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

BAINTONBEER

DAICOM AUSTRALIA PTY LTD CROWD-SOURCED FUNDING OFFER DOCUMENT

Offer of fully-paid ordinary shares in Daicom Australia Pty Ltd at \$2.20 per share to raise a maximum of \$1,800,000.

DATED 9th of August, 2022 This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Daicom Australia Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Issuer: Daicom Australia Pty Ltd ACN 118 590 935

Intermediary: Birchal Financial Services Pty Ltd AFSL 502618

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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.





LETTER FROM THE FOUNDERS

Hello there and thank you for taking the time to consider becoming a part of our ever-growing family of beer lovers.

We are excited! Excited to have the opportunity to present this rare offer, excited to continue growing our wonderful company and just generally excited to be a part of this extraordinary journey that started only 9 years ago. And not to mention, just what the future holds for us all.

Dainton was founded on a dream. That dream was to have wonderfully flavoursome beer of the highest quality and consistency available anywhere in Australia. I remember sitting at the Ettamogah pub and going to order a beer. I had 3 choices... A green one, a yellow one or a blue one. That was the moment I knew something had to change and I wanted to be a part of that change.

Not long after, well a few brewing jobs later, a post-graduate brewing qualification from the then Ballarat University, 3 years at a home brew shop packing hops into tiny bags and milling grain and over 120 batches of all grain home brewed in 2 years, Dainton was born with the release of the Red Eye Rye in 2013.

Much has changed since the days where I brewed all of the beer (some was contracted out too) and then took trailer loads of kegs back from Jamieson or Bendigo or one of the other 5 places we brewed at, to sell it directly into pubs and bars around Melbourne. Now I'm proud to say that there is a wonderfully passionate and absolutely dedicated family of team members running the day to day of Dainton. We've grown so much in 9 years, I can't wait to see what the next 9 will bring!

Thank you again for contemplating being a part of our saga - and I say "saga" as I'm pretty sure, Kevin, my father and co-founder, is convinced we have some Viking blood running through our veins. And that might be true! We are a robust lot. We never give up, we never rest on our laurels and we always strive to become better - and I know we will. Plus we like to celebrate with a beer or two at the end of a hard day's work!

I do hope to share this story with you - and if not, then all the best on your own travels. Freedom of choice is our motto. And we want that for all.

Cheers and Prost

Daniel Dainton

Co-Founder and Director







SCORECARD

| Strategic Focus | Strategic objective stated in previous offer document | Progress | Future |
|---------------------------|--|---|---|
| Sales and Distribution | Increase footprint with independent stockists and national chains. | In the Australian market, we have successfully increased our footprint from 750 stockists to more than 2,000 in the last three years. We are now a nationally distributed brand with ranging in the major chain retailers (e.g. Dan Murphy's, BWS, Liquorland, First Choice and Vintage Cellars), as well as important large independent groups (e.g. Ritchies IGA). We have also commenced exporting to six markets across Asia. | There is still scope for significant growth across all of our wholesale and export sales channels. This includes ranging of more products in more outlets with the major chain retailers, as well as a strategic push to drive more on-premise sales through pubs and bars. Moreover, with the distribution and volume growth we have already achieved, we are now at a level to actively engage larger retail groups at the highest level as well as other key players in the industry via their preferred supply chain partners and wholesale models. We expect this to allow us to open new routes to market which can unlock further growth opportunities. |
| | Increase sales through our direct to customer online store | We launched our online store in May 2019 - one month after our first CSF raise. Since this time, we have been successful in building this sales channel, with \$265k in revenue in the last financial year. | To underpin future growth, we are planning to upgrade our eCommerce platform and launch a subscription/membership offering in the next 12 months. We are planning on investing in this channel to better segment and target our customers with personalised communications and offers. |
| | Release a low to no- alcohol beer to market | After much experimentation and R&D, we are now in a position to launch our first non-alc beer to market in the first week of September this year. | We believe that there is the potential to add more non-alc beers to our portfolio and plan to gauge the success of our first release and use it as a guide in the development and release of future non-alc beers. |
| | Commence barrel- aged beer and sour beer programs | These programs commenced shortly after our CSF raise in 2019. Since this time, we have released three barrel aged beers and we currently have 14 unique batches ageing in barrels. These beers will be released over the next 12-24 months. | We plan to continue to expand upon these programs and offer exciting and unique barrel-aged and sour beers to the market. Whilst we do not see this as a huge growth area, the production of these beers allows us to experiment with new styles and techniques and offer new and exciting beers to our customers. |

Continued



SCORECARD

| Strategic Focus | Strategic objective stated in previous offer document | Progress | Future |
|--------------------|---|---|---|
| Hospitality | Open new Dainton venues in Victoria | After our 2019 CSF raise, we started scouting sites for a new Dainton tap house in Victoria. We were considering a number of options when the global pandemic hit in March 2020. At this point, we decided to press pause on this initiative until there was more certainty around hospitality in Victoria. In March 2022, we re-started our search for our next venue. We are actively considering a number of options. | One of our key strategic goals is to open more Dainton venues in Victoria and nationally over the coming months and years. From a financial perspective, we expect the increase in our hospitality footprint to boost our earnings and improve our cash flow. Moreover, these venues have the potential to provide a new touchpoint for our brand. Having a local presence in new areas is expected to drive brand awareness, which should have a positive flow on effect to the other parts of our business. |
| Production | Increase production capacity to support increased demand and Continuously improve the quality and consistency of our beers. | Since 2019, the overall production capacity of our facility in Carrum Downs has increased by 100% due to the continuous upgrading of our equipment and infrastructure during this period. In the last three years, we have re-invested more than \$1.5m in the facility in order to increase our capacity and improve the quality and consistency of our products. The facility now has the capacity to produce approximately 1.35m litres of beer per annum. | The next key investment for us is an upgraded canning line. A new canning line would allow us to package twice as much beer in the same amount of time and would further underpin the quality and consistency of our products. In the longer term, we have the ability to replace our smaller 60hl tanks with larger 100hl tanks. If we make this investment, it is our estimate that this facility could produce more than 2m litres of beer per annum. |
| Team | Invest in our team to support future growth | To support our exponential growth over the past three years, our team has grown from 14 total employees in April 2019 to 46 in July 2022. The new hires include the addition of key roles, including highly experienced Head of Sales and Head of Marketing. | We will continue to invest in our people to continue to support the future growth of the business. |



SECTION 2.2

DESCRIPTION OF THE BUSINESS

SECTION 2.2.1

WHO ARE WE?

THE DAINTON STORY

Every story starts somewhere, and ours began in a dilapidated old shed in Brunswick West back in 2008, where Dan Dainton first tried his hand at the scientific art of homebrewing. Little did he know that those backyard dreams of beer being "more" - plus a little bit of arm twisting of the old man Kev - would lead to one of Australia's most recognised and respected craft beer brands being established.

From the beginning, Dainton Beer has always been about brewing beers that are exciting, tasty and a little bit different. It was built on a belief that beer could be more. More tasty, more fun, more exciting and available to more people. So 9 years ago, we set out to bring punters freedom of choice because beer drinkers deserved more.

In 2013, we released our first commercial brew Red Eye Rye - a beer that pushed the then boundaries of what beer could, and should, be. Dan was clearly onto something because, a few years later, that very beer went on to win a trophy at the 2018 Indie Beer Awards

Our production brewery and taphouse opened its doors in 2016, allowing for a whole new level of experimentation. While our batch sizes might have grown a bit since the shed days, brewing innovative and exciting beers (that are a bit of fun!) is still right at the heart of what we do.

With our amazing team of brewers, we have managed to pick up 50+ awards along the way, including twice winning the best in show award (i.e. Champion Craft Beer) at the Indie Beer Competition for the 3D and Cherrywood Smoked Rye Baltic Porter. Even more excitingly, we won Champion Independent Large Brewery of Australia (and Victoria) at the 2020 Indies awards. We must be doing something right!

Since the last CSF round (in 2019), Dainton Beer has grown exponentially to become one of Australia's favourite craft beer brands. You can now find our beers in over 2,000 outlets around Australia - including national distribution with the major retailers. With the right staff in key positions in the business, we are well positioned for future growth.





KEY ACHIEVEMENTS TO DATE



AUG 2013 Brand is launched with the release of the first batch. Red Eye Rye

AWARDS THE BEST OF 2017 AMPION AUSTRALIAN CRAFT BEER

Cherrywood **Smoked Rye Baltic Porter** awarded Champion Australian Craft Beer at the Craft Beer Awards (Indies)

JAN 2018 Fruit Punch IPA awarded Champion Beer at

Ballarat Beer

Festival

JAN 2019 **Blood Orange**

voted No.36 in 2018 GABS Hottest 100 Craft Beers

SEP 2018

Broke Guinness World Record for most different beers on tap (131)

Partnership with Ritchies Liquor begins with Ritchies Pale Ale



DEC 2019 Junale Juice Hazy IPA released

APR 2020 Direct

Sales Model beains

MAR 2020

National

Ranging

of **Blood**

Orange

at Dan

Murphy's



NOV 2020 Awarded Champion Large Brewery Australia / Champion Large Brewery Victoria at the Indies



DEC 2021 Maior Tom New World IPA released

2022 **Blood Orange** voted No.38 in 2021 GABS

JAN

Hottest 100 Craft Beers

> NOW **JUL 2022** 2nd Round of Equity Crowdfunding beains

AUG 2016

Brewerv & Taphouse opens in Carrum Downs VIC

DEC 2017

Blood Orange **NEIPA** released



JUL 2018

Red Eve Rve awarded Champion Australian Amber/Dark at the Indies



APR 2019

Successful 1st Round of Equity Crowdfundina



SEP 2019

AUG 2019

Commence

Exporting

to Asia

3D TDH Double Red Eye Rye awarded Champion Australian Independent Beer at the Indies



JUL 2020

Brand Refresh roll out begins with **Blood** Orange and Jungle Juice

National Ranging of Jungle Juice at BWS and Dan Murphy's and **Blood Orange** at BWS

DEC 2020

Juice with

Cellars and

State and

Premium

Ranging in

Liquorland

Store

First Choice.

Vintage

Equalizer Hazy Pale released



AUG 2021 Completed Upgrade of Production Brewery doubling production

capacity

Vic Ranging of Equalizer at Dan Murphy's

APR 2022

JAN 2021

Jungle Juice voted No.57 in 2020 GABS Hottest 100 Craft Beers



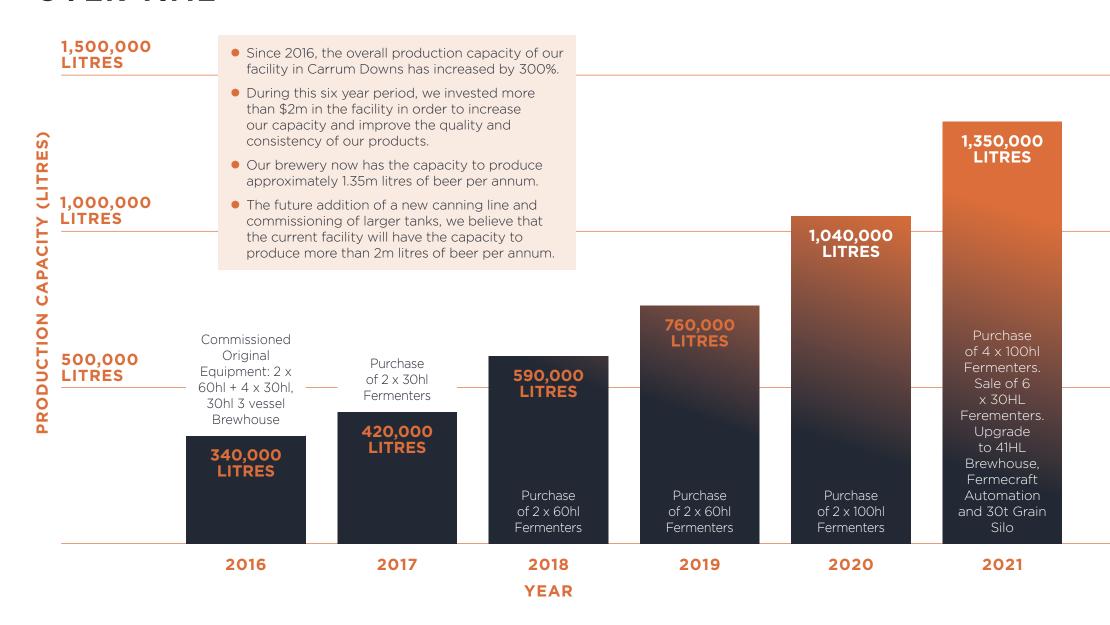
FY2018 FY2019 FY2020 FY2021 FY2022

FINANCIAL YEAR



\$2 MIL

PRODUCTION CAPACITY OVER TIME





AWARDS







2019

IBA 'INDIES' 2019

- Champion Australian Beer: 3D
- Champion Strong Beer: 3D
- **Gold:** 3D
- Gold: Lord Kevin
- Gold: Supertrooper

Plus 7 silver and 5 bronze medals

AUSTRALIAN INTERNATIONAL BEER AWARDS (AIBAS) 2019

- Gold: Supertrooper
- Gold: Lord Kevin
- Gold: Choctail

Plus 3 silver and 3 bronze medals

GABS HOTTEST 100

• #44 Blood Orange NEIPA



2020

IBA 'INDIES' 2020

- Champion Large Brewery:
 Overall
- Champion Large Brewery: Victoria
- Champion Strong Beer: Apocalypso II
- Gold: Choctail
- Gold: Bloodzilla
- Gold: Jungle Juice
- Gold: Overdrive
- Gold: Apocalypso II
- Gold: Supertrooper

Plus 2 silver and 2 bronze medals

GABS HOTTEST 100

- **#54** Blood Orange NEIPA
- #57 Jungle Juice Hazy IPA
- #81 Supertrooper Imperial NEIPA



2021

IBA 'INDIES' 2021

- Gold: Darklord
- Gold: Bloodzilla
- Gold: Overdrive

Plus 1 silver and 3 bronze medals

AUSTRALIAN INTERNATIONAL BEER AWARDS (AIBAS) 2021

Gold: Darklord

Plus 5 silver and 2 bronze medals

GABS HOTTEST 100

- #38 Blood Orange NEIPA
- #84 Jungle Juice Hazy IPA



2022

AUSTRALIAN INTERNATIONAL BEER AWARDS (AIBAS) 2022

- Gold: Equalizer
- Gold: Darklord
- Gold: Major Tom
- Gold: Return of the Red Eye
- Gold: RRAWWWGGR

Plus 3 bronze medals

Note: The AIBAs were cancelled in 2020 due to COVID. The 2022 Indies are yet to be judged.





CORE RANGE

Our core flagship range can be found on tap in bars and at independent and major bottle shops around the country.



EQUALIZER HAZY PALE

4.7% ABV • 25 IBU

A refreshing fine tuned pale ale with juicy citrus notes & a hint of tropical haze. Life's complicated, beer shouldn't be. White collar, blue collar or no collar, beer is the great equalizer.

Gold Medal

Australian International Beer Awards 2022



MAJOR TOM NEW WORLD IPA

2.5% ABV • 45 IBU

A deliciously crafted low-alcohol IPA for the modern human being. With a punchy grapefruit and citrus nose and perfectly dry finish. It's a brave new world. Own it.

Gold Medal

Australian International Beer Awards 2022



BLOOD ORANGE NEIPA

6% ABV • 25 IBU

Bursting into life with juicy hops, enhanced by the addition of real blood oranges! Bold and Citrusy with a subtly smooth finish. Juicy, Hoppy, Hazy fun!

Gold Medal

Australian International Beer Awards 2018 plus many more.



JUNGLE JUICE HAZY IPA 6.5% ABV • 65 IBU

Welcome to the jungle, baby! Big, thick and packed with dank, tropical juice

dank, tropical juice flavours, this is one jungle you are going to want to get lost in.

Gold Medal IBA 'Indies' 2020



OVERDRIVE WEST COAST IPA

7.2% ABV • 60 IBU

Bold and resinous, piney & proud. A classic American West Coast IPA. Pours clear with bold hop aromas. High bitterness, with citrus and pine aromas and flavours.

Gold Medal
 IBA 'Indies' 2020
 & 2021



FLAMINGO PINK LEMONADE SOUR

4.5% ABV • 7 IBU

Deliciously drinkable Sour with fresh raspberry aromas with a hint of squeezed lemons. Light on the palate with a crisp, tart finish. Zesty and moreish and delightfully pink! Plus Flamingos are cool. Be a Flamingo you brilliant creature, you.



IMPERIAL RELEASES ANNUAL

Award winning and as Dainton as they get ... Bigger, bolder and tastier!

SUPERTROOPER IMPERIAL NEIPA

10% ABV • 30 IBU

Huge tropical mango and stone fruit flavours dominate this beast of a beer. Supertrooper is a dangerously drinkable and incredibly satisfying hop-heads dream. Blasting your tastebuds with bold, juicy hops and gliding you home with a silky smooth mouthfeel.

- Gold Medal IBA 'Indies' 2020
- Gold Medal Australian
 International Beer Awards 2019





RRAWWWGGR

10% ABV • 85 IBU

"Big Chewy" Imperial Red IPA is brewed in honour of buddies and the sidekicks - wherever or whatever they may be! Pouring deep red with aromas of fresh hops both fruity and dank, this big 440ml fella is strong and bold with malty overtones and a belly warming rye spice that will make your go RRAWWWGGR!!

Gold Medal Australian
 International Beer Awards 2022

DARKLORD IMPERIAL STOUT

10% ABV • 65 IBU

Darklord Imperial Stout is pure liquid indulgence. Deliciously smooth, silky and rich, with hints of coffee, chocolate & licorice. Sometimes it's good to be bad.

- Gold Medal Australian
 International Beer Awards 2021 &
 2022
- Gold Medal IBA 'Indies' 2021

LIMITED RELEASES

Our limited and special release beers allow us to indulge, more deeply, in our passion for pushing the boundaries of beer.

Each month we release 2-3 distinctive brews in very limited quantities that are quickly snapped up by pubs, independent and major retailers, as well as through our online store. Nothing is off limits when it comes to our limited release beers! While most of these limited releases are new brews, we re-release some of our fan favourites annually, including Bloodzilla, Kong Juice and Crumblicious.

These releases have a die-hard following with some selling out within hours of launch. Aside from being fun, they provide a revenue injection of \$100k on average each month.



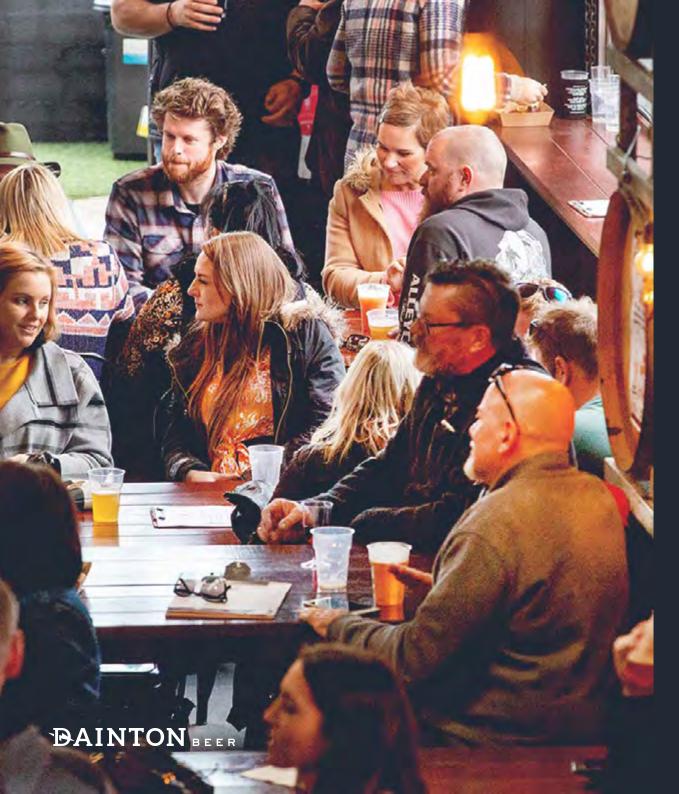












DAINTON TAPHOUSE

Opening its doors in Carrum Downs (VIC) in August 2016, our Taphouse is where our customers can get up close and personal with the brand.

With no less than 17 of our beers on tap at any time, punters are immersed in the unique industrial surroundings complete with the sights, sounds and delicious aromas of the fresh beers being brewed in our brewhouse. With our wood ageing beer barrels on display in the main restaurant area and large stainless brew tanks located just behind the bar, you can't help but succumb to the full "Dainton Experience".

The taphouse is open from Wednesday through Sunday and offers a great place for locals and beer lovers alike to catch up with friends and family over a tasty beer. The taphouse can seat up to 200 customers and has a large heated beer garden (with covered areas), including a kids play area. With an array of weekly entertainment and events, like Trivia, comedy and live music, we have created a space for everyone to enjoy. Located between residential areas and industrial estates means that Dainton has access to both weekday office and weekend residential trade, as well as beer enthusiasts on the bayside beer belt.

We are already well into the planning process to open new tap house venues in more areas of Melbourne. Excitingly, we already have our sights on a turnkey hospitality venue in Victoria. If we are successful in this campaign, we plan to jump on this opportunity and open a second venue in Victoria before Christmas this year.

Not only will these venues allow more people to experience our brand, we expect them to have a significant and immediate positive impact on cash flow. This has the potential to create greater efficiencies in our beer production due to the guaranteed demand.

ONLINE STORE

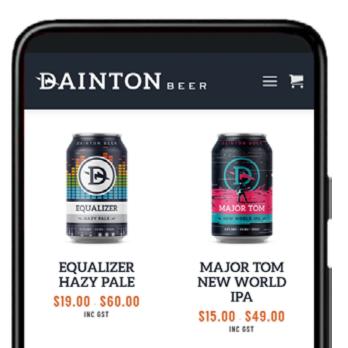
Our online store is a relatively new revenue stream for our business. Since launching our eCommerce platform in 2019, we have seen strong growth.

In the last 3 years, we have seen the following online store revenue:



FY2021 \$230K **FY2022** \$265K

The next stage for the online store will be to set up an online subscription service and membership offer for our loyal customers. Our plan is to also invest in upgrading the website to a more efficient eCommerce platform, which will provide more functionality and a better user experience.





MARKETING & DISTRIBUTION

MARKETING STRATEGY

OVERVIEW

At Dainton Beer, our main focus is our product and brand, which not only has underpinned our growth but drives our brand equity and loyalty.

We continually focus on communicating with our customers in order to maintain a constant level of engagement with our community. We strive to grow our brand awareness through our direct and social media channels.

Also, our Taphouse hospitality offering and involvement in beer events gives us the ability to directly connect with our customers and bring the Dainton experience to life. This is another integral part of building our brand.

Our distinctly Dainton logo with the lightning bolt 'D' is a powerful brand asset that ensures that our brand is easily identifiable on shelf. We incorporate this logo into our core and limited release designs to allow the personality of each release to shine through whilst maintaining strong brand recognition.

In 2020, we refreshed and expanded our core range to better meet the ever evolving needs of Australian craft beer consumers. The extension and revamp of the core range captures the colour, personality and ethos of our brand. Since its roll-out, we have seen a 150% increase in sales of these products and a substantial increase in our distribution points.

Going forward, we plan to increase our investment in marketing to further drive our brand awareness and continue to establish ourselves as one of the best independent breweries in the minds of craft beer consumers.











KEY FOCUS FOR GROWTH

INVEST IN THE BRAND

We believe in what we do and we want to shout it from the rooftops. It is important for us to build brand equity through leveraging our story and unique style of brewing. Investing in growing the brand is an essential part of the future success of the business and will allow the Dainton brand to further grow our presence in our local market.

GROW THE CORE

Bringing new consumers into the brand is a key focus for us. In order to achieve this, we need to build a comprehensive marketing campaign to increase brand awareness and drive sales of our more approachable styles of beers. This campaign is expected to help us to grow our market share and further cement our national footprint.

Moreover, in September this year, we will introduce an exciting new non-alc beer into our core range. This beer will be distinctly Dainton with no compromise on flavour as we try to push the boundaries of what non-alc beer can be. The non-alc category is currently one of the highest growth categories for craft beer¹. We believe that this new product will allow us to capitalise on the consumer trends towards low and no-alc beers..

ENGAGE WITH OUR COMMUNITY

We believe in connecting with our community through multiple touch points. Whether it is at our taphouse, an event or festival, or connecting on social media, we like to keep our community up to date with our latest news and beer releases.

1 https://www.brewsnews.com.au/2022/07/18/brick-lane-releases-nolo-research/





DAINTON BEER BRAND POSITIONING

Our brand was born out of a vision to make our own path in the industry and brew beers that are bold in attitude and flavour. The Dainton name and bold distinct flavours represent our way of viewing life. We believe in freedom of choice and that everyone should have the opportunity to be their best self.

We aim to reflect this attitude in our brand artwork and packaging. Our unique artwork and boundary-pushing beer have gained a loyal following in the craft beer community. The genuine passion we have for craft beer always shines through in everything we do. This authenticity has allowed us to build and grow our reach from a small local customer base to the large national brand we have become in 2022.

With multiple appearances in the GABS Hottest 100 and national distribution in a wide range of independent and major retailers, we have organically grown our customer base outside of our home state of Victoria. We believe that we are perfectly positioned to take the next step to strengthen our consumer base and continue to gain momentum by increasing brand awareness.

DAINTON BEER



PRODUCT

The key to our success as a brand has been, and always will be, the product. Our award winning core range and endless stream of distinctive limited releases are the reason why our consumers keep coming back for more. A major component of our brand strategy is developing exciting and innovative beers and packaging designs to stay relevant with our fans and to connect with new consumers.

EVENTS

You will find a Dainton Beer stand at nearly all of the major beer festivals in Victoria and around the country. We also support a large number of festivals and events in our local area.

We love these events because we get to speak directly with our fans about our beers and brand. It is always very rewarding and energising to hear how excited the punters are about our latest brews.

In the latest Great Australasian Beer SpecTAPular (GABS) festival we were one of the most popular stands at both Brisbane and Sydney, which shows the strong following we have outside of Victoria.

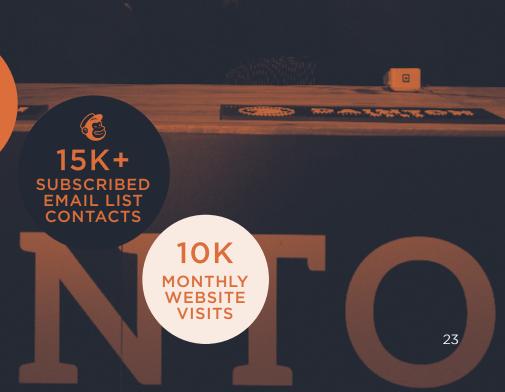
SOCIAL MEDIA & DIRECT MAIL

We are active on social media across our brand and taphouse pages on Facebook and Instagram. By actively engaging with our community, we keep our followers up to date on new releases, promotions, taphouse events and news. We focus mainly on informational content to engage organically with our audience, but we also drive online sales through boosted and sponsored posts.

We also use direct email marketing to communicate about limited releases in order to drive direct sales through the taphouse and online store. This form of communication enables us to tell the story of each release and expand on the can artwork to bring it to life. It is also an effective way to drive promotions and mixed packs that are not available to customers in their local bottle shop.

17K+
INSTAGRAM
FOLLOWERS

20K+FACEBOOK
FOLLOWERS





SECTION 2.2.4

MARKET & COMPETITORS

AUSTRALIAN INDEPENDENT BEER MARKET

The independent beer industry has revenue of over \$1b per annum and is currently made up of over 600 breweries. Dainton Beer sits in the top 5% of independent breweries based on production volume.

Currently, the independent brewing industry makes up 7.3% of the Australian beer market. Based on current growth projections, the industry has the potential to represent 15% of domestic beer production by 2031.

With the market share of our industry projected to double over the next decade, our already strong footprint and reputation puts us in a great position to benefit from the overall growth of our market.

Source: IBA Blueprint Report 26/04/2021 sourced from: IBA Independent Brewers Survey, KPMG Australia (2021), IBA Independent Brewers Workshop, KPMG Australia (2021) and IBA Consumer Research, KPMG Australia (2021)

IMPROVED REGULATORY ENVIRONMENT

Recently, breweries have started to receive more support from the federal government in the form of a new excise remission scheme. This scheme provides eligible beer manufacturers with a full and automatic remission of excise duty, up to a maximum of \$350,000 per financial year. This is a significant increase from the previous excise rebate scheme, which was capped at \$100,000 per financial year.

Source - https://www.ato.gov.au/Business/Excise-on-alcohol/Excise-remissions-for-excisable-alcohol/Alcohol-excise-remission-scheme/#:-:text=From%201%20July%202021%20the,and%20enter%20into%20the%20Australian

BAINTON BEER



BUSINESS AND REVENUE MODEL

DAINTON BEER HAS FOUR MAJOR REVENUE STREAMS:

WHOLESALE

Sale to Independents and National Chains, as well as On/Off Premise

ONLINE STORE

Direct sales to customers through our website

EXPORT

Export sales to seven markets including China, Japan, Thailand and Malaysia

HOSPITALITY

Revenue from our venue at our brewery in Carrum Downs

WHOLESALE DISTRIBUTION SALES

Our beers are stocked in over 2,000 outlets around Australia, and that number is growing rapidly.

You can find our beers on shelves at independent retailers (e.g. Ritchies IGA), pubs and bars, as well as the national major chain retailers (e.g. Dan Murphy's, BWS, Liquorland, First Choice and Vintage Cellars).

In the last financial year, we earned just under \$5m in revenue through the wholesale channel, which was 72% of our overall revenue. Our wholesale distribution sales have grown by 450% in the last four years from \$900k in FY18 to just under \$5m in the last financial year.

GROWTH OPPORTUNITIES

The most exciting part of this story is that we are only just scratching the surface. Our commitment to our beer has meant that quality control is at the forefront of every decision we make, and that mantra very much flows into our strategic goals within the market. With the distribution and volume growth we have achieved, we are now at a level to actively engage larger retail groups at the highest level as well as other key players in the industry via their preferred supply chain partners and wholesale models. We expect this to allow us to open new routes to market which can unlock further growth opportunities.

With our commitment to reinvesting into the brand, we plan to substantially increase our sales, merchandising and marketing personnel and resources in line with our increased distribution footprint. Our ambition is to ensure that we maintain the strong brand connection that we have developed with our customers and consumers alike.

Moreover, in September this year, we will introduce an exciting, new non-alcohol beer into our core range. This new product is expected to allow us to capitalise on the consumer trends towards low and no-alc beers, enabling us to unlock new wholesale opportunities in both supermarket retail and liquor outlets. These new distribution points can help us expand our reach and connect with new consumers through a differentiated consumption occasion.





HOSPITALITY SALES

Our taphouse in Carrum Downs is not only an important revenue and profit centre, it is our home.

The revenue from our tap house for the last financial year was just under \$1.4m, accounting for 20% of overall revenue.

We have recently been granted an increase in our capacity from a maximum of 110 to 200 patrons, as well as an extension of our trading days from four to seven days per week. The increased capacity and extended trading hours, plus improvements to the taphouse, including extending the beer garden, adding more outdoor undercover seating, and upgrades to the kitchen and fit-out, have seen the average weekly takings for the venue more than triple from \$11k in FY18 to \$35k in a heavily COVID impacted FY22.

GROWTH OPPORTUNITIES

One of our key strategic goals is to open more Dainton venues in Victoria and nationally over the coming months and years.

From a financial perspective, we expect the increase in our hospitality footprint to boost our earnings and improve our cash flow. Moreover, these venues have the potential to provide a new touchpoint for our brand. Having a local presence in new areas is expected to drive brand awareness, which should have a positive flow-on effect to the other parts of our business.

Excitingly, we already have our sights on a turnkey hospitality venue in Victoria. If we are successful in this campaign, we plan to jump on this opportunity and open a second venue in Victoria before Christmas this year.





DIRECT TO CUSTOMER ONLINE SALES

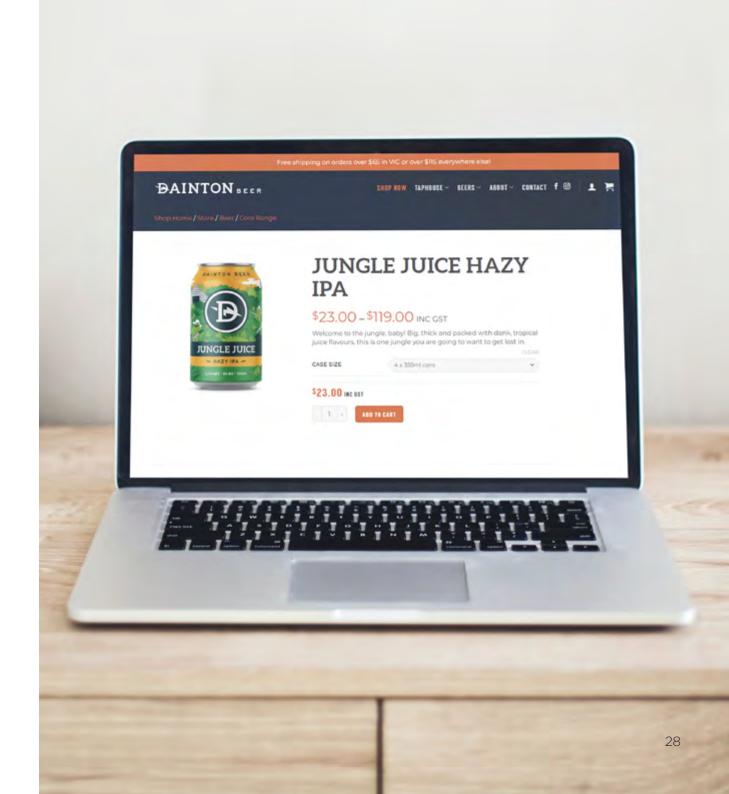
Launching our online store in June 2019, we have built this channel from \$nil in FY18 to more than \$250k in FY22.

While at present, this is a relatively small part of our overall revenue, we believe that there is still huge potential for growth in this revenue stream.

GROWTH OPPORTUNITIES

Our first initiative which is currently underway is the introduction of membership subscriptions. These subscriptions will see our customers receive monthly delivery of our beers, as well as exclusive offers and deals in return for a monthly payment.

If successful in our CSF Offer, we will also look to upgrade our online store platform and direct to customer marketing systems. This will provide a much more sophisticated customer journey and experience that will enable us to further grow our offer and revenue.



EXPORT

In 2019, we commenced exporting our beer to China. Since this time, we have expanded our export reach to six different Asian countries: China, Japan, Singapore, Malaysia, Thailand, and Indonesia.

In FY21, only our second year of exporting, we generated revenue of more than \$250k from export sales.

While the freight issues and border restrictions resulting from the global pandemic have restricted our ability to grow this channel in the last financial year, we expect that these challenges are only temporary.

GROWTH OPPORTUNITIES

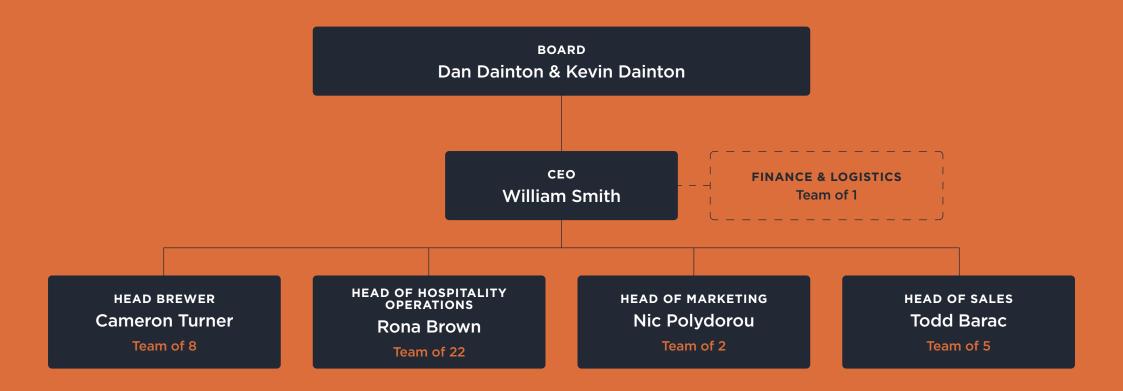
The export channel still holds huge growth opportunities for our business. We believe there is scope to significantly increase the volume exported with our current export partners through increased investment in marketing and support for these markets. Moreover, our ambition is to start to actively seek export partners in new markets such as the USA, New Zealand and Europe.

PAINTON BEER



ORGANISATIONAL STRUCTURE

Team size: 43 employees 27 full-time equivalent





DIRECTORS

KEVIN DAINTON

FOUNDER / DIRECTOR

With over 40 years of experience in business, Kevin has carved himself a successful path across a number of industries.

Over the years, he has built and run a number of companies, as well as holding director roles on numerous boards.

No stranger to challenges, Kevin has ridden the true highs and lows of business over that journey, with every experience shaping his outlook and endeavours. One of the lows came when Kevin served as director of Civic Entertainments Pty Ltd, t/as Data Parts (Civic Entertainments). Unfortunately, in 1991, this business fell victim to historically high inflation and interest rates of the time and was forced into administration, ultimately winding up in insolvency.

This was an experience that came at a significant personal and financial cost, and was a huge turning point in his life. In true Dainton fashion, Kev picked himself up, dusted himself off and went on to have an incredibly successful career. In the 30 years since this event, Kevin has gone on to build a number of successful businesses from the ground up.

Between shoulder rides for the grandkids, Kevin oversees legal compliance, growth strategy, purchases of major capital items and the review of financial statements.



BAINTON BEER

DIRECTORS

DANIEL DAINTON

FOUNDER / DIRECTOR

Dan co-founded Dainton Beer along with his father, Kevin, in 2013.

After obtaining a degree in Psychology and working for a number of years in professional sales, Dan made the move to brewing in his mid-20s. Dan earned a postgraduate certificate in brewing from Federation University and worked as a brewer with both Holgate and James Squire before founding Dainton Beer.

In the early days, Dan was responsible for all of the recipe development and brewing at Dainton. Dan also managed the operations of the company until Will came on board in 2018. After this point, Dan continued to head the Sales and Marketing functions until 2020, when Todd joined the team.

Over the last few years, Dan has gradually stepped back from the operations of the business. While he is no longer involved in the day-to-day management, he continues to add value in his role as a director, as well as in the areas of brand management, brand partnerships and strategic planning.

PAINTON BEER



MANAGERS



WILLIAM SMITH

Joining the company in 2018 as General Manager, Will has been instrumental in leading the Dainton Beer team.

With CEO, General Manager and Financial Controller experience across a range of industries, Will has led the charge for the last 4 years, navigating through significant growth stages at Dainton - pains and all!

Skilled in high level management, financial reporting, analysis and modelling, as well as strategic and operational decision-making, Will is a fully qualified Chartered Accountant with more than a decade of experience in financial and management accounting, including a number of years with a Big Four accounting firm in Australia and the US.

As CEO, Will oversees the operations of the business, including all aspects of production, sales, distribution, finance and hospitality as well as strategy and planning. Alongside all of this, he still manages to be an all round nice guy to boot!



CAM TURNER
HEAD BREWER

Cam is an award-winning brewer based on the peninsula with over 16 years of commercial brewing experience.

After working 11 years at a winery/brewery where he held the roles of vigneron, assistant winemaker and head brewer, we recruited him over to Dainton and have never looked back. In the 5 years at Dainton Beer as head brewer, Cam has picked up over 50 medals including 19 golds between the six AIBAs and Indie competitions held in the last 3 years.

He heads up a talented team of eight - including passionate brewers, cellar workers and canning line operators.

Cam's creativity and expertise are integral to the quality of our product.

MANAGERS



TODD BARAC

Cutting his teeth in the very early days of craft beer in Australia, Todd headed up sales and marketing for beer distributor Phoenix Beers. In this role, he established the likes of Sierra Nevada, Weihenstephan and Brewdog in the Australian market.

Todd joined the Dainton team in early 2020, relocating from WA and bringing with him over 20 years of liquor, export, brand and route to market experience to the company.

Since joining the team, he has overseen the transition to a direct sales model, helping to build our sales and comms teams as well as spearheading the accelerated growth in the independent, export and major retailer sales channels.



NIC POLYDOROU

HEAD OF MARKETING

Nic is an experienced and passionate marketing professional with a background in liquor, consumer products, FMCG and sales. In past roles, Nic has worked closely with international brands such as Asahi Beverages, Peckish Rice Crackers and Layazza coffee.

Nic joined the team in January 2022 with an arsenal of abilities in developing brand strategy, driving integrated marketing campaigns, budget management and social media/website content management. Even though it is early days, Nic has already had a massive impact on the growth of brand awareness and sales. Nic and his team will underpin our growth and strengthen the brand for the future.



RONA BROWN
HEAD OF HOSPITALITY

Rona, our resident Scottish expat, joined the Dainton Taphouse venue in 2019 with over 13 years of hospitality experience. Working in a wide variety of venues, Rona has become an expert at guiding customers to the right drop and managing a large team.

Rona has built a great team around her with 19 staff; 5 in the kitchen and 14 front of house. Rona excelled when faced with the challenging task of managing the venue through a pandemic, and continues to adapt and improve the service experience for our customers.

SECTION 2.5

CAPITAL STRUCTURE

SECTION 2.5.1

ISSUED CAPITAL

As at the date of this Offer Document, the Company has 13,492,362 ordinary shares on issue. The majority of shares are held by the Company's founders/directors.

TABLE 1: ISSUED CAPITAL OF THE COMPANY BEFORE THE OFFER

| Shareholder | # of Shares | % of Shares Held |
|-----------------------------------|-------------|---------------------|
| Mr Kevin Wayne Dainton | 5,880,000 | 43.58% |
| Blue Graceland Pty Ltd | 5,880,000 | 43.58% |
| Henry Juniper Investments Pty Ltd | 674,619 | 5% |
| Cameron Warren Turner | 404,771 | 3% |
| Todd Michael Barac | 404,771 | 3% |
| Other investors with < .1% | 248,201 | 1.84% |
| Total | 13,492,362 | 100% |

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 | 13,492,362 | 98.83% | 13,492,362 | 94.28% |
| Offer Shares | 159,091 | 1.17% | 818,182 | 5.72% |
| Total Shares | 13,651,453 | | 14,310,544 | |



SECTION 2.5.2

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 or sale of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3 below. A copy of the Company's Constitution is available on the Intermediary's platform.

SECTION 2.5.3

SOURCES OF FINANCING, INCLUDING DEBT FINANCING AND OTHER FINANCING

To date, our activities have been primarily funded by one of the Company's founding shareholders (Kevin Wayne Dainton). The founding shareholder has loaned funds of \$1,405,924 in total to the Company.

This secured loan has the following terms:

| Principle Sum | \$1,405,924 |
|-------------------------|--|
| Repayment Date | 30 June 2030 |
| Interest rate | The rate equal to the "Reserve Bank of Australia Business Lending Outstanding for Small Business Variable Rate" which as at the date of this agreement is 4.23% and will be re-assessed as at 1 July each year with the rate to be equal to the rate published for 30 June for the prior financial year. |
| Periodic Instalments | Monthly instalments of principal and interest will be made on the 15th day of each month |

The repayments of this loan can be met from earnings from normal operations. The founder loans will not be repaid with the funds raised under the Offer. The Company does not hold any external debt funding.





RISKS FACING THE BUSINESS

An investment in Daicom Australia 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).

| Risk | Description |
|-----------------------------|---|
| Cash Flow Risk | 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. |
| Funding Risk | The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives. |
| | The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available. |
| Competition Risk | The Company operates in a highly competitive market, with several known competitors, and moderate to low 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. |
| Insolvency risk | The Company is not yet profitable. The company is seeking to obtain further funding to achieve its objectives. There is no guarantee that funding will be available on favourable terms or that the Company will receive any level of funding at all. |
| Brand/ Reputational Risk | If the Company does not maintain consistent levels of quality and service in its offering or does not meet the expections of stakeholders in any other way, the Company's brand and reputation could be damaged. In an increasingly connected world, damage to a company's brand and reputation can be catastrophic. The Company is acutely aware of this risk and is vigilant to ensure that it maintains a consistently high level of product quality and customer service. |
| Dilution Risk | A shareholder's interest being diluted if they do not participate in future fundraisings. |



SECTION 2.7

FINANCIAL INFORMATION

On the following pages are the financial statements of the Company for the financial years ended 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022, which have been prepared in accordance with the Accounting Standards.



PAINTON BEER

| BALANCE SHEET | As at 30 June 2022 | As at 30 June 2021 | As at 30 June 2020 | As at 30 June 2019 |
|-------------------------------|-----------------------|--------------------|--------------------|--------------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 69,548 | 104,368 | 69,606 | 211,466 |
| Receivables | 442,150 | 493,843 | 487,324 | 210,583 |
| Capitalised Expenses | 4,491 | 8,981 | 13,471 | 17,961 |
| Inventory | 634,997 | 470,103 | 265,462 | 73,190 |
| Total Current Assets | 1,151,185 | 1,077,295 | 835,863 | 513,200 |
| NON-CURRENT ASSETS | | | | |
| Plant & Equipment | 1,437,017 | 1,204,841 | 704,822 | 629,261 |
| Motor Vehicle | 39,202 | 61,562 | 46,988 | 62,675 |
| Website Developement | 1,629 | 3,259 | 4,889 | 6,518 |
| Total Non-Current Assets | 1,477,849 | 1,269,662 | 756,699 | 698,455 |
| Total Assets | 2,629,034 | 2,346,957 | 1,592,562 | 1,211,655 |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Payables | 853,689 | 420,609 | 465,298 | 140,245 |
| Provisions | 89,465 | 35,317 | 27,212 | 5,888 |
| Total Current Liabilities | 943,154 | 455,926 | 492,509 | 146,133 |
| NON-CURRENT LIABILITIES | | | | |
| Provisions | 13,356 | - | - | - |
| Loan - Related Parties | 1,405,924 | 1,757,550 | 1,391,861 | 1,280,040 |
| Loan Funded Share Plan | (49,868) | (49,868) | - | - |
| Total Non-Current Liabilities | 1,369,413 | 1,707,682 | 1,391,861 | 1,280,040 |
| Total Liabilities | 2,312,566 | 2,163,608 | 1,884,370 | 1,426,173 |
| Net Assets | 316,468 | 183,349 | (291,808) | (214,518) |
| EQUITY | | | | |
| Retained Earnings | (376,737) | (509,856) | (935,145) | (857,855) |
| Share Capital | 693,205 | 693,205 | 643,337 | 643,337 |
| Total Equity | 316,468 | 183,349 | (291,808) | (214,518) |



| PROFIT & LOSS STATEMENT | For the 12 months ended 30 June 2022 | For the 12 months ended 30 June 2021 | For the 12 months ended 30 June 2020 | For the 12 months ended 30 June 2019 |
|---------------------------------|--|--|--|--|
| INCOME STATEMENT | | | | |
| Revenue | 6,793,663 | 6,430,104 | 3,486,352 | 2,576,134 |
| COST OF SALES | | | | |
| Opening Inventory | 470,103 | 265,462 | 73,190 | 72,148 |
| Puchases | 2,176,700 | 2,508,861 | 1,434,855 | 1,050,234 |
| Excise Tax | 1,215,324 | 1,297,635 | 711,333 | 478,637 |
| Closing Inventory | (634,997) | (470,103) | (265,462) | (73,190) |
| Total Cost of Sales | 3,227,130 | 3,601,855 | 1,953,916 | 1,527,829 |
| Gross Profit | 3,566,533 | 2,828,249 | 1,532,436 | 1,048,305 |
| OPERATING EXPENDITURE | | | | |
| Depreciation & Amotisation | 138,440 | 98,397 | 91,725 | 91,706 |
| Employment Expenses | 2,033,062 | 1,618,768 | 1,095,197 | 728,351 |
| Motor Vehicle | 44,502 | 41,532 | 33,863 | 23,951 |
| Travel | 15,746 | 11,815 | 30,685 | 30,132 |
| Overhead | 165,692 | 139,346 | 90,840 | 149,264 |
| General & Admin | 1,302,425 | 1,012,795 | 567,570 | 326,031 |
| Total Operating Expenditure | 3,699,866 | 2,922,653 | 1,909,880 | 1,349,436 |
| OTHER INCOME / EXPENSES | | | | |
| Other Income | 176,665 | 377,847 | 221,636 | 23,294 |
| Extraordinary Income/(Expenses) | (24,352) | (3,986) | (18,736) | 312,534 |
| Total Other Income / Expenses | 152,312 | 373,861 | 202,900 | 335,828 |
| Net Profit Before Tax | 18,979 | 279,456 | (174,544) | 34,697 |
| Income Tax Refundable/(Payable) | 114,140 | 145,833 | 97,253 | 99,333 |
| Net Profit After Tax | 133,119 | 425,289 | (77,291) | 134,030 |



SECTION 2.7.2.1

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)

| AMORTISATION (EBITDA) | months ended 30 June 2022 | months ended 30 June 2021 | months ended 30 June 2020 | months ended 30 June 2019 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| NET OPERATING PROFIT | | | | |
| Net Profit After Tax | 133,119 | 425,289 | (77,291) | 134,030 |
| Total Net Operating Profit | 133,119 | 425,289 | (77,291) | 134,030 |
| ADJUSTMENTS | | | | |
| Add back Extraordinary Items | 24,352 | 3,986 | 18,736 | (312,534) |
| Add back Income Tax Expense/(Refundable) | (114,140) | (145,833) | (97,253) | (99,333) |
| Add back Interest | 31,814 | 2,944 | - | 387 |
| Add back Depreciation and Amortisation | 138,440 | 98,397 | 91,725 | 91,706 |
| EBITDA | 213,586 | 384,783 | (64,083) | (185,744) |

For the 12

For the 12

For the 12

For the 12



| CASH FLOW STATEMENT | For the 12 months ended 30 June 2022 | For the 12 months ended 30 June 2021 | For the 12 months ended 30 June 2020 | For the 12 months ended 30 June 2019 |
|---|--|--|--|--|
| OPERATING ACTIVITIES | | | | |
| Receipts from customers | 7,634,393 | 7,101,713 | 3,642,741 | 3,138,914 |
| Payments to suppliers and employees | (7,266,754) | (7,828,428) | (3,995,231) | (3,125,163) |
| Interest received | - | - | 283 | 1,141 |
| Finance costs | (31,824) | (2,944) | - | (152) |
| GST | (188,290) | (217,296) | (101,648) | (109,925) |
| Cash receipts from other operating activities | 163,200 | 525,549 | 239,500 | - |
| Net Cash Flows from Operating Activities | 310,724 | (421,406) | (214,356) | (95,185) |
| INVESTING ACTIVITIES | | | | |
| Proceeds from sale of property, plant and equipment | 10,330 | 176,000 | - | - |
| Payment for property, plant and equipment | (8,422) | (36,933) | (27,884) | (60,459) |
| Net Cash Flows from Investing Activities | 1,908 | 139,067 | (27,884) | (60,459) |
| FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings | 2,220 | 341,627 | 100,780 | 607,698 |
| Repayment of borrowings | (349,672) | (24,525) | (401) | (510,821) |
| Proceeds from CSF offerings | - | - | - | 248,201 |
| Net Cash Flows from Financing Activities | (347,452) | 317,102 | 100,379 | 345,078 |
| Net Cash Flows | (34,820) | 34,762 | (141,861) | 189,434 |
| CASH AND CASH EQUIVALENTS | | | | |
| Cash and cash equivalents at beginning of period | 104,368 | 69,606 | 211,466 | 22,032 |
| Net change in cash for period | (34,820) | 34,762 | (141,861) | 189,434 |
| Cash and cash equivalents at end of period | 69,548 | 104,368 | 69,606 | 211,466 |



SECTION 2.7.4

STATEMENT OF CHANGES IN EQUITY

| CHANGES IN EQUITY | 30 June 2022 | 30 June 2021 | 30 June 2020 | 30 June 2019 |
|-----------------------|--------------|--------------|--------------|--------------|
| EQUITY | | | | |
| Opening Balance | 183,349 | (291,808) | (214,518) | (485,507) |
| INCREASES | | | | |
| Profit for the Period | 133,119 | 425,289 | (77,291) | 134,030 |
| Retained Earnings | - | - | - | (506,378) |
| SHARE CAPITAL | | | | |
| ORD Shares | - | 49,868 | - | 395,136 |
| CSF Shares | - | - | - | 248,201 |
| Total Share Capital | - | 49,868 | - | 643,337 |
| Total Increases | 133,119 | 475,157 | (77,291) | 270,989 |
| Total Equity | 316,468 | 183,349 | (291,808) | (214,518) |

As at

As at

As at

As at



MANAGEMENT COMMENTARY ON FINANCIAL PERFORMANCE

- Trading revenue has increased from \$1.9m in FY18 to \$6.8m in FY22.
- Wholesale and export revenue has increased from \$900k in FY18 to \$5m in FY22.
- Taphouse revenue has increased from \$750k in FY18 to \$1.4m In FY22 (COVID affected & shutdown for 4 months).
- No export sales in FY18 to a peak of \$250k per annum in FY21.
- No online sales in FY18 to revenue of \$265k in FY22.
- In FY21, significant growth was the result of the following:
 - Strategic decision to move to a direct sales model, including the hiring of a highly experienced Head of Sales and four full-time sales reps;
 - Increased ranging with Endeavour Group (i.e. Dan Murphy's, BWS) and commenced ranging with Coles (First Choice, Liquorland and Vintage Cellars);
 - Expanded partnerships with key independent groups and trade partners (i.e Ritchies IGA, Liquor Barons, Harry Browns etc)
 - Successful refresh and launch of our core range products.
- In FY22, trading revenue increased by \$363k (or 5%), which was positive in very difficult trading conditions experienced in this financial year.
- Exceptional circumstances in FY22:
 - Production facility running at maximum capacity from July to December (during the peak sales period) due to the shutdown of the production facility during the brewery upgrade for all of June and July 2021;
 - The state mandated shut down of hospitality in Melbourne (including our taphouse) for the first 4 months of the financial year as well as rolling lockdowns in all states;
 - The effects of the Omicron wave, which commenced in mid-December 2021, reduced the patronage at our venue, as well as our wholesale customers in the peak summer months; and
 - Freight issues, lockdowns in export markets and border restrictions resulting from the pandemic restricted our ability to export our products.
- These exceptional circumstances have undoubtedly had a negative impact on our FY22 result and we
 expect a return to much stronger revenue and EBITDA growth in the current and future financial years.





SECTION 3.1

TERMS OF THE OFFER

Daicom Australia Pty Ltd is offering up to 818,182 shares at an issue price of \$2.20 per share to raise up to \$1,800,000.

The key terms and conditions of the Offer are set out in the table to the right.

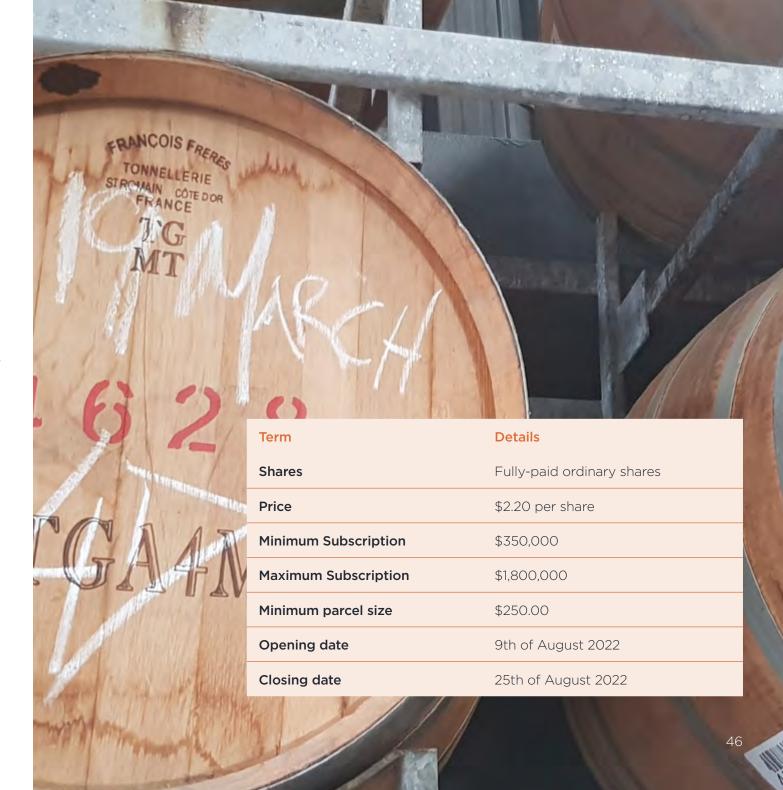
A description of the rights associated with the shares is set out in Section 3.3.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

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.



USE OF FUNDS

Our main objective is to be one of the most respected and recognised craft beer brands in Australia.

To achieve this, with the capital from this raise, we plan to:

- Upgrade our manufacturing facility to support the steep growth curve in our production output and underpin the high standard of quality and consistency in the beer we produce;
- Invest in the personnel, resources, systems and tools required for our sales and marketing teams to continue to succeed, ensuring that our growth trajectory is well supported; and
- Open more taphouses so more people can experience Dainton.

The table to the right sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts. The Offer is not underwritten and there is no guarantee that these funds will be raised.

The Offer costs include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

| Intended Use | Min Subscription \$350,000 | Max Subscription \$1,800,000 |
|------------------------|-------------------------------|---------------------------------|
| Brewery Upgrades | \$0 | \$900,000 |
| New Taphouse | \$275,000 | \$700,000 |
| eCommerce Upgrade | \$20,000 | \$30,000 |
| Upgrade ERP/CRM System | \$31,200 | \$59,200 |
| Offer Costs | \$23,800 | \$110,800 |
| Total | \$350,000 | \$1,800,000 |



SECTION 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.

SECTION 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.

SECTION 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).

SECTION 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.

SECTION 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%).





SECTION 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.

SECTION 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 3.4

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 3.5

DETAILS OF PREVIOUS CSF OFFERS

Daicom Australia Pty Ltd opened a CSF offer on 2nd April 2019. During this raise, 240 investors purchase shares valuing \$248,201. This raise was successful and raised the maximum subscription amount within the first 48 hours that CSF offer was open.



SECTION 3.6

INVESTOR REWARDS

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

| | ENTRY | BRONZE | SILVER | GOLD | PLATINUM |
|---|----------|----------|----------|----------|-----------|
| | \$250+ | \$1,000+ | \$2,000+ | \$5,000+ | \$10,000+ |
| Key Chain & Shareholder card | ✓ | ✓ | ✓ | V | ✓ |
| Dainton shareholder exclusive Trucker Cap | V | V | V | V | V |
| Early Access to all limited release beers | V | V | V | V | V |
| Other exclusive online shareholder offers | V | V | V | V | V |
| Online Store Discount | 10% | 10% | 15% | 15% | 20% |
| Tap House Discount | 10% | 10% | 15% | 15% | 20% |
| Birthday Voucher for Online Store* | | \$25 | \$50 | \$100 | \$200 |
| Invitation to AGM & Xmas Party | | V | ✓ | V | V |
| Invitation to exclusive Brew Day | | | | | V |

^{*} For first five birthdays after the CSF offer closes



INFORMATION ABOUT INVESTORS 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.







SECTION 4.3

PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS

SECTION 4.3.1

ANNUAL REPORT

While the Company is currently a small proprietary company, we are still required to prepare and lodge these annual reports with ASIC (within four months of the financial year end) because we have already completed a CSF offer in April 2019. 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.

SECTION 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 (free of charge) or can purchase the report from ASIC.

SECTION 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).

SECTION 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.





GLOSSARY

Company means Daicom Australia Pty Ltd ACN 118 590 935

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

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

Intermediary means Birchal Financial Services Pty Ltd AFSL 502618

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

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

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

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

Any questions, please contact investors@dainton.beer



FURTHER INFORMATION

If you would like to discuss anything in relation to the Dainton Beer equity crowdfunding round, please contact us on the details below:

investors@dainton.beer