

LIQUOR LOOT PTY LTD

# CROWD-SOURCED FUNDING OFFER DOCUMENT

## **Dated 6 September 2022**

Offer of fully-paid ordinary shares in LIQUOR LOOT PTY LTD at \$1.42 per share to raise a maximum of \$3,000,000.

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

### **Issuer**

LIQUOR LOOT PTY LTD | ACN 611 794 560

### **Intermediary**

Birchal Financial Services Pty Ltd AFSL 502618

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



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# Contents

<b>SECTION 1 RISK WARNING</b>	<b>3</b>
<b>SECTION 2 INFORMATION ABOUT THE COMPANY</b>	<b>6</b>
2.1 Company Details	9
2.2 Description of the Business	10
2.2.1 About the Company	11
2.2.2 Products/Services	13
2.2.3 Marketing and Distribution	15
2.2.4 Market and Competitors	16
2.2.5 Key Differentiators	18
2.3 Business and Revenue Model	20
2.4 Business Strategy	22
2.5 Organisational Structure/Executive Team	23
2.6 Capital Structure	26
2.6.1 Issued Capital (before and after the Offer)	27
2.6.2 Rights and Liabilities Associated with Securities	29
2.6.3 Sources of Financing, including debt financing and other financing	31
2.6.4 Group Structure	32
2.7 Risks Facing the Business	33
2.8 Financial Information	36
2.8.1 Balance Sheet	37
2.8.2 Profit and Loss	38
2.8.3 Cash Flow Statement	39
2.8.4 Statement of Changes in Equity	40
<b>SECTION 3 INFORMATION ABOUT THE OFFER</b>	<b>41</b>
<b>SECTION 4 INFORMATION ABOUT INVESTOR RIGHTS</b>	<b>47</b>
<b>GLOSSARY</b>	<b>52</b>

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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.



“

**Curation and  
education meet  
at a beautiful  
crossroad.**

**BOSS HUNTING**

Garry Lu (News Editor & Content Specialist, Boss Hunting) has provided consent for inclusion of this statement.



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## SECTION 2

# Information about the Company



## Letter from the founder

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Dear prospective shareholders,

Firstly, a big thanks for taking your time to explore this unique investment opportunity.

Since launching in 2016, our platform has facilitated taste & discovery of more than 1M spirit tasters, processing over \$10M in sales.

Our business model today focuses on providing solutions for consumers to discover and learn more about spirits, making Liquor Loot a much-loved brand around Australia.



The next phase of our business is a natural extension of our strong consumer proposition. With foresight and commercial discipline, we are in a position to become a vital part of the go-to-market strategy for distilleries. The long term objective is to extend our service offering to provide distilleries unmatched insights on their consumers, something that's typically been out of reach.

In recent years, there has been an increased demand for online delivery of alcohol, and increased penetration of premium and super-premium spirits which has benefited Liquor Loot and allowed us to reach more customers. We plan to continue this growth by investing in commercial and proposition

gains to improve our value proposition and optimise our key metrics whilst leveraging technology to increase reach and profitability.

Over the next 18 months, brand unification and scaling customer acquisition will help us achieve our financial projections. We will be investing in deepening our operational capabilities, expanding our core leadership team and preparing for international expansion.

We are committed to driving growth in Liquor Loot and see ourselves as a global player in the Liquor industry, providing a unique product experience for consumers and giving access to data never accessible before for distilleries.

**Our vision is for Liquor Loot to become a global brand that delivers on three promises:**



**To be the most trusted platform for discovering spirits**



**To lead consumer personalised taste recommendations and insights**



**To deliver local products globally at scale**

We are passionate about using data to learn what customers like and tailor personalised experiences to their tastes. Almost all the business insights and decisions of tomorrow will be data-driven. Objective, scalable, and flexible solutions are necessary to match the complexity of decision-making involved in optimising our marketing & operations.

Compared to other subscription-based businesses in the food & health space, Liquor Loot has achieved strong key subscription metrics for the age of the business. Our company has benefited from our innate understanding of consumers and our ability to build a strong brand and continue to invest in our subscription technologies in a nimble and low-cost environment.

Today, our guiding subscription metrics, such as churn rate and average orders per customer, are stronger than other, more established household names in the food & beverage subscription space.<sup>1</sup>

Our healthy metrics and diversified revenue streams place Liquor Loot on solid foundations to capitalise on our past momentum and continue to reach our growth and profitability goals.

**JOEL HAUER**  
Founder, Liquor Loot

<sup>1</sup> Comparison of our metrics to publically available competitor metrics published online. <https://liquorloot.co/metrics>



## 2.1

## Company Details

Company name	Liquor Loot Pty Ltd
ACN	611 794 560
Date of incorporation	11 April 2016
Registered office	33 MacKenzie Street Bondi Junction NSW, 2022
Principal place of business	33 MacKenzie Street Bondi Junction NSW, 2022
Subsidiaries	Liquor Loot Staff Pty Ltd (100% wholly-owned) Liquor Loot Operations Pty Ltd (100% wholly-owned)

## Trademarks:

Trademark/Reference	Owner name	Trademark number
GIN LOOT	LIQUOR LOOT PTY LTD	2120644
Crown Logo	LIQUOR LOOT PTY LTD	2057360
WHISKY LOOT	LIQUOR LOOT PTY LTD	2057359
LIQUOR LOOT	LIQUOR LOOT PTY LTD	2057358

## 2.2

# Description of the Business

Liquor Loot is more than a subscription service. We are a tasting experience company. We provide spirit tasting experiences through bespoke tasting packs sold via subscription, retail & traditional eCommerce. We believe educating consumers on taste profiles, reduces the waste of buying something they may not like, and unlocks deep consumer insights for our partner distilleries.

Liquor Loot services the spirits market, primarily in Whisky & Gin, with expansion plans to offer a range of spirit tasting experiences. Our business is primarily made up of a direct-to-consumer offering, with subscription & seasonal packs sold on our website, plus full bottles, and a growing wholesale component ranging in some of Australia's largest alcohol retailers.

### Vision

To be the most trusted and personalised platform on earth; that empowers and connects consumers with the world's best spirits.

### Mission

We're on a mission to solve the try-before-you-buy problem through thoughtful customer-centric shopping experiences for explorers to taste & discover spirits.

here's the whisky  
you ordered.



## 2.2.1

## About the Company

Our relationship with distilleries has developed over the years, as we have identified key opportunities that only an unbiased third party, such as Liquor Loot could offer. With many consumers tasting spirits frequently, we have the opportunity to offer distilleries a glimpse into the minds of our consumers; identifying what they like or dislike about the spirits tasted.

Our service offerings will be rolled out to our retail & distillery partners in the form of data

insights from consumers, as well as giving them access to our audience in the form of marketing opportunities to reach their ideal consumers and share their new products.

Together this mix of product & service offerings will help us achieve our promise of delivering local products globally at scale, through personalised taste recommendations whilst becoming an essential and invaluable source of distillery product insights.

### Here's how it works:



#### Partner with leading distilleries

Traditional retailers & distilleries struggle to offer tasting opportunities to consumers, as the product filling equipment & retail footprints have always been designed for full-sized bottles. At Liquor Loot, we work directly with distilleries to rebottle their spirit and offer consumers a unique 'bar-like' experience to discover, taste & explore new bottles.



#### Diversified sales channels

Consumers purchase directly from our website via Subscription or One-off transactions, or via one of our retail partners. Currently we are ranged at Dan Murphy's, David Jones, Aldi, and Qantas amongst other smaller retailers.



#### Feedback loop & recommendations

Consumers are encouraged to leave tasting feedback, which helps them recall their favourites and build their tasting profile. We plan to refine our technology solution to encourage consumers to leave more detailed feedback which will be used to make recommendations on future products choices that match their taste profile.

# Highlights

**\$10M+**

in revenue  
since launch

**1M**

tasters shipped  
to thousands of  
customers

**247%**

average YoY  
revenue growth

**39%**

average gross profit  
over past 3 financial  
years

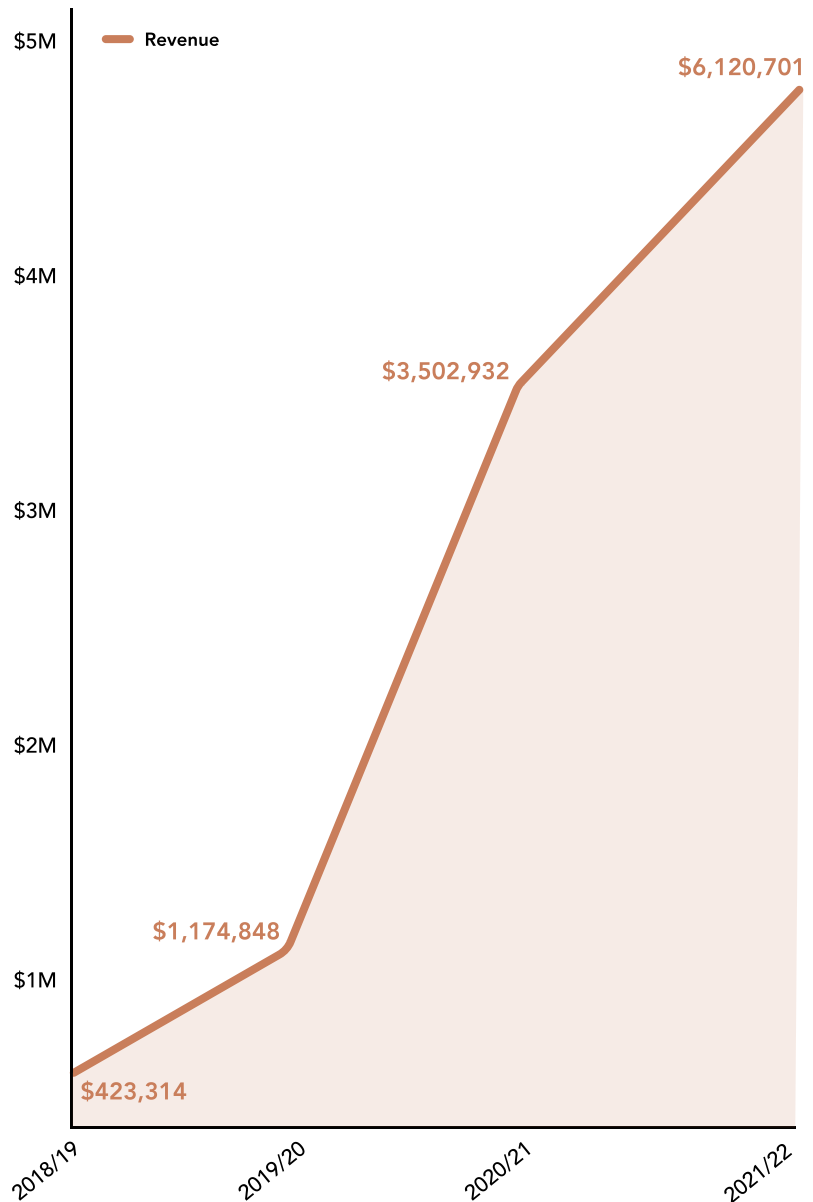
**\$2.7M**

raised in capital from  
the likes of Gandel  
Invest

Ranged by

**Dan Murphy's  
David Jones &  
ALDI**

Dan Murphy's is Endeavour Group  
include BWS. Ranging started in  
May22, representing partial FY22  
revenue results.



Non-cumulative Revenue. FY19 to FY22



## 2.2.2

## Products/Services

Liquor Loot uses trialling to introduce consumers to brands and remove barriers to entry for experiencing premium spirits. Our range of product & service solutions are designed for consumers, retailers & distilleries with several convergent value propositions. We believe this is our key strategic insight to achieve a globally dominant business, and protect our business from potential competitors.

Liquor Loot bridges the gap between distilleries and consumers through bespoke tasting packs, designed and assembled by us. We are an unbiased third-party player in the typically traditional alcohol industry.

### For consumers: Liquor Loot democratises spirits.

We take consumers on a journey of discovery. We leverage premium trialling experiences to provide access to brands and enable consumers to make the most informed decisions around their passion.

### For distilleries: We connect distilleries to the right consumers.

We foster passion in consumers, maximising awareness and providing access to the best brands in the world. Over time we will provide distilleries with unmatched access to data & consumer insights to assist with new product development, market positioning and conversion from taste to full bottle.

## Our Product Range



### Subscriptions

Whisky Explorer, Whisky Advanced, Gin Explorer, Gin & Tonic Explorer



### Tasting Packs

Regional Packs, Flavour Packs, Premium Packs, Ultra-Premium Packs, Bundles, Advent Calendars

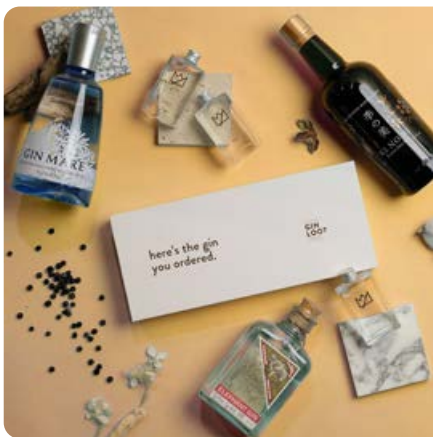


### Retail

Mother's Day Packs, Father's Day Packs, Christmas & Advent Calendar Packs



**Our products have received  
4.6 out of 5 star reviews from  
1,000+ reviews**



I bought the date night pack and was pleasantly surprised by both the flavour odyssey and global explorer packs, on top of that the customer service was well above all expectations.



This is the best fathers day present ever. The variety of Whiskey and quality is outstanding. Very upmarket packaging and a Tasting Notes Book!! Cant wait for my next delivery.



## 2.2.3

## Marketing and Distribution

### Distribution Channels

Liquor Loot currently operates as a hybrid, direct-to-consumer business. We utilize our own eCommerce channel and range our products with leading retailers for key gifting periods throughout the year. Our business benefits from strong relationships with distilleries in the form of rebates, data-sharing agreements and marketing offerings.



#### eCommerce & Technology

A key focus is strengthening our subscription technology. Our in-house technology also extends to a custom-built SMS-tech designed to share secret time-based offers with members.



#### Retail

In seasonal gifting periods, consumers can purchase our bespoke gifting boxes from key retail partners such as Dan Murphy's, David Jones, Aldi, and Qantas amongst other smaller retailers.



#### Data & Insights

Our growth and customer base allows us the unique opportunity to harness our proprietary consumer data insights and develop future commercial agreements with distilleries.

## 2.2.4

## Market and Competitors

Liquor Loot participates in the namesake liquor market, focused on distilled spirits. The liquor market falls within the global alcoholic beverage market, valued at \$1.75T<sup>1</sup> worldwide and liquor represents one third of this total market.<sup>2</sup>

Companies such as Master of Malt (UK) and Dan Murphy's (AUS) have dominated their local landscapes and become household names, known for their range of spirits available, and retail footprints. Liquor Loot has the opportunity to leverage tasting boxes and tasting experiences to overtake the mindshare of these dominant players, through its innovative product lines, data-driven recommendations, and expert content.

### Market Trends

Over one in ten Australians bought packaged alcohol online in 2020 (11.3%), more than tripling the figure of 3.5% for 2019 – an increase of almost 8% points. Additionally, revenue through traditional retail averaged only \$71 in a one week period, compared to \$124 when buying online – a difference of over \$50.<sup>3</sup> This Covid induced trend is looking to continue, with the value of eCommerce alcohol sales increasing by almost +43% in 2020 across 16 key markets internationally, up from a +12% increase in 2019. IWSR data shows that by 2025, in these markets eCommerce is projected to represent about 6% of all off-trade beverage alcohol volumes, compared to less than two per cent in 2018.<sup>4</sup>

People are switching with increasing frequency between beverage options or trialling completely new beverages. IWSR research shows a wide repertoire of product trial, with consumers showing strong interest in trying craft beer, hard seltzers, wine and Japanese whisky.<sup>5</sup>

### Competitors

Fortunately, in Australia and Asia, Liquor Loot is the first mover in the tasting pack & tasting subscription market. Obviously, we are not the first mover with full bottles, although by using our tasting & recommendation methodology to create strong value propositions for full bottle purchasers, we can also compete in the strong international full bottle market.

In the UK, a business named Flaviar is operating with a similar solution, has had significant success in the UK and entered the USA via some small retailers in limited states for distribution.

In-direct competitors existing in Australia, such as The Whisky Club, who offer a full bottle subscription, which is somewhat of low-hanging fruit to add to our eCommerce solution. In the UK, Craft Gin Club also offers a similar offering to The Whisky Club, by providing full gin bottles & garnishes delivered.

<sup>1</sup> Statista.com (Worldwide alcoholic beverage market revenue from 2012 to 2025)

<sup>2</sup> <https://www.alliedmarketresearch.com/alcoholic-beverages-market> (Alcoholic Beverages Market by Type)

<sup>3</sup> <http://www.roymorgan.com> (Online alcohol sales soar in 2020, but will this market continue to grow in a post-COVID environment?)

<sup>4</sup> IWSR <https://www.theiwsr.com/led-by-the-us-beverage-alcohol-ecommerce-value-expected-to-grow-66-across-key-markets-2020-2025/> (Led by the US, beverage alcohol ecommerce value expected to grow +66% across key markets 2020-2025)

<sup>5</sup> <https://theshout.com.au/iwsrs-key-alcohol-trends-for-2022/> (IWSR's key alcohol trends for 2022)



“

**At the end of the day, we aim to accompany the good moments of life with consumers at home, succeeding in “home-tainment” means not only bringing our bottles there but being part of the digital revolution.<sup>1</sup>**

**Gilles Bogaert**  
CFO of Pernod Ricard

<sup>1</sup> <https://finance.yahoo.com/news/liquor-industry-experiencing-3-seismic>

## 2.2.5

## Key Differentiators

As the main revenue stream for the business, the physical tasting pack products allow us to differentiate the business from competitors and unlock value through tasting feedback supplied by our customers. An important aspect of our business is to continue growing

the subscription customer base and utilising its ability to attract new customers as a funnel to cross-sell higher-margin products and have long term profitability through increased lifetime value.

### Our physical product strategy will focus on these main areas:

01

Modular  
Subscription

02

Seasonal  
Products

03

Full  
Bottles

04

Retail  
Marketing  
Channel

05

Accessories  
& Upsells

### Digitally, our non-physical product strategy will remain a B2B focus for distilleries:

01

Distillery dashboard for  
new & existing clients

02

Advertising & promotional  
opportunities for distillery  
clients



## Product Innovation

The quality of our packs and product offering is the result of a structured and data-driven product development approach. With the future rollout of a modular subscription technology, we plan to create a series of up-sell offerings, such as premium spirit selections, double-portions, extra tasters, accessories and cocktail recipes. We also plan to offer a selection of product add-ons, such as tonics, garnishes, full bottles, mixers

and special limited edition seasonal offerings. New initiatives are evaluated through a rigorous test and learn philosophy that leverages data to optimise for product range and presentation.

As the business evolves we anticipate creating new products & marketing campaigns to address slower periods of the year such as the beginning of the year.

### Key Points of Differentiation

#### Personalisation

The ability to personalise future boxes based on past consumer feedback.

#### Premiumisation

Focused on premium spirits, outpacing lower-end spirits in sales revenue.

#### Reduced Alcohol Consumption

People are drinking less volume, higher quality spirits with at-home consumption increasing.

#### Market Fragmentation

Strong growth in craft spirit offerings combined with overwhelming choice and high price of craft spirits.

## 2.3

## Business and Revenue Model



### Subscription

Subscriptions currently make up approximately 35% of our revenue, and will continue to be a primary focus of the business. Monthly subscriptions start from \$64 for Whisky, \$54 for Gin, and scale up to \$99 for the advanced whisky subscription.



### One Off & Seasonal Packs

One off and seasonal products represent a strong upsell opportunity for existing customers and a seasonal hook for new customer acquisition. These products represent our strongest seasonal opportunity for growth, and have strong margins up to 60%.



### Gift Subscriptions

Gift subscriptions represents approximately 20% of our revenue deliver the same product as our self purchased subscriptions, but allow for convenient gifting to family & friends. Pricing starts from \$199 for 3 months, and goes up to \$999 for a 12 month advanced whisky subscription.



### Full Bottles

Full bottles represent a unique opportunity for existing active subscribers to build their own collection, and for new customers to find out about us through online search. Custom built SMS-tech will be utilized to offer customers time-based 'secret' club offers.



### Retail/Corporate

Our seasonal retail packs use a different product format of 6 x 30ml bottles, plus a tasting glass, and are ranged at seasonal times of the year with retailers like Dan Murphy's, David Jones & Aldi. Retail accounts for approximately 35% of our business to date.



# Sales Plan

The sales team is responsible for sales outside of owned D2C channels. They are focused on delivering profitable sales in four main channels.



## Wholesale

Representing approximately 35% of our revenue, wholesale provides large retailers such as Aldi, Dan Murphy's, Qantas and David Jones, with seasonal products aligning with key calendar events and gifting periods. The 2022 calendar year projection for wholesale sale is \$3m in revenue, based on POs and new orders.



## Corporate & Events

Corporate sales include building relationships with leading corporations such as airlines, hotel groups, banks, and tech companies. Our one-off tasting packs combined with virtual tasting events are a key focus for the corporate sales team.



## Marketplace

Channels such as Amazon, Catch, eBay and MyDeal are used to drive brand recognition to the Liquor Loot range of products, and are an important part of our sales strategy to reach customers at different price points with a range of tasting packs.



## Data

The data sales team is yet to be created, as this will only be viable once the full distillery dashboard and data solution is up and running. The data sales team will be led by a Head of Data Sales who will work closely with the VP of Data Products. We envisage this data sales solution will be up and running in the medium term.

## 2.4

## Business Strategy

The objective of the raise is to invest in enhancing our operational capabilities, scale marketing channels, expand wholesale agreements, creating new data revenue streams and prepare the business for international markets.

We're focused on 3 goals:

**Maintain our average yearly growth with existing and new revenue streams.**

**Launch modular subscription engine, referrals & full bottle club by the end of FY23.**

**Prepare infrastructure and go-to-market plans for our first international launch by beginning of FY24.**

As part of this raise, we plan to launch new complementary revenue streams to attract and convert our existing audience at a higher rate.

Brand unification of Whisky & Gin Loot products has recently been gone live under LiquorLoot.com. This enhancement of our website & subscription engine will allow us to continue to improve the experience with one functional base and combine our audiences for cross-selling opportunities.

From a social media perspective, we will continue to run the separate Whisky Loot and Gin Loot brand names, until a point in time whereby the Liquor Loot onboarding experience seamlessly combines both in a modular subscription experience, and then we will combine our social media presence to one Liquor Loot identity.



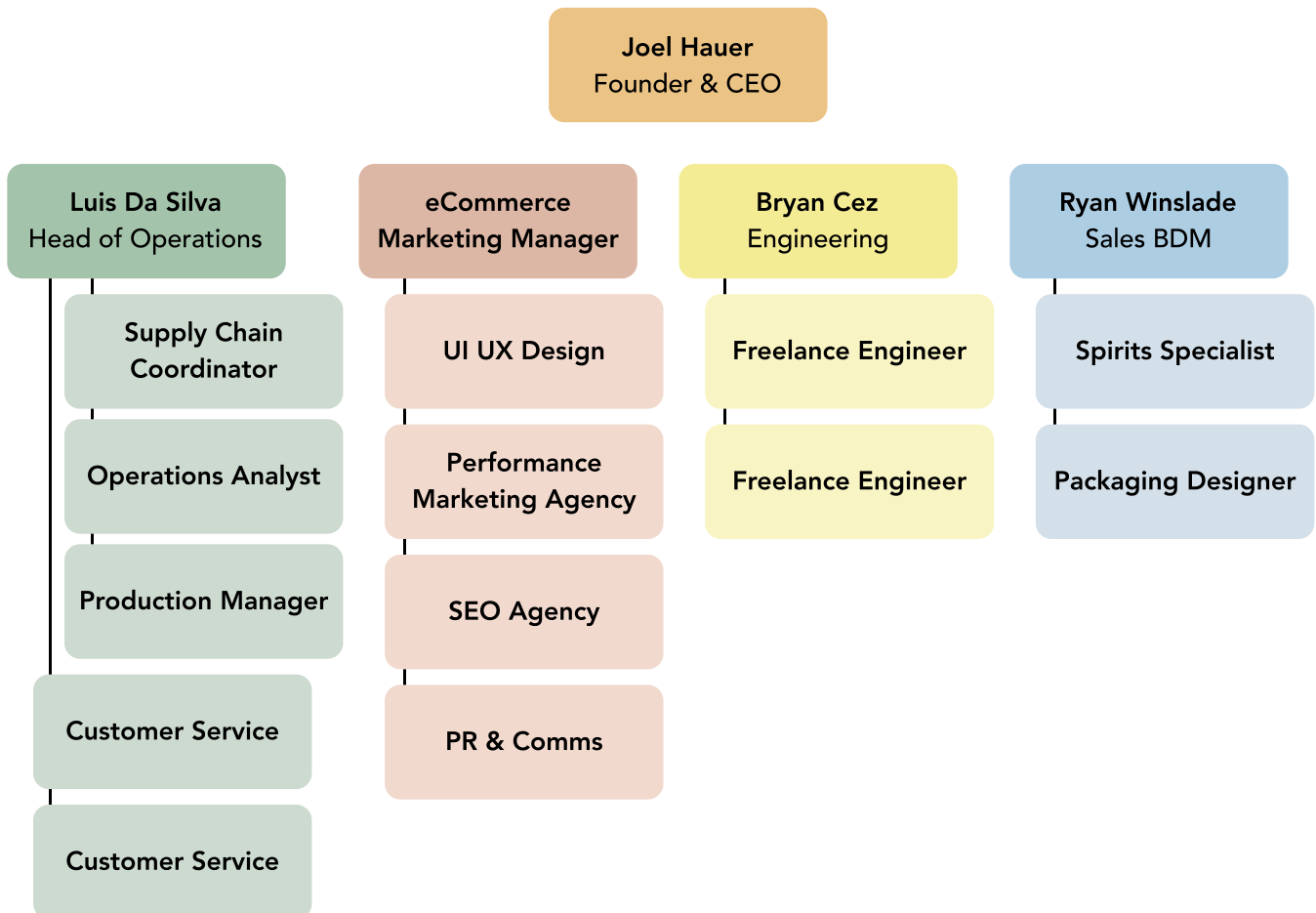
### Full Bottle Club

The full bottle subscription is something we have been considering for a period of time, and may allow us to drastically increase our revenue on full bottles and achieve deeper buying power with our distillery suppliers. The full bottle subscription will run according to the playlist model but instead of 3 x 60ml bottles delivered, we will delivery 1 x 700ml bottle monthly in the same order as the whisky explorer subscription with corresponding tasting notes & video content.

## 2.5

## Organisational Structure/Executive Team

The below chart represents the current organisation structure



The personnel plan reflects the need to match capabilities to achieving strategic goals. Liquor Loot will also make use of staff on demand, and outsource whenever possible to make the company agile, flexible, fast-moving, and cost-effective.

Over the upcoming financial year, we anticipate growing our employee base to take advantage of growth opportunities and execute our strategic initiatives.

## Directors and Senior Managers



**Joel Hauer**

**Founder & CEO**

Ex-Apple and has 10 years experience in digital marketing, previously Managing Director of digital agency We Are Visionists.

Bachelor, Marketing & Commercial Law;  
Macquarie University, Sydney.



**Jayson Hornibrook**

**Non-Executive Director**

Serial entrepreneur with successful exits across marketing, technology & consumer brands. Duties include leadership support, daily operations, investor relations and leading special business projects.

## Trusted Advisors & Investors



**Dany Milham**

**Advisor & Investor**

Co-Founder Koala  
Founder MILKRUN



**Jovan Bouzo**

**Key Investor**

COO & CFO  
Viva Energy



**Adrian Petersen**

**Key Investor**

Co-Founder  
AfterWork Ventures



**Andrew Rennie**

**Key Investor**

Former CEO, Europe  
Domino's Pizza

## Significant Investors

Dany Milham &  
Mitch Taylor  
(Dropbear Fund  
Pty Ltd)

Founders of Koala

Tony Gandel  
Gandel Invest

Andrew Rennie  
Previously CEO of  
Dominos Pizza,  
Europe

Alex Khor, Adrian  
Petersen, Mike  
Forster & Dave Insull  
AfterWork Ventures

## Trusted Parties

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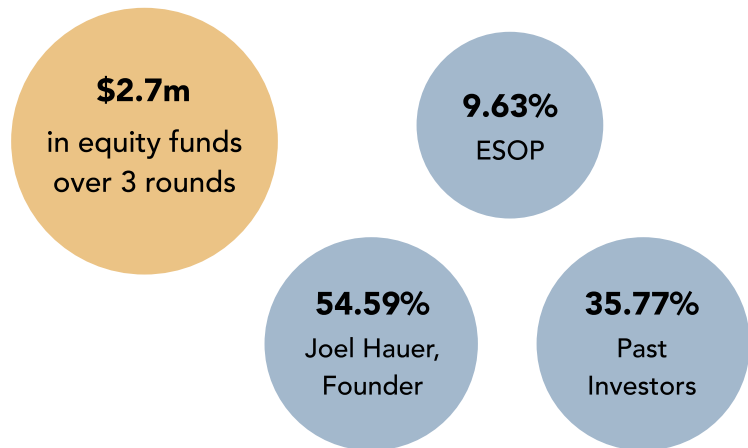
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## 2.6

## Capital Structure

Since 2016, equity investments have allowed the business to achieve growth milestones, improve efficiencies, hire skilled team members, and mitigate foreseeable risks in the business; this is what we've achieved so far.



	Raise	Milestones achieved with capital	Risks Mitigated
January 2019	\$400k	Hired first team members	Founding team risk Product risk Market acceptance risk
November 2020	\$800k	First vertical expansion Operational SOPs Improved website UX	Cost of sale risk Customer acquisition risk Recruiting risk Global pandemic risk
June 2021	\$1.5m	Increased price point on subscriptions Defined company culture Defined growth horizons	Retail sales risk Operational complexity risk Diversification risk

## 2.6.1

## Issued Capital

### Before the Offer

As at the date of this Offer Document, the Company has 14,070,528 ordinary shares, and 1,500,000 employee share via an options plan with 1,008,600 Granted, 491,400 available for issue and 583,700 already vested. The majority of shares are held by the Company's Founder.

The table below outlines the current shareholders of the Company, with percentages calculated on the assumption that all ESOP options that may be convertible to shares will vest and are converted into shares.

Shareholder	Ordinary Shares	Options	% of total Shares & Options
Joel Hauer	8,500,000	-	54.590%
Lynne Hauer	625,000	-	4.014%
Concordia Capital Pty Ltd	241,700	-	1.552%
WT Technologies	1,195,300	-	7.677%
Rennie Industries	351,306	-	2.256%
Gandel Invest	1,380,300	-	8.865%
Other 17 shareholders (each less than 1.5% ownership)	1,776,921	-	11.412%
<i>Total ESOP allocated and unallocated</i>		1,500,000	9.63%
<b>TOTAL</b>	14,070,528	1,500,000	100%

Table 1: Issued capital of the Company before the Offer

## After the Offer

The table below sets out the issued capital of the Company following the Offer on a fully diluted basis (i.e. presuming all ESOP options are exercised and converted to shares.)

Shares	Minimum Subscription	Maximum Subscription
<i>Existing Ordinary Shares</i>	14,070,528 82.13%	14,070,528 75.59%
<i>Offer Shares</i>	704,225 4.11%	2,112,676 11.35%
<i>Existing ESOP Shares</i>	1,500,000 8.76%	1,500,000 8.06%
<i>New Post-Money ESOP Shares</i>	856,566 5.00%	931,050 5.00%
<i>Total</i>	17,131,319 100%	18,614,254 100%

Table 2: Issued capital of the Company following the Offer



## 2.6.2

## Rights and Liabilities Associated with Securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, the Company has the discretion to approve a transfer 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.

Transfers	<p>A shareholder wishing to dispose of all or some securities must give the Board written notice that sets out the number and class of shares it proposes to dispose of, the price and a third party buyer (if any).</p> <p>As outlined previously, where the board approves the transfer, certain existing shareholders owning 3% or more are given first right of refusal to purchase these shares. A sale to a third party will only occur to the extent that the quantity of shares offered for sale exceeds the demand by existing shareholders.</p>
Ordinary Share Rights	<p>The Constitution provides that all shares in the Company which are not issued upon special terms and conditions are ordinary shares and other such classes of shares are approved in accordance with constitution and the Act from time to time.</p>
Pre-emptive Rights	<p>The constitution provides that, for any new issue of securities, the Company must first offer certain existing Shareholders their respective portion of the total number of securities to be issued. More details around the application of these rights can be found in the constitution.</p>

Tag and Drag Along Clauses	<p>If the Company or any Member receives a bona fide offer from a Third Party to purchase all of the Securities in the Company; and Members holding at least 66% of the shares in the Company (<b>Dragging Member</b>) accept the offer any Dragging Member may issue to all of the remaining Members (<b>Other Members</b>) a notice (<b>Drag Along Notice</b>) requiring each Other Member to sell all of their Securities to the Third Party and on the terms and conditions specified in the Drag Along Notice.</p> <p>Where one or more Members receive a bonafide offer from a Third Party to purchase at least 50% of the Securities in the Company, those Members (the <b>Selling Members</b>) must give each other Member (the <b>Tag Members</b>) a written notice (<b>Tag Notice</b>) giving the Tag Members the option to require the Selling Members to procure that the Third Party purchases all of the Tag Members' Securities on the same terms and at the same time as the Third Party purchases the Selling Members' Securities (<b>Tag Option</b>).</p>
ESOP Rights	<p>The Constitution provides that The Company can approve the adoption of any employee share option plan, employee share purchase plan, management incentive plan or any similar arrangement giving Employees or Advisors the right or entitlement to acquire securities in the Company.</p>
New Share Issue	<p>The Constitution provides issuing shares, debentures, convertible notes, options or other equity or debt securities of the Company other than an allotment in accordance with rule 4; is determined by Super Majority Consent as defined in the Company Constitution.</p>



## 2.6.3

## Sources of Financing

As at the date of this offer, the Company utilize a combination of operating income, equity, trade finance and grants to continue its operations.

### Operating Income

from inception through to 30 June 2022, the Company has generated income of \$10,408,335.

### Grants

the Company has secured approximately \$300,000 in R&D and other Government grants to scale its operations.

### Trade Finance & Debt

the Company uses Trade Finance & Debt to facilitate inventory and operational purchases secured by eCommerce revenue and PO's from trustworthy trade retailer customers, like Dan Murphy's.

### Equity

over the course of 3 funding rounds the Company has raised approximately \$2.7M from Venture Capitalists, professional investors, high-net-worth individuals/ family offices.

All shareholders own a common class of shares as straight equity.

Source	Description
Equity	Existing shareholders own 35.77%
Debt	Trade Finance is used to facilitate large stock purchases for orders with POs
Grants	R&D and EMDG Grants are used when applicable
Directors Loans	Are currently used and have been used in the past

## 2.6.4

## Group Structure

A multi-company structure was established in July 2021. Prior to this, all assets and liabilities were run through the holding company. Today, the new structure allows us to reduce operational risks associated with customers and staff by separating liability to the new subsidiaries.

Company	Function
LIQUOR LOOT PTY LTD	Holding Company
LIQUOR LOOT STAFF PTY LTD	Labour Company (100% wholly owned subsidiary)
LIQUOR LOOT OPERATIONS PTY LTD	Operations Company (100% wholly owned subsidiary)



## 2.7

## Risks Facing the Business

An investment in LIQUOR LOOT 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).



## Current Risk Categories

Risk	Description
Competition	The market for “alcohol tasting packs & subscriptions” is currently unsaturated although this could change. If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.
Startup Risk	<p>Liquor Loot is an early stage startup. The Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology.</p> <p>In particular, the Company is currently generating an operating loss. The cost of acquiring customers may also increase in the future.</p>
Additional Capital	<p>It is highly likely that Liquor Loot may require additional capital in order to achieve our global growth objectives over the medium term. Our ability to source capital through either debt and/or equity markets will be crucial to our ongoing success.</p> <p>Capital markets can be fickle and responsive to global economic conditions outside the control of Liquor Loot.</p>
<b>Legal &amp; Compliance Risk</b>	
Alcohol Regulations	Our critical operational requirement to repackage liquor safely and legally is open to changes in legal rules and regulations in Australia and international markets. Managing this complexity is a legal and supply chain compliance risk.



## Operational Risk

Speed of Growth	Growing a company quickly carries inherent risks. Fast-growth companies typically de-prioritise profitability in the short-term to focus on acquiring market share as quickly as possible. This is especially true with new-market opportunities like the one Liquor Loot is pursuing. Fast growth companies are typically, comfortable paying more to acquire customers and carry larger stock-on-hand positions to facilitate rapid growth. All of these risks are inherent in Liquor Loot's approach to scaling quickly.
Cashflow Management	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.
Complexity at Global Scale	Our vision is to become a global brand operating in multiple international markets. This will result in increased operational complexity across the business, especially within manufacturing, logistics, supply chain, brand building, financial and corporate affairs. Managing this ever-increasing complexity is a key risk.



## 2.8

## Financial Information

### Key Milestones

Some key financial milestones achieved by Liquor Loot include:

**42,729**

customers acquired  
since inception

**\$10M+**

in sales since  
inception

**1M+**

individual  
tasters shipped  
since inception

**100,000+**

tasting boxes delivered  
since inception

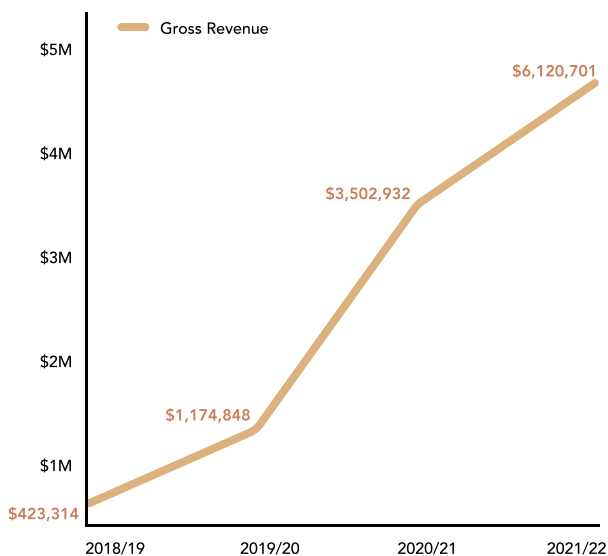
**5.8**

average orders per  
customer in the last  
24 months

**72.6%**

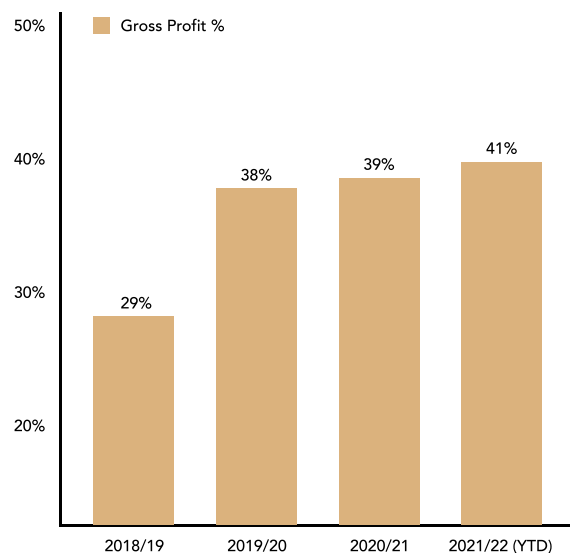
repeat customers in  
the last 24 months

### Financial Year Sales Growth



The company has experienced strong growth since inception with monthly sales growing by an average of over 247% YoY.

### Gross Profit Margins



The Company has maintained consistent Gross Profit Contribution Margins on products sold. This ensures our cashflows are sustainable to be self-funded through positive cashflow as the company matures.

## 2.8.1

# Balance Sheet

As at 30 June 2022

<b>CURRENT ASSETS</b>	
Cash	\$360,755
Trade and other receivables	\$7,922
Inventory	\$1,475,884
Other Current Assets	\$143,113
<b>Total Current Assets</b>	<b>\$1,987,675</b>
<b>NON CURRENT ASSETS</b>	
Fixed and Intangibles	-
Investments or other NCAs	\$90,878
<b>Total Non Current Assets</b>	<b>\$90,878</b>
<b>Total Assets</b>	<b>\$2,078,554</b>
<b>CURRENT LIABILITIES</b>	
Trade Finance	\$322,003
Short Term Debt	\$228,133
Accounts Payable	\$610,437
Total Employee Provisions	\$266,105
Gift Cards Payable	\$404,842
Other Current Liabilities	\$52,224
Unearned Income	\$149,870
GST Provisions	(\$63,169)
<b>Total Liabilities</b>	<b>\$1,960,995</b>
<b>Net Assets</b>	<b>\$26,680</b>
<b>EQUITY</b>	
Share Equity	\$2,769,891
Retained Profit (loss)	(\$1,249,393)
<b>Total Equity</b>	<b>\$1,520,498</b>

*Below are the consolidated financial statements of the Company and its controlled subsidiaries for the financial year ended 30 June 2022, which have been prepared in accordance with the Accounting Standards.*

## Management commentary on performance and outlook

As at 30 June 2022, we had raised approximately \$2.7m capital across three funding rounds. We have approximately \$1.5m in inventory, invested in stock on hand. As we produce our own products, i.e packaging goods for sale, we have a combination of raw material, work in progress and finished goods, which in total represents our stock on hand. We expect to recoup losses in future financial years, and offset tax payable by the equivalent tax loss amount.

## 2.8.2

# Profit and Loss

For the 12 months ending 30 June 2022

<b>REVENUE</b>	
Sales Revenue	\$6,120,701
Gift Card Redemptions	(\$1,155,451)
Shipping Fees	(\$398,664)
Direct Costs	(\$315,216)
COGs	(\$1,880,289)
<b>Gross Profit</b>	<b>\$2,371,081</b>
Other Revenue	\$317,606
<b>Net Profit</b>	<b>\$2,688,687</b>
<b>OPERATING EXPENSES</b>	
Staff, Labour Hire	\$1,870,253
Professional Expenses	\$498,183
Marketing & Customer Acquisition	\$703,971
Depreciation & Amortisation	\$51,235
Operations, Administration and Other	\$711,882
<b>Total Operating Costs</b>	<b>\$3,835,524</b>
<b>OPERATING LOSS</b>	<b>(\$1,146,837)</b>
Other Expenses	(\$18,640)
R&D and Government Grants	\$298,979
<b>Net Loss Before Tax</b>	<b>(\$866,498)</b>
Income Tax Benefit (current & prior year)	\$327,697
<b>Net Loss After Tax</b>	<b>(\$538,800)</b>

## Management commentary on performance and outlook

For the Financial Year 2022, we focused on protecting risks in the business experienced in 2021. We have increased our investment in stock on hand to ensure a higher percentage of in-stock products on the website. We also invested in Inventory Management controls, software integrations, and essential foundations required for expanding internationally.

With the funds raised under this offer we expect FY23 and onwards will continue our growth trajectory. We will be able to advance our retail deals and hire key leadership personnel in marketing, product development and branding. Our focus on expanding our retail volumes with key retailers, combined with increasing our customer acquisition budget and focusing on operational improvements will help bring us towards profitability.



## 2.8.3

## Cash Flow Statement

For the 12 months ending 30 June 2022

<b>CASH FLOW</b>	
Receipts from Customers	\$4,868,051
Payments to Suppliers	(\$3,042,864)
Other Operating Cashflows	(\$3,802,929)
Other Income	\$616,585
Changes in Accounts Payable	\$276,035
Changes in Current Liabilities	\$509,948
Changes in Inventory	(\$649,128)
Other Changes	(\$91,843)
<b>Operating Cash Flow</b>	<b>(\$1,316,145)</b>
Change in Fixed Assets (ex. Depn & Amort)	(\$51,235)
Change in Investment or Other Non-Current Assets	\$28,373
<b>Free Cash Flow</b>	<b>(\$1,339,007)</b>
Change in Retained Earnings and Other Equity	\$613,554
Change in Balance Sheet	\$418,148
<b>Net Cash Flow</b>	<b>(\$307,305)</b>

### Management commentary on performance and outlook

Receipts from Customers are less than revenue recognised in the period because some of the current year revenue was received in the prior financial year, i.e. (pre-order), and redemptions of pre-paid gift cards are grossed out. Net cash flow loss incurred draws funds from previous investor funds raised. Timing regarding large cash outflows for large wholesale deals shows only the outflows, not the cash received.

## 2.8.4

## Statement of Changes in Equity

As at 30 June 2022

	Share capital	Retained earnings	Total
Opening: 1 July 2021	\$1,235,054	(\$831,246)	\$403,808
Total comprehensive income	-	(\$538,800)	(\$538,800)
Share based payment expense	-	-	-
Shares issues during the year	\$1,534,925	-	\$1,534,925
<b>Closing: 30 June 2022</b>	<b>\$2,769,979</b>	<b>\$1,370,046</b>	<b>\$1,399,933</b>

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## SECTION 3

# Information about the Offer



# Terms of the Offer

Liquor Loot Pty Ltd is offering up to 2,112,676 shares at an issue price of \$1.42 per share to raise up to \$3m. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1.42 per share
Minimum Subscription	\$1,000,000
Maximum Subscription	\$3,000,000
Opening Date	6 September 2022
Closing Date	22 September 2022

A description of the rights associated with the shares is set out within this document.

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.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.



# Use of Funds

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
Current Expansion (Marketing)	\$180,000.00	\$540,000.00
Current Expansion (Team members)	\$180,000.00	\$540,000.00
Overseas Expansion (Inventory)	\$50,000.00	\$150,000.00
Overseas Expansion (Team members)	\$100,000.00	\$300,000.00
Overseas Expansion (Marketing)	\$120,000.00	\$360,000.00
Range Increase	\$57,200.00	\$177,200.00
Distillery Data Product Development	\$150,000.00	\$450,000.00
Technology	\$100,000.00	\$300,000.00
<b>Offer Costs</b>	<b>\$62,800.00</b>	<b>\$182,800.00</b>
<b>TOTAL</b>	<b>\$1,000,000.00</b>	<b>\$3,000,000.00</b>

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 6–24 months. In the event that the maximum funding amount is not achieved the Company will significantly scale back its growth plans, or raise more money from additional investors.

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

# Rights Associated with the Shares

The shares subject to this Offer are fully paid shares. There will be no liability to contribute further funds on the part of shareholders and the shares will rank equally with the ordinary shares currently on issue. The rights associated with the shares are set out in the Company's constitution and Corporations Act. These rights are summarised below. A copy of the constitution is available on the Intermediary's platform. We recommend that you read and consider the constitution in full.

## Voting Rights

**An individual shareholder may vote personally or via proxy or attorney.**

Where a vote at a general meeting is taken via a show of hands, each shareholder present (including via proxy, attorney, guardian or representative) has one vote. Joint shareholders are only entitled to one vote in the aggregate. Where a vote is taken via poll, each shareholder will have the number of votes equivalent to the number of shares owned. Voting rights are only bestowed upon shareholders whose shares are fully paid.

## Dividends

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

The constitution allows the directors to declare and pay dividends on ordinary shares. Directors have the discretion to direct that any part of a dividend be paid by the issue of shares. It is worth noting that companies with high growth aspirations generally do not pay dividends, but rather reinvest profits to fund future growth.

## General Meetings and Notices

**Directors have the power to call meetings of all shareholders.**

Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

At least 21 days' notice must be given of a general meeting and can be held digitally. The quorum required for the meeting to proceed is such shareholders representing at least 50% of the voting rights and must include one representative from the Founder.

## Election and Removal of Director

Shareholders may appoint a person as a Director by a resolution passed by Shareholder Supermajority Consent (66%).

The Company must have at least two directors. The Constitution provides for material shareholders (holding 15% of the shares in the company) to appoint a director. Directors may be removed by Ordinary Resolution of the Directors, so far as the Director is not a Founder Entity, currently employed with no less than 15% of the Shares on issue. The Founder is permitted to continue to appoint one director while he holds no less than 15% shares in the company.

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## Winding-Up

Surplus assets are distributed to shareholders after creditors are paid.

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

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## Restrictions on Sale and Transfer

A shareholder wishing to dispose of all or some securities must give the Board written notice that sets out the number and class of shares it proposes to dispose of, the price and a third party buyer (if any).

Existing shareholders must be given first right of refusal to purchase these shares. A sale to a third party will only occur to the extent that the quantity of shares offered for sale exceeds the demand by existing shareholders.

The directors may refuse to register a transfer of shares under certain conditions and must notify the person who lodged the transfer, in writing. Additional restrictions apply for drag along and tag along rights, refer to the constitution.

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## Pre-emptive Rights on Issue of Shares

Surplus assets are distributed to shareholders after creditors are paid.

Where shares are to be issued, the company must first allow certain existing shareholders, being those that own 1% of the existing share and any other shareholder(s) as the directors so decide, the right to purchase new shares in proportion to their existing ownership share.

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# What can I do with my Shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include, but are not limited to:

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

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





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## SECTION 4

# Information about Investor Rights



# 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.



# 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.





# Proprietary Company Corporate Governance Obligations



## 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.

## 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 website at the following address <https://app.cakeequity.com/investor/documents> (free of charge) or can purchase the report from ASIC.

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## 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).

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## 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.



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# Glossary

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**Company** means Liquor Loot Pty Ltd ACN 611 794 560

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**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

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

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**Intermediary** means Birchall Financial Services Pty Ltd AFSL 502618

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

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

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

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

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**Our goal is to make  
you as passionate  
about premium  
spirits as we are.**

**Joel Hauer**  
**Founder & CEO**



Joel Hauer has provided consent for inclusion of this statement.