



CROWD-SOURCED FUNDING OFFER DOCUMENT

DATED 9TH NOVEMBER, 2023

**Offer of fully-paid ordinary shares in
LeVeL Lemonade Pty Ltd at \$6.85 per
share to raise a maximum of \$950,000**

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

Issuer

LeVeL Lemonade Pty Ltd ACN 153 263 551

Intermediary

Birchal Financial Services Pty Ltd
ACN 621 812 646 AFSL 502618

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



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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.

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I'M ONE OF LEVEL LEMONADE'S LARGEST DISTRIBUTORS IN AUSTRALIA AND CAN CERTAINLY CONFIRM THE PRODUCT'S VOLUME, SUCCESS AND FUTURE OPPORTUNITIES.

Tony McIntosh, Owner - The Distributors, Brisbane

”



Individual has provided consent to inclusion of this statement.

SECTION 2: INFORMATION ABOUT THE COMPANY

LETTER FROM THE FOUNDER

Dear prospective investors,

My sincere thanks for taking the time to explore this opportunity to invest in LeVeL Lemonade.

This moment marks a significant milestone for our business and for me personally, and I'm so proud to offer you the chance to join us as our first ever part-owners.

Whilst I assume you came to this document after having already explored a bit about our beloved Formulated Sport Supplement Drink, I thought I'd briefly share with you some lesser known background information about how LeVeL Lemonade came about.

Owing to the occasional leg cramp whilst sleeping, my trusted nutritionist made me take up a daily dose of Magnesium. I did so, starting the day with a rather bland ritual of a scoop of Magnesium powder dissolved in some tap water.

In my hedonistic approach to life, I soon started to experiment with ways to make this a more joyful experience: I added some lemon juice, a bit of sweetness, and some Sparkling Mineral Water. To override the last bit of Magnesium blandness, I dared to also add some Ascorbic Acid (aka Vitamin C). The result was much more pleasing than I had expected.

Having worked in the FMCG and Beverages industry all my professional life, I thought to myself, "This should be a drink!".

Enter LeVeL Lemonade.

The idea was to strike the perfect compromise; a drink that satisfies both a health-conscious side, thanks to being low in sugar, high in Vitamin C and Magnesium, while delivering a deliciously refreshing fizzy drink.



Our mission is to be the go-to supplementary sports drink in Australia, achieving the perfect balanced level (!) between taste and healthfulness.

Since launch, there has been solid growth with 4 million bottles of LeVeL Lemonade sold.

We're available in more than 3,000 stores across Australia, from the grocery giants to local gyms and wellness centres, plus LeVeL Lemonade is sold directly to customers via our online store.

In the last quarter alone, sales of LeVeL Lemonade were 30% more than the same time last year, with over \$2 Million sold in the last financial year.

So far, most of our awareness amongst Australians



is owed to our striking packaging; a drink like no other, in a bottle like no other.

To my own amazement, in recent nationwide research we found that 80% of Australians never ever heard of LeVeL Lemonade.¹

Yet, despite having low-level market penetration, we've sold very solid volumes and we keep growing.

The time has come to change and exploit the opportunity at hand and this is why we've decided to raise capital.

The 'better for you' drinks category is forecast to double this year to \$400 million, and Sports Drinks are on track to be a \$1 billion market in Australia in the coming years². Shockingly, we hold a measly 1% of the 'better for you' drinks category, and in research we've conducted, 96%+ of Australians never drank a LeVeL Lemonade.¹

To help broaden our mainstream appeal, we plan to launch our new product range - LeVeL Lemonade in a can!

This new range will enable us to further our reach, improve supply reliability, double our shelf life, and future proof our product sustainably.

We firmly believe the future belongs to the Functional Drink category. The brands that strike the right balance between beneficial and delicious will lead the way. And with your help, I believe that could be us.

We've done the research, we've got the plan and we have the established network to do it - now we're raising funds to exploit the opportunity.

With your support, we're set to boost our brand, expand our reach, and introduce even more exciting products to our range. Today we focus on Magnesium - tomorrow could be a whole array of functional supplement additions under the LeVeL Lemonade banner.

Until now LeVeL Lemonade Pty Ltd was mainly operating as a Licensor to LeVeL Beverages. Whilst historical financial data associated with the company exists, it does not sufficiently reflect the actual performance of LeVeL Lemonade.

The actual cost and revenue associated with LeVeL Lemonade drinks, historically have been under a business unit of LeVeL Beverages.

To clarify the actual situation, we chose to share the below 'Pro forma LeVeL Lemonade business unit profit and loss statement for 1 January 2023 - 30 September 2023' (2.8.1) where we extracted the associated revenue, cost of goods, and promotional spendings.

I hope I have been able to convince you about the worthiness of LeVeL Lemonade for you to become a part owner.

We would love for you to join us on this exciting journey and welcome you as part-owner in our business.

Together, let's elevate Sport Supplement drinks to the next LeVeL!

Excitedly yours,

Chris Graebner
Founder & Director, LeVeL Lemonade

P.S. If nothing else - in case you are part of the 96% who have never ever tasted LeVeL - please go and try one!!



1. Page 13 'The Opportunity': Statista Non-Alc Bev Australia 2023
Sydney Morning Herald 02/23 Euromonitor Better for you Beverages 2021 CANADEAN / Global Data AU Sports drinks 2022
2. LeVeL Lemonade online research survey. Conducted in August 2023 using three independent data collection platforms. N= 1,128 participants, skewed to Urban Australians, with age distribution 18-45 y.o. Full research results available upon request.

“

WORKING AT CITY CAVE IT IS SO IMPORTANT TO BE OFFERING REFRESHMENTS THAT WORK HAND-IN-HAND WITH RECOVERY AND HEALTH. LEVEL HAS MADE THIS SO EASY, IT IS DEFINITELY OUR BEST SELLING ITEM IN OUR SHOP AT CURRENT TIMING. THE RASPBERRY AND PINEAPPLE FLAVOURS SPECIFICALLY ARE ALWAYS RUNNING LOW TO SUCH HIGH DEMAND.

Courtney H.

”



Individual has provided consent to inclusion of this statement.

2.1 COMPANY DETAILS

This offer of shares is made by LeVeL Lemonade Pty Ltd ACN 153 263 551 (Company).

COMPANY NAME	LeVeL Lemonade Pty Ltd
ACN	153 263 551
DATE OF INCORPORATION	16 September 2011
REGISTERED OFFICE	Level 9 50 Clarence Street Sydney NSW 2000
PRINCIPAL PLACE OF BUSINESS	Unit 2 22 New South Head Road Vaucluse NSW 2030
DIRECTORS	Christian (Chrish) Graebner Katrin Graebner
COMPANY SECRETARY	Christian (Chrish) Graebner
SHARE REGISTRY	Cake Equity
WEBSITE	https://level-lemonade.com

2.2 OUR BUSINESS

2.2.1 About the Company

We're LeVeL Lemonade. Our vision is to be the drink in every hand, on every field, in every gym, on every running track, and for all the times in between.

We want to be the supplementary sports drink of choice, fueling athletes, fitness enthusiasts, and everyone in between.

We started with one single new-to-market beverage offering at our inception in 2019 - our signature "Original" LeVeL Lemonade, the first of its kind in Australia to be both high in magnesium and low in sugar. Since then we've expanded our range to now include seven delicious and functional flavours that aim to strike the perfect balance between health benefit and delicious taste, with a fizzy twist.

We work with a team of industry experts including nutritionists, compound developers, bottlers, packaging providers, and professional service partners to create and produce our product range.

All of our beverages are carbonated, low in sugar, high in Vitamin C and high in Magnesium, and as such, our product range is officially categorised as 'Formulated Supplementary Sport Food' according to Food Standards Australia & New Zealand. Our products are currently packaged in a 'premium' style PET bottle with a creative touch to catch the eye, incorporating our brands' vibrant and dynamic appeal and importantly, differentiating ourselves in what is a competitive fridge shelf space in our retail partners.

Our beverage recipes are created in partnership with our nutritionist professional partner and are produced in accordance with Australian & New Zealand food production and licensing regulations. We work with a global compound producer of technology-based natural ingredients for our supplement supply, and have long standing relationships with Australian-based reputable partners for our packaging components and bottling providers.

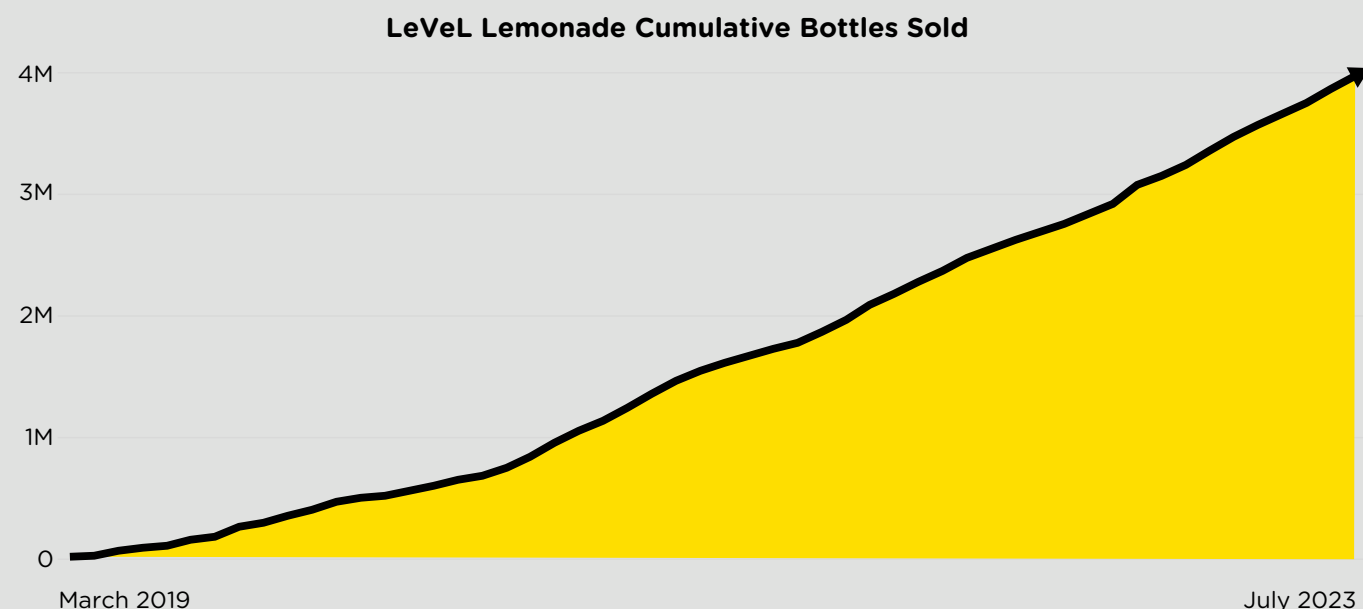
We sell our products to end consumers primarily through a well-established national network of retail partners in over 3,000 retail stores, and we maintain our retail network through key relationships with a wide range of distribution partners and wholesalers. Supporting our wholesale distribution is our online store where we sell our full product range directly to the public via home delivery.

All of our beverages are developed, bottled and packaged in Australia by Australian industry leaders and to the regulated food and beverage industry standard. As such, we proudly wear the 'Australian Made & Owned' trademark. Our small and dedicated internal team is based in our Head Office in Sydney.



2.2.2 Milestones & Achievements to Date

Since our inception we've achieved incredible traction, growing the business from a one flavour beverage offering in limited retailers, to our much larger health conscious range. We're now stocked in over 3,000 leading retailers across Australia, plus we've launched our direct-to-consumer distribution channel via our online store.



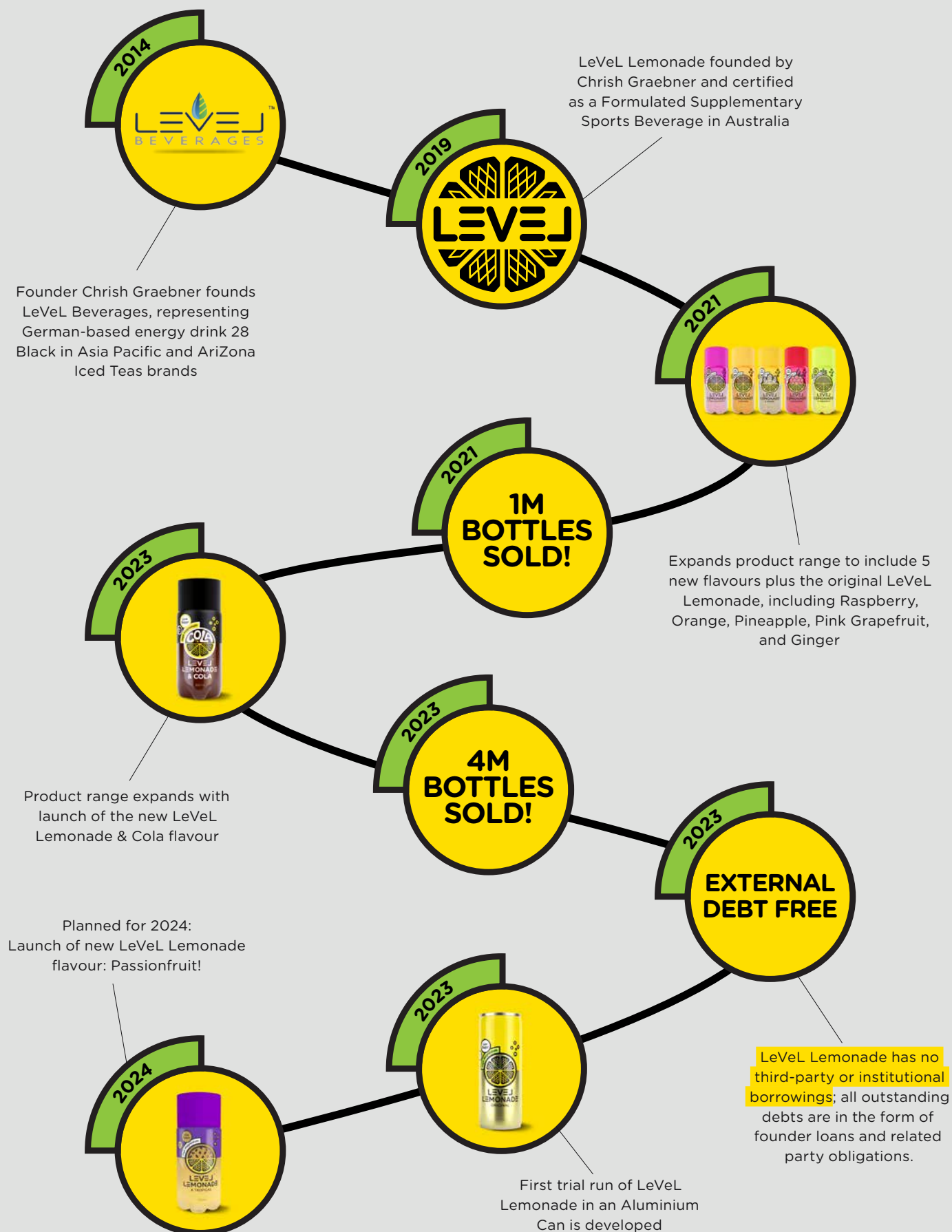
We've sold over 4 million bottles to our wholesale and D2C partners, our 'cash burn phase' is behind us, and due to a gesture of support from a previous shareholder, we're officially external debt free (outside of Founder's Loans / related party loans). It's been a mammoth effort to get here, but as a result, we're now perfectly positioned to exploit our next phase of opportunity growth.

Key achievements include:

- 🍋 Sold a total of 4 million bottles in just 4 years of operation
- 🍋 Sold our 1st million bottles in 2021 with the launch of our expanded product range
- 🍋 Stocked in Woolworths, Coles Express and Ampol
- 🍋 Signed agreements with leading fitness and wellness centres and City Cave*
- 🍋 Achieved \$0 external debt^ (outside of founder/related party loans) setting LeVeL Lemonade "free" (as of August 2023)
- 🍋 We've achieve all of the above with a minimal marketing and advertising spend, and a small internal team of dedicated professionals

*Agreements are with LeVeL Beverages Pty Ltd, nominated agent of LeVeL Lemonade Pty Ltd for the sale of LeVeL Lemonade products
^LeVeL Lemonade has no third-party or institutional borrowings; all outstanding debts are in the form of founder loans and related party obligations.

OUR JOURNEY SO FAR



2.2.3 Our Products

All LeVeL Lemonade products are made in Australia from at least 90% Australian ingredients, and are formulated, packaged and bottled by leading Australian-based reputable partners. As such, we are proudly certified 'Australian Made & Owned'.

Product Range

Our product range currently includes seven 'formulated supplementary sports drink' flavours including:



Depending on the retailer, we sell our products in single serve bottles, 4-packs (exclusively to Woolworths), 6-packs, and combination multi-packs.



Formulated Supplementary Sports Food Classification

LeVeL Lemonade beverages, like all other drinks in this category, are classified under Standard 2.9.4 - Formulated Supplementary Sports Foods of the Australian New Zealand Food Standards Code (the Code).³

Standard 2.9.4 of the Code states that Formulated Supplementary Sports Foods refer to foods and drinks which are designed to assist sports people in achieving specific nutritional or performance goals. These 'special purpose' foods may contain specified ingredients that are present at a higher level than general purpose food or drink. Such foods are intended to supplement the diet rather than be a sole or principal source of nutrition.

LeVeL Lemonade beverages are classified under this Standard of the Code due to the inclusion of Magnesium and Vitamin C.

Under the Code Standard 2.9.4-4, all LeVeL Lemonade beverages must include in their labelling:

1. A statement to the effect that the food is not a sole source of nutrition and should be consumed in conjunction with a nutritious diet; and
2. A statement to the effect that the food should be used in conjunction with an appropriate physical training or exercise program; and
3. The warning statement 'Not suitable for children under 15 years of age or pregnant women: Should only be used under medical or dietetic supervision'

Under the Code the labelling of all products must also contain the text that the product is a Formulated Supplementary Sports Food, and the recommendation to consume no more than one bottle per day.

Ingredients

All LeVeL Lemonade products, regardless of flavour combination, contain these characteristics:

- 🍋 Carbonated to provide the 'fizz' just like a soft drink
- 🍋 Low in sugar at 97.5% sugar-free
- 🍋 High in Vitamin C (one serving provides approximately one full day's recommended daily intake (RDI) of Vitamin C, with 40mg of Vitamin C)
- 🍋 High in Magnesium (one serving provides approximately half of the recommended daily intake (RDI) of magnesium, with 160mg of Magnesium)
- 🍋 Only 30 calories per bottle

LeVeL Lemonade products generally contain: Carbonated Water (Water, Carbon Dioxide), Lemon Juice From Concentrate (5%), Fructose, Magnesium (sourced from natural Magnesium Sulphate), Food Acids (330, 331), Natural Flavour, Vitamin C, Thickener (Acacia Gum) Sweeteners (955, 950), Natural Colour (161b).

All our products are vegan, as well as gluten free and lactose free.

³. Australia New Zealand Food Standards Code - Schedule 4

Nutritional Benefits

All LeVeL Lemonade products are formulated in conjunction with our supplement and nutritionist partners.

In recent research conducted by LeVeL Lemonade⁴, 69% of those surveyed take dietary supplements to support their health and fitness regularly. Of those within this group, almost 97% agreed they consider Vitamin C a relevant supplement, and almost 70% agreed they consider Magnesium as a relevant supplement. The research also indicated that for all those who take dietary supplements, Vitamin C and Magnesium were identified as being in the Top Three supplements (Vitamin D being the other supplement indicated) that they considered relevant to support their health and fitness goals.⁵

According to the Australia New Zealand Food Standards Code - Schedule 4:

The Benefits of Magnesium

Our bodies need magnesium for close to 300 important biochemical reactions⁶. Reaching the recommended daily intake of magnesium has many benefits including:

- 🍋 Contributing to normal energy metabolism
- 🍋 Necessary for normal electrolyte balance
- 🍋 Necessary for normal nerve and muscle function
- 🍋 Necessary for teeth and bone structure
- 🍋 Contributing to a reduction in tiredness and fatigue
- 🍋 Necessary for normal protein synthesis
- 🍋 Contributing to normal psychological function
- 🍋 Necessary for normal cell division
- 🍋 Contributing to normal growth and development (in children only)

The Benefits of Vitamin C

More than 25% of Australian males and 15% of Australian females need more Vitamin C in their diet.⁷

Reaching the recommended daily intake of Vitamin C through diet has many benefits including:

- 🍋 Contributing to iron absorption from food
- 🍋 Necessary for normal connective tissue structure and function
- 🍋 Necessary for normal blood vessel structure and function
- 🍋 Contributing to cell protection from free radical damage
- 🍋 Necessary for normal neurological function
- 🍋 Contributing to normal collagen formation for the normal structure of cartilage and bones
- 🍋 Contributing to normal collagen formation for the normal function of teeth and gums, and function of skin
- 🍋 Contributing to normal energy metabolism
- 🍋 Contributing to normal psychological function
- 🍋 Contributing to the normal immune system function
- 🍋 Contributing to the reduction of tiredness and fatigue
- 🍋 Contributing to normal growth and development (in children only)

4 & 5. LeVeL Lemonade online research survey. Conducted in August 2023 using three independent data collection platforms. N= 1,128 participants, skewed to Urban Australians, with age distribution 18-45 y.o. Full research results available upon request.
6 & 7. Australia New Zealand Food Standards Code - Schedule 4

Packaging

Current Bottle

Our packaging is an essential component of the customer experience with LeVeL Lemonade and a key differentiator in the market.

Our products are currently packaged in a 'premium' style bottle with a creative touch to catch the eye, incorporating our brands' vibrant and dynamic appeal and importantly, differentiating ourselves in what is a competitive fridge shelf space within our retail partners.

The bottle cap design with the LeVeL Lemonade logo imprint on top invokes a sense of attainable luxury to customers, driving the premium perception of the brand to both differentiate from other offerings in the sub-category and to match its price point and health benefits offering. The cap is also intended to co-function as a drinking vessel.

Semi-transparent PET sleeves with the eye-catching LeVeL Lemonade logo, in bright fluoro colours, have been designed to further invoke this premium, energetic feel as well as display consistency across the range when viewed on-shelf. Each sleeve is 'split' half and half through the LeVeL Lemonade logo, with a full colour print on the top half, and clear plastic on the bottom half, to allow the drink colour to be visible (and match the top half of the bottle).

All LeVeL Lemonade bottles are 300mL, and are fully recyclable.

We currently source the components of our packaging, including the polyethylene terephthalate (PET) bottle, closures, sleeves and lids from leading Australian packaging providers including Visy, Pact, Labelmakers and Evolve.

New Aluminium Cans

With our ambition to launch a new range of our existing LeVeL Lemonade flavours in an aluminium can on a larger permanent scale (outside of the trial run we have already produced), we aim to maximise our existing brand recognition through our eye-catching bright colours and branding, while reaching a greater mainstream audience.

Our new aluminium can offering will be at 300ml weight, with a premium metallic casing covering the lower-half of each can. The same vibrant colours and design style from the bottle sleeves will be applied to the cans.

The cans present a more cost effective, light-weight and sustainable option to the bottles, while maintaining our branding. The cans will also double the shelf life of our products, are quick to cool, and are easier and more cost effective to move and store.

All cans are 100% recyclable.



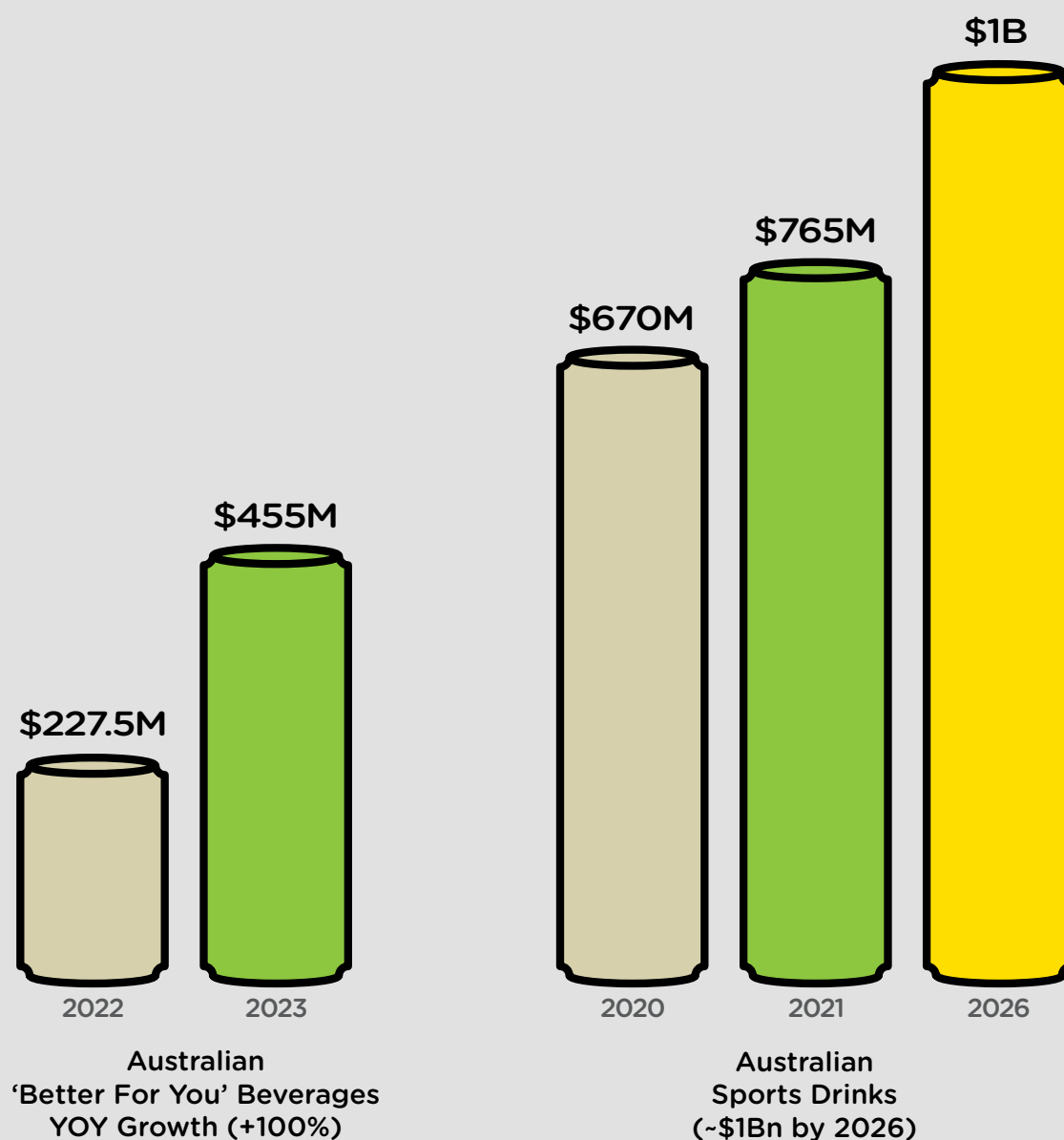
2.2.4 Industry Overview

The Industry

The “Better for You” drinks sub-category has been on a steady growth trajectory over recent years, with forecasted growth of over 100% from 2022 - 2023, with approx. \$227.5 million in total segment sales in 2022 up to a projected \$455 million in 2023.⁸

Additionally, the Australian Sports Drinks category as a whole has experienced solid and sustainable growth over recent years, growing from an estimated \$670 million in 2020 up to \$765 million in 2021 in total sales, and is projected to reach over \$1 billion in total sales by 2026.⁹

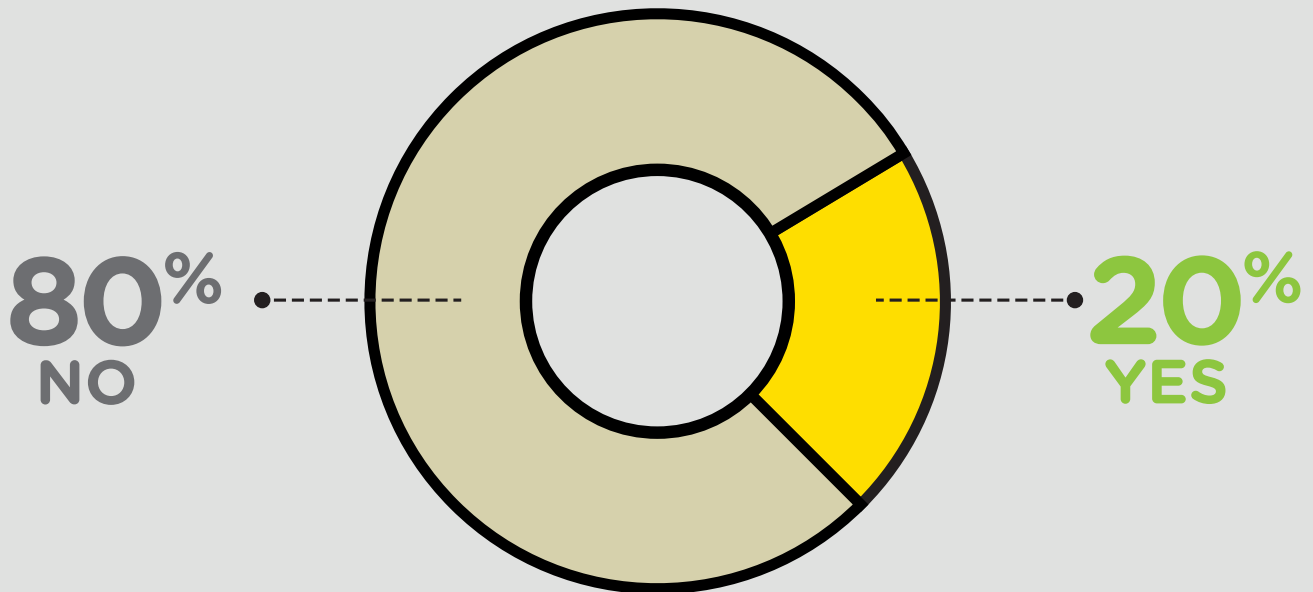
The market segment we exist in is dynamic and growing, and with the advantage of dynamic sub-categories within “Better for You” and “Sports Drink” markets we have the ability to position LeVeL Lemonade within each as market and consumer preference dictates.



⁸ & ⁹. Page 13 'The Opportunity': Statista Non-Alc Bev Australia 2023 Sydney Morning Herald 02/23 Euromonitor Better for you Beverages 2021 CANADEAN / Global Data AU Sports drinks 2022

Online research we conducted in August 2023¹⁰ indicated that:

EVER SEEN?



- 🍋 20% of Australians surveyed had heard of and/or recognised LeVeL Lemonade (therefore 80% had not), and
- 🍋 Of those who had heard of us, 1 in 5 had tried our product.
- 🍋 Of those who had tried our product, they're coming back for more.

Despite our solid volumes sold (and growing) since our inception in 2019, we still hold low-level market penetration, with our research indicating we currently hold on a 1% market share of the “better for you” drinks category.¹¹

Additionally, in the same Research conducted in August 2023, we found that:

- 🍋 Only 10% of those surveyed understood the health benefits associated with LeVeL Lemonade's products (being high in Magnesium and Vitamin C), and
- 🍋 After consumers understood that LeVeL Lemonade had supplementary characteristics, 74% stated the product became significantly more appealing to them.

This research indicated that product awareness and education holds the key to significant growth potential. Prioritising communicating the supplementary nature of our products to a more health-conscious customer, and de-prioritising the 'low sugar soft drink' positioning, may prove to increase customer trialling of the product and therefore sales volume.

10 & 11. LeVeL Lemonade online research survey. Conducted in August 2023 using three independent data collection platforms. N= 1,128 participants, skewed to Urban Australians, with age distribution 18-45 y.o. Full research results available upon request.

Competitive Landscape

While the size and scale of the Sports Drink category and sub-categories in Australia presents incredible opportunity, the commercial value of the industry also gives rise to significant competitive pressure, particularly from dominant established players in the market who already boast significant market share, distribution network and consumer awareness.

Our key competitors include those competing in the following sub-categories in Australia:

- 🍋 Energy drinks (typically high in caffeine)
- 🍋 Flavoured Sports Drinks (typically high in electrolytes and use artificial sweeteners)
- 🍋 Low or No Sugar Soft Drinks (typically low calorie and with no or low sugar content)
- 🍋 Gels and powder supplements designed to be dissolved (typically high in active ingredients such as protein and vitamins)

The nature of the industry and competitive landscape also gives rise to ‘fads’ which may further move, change or give rise to new entrants (or expanded product range from existing competitors) in the future.

Despite the competitive landscape and likelihood of continued competition into the future, LeVeL Lemonade’s key differentiators set the brand apart and provide a point of difference in the growing market.

These differentiators include:

1. Extensive distribution in a range of retailers including leading grocery stores, to local service stations, and a growing number of gyms and wellness centres. This approach means we gain brand awareness and shelf-space next to the dominant players in primary shopping locations, whilst also solidifying our position as a ‘better for you’ option in an increasing number of gyms and wellness centres.
2. Striking the right balance between health benefit and good taste, while maintaining our sports supplementary drink standing shoulder-to-shoulder with our competitors in this category.
3. Our range of flavours provides options for a wider audience in taste and preference, and caters to a larger demographic of consumers.
4. Our positioning and branding in the market caters for a wider range of consumers, and at a more premium end of the market, than our counterparts. With our distribution across local grocery plus high end gyms and wellness centres, we are positioned to a wider demographic and can have a multi-positional marketing approach at one time.
5. Our premium style packaging and vibrant colours visibly sets us apart on the supermarket and fridge shelf
6. Our product range has 5% lemon juice from concentrate as a common denominator. Whilst we currently have three variants that mix with lemonade, there is a wide array of other options that ensures a strong “pipeline” in flavour innovation.

“

WHETHER I'M HITTING THE GYM OR JUST NEED A QUICK PICK-ME-UP, LEVEL LEMONADE IS MY FIRST CHOICE. THE REFRESHING FIZZ AND TANGY FLAVOUR IS UNBEATABLE. YOU WOULDN'T BELIEVE THAT THERE IS ALMOST NO SUGAR IN IT. BETTER YET, IT'S PACKED WITH MAGNESIUM, HELPING ME RECOVER FASTER READY FOR THE NEXT SESSION.

Steve J.

”



Individual has provided consent to inclusion of this statement.

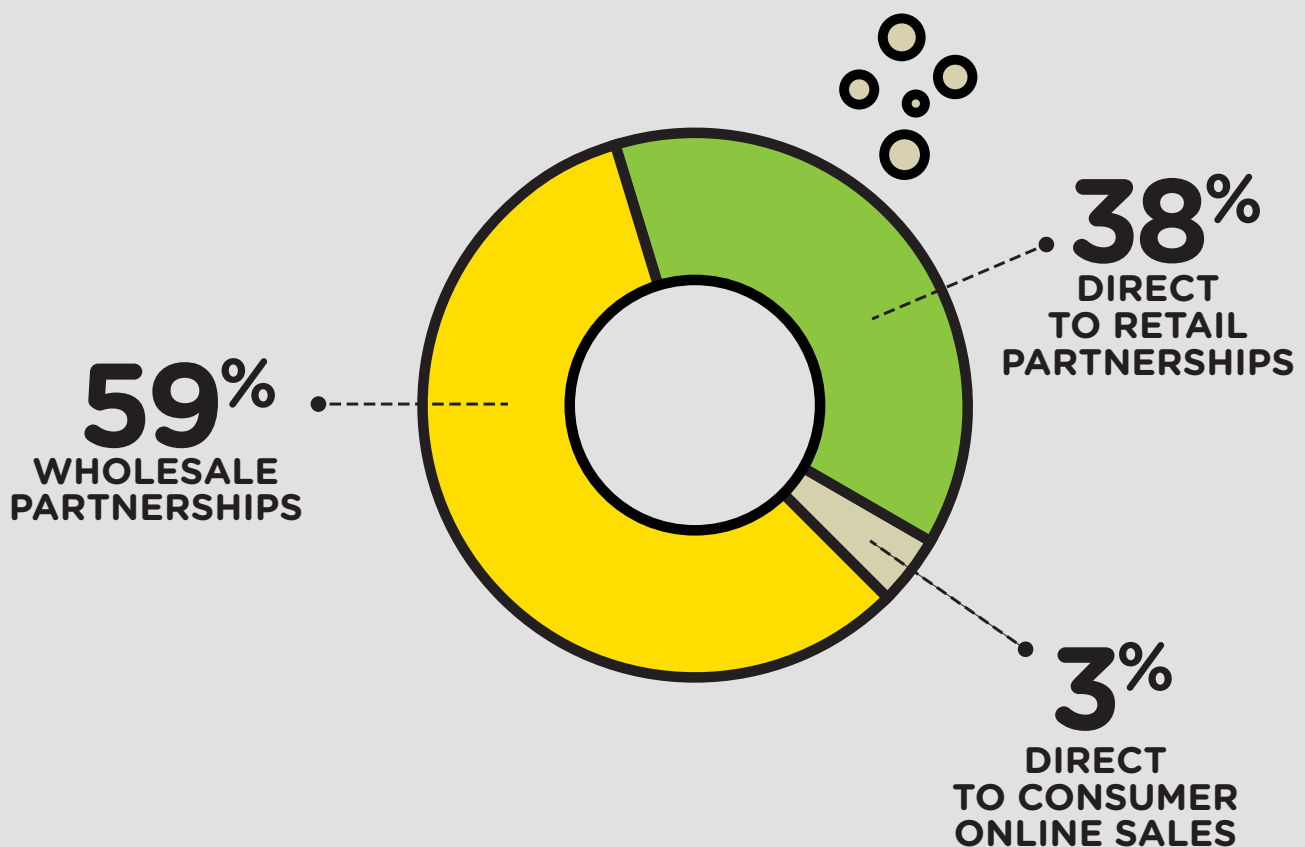
2.3 BUSINESS AND REVENUE MODEL

Revenue Split by Channel

LeVeL Lemonade generates revenue through:

- 🍋 Wholesale partnerships enabling distribution in leading retail locations nationally
- 🍋 Direct to retail partnerships
- 🍋 Direct to consumer (D2C) sales via our online store (level-lemonade.com)

From period January - October 2023 the Revenue Split by Channel was approximately:



While our Wholesale partnerships contribute the majority of our revenue, our direct to retail partnership provides an additional important revenue stream for the business. Our Direct to Consumer online sales channel remains a small portion of our overall revenue split, but, we expect this to continue growing in the future as we expand our reach and increase our product range and offering, and marketing efforts.















All LeVeL Lemonade products are sold at wholesale price to our retail and distributor partners.

Sales Channel Breakdown

Wholesale Channel

Our wholesale distribution network provides the backbone of our revenue stream and has grown consistently since our inception into the market. Our wholesale distribution network is critical in driving awareness, product trial, and demand for the brand and product range.

Our wholesale distributors are located nationally and facilitate the distribution and stocking of LeVeL Lemonade products across multiple retail outlets. We have established nationwide relationships with a large number of leading wholesalers who together provide significant reach, including:

-  The Distributors Brisbane
-  JB Metropolitan Distributors
-  Kelly's Distributors
-  JP Metropolitan Distributors Adelaide
-  The Distributors
-  The Distributors Cairns & Townsville
-  Beach & Bush Distributors
-  EzyMart Distribution
-  Juicy Isle Beverages
-  ACW Sunshine Suncity Distributors
-  Saxbys Drury Distribution
-  Harcher Distributors
-  Australian Independent Distributors Association (AIDA)
-  PFD Foods



Retail Channel

Through these wholesalers, plus our direct to retail partnerships, LeVeL Lemonade products are now stocked in leading retailers nationwide in approx. 3,000 retail stores, including:

- | | | |
|--|---|---|
|  Woolworths* |  Lagardere Travel Retail Group |  BP* |
|  Coles Express |  WHSmith |  Ampol |
|  SPAR Australia |  New Sunrise |  Metro Petroleum |
|  Ezymart Distribution |  Sodexo Australia |  EG Group |
|  Metcash |  Amazon |  City Cave |
|  Newslink | | |

AVAILABLE FROM OVER 3,000 RETAIL STORES



*Selected stores

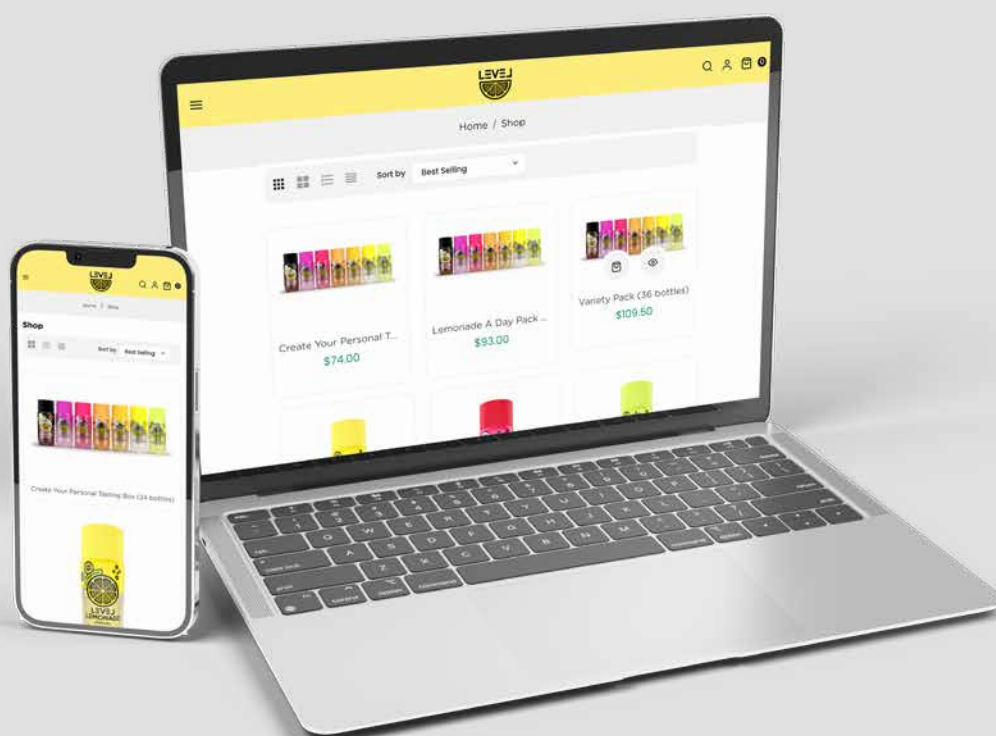
Online Store

Sales of LeVeL Lemonade products via the online store at level-lemonade.com make up a small yet growing portion of the Company's total revenue mix. The online store also plays an important part of the Company's overall awareness and marketing strategy by allowing for direct-to-consumer sales, browsing of the range, and provides the ability for the Company to communicate with customers on a one-to-one basis which would otherwise be lost if relying solely on wholesale and retail distribution channels.

The online store also presents the opportunity to further attract and retain customers into the future with the ability to support promotions, new product launches, and customer rewards, as the Company grows.

Customers who have purchased through the online store have generally already purchased LeVeL Lemonade products through a retail outlet, and then made a repurchase online.

Purchases transacted online are made at full regular retail price and therefore carry a higher margin than the wholesale channels.



Key Sales Drivers

To date, LeVeL Lemonade has achieved year-on-year revenue growth due to:

- 🍋 Increasing presence in leading retail stores, due to the growing partnerships with wholesale distributors
- 🍋 Charity engagement with McGrath Foundation as well as Save The Children Ukraine
- 🍋 Digital marketing, primarily paid ads
- 🍋 Social media presence supporting online sales and content provision
- 🍋 Ambassadorships and engagements with key people and businesses primarily in the fitness, health and wellness industries in Australia
- 🍋 Increasing presence in gyms, sporting clubs and fitness vending locations



Operations & Ownership

All of our beverages are developed, bottled and packaged in Australia by industry leaders and to the regulated food and beverage industry standard. We outsource our compound development (for our supplement ingredient inclusions), bottling, and packaging components to industry leaders based primarily in Melbourne. Our small and dedicated internal team is based in our Head Office in Sydney.

We are certified Australian made and owned, including at least 90% of all ingredients sourced from Australian suppliers.

All Intellectual Property (IP) and associated LeVeL Lemonade trademarks are owned and held by LeVeL Lemonade Pty Ltd.



LEVEJ[®]
LEMONADE



“

THE LEVEL LEMONADE RANGE HAS BEEN INCREMENTAL TO THE DISTRIBUTORS BEVERAGE PORTFOLIO AND HAS DELIVERED ON INNOVATION AND UNIQUENESS TO THE CATEGORY.

THE DISTRIBUTORS HAVE WORKED WITH CHRISH SINCE 2011 AND HE AND HIS BRAND, LEVEL LEMONADE IS A STORY UNFOLDING ACROSS OUR NETWORK & CUSTOMER BASE.

George Tsapoutas, CEO The Distributors

”



Individual has provided consent to inclusion of this statement.

2.4 BUSINESS STRATEGY

We have come a long way on our journey, and the most exciting chapter of our business is yet to unfold!

We expect that the next 12 months will be the most 'vibrant' in our history, with our primary focus being to broaden our audience and inch closer to realising our mission of becoming the supplementary sports drink of choice in Australia, fueling athletes, fitness enthusiasts, and everyone in between.

We plan to achieve this by prioritising the following business objectives:

2.4.1 New Product Development

Aluminium Can Range

While our current recyclable bottles are much-loved and well recognised by our loyal customers, they have occasionally hindered our ability to fulfil orders promptly, as well as reducing our mainstream reach due to the size and shape of the bottles.

As a result, we intend to overcome these limitations by introducing our new product range: LeVeL Lemonade in an aluminium can! By the end of 2023 we plan to launch our top four existing flavours in our new 300ml aluminium cans.

Aluminium cans offer several advantages:

- 🍋 **Achieving mainstream beverage reach.** Aluminium cans are 'cold to touch' and are preferred by carbonated drink consumers, with recent research indicating that 62% of Australian adults prefer cans over PET bottles for on-the-go consumption.¹² Additionally, producing our range in aluminium cans opens up new distribution channels, including vending, which we expect to increase our mainstream reach considerably.
- 🍋 **Enhanced sustainability, aligning with the demand for reduced plastic packaging.** Some of our Key Accounts have recently advised that mid-term our packaging (whilst fully recyclable) could be a limitation to further expansions. These customers are keen to explore packaging options with reduced plastic.
- 🍋 **Improved supply reliability and cost-effectiveness.** Whilst our current bottle is certainly unique, so too is the required manufacturing equipment to produce it, which has led too often to supply interruption.
- 🍋 **Accessibility of can-filling equipment, ensuring reliable production.**
- 🍋 **Cost-effectiveness that enhances market competitiveness.**
- 🍋 **Doubling shelf-life and stability by preventing exposure to light and being 100% air tight.** Aluminium eliminates the product being exposed to light and air, which can more than double its shelf life, and enables much improvement in customer stock holdings.
- 🍋 **Maintaining our brand recognition,** as the new can packaging retains the unique LeVeL Lemonade look with stand-out vibrant and metallic colouring. Our partnership with VISY, a leading Australian packaging manufacturer, ensures that the premium appearance of our bottle range is replicated in the 300ml slim cans. This is an important factor for us to maintain, given how much of our growth to date has been driven by our unique and recognisable bottles.

¹². September 2023 Australian Omnibus Research



LEVEL[®] LEMONADE



IN A CAN!

“

I'M SO GLAD I DISCOVERED LEVEL LEMONADE. MY FAVOURITE FLAVOUR IS THE ORIGINAL LEMONADE. THE TASTE IS VERY REFRESHING, WITH A PERFECT BALANCE OF SWEETNESS AND A TOUCH OF TANGINESS. AS SOMEONE WHO IS CONSCIOUS OF MY SUGAR INTAKE, I REALLY LIKE THE FACT THAT IT'S LOW IN SUGAR, AND CONTAINS MAGNESIUM AND VITAMIN C. IT GIVES ME A GOOD BOOST I NEED FOR MY DAILY RUN!

Anthony F.

”



Individual has provided consent to inclusion of this statement.

Expanding our Flavour Range

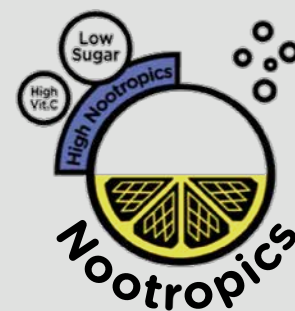
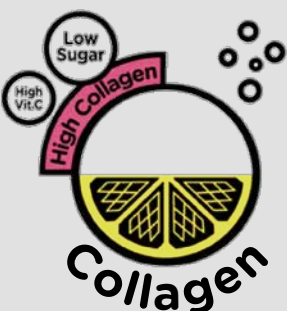
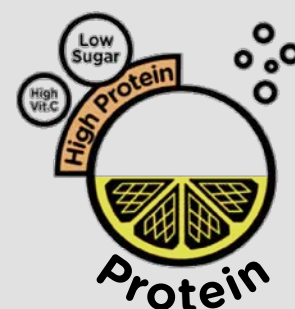
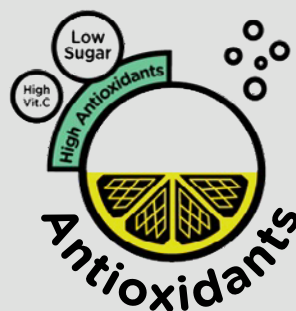
In response to consumer demand, we're excited to introduce a new Australian flavour favourite to our range in time for summer: Passionfruit! This flavour will be available in both the PET bottles and 300ml cans before the summer season.

We plan to support this launch with social media advertising and increased in-store visibility. Furthermore, we aim to secure a partnership with at least one major Australian convenience store chain to act as our Launching Partner, to maximise our reach.

Exploring our First Non-Magnesium Variants

While high-dose magnesium remains our unique selling point (USP), we are actively exploring the diversification of our product offerings over the next 12 months. Given that the Food Standards Australia New Zealand (FSANZ) Code we operate under ("Formulated Supplementary Sports Drinks") allows for the addition of an array of different vitamins and minerals, our intent is to further research and identify opportunities in the Australian market to broaden our offering.

Exploring the variants for our beverages is of particular interest in the next 12 months as the FSANZ is currently reviewing the applicable standard, including potentially allowing the addition of caffeine within this standard (however this is still under review and not confirmed or assured). This could allow us to broaden further into other "Functional Beverage" market segments, thereby achieving a wider audience reach.

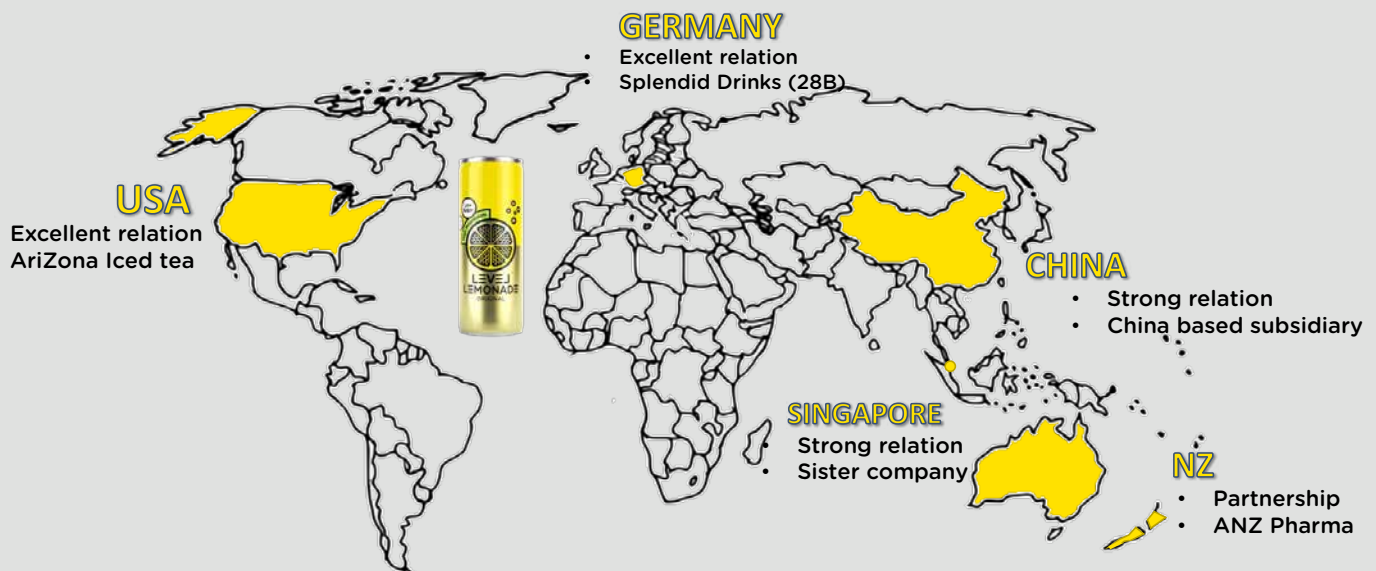


2.4.2. Further Distribution Expansion

Our distribution strategy includes:

- 🍋 Expanding store counts within existing key accounts.
- 🍋 Closing distribution gaps in grocery and P&C (Petrol & Convenience) accounts.
- 🍋 Increasing our availability in the gym and wellness channels, a growing and successful new channel for LeVeL Lemonade.
- 🍋 Exploring a closer partnership with a Sales Representation Agency to expand our reach through a hired merchandising force in Australia.

Preparing for International Expansion



Our shift to aluminium cans creates opportunities for international export, as the nature of our previous packaging posed challenges during container shipments thereby limiting our ability for international export thus far. We have recently initiated collaboration with New Zealand's ANZ Pharma and look forward to working closely with them. We also have strong trade relationships with an array of international markets, particularly Germany, the USA, and Singapore.

2.4.3 Alignment with Use of Funds

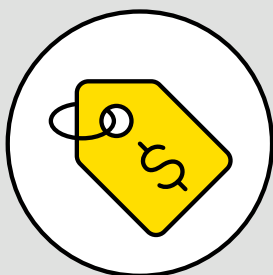
Our business strategy is closely aligned with the use of funds generated through this Crowd Sourced Funding campaign. The capital raised will be instrumental in achieving our short-term objectives, reinforcing our brand, expanding our consumer base, and securing our foothold in the market.

The funds raised will be allocated to four main areas as outlined below.



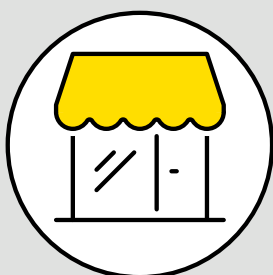
1. Brand Awareness

Our research indicates only 20% of our potential audience has heard of or seen LeVeL Lemonade, but those who have, find its 'sport supplement' nature most appealing. As such we intend to invest in 'spreading the word' through strategically targeted marketing campaigns. This will involve leveraging social media influencers, traditional media, public relations, and other marketing channels to enhance brand awareness and focus on our USPs.



2. Consumer Trials

With only 4% of consumers having tried LeVeL Lemonade, we will aim to entice more customers with promotional price points through our trade partners. We anticipate that the introduction of the aluminium can range, the preferred container for carbonated drinks, will further strengthen our appeal (our research indicated many of our customers, particularly females, appreciate a container that can be closed). Additionally, we'll drive online sales through our own platform.



3. Sales Distribution

Currently, we are distributed in less than 10% of Australian retail locations. The launch of our can range will open up new distribution channels, which we see as a significant opportunity for our growth. We intend to collaborate closely with our wholesale partners' teams to expand our presence in independent retailers, online sales, gyms, vending and more. We are also exploring collaboration with third party agents and merchandising partners.



4. Team Capabilities & Capital Expenditure

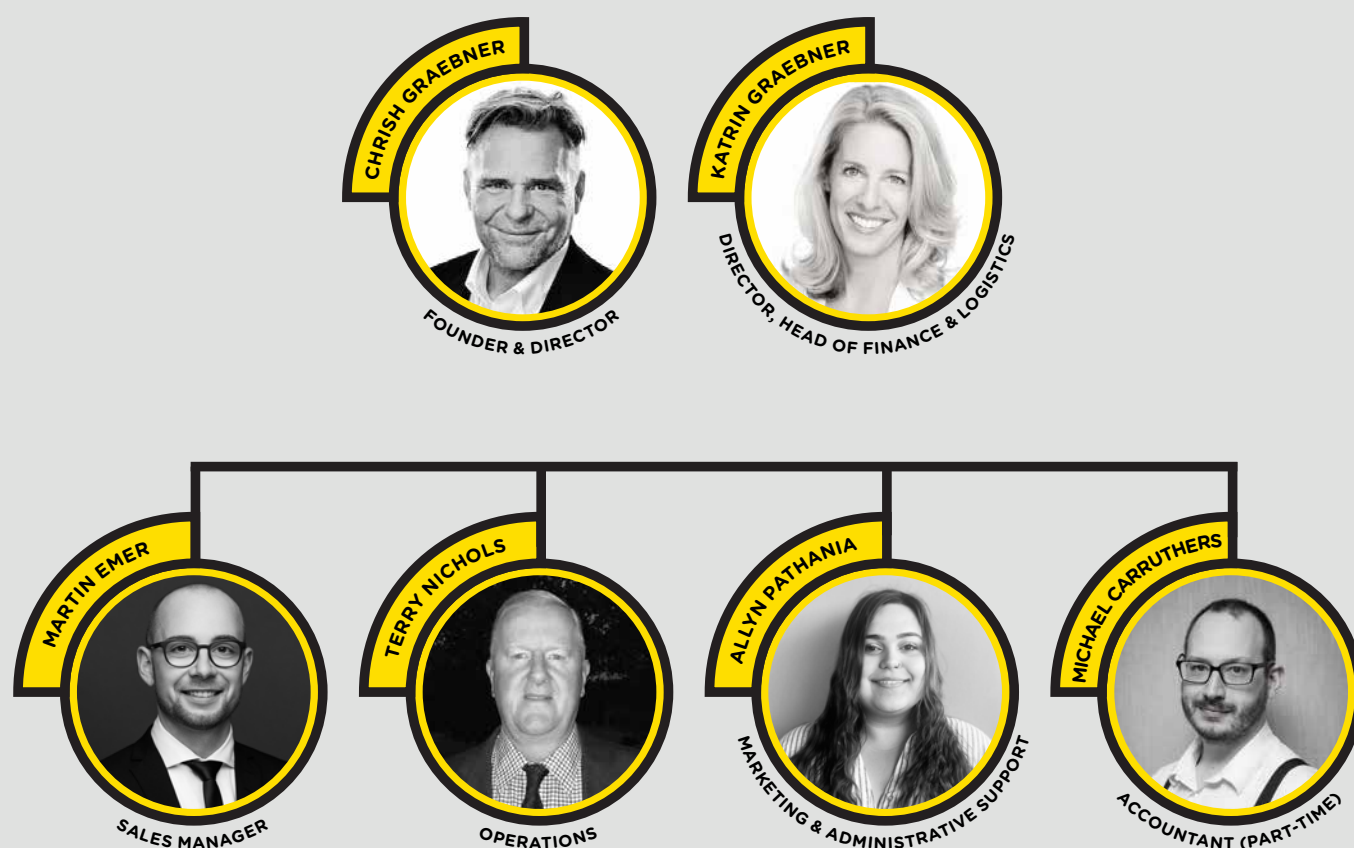
To support our growth, we plan to strengthen our internal sales team, as well as collaboration with agents, enhancing our capabilities to prepare for international export opportunities. Additionally, we aim to expand the capability and capacity of our bottling line for our new aluminium can range.

2.5 OUR TEAM

2.5.1 Organisational structure

LeVeL Lemonade operates with the support and expertise of a small but dedicated team, and is guided by leading Australian external partners and advisors spanning nutrition, legal governance, compound development, bottling and packaging.

To date, priority has been given to developing key roles that support the growth of the wholesale and retail distribution network, and the development of the existing range. This is in line with the revenue growth established through these key channels and the opportunity this has presented to the growth of the brand.



2.5.2 Directors



Christian (Chrish) Walter Graebner Founder & Director

DESCRIPTION OF DUTIES

Chrish launched LeVeL Lemonade in 2019 after identifying a gap in the market for a “better for you” drinks brand that delivers real health benefits, while still tasting good.

As Founder and Director, Chrish is responsible for setting and delivering on the strategic vision of the Company, including new product development, key stakeholder relationships, and distribution networks. Chrish also works actively in the Sales side of the business, finding and developing key accounts with the Company’s wholesale and retail network.

SKILLS AND EXPERIENCE

Chrish is a long serving “Fast Moving Consumer Goods” expert, with a career spanning 30+ years in senior marketing, management and directorship positions across four countries.

Before founding LeVeL Lemonade, Chrish founded and remains owner of LeVeL Beverages, a separate import and distribution beverages company he developed in 2013, which has been successfully established through exclusive distribution agreements with natural iced tea and energy drink brands AriZona and 28 Black.

Prior to founding LeVeL Lemonade & LeVeL Beverages, Chrish “earned his wings” as Marketing Director for Red Bull Australia, solidifying his experience and expertise at the world’s best energy drink brand. He also held senior marketing and management positions in blue-chip FMCG brands since the early ‘90s, in Germany, Japan and Spain.

Chrish is a passionate advocate for the sector and believes everyone should have access to natural ingredients with real health benefits in our beverages, without compromising on taste.



Katrin Graebner Director & Head of Finance & Logistics

DESCRIPTION OF DUTIES

Katrin provides a crucial leadership role within the LeVeL Lemonade team, spearheading dynamic strategies for market expansion and robust revenue growth.

With a keen focus on logistics and operations, Katrin oversees the seamless flow of supply chain operations. This encompasses the coordination and oversight of transportation, warehousing, and distribution activities for the Company, aimed at enhancing overall efficiency and mitigating bottlenecks.

SKILLS AND EXPERIENCE

Katrin brings a wealth of experience spanning various industries to her role at LeVeL Lemonade. With a successful international career spanning senior marketing, advertising and communication roles across three countries, Katrin is well placed to oversee and drive the growth in distribution anticipated for the Company.

Alongside Chrish, Katrin is also actively involved in LeVeL Beverages which she has worked in since its inception.

Katrin holds a Master’s Degree in Applied Cultural Studies, and with a keen interest in the FMCG and Beverage industries, she’s well placed to head up the Company’s Finance and Logistics division.

Key Team Members



Martin Emer Sales Manager

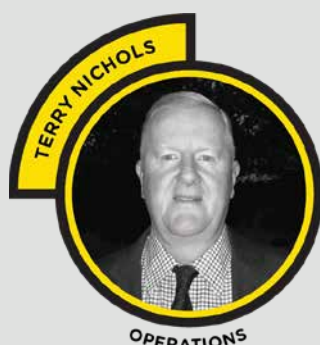
DESCRIPTION OF DUTIES

Martin is instrumental in driving our Company's growth and success. His key duties include developing and executing sales strategies, leading our key relationships to meet targets, and identifying new sales opportunities.

Martin's expertise in market analysis, sales budget management, and client service ensures our competitiveness in the marketplace.

SKILLS AND EXPERIENCE

Martin has worked extensively in sales and project management roles across two countries. Martin joined the LeVeL Lemonade team in 2022 as the first official Sales team member. He works closely with Chrish to help develop and manage the Company's important wholesale and retail distribution networks.



Terry Nichols Operations Lead

DESCRIPTION OF DUTIES

Terry leads the Operations function of LeVeL Lemonade. His key responsibilities include the development of operational strategies that streamline processes and improve efficiency for the brand - vitally important for us as we grow!

Terry ensures quality control, internally and across all of our key suppliers and partnerships, whilst adhering to industry standards.

SKILLS AND EXPERIENCE

Terry has extensive experience spanning 30+ years working in operational positions. Terry has worked with LeVeL Lemonade since the concept was conceived in 2018, and prior to this he worked with Foster's Group. Terry is primarily based in Melbourne where he is in close proximity to our key bottling and packaging partner



Michael Carruthers Accountant (Part-Time)

DESCRIPTION OF DUTIES

Michael assists with the day-to-day financial duties of the Company, including financial statement preparation, reporting, analysis and cashflow.

SKILLS AND EXPERIENCE

Michael has worked as an accountant for the last 10 years in a variety of industries. He currently works as an outsourced financial controller for several listed and non-listed entities.

Michael holds a Bachelor's degree in business and commerce. He also holds certificates in data analytics and machine learning.



Heidi Meyer, Be Health Nutritionist Partner

DESCRIPTION OF DUTIES

Heidi provides expert nutritionist advice and support to LeVeL Lemonade.

SKILLS AND EXPERIENCE

Heidi is an experienced and well-respected Clinical and Public Health Nutritionist, Health Writer, University Lecturer, mentor and Public Health Policy Change advocate.

She has worked in clinical practice for over a decade, with experience in Australia, the United Kingdom and United Arab Emirates.

Heidi's qualifications include:

- 🍋 Master of Public Health (Nutrition)
- 🍋 Bachelor of Health Science (Nutritional Medicine)
- 🍋 Fellow, Royal Society of Public Health (FRSPH)
- 🍋 Member, Public Health Association Australia (PHAA)



Julian Madely, Döehler Australia Formulation Advisor

DESCRIPTION OF DUTIES

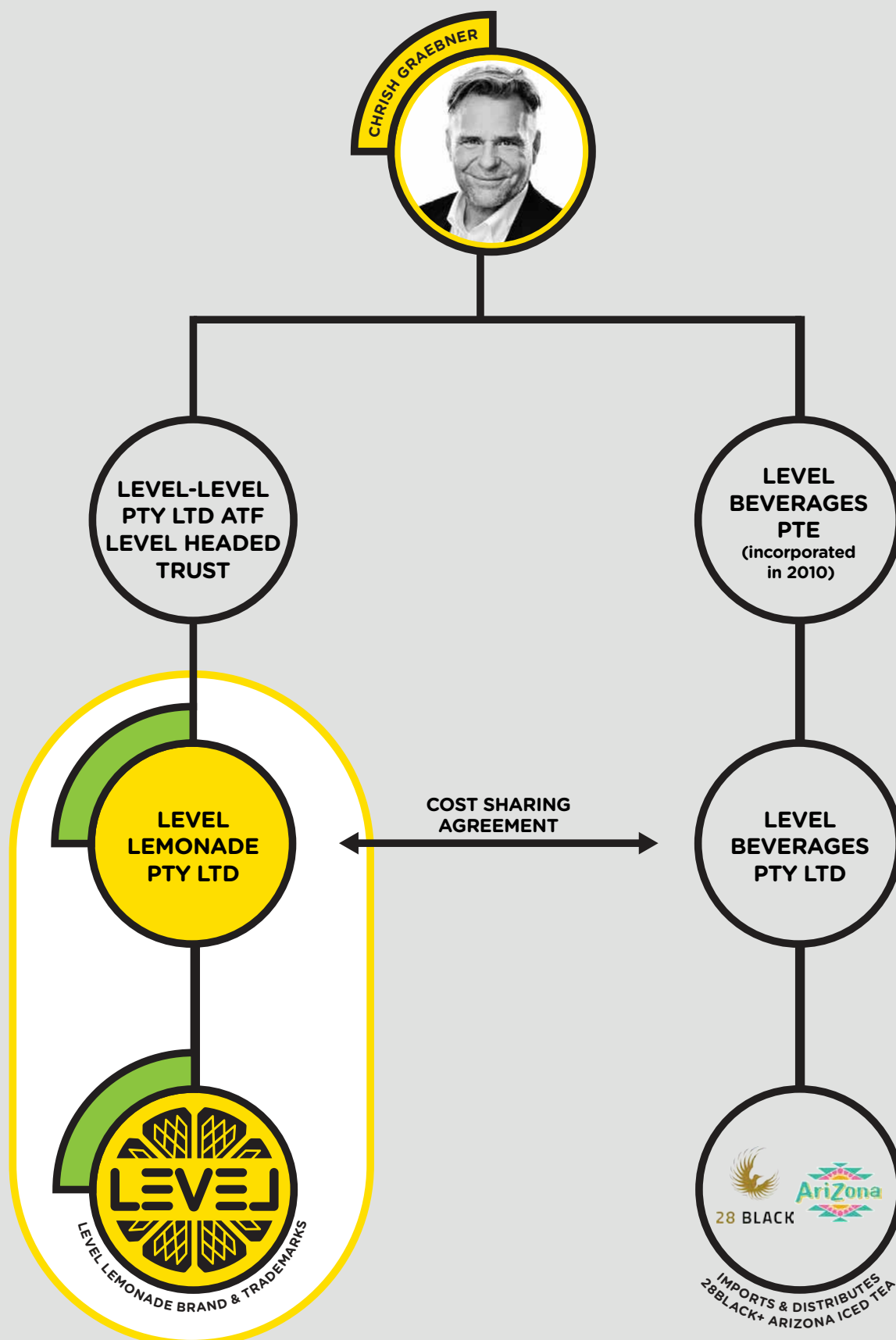
Julian provides expert formulation advice and support to LeVeL Lemonade. He has been the professional advisor to the Founder and overseen the development of the LeVeL Lemonade product range since the earliest stages of conception.

SKILLS AND EXPERIENCE

Julian is a renowned flavourist and food scientist from Döehler Australia, a subsidiary of Döehler Germany, a global producer of technology-driven ingredients.



2.5.4 Group structure



This CSF offer is for ordinary shares of LeVeL Lemonade Pty Ltd. See sections 2.5.5 & 2.8

2.5.5 Other related parties

1. **LeVeL Beverages Pty Ltd (LeVeL Beverages) ACN 142 990 323.** LeVeL Beverages is a related party of the Company. LeVeL Beverages is 100% owned by the founder and director of the Company, Chrish Graebner. Chrish Graebner also serves as a director of LeVeL Lemonade Pty Ltd. LeVeL Beverages Pty Ltd and LeVeL Lemonade Pty Ltd share many overhead costs, including shared rent, staff costs and subscriptions.
2. **LeVeL Beverages Pty Ltd and LeVeL Lemonade Pty Ltd have a revenue and cost sharing agreement between the two entities.** LeVeL Lemonade Pty Ltd has appointed LeVeL Beverages Pty Ltd as its agent to conduct business and collect payments in respect of LeVeL Lemonade products. LeVeL Beverages Pty Ltd is responsible for payment of many overhead costs that belong to existing arrangements. As such, the Directors of both LeVeL Lemonade Pty and LeVeL Beverages Pty Ltd have prepared a revenue and cost share agreement. This revenue and cost share agreement will be disclosed in greater detail in 2.8.6 - Historical Performance. Prior to the aforementioned revenue and cost sharing agreement, LeVeL Lemonade would charge a licencing fee of \$0.01 per unit of LeVeL Lemonade sold by LeVeL Beverages.
3. **LeVeL Beverages Pte Ltd.** LeVeL Beverages Pte Ltd is a related party of the Company. LeVeL Beverages Pte Ltd is 100% owned by the director of the Company, Chrish Graebner. LeVeL Beverages Pte Ltd is the holding company of LeVeL Beverages Pty Ltd.



2.6 CAPITAL STRUCTURE

2.6.1 Issued capital (before and after the Offer)

As at the date of this Offer Document, the Company has 1,000,000 ordinary shares on issue. All shares are held by LeVeL-LeVeL Pty Ltd atf LeVeL Headed Trust.

The Company also has the authority to issue up to 10% of the Company's issued share capital under the Company's Constitution for the Employee Share Option Plan (ESOP).

The Company also holds the authority to issue up to an additional 5% of its issued share capital to international investors, specifically accommodating those who were not eligible to participate in the Australian Crowd-sourced Funding raise.

Table 1 below sets out the issued capital of the Company before the Offer.

Table 1: Issued capital of the Company before the Offer

SHAREHOLDER	SHARE TYPE	SHARES
LeVeL-LeVeL Pty Ltd atf LeVeL Headed Trust	Ordinary	1,000,000 (100%)
Total Shares		1,000,000 (100%)

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

Table 2: Issued capital of the Company following the Offer (on a fully diluted basis)

SHARES	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Existing Shares	1,000,000 (95.14%)	1,000,000 (87.82%)
Offer Shares	51,094 (4.86%)	138,686 (12.18%)
Total Shares	1,051,094 (100%)	1,138,686 (100%)

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. The Company has authority to implement an Employee Share Option Plan under the Constitution.

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company's Constitution is available on the Intermediary's platform.

Ordinary Shares

The rights and liabilities associated with the ordinary shares are set out in the Company's constitution, including:

- 🍋 All ordinary shares have the same voting rights and the same rights to receive dividends.
- 🍋 Restrictions on the sale or transfer of shares, including drag and tag rights.
- 🍋 The Board has the power to refuse a transfer of shares to a third party.

The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3 below.

Employee Share Option Plan (ESOP)

The Company has authority to implement an employee share option plan (ESOP) to attract, retain and incentivise key employees. The maximum number of options that can be issued under an ESOP is 10% of the share capital of the Company.

As at the date of this CSF Offer Document, the Company has not implemented an ESOP.

Shareholders Agreement

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

2.6.3 Sources of financing, including debt financing & other financing

To date, the business has been funded through a combination of operating income and related party loans. LeVeL Lemonade Pty Ltd owns the LeVeL Lemonade brand and charged a \$0.01 licensing fee to LeVeL Beverages Pty Ltd for each unit sold until 30 September 2023. Any cash flow deficits are funded via intercompany loans from LeVeL Beverages Pty Ltd.

Equity

To date, the Company has raised approximately \$0 from professional investors. See section 2.6.1 for more information.

Founder loans

To date, the founding shareholders have loaned \$150,000 in total to the Company.

The key terms of these loans are set out below. The founder loans will not be repaid with the funds raised under the Offer.

- 🍋 Amount outstanding - \$150,000.
- 🍋 Interest - Interest-free
- 🍋 Repayment date - At the discretion of the Company
- 🍋 Security - Nil

At the time of writing, a first production run of the new aluminium can range is in progress to continue the launch of the new range by the end of 2023. This pre-production of the can materials is currently being funded through a private loan from the Founders to LeVeL Lemonade. It is expected that once the new aluminium can range is available in market for purchase, the loan will be repaid through the actual sales revenue derived from the can sales, given that every aluminium can sold will cover the cost of goods for that product.

Debt funding

As at the date of this offer, the Company has a related party loan of \$48,432 owing to LeVeL Beverages Pty Ltd. This has been used to finance working capital in LeVeL Lemonade Pty Ltd. Further information can be found in section 2.8.6.

The key terms of these loans are set out below. The related party loans will not be repaid with the funds raised under the Offer.

- 🍋 Amount outstanding - \$48,432.
- 🍋 Interest - Interest-free
- 🍋 Repayment date - At the discretion of the Company
- 🍋 Security - Nil



2.7 KEY RISKS FACING THE BUSINESS

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Cash flow risk

Our operating activities involve a series of cash inflows and outflows. Although we seek to manage our cash flow efficiently, there is a risk that we may not have sufficient cash or working capital, at times, to fund both our operations and our expansion plans. This could affect our profitability, future prospects, and its ability to meet its business objectives.

Funding risk

We are in the process of raising funds to achieve our strategic business objectives and to cover our projected operating expenses, in the short term these being focused on the production of our new aluminium can range, and new flavour and variety options within our range. If we do not raise all of the required funding, we may not be able to achieve all of our business objectives or projected plans, or, it may take us longer than we anticipated.

LeVeL Lemonade may also need to raise additional funds in the future from investors or third parties. There is no assurance that we will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document, or at all. Additionally, our value may be materially affected if the required additional funding is not available.

Competition risk

We operate in a highly competitive market, with several known competitors domestically and internationally, albeit with moderate barriers to entry, that could give rise to new and unknown competitors. There is a risk that existing competitors as well as new competitors, will have greater access to capital, economies of scale, resources and distribution compared to LeVeL Lemonade.

If we are 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.

The nature of the industry and competitive landscape also gives rise to 'fads' which may further move, change or give rise to new entrants (or expanded product range from existing competitors) in the future.

Key person risk

As a growth-stage business, we are susceptible to the loss of key team members as they are considered critical to the continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect our ability to continue our operations or achieve its business objectives as the case may be.

Despite LeVeL Lemonade Founder Chris Graeber working actively in the business and with significant knowledge regarding its operations and strategic plans, he is supported by both an internal dedicated team (who span each key function of the business) as well as external advisors who are well acquainted with the Company. This means that should Chris be unable to work in the business for a period of time, due to illness for example, the organisational structure in place would allow for the business to continue running as usual without immediately affecting revenue streams.

Technology risk

We use a number of sales, marketing and member communication technology solutions. Despite our measures to effectively manage these systems and risks, if any of these technologies were to fail without notice, it could interrupt the Company's ability to sell or communicate with customers, which could have a direct impact on revenue and profitability.

In an online environment, there is a risk of loss, theft or malfunction of customer data. While systems are in place to protect customer data, the failure of these systems, without notice, could interrupt the company's ability to sell or communicate with customers and meet its regulatory obligations.

Brand risk

If we do not maintain consistent levels of quality and service in our offering, our brand and reputation could be damaged. We are acutely aware of this risk and are vigilant to ensure that we maintain a consistently high level of product quality and

customer service. Our product quality is supported through the Quality Assurance processes in place at our bottling and packaging partners, and our in-house account management and customer service processes are determined to ensure our wholesale and retail distribution relationships are maintained.

Legal and Regulatory risk

LeVeL Lemonade operates in a highly regulated industry. Regulatory changes to Food & Beverage laws or regulation in Australia or in other countries where the Company operates (in future) may have a material adverse effect on the Company's operations.

LeVeL Lemonade products are currently classified under Standard 2.9.4 - Formulated Supplementary Sports Foods of the Australian New Zealand Food Standards Code (the Code). As such, there are provisions under this Code that the Company must adhere to, spanning ingredient to labelling to brand terminology, of which the Company must be aware of and adhere to in order to maintain correct classification.

Additionally, any changes made to the Code or to the standard specifically may impact the product range and as such may require a change to the products, range, labelling requirements or otherwise to retain classification.

To stay informed on all matters regarding Food & Beverage legislation in Australia and identify early any such risks, we are members with the relevant leading Councils in Australia for our industry and sub-category, including being members of Australian Beverage Council, Australia Food & Beverage Council, and the Australian Convenience Association.

Intellectual property risk

The protection of LeVeL Lemonade's intellectual property is critical to our business and commercial success. If we are unable to protect or enforce the Company's intellectual property rights, there is a risk that other companies will copy our product and technology, which could adversely affect our ability to compete in the market.

Outsourcing risk

Our business structure involves several outsourced functions, including bottling services, packaging providers, and compound developers. If the providers of these services ceased working with LeVeL Lemonade, they would need to be replaced. A failure to replace a suitable provider on suitable terms may have a significant adverse impact on the Company's operations and ability to execute its plans.

We currently mitigate this risk by working with more than one bottling company, as well as multiple packaging providers, all Australian-based. We also have established and long-term relationships with multiple partners so that should one cease services we have multiple options for replacement.

Supply chain risk

Disruption to our supply chain, in particular our ability to source the particular compounds, ingredients and packaging required, could affect our ability to produce inventory at commercially acceptable cost, and in a timely manner, which would have a direct impact on our revenue and profitability.

Raw material risk

LeVeL Lemonade products utilise formulations involving natural ingredient supplements. The Company does not itself harvest these ingredients. Accordingly, the Company is reliant on accessing supply from third party suppliers and ensuring that there are supply agreements in place that align with the Company's growth trajectory. The Company is aware that any changes to the wholesale market with respect to the supply and/or demand of these ingredients used to manufacture the Company's products will impact the Company's cost of goods sold and ultimately its profitability.

Distribution risk

The Company relies on third party distributors and vendors to sell its product. If suitable third parties are not found on favourable terms, this may negatively affect the margins and profitability of the Company.

Dilution risk

If, in the future, the Company undertakes further funding activities, a shareholder's interest may be diluted (if they do not participate in future fundraising).

Ranging

Australia has a highly organised retail environment. Achieving as well as potentially losing availability (aka ranging) in significant Key accounts can have a significant impact (up as well as downside). Whilst every care is taken to engage with accounts to collaboratively work on growth strategies - there always remain risks as to the individual buyers' decision.

“

LEVEL LEMONADE IS A REFRESHING PICK-ME-UP DURING LONG TRAINING SESSIONS, AND THE LOW SUGAR CONTENT MEANS I CAN STAY FUELED WITHOUT ANY CRASHES. PLUS, THE ADDED MAGNESIUM HAS NOTICEABLY REDUCED MY MUSCLE CRAMPS, ESPECIALLY WHEN I'M DAILY TRAINING. LOVE THAT IT'S AUSSIE OWNED AND MADE TOO!

Chloe W.

”



Individual has provided consent to inclusion of this statement.

2.8 FINANCIAL INFORMATION

The LeVeL Lemonade Business unit recorded a before tax net profit of \$94,626 for the 9 months ending 30 September 2023. This has been driven by a 20% growth in revenue compared to the 9 months ending 30 September 2022 (\$1,666,334 in 2023 versus \$1,373,281) and a 36% growth in revenue for the September 2023 quarter versus last year.

These are pro-forma calculations based on historical sales and costs as if the agency agreement had occurred and the revised intercompany services agreement was in place.

It is the Directors view that these proforma financial figures and profit or loss is representative of future trading for LeVeL Lemonade Pty Ltd. Although there will be some additional expenditure following on from the crowdfunding (company secretarial costs, annual report costs, additional employees) the Directors believe the cost structure will not substantially change from what has been presented in these pro-forma figures.

LeVeL Lemonade was introduced into a leading supermarket and grocery chain in 2022 and has seen average monthly sales growth of 40% in 2023. This increased visibility has helped in driving overall LeVeL Lemonade sales growth.

Late 2022 saw the introduction of LeVeL Lemonade & Cola, which has sold over 15,000 bottles since its inception. LeVeL Lemonade & Cola remains one of the top selling flavours in the LeVeL Lemonade portfolio.

2022 - 2023 saw LeVeL Lemonade incorporate two new employees into sales and marketing roles respectively. These team members have been instrumental in negotiating new trade deals, building new sales channels, conducting market research and running campaigns.

Below is a pro forma profit and loss statement for the LeVeL Lemonade business unit for the period of 1 January 2023 - 30 September 2023. This has been prepared based on management accounts.

2.8.1 Pro forma LeVeL Lemonade business unit profit and loss statement for 1 January 2023 - 30 September 2023

ACCOUNT	1 January 2023 - 30 September 2023
Trading Income	
Turnover LeVeL Lemonade	\$1,666,333
Total Trading Income	\$1,666,333
Cost of Goods	
COGS (incl Logistics)	\$1,020,638
Total Cost of Goods	\$1,020,638
Gross Profit	\$645,695
Operating Expenses	
Overheads	\$240,234
Total Operating Expenses	\$240,234
Profit after Overheads	\$405,461
Promotional Spending	
Promotional Spending	\$310,835
Total Promotional Spending	\$310,835
Net Profit	\$94,626

On 1 October 2023, LeVeL Lemonade Pty Ltd appointed LeVeL Beverages Pty Ltd as agent to conduct business and collect payments in respect of its LeVeL Lemonade products. Prior to this, all funding and associated costs were held in LeVeL Beverages Pty Ltd. Please see section 2.8.6 for further details regarding the structure.

Below are the financial statements of LeVeL Lemonade Pty Ltd for the financial years ended 30 June 2023 and 30 June 2022, which have been prepared in accordance with the Accounting Standards.

2.8.2 Balance sheet as at 30 June 2023

ACCOUNT	FY2023	FY2022
Assets		
Current assets		
Cash & cash equivalents	3,695	9,490
Trade & other receivables	6,392	5,350
Total current assets	10,087	14,840
Total assets	10,087	14,840
Liabilities		
Current liabilities		
Trade & other payables	2,467	2,332
Employee benefits	2,659	-
Financial liabilities	-	-
Total current liabilities	5,126	2,332
Non-Current liabilities		
Financial liabilities	70,242	27,339
Total liabilities	75,368	29,671
Net assets	(65,281)	(14,831)
Equity		
Share Capital	200	200
Retained Earnings	(65,481)	(15,031)
Total Equity	(65,281)	(14,831)

NOTE: Until now LeVeL Lemonade Pty Ltd was mainly operating as a Licensor to LeVeL Beverages. Whilst historical financial data associated with the company exists, it does not sufficiently reflect the actual performance of LeVeL Lemonade.

2.8.3 Profit and loss statement for the 12 months ended 30 June 2023

ACCOUNT	FY2023	FY2022
Trading Income		
Miscellaneous Income	11,458	10,011
Total Trading Income	11,458	10,011
Gross Profit	11,458	10,011
Other Income		
Interest Income	-	-
Total Other Income	-	-
Operating Expenses		
Accounting & Audit Fee	3,900	5,175
Admin - ASIC Fees	290	276
Admin- Accounting	-	525
Annual Leave Expense	1,259	-
Bank Charges	120	120
Bonus & Commission	10,000	-
Interest Expenses	1,116	1,116
Penalties	(1,110)	1,110
Product Development	-	250
Salaries & Wages	40,981	-
Superannuation Expense	5,353	-
Total Operating Expenses	61,909	8,572
Net Profit	(50,450)	1,440

2.8.4 Cash flow statement for the 12 months ended 30 June 2023

ACCOUNT	FY2023	FY2022
Cash flows from operating activities		
Sales to customers	11,563	8,404
Payments to suppliers and employees	(57,991)	(5,960)
Interest received	-	1
Net cash (outflow) from operating activities	(46,428)	2,445
Cash flows from financing activities		
Cash proceeds from issuing loans	40,633	-
Net cash (outflow) from operating activities	40,633	-
Net increase / (decrease) in cash	(5,795)	2,445
Cash & cash equivalents at the beginning of the year	9,490	7,045
Cash & cash equivalents at the end of the year	3,695	9,490

2.8.5 Statement of changes in equity As at 30 June 2023

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 July 2021	200	(16,471)	(16,271)
Profit / (loss) for the period		1,440	1,440
Total comprehensive profit / (loss) for the period	-	1,440	1,440
Balance as at 30 June 2022	200	(15,031)	(14,831)
Profit / (loss) for the period		(50,450)	(50,450)
Total comprehensive profit / (loss) for the period	-	(50,450)	(50,450)
Balance as at 30 June 2023	200	(65,481)	(65,281)

2.8.6 Management comments on historical performance & outlook

Disclosures

The financial liabilities - non-current account is composed of two related party loans:

1. \$21,810 owed to Chrish Graebner
2. \$48,432 owed to LeVeL Beverages Pty Ltd

The purpose of the loan from Chrish Graebner was to initially finance LeVeL Lemonade Pty Ltd. Since June 30th LeVeL Lemonade has drawn down further funds from the loan (\$21,810) and at the date of the offer the balance now stands at \$150,000 to further finance LeVeL Lemonade and the can launch preparation.

It is the intention of the Company to repay this loan to Chrish Graebner when it is financially appropriate; there is no fixed there is no fixed repayment date or terms.

The purpose of the loan from LeVeL Beverages Pty Ltd was to finance employee costs in FY23. The loan's balance as at the date of offer is \$48,432. It is the intention of the Company to repay this loan to LeVeL Beverages when it is financially appropriate; there is no fixed repayment date or terms.

As outlined in section 2.5.5, LeVeL Lemonade Pty Ltd and LeVeL Beverages Pty Ltd share many overhead costs as a result of common Directors. This includes employees, rent, subscriptions and travel costs. Historically, the majority of these costs have been paid by LeVeL Beverages Pty Ltd as both the LeVeL Lemonade and Arizona business units were contained in LeVeL Beverages Pty Ltd. Additionally, as described above, a licencing fee of \$0.01 per bottle was charged from LeVeL Lemonade Pty Ltd to LeVeL Beverages Pty Ltd.

Starting from 1 October 2023, the LeVeL Lemonade business unit will form part of the LeVeL Lemonade entity. As a result of this, the licencing agreement between LeVeL Lemonade Pty Ltd and LeVeL Beverages Pty Ltd will cease.

LeVeL Lemonade Pty Ltd has appointed LeVeL Beverages Pty Ltd as its agent to conduct business and collect payments in respect of LeVeL Lemonade products. LeVeL

Beverages Pty Ltd is responsible for payment of many overhead costs that belong to existing arrangements. As such, the Directors of both LeVeL Lemonade Pty and LeVeL Beverages Pty Ltd have prepared a revenue and cost share agreement. The agreement outlines the following:

- LeVeL Lemonade Pty Ltd is the holder of the LeVeL Lemonade IP, and LeVeL Beverages will act as an agent to conduct business and collect payments for LeVeL Lemonade products sold;
- LeVeL Beverages Pty Ltd will remit payment for LeVeL Lemonade products to LeVeL Lemonade Pty Ltd at intervals determined by the Directors of LeVeL Lemonade Pty Ltd but not less monthly;
- LeVeL Beverages Pty Ltd will invoice LeVeL Lemonade Pty Ltd for a share of overhead costs incurred as calculated by LeVeL Beverages Pty Ltd based on employee hours spent on each business unit OR as a percentage of turnover.

The recharge agreement only includes costs that are not directly attributable to either entity or are shared costs. Costs that can be traced directly to an entity (as an example, ASIC fees or tax agent fees) will be held in the appropriate entity and will not be split based on employee labour hours or turnover.

The following costs are included in overheads, but additional costs shared by both entities may be added at a later stage:

- Employee costs, including salaries, superannuation, leave, travel and entertainment
- Consultants and contractors
- Fixed assets and subsequent depreciation costs
- Occupancy fees, including rent, utilities, cleaning and storage costs

- Administration costs, including insurances, memberships, telecommunications and subscriptions

- Shared promotional agreements

LeVeL Lemonade Pty Ltd will be responsible for providing and financing its own external marketing costs. External marketing costs will not be split between LeVeL Lemonade Pty Ltd and LeVeL Beverages Pty Ltd.

The agreement does not include any mark-up or service fee payable to LeVeL Beverages Pty Ltd for the collection and payment of cash nor for the preparation of recharge calculations. However, employee labour time involved in preparing, calculating and processing the recharge will be reflected in the split of employee wages overheads between LeVeL Lemonade Pty Ltd and LeVeL Beverages Pty Ltd; these costs will be borne by LeVeL Lemonade Pty Ltd.

Historical Performance

LeVeL Lemonade Pty Ltd has historically charged a licensing fee of \$0.01 per unit of LeVeL Lemonade sold to LeVeL Beverages Pty Ltd. As such, the financial statements presented in 2.8 will not reflect LeVeL Lemonade Pty Ltd's performance subsequent to the Offer. The LeVeL Lemonade business unit, as presented, will be incorporated into LeVeL Lemonade Pty Ltd. The profit and loss statement for the period of 1 January 2023 to September 2023 is an approximation of the financial performance of the LeVeL Lemonade business unit.

LeVeL Lemonade Pty Ltd and LeVeL Beverages Pty Ltd remain related parties and share a common office, staff, subscriptions and other overheads. These have been apportioned between each business unit based on sales turnover.

Future outlook

The future of the LeVeL Lemonade business unit looks bright. November 2023 will see the rollout of the new LeVeL Lemonade cans, which, in addition to up to a 25% decrease in COGS, have many non-financial benefits, including:

- Extension of shelf life

- Improved taste profile & fizz

- Improved supply reliability

We anticipate that these factors may lead to a boost in sales and profit margins, which will be used to support further growth and invest in the business.

LeVeL Lemonade intends to investigate new SKUs and product lines in the future, including:

- New flavours, including passionfruit

- 1L bottles, to fill the value segment of the portfolio and continue the legacy of the original bottle style

- Nootropic, high protein, collagen and other drinks with the input of fans and shareholders

LeVeL Lemonade has developed extensive partnerships overseas, and has plans to expand into Europe and New Zealand.

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 the Company and has not been validated by an independent third party.



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I'VE TRIED MANY SPORTS DRINKS, BUT LEVEL LEMONADE STANDS OUT. NOT ONLY IS IT ABSOLUTELY DELICIOUS, BUT IT'S ALSO LOW IN CALORIES, MAKING IT A GUILT-FREE CHOICE. THE ADDED MAGNESIUM HELPS WITH MY POST-WORKOUT RECOVERY, AND I CAN DEFINITELY FEEL THE DIFFERENCE.

Daniel W.



”



Individual has provided consent to inclusion of this statement.

SECTION 3: INFORMATION ABOUT THE OFFER

3.1 TERMS OF THE OFFER

The Company is offering up to 138,686 shares at an issue price of \$6.85 per share to raise up to \$950,000. The key terms and conditions of the Offer are set out below.

TERM	DETAILS
Shares	Fully-paid ordinary shares
Price	\$6.85 per share
Minimum Subscription	\$350,000
Maximum Subscription	\$950,000
Opening date	9th November, 2023
Closing date	23rd November, 2023

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

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

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Retail 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.

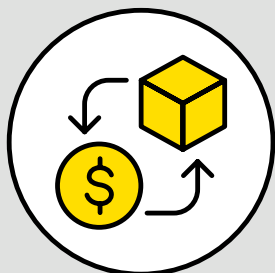
The Offer is not underwritten and there is no guarantee that these funds will be raised.

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	MAXIMUM SUBSCRIPTION
Capital Expenditure	\$38,500 (11%)	\$95,000 (10%)
Marketing	\$152,600 (43.6%)	\$409,500 (43.11%)
Sales Distribution Growth	\$101,500 (29%)	\$285,000 (30%)
Organisational Capability	\$31,500 (9%)	\$95,000 (10%)
Offer costs	\$25,900 (7.4%)	\$65,500 (6.89%)
Total	\$350,000	\$950,000

3.2.1 Explanation of Use of Funds



Capital Expenditure

A portion of the funds raised will be allocated to Capital Expenditure. In the short term, LeVeL Lemonade intends to use these funds towards:

- 🍋 Initial outlay costs related to the launch of the new aluminium can range. We anticipate that the introduction of the aluminium can range, the preferred container for carbonated drinks, will further strengthen our appeal.
- 🍋 New product development, namely towards the continued research, development and launch of new product flavours, and new non-magnesium product variants.
- 🍋 Further enhancing speed of bottling & filling operations

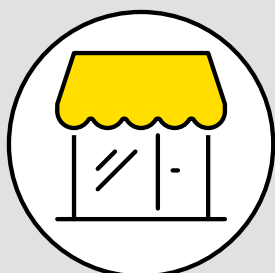


Marketing

A significant portion of the funds raised will be allocated to marketing, advertising and promotions.

Our research indicates only 20% of our potential audience has heard of or seen LeVeL Lemonade, but those who have, find its 'sport supplement' nature most appealing.¹² As such we intend to invest in 'spreading the word' through strategically targeted marketing campaigns. This will involve leveraging social media influencers, traditional media, public relations, and other marketing channels to enhance brand awareness and focus on our USPs.

We also anticipate that a portion of the funds raised will be allocated to promotions with our trade partners (primarily through Point of Sale promotions) and in our online store, to increase consumer trial and awareness of our products.



Sales Distribution Growth

We see the launch of our aluminium can range as a significant opportunity for the growth of our Company, as we expect it to open up new distribution channels to us, including vending.

In line with this objective we intend to allocate a sizeable portion of the funds raised to help fund and support:

- 🍋 An increase in the distribution reach of our product range within existing Key Accounts
- 🍋 Collaborating with our wholesale partners and agents teams to expand our presence in independent retailers, online sales, gyms, on-premises establishments, pharmacies, campuses, and more.
- 🍋 Establishing partnerships with online distributors as an additional revenue stream (such as Amazon and Catch)
- 🍋 Establish on-premises distribution

12. LeVeL Lemonade online research survey. Conducted in August 2023 using three independent data collection platforms. N= 1,128 participants, skewed to Urban Australians, with age distribution 18-45 y.o. Full research results available upon request.

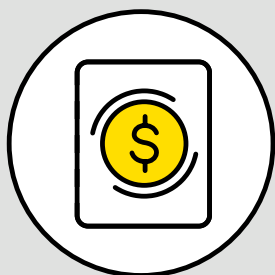


Organisational Capability

To support our growth, we plan to strengthen our internal and external sales capacity, to enhance our capability and support our intended growth.

In the short term, this would see an allocation of funds raised go towards:

- 🍋 At least one additional Sales support team member (internal employee)
- 🍋 Collaborating with Agents
- 🍋 Enhancing our capabilities to prepare for international export opportunities



Offer Costs

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 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 12 months.

If this CSF Offer is unsuccessful, or if only the Minimum Subscription amount is raised, the Company may require further funding to be able to carry out our intended activities over the next 12 months, or may not achieve all intended activities within this period. In such circumstances, the Company may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime or other debt or equity funding. Until additional funding is obtained, we will scale back marketing and promotional expenditure, as well as reducing organisational development until organic profit allows, and continue to focus our cash resources on supporting the LeVeL Lemonade can launch.

3.3 RIGHTS ASSOCIATED WITH THE SHARES

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

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

3.3.1 Voting rights

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

3.3.2 Dividends

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

3.3.3 General meetings and notices

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

3.3.4 Election & removal of directors

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


3.3.5 Winding-up


If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to shareholders after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank [ahead/behind] other classes of shares (if any).

3.3.6 Restrictions on sale and transfer

Drag along and tag along rights

The Constitution contains drag and tag-along rights, as follows:

 **Drag rights** - If Shareholders who together hold 60% of the shares on issue propose to sell all of their shares to a third party, they can 'drag' the remaining 40% to sell their shares on the same terms. The pre-emptive rights process does not need to be undertaken in order for the drag along to be triggered.

 **Tag rights** - If Shareholders who together hold 60% or more of the shares on issue propose to sell their shares to a third party under one transaction (or series of transactions) the remaining 40% may also 'tag'-along and sell their shares on the same terms.

If the Company has no CSF shareholders and is regulated under Chapter 6 of the Corporations Act, the Constitution contains a mechanism to 'turn off' the drag along and tag along provisions (as these provisions cannot functionally apply if the Company is regulated by Chapter 6 of the Corporations Act).

Discretion to refuse to register a transfer of shares

The Company has the discretion to approve a transfer of shares to a third party.

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

3.3.8 Amendments to the Constitution

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting. At least 75% of the voting members of the Company must vote in favour of the resolution for it to pass.

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:

- 🍋 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.



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I CURRENTLY LIVE IN A DEFICIT DUE TO MY TRAINING SCHEDULE BEING IN THE SHRED STAGES. LEVEL LEMONADE IS PERFECT AS IT IS LOW CALORIE, SO HITS MACROS, AND YET SO HIGH IN MAGNESIUM AND VITAMIN C. THE MAGNESIUM HIT HAS MADE A DRAMATIC IMPACT ON MY RECOVERY, & OVERALL HEALTH.

Courtney H.

”



Individual has provided consent to inclusion of this statement.

SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS

4.1 COOLING-OFF RIGHTS

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

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

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

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.

4.3 PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS

4.3.1 Annual report

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

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

4.3.2 Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's share registry website at the following address www.cakeequity.com (free of charge) or can purchase the report from ASIC.

4.3.3 Related party transactions

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

4.3.4 Takeovers

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

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles

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

4.4 COMPANY UPDATES

The Company will provide regular updates to investors via the Company's share registry website at the following address www.cakeequity.com and via the Intermediary's platform.

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[IT'S] MY 'GO-TO' DRINK FOR LONG ROAD TRIPS, AS THEY LEAVE ME FEELING REVITALISED AND REJUVENATED, PERKING ME UP WITHOUT THE HIGH SUGAR AND MISCELLANEOUS CHEMICALS THAT WOULD NORMALLY STEER ME AWAY FROM ENERGY DRINKS. WITH THE PERFECT COMBO' OF ZESTY LEMONADE AND CLASSIC COLA TASTE, THE COLA FLAVOUR IS MY CLEAR FAVOURITE, BUT THERE ARE MANY OTHERS WORTH TRYING. I COULD JUST AS EASILY IMAGINE MYSELF ENJOYING LEVEL LEMONADE AS A SUMMER BEVERAGE SIMPLY FOR ITS TASTE ALONE.

Matt H, QLD

”



Individual has provided consent to inclusion of this statement.

GLOSSARY

Company means LeVeL Lemonade Pty Ltd ACN 153 263 551

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

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

Intermediary means Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

Maximum Subscription means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer.

Minimum Subscription means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The Minimum Subscription is subject to rounding based on the share price of 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



