



Your Mates Brewing Co.

CROWD-SOURCED FUNDING DOCUMENT 2022



BREWING GOOD TIMES SINCE 2013

— Offer of fully-paid ordinary shares in Your Mates Brewing Co. Pty Ltd at \$1.55 per share to raise a maximum of \$2,500,000. This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Your Mates Brewing Co Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

18th October 2022
Intermediary: Birchal Financial Services Pty Ltd AFSL 502618
Issuer: Your Mates Brewing Company Pty Ltd
(Your Mates Brewing Co Pty Ltd) - ACN 602634257
41 - 43 Technology Drive Warana QLD

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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.

A group of four men are on a boat, likely fishing. The man in the center is wearing a tan hat and sunglasses, and has his right arm raised in a celebratory gesture. To his left, another man with a beard and a black hat looks on. In the foreground, a man in a black cap and dark shirt is smiling and holding a blue cooler. The background shows the blue ocean and a bright sky. The text is overlaid on a white, torn-edge banner across the middle of the image.

**Become A Shareholder of
Your Mates Brewing Co.**

A person is holding several beer cans. The cans are yellow with red and blue graphics, including palm trees and a cartoon character. A white banner with a torn edge is overlaid across the middle of the image, containing the text "Section 2: INFORMATION ABOUT YOUR MATES". The person is wearing a teal shirt and grey pants.

**Section 2:
INFORMATION ABOUT
YOUR MATES**

LETTER FROM THE FOUNDERS

We are extremely excited to offer you the chance to join the Your Mates Brewing Co. family and help grow our mateship vision across Australia. It's hard to articulate how proud we are of the accomplishments and accolades Your Mates has achieved in its short little lifetime. This journey has taken us on an explosive adventure that has surpassed our wildest expectations.

A CLASSIC UNDERDOG STORY

Nine years ago, we set out on a journey with a vision to create a beer company that was inclusive to every beer drinker in Australia. This vision was crafted over blood, sweat and beers and brought to life with the help of a huge community of mates. Some of our followers missed this first chapter of our story, but geez, it was raw and real and is a story that requires a couple of beers.

In 2018 we onboarded some of our closest mates to take the next step with us and become an official shareholder of Your Mates Brewing Co. to help us finally build our dream brewing facility. As soon as those doors opened in December of 2018, the Your Mates froth factor really began.

THE POWER OF MATESHIP

In the last 4 years we have grown our business over 1600% with a combined turnover of over \$18M in revenue. Through some of the industry's toughest years in existence, Your Mates have continued to produce an impressive positive cashflow to enable ongoing investment into beer capacity, economics and strong staff culture.

It has been extremely important to us to nurture the values that this business was founded on back in our small coastal garage, most importantly, drinking good beers, sharing them with good mates and enjoying good times together. We continually apply these core principles into all facets of our business and into our beers, which is why we believe our flagship mate Larry was voted the 3rd most popular beer in the entire country.* Larry is now stocked in over 2,000 bottle shops and venues all across Queensland.


WE KEEP RUNNING OUT OF BEER!

We never expected to need to build another "dream brewery", but keeping up with demand of our frothy mates has proven to be extremely difficult! Yup we know, it's a good problem to have, but it's still a problem! We've already pulled the trigger on our expansion plans to immediately double our production capacity with the opportunity to grow our output to 10 million litres in the future. This crowdfund raise will contribute to our production fitout as well as our next BrewPub site.

We're extremely proud to open up our business to crowdfunding for all of our mates. This is going to finally help supply beers to all of our Australian beer drinking mates and spread our vision. If the next chapter of Your Mates is anything like the first one, it's going to make one heck of a story!

Whether you're an investor, a beer admirer or just love a good Aussie underdog story, we hope you enjoy the ride and hope to share a cold one with you soon.

Cheers to good beers!



Hep



McGarry



Section 2.1: COMPANY DETAILS

This offer of shares is made by - Your Mates Brewing Company Pty Ltd
ACN 602 634 257

Date of Incorporation - 31 Oct 2014

Registered Office - MH Private Pty. Ltd., Level 15, 344 Queen St., Brisbane, QLD 4000

Principal Place of Business - 41 Technology Drive, Warana, QLD 4575



Section 2.2: ABOUT YOUR MATES

Born on the Sunshine Coast in 2013, this story was crafted by a community of mates, a dream of living your passion and a celebration of everything great about our Australian culture.

The Your Mates story began with two mates, Hep and McGarry, sitting on a blue futon in their makeshift garage bar chewing the fat about life. Drinking craft beer was a new hobby of theirs, but after a while, they struggled to find a beer brand they could connect with. The challenge was announced and quickly accepted - to search for an independent beer that wasn't intimidating for the social beer drinker. After consuming countless beers (in the name of research), they'd given up on their search for the perfect beer.

One foggy evening, the uncalculated decision was made - to brew their own perfect session beer.

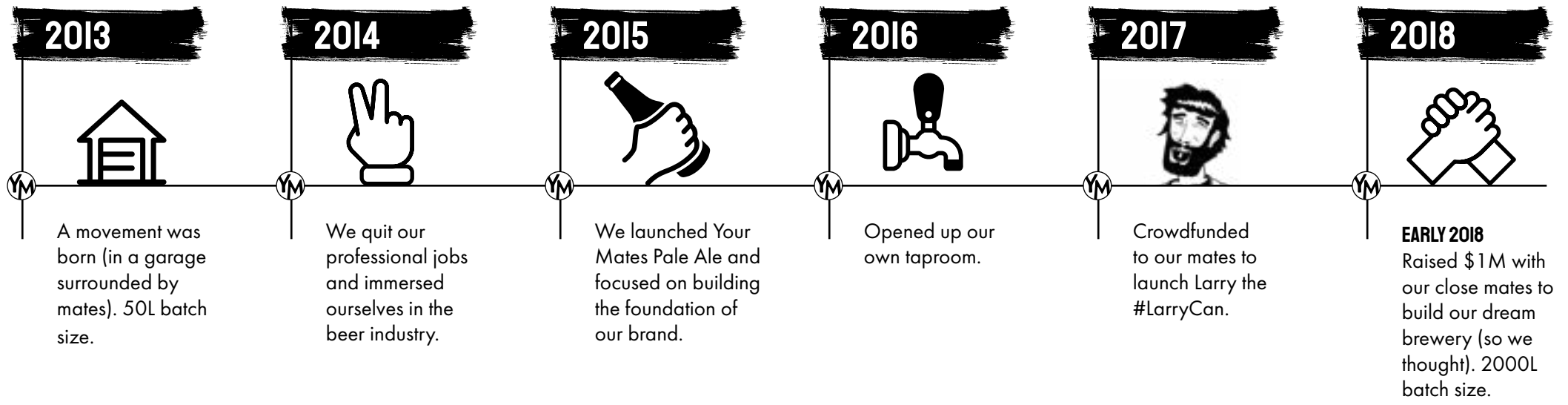
“MAAATE, HOW BLOODY HARD COULD IT BE!?”

This naive statement marked the beginning of what would be a classic Australian story.

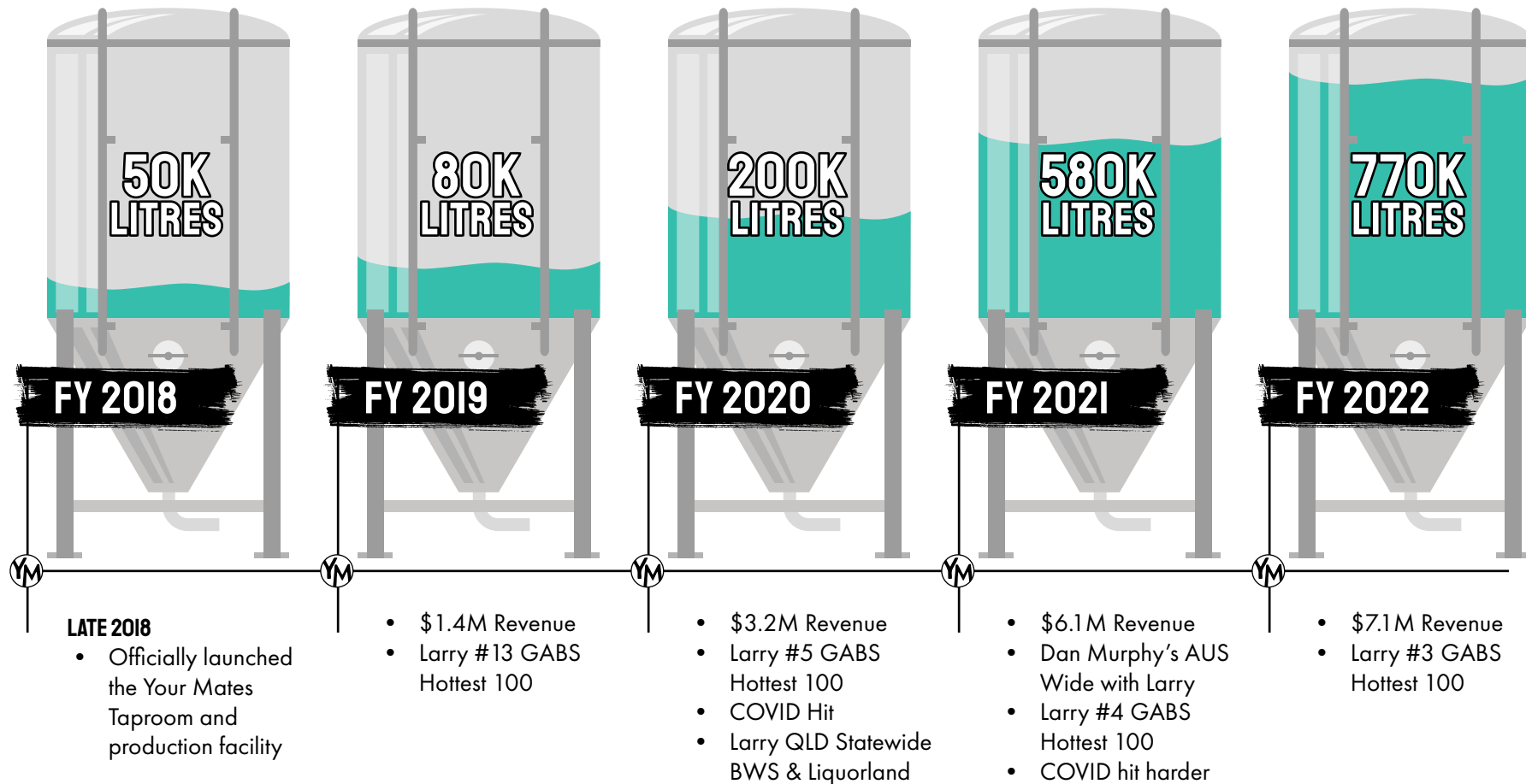
In 2014, Hep and McGarry both quit their professional careers to pursue their brewery dream. Starting a brewery without a single dollar in their banks or any experience in beer manufacturing proved to have more challenges than a spoonful of dry milo.

But the boys had something far more valuable, a community of mates willing to lend a hand when times got tough. This mateship, combined with continuous growth and dedication, took Your Mates from a coastal garage operation to one of Australia's most popular independent beer companies.

GROWTH OF YOUR MATES



GROWTH OF YOUR MATES



YOUR MATES OPERATION HIGHLIGHTS



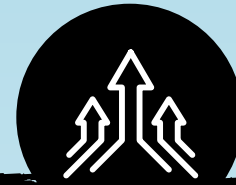
HIGH GROWTH WITH POSITIVE CASH FLOW

Since beginning the business in 2015, we have averaged a 140% increase in revenue each year and in the last three years we have earned 1.1M dollars (EBITDA) which we have re-invested into self funding our growth. We have invested into physical assets to take our production capacity from 200,000 litres in 2019 to 1M litres currently, whilst still covering the heavy cashflow requirements of a growing manufacturing business.



AUTHENTIC AND RELATABLE BRAND

Our beers and brand have taken on a life of their own, resulting in consumers that are highly engaged and loyal. We believe this is in-line with our no BS grassroots story. What you see with Your Mates is what you get; we don't engage marketing consultants, we live and breath our values and beer-beliefs, which comes across in everything we do.



STRATEGIC ALIGNMENT

We have a solid network of mentors, advisors and industry connections to assist us in our growth trajectory. Advisors like Ben Summons and Peter Curry offer decades of experience and invaluable insight into businesses that have undergone similar growth stories to Your Mates.



WE KEEP RUNNING OUT OF BEER!

Even with 1M litres of production capacity, we would've run out of beer again this year. Our distribution across Queensland continues to grow and we have to continually say no to interstate demand. And with 75% of our production volume dedicated to one product (our pale ale Larry), we're unable to put a big focus on the rest of our core range until we get extra capacity.

YOUR MATES OPERATION HIGHLIGHTS



STRONG COMMUNITY ENGAGEMENT

The Your Mates community is an incredible asset to the company and has shown its strength, dedication and growth over the history of the company. The best examples can be seen in the rise of Larry from #108 in 2018 Gabs Hottest 100, to standing on the podium at #3 in 2021. The Your Mates community is something that other breweries and businesses look to as the gold standard in building engagement with your consumers.

This crowdfund will expand and reinforce and the Your Mates community.



THE PERFECT EXPANSION SITE, WHICH WE'VE BEGUN EXPANDING INTO!

We've secured an absolutely perfect expansion site and it's next door to our current facility - it's a 2000m² blank canvas that has the potential to produce 10M litres of beer per year in the future.

The implications for the site being adjacent to our current facility are far reaching and will increase efficiency, culture and safety when compared to other sites we had looked at.



STRONG MANAGEMENT TEAM

During FY22 we recruited a senior management team with the experience and talent to take us through the next stage of growth at Your Mates. With this team in place, all we need is the infrastructure to expand our volumes. This is an investment into making the right decisions now to future proof our business, as well as ensuring the rest of our team have strong support from their department leaders. As we grow, our leadership team will be able to keep the strong culture we have created embedded into our team.



YOUR MATES BREWPUBS

The Your Mates BrewPub is an extremely strong stand alone business. We have seen the ultimate experience of our brand convert countless beer drinkers into loyal members of the Your Mates community.

We've also utilised its high profit margins and immediate cash flow generation to allow us to self fund our growth. We have exceptional hospitality staff retention and a team that is capable of rolling out a second BrewPub as soon as we have identified a location and suitable site.



OUR VISION

**TO INSPIRE MATESHIP
THROUGHOUT THE COMMUNITIES
WE TOUCH BY LIVING THROUGH
OUR PILLARS;
DRINKING GOOD BEERS, BEING
GOOD MATES, SHARING GOOD
TIMES AND BEING A GOOD
BUSINESS.**

OUR MISSION

**TO INTRODUCE EVERY BEER
DRINKER IN AUSTRALIA TO
OUR MATES.**

OUR PILLARS

THESE FOUR PILLARS ARE THE
BEDROCK OF OUR BUSINESS
& GUIDE OUR DECISION MAKING ON
A DAILY BASIS.

GOOD TIMES

TO ENCOURAGE OUR GOOD
TIMES COMMUNITY TO ENJOY
AND SUSTAIN OUR NATURAL
PLAYGROUND.

GOOD BUSINESS

TO BE THE BEST BEER
COMPANY TO WORK FOR
AND TO WORK WITH.



GOOD BEER

TO CRAFT FULL FLAVOURED,
HIGH QUALITY BEERS
THAT CAN BE ENJOYED BY
EVERYONE.

GOOD MATES

TO BE A POSITIVE INFLUENCE
TO OUR COMMUNITY,
ENCOURAGING MATESHIP
AND INCLUSIVITY.

A man with a beard, wearing a tan hat and a vibrant yellow floral shirt, is smiling and holding a beer can towards the camera. He is standing outdoors in a grassy area with trees in the background. The beer can has a label featuring a cartoon character.

OUR BEERLIEFS

BREWING BEER IS COMPLICATED. BUT ENJOYING BEER SHOULDN'T BE.

Beer doesn't need to be put on a pedestal, it simply complements life's moments.

We believe in the simple pleasures in life - kicking back around the campfire with family, cooking a BBQ with mates or just mowing the lawn for the second time this week. We like to keep it simple and go with the flow.

OUR PRINCIPLES

THESE PRINCIPLES ENCOMPASS EVERYTHING WE BELIEVE IN

1. WE EXIST TO BREW GOOD BEER FOR GOOD MATES HAVING GOOD TIME MOMENTS!
We believe in the social element of drinking beer.

2. WE WORK HARD, WE PLAY HARDER!
Brewing beer and enjoying life share the same principles – balance.

3. OUR ACTIONS SPEAK LOUDER THAN OUR WORDS!
Our reputation is all that we have.

4. WE HAVE AN OPEN DOOR POLICY. TREAT EVERYONE LIKE YOUR MATE!
Everyone deserves to drink good beer.

5. WE GET SHIT DONE!
We started out wingin' the hell out of it, and we're still holding on for dear life!

6. WE FROTH ON WHAT WE DO!
Otherwise why the bloody hell are we doing it?

7. WHAT COMES AROUND GOES AROUND, BE A LEGEND!
We believe in treating people (and our beers) like they deserve to be treated, with respect.

8. WE TREASURE OUR NATURAL PLAYGROUND!
Because it's the only one we have.

9. QUALITY OVER QUANTITY!
This is true about all aspects of life.

10. WE LOOK AFTER OUR MATES
Our community is our soul.

Section 2.2: Our Product and Services



**#1 PALE ALE
IN AUSTRALIA**

GALES
HOTTEST
100
2013



Your Mate

LARRY

PALE ALE

Pale Ale is officially the number one craft beer style in Australia.*
In 2013 we fell in love with craft beer and started a small beer club (The Craft Club) at our local pub. Throughout this time, we held over 15 beer tasting days with all of the major breweries at the time.
This is when we fell in love with the industry but found a gap in the craft beer scene - a pale ale specifically designed to be enjoyed for Queensland hot summer days. We set out on a mission to create a balanced beer that represented our QLD summer fruits (mango and passionfruit), but still balanced with a nice malt character.

Over the last 9 years, we have focused all of our energy into perfecting one amazing flagship beer. A beer that could battle with the big boys on flavour and still be completely approachable for the everyday Aussie beer drinker.
Larry was born!

Since his inception, Larry has been an absolute crowd favourite and adopted by Queensland as their new best mate.

CORE MATES

plus limited releases

As a priority, we have concentrated on Larry as our core focus. Supplying our existing customers has always been our priority, but as more capacity has become available, we've been able to introduce a few other characters into our lineup to complete our core beer range.



Tilly is a free spirit with a refreshing zest for life. She's your bubbly mate, bursting with infectious positive energy. Friend or stranger, she's always up for a chat that'll brighten your day. The glass is always half full with [#GoodTimesTilly](#).



The froth level is always dialled to 11 when you're with your mate Eddie. The ultimate yes man, Eddie buzzes with infectious energy and is constantly chasing his next adventure. He's all gas and no brakes with no time for hangovers. You ain't truly livin' unless you've got a mate like [#ExtremeEddie](#).



Donnie is the dark horse, the strong and silent type. He might seem a bit intimidating at first, but after a good chinwag you'll find that he's a smooth operator with a heart of gold. If you've got a mate like [#DonnieDarkAle](#), you've found a mate for life.

CORE MATES

plus limited releases



Macca likes to keep things simple. There's no secret to his happiness besides an outdoor adventure and an old-fashioned chinwag. He's your true blue mate who won't [#CrackaMacca](#) until a fish is in the boat.



Sally's passion for Australia's backyard is no secret. A bold explorer of nature, she is always pushing the horizon for botanical beauties. Rain or shine, it's always a good time with your mate [#SunshineSally](#).

LIMITED RELEASES

OUR LIMITED RELEASE PROGRAM LET'S US GET A BIT CREATIVE WITH SOME MORE LEFT-FIELD BREWS. WHILE THEY'RE CURRENTLY VERY SMALL BATCH AND ONLY AVAILABLE THROUGH THE BREWPUB AND ONLINE, THE LONGER-TERM GOAL IS TO BRING SOME OF THESE INTO THE CORE RANGE.





YOUR MATES BREW PUB

As soon as you set foot in our bustling BrewPub, you know exactly who we are and what we're all about, sharing good times with good mates. Whether you're straight out of the surf, spending a Sunday with the family or just chilling over a couple of happy hour knock offs, this is arguably one of the most friendly, fun and authentic watering holes on the Sunny Coast. It's a true local's spot where everyone's welcome to enjoy a delicious meal, live entertainment and of course, an ice cold beer.

Our mouth-watering menu is constantly changing with fresh produce, succulent meat smoked on site and local seafood that can be enjoyed with our carefully selected wine menu or killer crafty line up.

Your Mates' events go off, from community functions to our infamous Meats with Mates charity fundraiser, when you're here, you know exactly what to expect and we know how to deliver!

Section 2.3: MARKETING



WE'RE NOT JUST A BEER BRAND

Plenty of beer companies like to paint a perfect picture of the type of brand they want to be. The difference with Your Mates is that we designed the brand to be completely inline with who we actually are and what we love most - fishing, surfing and adventuring in the outdoors. All of our content is real and shows how much fun our founders, customers and staff all have in our incredible backyard with our amazing products.

**WE'RE AUTHENTIC, APPROACHABLE AND RELATABLE
TO THE MODERN BEER DRINKER.**

Our customers see themselves in our brand and this is a main reason why we've enjoyed such overwhelming success and support in such a short period of time. It's easy to see when brands aren't fair dinkum, but we absolutely believe in the power of mateship and we know our customers do to. We may not have the big-name influencers or the massive marketing budget, but we have created a trusted brand that our mates love and want to be a part of.



YOUR MATES IS A LIFESTYLE BRAND

We believe in engaging with our community on a personal level and forming real connections. You can find us almost anywhere, from a community fishing comp in Nth QLD, to a beach clean up on Stradbroke Island or at your local footy break up. This belief has always been the cornerstone of Your Mates Brewing Co. and nothing makes us more stoked than seeing another mate repping their Your Mates T-shirt with frothy pride.

**PRINCIPLE #3. OUR ACTIONS SPEAK LOUDER THAN WORDS,
OUR REPUTATION IS ALL THAT WE HAVE.**

COVID really hit everyone hard. It was tough for people physically, mentally and emotionally. It was incredibly challenging for a lot of the regional publicans who relied on tourists throughout Queensland. As soon as Hep could, he uprooted his family and embarked on a mission around Queensland to personally touch base with his customers as well as shout 100 schooners in every town he touched (over 3,000 cold Larrys!). Giving away beer is easy, travelling over 10,000 km to the tip of Australia with a 26 week pregnant partner and their 2-year-old daughter definitely wasn't. But in true Aussie spirit, The Mateship Tour was a hazy success that took our best mate Larry to some of the most remote bars and pubs in Queensland. With countless adventures along the way, we're proud to say that Queenslanders can now enjoy our products in more places than ever before.





MARKET & COMPETITORS

The demand for craft and independent beer continues to grow in Australia with the market share continuing to increase year on year.

The craft brewing industry in Australia is made up by a diverse range of over 600 breweries. In FY21 craft beer revenue grew 17.1% and craft beer production now totals 14.1% of the total beer market²⁻³ and revenue is expected to grow at an annualised 4.9% for the decade ending in FY27.¹

Queensland accounts for 15.0% of industry establishments in 2021-22, while accounting for approximately a fifth of Australia's population.¹ The development of the industry has been constrained by the warm climate and the popularity of the XXXX brand of beers. This is where we see the biggest opportunity, a Queensland beer brand for the Queensland beer market.

**TO ENSURE THAT YOUR MATES SEPERATES ITSELF FROM THE COMPETITION,
WE HAVE BUILT A BRAND THAT IS RELATABLE AND TRUE TO OUR QLD
LIFESTYLE.**

1. Ibis World OD5071

2. <https://www.savvy.com.au/the-state-of-craft-beer-in-australia-2022/>

3. IBA Annual Report 2020-21

OUR TEAM CULTURE

We firmly believe that having a positive, inclusive and fun culture is critical to our continued success. We've invested heavily in like-minded legends that share our vision and our key 10 principles. Our team is made up of people who believe in our brand and are dedicated to our growth, many of whom started with little to no industry experience and are now leaders in their respective fields.

Whether it's on the canning line or behind the bar, their smiles say it all and we're damn proud to place them at the core of our Your Mates family. They wear our company values on their sleeves and are the reason we continue to blow people's expectations out of the ocean!

We have incorporated unique incentives and rewards to support a positive culture in line with our main principles, including:

YEARLY CAMPING TRIPS

**PROFESSIONAL DEVELOPMENT
OPPORTUNITIES**

**WEEKLY YOGA WITH A
PROFESSIONAL INSTRUCTOR**

MENTAL HEALTH DAYS


**DISCOUNTED GYM
MEMBERSHIPS**

BEER & FOOD DISCOUNTS

FLEXIBLE WORKING CONDITIONS

**CULTURAL DAYS, INCLUDING
THE ANNUAL YOUR MATES CUP**



A photograph of two men on a beach at sunset, clinking beer cans. The scene is bathed in warm, golden light, with water and a distant shoreline visible in the background. The men are smiling and appear to be celebrating. A white, brush-stroke style banner is overlaid across the bottom of the image, containing the text.

**Section 2.4:
THE BUSINESS MODEL**

REVENUE STREAMS

1
MANUFACTURING
(WHOLESALE)

NATIONAL BOTTLESHOPS
INDEPENDENT BOTTLESHOPS
PUBS, BARS AND RESTAURANTS
COMMUNITY EVENTS

2
YOUR MATES
BREW PUBS

FOOD AND LARGE FUNCTIONS
BEER, SPIRITS AND WINE
TAKEAWAYS

3
E-COMM
(ONLINE
SALES)

ONLINE BEER
AND MERCH



WHOLESALE BUSINESS ACHIEVEMENTS

Honestly, there's been way too many achievements to list, but here's a few of them.



ON TAP AT SOME OF THE BEST BLOODY PUBS AND BARS IN AUSTRALIA (CHECK OUT OUR BEER MAP)

80%

OF OUR SALES VOLUME STILL COMES FROM ONE SKU - LARRY

#3

LARRY VOTED IN THE TOP 10 BEERS IN THE GABS HOTTEST 100 IN THE LAST 4 YEARS, PLACING 3RD LAST YEAR



LARRY RANGED IN EVERY BWS, LIQUORLAND, 1ST CHOICE AND VINTAGE CELLARS IN QLD

400

OVER 400 BOTTLESHOPS IN QLD RANGE SALLY



KEY TERM RANGING WITH ALL BOTTLE MARTS, CELLARBATIONS, THIRSTY CAMEL, LIQUOR LEGENDS AND BOTTLER IN QLD



LARRY NATIONWIDE IN EVERY DAN MURPHY'S

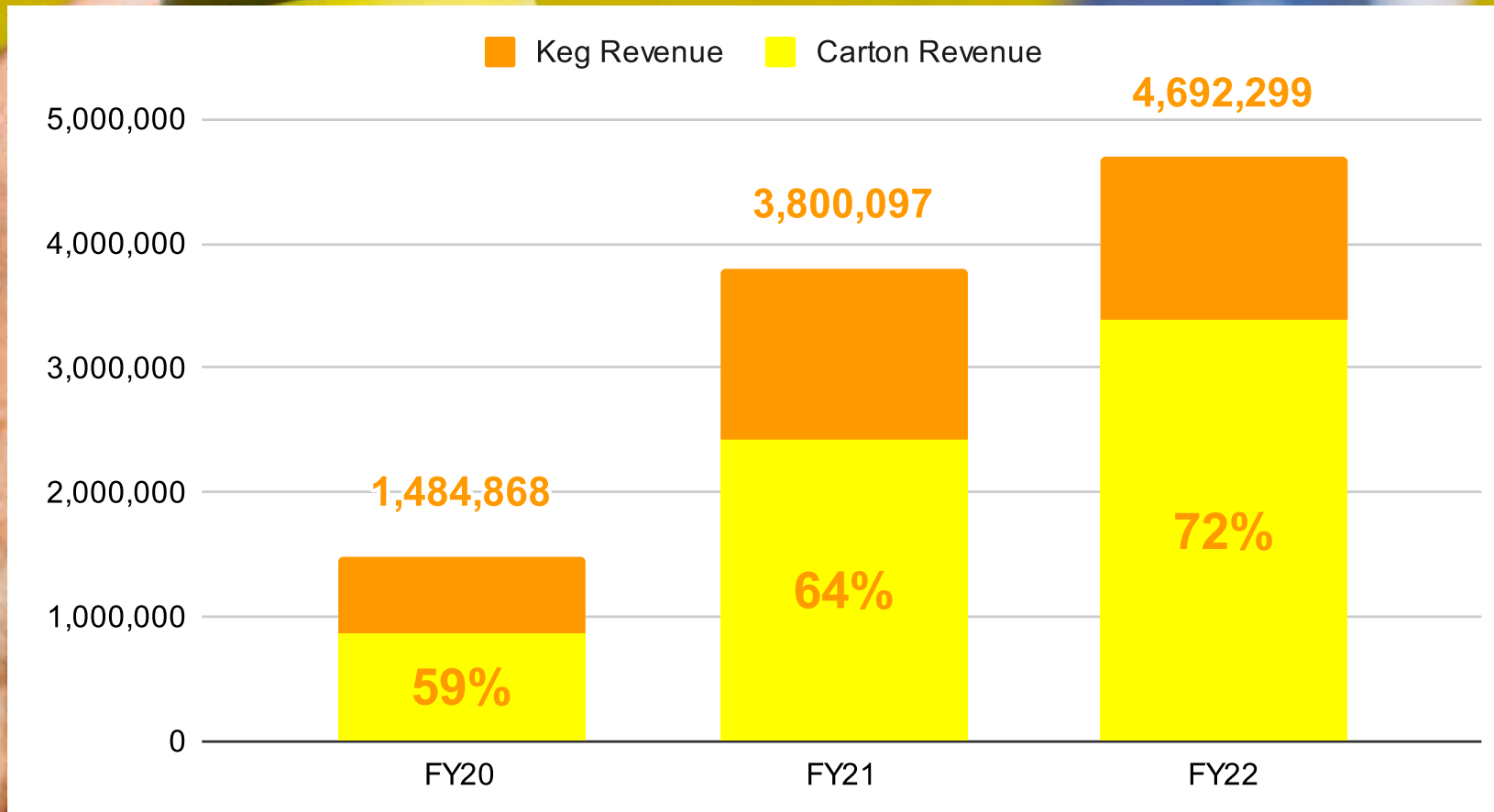
\$4.6 MILLION

BEER SALES REVENUE IN FY22

300

OVER 300 BOTTLESHOPS IN QLD RANGE TILLY

WHOLESALE REVENUE



Larry is the undeniable star when it comes to driving volume, but we have an amazing opportunity to grow our other brews off the growing brand recognition Larry has brought to the party.

BREW PUB ACHIEVEMENTS

Our BrewPub based on the Sunshine Coast is the ultimate brand experience. We created this space to represent exactly what we love about pubs, an inclusive space that focuses on offering amazing food, great beer and nightly entertainment. We feel that we have absolutely nailed this brief (check out our 5-star Google reviews) and can't wait to replicate this into more communities across Queensland.

Our venue is a huge positive cashflow generator with great profit margins that's allowed us to self fund our growth. Even with COVID (which absolutely hampered our expected revenue targets) we managed to still grow our business. No we're getting some relief from COVID restrictions, our FY22 results have been smashing all our expectations.

200 SEAT VENUE

**FULL COMMERCIAL
KITCHEN**

**DEDICATED FUNCTION
SPACE**

20 BEER TAPS

**WINE &
SOFTDRINKS**

TAKEAWAYS & MERCH

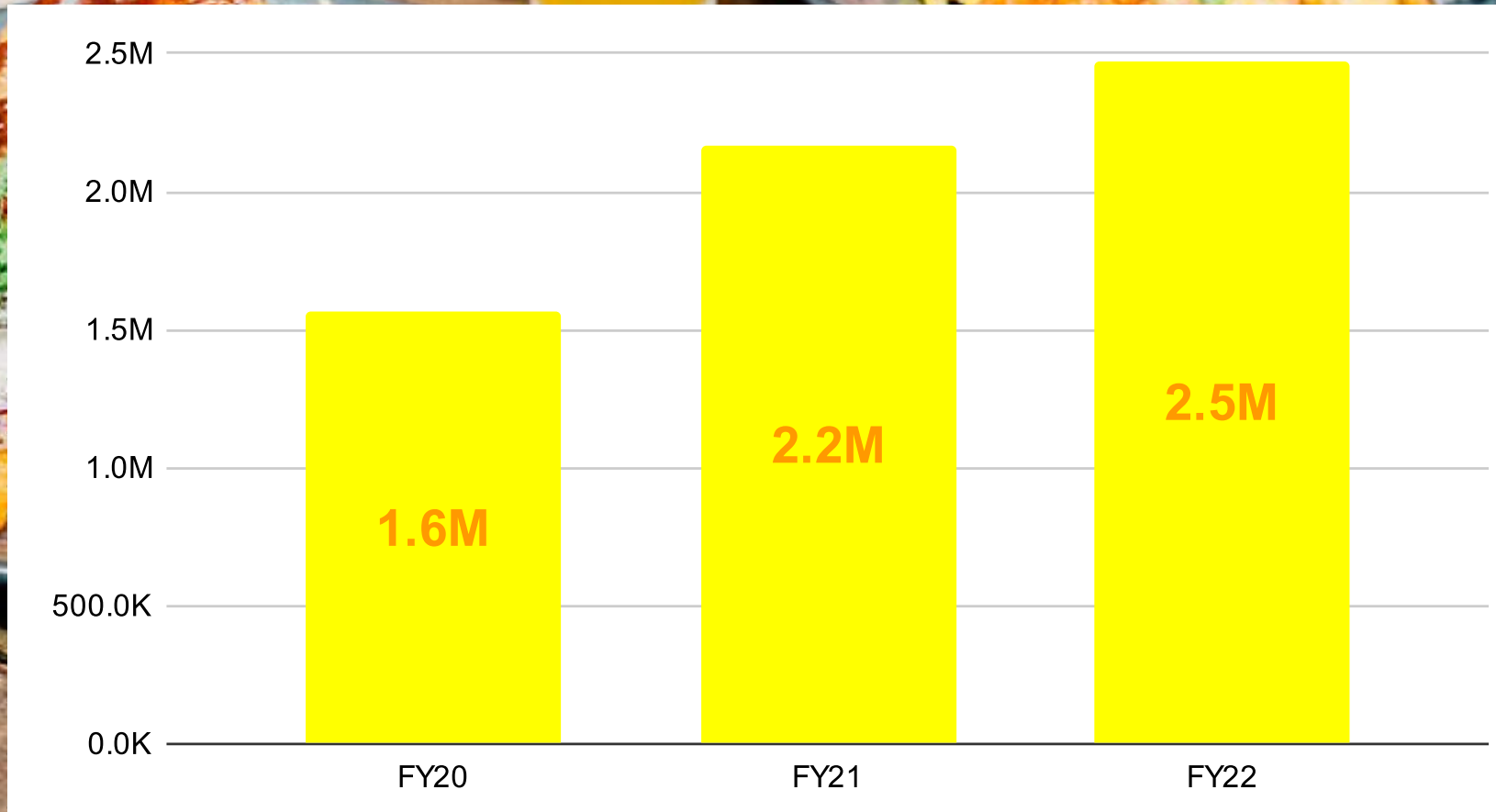
KIDS PLAYGROUND

**4.7 STAR GOOGLE RATING
(440 REVIEWS)**

**AVERAGE 18% NPM
LAST YEAR**

*Based on conservative historical trend data using a moving average forecasting methodology.

BREW PUB REVENUE



WE CAN'T WAIT TO ROLL OUT THIS SUCCESSFUL MODEL IN OTHER LOCATIONS



Section 2.5: BUSINESS STRATEGY

We have successfully built a brand and established proven products that have been embraced throughout the Queensland market. Our main aim is to leverage our current strong momentum and invest further into increasing our sales and marketing teams to take full advantage of this incredible opportunity.

We are currently investing into our brewing production facility to increase our economies of scale, which is designed to give us the ability to increase revenue, as well as decreasing our cost of goods sold, increasing our bottom line significantly.

By expanding our proven BrewPub model into new locations, we aim to rapidly increase our cash flow, drive extra volume through the market and increase our overall brand awareness.

We have developed clear 1, 5 and 10 year business plans with the help of a number of professional advisors with in-depth knowledge and experience in the beer FMCG market. Continuing the huge momentum the Your Mates brand has created in Queensland, we have some key objectives for the next 12 months.

KEY OBJECTIVES

INCREASE OUR PRODUCTION OUTPUT UP TO 2M LITRES TO SATISFY DEMAND AND TAKE ADVANTAGE OF ECONOMIES OF SCALE

FOCUS ON NEW DISTRIBUTION OUTLETS IN THE STATE OF QLD TO SATURATE OUR BACKYARD

INTRODUCE OTHER CORE RANGE PRODUCTS TO OUR EXISTING CUSTOMERS TO INCREASE OUR VOLUME PER OUTLET

PARTNER WITH MAJOR COMMUNITY EVENTS THROUGHOUT QLD TO INCREASE BRAND AWARENESS

ESTABLISH A MINIMUM OF ONE NEW BREWPUB LOCATED IN SEQ, IMPROVING OUR CASHFLOW & FOOTPRINT



Section 2.5.1: WHOLESALE BUSINESS STRATEGY

Over the past 12 months, we have been working closely with our advisors and sales management team to formulate a clear 1, 3 and 5 year sales strategy. We have recently doubled our field sales and road crew to ensure we have the best possible team in place to achieve these goals.

KEY OBJECTIVES

**CONTINUE TO BUILD NEW DISTRIBUTIONS IN QLD
INDEPENDENT BOTTLESHOPS**

**BEGIN EXPLORING INTERSTATE OPPORTUNITIES AS VOLUME
COMES ONLINE**

**INCREASE DISTRIBUTIONS IN EXISTING CUSTOMERS WITH OUR
OTHER CORE RANGE PRODUCTS**

BEGIN WHOLESALING LIMITED RELEASE BEERS

**BEGIN A COLLABORATION BEER CAMPAIGN
(WE GET HIT UP A LOT FOR THIS!)**

**CONTINUE DEVELOPING RELATIONSHIPS WITH
LARGER COMMUNITY EVENTS**

**LOOK INTO EXPORT OPTIONS AS VOLUME CONTINUES
TO COME ONLINE**



Section 2.5.2: BREW PUB BUSINESS STRATEGY

MAXIMISE CURRENT SPACE

With the expansion next door, we will be moving a large amount of our production equipment across which will increase our hospitality footprint. This means that we will have a lot more room of activities (the beery kind) pool tables, dart boards, beer garden games, as well as enabling us to finally cater for large private functions, band nights and everyone's favourite passtime - late night karaoke. This BrewPub expansion is currently happening and will give us over 40% more capacity with minimal investment.

BREW PUB SITE #2

We have always known that we've wanted to open numerous BrewPub sites across Australia. We have been actively looking at potential locations throughout regional Queensland over the past 12 months that would suit our brand and lifestyle. We have an experienced team in place with our retail operations manager overlooking the future BrewPub operations. We will be looking to replicate the food and beverage experience we have created at our existing site across all of our locations. We have been working on an extensive systems and procedures guideline that will allow this to be easily managed by our external teams.

BREW PUB SITE #3+

Your Mates Brewing Co.'s short-term plan is to open up another one more BrewPub, with a medium-term plan to open a third site in QLD following the same systematic approach.



Section 2.5.3: OTHER OPPORTUNITIES

CONTRACT BREWING


With more capacity comes more production opportunity. Although we are investing in our own capacity, there's no reason why we wouldn't look for opportunities to fill any empty space that we will have available with our future capacity upgrades. Contract brewing provides an additional cashflow injection into the business with minimal investment or structural changes to the business.

GOOD MATES CLUB

The long distant mate that's sometimes forgotten about. Our online ecommerce store has always been left on the back burner as our streamlined team focuses on our two major revenue streams. This being said, our merchandise seems to be splattered all of the Sunshine State! This year we are onboarding a full-time designer to focus on our ecommerce brand. This will include a focus on our limited release beers and implementing a monthly subscription club. This is going to be extremely limited though, so if you're interested in these small batch mates, get in quick!

SPIRITS & SELTZERS

We love an earthy gin or quality rum just as much as the next person. We have been working on a number of recipes over the last 12 months to cater to for the demand in our existing and future BrewPubs.

A group of people are gathered outdoors at a campsite. They are sitting in a circle on folding chairs and blankets on a grassy area. In the background, there is a white RV with the word "VISION" on its side. The scene is set in a natural, wooded environment. A large white banner with a torn edge is overlaid on the image, containing the text "Section 2.6: ORGANISATIONAL STRUCTURE".

Section 2.6: ORGANISATIONAL STRUCTURE

Section 2.6.2: DIRECTORS



MATT HEPBURN
CEO & Brand Director

HEAD OF REVENUE GENERATION - SALES & BREWPUB
HEAD OF BRAND DIRECTION

Looking after everything marketing and sales related, Matt has created one of the most relatable beer brands in Australia.

Matt has a relentless trait to continue building the Your Mates brand outside of the traditional craft beer scene and fulfill the Your Mates vision.

A fourth-generation Sunshine Coast local, Matt's love of the outdoors and ability to connect with people has seen the Your Mates brand collaborate with some of the biggest outdoor and lifestyle brands in the country.

He is passionate about inspiring people to live their fullest life by balancing business with his love of surfing, fishing and spending time with his family and growing circle of mates.



CHRISTEN MCGARRY
CFO & Beer Director

HEAD OF FINANCE
HEAD OF BEER OPERATIONS AND LOGISTICS
HEAD OF BEER DIRECTION

Looking after everything beer, product and finance related, Christen is meticulous enough to get into the detail when needed with the ability to shift the focus to big picture planning when appropriate. He has a true love for beer, designed the original recipe for Larry and signs off on every beer that leaves the fermenters into a keg or can.

As the business has matured so has Christen's skillset and his aptitude for numbers has been transferable into the finance role at Your Mates. Insight into the manufacturing process has also assisted in enhancing the transparency of the true costs and profit triggers in the business.

Section 2.6.3: LEADERSHIP TEAM



GLENN GREGSON
National Retail Manager

Glenn has over 31 years of experience in the retail liquor industry, specialising in distributors. He was employed by the largest wholesaler of liquor in the country (ALM) for 9 years. The bloke known to everyone as 'Greggo' is on a first-name basis with almost every pub and bottleshop owner in Queensland.



BRENT COLAUTTI
BrewPub Operations Manager

Brent controls our BrewPub business and is responsible for the 200-seat venue on the Sunshine Coast.

He has over 17 years of experience in the hospitality industry, having built his own successful hospitality businesses as well as assisted many other business owners to create & improve their own.

Brent has worked closely with local and state government for the past 8 years to set up major festivals and sporting events that have attracted 35,000+. He was also a key member in the creation of the new Maroochydore City Centre's activation strategy.

Brent will spearhead any future hospitality venues that Your Mates launch. He has streamlined our current successful BrewPub operation and built a strong team that will allow us to confidently expand.



JAMES OSBORNE
QLD Sales Manager

James has over 20 years of experience in liquor sales. He worked for CUB for five years, before heading OS for a 2 year stint at the UK's largest brewer Scottish and Newcastle. He's also worked at brewing pioneers Little Creatures for five years, four years at Lion, then Asahi beverages for three and a half years, working in key account manager/sales manager roles. He also has experience working for on-premise distribution partner Paramount beverages who deliver a majority of our keg accounts across Queensland. James brings a vast on-premise network and strong relationships with our key Queensland accounts, as well as proven leadership experience to guide our sales team to success.

Section 2.6.3: LEADERSHIP TEAM



KELLY-ANNE QUINLIVAN
Accounts Team Leader

Kelly-Anne is one of the longest-serving team members of Your Mates Brewing Company. She has helped us navigate the peaks and troughs of a growing business and we've been able to trust her to ensure our cash in and out have been managed well. Kelly previously worked in the interior design industry and has a bookkeeping degree. She leads a team of two in the accounts department and continues to grow in her roles and responsibilities.



ROB GARGAN
Production Manager

Rob has over 15 years of experience in brewing and beverage manufacturing. He has a Brew Master qualification which he obtained at the VLB in Berlin, Germany. Rob's worked all over the world in a diverse range of breweries and is most proud of the work he did at the pioneering UK brewery, Camden Brewery. Upon relocating to Australia he was brewery director at the Australian Beer Company (Yenda), one of Australia's largest brewing facilities.

Rob's expertise has assisted in streamlining processes in the production department that have resulted in increased quality, efficiency and cost of goods. He has been integral in the future planning process and identifying how we can invest our capital to achieve our goals without overcapitalization.



SEAN HAMMOND
Logistics Manager

Sean was identified early on for his strong leadership abilities and has grown internally through the company into the Logistics leadership role at Your Mates. He has quickly taken the reigns of the ever-growing logistics department and spearheaded the campaign to transfer our direct delivery distribution model into a wholesale distribution model seamlessly.

Section 2.6.5: TEAM LEADERS



CORINNE FROHMULLER
Accounts & All Round Gun



ROB NAYLOR
Marketing Guy



CHRIS ANDREWS
Lead Brewer



RYAN HENSHAW
Venue Manager



MIKE EDWARDS
Packaging Leader



JAKE BLACK
Events & Community Manager



RAYMOND VONDER
Executive Chef

Section 2.6.6: THE WHOLE TEAM



Full Time Casual

Section 2.6.7: ADVISORS



SID CURREY

Peter 'Sid' Currey has been working with Your Mates for nearly a year now on an advisory basis. He has thirty years experience in Australasian FMCG with international exposure to UK, USA and Japan - primarily with Gourmet Garden Herbs & Spices (Sunshine Coast) and Kraft Foods Limited (Gold Coast, Brisbane and Melbourne).

A career developed from the ground floor up within the Australian grocery, commencing in stores as a sales representative on the Gold Coast to executive roles in Commercial Management and Board Representation. Peregian Beach based, he loves a beer, rugby and the outdoor lifestyle of the coast.



BEN SUMMONS

Ben Summons has been a CEO and a highly successful leader in world class organisations, where he has led and coached thousands of people across Australia and South East Asia. Ben was most recently CEO of the Fermentum Group, the parent company of pioneer craft brewery Stone & Wood before their buy-out. Ben originally connected with Matt and Christen through a customised version of his current start-up company 'Purpose & Flow'.

Ben has helped Matt and Christen to identify and align their personal and professional goals through the development of their current business strategy. The three built a strong connection through this process and Ben continues to work with the team as an advisor. Ben brings vast experience and industry knowledge to Your Mates and has introduced Matt and Christen to the world of Mountain Biking!



Section 2.7: CAPITAL STRUCTURE

As at the date of this Offer Document, the Company has 32,000,000 ordinary shares on issue. The company's constitution allows for the company to allocate and issue no more than 2.5% of total shares under the Company's Employee Share Option Plan. At the time of this document no ESOP options have been allocated. The majority of shares are held by the Company's founders. Table 1 below sets out the issued capital of the Company before the Offer.

Table 1: Issued capital of the Company before the Offer

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

Table 2: Issued capital of the Company following the Offer

Section 2.7.1: CAPITAL STRUCTURE

TABLE 1

SHAREHOLDER	SHARE TYPE	SHARES	%
CBM Family PTY LTD	Ordinary	12,000,000	37.5%
MWH Family PTY LTD	Ordinary	12,000,000	37.5%
First Round Investors	Ordinary	8,000,000	25%
TOTAL		32,000,000	

TABLE 2

SHAREHOLDER	SHARE TYPE	MINIMUM SUBSCRIPTION		MAXIMUM SUBSCRIPTION	
		500K SHARES	500K %	2.5M SHARES	2.5M %
Existing Shares	Ordinary	32,000,000	96.53%	32,000,000	92.82%
Offer Shares	Ordinary	322,581	0.97%	1,612,903	4.68%
ESOP (Unallocated)	Option	828,784	2.50%	861,869	2.50%
TOTAL		33,151,365	100%	34,474,773	100%



Section 2.7.2: RIGHTS & 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.

EMPLOYEE SHARE OPTION PLAN (ESOP)

The Company has created an Employee Share Option Plan (ESOP) to attract, retain and incentivize key employees and contractors which provides options to purchase a specified number of ordinary shares in the Company, at a future date, at the price determined by the board at the time of grant.

To ensure that the Company has the flexibility in attracting the right talent, The Constitution of the Company allows for the issue options to a total maximum 2.5% of the issued shares at any time. Prior to the launch of this capital no ESOP shares have been allocated or issued.



Section 2.7.3: SOURCES OF FINANCING, INCLUDING DEBT FINANCING & OTHER FINANCING

Your Mates Brewing Company Pty Ltd has been funded to date with a combination of equity, debt and reinvestment of profits.

The business was initially funded by founders Matt Hepburn & Christen McGarry in its infancy. In 2018, when the business expanded into its current site, 1M dollars in capital was raised by 15 individuals.

The company has a total finance facility of \$3,000,000 which is made up of asset finance, trade finance and bank guarantees from the Commonwealth Bank of Australia. The business was also able to access a COVID cashflow loan of \$130,000 from Queensland Rural and Industry Development Authority. We have the intention to reduce this facility to \$2,400,000 should we raise the full subscription amount.

Finally we have accessed a cash business loan of \$595,000 from the CBA to cashflow on the fitout costs of our expansion so that works could commence prior to the CSF Raise.

Section 2.8: RISKS FACING THE BUSINESS

An investment in Your Mates Brewing Company 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).

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, all fighting for bar 'real estate', fridge and shelf space. If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impacts on the revenue, profitability and future prospects of the business.

PANDEMICS

Future pandemics and any resulting lockdowns or similar can have damaging effects on the Company. The Company can suffer from both loss of sales through draught beer consumption on and off premise as well as food sales through our brewpub.

BRAND RISK

If the Company does not maintain consistent levels of quality and service in its offering, 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.

Section 2.9: FINANCIAL INFORMATION



The financial statements of Your Mates Brewing Co. for financial years ended June 30 2022, 30 2021, June 30 2020, which have been prepared in accordance with the Accounting standards. Financial information for the 3 months ended 30 September 2022 have also been included based on management accounts, and accordingly may be subject to change.

Section 2.9.1: INCOME STATEMENT & EBITDA

YOUR MATES BREWING COMPANY PTY LTD - FOR THE YEAR ENDED 30 JUNE

ACCOUNT	2022	2021	2020
INCOME			
SALE OF GOODS			
BEERS			
Kegs	1,313,202	1,363,923	605,531
Cartons	3,379,686	2,436,174	879,596
TOTAL BEERS	4,692,888	3,800,097	1,485,127
BrewPub	2,475,841	2,165,817	1,576,974
TOTAL SALE OF GOODS	7,168,729	5,965,914	3,062,101
TOTAL INCOME	7,168,729	5,965,914	3,062,101
COST OF GOODS SOLD			
Cost of Goods Sold	3,973,492	3,595,794	1,674,050
TOTAL COST OF GOODS SOLD	3,973,492	3,595,794	1,674,050
GROSS PROFIT	3,195,236	2,370,120	1,388,051
OTHER INCOME			
Other Income	513,861	570,454	287,270
Interest Income	0	0	30
TOTAL OTHER INCOME	513,861	570,454	287,301
TOTAL INCOME AFTER COGS	3,709,097	2,940,574	1,675,352

Section 2.9.1: INCOME STATEMENT & EBITDA

YOUR MATES BREWING COMPANY PTY LTD - FOR THE YEAR ENDED 30 JUNE

ACCOUNT	2022	2021	2020
EXPENSES			
Operating Expenses	1,474,593	846,065	625,854
Wages & Salaries	1,791,215	1,292,097	817,818
Superannuation	222,345	158,572	91,789
Amortisation	3,086	1,830	813
Depreciation	322,961	205,522	89,069
Interest Expense	40,029	32,351	18,815
TOTAL EXPENSES	3,854,228	2,536,438	1,644,158
PROFIT/(LOSS) BEFORE TAXATION	(145,131)	404,136	31,193
INCOME TAX EXPENSE			
Income Tax Provision	0	(49,523)	(49,523)
Over Provision Income Tax	16,349	0	0
TOTAL INCOME TAX EXPENSE	16,349	(49,523)	(49,523)
NET PROFIT/(LOSS) AFTER TAX	(161,481)	453,658	80,716
ADJUSTMENTS			
Add back Income Tax	16,349	0	0
Add Back Interest	40,029	32,351	18,815
Add back Depreciation & Amortisation	326,046	207,353	89,882
EBITDA	220,944	693,362	189,413

**The positive R&D Grant impact on revenue and net profit (of approx. \$50k) has not been included in the 2022 financials but is expected to be finalised during the 2023 financial year.

Section 2.9.2: FY23 INCOME STATEMENT & EBITDA

YOUR MATES BREWING COMPANY PTY LTD - FOR THE MONTH ENDED 30 SEPTEMBER 2022

ACCOUNT	SEP 2022	AUG 2022	JUL 2022	TOTAL
TRADING INCOME				
BrewPub Sales	273,211	239,240	251,581	764,032
Carton Sales	422,321	281,171	327,874	1,031,366
Keg Sales	174,842	137,430	132,650	444,923
Other Revenue	(9,306)	(11,425)	(26,984)	(47,716)
TOTAL TRADING INCOME	861,067	646,416	685,122	2,192,605
COST OF SALES				
TOTAL COST OF SALES	513,199	396,919	410,237	1,320,356
GROSS PROFIT	347,867	249,496	274,884	872,249

Section 2.9.2: FY23 INCOME STATEMENT & EBITDA

YOUR MATES BREWING COMPANY PTY LTD - FOR THE MONTH ENDED 30 SEPTEMBER 2022

ACCOUNT	SEP 2022	AUG 2022	JUL 2022	TOTAL
OTHER INCOME				
TOTAL OTHER INCOME	29,193	29,166	70,740	129,101
OPERATING EXPENSES				
Operating Expenses	133,532	126,237	137,214	396,984
Wages & Salaries	120,248	121,895	132,132	374,275
Interest Expense	3,423	4,662	3,382	11,469
TOTAL OPERATING EXPENSES	252,204	252,795	272,729	782,729
NET PROFIT	119,857	25,868	72,895	218,621
ADJUSTMENTS				
Add Back Income Tax	N/A	N/A	N/A	N/A
Add Back Interest	3,423	4,662	3,382	11,469
Add back Depreciation & Amortisation	N/A	N/A	N/A	N/A
EBITDA	123,280	30,531	76,278	230,090

Depreciation, amortisation & income tax have not been included.

Section 2.9.3: BALANCE SHEET

YOUR MATES BREWING COMPANY PTY LTD - AS AT 30 JUNE

ACCOUNT	2022	2021	2020
ASSETS			
CURRENT ASSETS			
Cash at Bank	336,099	403,376	262,052
Accounts Receivable	417,377	281,370	93,552
Inventory	495,697	336,470	146,068
Other Current Assets	270,887	129,081	89,523
TOTAL CURRENT ASSETS	1,520,061	1,150,297	591,195
NON-CURRENT ASSETS			
Intangibles	18,582	15,033	9,148
Plant & Equipment at cost	1,653,509	1,238,492	553,550
Leasehold Improvements at cost	653,495	564,222	529,206
TOTAL NON-CURRENT ASSETS	2,325,586	1,817,746	1,091,904
TOTAL ASSETS	3,845,647	2,968,043	1,683,099

Section 2.9.3: BALANCE SHEET

YOUR MATES BREWING COMPANY PTY LTD - AS AT 30 JUNE

ACCOUNT	2022	2021	2020
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	325,898	295,030	161,519
Other Liabilities	550,808	148,752	36,387
TOTAL CURRENT LIABILITIES	876,706	443,782	197,907
NON-CURRENT LIABILITIES			
Loan - Convertible Note	100,000	108,500	108,500
Loans - Related Parties	446	446	446
Loans - Secured	1,549,994	946,682	364,312
TOTAL NON-CURRENT LIABILITIES	1,650,439	1,055,627	473,258
TOTAL LIABILITIES	2,527,145	1,499,410	671,165
NET ASSETS	1,318,502	1,468,633	1,011,935
EQUITY			
Current Year Earnings	(161,481)	453,658	80,716
Retained Earnings	492,463	38,805	(54,411)
Share Capital	987,520	987,520	1,000,020
TOTAL EQUITY	1,318,502	1,479,983	1,026,325

The convertible note has since been paid out completely.

Section 2.9.4: STATEMENT OF CASH FLOWS

YOUR MATES BREWING COMPANY PTY LTD - FOR THE YEAR ENDED 30 JUNE

ACCOUNT	2022	2021	2020
OPERATING ACTIVITIES			
Receipts from customers	7,658,426	6,549,055	3,446,442
Payments to suppliers and employees	(5,936,577)	(4,225,269)	(2,069,000)
Finance costs	(45,338)	(35,252)	(22,924)
GST	(535,488)	(279,092)	(152,745)
Cash receipts from other operating activities	432,117	419,030	186,943
Cash payments from other operating activities	(1,239,908)	(1,734,082)	(1,193,703)
NET CASH FLOWS FROM OPERATING ACTIVITIES	333,232	694,390	195,014
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	26,220	230,237	76,402
Payment for property, plant and equipment	(846,433)	(1,152,558)	(449,142)
Other cash items from investing activities	(186,457)	(216,155)	(6,931)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,006,670)	(1,138,476)	(379,670)
FINANCING ACTIVITIES			
Proceeds from borrowings	594,812	582,369	237,459
NET CASH FLOWS FROM FINANCING ACTIVITIES	594,812	582,369	237,459
NET CASH FLOWS	(78,626)	138,283	52,802
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period	414,726	276,442	223,640
Net change in cash for period	(78,626)	138,283	52,802
Cash and cash equivalents at end of period	336,099	414,726	276,442

Section 2.9.5: STATEMENT OF CHANGES IN EQUITY

YOUR MATES BREWING COMPANY PTY LTD - FOR THE YEAR ENDED 30 JUNE

ACCOUNT	2022	2021	2020
EQUITY			
Opening Balance	1,479,983	1,026,325	945,609
INCREASES			
Profit for the Period	(161,481)	453,658	80,716
INCREASES	(161,481)	453,658	80,716
TOTAL EQUITY	1,318,502	1,479,983	1,026,325

Section 2.9.6:

CFO COMMENTS ON HISTORICAL PERFORMANCE & OUTLOOK

GENERAL

1. Growing our business, keeping cash flow positive and profitable are the three top priorities for Your Mates Brewing Company. We have achieved all three of these goals during the last three years and have learned an incredible amount in the process. Through FY22 we invested heavily in our people and capability, onboarding a full management team with the skills and experience necessary to help us prepare and execute the next stage of our growth. Even during this period of heavy labour investment, we have managed to stay profitable, whilst setting the foundation for us to fully leverage the benefits that scale has on profitability in a manufacturing business like ours. We now have the capability within our current team to brew 2M litres, allowing our true profitability to be unlocked as volume increases.

REVENUE

2. We have successfully grown revenue at an incredible rate and even at our lowest level of growth through FY21 to FY22, we still saw an increase of 1.2M dollars. FY22 was undoubtedly a tough year for the industry on the whole, with COVID lockdowns and immunisation mandates causing many venues to close, heavily impacting keg sales. Whilst our keg sales growth slowed for the year, through solid relationships we were able to avoid a decrease in volume and revenue in keg sales. Our BrewPub and tap customers across the industry felt the loss in tap beer sales from August through what is our busiest period of the year in the second half of December, January and into February. The early results of FY23 are showing that growth is back on track and September has generated our highest revenue figure ever, cracking 800k, which puts our YTD at 2.19M, 23% higher than the same period in FY22.

PROFIT & SCALE

3. In manufacturing, profit is unlocked through scale and we are acutely aware that in FY22, we had to sacrifice some profitability to enable us to invest in the people and infrastructure to prepare for our future growth plan. We have always tried to minimise overcapitalisation and excessively fast growth to prevent any major losses, however in FY22 we made heavy investment into our management team. This investment, coupled with the depreciation schedule associated with a heavy investment into brewing assets, negatively affected our net profit as a result, but we have still managed to keep our EBITDA positive over the last three years. During this growth phase our profit KPI remains EBITDA, which identifies our capability to reinvest in growth, which we have done through a combination of self funded growth and financing through the Commonwealth Bank, we have an excellent relationship with the bank who continue to support our business. Our YTD FY23 results show how these increased economies of scale can help unlock profitability, with EBITDA totaling \$230,090 - more than the entire FY22 EBITDA and 140% higher than the same period in FY22.

BREW PUBS

4. Our BrewPub is a powerhouse cash flow generator which operates at an 18% profit margin. It has been a massive benefit in helping us self fund our growth and scale our manufacturing business to where it is today. BrewPub revenue FY22 is already 20% above our first quarter of FY23, and we have plans to use the area previously used for packaging as a dedicated barrel hall style function space, which will give us over 40% more capacity. Finally we have been looking at possible sites for another similar sized BrewPub, which should see us execute similar results.

Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by Your Mates Brewing Co. Pty Ltd. and has not been validated by an independent third party.]



**Section 3:
INFORMATION ABOUT
THE OFFER**

Section 3.1: TERMS OF THE OFFER

Your Mates are offering up to 1,612,903 ordinary shares at an issued price of \$1.55 to raise up to \$2,500,000. The key terms and conditions of the offer are set out below.

TERM	DETAILS
SHARES	Fully-paid ordinary shares
PRICE	\$1.55 per share
MINIMUM SUBSCRIPTION	\$500,000
MAXIMUM SUBSCRIPTION	\$2,500,000
MINIMUM PARCEL SIZE	\$250.00
OPENING DATE	18th of October 2022
CLOSING DATE	3rd of November 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 3.2: USE OF FUNDS

In the table, 'working capital' includes overhead expenses and purchasing of inputs for production.

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

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

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 18–24 months.

If only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12–18 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime.

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

INTENDED USE	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
SITE O2 FITOUT	\$467,200	\$600,000
BREWING ASSETS	-	\$600,000
BREW PUB FITOUT	-	\$300,000
PILOT BATCH KIT	-	\$30,000
SALES & MARKETING	-	\$50,000
WORKING CAPITAL	-	\$200,000
DEBT & LIABILITY REDUCTION	-	\$600,000
OFFER COSTS & BIRCHAL FEE	\$32,800	\$120,000
TOTAL	\$500,000	\$2,500,000



Section 3.3: RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the shares issued pursuant to this Offer 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 Constitution. These rights are described below. A copy of the Constitution is available on the Intermediary's platform.

ELECTION AND REMOVAL OF DIRECTORS

Pursuant to clause 25.4(a) of the Constitution, shareholders may vote to elect and remove some of the directors of the Company.

Clauses 25.2 to clause 25.4 of the Constitution also provides certain other special director appointment rights. These include appointment by directors pursuant to clause 25.4(b) as well as special appointment rights for Major Members (pursuant to clause 25.2) and Founder Shareholders (pursuant to clause 25.3).

1. Founder Shareholders refers to the shareholding of the founders.
2. Major Members refers to members (other than a Founder Shareholders) with a shareholding of at least 15% of the shares in the Company.

BOARD OBSERVERS

The directors under clause 25.4(c) have the power to appoint and remove a person from the role of Observer. An observer will have the right to attend each meeting of directors but is not entitled to vote.

GENERAL MEETINGS AND NOTICES

Clause 22.1 of the Constitution sets out when and how general meetings may be called.

1. Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.
2. Shareholders may requisition the holding of a general meeting in accordance with the Corporations Act 2001.

Shareholders must be given notice of any meetings in the manner contemplated by clause 22.2.

VOTING RIGHTS

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

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 (e.g. 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).

RESTRICTIONS ON SALES

Any CSF Shares acquired under the Offer must not be on sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

The Constitution also outlines certain rules and processes pursuant to which you may dispose of your Shares.

Section 3.3: RIGHTS ASSOCIATED WITH THE SHARES

PRE-EMPTIVE RIGHTS ON SALE OF SHARES

This means that, except in respect of certain Permitted Transfers (as described in the Constitution) and other permissible disposals (such as pursuant to a drag along or tag along event), Member's wishing to sell shares must offer those shares to Eligible Members (Members who hold 0.7% of the total issued share capital of the Company at the relevant time) before those shares can be sold to third parties.

This same process applies where shares are subject to a transfer pursuant to clause 18.1 following the occurrence of an Event of Default (as described in the Constitution).

Additionally, if a sale or disposal would result in the Company having to issue a disclosure document or a product disclosure statement under Chapter 6D or Chapter 7 respectively of the Act, the sale may only occur in accordance with clause 12.5.

DRAG ALONG

Pursuant to clause 15 of the Constitution, where Members holding more than 65% of the Shares in the Company (Majority Sellers) receive an offer from a third party to acquire all of the issued shares in the Company, those Majority Sellers may require all other Members of the Company to sell their Shares to that third party (or to another Eligible Member, if the Board implements an Alternate Offer Process, pursuant to clause 15.3).

TAG ALONG

Similarly, where transfer proposed by a Member (or group of Members) would result in a third party acquiring at least 65% of the issued Share capital in the Company, then Members (other than those who intend to sell to that third party) will have the right to tag along pursuant to clause 14 of the Constitution.

PRE-EMPTIVE RIGHTS ON ISSUE OF SHARES

Shares may only be issued by the Company in accordance the Constitution. This means that, except in respect of certain Excluded Issues (as described in the Constitution), where the Company wishes to issue new shares, the Company must follow the procedure set out in clause 5 of the Constitution, including by offering each Eligible Member (as defined in the Constitution) the right to acquire the new shares.

COMPETITION RESTRICTION

Clause 34 of the Company's constitution includes Restricted Activities (as described in the Constitution) which may not be undertaken by Restrained Members (as described in the Constitution).

Any shareholder (other than an employee shareholder) that holds less than .7% of the total issued share capital of the Company at the relevant time will not be subject to the Competition Restriction (as described in the Constitution). This competition restriction relates to activities that compete with the Core Business (as described in the Constitution). Similarly, the Competition Restriction does not apply to Professional Investors (as described in the Constitution) or to any Ongoing Involvement (as described in the Constitution) of a shareholder.

BUY SELL DEED

The Company and the Founder Shareholders entered into a Buy Sell Deed dated 7 December 2021. This deed provides for certain matters in respect of how shares held by the Founder Shareholders will be dealt with upon the death or incapacity of either of Matt Hepburn or Christen McGarry. The terms of the Buy Sell Deed are set out in Annexure B of the Constitution.

Pursuant to the Constitution, any transfer contemplated by the Buy Sell Deed is to be considered a permitted transfer and the pre-emptive rights on transfer of shares will not apply to that transfer. Additionally, pursuant to clause 38 of the Constitution, any clauses contained in the body of the Constitution that apply upon the occurrence of the death of either of Matt Hepburn or Christen McGarry (or the total and permanent disablement of either of Matt Hepburn or Christen McGarry), are superseded by the terms of the Buy Sell Deed.

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 holders of shares after secured and unsecured creditors of the Company.

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 (e.g. 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 3.4: VALUATION BENCHMARK

When we initially opened Your Mates Brewing Co. up for investment, we used a benchmark table to help us determine a valuation for our young brewing business. At that point in time we had earned a little over \$400k that previous financial year and knew we had an amazing opportunity to offer. A valuation of 6.4x revenue was used that valued Your Mates Brewing Co. at \$3M. Two years later, an internal sale was done at arms length of the Your Mates board and the founders between two shareholders. The sale price of the shares was determined to be 10 x the initial valuation of the business which placed the company valuation at \$30M.


There are many ways to value a business based on multiple factors - business revenue, profit, opportunities, economy, industry, future contracts, industry acquisitions and similar benchmark valuations. We want to ensure that our valuation represents what we believe our business is worth now and what it will be potentially worth in the future. This is mainly based on current literature and revenue and the future prospects we believe Your Mates can achieve over the next 3, 5 and 10 years.

Section 3.5: INVESTOR REWARDS

C'mon let's be honest, you're investing in a brewery because you love beer. In addition to being an official shareholder of Your Mates brewing Co. Pty Ltd, a range of rewards are being offered for investors. The table below sets out the investor rewards based on the amount invested.

	MATES \$250 - \$999	SOLID MATES \$1,000 - \$2,499	GOOD MATES \$2,500 - \$4,999	GREAT MATES \$5,000 - \$9,999	BEST MATES \$10,000 - \$24,999	LEGENDARY MATES \$25,000+
BREW PUB DISCOUNTS (FOOD, BEER AND TAKEAWAYS)	5.0%	5.00%	7.50%	7.5%	10.0%	20%
ONLINE BEERS DISCOUNT	5.0%	5.0%	10.0%	10.00%	15.0%	15.0%
MERCHANDISE DISCOUNT	10%	15.0%	15%	20%	20%	20%
EVENT TICKETS DISCOUNT	5.0%	10.0%	15.0%	20.0%	20.0%	20%
YOUR MATES INTRO PACK	Yes	Yes	Yes	Yes	Yes	Yes
INVITATION TO THE ANNUAL MATESHIP DAY	Yes	Yes	Yes	Yes	Yes	Yes
ACCESS TO THE THE GOOD MATES CLUB FACEBOOK PAGE	Yes	Yes	Yes	Yes	Yes	Yes

Discounts do not apply to already discounted items.

An aerial photograph of a beach scene. In the foreground, a yellow market stall with a white canopy and solar panels on top is parked on the sand. The stall has a logo that says 'YOUR FAVORITE' and features palm tree illustrations. To the left of the stall is a blue canopy structure. Further left, a black SUV is parked. In the middle ground, several people are scattered across the beach, some sitting on towels. A pink umbrella and a blue umbrella are visible. In the background, the ocean is blue with a few sailboats on the horizon. The sky is clear and blue. A white, torn-edge graphic overlay is positioned in the upper middle of the image, containing the text 'Section 4: INFORMATION ABOUT INVESTOR RIGHTS'.

Section 4: INFORMATION ABOUT INVESTOR RIGHTS

Section 4.1: COOLING OFF RIGHTS

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

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

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



Section 4.2: COMMUNICATION FACILITY FOR THE OFFER

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

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

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

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



Section 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 share registry partner (free of charge) or can purchase the report from ASIC.

4.3.3 RELATED PARTY TRANSACTIONS

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

4.3.4 TAKEOVERS

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

Section 4.4: COMPANY UPDATES

Your Mates Brewing Co. will be providing company updates to investors through the platform called Cake Equity. This platform is free to shareholders.

GLOSSARY

COMPANY means Your Mates Brewing Company Pty Ltd. Private Company. ACN 602 634 257

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





CHEERS TO GOOD BEERS!