is only 3% of Asia Pacific population, yet represents **18% of the total EBIT pool** of the Asia Pacific, a **6x increase**.

This makes Australia a very attractive marketplace for Drink West.

As we develop the Drink West portfolio of brands through Australia, we can see opportunity to expand the business into other countries within the Asia Pacific region.

This is given Asia Pacific as a whole represents 55% of the Global population, with **\$30b of beer revenue**. Countries like Japan and Vietnam are attractive for Drink West over the long term.

Japan, Australia, and Vietnam combined account for only 12% of Asia Pacific's population, but are nearly **50% of all beer volume** and nearly **70% of all profits**. The favourable demographics, trade relations and geo-politics of Australia's relationship with Vietnam and Japan, provide opportunities over the medium term to make Drink West a truly global brand. We are excited about Australia as a leading profit pool, but the future markets Drink West could operate in.



Asia ex. China Beer Market Breakdown

Source: Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

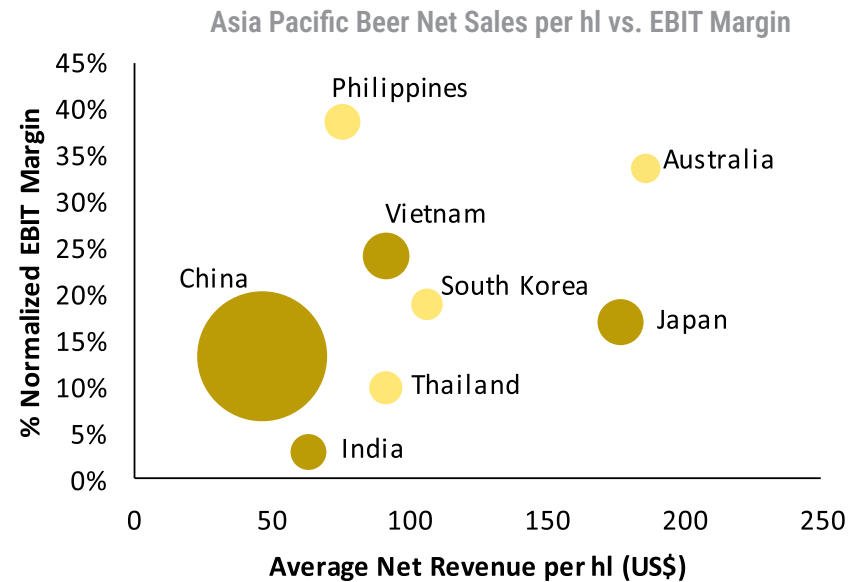
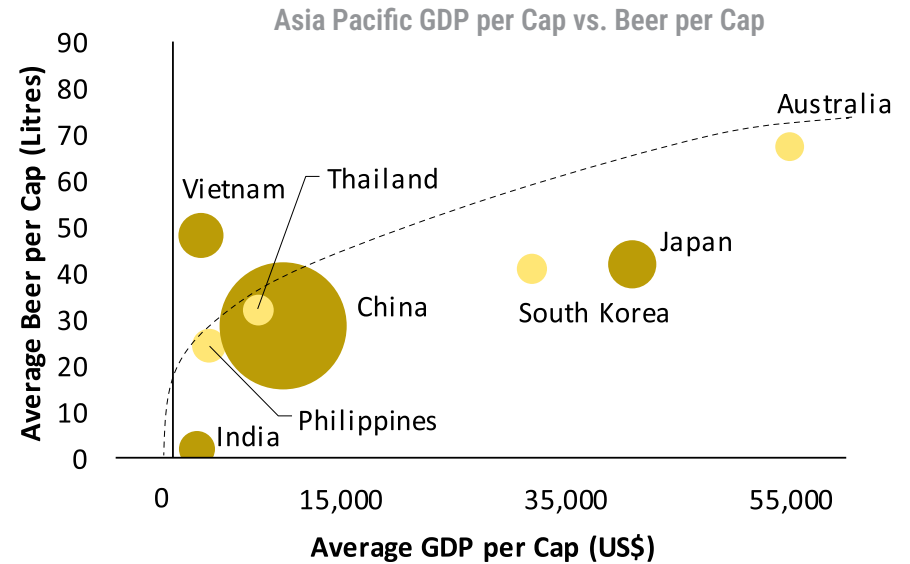
SECTION 2.3

INDUSTRY ANALYSIS

Australia is the leader for Revenue and Margin opportunity

Australia has the highest correlation between Gross Domestic Product (GDP) and consumption per capita of any country within the Asia Pacific region ([see top chart](#)).

Australia also has the highest average revenue per user accompanied by the second highest rate of profit margins in Asia Pacific at 35% ([see bottom chart](#)). Australia is a very attractive destination for Drink West.



Source: Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

SECTION 2.3

INDUSTRY ANALYSIS

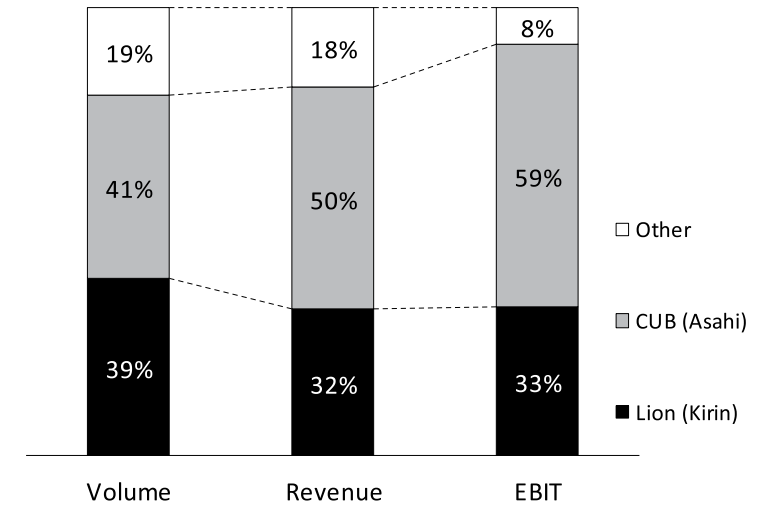
Australian Duopoly Market Structure

Australia's total beer revenue is attractive at over **US\$3.5 billion**. Australia is unique as a market given the duopolistic market structure as Lion (Kirin) and CUB (Asahi) have 80% of sales and 90% of profit.

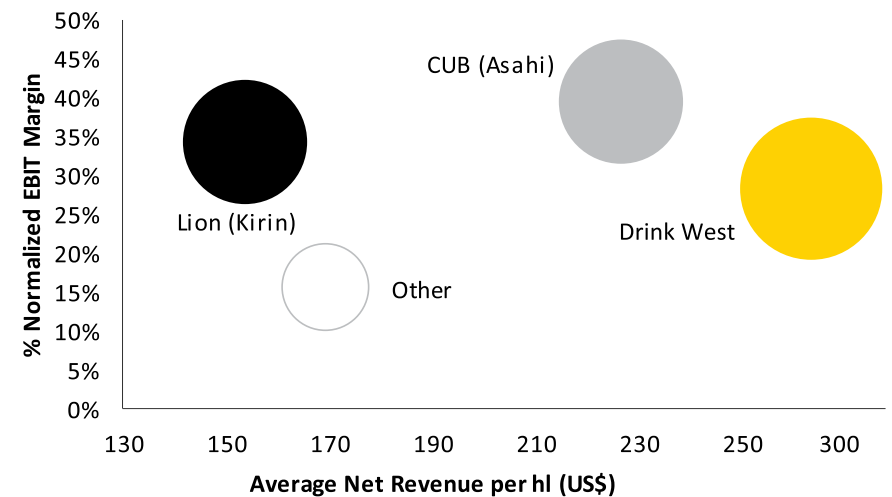
This represents an opportunity for a new voice within the category. This in part is why Drink West was born. By inverting, and doing revealed preference surveys with customers we have found a market niche in our product portfolio that resonates strongly with customers.

The Drink West Brewery is expected to have the capacity to produce **2,000,000 litres** of beer per annum (If minimum raise is reached), with can and keg packaging capabilities.

Australia Beer Market Breakdown



Australia Beer Net Sales per hl vs. EBIT Margin



Source: Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

SECTION 2.3

INDUSTRY ANALYSIS

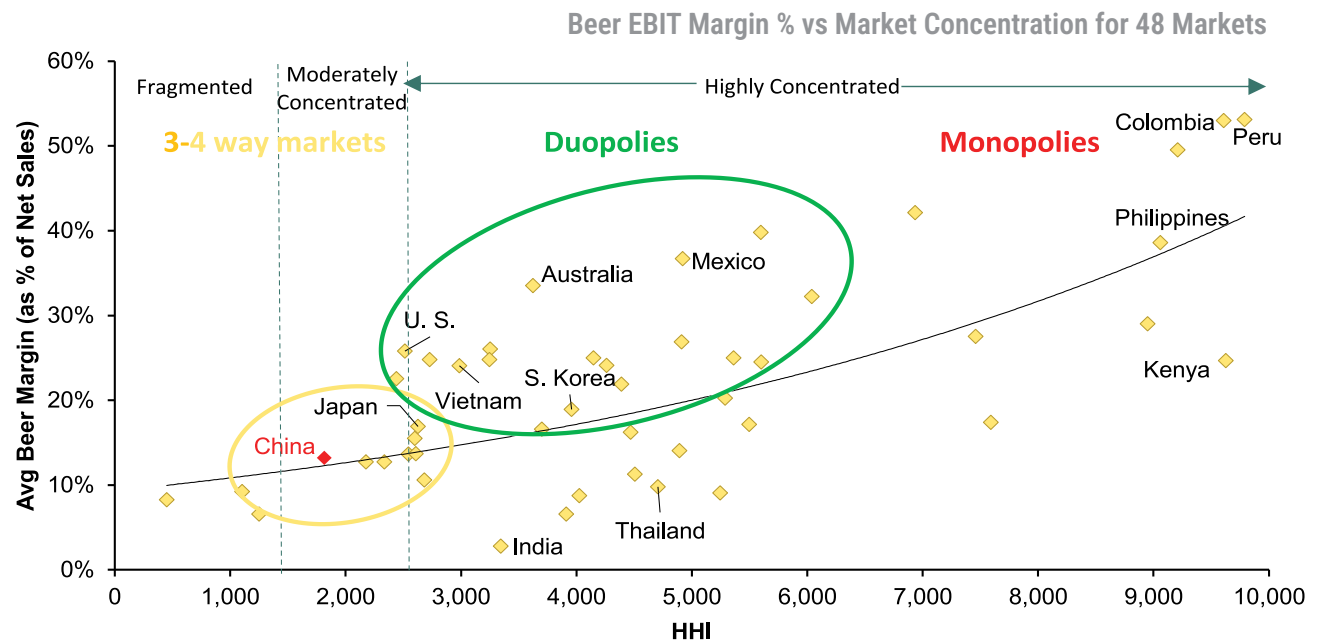
Australia is a Duopoly

Australia operates in a favourable duopolistic structure. In Australia the combined biannual excise tax rises leads to an industry that operates with high pricing power and very high margins by global standards.¹

Unlike the USA, Australia doesn't have a three-tier distribution model which makes the industry fragmented and available to companies like Drink West who have the right product to succeed.²

With off-trade consumption (i.e. retail liquor, and online) nearly **70%** of all consumption, our focus is on this channel to break into the Duopoly structure.²

We also have existing on-trade relationships and have a brand manager being employed to open this channel.



¹Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

²Statista, Beer - Australia | Statista Market Forecast, Oct 2021

Source: Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

SECTION 2.3

INDUSTRY ANALYSIS

Beer is Inflation Proofing

Beer as a drinks category in Australia has exhibited the highest level of price inflation over the last 20 years, at nearly **4% p.a.**

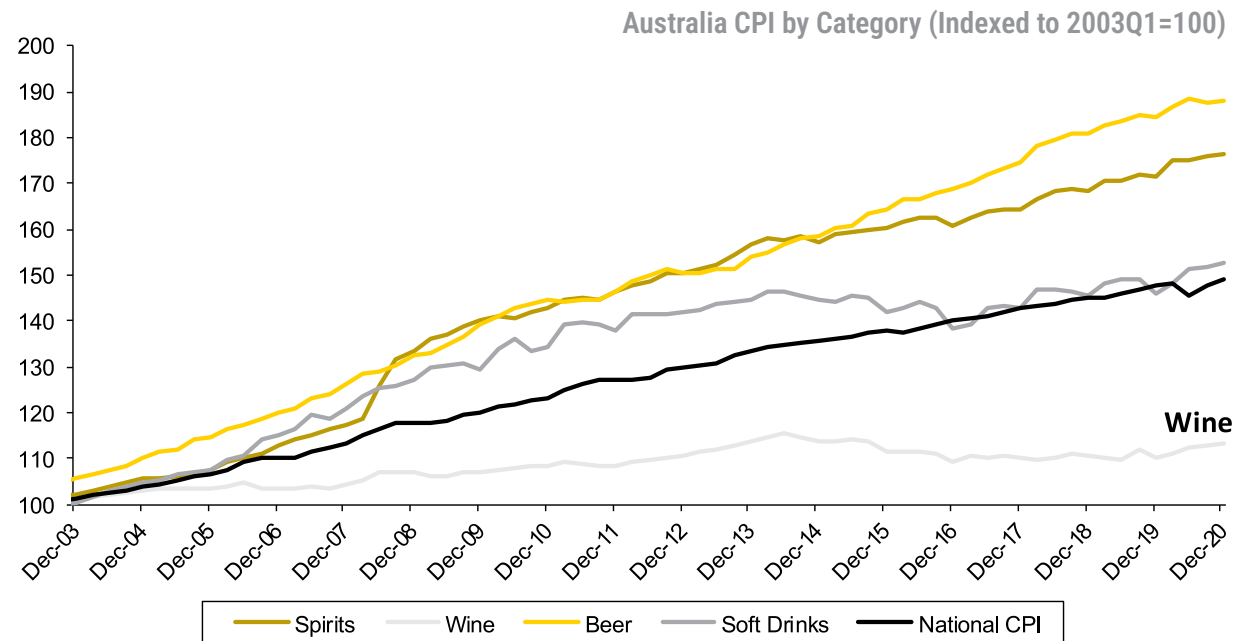
This is a rate of prices increase per annum double the rate of National inflation.

This is a positive tailwind that benefits the Drink West business model, as Drink West can offset any input cost pressures by raising price at a higher level to expand margins.

We at Drink West aim to be different, taking lessons from the early Amazon investor letters by Jeff Bezos, by aiming to give back to our consumers rather than increase prices at a rate higher than the category.

This generates a concept called scale economics shared, whereby by keeping prices low we build a moat around the business of loyalty, and reduce switching costs.

We aim to be price competitive.



Source: Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

SECTION 2.3

INDUSTRY ANALYSIS

**We want to go where no
where else goes.**

This is a principle by leading businessman Steve Schwarzman who we have studied closely. Business success focuses on the Pareto 80/20 rule.

Whilst the craft beer segment, may be the fastest growing, it is also very crowded, a focus today of new breweries and yet it is a very small component of overall beer sales at 7%, having only increased 2% in 5 years.¹

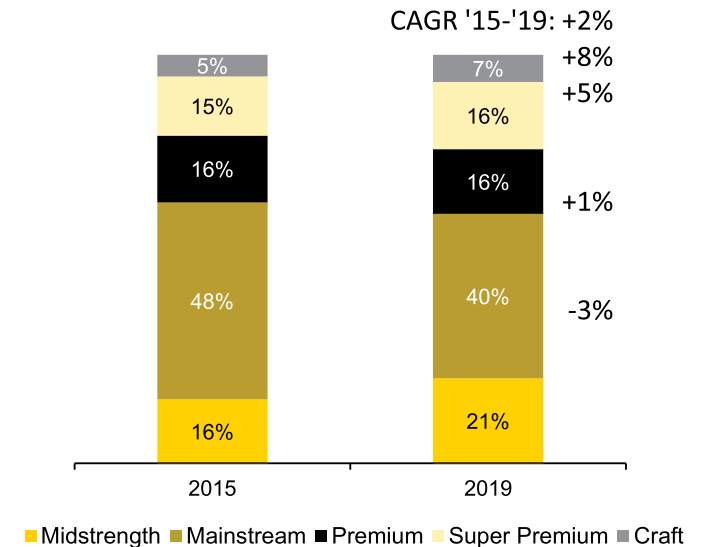
The mainstream market is most attractive, for a few reasons:

It is the largest pool at 40% of sales¹

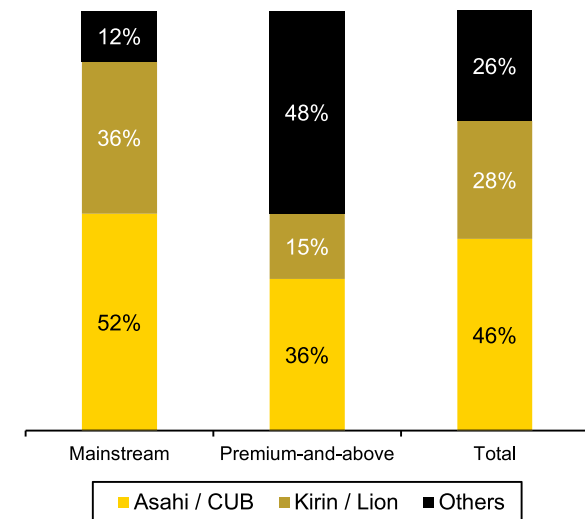
**Only 12% of sales within the pool is
outside the top 2 players¹**

It is showing signs of decay, having fallen 3% in 5 years.¹

Segmental Evolution of Australian Beer



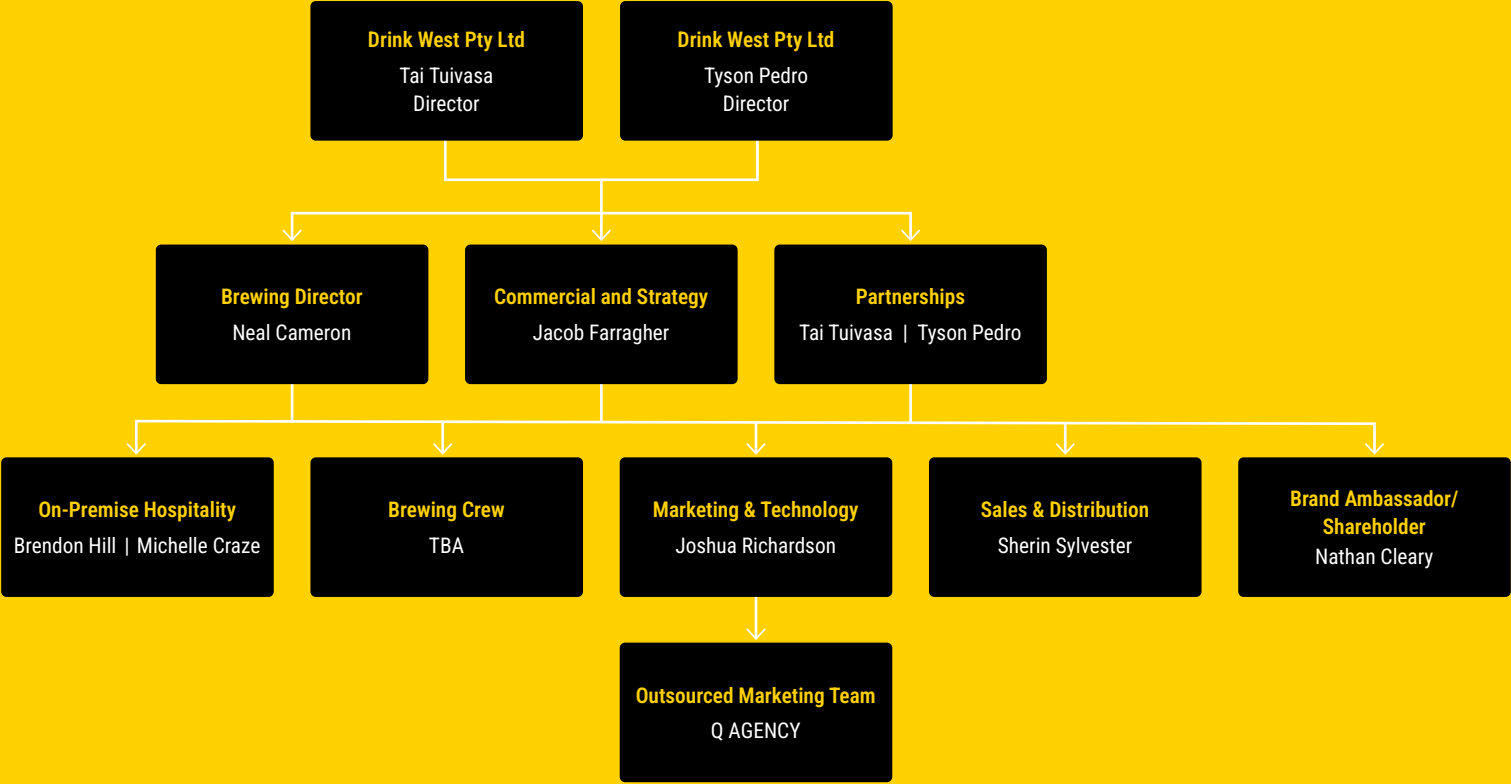
Australia Beer Market Share by Segment



¹Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

Source: Bernstein, ASIA-PACIFIC BEVERAGES, March 2022

ORGANISATIONAL STRUCTURE



SECTION 2.7

CAPITAL STRUCTURE

2.7.1 Issued capital (before and after the Offer)

As of the date of this Offer Document, the Company has **10,000,000 ordinary shares** and no options on issue.

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	Options
Tai Tuivasa	Ordinary	2,679,750 (26.8%)	0 (0%)
Tyson Pedro	Ordinary	2,679,750 (26.8%)	0 (0%)
Quiet Capital Unit Trust	Ordinary	2,679,750 (26.8%)	0 (0%)
Nathan Cleary	Ordinary	992,500 (9.93%)	0 (0%)
Ben Carter	Ordinary	893,250 (8.93%)	0 (0%)
Neal Cameron	Ordinary	75,000 (0.75%)	0 (0%)
Total		10,000,000 (100%)	0 (0%)

CAPITAL STRUCTURE

2.7.1 Issued capital (before and after the Offer)

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	10,000,000 (93%)	10,000,000 (83.3%)
Offer Shares	750,000 (7%)	2,000,000 (16.7%)
Total Shares	10,750,000 (100%)	12,000,000 (100%)

SECTION 2.7

CAPITAL STRUCTURE

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.

Under the Constitution, the Company has the power to refuse a transfer of shares to a third party. A copy of the Company's Constitution is available on the Intermediary's platform.



SECTION 2.7

CAPITAL STRUCTURE

2.7.3 Sources of financing, including debt financing and other financing

To date, our activities have been funded by private capital from shareholders and related party lending. No loan document or priority creditors are attached to the above lending.

There is currently \$374,063.10 outstanding in loans provided by related parties. Interest is not payable on the loans. The related party loans will not be repaid out of the proceeds of the offer. These loans will be repaid when cashflow permits.



SECTION 2.7

CAPITAL STRUCTURE

2.7.4 Group structure

'Drink West' consists of two related entities: Drink West Pty Ltd and Drink West Brewery Pty Ltd.

Drink West Pty Ltd holds the rights to the intellectual property and brand of Drink West.

Drink West Brewery Pty Ltd has been established to operate and own the Drink West Brewery. The brewery owns all brewing equipment, raw materials and stock.

Drink West Pty Ltd grants a license to Drink West Brewery Pty Ltd to use the brand and IP in perpetuity and retain all sales and distribution contracts it obtains and supplies.

Your investment is in both companies:

Drink West Pty Ltd & Drink West Brewery Pty Ltd.



SECTION 2.8

DIRECTORS AND SENIOR MANAGERS



2.8.1 Our directors and management

Tai Tuivasa – Director of Drink West Pty Ltd

Description of duties

- Brand Ambassadors
- Marketing Partnerships
- International Business Advisory
- Partner Channel Advisors
- Brand Management
- Product Tester

Skills and experience

Tai Tuivasa is ranked 3rd in the world in the Heavyweight division of the Ultimate Fighting Championship (UFC) and is an Australian mixed martial artist.

Tai has years of beer drinking experience from the other side of the bar, allowing him to hone his taste for a great brew.

Tai grew up in the Western Sydney suburb of Mt Druitt and iconically represents his area on the world stage. Tai is known for his post fight shoeys on top of the UFC octagon and his unique personality. He is a man of the people and is not one to shy away from having a beer with the locals.

Tai's responsibilities include coordinating partnerships with his extensive access to media, talent and industry contacts.

Tai & Tyson co-founded the company back in 2019, after realising there was no beer that truly represented the people of Western Sydney.

Tai's skills include but are not limited to:

- Creativity
- Social media engagement
- Brand Management
- Owner of multiple businesses
- Mental/physical toughness
- Marketability
- Extensive connections with high profile contacts

SECTION 2.8

DIRECTORS AND SENIOR MANAGERS



2.8.1 Our directors and management

Tyson Pedro – Director of Drink West Pty Ltd

Description of duties

- Brand Ambassadors
 - Marketing Partnerships
 - International Business Advisory
 - Partner Channel Advisors
 - Public Relations & Media Engagement
 - Product Tester
 - Sales
-

Skills and experience

Tyson Pedro is ranked 35th in the world in the Light Heavyweight division of UFC and is an Australian mixed martial artist.

Tyson has a passion for business outside the octagon and has focused on growing his professional skill set while recovering from his knee injury the last 2 years.

Tyson's responsibilities include coordinating partnerships with his extensive access to media, talent and industry contacts.

Tyson recently won his first UFC fight back in the octagon with a TKO in the first round on April 23rd in Las Vegas.

Tyson's skills include but are not limited to:

- Host of Half Cast Podcast
 - Resilience
 - Marketability
 - Creativity
 - Social media engagement
 - Extensive connections with high profile contacts
-

SECTION 2.8

DIRECTORS AND SENIOR MANAGERS



2.8.1 Our directors and management

Jacob Farragher – Head of Growth

Description of duties

- | | | |
|------------------------|-----------------------|----------------------|
| – Business Development | – Business Management | – Sales Management |
| – Strategy | – Marketing | – Risk Management |
| – Funding Management | – Staff Management | – Corporate advisory |

Skills and experience

Jacob has been in business since the age of 15, having founded, grown and exited many businesses across multiple industries such as hospitality, e-commerce, property and retail. Jacob has been the director of over 25 companies and has the ability to identify opportunities and scale them at speed.

Jacob is proud to be from Western Sydney, an area where he focuses his investment efforts.

Having worked across so many different companies, Jacob's skillset is wide ranging. With experience in cost cutting and scaling for growth. Jakes skills include but are not limited to:

Jacob's skills include but are not limited to:

- Leadership
- Creativity
- Customer/Stakeholder collaboration
- Recruitment
- Adaptability

SECTION 2.8

DIRECTORS AND SENIOR MANAGERS



2.8.1 Our directors and management

Neal Cameron – Head of Brewing Operations

Description of duties

- | | | |
|------------------------------|---------------------|-------------------------|
| – Recipe Development | – Cellar Management | – Production Management |
| – Raw ingredients management | – Export Logistics | – Stock Management |

Skills and experience

Neal has a level of experience and qualification that few in the industry can match. A degree in chemistry and a corporate career in operations and supply chain management for Johnson & Johnson and Smith & Nephew, followed by a post Grad in Brewing Science. He then worked in the wine and food industry for a number of years in product development and change management.

His first role in brewing was to start William Bull Brewery for De Bortoli wines as Head Brewer/Brewery Manager before moving to Sydney to start the Australian Brewery in 2010. The Australian Brewery has been a highly successful venture, being the first craft brewer in Australia to package into cans. With many medals and trophies, national distribution and export to many countries, a focus on quality and innovation has allowed rapid global expansion.

As well as being a founding director of The Institute of Beer. He also has vast experience working with many Australian breweries and cideries on diverse projects encompassing brewery build project management, product development and quality improvement. Neal is the Technical Director for Brewtique, specialising in brewing equipment installs around Australia and Asia and is the teacher at TAFE NSW for the newly developed Certificate III in Microbrewing.

Neal has successfully opened 42 breweries in the last 2 years across Australia. He has identified Drink West, as having the largest market appeal, than any brand he has previously worked on and has officially joined us as Brewery Director.

SECTION 2.8

DIRECTORS AND SENIOR MANAGERS



2.8.1 Our directors and management

Joshua Richardson – Technology & Marketing Manager

Description of duties

- | | | |
|-------------------|-----------------------|-----------------------|
| – Marketing | – Strategy | – Business Operations |
| – Web Development | – Business Management | |
-

Skills and experience

Josh is the director of Q Agency, a leading marketing & web development agency based in Western Sydney. Josh has been instrumental in the establishment and scaling of multiple startups and existing businesses over the past 6 years.

He has a broad range of experience growing brands in e-commerce, hospitality, fitness, property and retail sectors, both within Australia and internationally.

Josh has a Bachelor of Information Technology and a background in Web Development, Marketing, R&D and Business Operations.

Beyond startups, he has worked with leading tech companies such as IBM, Westpac and Wisetech Global to develop & rollout industry first solutions.

Joshua's skills include but are not limited to:

- E-commerce Development
 - Facebook Advertising
 - Google Advertising
 - Creativity
 - Automation
 - Research & Development
 - Owner of multiple business
 - Adaptability
-

SECTION 2.9

RISKS FACING THE BUSINESS

An investment in **Drink West Pty Ltd** should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below.

Investors should **read this section carefully** before deciding to apply for shares under the Offer.

There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).



SECTION 2.9

RISKS FACING THE BUSINESS

Risk	Description
Cash flow risk	<p>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.</p>
Funding risk	<p>The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives.</p> <p>The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available.</p>
Competition risk	<p>The Company operates in a highly competitive market, with several known competitors, and moderate barriers to entry that could give rise to new and unknown competitors. If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.</p>

SECTION 2.9

RISKS FACING THE BUSINESS

Risk	Description
Key person risk	<p>As an early stage business, the Company is susceptible to the loss of key team members as they are considered critical to the continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be.</p>
Startup risk	<p>The Company is a pre-revenue startup/ has a limited operating history and will build the business with the funds raised through this crowd-sourced funding offer.</p> <p>As an early stage business, the Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, the Company is not yet profitable and is yet to generate revenue through certain anticipated revenue streams.</p> <p>The commercial success of the business will depend on many factors including the Company's ability to attract and retain quality staff and loyal customers.</p>
Liquor License risk	<p>The Company has not yet received Producer/wholesaler liquor license regulatory approval to produce and sell our product from the new Brewery venue. Our growth strategy depends on obtaining approvals from the relevant regulatory authorities.</p> <p>The Company is in the process of applying for the license.</p> <p>There is no guarantee that we will receive all necessary regulatory approvals and we cannot predict with certainty the timelines for such approvals, or whether other requirements may be imposed by regulatory authorities (e.g. further requirements to prove the effectiveness of our product).</p>

SECTION 2.9

RISKS FACING THE BUSINESS

Risk	Description
Dilution	A shareholder's interest being diluted if they do not participate in future fundraisings.
Covid	The COVID 19 pandemic has seen hospitality venues and other businesses suspend trading during lockdowns. This poses a risk for the on premise sales of the business.

2.8.1 Disclosures

Jake Farragher was a Director of HAT KINGDOM PTY LTD from 02/02/2010 until it's creditors' voluntarily wound it up in 2015. The company was no longer trading due to ceasing day to day operations, HAT KINGDOM PTY. LTD was voluntarily wound up with all outstanding debts settled to creditors except that of The Taxation Office (ATO). This experience, which occurred almost 7 years ago, has shaped his future endeavors.

Jake Farragher was a director of JR INTERIORS (NSW) PTY LTD, from 2012 until its deregistration. In 2015, JR INTERIORS (NSW) PTY LTD was placed under external administration and was ultimately wound up in insolvency, as a result of its inability to meet its debt commitments. JR INTERIORS (NSW) PTY LTD creditors were substantially repaid, including through the sale of personal property of the company's directors. This experience, which occurred almost 7 years ago, resulted in a significant financial and personal cost to Jake, and has shaped his future endeavors. Jake has since continued a very successful career as a business owner and company director, and considers his experience as a director of these failed businesses as a constant reminder to ensure companies under his direction do not endure a similar fate.



SECTION 2.10

FINANCIAL INFORMATION

Below are the financial statements of the Company for the financial years ended 30 June 2020 and 30 June 2021, which have been prepared in accordance with the Accounting Standards. Financial information for the 10 months ended 30 April 2022 have also been included, based on management accounts, and accordingly may be subject to change.

The Management Accounts included are presented on a consolidated basis as of 16th February 2022.

2.10.1 Balance sheet

	2022 As at 30 April 2022	2021 As at 30 June 2021	2020 As at 30 June 2020
Current assets			
Cash and cash equivalents	\$7,457.86	\$3,399.68	\$6,404.02
Trade and other receivables	\$29,997.00	–	–
Inventories	\$14,000.00	\$66,933.78	–
Other current assets	\$313,721.15	\$25,741.15	\$14,241.15
Total current assets	\$365,176.01	\$96,074.61	\$20,645.17
Non-current assets			
Intangibles	\$10,022.50	–	–
Total non-current assets	\$10,022.50	–	–
Total assets	\$375,198.51	\$96,074.61	\$20,645.17
Current liabilities			
Provisions	(\$4,582.98)	(\$6,763.40)	(\$1,236.64)
Total current liabilities	(\$4,582.98)	(\$6,763.40)	(\$1,236.64)
Non-current liabilities			
Borrowings	\$374,063.10	\$95,556.96	\$21,857.46
Total non-current liabilities	\$374,063.10	\$95,556.96	\$21,857.46
Total liabilities	\$369,480.12	\$88,793.56	\$20,620.82
Net assets	\$5,718.39	\$7,281.05	\$24.35
Equity			
Retained earnings	\$5,718.39	\$7,281.05	\$24.35
Total equity	\$5,718.39	\$7,281.05	\$24.35

SECTION 2.10

FINANCIAL INFORMATION

2.10.2 Profit and loss statement

	2022 For the 10 months ended 30 April 2022	2021 For the 12 months ended 30 June 2021	2020 For the 12 months ended 30 June 2020
Sales			
Retail Sales	\$27,270.00	\$25,883.00	–
Online Sales	\$53,301.01	\$35,020.45	\$15,181.68
	\$80,571.01	\$60,903.45	\$15,181.68
Less: cost of sales			
Opening inventories	\$66,933.78	–	–
Purchases	\$17,302.56	\$115,656.18	\$11,479.57
Closing inventories	(\$14,000.00)	(\$66,933.78)	–
	\$70,236.34	\$48,722.40	\$11,479.57
Gross profit (loss) from trading	\$10,334.67	\$12,181.05	\$3,702.11
Expenses			
Accounting/Bookkeeping Fees	–	–	\$1,200.00
Advertising & Marketing	\$7,727.27	\$3,645.66	\$520.49
Bank Fees	\$52.90	\$150.40	\$10.00
Filing Fees	\$1,457.46	\$613.00	–
Legal Fees	–	–	\$467.63
Licensing Fees	–	\$202.73	–
Printing	–	–	\$70.00
Staff Training Expenses	–	–	\$318.73
Subscription	–	\$312.56	–
Uniforms	\$2,659.70	–	\$1,090.91
	\$11,897.33	\$4,924.35	\$3,677.76
Net profit (loss)	(\$1,562.66)	\$7,256.70	\$24.35
Retained earnings (accumulated losses) at the beginning of the financial period	\$7,281.05	\$24.35	–
Retained earnings at the end of the financial period	\$5,718.39	\$7,281.05	\$24.35

SECTION 2.10

FINANCIAL INFORMATION

2.10.3 Cashflow statement

	2022 For the 10 months ended 30 April 2022	2021 For the 12 months ended 30 June 2021	2020 For the 12 months ended 30 June 2020
Cash at Beginning of Year	\$3,400	\$6,404	000
Operations			
Cash receipts from			
Retail Sales	–	\$28,471	–
Online Sales	\$55,577	\$38,522	\$16,700
Cash paid for			
Stock Purchases	(\$19,033)	(\$127,222)	(\$12,628)
Operating Expenses - Profit & Loss	(\$12,936)	(\$4,976)	(\$3,992)
Operating Expenses - Balance Sheet	(\$288,034)	(\$11,500)	(\$15,533)
Lease Bond	(\$10,023)	–	–
Net Cash Flow from Operations	(\$274,448)	(\$76,704)	(\$15,453)
Investing Activities			
Cash receipts from			
Sale of property and equipment	–	–	–
Sale of investment securities	–	–	–
Cash paid for			
Purchase of property and equipment	–	–	–
Purchase of investment securities	–	–	–
Net Cash Flow from Investing Activities	000	000	000
Financing Activities			
Cash receipts from			
Proceeds of share issues	–	–	–
Borrowing	\$278,506	\$73,700	\$21,857
Cash paid for			
Repayment of loans	–	–	–
Dividends	–	–	–
Net Cash Flow from Financing Activities	\$278,506	\$73,700	\$21,857
Net Increase in Cash	\$4,058	(\$3,004)	\$6,404
Cash at End of Year	\$7,458	\$3,400	\$6,404

SECTION 2.10

FINANCIAL INFORMATION

2.10.4 Statement of Changes in Equity

	April 2022 10 Months	June 2021 12 Months	June 2020 10 Months
Total Equity at the beginning of period	\$7,381.05	\$124.35	–
Current Earnings (Loss) for the period	(\$1,562.66)	\$7,256.70	\$24.35
Share Capital	–	–	\$100.00
Total Equity at the end of the period	\$5,818.39	\$7,381.05	\$124.35

	April 2022 10 Months	June 2021 12 Months	June 2020 10 Months
Current Period Earnings	(\$1,562.66)	\$7,256.70	\$24.35
Retained Earnings	\$5,718.39	\$7,281.05	\$24.35
Share Capital	\$100.00	\$100.00	\$100.00
Total Equity at the end of the period	\$5,818.39	\$7,381.05	\$124.35

SECTION 2.10

FINANCIAL INFORMATION

2.10.5 Management comments on historical performance and outlook

The company's historical performance has aligned with all management expectations.

Initial start-up costs during the 2020 financial year predominantly related to legal, licensing, product testing, market capitalisation and other set up costs. During the 2021 financial year, the company partnered with local venues, established a website, and partnered with a larger supplier to allow for extensive testing to be completed and increased production capacity.

This trend continued into 2022 with key spending on further marketing strategies and endorsed media productions. During this time, key financial goals were achieved by all budgeted costs of approximately \$300,000 funded by the shareholders. The Company also secured a leased premises in Western Sydney which they intend to operate a brewery and onsite sports bar. The premises lease is held by a wholly own subsidiary Drinkwest Brewery Pty Ltd.

The Company's management is confident that future product demand is expected to grow following the success of product testing, operations of brewery and the ongoing popularity of key shareholders Tai Tuivasa, Tyson Pedro & Nathan Cleary. The next phase (Horizon 1) is expected to begin 1 June 2022 that will include further investments into a broadened marketing regime, opening brewery operations and launch of product in retail and on-site premises.

In our opinion, based on the above historical performance, trajectory of sales, branding, and core management strategies, we expect that the company is well positioned to execute its business strategy.



SECTION 3

INFORMATION ABOUT THE OFFER

SECTION 3

INFORMATION ABOUT THE OFFER

3.1 Terms of the Offer

Drink West Pty Ltd is offering up to **2,000,000** shares at an issue price of **\$1.00** per share to raise up to **\$2,000,000**. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1 per share
Minimum Subscription	\$750,000
Maximum Subscription	\$2,000,000
Minimum parcel size	250 [\$250.00]
Opening date	05/05/2022
Closing date	26/05/2022

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.

SECTION 3

INFORMATION ABOUT THE OFFER

3.2 Use of funds

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

Intended use	Financial Year 2022/2023 Min. Subscription	Financial Year 2022/2023 Max. Subscription
Brewery fitout & equipment	\$475,000.00	\$1,100,000.00
Marketing Spend	\$125,000.00	\$450,000.00
Wages and Salaries	\$62,000.00	\$124,000.00
Working Capital	\$40,200.00	\$203,200.00
Offer costs	\$47,800.00	\$122,800.00
Total	\$750,000.00	\$2,000,000.00

SECTION 3

INFORMATION ABOUT THE OFFER

3.2 Use of funds

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 Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Wages & Salaries includes employee wages and director remuneration. Details of payments to be made to directors and senior managers are as follows:

- *Directors' remuneration: Up to \$20,000 per director per annum*
- *Senior manager remuneration: Between \$40,000 to \$120,000 per senior manager per annum*

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 12-18 months.

To reach the national scale Drink West intends to compete on, we may seek additional third party investment to further our marketing spend and increase production capacity. Both debt and equity funding will be considered.

In the event of further equity funding, existing shareholders will be diluted proportionally.

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 third party investment, debt or undertaking a further CSF offer under the CSF regime.

Until additional funding is obtained, we will scale back marketing and continue to focus our cash resources on the brewery fitout and equipment.

SECTION 3

INFORMATION ABOUT THE OFFER

3.3 Rights associated with the shares

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

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

3.3.1 Voting rights

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

3.3.2 Dividends

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

The Company is not expected to be in a position to pay dividends over the next few years as capital will be required for growth initiatives.

SECTION 3

INFORMATION ABOUT THE OFFER

3.3 Rights associated with the shares

3.3.3 General meetings and notices

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

3.3.4 Election and removal of directors

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

3.3.5 Winding-up

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to shareholders after secured and unsecured creditors of the Company.

3.3.6 Restrictions on sale and transfer

Under the Constitution, the Company has the power to refuse a transfer or sale of shares to a third party. A copy of the Company's Constitution is available on the Intermediary's platform.

SECTION 3

INFORMATION ABOUT THE OFFER

3.4 What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company.

These include, but are not limited to:

A trade purchase of the Company

A listing on a registered stock exchange (eg the ASX)

A private equity investment in the Company

A share buy-back by the Company

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



SECTION 3

INFORMATION ABOUT THE OFFER

3.5 Investor Rewards

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

This group of investors will be known as “The OGs”.

Depending on how much you invest, these rewards include:

Name memorialised permanently at the Brewery

Discount at the Brewery and online store

Exclusive merchandise

**Invitation to the Brewery’s Launch Party
(Early pre-public access)**



SECTION 3

INFORMATION ABOUT THE OFFER

Platinum Investor Brick



Terms and Conditions for Rewards:

- Discount at the Brewery and online store will be valid for 3 years
- Drink West reserved the right to define the terms under how names will be displayed at the Brewery.
- T-shirts cannot be returned and swapped for a different size once a size has been specified.

3.5 Investor Rewards

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

Reward	Bronze Investor \$250 - \$999	Silver Investor \$1,000 - \$2,499	Gold Investor \$2,500 - \$9,999	Platinum Investor \$10,000 +	Method of delivery
Name engraved into glass brick permanently at the Brewery	NO	NO	NO	YES	Seen at the brewery
Discount at Brewery and online store	5%	5%	10%	15%	Sent via email
Exclusive Merchandise	Keyring	Tshirt & Keyring	Tshirt & Keyring + Signed Can	Tshirt, Keyring + Signed T-shirt	Shipped to you
Invitation to the exclusive Launch Party	YES	YES	YES	YES	Sent via email
Exclusive investor dinner	NO	NO	NO	YES	



SECTION 4

INFORMATION ABOUT INVESTOR RIGHTS

SECTION 4

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.



SECTION 4

INFORMATION ABOUT INVESTOR RIGHTS

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.

SECTION 4

INFORMATION ABOUT INVESTOR RIGHTS

4.3 Proprietary company corporate governance obligations

4.3.1 Annual report

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

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements.

However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

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 website at the following address <https://drinkwest.com.au/pages/annual-report> (free of charge) or can purchase the report from ASIC.

SECTION 4

INFORMATION ABOUT INVESTOR RIGHTS

4.3 Proprietary company corporate governance obligations

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.

SECTION 4

INFORMATION ABOUT INVESTOR RIGHTS

4.4 Company updates

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

<https://drinkwest.com.au/blogs/investors>

and via the Intermediary's platform.



GLOSSARY

Company means Drink West Pty Ltd ACN 636 007 746

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

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

Intermediary means Birchall Financial Services Pty Ltd AFSL 502618

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

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

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

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



DRINK WEST

THANKS

Any questions, please contact invest@drinkwest.com.au