

TACTICA

# Crowd-sourced funding offer document

Dated 30 / 06 / 22

**Offer of fully-paid ordinary shares in  
TacticaGear Pty Ltd at \$0.27 per share to  
raise a maximum of \$500,000.**

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

**Intermediary**

Birchal Financial Services Ltd AFSL 502618

**Issuer**

TacticaGear Pty Ltd ACN 619 503 758

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# Section 1

Risk warning

# Section 1

## Risk Warning

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

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship. Even if the company is successful, the value of your investment and any returns 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 if you have remedies for misleading statements in the Offer Document or misconduct by the company, you may have difficulty recovering your money.

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

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



# Section 2

Information about  
the company

# Section 2.1

## Letter from the founder



My name's Mike and I'm the Founder of Tactica. Life is an adventure, and we are all about creating solutions for our community of fellow adventurers and explorers at heart. Products that fit a modern world, deliver on their promise and bring a sense of fun and adventure into your everyday.

I've had the great pleasure of working in many industries and across many different roles. From material science, supply chain and logistics, manufacturing through to industrial design. All this experience has led me to where I am today as the CEO of Tactica.

Taking an idea through to a finished product and into someone's hand is no small feat. However it's something that we love to do; seeing the reaction on customers faces when they handle our products for the first time, listening to their stories on the road or when they have feedback to give. This is why we place so much emphasis on the involvement of our community into the products we design.

In 2016 we introduced Tactica to the world through the launch of our first reward crowdfunded campaign on Kickstarter. The Talon multitool went

on to smash records and become the highest funded multitool in reward crowdfunding history, raising almost \$1M. Although the amount raised was impressive, the more important figure was that 10,000 people decided to put their money behind our product and brand.

Over the years we refined the business, the brand and our products to what you see today. We applied the same principles we used in developing our products to developing the Tactica brand. As a result we come to this raise prepared to take Tactica to the next level. The focus for the next 12-24 months will be to expand our international markets, enter new product categories, build our selling capacity through increased inventory levels and bring on board more great staff.

So this is your invitation to join us as an investor and fellow adventurer for the next exciting chapter.

## Section 2.2

# Company details

This offer of shares is made by TacticaGear Pty Ltd ACN 619 503 758 (Company).

### Company name

TacticaGear Pty Ltd

### ACN

619 503 758

### Registered Office

Suite 2, 13-25 Church  
st, Hawthorn VIC 3122

### Principal place of business

18 Smith St, Hamilton  
South, NSW 2303

### Date of incorporation

02 / 06 / 2017

## Section 2.3

# Description of the business

Life should be an adventure and we're on a mission to bring that to your everyday, whether at home, the office or the great outdoors. We help you with the right tools for the job and that fit a modern lifestyle.

We design, manufacture and distribute products to over 100 countries, have sold over 100,000 units and generated over \$3.4M in revenue (not including \$375K in pre-sales). Our business was built on a core range of multitools and today we continue to expand our adventure equipment range to feature new products in lighting and knives.





## Section 2.3.2

# What makes us different



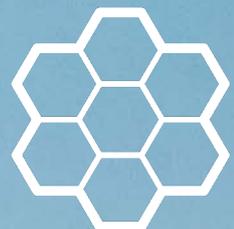
### Customer focused

Connecting with our community has always been part of our DNA. We listen, we ask questions, we involve them in helping us make better products. This is why the user is at the core of each of our products and why we will continue to share, collaborate and learn from our ever growing community of adventurers.



### Design led

We see design as integral to innovation, culture and the growth of Tactica. It permeates all aspects of the business from our products to our processes, our thinking and our people. It is the 'how', Tactica has built its business for today, tomorrow and into the future.



### Material + Technology driven

Demonstrated capability to deliver innovative products into a crowded marketplace. Our multitool range feature materials that are 70% glass making them lightweight, ultra strong and that won't scratch tech devices. This approach to understanding and adapting materials and technology to our design and manufacturing processes positions us well for the outdoor adventure market and other competitors.



### Built for international markets

With a very low product cost to sell ratio we are able to work across all sales hierarchies, from distributors through to direct sales. Our products are built for minimised logistics impacts/ costs which make airfreight options viable in an increasingly costly environment.



### Agile

We have always aimed to deliver more with less and that power comes from being able to move quickly. One such are is our manufacturing that is evolving to include rapid product expansion with minimal capital expense (see section 2.6.4) .

## Section 2.3.3 Highlights



**25,000+**

Customers served <sup>1</sup>



**100,000+**

Multitools sold <sup>2</sup>



**\$3.5M**

In sales since launch <sup>3</sup>



**70**

Tactica stockists and growing <sup>4</sup>



**100%**

Revenue growth since 2020 <sup>5</sup>

<sup>1</sup> As of 29/06/22

<sup>2</sup> As of 29/06/22

<sup>3</sup> Total sales, including crowdfunding revenue and GST, as of 29/06/22. Additional \$300K in revenue from F.100 Kickstarter campaign pending until products can be delivered.

<sup>4</sup> Since entering the Aus retail market in June 2020

<sup>5</sup> Total revenue growth from 01/07/20 to 29/06/22

## Section 2.3.4

# The journey so far



## Section 2.3.5

# Distribution & sales channels

Diversity is the key to business stability and ongoing growth.

We have strategically partnered with key organisations in different channels to help promote growth and expand brand awareness. Channels include the following:

- Online via US and AUS Tactica websites, US Amazon store and key online partners in US and AUS.
- Box subscription through a number of partners in the adventure outdoor market. Provides exposure to large audiences of target demographic.
- Brick and Mortar retail in Australia through galleries, design and lifestyle stores and early stage outdoor adventure stores.

## Online



## Box subscription



## Brick and Mortar retail



## Section 2.3.6

# Media coverage

We've featured in some of the world's leading blogs and media publications.

As our portfolio of innovative products continues to grow and our markets expand, we will build on our established network - connecting even more people to the Tactica brand.

**REAL SIMPLE** **uncrate**

*Carryology*

**GEARHUNGRY**

EVERYDAY CARRY

*The Awesomer*

**HICONSUMPTION**

 GadgetFlow

HEY GENTS

 DIGITAL TRENDS

**MENS GEAR**

**↑Huckberry**

MANOFMANY

**NEW ATLAS**

**GEARMOOSE**

BUSINESS INSIDER

Geeky Gadgets



**SNAP MUNK**

MATERIAL GEAR

**YD**  
YANKO DESIGN

**GEAR**  
SHOUT.NET

**rushfaster**

+ Many more

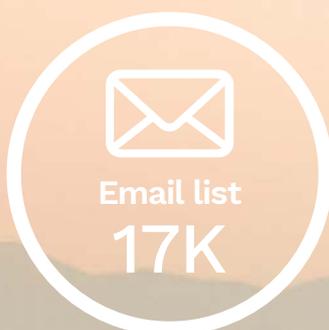
## Section 2.3.7

# Our community

As a company built on crowdfunding, we know community matters.

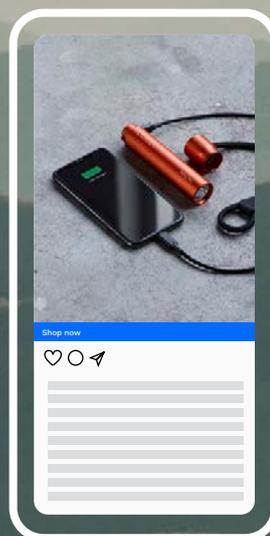
A vital factor in a crowdfunding campaign's success is word of mouth. By engaging with passionate communities that share our content, we've encouraged like-minded people to seek out, follow and promote our work. Our strategy has been to engage with our core audience of supporters and connect with like minded outdoor adventure

enthusiasts through collaborations, promotions and great content. In 2021 we took the opportunity to refresh our entire online suite through updated websites and social pages. The result was a presence that reflects the Tactica brand and one that has seen increased engagement of our audience.



## Social media advertising

We have partnered with marketing experts to ensure our paid advertising reaches the right audience, through channels such as Instagram and Facebook. Thanks to our broad catalogue, we can tailor our content to suit specific communities, promoting further engagement.



# Our leadership



## Michael Chijoff

CEO / Founder of Tactica / Director

### Roles

Development and implementation of strategic planning, design development, manufacturing and supply chain/ logistics. Managing key partnerships, brand, finance and strategic advisory.

### Skills & Experience

Mike is a multi-award winning designer, business owner and adventurer. For more than 20 years he has worked to solve business and customer problems through innovative, smart and commercially driven design.

His diverse experience includes areas of material science, production, supply chain and logistics through to industrial design. He has also worked to foster the design community through education and roles with the Design Institute of Australia council.



## Hunter Leonard

Chairman / Non-executive director

### Roles

Strategic Advisory, Support and Mentoring to Tactica CEO and Senior Management, Organisation Compliance, Stakeholder Relationships.

### Skills & Experience

Hunter Leonard is a multi-award winning marketing strategist and business owner. Through his businesses, Hunter has helped more than 500 clients generate over \$2billion in revenue growth.

He has a wide-ranging experience in multiple business sectors including health, financial services, manufacturing, retail and FMCG. Hunter is passionate about the outdoors and the environment.

Hunter has chaired or participated on a number of not-for-profit boards in marketing and disability. He is also a ten time published author with several best selling business books.

## Section 2.3.9

# Our products

We design cool stuff for everyday adventures.

All of our multitools and accessories are made to stand out. With award-winning designs, cutting edge materials and an emphasis on fitting into your lifestyle, our tools have resonated with people from all walks of life.



## Section 2.3.9

# Our products



### M.100 Multitool

Our flagship product, armed with a screwdriver, wrench, bottle opener and more. Tackle anything life throws at you.

Available colours:   



### M.100X Bundle Pack

Includes the M.100 and a supplementary toolpack, expanding your tool's usefulness without weighing you down.

Available colours:   



### M.110 Bike Multitool

A collaboration between us and fellow Melbourne brand Knog, this variant of the M.100 comes with two tyre levers and additional tool bit storage.

Available colours:   



### M.250 Hex Drive Toolkit

A toolpack built to go. Carries up to 14 tool bits while doubling as a screwdriver with a 50mm extender. Includes a belt clip/cover for easy carry.

Available colours:   

## Section 2.3.9

# Our products



### M.020 Camping Card Tool

A miniature tool that's built to help around the campsite. Features a rope cutter, bottle opener, sundial and a firestarter.

Available colours:   



### M.010 Credit Card Tool

An everyday multitool that fits in your wallet. Equipped with wrenches, prys, a rope cutter and, of course, a bottle opener.

Available colours:   



### X.010 Bottle Opener

Before we designed multitools, Tactica began its journey with this bottle opener - today, the X.010 is a favourite for drinking enthusiasts everywhere.

Available colours:   

Section 2.3.10

## New products

Landing  
**Q3/Q4**  
2022



# F.100 Flashlight

We're taking the leap into brand new markets.

The F.100 marks our expansion beyond the core multitool market. Available in 3 colours, with a powerful 1000 lumen LED, magnetic paracord lanyard and a spectrum of lighting functions. It's a stand out in functionality, design

and versatility. Following the success of an outstanding Kickstarter campaign, the F.100 is nearing production and expected to be released to the market in Q4, 2022.

Section 2.3.10

## New products

Landing  
**Q3/Q4**  
2022

**K.100** folding knife

**& K.150**  
Micro knife

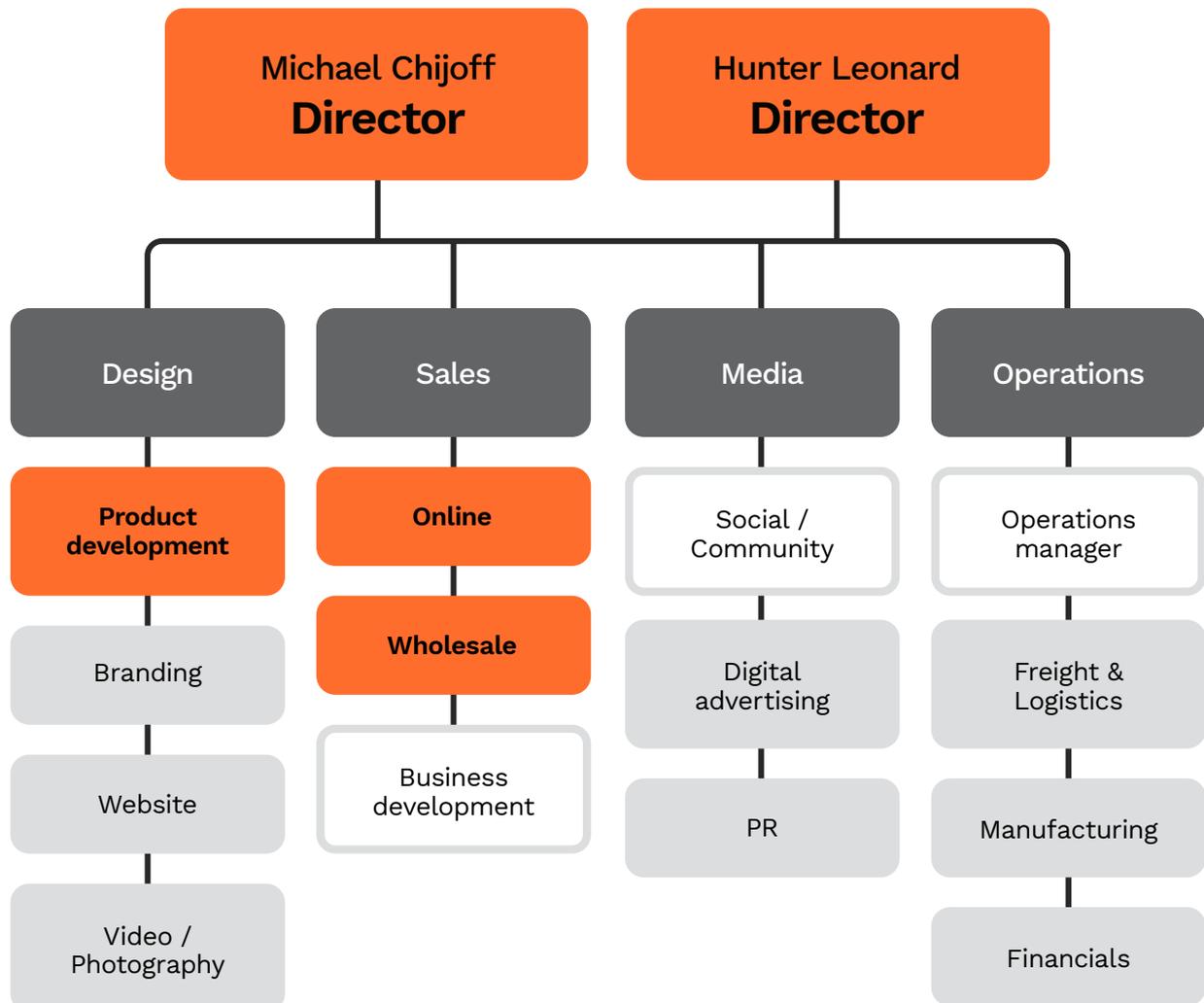
### **K.100 folding knife + K.150 micro knife**

A new range of adventure knives are due to be released in Q4, 2022. The K.100 is a pocket sized folder with outstanding ergonomics, blade quality and perfect for the modern day carry. The K.150 is the baby brother and ideal for the keychain carry. The K-series represent a new category of product development for Tactica with many more releases planned over the coming years.

# Section 2.4

## Organisational structure

-  = Team members
-  = External (services & contractors)
-  = Planned hires

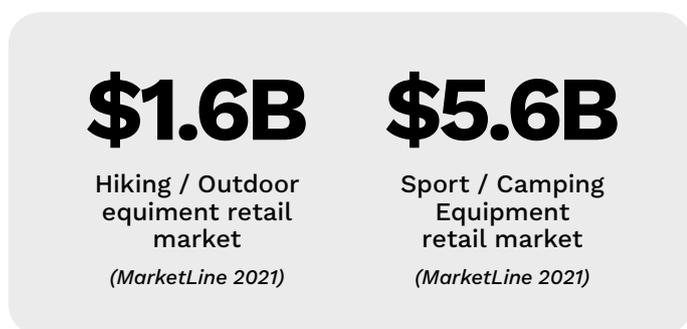


# Section 2.5

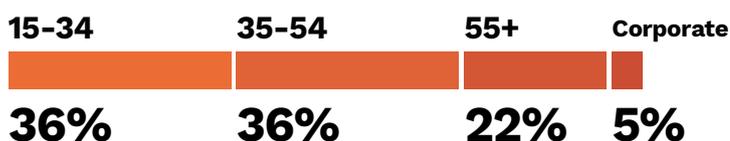
## The market

Not even a global pandemic can come between people and their love of the outdoors.

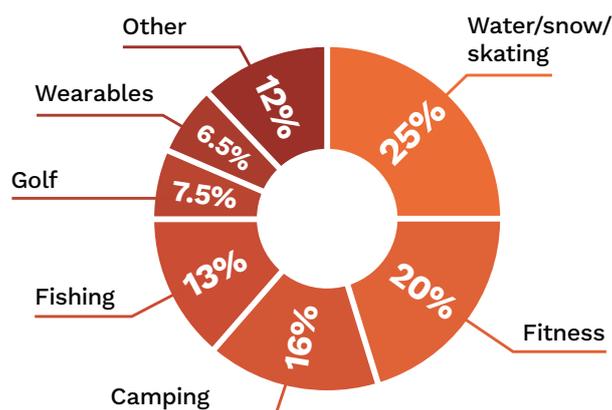
With a spike in health-consciousness, growing wariness of sedentary lifestyles and rapid innovation in digital accessibility, the outdoor market is coming into a new era. As millennials and Gen Z steadily take their share of the market, the demand for well designed, functional goods that last can only increase (IBIS World 2021).



Demographic breakdown  
*(IBIS World 2021)*



Market breakdown  
*(IBIS World 2021)*



## United States

Much like Australia, the US is a haven for campers, hikers and adventurers alike. The market closely mirrors Australia (with similar demographics, trends and product segments) but well over 10x the size. Accounting for around 24% of the Global market (MarketLine 2021) and with annual growth of 13.4% (Statista 2022), expanding our US presence is the ideal next step for Tactica.

Sports / outdoor equipment retail market  
*(Statista 2022)*



# Section 2.5

## The market

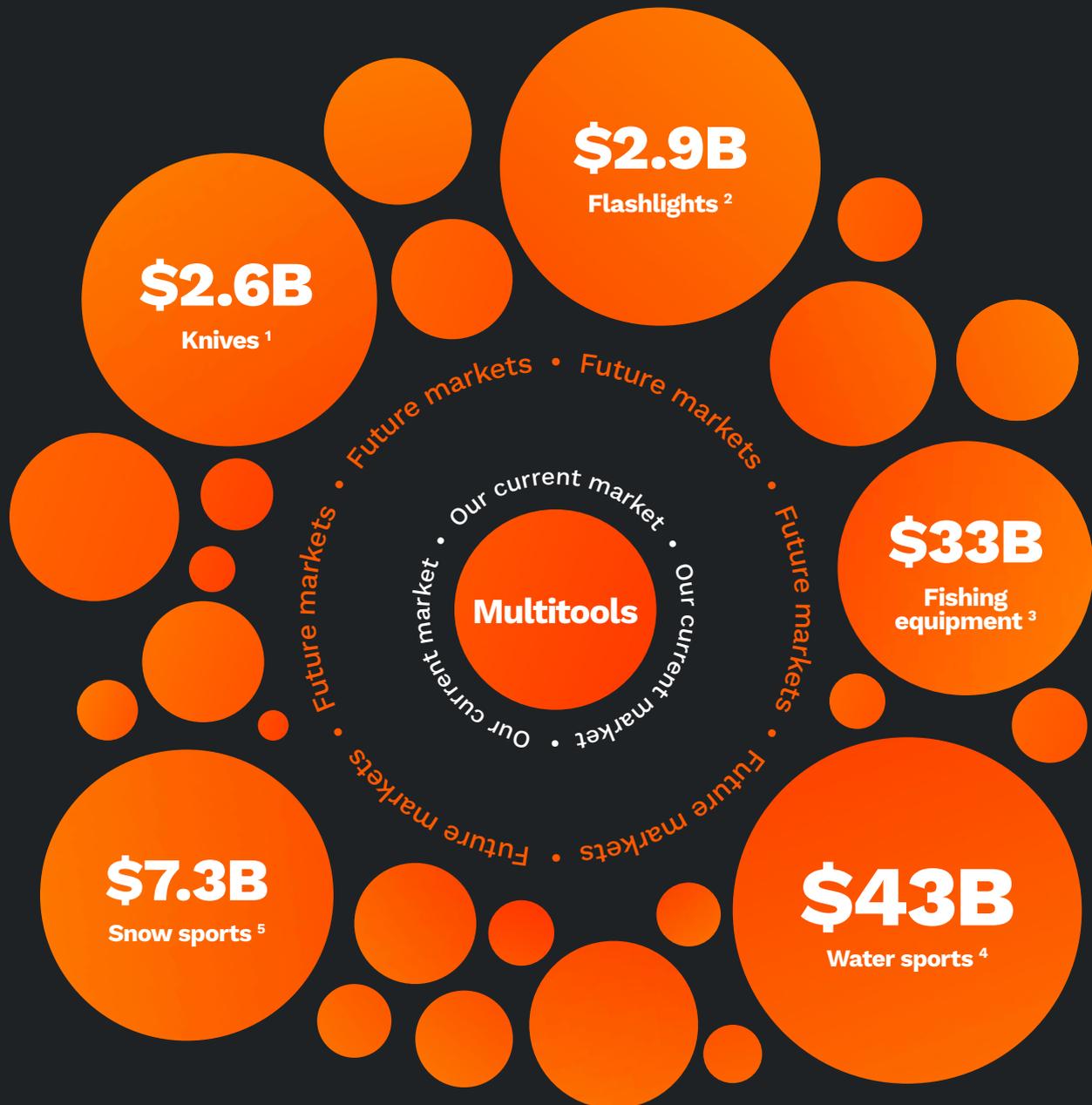
<sup>1</sup> Coherent Market Insights (2020)

<sup>2</sup> Businesswire (2020)

<sup>3</sup> Allied Market Research (2020)

<sup>4</sup> Global News Wire (2022)

<sup>5</sup> Data Bridge Market research (2021)



### We're expanding.

In 2022 we will be expanding into 2 new categories - lighting and knives. It marks the beginning of the Tactica ecosystem. We know that our customers love the products we make, so we are working to create more opportunities

for our customers to connect with the brand. As we expand into new categories we will continue to develop more of our core group of products including specialised ranges for adventure sports enthusiasts.

## Section 2.6

# Business strategy

Our first 5 years of trading have formed the foundation to set us up for ongoing success. Here is an overview of our journey so far and where the future is headed.

### Scaling & in-house manufacture

- Establish international satellite offices
- International corporate branding expansion.
- Create in-house production capability through Additive manufacturing (section 2.6.5).
- Increased community engagement through programs and sponsored events

future  
horizon

### Brand expansion

- Expand Tactica team with additional resources.
- Increase direct to consumer sales (Website/ Amazon).
- Focus on increased profitability through manufacturing.
- Expand US/EU/Asia markets in line with global demand.
- Corporate branding business offering (see section 2.6.3).
- Rapid product expansion (RPE) program (see section 2.6.4).
- Expand product ranges into more key adventure categories.

2022-24

### Brand consolidation

- Expanded our product range.
- Continue building community.
- Focus on direct to consumer sales.
- Began prepping for push into US market.
- Entered Australian retail market (lifestyle and outdoors).
- Diversified product offerings (price points, colours, categories).
- Grow US sales channels with box subscription (see section 2.6.2).

2020-22

### Foundation building

- Created initial product range.
- Launched the business.
- Built community engagement through crowdfunding.
- Built capabilities (manufacturing, suppliers, resources, etc).
- Developed a strong brand identity (website, packaging, social, etc).

2017-19

## Section 2.6.1

# Reward crowdfunding

Tactica made its mark in the beginning with a record-breaking Kickstarter campaign. It demonstrated the power of community.

Crowdfunding has been an integral part of Tactica. It has moved beyond simply funding for our products and into a way to engage with our community more and more. Through the process our supporters get to see behind the curtain, see what it takes to make an idea a reality. This is not something that people

normally get to experience, and is another way in which we connect with our community in a more meaningful way. As we continue to scale, we will also continue to use crowdfunding to connect with our communities, reach new audiences and promote our brand across global media platforms.



M.100 Multitool  
**\$980K**



M.250 Toolkit  
**\$270K**



F.100 Flashlight  
**\$320K**

## Section 2.6.2

# Box Subscription

Since 2020 we have partnered with key box subscription companies to reach large new audiences.

The meteoric rise of Box Subscriptions<sup>^</sup> in the last few years is often overlooked, but has been instrumental to extend our reach within the U.S. Customers pay a monthly fee (often tiered to suit higher-grade products) and receive a box of goods based around a theme. By collaborating with boxes in the outdoor, camping and lifestyle spaces, we've

shipped over 30,000 tools to enthusiasts and expanded our presence internationally. With a market value of \$22.7 billion in 2021<sup>§</sup>, the box subscription market is an ongoing focus of both revenue and customer acquisition. Our partnerships have worked well over the past 2 years and has resulted in ongoing interest in our brand and product offerings.



**Barrel+Blade**

**BESPOKE  
POST**

**Bespoke Post**



**Cairn**



**Nomadik**



**BattlBox**



**GearPack**

<sup>^</sup> - McKinsey & Company 2018  
<https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-ecommerce-consumers>

<sup>§</sup> - IMARC Group 2020  
<https://www.imarcgroup.com/subscription-box-market>

## Section 2.6.3

# Corporate branding



### Opening Tactica to corporate opportunities with custom branding

Our products can deliver a premium branded customer experience. With products that are highly functional with a contemporary design aesthetic, they stand apart in a sea of

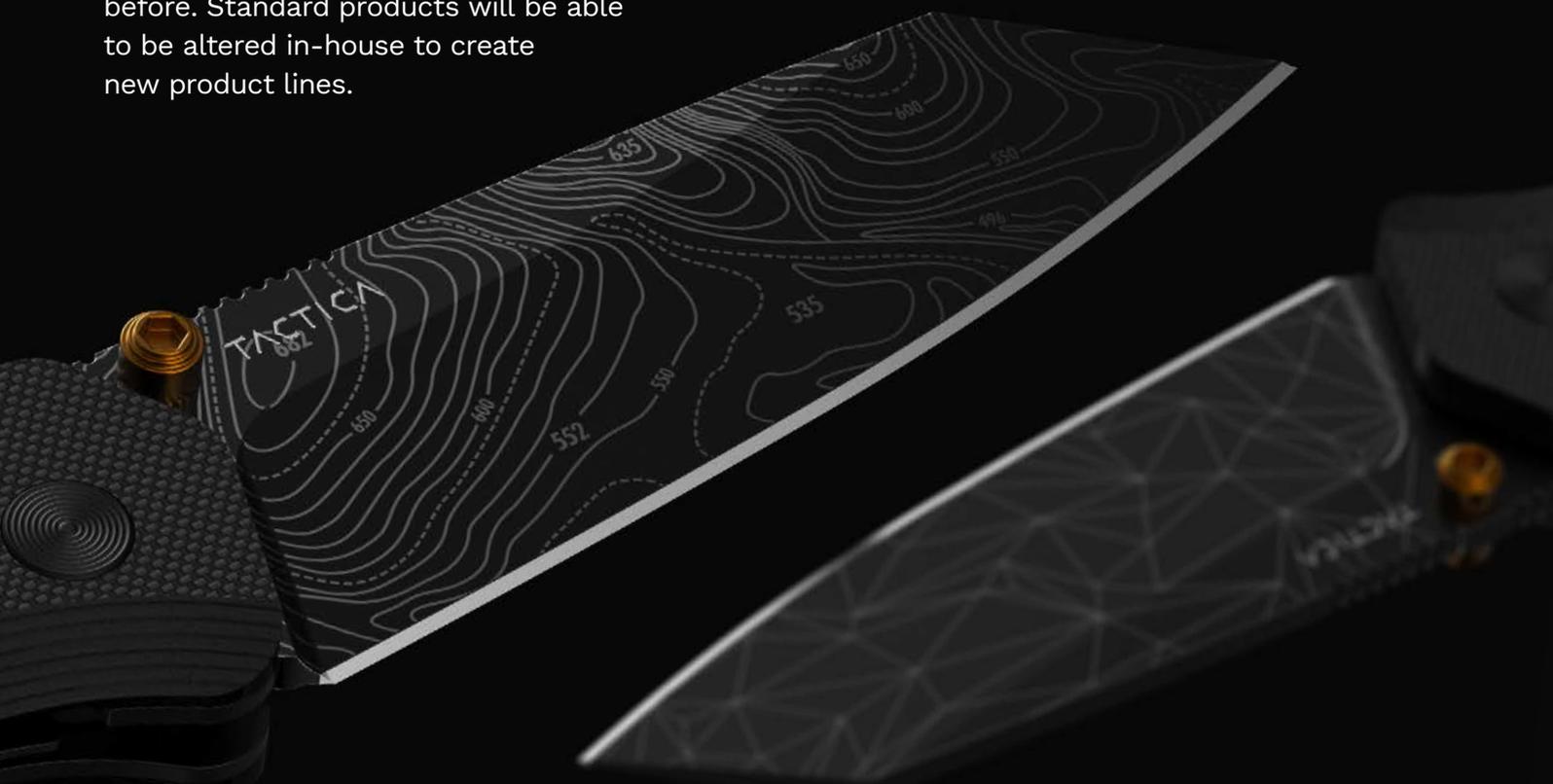
promotional goods. With the promotional goods market valued at over \$149 million in Australia alone<sup>1</sup>, it is an area that we are well positioned to take advantage of.

1 - IBIS World 2022  
(<https://www.ibisworld.com/au/market-size/online-corporate-promotional-giftware-sales/>)

## Section 2.6.4

# Rapid product expansion program (RPE)

The RPE program will allow Tactica to release more products to the market than ever before. Standard products will be able to be altered in-house to create new product lines.



### Increased customer choice

An expanded product range will give the customer more choice in deciding the exact product they are looking for. This will also encourage longer time spent on the website.

### Reduced inventory demands

Inventory of a single product can be held yet can deliver multiple SKU's to the end consumer. Reducing capital demands and increasing flexibility of existing inventory.

### Just-in-time production

With a B-C focus, products can be customised on demand and shipped out the same day - something that is difficult and costly to do with external partners, especially for single units.

### Further customisation options

Additional customisations may be available through items such as a persons name, etc. This option creates another way in which the products can resonate with the consumer.

## Section 2.6.5 • **Additive manufacturing**

### **Future horizon**

#### **Growing our capabilities with in-house production**

Tactica is driven by materials and technology and we see additive manufacturing (3D printing) as part of our future production capabilities. Specialised products can be made on-demand, delivering ultralight and strong solutions that are impossible to make through traditional manufacturing means.

In addition to delivering a unique market offering, it also creates opportunities to minimise impacts that may be felt through global supply chain shortages, etc.

## Section 2.7

# Risks facing the business

An investment in TacticaGear 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).

### **Market and competition risk**

Trends and competition are always changing. Our multitools, accessories and everyday carry occupy a cluttered market, which we expect will continue to grow and fragment. Whilst we have the advantage of novel materials (and the experience to implement them), competitors could challenge this position with aggressively priced products or other innovations. Continued innovation and product development will be integral to the Company's success.

### **Funding risk**

Tactica is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. We may not raise all of the required funding and therefore not achieve all of our business objectives. The Company may need to obtain additional funding to continue operations, but the availability of those funds cannot be guaranteed, nor that the funds will be available on favourable terms. Failure to raise these funds may impact the Company's growth and profitability.

### **International expansion**

Tactica's future growth relies on continued success in the US with diversification into European and Asian markets. Operations could become complex, and logistic and supply chain challenges could impact overall business performance and future growth.

### **Key personnel**

The Company's success depends significantly on its team. Our current team has significant understanding of Tactica's operations, and their departure would have an adverse effect on the Company's ability to achieve its goals. At the same time, Tactica's future success is contingent on attracting and maintaining new talent to oversee growth, implement strategy and manage operations. Failure to attract these key employees will adversely impact the Company's growth and financial performance.

## Section 2.7

# Risks facing the business

### Intellectual Property

Protection of intellectual property is essential to the success of the Company. While the majority of our products have globally registered intellectual property, there are regions where certain goods are yet to be registered. Failure to secure registration in these regions could impact the Company's ability to do business in those regions. The Company must also contend with IP theft, but, owing to the complexity of our products, this is very uncommon, and difficult to replicate.

### Technology

Tactica relies on a number of sales, marketing, crowdfunding and member communication technologies. While we take great measures to effectively implement and manage these systems, if any of them fail without notice, it may interrupt our ability to sell or communicate with customers, which would have a direct impact on growth, revenue and profitability.

### International trade and regulation

Tactica is a global business, importing and exporting products around the world. International trade laws and duties between countries are outside of the Company's control, and subject to change with very little notice. Any change to these laws could affect the Company's ability to offer its goods in certain markets, impacting revenue, profitability and brand image.

### Brand risk

As in any highly competitive market, Tactica will rely on brand recognition and audience engagement to achieve success. Failure to meet consistently high levels of quality with products and services could damage the brand's image, impacting customer engagement and revenue. The Company is aware of these risks, and vigilantly ensures customer service and communication are maintained.

### Supply chain

Tactica relies on an outsourced supply chain model, where external partners are responsible for acquiring materials, manufacturing goods, packing products and fulfilling orders. This dependency, though common in eCommerce, carries inherent risks, and are outside the control of the Company.



# Section 2.8

## Capital structure

### Section 2.8.1

## Issued Capital

#### Issued capital of the Company before the offer:

Name	Number of shares	Class	% Fully diluted
Founder	11,700,000	Ordinary	97.50%
Existing Shareholders	300,000	Ordinary	2.50%
<b>Total</b>	<b>12,000,000</b>	<b>Ordinary</b>	<b>100.00%</b>

#### Issued capital of the Company following a Minimum Subscription of the Offer

Name	Number of shares	Class	% Fully diluted
Founder	11,700,000	Ordinary	94.58%
Existing Shareholders	300,000	Ordinary	2.43%
CSF Offer	370,370	Ordinary	2.99%
<b>Total</b>	<b>12,370,370</b>	<b>Ordinary</b>	<b>100.00%</b>

#### Issued capital of the Company following a Maximum Subscription of the Offer

Name	Number of shares	Class	% Fully diluted
Founder	11,700,000	Ordinary	84.46%
Existing Shareholders	300,000	Ordinary	2.17%
CSF Offer	1,851,851	Ordinary	13.37%
<b>Total</b>	<b>13,851,851</b>	<b>Ordinary</b>	<b>100.00%</b>

\* The Company has resolved to undertake a share split. The relevant documentation has been lodged with ASIC. Each table represents the Company's share capital with the share split having been effected.

## Section 2.8.2

# **Rights and liabilities associated with securities**

Immediately after issue and allotment, the shares offered under this CSF Offer Document will be fully paid ordinary shares.

The rights associated with the shares are set out in the Company's Constitution, which is available on the Intermediary's platform. There is no other shareholders agreement between the existing shareholders.

Under the Constitution, the Board can refuse transfers to third parties at their sole discretion. A more detailed description of the rights associated with the shares can be found in Section 3.3 of this CSF Offer Document.

## Section 2.8.3

# Sources of funding

Since inception, Tactica has been funded through a combination of Trading Income (including crowdfunding), government grants and debt.

### Trading Income & Crowdfunding

As of 30 June 2021, Tactica's Trading Income from inception through sums \$1,820,540. This includes trading income (through eCommerce, Brick and Mortar sales and popup markets), and through crowdfunding platforms Kickstarter, Indiegogo and Backerkit.

### Government Grants

As of 30 June 2021, Tactica has received \$205,589 in State Government grants. This included Austrade, JobKeeper, ATO Cashflow Boosts and Government Covid-19 Support Grants.

### Debt and loans

As of 30 June 2021, Tactica has approximately \$117,572 in loans. These loans include \$117,572 to NAB at 4.5% per annum. All of these loans will be paid back through ongoing operating income and not by the proceeds of this Capital raising.

A loan arrangement was entered into between the Company (as lender) and Michael Chijoff (shareholder and director of the Company - as borrower). The term of the loan is 7 years and the interest rate is 4.5%. There is no security or guarantee associated with this loan. As at the date of this offer document, the following amounts have been drawn down:

- \$61,250.85 on 12 October 2020
- \$11,619.00 on 29 October 2020; and
- \$8,994.28 on 6 November 2020

Intention for repayments will be carried out under standard Div7A commercial terms.

## Section 2.9

# Financial information

Below are the financial statements of the Company for the financial year ended 30 June 2021, which have been prepared in accordance with the Accounting Standards. Financial information for the 9 months ended 31 March 2022 have also been included, based on management accounts, and accordingly may be subject to change.

### Section 2.9.1

## Balance Sheet

<b>Current assets</b>	<b>As of 31 March 2022</b>	<b>As of 30 June 2021</b>
Cash on Hand	120	120
Cash at Bank - Tacticagear Pty Ltd	63,102	-
Cash at Bank - Tacticagear USD	99,975	14,153
Cash at Bank - PayPal Account	13,283	-
Trade Debtors	166,016	37,108
Provision for GST	1,227	2,306
Stock on Hand	47,480	102,475
Provision for Income Tax	288	228
<b>Total current assets</b>	<b>391,431</b>	<b>156,391</b>

### Non-current assets

Office Furniture & Equipment	3,333	3,333
Less Accumulated Depreciation & Impairment	(3,333)	(3,333)
Loan - Michael Chijoff	76,475	81,697
<b>Total non-current assets</b>	<b>76,475</b>	<b>81,697</b>
<b>Total assets</b>	<b>467,907</b>	<b>238,088</b>

### Current liabilities

Cash at Bank - Tacticagear Pty Ltd	-	753
Super Payable	27,560	10,916
PAYGW Payable	45,382	754
Provision for Accrued Costs	108,000	-
Tactica AMEX #61007	2,390	-
Tactica AMEX #21000	1,346	3,028
Tactica Credit Card	17,655	6,787
Provision for Unearned Revenue	375,000	-
<b>Total current liabilities</b>	<b>577,333</b>	<b>22,238</b>

### Non-currents liabilities

Loan - NAB	70,429	117,572
<b>Total non-current liabilities</b>	<b>70,429</b>	<b>117,572</b>
<b>Total liabilities</b>	<b>647,762</b>	<b>139,810</b>
<b>Net (liabilities) Assets</b>	<b>(179,856)</b>	<b>98,278</b>

### Equity

120 Fully Paid Ordinary Shares of \$1	120	120
Retained earnings	(179,976)	98,158
<b>Total Equity</b>	<b>(179,856)</b>	<b>98,278</b>

## Section 2.9.2

# Profit and loss statement

	<b>For the 9 months ended 31 March 2022</b>	<b>For the 12 months ended 30 June 2021</b>
<b>Sales</b>		
Sales	412,961	394,155
<b>Less: cost of sales</b>		
Opening inventories	102,475	-
Purchases	248,594	313,273
Closing inventories	(47,480)	(102,475)
<b>Total</b>	<b>303,589</b>	<b>210,797</b>
<b>Less: accrued costs</b>		
Accrued Cost of Sales	108,000	-
<b>Total</b>	<b>108,000</b>	<b>-</b>
<b>Gross profit from trading</b>	<b>1,372</b>	<b>183,358</b>

## Operating expenses

Accountancy Fees	-	3,830
Advertising	95,289	36,795
Bank Charges	3,587	2,878
Bookkeeping	3,940	8,125
Computer Requisites	1,844	8,608
Consultancy Fees	1,500	1,000
Filing Fees	-	273
Freight & Cartage	23,126	60,778
General Expenses	-	106
Home Office Expenses	1,152	1,536
Insurance	6,937	21,849
Interest Paid	6,045	13,456
Legal Costs	-	3,375
Motor Vehicle Expenses	2,700	3,600
Office Expenses	1,070	1,767
Postage	4,163	910
Printing & Stationery	-	338
Rent	1,173	4,868
Subscriptions	8,582	13,607
Superannuation Contributions	16,644	14,468
Telephone & Internet	4,994	7,443
Travelling Expenses	1,823	10,936
Wages	166,441	153,847
Website Expenses	-	413
Workcover	3,615	-
<b>Total Expenses</b>	<b>354,625</b>	<b>374,807</b>

## Section 2.9.2

# Profit and loss statement

	<b>For the 9 months ended 31 March 2022</b>	<b>For the 12 months ended 30 June 2021</b>
<b>Covid-19 Incentives</b>		
JobKeeper Payments	-	12,600
Cash Flow Boost Credits	-	15,106
Government Support Grants	15,000	20,000
JobSaver Payments	23,304	-
<b>Total</b>	<b>38,304</b>	<b>47,706</b>
<b>Other income</b>		
Foreign Currency Exchanges	(9,202)	(9,213)
Interest Received	-	4
<b>Other Revenue</b>		
Other Revenue	46,018	120,230
<b>Total other revenue</b>	<b>46,018</b>	<b>120,230</b>
<b>Tax Offsets</b>		
R&D Tax Offset	-	9,632
<b>Total</b>	<b>75,120</b>	<b>168,359</b>
<b>Profit (Loss)</b>		
<b>Loss before income tax</b>	<b>(278,133)</b>	<b>(23,090)</b>
Income Tax Expense	-	(9,404)
<b>Loss after income tax</b>	<b>(278,133)</b>	<b>(32,494)</b>
Retained earnings at the beginning of the financial year	98,158	130,652
<b>Retained earnings at the end of the financial year</b>	<b>(179,976)</b>	<b>98,158</b>

## Section 2.9.3

# Cash flow statement

	<b>For the 9 months ended 31 March 2022</b>	<b>For the 12 months ended 30 June 2021</b>
<b>Operating Activities</b>		
Receipts from customers	719,278	672,478
Payments to suppliers and employees	(550,307)	(695,929)
Cash receipts from other operating activities	938	37,550
Cash payments from other operating activities	(2,275)	(25,113)
<b>Net Cash Flows from Operating Activities</b>	<b>167,634</b>	<b>(11,014)</b>
<b>Financing Activities</b>		
Other cash items from financing activities	64,387	37,025
<b>Net Cash Flows from Financing Activities</b>	<b>64,387</b>	<b>37,025</b>
<b>Net Cash Flows</b>	<b>232,021</b>	<b>26,010</b>

## Cash and Cash equivalents

Cash and cash equivalents at beginning of period	(113,987)	(138,998)
Net change in cash for period	232,021	26,010
Effect of exchange rate changes on cash	(1,906)	(998)
Cash and cash equivalents at end of period	116,127	(113,987)

## Section 2.9.4

# Statement of changes in equity

<b>Equity</b>	<b>As of 31 March 2022</b>	<b>As of 30 June 2021</b>
Opening Balance	98,277	130,771
Current Year Earnings	263,583	(23,090)
Income Tax Expense	14,589	(9,403)
Retained Earnings	(14,589)	-
<b>Total Equity</b>	<b>361,861</b>	<b>98,277</b>

## Section 2.9.5

# Management comments on historical performance & outlook

The total revenue generated by the Tactica brand is \$3.4M as of 31st March 2022. \$960K of this revenue was under our previous company Chijoff&Co (Mike Chijoff's Product design consultancy). After the success of our first reward crowdfunding campaign, Tacticagear Pty Ltd was formed shortly after in 2017.

We are happy to report that this year's sales have increased by over 100% (including \$375K pre-sales) and our gross profit margin has increased to 58%. The \$375K included in current liabilities are cash we received from our F100 crowdfunding campaign, but the revenues have been deferred (not yet reflected on the P&L as we haven't shipped orders yet). Once they are shipped (currently finishing tooling) this amount will appear as revenue.

Like many during F21 the business experienced significant interruption due to the impact of COVID-19. The impact resulted in 2 key distributors cancelling agreements, some production disruptions and a suppressed sales environment (within the homewares/ lifestyle market). During this time we continued investing into product development and also entering the outdoor category with the box subscription market. We now have a total of 22 products with new lines being released in Q3/4 of this year in the lighting and knife categories. This places us in a very good position to capitalise on strong interest in our brand overseas.

The past years have been focused on preparing the necessary resources needed to successfully scale the business - developing our range of products, our brand and collateral (website, packaging, point of sales, etc) as well as our social presence and community. As we move into our next phase of growth we are focused on expanding and continuing to diversify our sales channels. E-commerce and corporate branding will be key areas due to high profit margins and volume sales (also expect to see an increased gross profit margin as a result). We are confident that we will continue to build upon our revenue and margins in the years ahead.

*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 TacticaGear 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

TacticaGear Pty Ltd is offering up to 1,851,851 shares at an issue price of \$0.27 per share to raise up to \$500,000. The key terms and conditions of the Offer are set out below.

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](http://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.

### Shares

Fully-paid ordinary shares

### Price

\$0.27 per share

### Minimum Subscription

\$100,000

### Opening date

30 / 06 / 2022

### Maximum Subscription

\$500,000

### Closing date

21 / 07 / 2022

### Minimum parcel size

\$250

A description of the rights associated with the shares is set out in Section 3.3 of this CSF Offer Document below. Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off

rights can be found in Section 4.1 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

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 (\$100,000)	Maximum Subscription (\$500,000)
Inventory	\$60,000	\$160,000
Personnel	\$20,000	\$120,000
Marketing	\$11,200	\$87,200
Working capital *	\$0	\$100,000
<b>Offer costs</b>	<b>\$8,800</b>	<b>\$32,800</b>
<b>Total</b>	<b>\$100,000</b>	<b>\$500,000</b>

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.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 12–18 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 the event that the maximum funding amount is not achieved the Company will significantly scale back its growth plans.

Where less than the Maximum Subscription amount is raised, the Company may consider undertaking a further CSF offer under the CSF regime. If investor demand is greater than the maximum funding amount the Company may consider undertaking an additional investment round.

\* *Working capital refers to any funds allocated to starting production of large orders, where the initial payment from clients is not enough to cover the initial run.*

## 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 Tacticagear's constitution. These key rights are described below. A copy of the constitution is available on the Intermediary's platform.

### **Voting Rights**

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held. You are entitled to vote on the matters as set out in the Constitution.

### **Election and removal of directors**

A Shareholder that individually holds at least 25% or more of the total issued Shares may appoint a person as a Director. If a Shareholder ceases to hold 25% or more of the total issued Shares, they must ensure that any director appointed by them is immediately removed. The Founder Shareholder has a right to continue to hold office as a director as long as the Founder Shareholder holds 5% or more of the shares in Tacticagear.

Shareholders may vote to remove a director from office then appoint another person as a director in that director's place by way of special resolution (75%).

### **General Meetings & Notices**

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

### **Dividends**

All shareholders have a right to receive any dividends declared and paid by Tacticagear. 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 Tacticagear's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice Tacticagear's ability to pay its creditors).

## Section 3.3

# Rights associated with the shares

### **Winding-Up**

If Tacticagear is wound up, the liquidator, with the sanction of a Special Resolution of the Shareholders:

- A. may divide among the Shareholders, in specie or in kind, the whole or any part of property of Tacticagear available for distribution and may, for that purpose, set the value as the liquidator considers fair on any specific assets of Tacticagear to be divided; or
- B. may vest specific assets of Tacticagear in a trustee or trustees on trust for the benefit of any of the Shareholders as the liquidator thinks fit but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability on the part of the holder.

## Section 3.3

# Rights associated with the shares

### **Restrictions on sale, and/or transfer or issue**

The following share sale restrictions are adopted in the Constitution of Tacticagear:

- A. Drag and tag along rights
  - a. Drag along rights at 60% of the shares: if 60% of share capital agrees to sell to someone, they buyer can also buy your shares
  - b. Tag along rights at 50% of the shares: if 50% of share capital agrees to sell to someone, you have the right to sell at the same price to the buyer.
  
- B. Pre-emptive rights
  - a. New issues
    - i. Shares may only be issued by Tacticagear in accordance with clause 12.2 of the Constitution. This means that, except in respect of certain excluded issues (as described in clause 12.2(c) Constitution), where Tacticagear wishes to issue new shares, Tacticagear must offer the right to non-CSF Shareholders (as defined in the Constitution) who holds 20% or more of the total issued Shares of that class in the Company to subscribe for those new shares before those new shares can be issued to third parties.
  - b. Sale of existing shares
    - i. Shares may only be transferred by a shareholder in accordance with clause 12.34 of the Constitution. This means that, except in respect of certain Permitted Transfers (as described in the Constitution), shareholders wishing to sell shares must offer those shares to Tacticagear for buy back and cancellation. If Tacticagear does not take up this right the shareholder must then offer the shares to all non-CSF Shareholders (as defined in the Constitution) holding at least 20% of the shares in the Company before those shares can be sold to third parties.
  
- C. Board's discretion to refuse to register a transfer of shares
  - a. Board can refuse transfers at their sole discretion (see Constitution)
  
- D. Investors are not able to sell shares acquired under the CSF Offer within 12 months of their issue without a prospectus or other disclosure document, unless:
  - a. an exemption in s708 applies (e.g. sales to sophisticated or professional investors); or
  - b. ASIC makes an exemption.

## 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 sale of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity acquisition of the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate. Therefore potential shareholders should consider this investment as illiquid and be prepared to hold it until there is an exit event as set out above.

## Section 3.5

# Investor rewards

In addition to being a shareholder of TacticaGear Pty Ltd, a range of rewards are being offered for investors. The table below sets out these rewards, based on amount invested.

\$5K+	50% discount <sup>^</sup> for life <sup>^^</sup>	+	Limited edition K.100 knife	+	Exclusive access to our product development program
\$1K+	40% discount <sup>^</sup> for life <sup>^^</sup>	+	Limited edition M.020 camping card tool		
\$500+	35% discount <sup>^</sup> for life <sup>^^</sup>				
\$250+	30% discount <sup>^</sup> for life <sup>^^</sup>				

\* Free Shipping valid for orders with \$50 minimum spend. Valid for all states of Australia.

<sup>^^</sup> Life in this case refers to the period in which the original purchaser holds the shares.

<sup>^</sup> Discount applies online only to full-priced items only. Excludes bulk discounts or sale items. Cannot be used in conjunction with any other offer. Not for resale.

# 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 (the Cooling-off Period). 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 reports

The Company is not required to notify shareholders in writing of the options to receive or access the annual report.

Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's share registry website at the following address <https://app.cakeequity.com/investor/documents> (free of charge) or can purchase the report from ASIC.

## Section 4.3

# Proprietary company corporate governance obligations

### 4.3.3 Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders).

This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

### 4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules.

This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval. Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company.

However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

# Glossary

**Company** means TacticaGear Pty Ltd ACN 619 503 758

**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 Acts 2001.

**Founder Shareholder** means Liquidous Pty Ltd (ACN 126 015 414) as trustee for Nelson Chijoff Family Trust

**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.

**Tactica** means TacticaGear Pty Ltd ACN 619 503 758

**We** means TacticaGear Pty Ltd ACN 619 503 758