

Brew Still Pty Ltd

Crowd-sourced funding document

Dated 5 October 2021

Offer of fully-paid ordinary shares in Brew Still Pty Ltd at \$3.30 per share to raise a maximum of \$1,320,000



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

Issuer: Brew Still Pty Ltd ACN 643581766

Intermediary: Birchal Financial Services Pty Ltd AFSL 502618

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SECTION 1 - RISK WARNING

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

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

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

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



Letter from the Founder

Dear prospective shareholder,

I would like to take this opportunity to thank you for exploring this opportunity. I started the business back in 2015, as Catcher & Co Distillery and Brewery, in a small shed in a town called Cooma, nestled at the foothills of the New South Wales Snowy Mountains. Starting with a small still and an even smaller budget, I chased my dream of producing world class spirits and liqueurs.

In 2018 I returned to my home of Newcastle and rebranded as Newcastle Distilling Co. Every day, of every week, of every year, with the support of family, friends and our wonderful customers, I was able to gradually grow the business by direct reinvestment of income, buying new equipment, stock, raw materials and employing full time staff to help me along the way.

My goal has always been to make everything from scratch, focus on quality over quantity and to try and provide our customers with fun, delicious and innovative spirits and liqueurs, which I believe we have done successfully. The business has seen steady, but consistent growth over the last 2 years, seeing an increase of 300%, with that growth, we expect it to increase with the opening of 3 retail sites, bar and restaurant.

I have absolute confidence in the product, new sites, processes and recipes. Our expansion plans already underway, I look forward to having you on board with your investment, to share in the exciting journey ahead with us.

Sincerely, Lucas Cattell



2.1 Company Details

This offer of shares is made by Brew Still Pty Ltd ACN 643581766 (Company).

| | |
|-----------------------------|--|
| Company name | Brew Still Pty Ltd |
| ACN | 643 581 766 |
| Date of incorporation | August 18, 2020 |
| Registered office | 2/218 Macquarie Road, Warners Bay, NSW 2282 |
| Principal place of business | 2/218 Macquarie Road, Warners Bay, NSW 2282 |
| Other locations | 9B Mawson Street, Shortland, NSW 23071 6 Pokolbin Mountains Road, Pokolbin, NSW 2320 |
| Subsidiaries | The Phoenix Brewhouse Pty Ltd, ACN 621 516 238 (96.26% owned) Easy Street Collective Pty Ltd, ACN 649 678 893 (100% wholly-owned) Distillers Guild Pty Ltd, ACN 651 256 236 (100% wholly-owned) |



2.2 About the Company

2.2.1 - Who are we?

We are an early-stage craft distillery based in Newcastle, Australia.

Our core business is the production of distilled spirits and liqueurs, including but not limited to, vodka, gin, moonshine, rum and single malt whisky.

We do not buy in any spirits and all of our products are made from scratch on site. Our recipes and processes have been developed over the last seven years.

We are moving into the next phase of operations, by significantly increasing production levels, specifically gin, whisky and rum, as well as adding beer brewing operations to our portfolio.

2.2.2 - Products / Services

The business currently produces:

- Vodka
- Gins
- Liqueurs
- Single Malt Whisky
- Rum
- Premixed Cocktail Cans
- Hard Seltzer
- Sanitiser

The business currently provides services, including:

- Contract distilling
- Consulting
- Training

2.2.3 - Marketing & distribution

Current distribution occurs from our Shortland facility, focusing on Wholesale, Retail and Online Sales. This includes many independent bottle shops and bars, as well as Dan Murphys and BWS stores in our local area. These channels will increase from October 2021, with the opening of our Warners Bay and Pokolbin sites for manufacturing, retail, functions and events.

Shortland

| | |
|---|---|
| Wholesale - Newcastle Distilling Co | Retail (Markets) - Newcastle Distilling Co |
| Online Sales - Newcastle Distilling Co | |
| <i>Planned Distribution (from October 2021)</i> | |
| Wholesale - Newcastle Distilling Co | Retail (Markets) - Newcastle Distilling Co |
| Retail (Cellar Door) - Newcastle Distilling Co | Retail (Cellar Door) - Easy Street Collective |
| Online Sales - Newcastle Distilling Co | |

Warners Bay

| | |
|---|---|
| Retail (Cellar Door) - Newcastle Distilling Co | Retail (Cellar Door) - Easy Street Collective |
| Retail (Cellar Door) - Australian Guild of Artisan Distillers | Online Sales - Australian Guild of Artisan Distillers |

Pokolbin

| | |
|--|---|
| Retail (Cellar Door) - Newcastle Distilling Co | Retail (Cellar Door) - Easy Street Collective |
| Retail Sales - Restaurant | Retail Sales - Bar |
| Retail Sales - Events / Functions | Wholesale - Easy Street Collective |
| Online Sales - Easy Street Collective | |

Website - A new website was launched in April 2021, with improved e-commerce capability and functionality. Immediate areas of focus are improved appearance and ease of use.

Social Media - Facebook has over **10,000 likes**, with Instagram over 3,500 followers. Our content for each platform has been new, consistent and engaging.

@newcastledistillingco

E-Commerce - We have grown our consumer database by 250% over the past 12 months with currently over 3,000 subscribers. We plan to grow this to 5,000 by end 2021, through improved website conversion rates.

2.3 Business and Revenue Model (cont)

Consulting (*existing and new*)

Recipe design, equipment training and other related consulting services will be available as required. This method requires no financial outlay, apart from our head distillers time, which can see substantial increases in income for the business.

Events and functions as all 3 sites are capable of holding events and over the next few years will include, but not limited to:

Pokolbin

- Live music
- Weddings
- Birthdays
- Corporate functions
- Whisky, Rum and Gin tastings
- Cocktail classes
- Cigar days

Warners Bay

- Cocktail classes
- Whisky, Rum and Gin tastings
- Gin making classes
- Beer brewing classes
- Tours

Shortland

- Whisky, Rum and Gin tastings
- Gin making classes
- Beer brewing classes
- Tours

While events are not currently undertaken, they will commence in late 2021, but will not be a main focus and will require a designated events manager, they will see a steady flow of additional income as well as brand awareness.

2.2.3 - Marketing & Distribution (cont)

Product Development - We constantly rely on customer feedback to ensure the highest quality of product, then make changes as required. The last 12 months the business has developed a new brand, Easy Street Collective, with 10 new products unique products to be released to market in the coming months. This release is not dependant on the raising of funds.

2.2.4 - Market

Brew Still Pty Ltd is uniquely positioned to take advantage of substantial and consistent growth in the craft spirits and craft beer industries, due to our solid track record, consistent capacity and high level of experience.

"If you look at Australia's Craft Distilling scene since 2010, you'll note that it's gone from a dozen producers predominantly focussed on Whisky to over 300 distillers making a broad range of spirits. Observe the data more closely and you'll see that the industry's growth has predominantly happened in the past 5 years, with new arrivals popping up at an astonishing pace. As with other countries with a booming craft spirits industry - Gin has taken the lead. According to the IWSR, one of the most trusted and widely used sources for beverage alcohol trends in the world, the total Gin volume in Australia in 2020 was over 973,000 nine-litre cases. In laymen's terms that's the equivalent of around 12.5 million bottles and represents an increase more than +36% over 2019 volumes."

- Spirits Beacon 2021 -

"Craft beer in Australia - going from strength to strength. The production of craft beer in Australia has evolved from a small industry comprised of home-brew enthusiasts, to a large and rapidly growing industry with annual sales in excess of \$370 million, growing at a rate of around 10% per year. Sales of craft beer represent an estimated 5%, and growing, of the total sales in the Australian beer market"

- Deloitte 2021 -

2.2.5 - Key differentiators

- Every batch from scratch. All products are produced on site from raw materials, no bulk spirits purchased
- Currently operating at 5% of total production capacity.
- Operated by the region's most experienced distiller
- A passion for quality over quantity, every time.
- Strong community ties and a high level of customer relations skills

2.3 Business and Revenue Model

Brew Still Pty Ltd will generate income through servicing a variety of existing and new customer types:

Wholesale supply of bottled and bulk product to:

- Bottle shops (*existing and new*)
- Bars & restaurants (*existing and new*)
- Online subscription services (*existing and new*)
- Pharmacies (*existing and new*)
- Food & beverage manufacturers (*new*)
- Sporting clubs (*existing and new*)

Online supply to retail customers via our website (*existing*)

www.newcastledistillery.com.au

Expanding online sales through additional marketing, as well as introduction of two additional websites

www.easystreetcollective.com.au (*new*)

www.distillersguild.com.au (*new*)

Retail until recently have been exclusively sourced through attendance at local markets, which to date have been very successful. However, this channel is often affected by weather and has been severely impacted by covid lockdowns. October 2021 will see the opening of our first cellar door at Pokolbin, followed soon after by Warners Bay then Shortland. The sites will include options for tastings, retail sales and locations for exclusive retail only limited releases. Retail sales will see Brew Still Pty Ltd experience significant growth.

Subscription services, including The Guild of Artisan Distillers (Distillers Guild Pty Ltd) will be launched late 2021, which will consist of an online subscription and gift pack service. The service will focus exclusively on “artisanal” spirits, that being from distilleries who make all their products from raw materials and do not buy in spirit.

Bar and Restaurant (*Pokolbin*) is located overlooking the vineyards will consist of a bar, primarily focused on craft beers and craft spirits. It will include a private whisky/rum room. The bar is due to open after lockdown in October 2021. The restaurant (open December 2021) will supply simple, easy, meals including burgers, wood fired. Both sales avenues will be prosperous and should see a significant increase in overall company results.

Contract Distilling is currently underway, with the plan to dramatically expand this offer once the installation of the new brewery and distillery equipment is completed. Contract beer brewing will also be added to this portfolio, therefore further increasing revenue stream.



2.4 Business Strategy

As a distillery, we have designed and developed a range of 36 products, as well as fine tuned a number of processes, giving confidence in the businesses ability to produce the highest quality spirits and liqueurs available and to provide them to our customers in a professional and timely fashion.

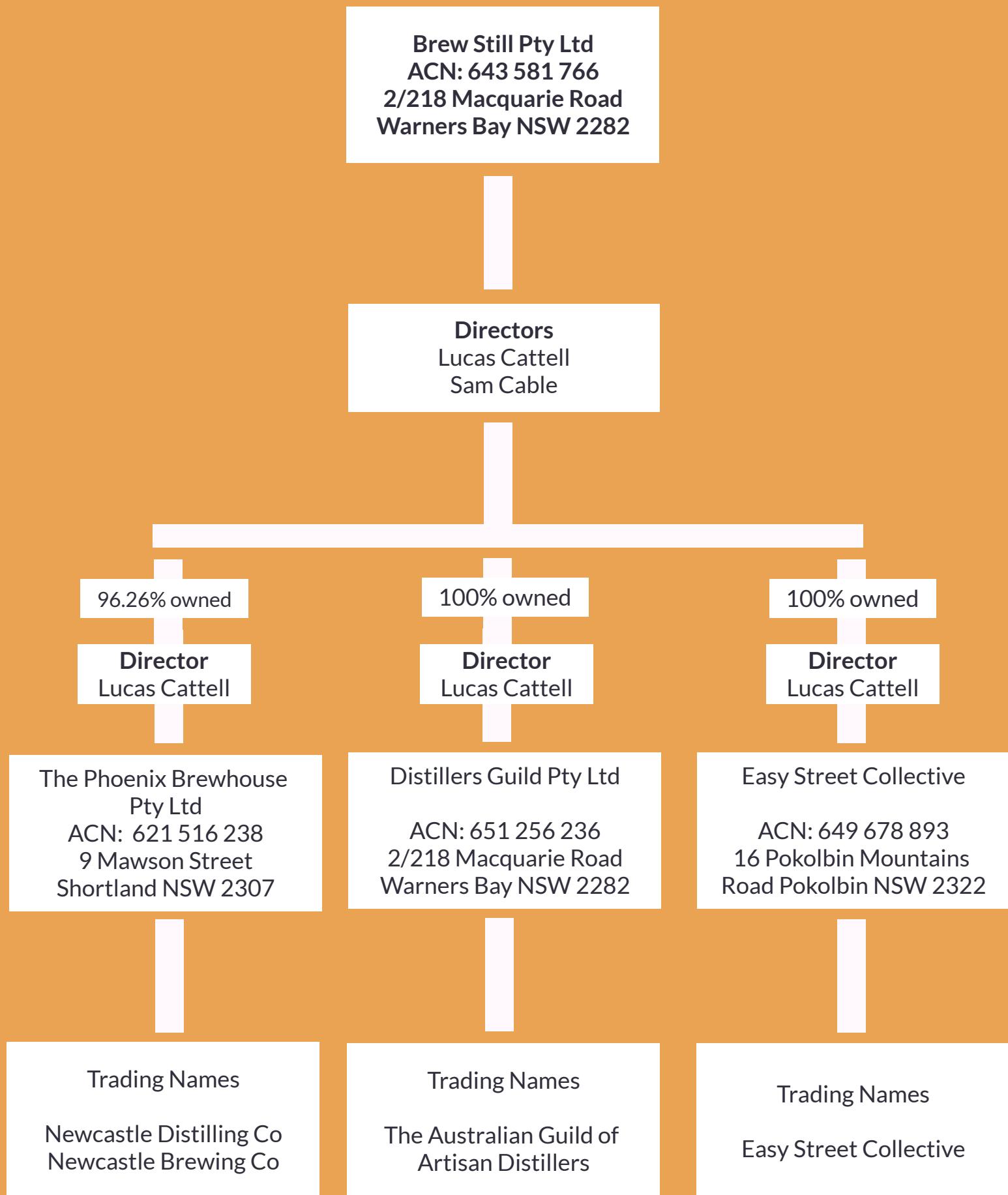
We plan to expand the business and grow sales in a variety of ways. These include, but are not limited to:

- Increased marketing expenditure to minimum 8% of turnover, supplemented in the first year by funds received from the CSF offer. Over the past 6 months we have undertaken a substantial marketing campaign through social media, radio, digital and print media and this has contributed substantially to our current growth. A focus on social media and digital marketing, should see continued and strengthening growth.
- Face to face sales, combined with tastings, have been the best marketing and growth tool for the business since its inception and is the most effective model in our industry. Opening 3 cellar doors (Pokolbin, Warners Bay and Shortland) will allow staff to interact directly with customers on a daily basis and will drive retail sales.
- Opening the bar and restaurant, will take retail sales to the next level, combining our products with a direct positive and enjoyable experience, which will create repeat customers, loyalty and word of mouth advertising.
- Events such as boutique Whisky/Rum, Gin or Cocktail events, live music or mini festivals will not only add to the existing sales opportunities above, will create substantial word of mouth advertising and customer loyalty.
- Hiring additional staff, specifically for face to face sales and administration. Both of these roles will assist in growth through sales, customer service and consistency within the brand.
- Purchase, install and commission a 6 x 1,000 litre brewing system, 16 x 1,000 litre fermenters, as well as a 1,500 can per hour canning plant, with a capacity of 546,000 litres of beer per annum. This system will also maintain three new alcohol stills and upgrade our existing three alcohol stills, across all three sites, increasing our production capacity to capable of producing over 250,000 litres of spirit a year.
- Increased production capacity will allow the business to take advantage of bulk purchase prices for raw materials and lower production costs, allowing for increase profits and/or expenditure elsewhere for growth.

CSF Minimum funding - Some funding (bank) may be required should we only reach minimum funding levels, however this would be limited.

CSF Maximum funding - Based on projections, no further capital or investment should be required.

2.5 - Organisational Structure



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. There are no options on offer. Director, Lucas Cattell, is the only majority shareholder in the company, with the remaining 9.2% of shares allocated between 47 small shareholders.

Table 1: Issued capital of the Company before the Offer

| SHAREHOLDER | TYPE | SHARES |
|---------------------|----------|-------------------------|
| Lucas Cattell | Ordinary | 908,023 (90.80%) |
| Shareholders 2 - 48 | Ordinary | 91,977 (9.20%) |
| TOTAL | | 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).

| SHARES | MINIMUM SUBSCRIPTION | MAXIMUM SUBSCRIPTION |
|--------------------------------------|-------------------------|-------------------------|
| Existing Shares Lucas Cattell | 908,023 (82.55%) | 908,023 (64.86%) |
| Existing Shares Shareholders 2-48 | 91,977 (8.36%) | 91,977 (6.57%) |
| Offer Shares | 100,000 (9.09%) | 400,000 (28.57%) |
| Total Shares | 1,100,000 (100%) | 1,400,000 (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. There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution. Under the Constitution, the Company has the discretion to approve or power to refuse a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3 below. A copy of the Company's Constitution is available on the Intermediary's platform.

2.6.3 Sources of financing, including debt financing and other financing

To date the project has been entirely funded by shareholder investment and the business does not currently maintain any commercial loans or finance. All stock and raw materials are paid on a cash basis and no accounts are currently maintained.

The company maintains a current loan to director, Lucas Cattell, which totaled \$436,000 as of 30 June 2021. There is no contracted time frame to repay this loan and no interest is payable. Repayment will be at the discretion of the directors, based on profitability of the business. The company plans on leasing a number of vehicles in the coming months, as part of operational growth plans.

The company is currently in the final assessment stage for a \$500,000 grant, through the New South Wales Government, Job Creation Fund. The outcome of this application will be known in October 2021.

2.6.4 Group Structure

Brew Still Pty Ltd is a private company, with the registered office is 2/218 Macquarie Road, Warners Bay, NSW 2282. Brew Still Pty Ltd is the holding company for the following companies:

The Phoenix Brewhouse Pty Ltd
ACN 621 516 238 (96.26% owned).
Located at 9B Mawson Street, Shortland, NSW 2307

Easy Street Collective Pty Ltd
ACN 649 678 893 (100% wholly-owned).
Located at 16 Pokolbin Mountains Road, Pokolbin, NSW 2320

Distillers Guild Pty Ltd
ACN 651 256 236 (100% wholly-owned)
Located at 2/218 Macquarie Road, Warners Bay, NSW 2282.

Brew Still Pty Ltd has controlling rights and ownership of the following trading names, including their associated domain names:

Newcastle Distilling Co
Newcastle Distillery
Newcastle Brewing Co
Newcastle Brewery
Easy Street Collective
The Australian Guild of Artisan Distillers
Lake Macquarie Distilling Co
Lake Macquarie Distillery
King of Gin



2.7 Directors and Senior Management

Lucas Cattell - Executive Director, Managing Director and Secretary

Lucas is currently in charge of all production, administration and management activities. Lucas is also responsible for recipe design and development.

Lucas started at an early age, at only 18 years old he found a still at a local garage sale for \$20. It was his hobby and kept him occupied until 2013. It wasn't until he was driving to a job he hated, where he fell asleep behind the wheel and hit a tree, then to find out that his friend had passed away in a completely separate car accident, that he handed in his resignation and started planning to grow his hobby into a business and career. Lucas went on to do an "internship", at Dobson's Distillery in the New England area, where he was able to better hone his craft and love for producing quality spirits.

In 2014 he moved to Cooma where he opened Catcher & Co, which was a distillery and brewery that was quite popular with the locals and passers through. Missing family and his roots, Lucas decided to move back to Newcastle in 2018 and rebranded the business to Newcastle Distilling Company. When he moved back to Newcastle he worked as the Operations Manager at one of the local breweries and also worked on his own brand in the shared space next door in his "spare time". In 2019 he left the brewery and moved to the current location. He has since been operating there with vision to open more locations. 2020 marked 20 years of distilling experience.

Lucas Cattell was a director of Catson Coffee Corporation Pty Ltd, t/as Gloria Jeans Coffees Glendale from 2008, until its deregistration in 2012. Catson Coffee Corporation was placed under voluntary external administration in August 2011, due to Lucas being unable to manage the company and day to day operations due to health reasons, which lead to the companies inability to meet its financial commitments, totalling \$730,000. The business and personal residential property of Lucas Cattell were sold, which saw creditors substantially repaid.

Lucas Cattell was a director of The Architects of Taste Pty Ltd, t/as 321 Patisserie from 2010, until its deregistration in 2013. The Architects of Taste was wound up by creditors in December 2012, due to Lucas being unable to manage the company and day to day operations due to health reasons, which lead to the companies inability to meet its financial commitments, totalling \$21,000. The businesses limited stock and equipment was sold, which saw creditors substantially repaid. These experiences occurred 10 years ago and resulted in a significant personal cost to Lucas, and has shaped his future endeavours, with the constant reminder of these incidents to ensure any company under his direction does not meet a similar fate.

Sam Cable - Director

Sam is responsible for financial, human resources and is currently in charge of sales and daily operational management of the business.

Sam is a Novocastrian through and through, he just loves Newcastle and has always has his finger on the pulse. Sam is a natural people person and was told at an early age that he could talk under water with a mouth full of marbles. After school he studied an Advanced diploma of Hospitality Management. He then decided to study via correspondence a Bachelor of Applied Management through the University of Ballarat, this while working 6 days a week.

Sam has developed his skills through his career in both 5-star hospitality establishments and through real estate. After losing his job to Covid, he wondered what to do next? Sam's love for a cheeky beverage or two, his connections at many of the establishments around town and his knowledge of the sales process and customer service, ultimately landed him a position within the company. His skills in making some amazing cocktails also comes in handy in refining our products and producing new ones.

2.8 Risks facing the business

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

| RISK | DESCRIPTION |
|-----------------------|--|
| Cash flow | The Company's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives. |
| Funding | The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives. The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available. |
| Competition | The Company operates in a relatively competitive market, with several known competitors, and low barriers to entry that could give rise to new and unknown competitors. If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business. |
| Technology | The Company uses a number of sales, marketing and member communication technology solutions. Despite the Company's 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. |
| Brand | If the Company does not maintain consistent levels of quality and service in its offering, the Company's brand and reputation could be damaged. In an increasingly connected world, damage to a company's brand and reputation can be catastrophic. The Company is acutely aware of this risk and is vigilant to ensure that it maintains a consistently high level of product quality and customer service. |
| Intellectual property | The protection of the Company'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. |
| Loss of Customer | Inability to secure or lose a major supplier or customer. |

2.9 Financial Information

Below are the financial statements, for the financial year ended 30 June 2021, which have been prepared in accordance with the Accounting Standards for:

- Brew Still Pty Ltd
- Phoenix Brewhouse Pty Ltd
- Easy Street Collective Pty Ltd
- Distillers Guild Pty Ltd

Brew Still Pty Ltd

- Incorporated in August 2020.
- Brew Still Pty Ltd is the head company.
- From 1 July 2021, Brew Still Pty Ltd owns all bank guarantees, stock on hand, intellectual property and equipment, that previous belonged to the companies in the group.
- This company did not receive any direct sales income prior to 30 June 2021, however some expenses occurred and this is reflected on the attached profit and loss statement.
- Each company under the ownership of Brew Still Pty Ltd, will be responsible for the payment of all running costs of their respective venues and operations.
- Brew Still Pty Ltd will manage all financials, administration, wages/salaries and bank accounts for each company and invoice each company accordingly.
- Each company under the ownership of Brew Still Pty Ltd, will pay profits to Brew Still Pty Ltd on a monthly basis.

The Phoenix Brewhouse Pty Ltd

- Incorporated in October 2017
- This company operates at 9B Mawson Street Shortland NSW 2282
- Brew Still Pty Ltd obtained 96.26% ownership of The Phoenix Brewhouse Pty Ltd on 1 July 2021.
- The company has a trading history since 2019, this is reflected on the attached profit and loss statement.

Easy Street Collective Pty Ltd

- Incorporated in April 2021
- This company operates at 16 Pokolbin Mountains Road Pokolbin NSW 2322
- Brew Still Pty Ltd obtained 100% ownership of Easy Street Collective Pty Ltd on 1 July 2021.
- This company did not receive any direct sales income prior to 30 June 2021, however some expenses occurred and this is reflected on the attached profit and loss statement.

Distillers Guild Pty Ltd

- Incorporated in June 2021
- This company operates at 2/218 Macquarie Drive Warners Bay NSW 2282
- Brew Still Pty Ltd obtained 100% ownership of Distillers Guild Pty Ltd on 1 July 2021.
- This company did not receive any direct sales income prior to 30 June 2021, however some expenses occurred and this is reflected on the attached profit and loss statement.

From 1 October 2021, all aspects of these transactions will be managed by a book keeper/business administration manager, then reviewed and certified by the qualified accountant on a weekly, monthly, quarterly and annual basis as required to ensure transparency and compliance.

2.9.1.1 Balance sheet

Brew Still Pty Ltd Group - Consolidated

| | AS AT 30 SEPTEMBER 2021 | AS AT 30 JUNE 2021 |
|-----------------------------|----------------------------|-----------------------|
| ASSETS | | |
| Cash at Bank | \$17,580 | \$35,780 |
| Accounts Receivable | \$71,717 | \$44,111 |
| Bank Guarantee | \$26,500 | \$26,500 |
| Stock on Hand | \$465,582 | \$445,582 |
| Intellectual Property | \$245,000 | \$245,000 |
| TOTAL CURRENT ASSETS | \$826,739 | \$797,243 |
| Plant & Equipment | \$583,181 | \$583,181 |
| TOTAL FIXED ASSETS | \$583,181 | \$583,181 |
| TOTAL ASSETS | \$1,409,920 | \$1,380,424 |
| LIABILITIES | | |
| Accounts Payable | \$121,029 | \$133,779 |
| Loan - Lucas Cattell | \$436,000 | \$436,000 |
| TOTAL LIABILITIES | \$557,029 | \$569,779 |
| NET ASSETS | \$852,891 | \$810,645 |



2.9.1.2 Balance sheet - Brew Still Pty Ltd

| | AS AT 30 SEPTEMBER 2021 | AS AT 30 JUNE 2021 |
|-----------------------------|----------------------------|-----------------------|
| ASSETS | | |
| Cash at Bank | \$5,000 | \$5,000 |
| Accounts Receivable | \$0 | \$0 |
| Bank Guarantee | \$26,500 | \$0 |
| Stock on Hand | \$465,582 | \$0 |
| Intellectual Property | \$245,000 | \$0 |
| TOTAL CURRENT ASSETS | \$742,082 | |
| Plant & Equipment | \$583,181 | \$0 |
| TOTAL FIXED ASSETS | \$583,181 | \$0 |
| TOTAL ASSETS | \$1,305,263 | \$5,000 |
| LIABILITIES | | |
| Accounts Payable | \$0 | \$0 |
| Loan - Lucas Cattell | \$436,000 | \$0 |
| TOTAL LIABILITIES | \$436,000 | \$0 |
| NET ASSETS | \$889,263 | \$5,000 |

2.9.1.3 Balance sheet - Phoenix Brewhouse Pty Ltd

| | AS AT 30 SEPTEMBER 2021 | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 | AS AT 30 JUNE 2019 |
|-----------------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| ASSETS | | | | |
| Cash at Bank | \$5,080 | \$23,280 | \$3,271 | \$87 |
| Accounts Receivable | \$71,717 | \$44,111 | \$33,971 | \$11,649 |
| Bank Guarantee | \$0 | \$0 | \$0 | \$0 |
| Stock on Hand | \$0 | \$433,932 | \$260,359 | \$104,144 |
| Intellectual Property | \$0 | \$221,000 | \$132,600 | \$53,040 |
| TOTAL CURRENT ASSETS | \$76,087 | \$725,543 | \$426,930 | \$168,832 |
| Plant & Equipment | \$0 | \$537,431 | \$354,704 | \$88,676 |
| TOTAL FIXED ASSETS | \$0 | \$537,431 | \$354,704 | \$88,676 |
| TOTAL ASSETS | \$76,087 | \$1,283,254 | \$784,905 | \$257,596 |
| LIABILITIES | | | | |
| Accounts Payable | \$121,029 | \$133,779 | \$30,676 | \$25,374 |
| Loan - Lucas Cattell | \$0 | \$436,000 | \$349,500 | \$304,500 |
| TOTAL LIABILITIES | \$121,029 | \$569,779 | \$380,176 | \$329,874 |
| NET ASSETS | \$-44,942 | \$716,475 | \$404,729 | \$-72,278 |

2.9.1.4 Balance sheet - Easy Street Collective Pty Ltd

| | AS AT 30 SEPTEMBER 2021 | AS AT 30 JUNE 2021 |
|-----------------------------|----------------------------|-----------------------|
| ASSETS | | |
| Cash at Bank | \$5,000 | \$5,000 |
| Accounts Receivable | \$0 | \$0 |
| Bank Guarantee | \$0 | \$26,500 |
| Stock on Hand | \$0 | \$6,250 |
| Intellectual Property | \$0 | \$12,000 |
| TOTAL CURRENT ASSETS | \$5,000 | \$49,750 |
| Plant & Equipment | \$0 | \$18,250 |
| TOTAL FIXED ASSETS | \$0 | \$18,250 |
| TOTAL ASSETS | \$5,000 | \$68,000 |
| LIABILITIES | | |
| Accounts Payable | \$0 | \$0 |
| TOTAL LIABILITIES | \$0 | \$0 |
| NET ASSETS | \$5,000 | \$68,000 |

2.9.1.5 Balance sheet - Distillers Guild Pty Ltd

| | AS AT 30 SEPTEMBER 2021 | AS AT 30 JUNE 2021 |
|-----------------------------|----------------------------|-----------------------|
| ASSETS | | |
| Cash at Bank | \$2,500 | \$2,500 |
| Accounts Receivable | \$0 | \$0 |
| Bank Guarantee | \$0 | \$0 |
| Stock on Hand | \$0 | \$5,400 |
| Intellectual Property | \$0 | \$12,000 |
| TOTAL CURRENT ASSETS | \$2,500 | \$19,900 |
| Plant & Equipment | \$0 | \$27,500 |
| TOTAL FIXED ASSETS | \$0 | \$27,500 |
| TOTAL ASSETS | \$2,500 | \$47,400 |
| LIABILITIES | | |
| Accounts Payable | \$0 | \$0 |
| TOTAL LIABILITIES | \$0 | \$0 |
| NET ASSETS | \$2,500 | \$67,300 |

2.9.2.1 Profit and Loss**Brew Still Pty Ltd Group - Consolidated**

| INCOME | For the 3 months ended 30 September 2021 | For the 12 months ended 30 June 2021 | For the 12 months ended 30 June 2020 | For the 12 months ended 30 June 2019 |
|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Sales - Whisky Program | \$4618.18 | \$6,481.72 | \$3,369.37 | \$44,308.35 |
| Sales - Denatured Spirit / Sanitiser | \$1,254.55 | \$6,341.74 | \$109,040.55 | \$0.00 |
| Sales - Markets/Tradefairs | \$386.37 | \$107,157.01 | \$44,107.82 | \$2,166.12 |
| Sales - Online | \$17,754.69 | \$18,713.18 | \$73,767.79 | \$28,084.24 |
| Sales - Retail | \$19,363.63 | \$16,705.56 | \$7,501.35 | \$122.73 |
| Sales - Bar | \$0.00 | \$774.09 | -\$40.91 | \$140,122.84 |
| Sales - Wholesale | \$116,706.94 | \$196,570.21 | \$75,536.04 | \$6,089.69 |
| Sales - Contract Distilling | \$0.00 | \$ 30,155.29 | \$ 7,867.01 | \$ 28,409.05 |
| Total Income | \$160,084.36 | \$382,898.80 | \$321,149.02 | \$249,303.02 |
| <hr/> | | | | |
| COST OF SALES | | | | |
| Stock - Beer, Wine & Spirits | \$1,855.15 | \$4,316.21 | \$10,631.80 | \$49,817.80 |
| Stock - Bottles, Caps & Labels | \$16,205.50 | \$37,950.05 | \$23,330.94 | \$15,278.79 |
| Stock - Merchandise | \$937.30 | \$0.00 | \$2,434.69 | \$4,265.17 |
| Stock - Packaging | \$15.42 | \$5,216.75 | \$16,854.79 | \$50,193.82 |
| Stock - Raw Materials | \$6,121.75 | \$ 24,465.03 | \$ 42,755.30 | \$ 16,133.72 |
| Total Cost of Sales | \$25,135.12 | \$71,948.04 | \$96,007.52 | \$135,689.30 |
| Gross Profit | \$134,949.24 | \$ 310,950.76 | \$ 225,141.50 | \$ 113,613.72 |
| <hr/> | | | | |
| OPERATING EXPENSES | | | | |
| Marketing | \$9,022.56 | \$34,525.88 | \$3,114.20 | \$1,720.78 |
| Bank Fees | \$221.87 | \$ 2,878.37 | \$ 3,497.86 | \$ 3,197.76 |
| Barrel Buyback Program | \$3,095.99 | \$8,953.08 | \$6,852.28 | \$0.00 |
| Cleaning | \$587.22 | \$ 3,708.16 | \$ 1,131.25 | \$ 1,168.80 |
| Accounting & Legal Fees | \$815.63 | 6040.33 | \$2,108.09 | \$2,030.54 |
| Consumables | \$133.86 | \$429.36 | \$1,030.99 | \$886.13 |
| Utilities | \$12,015.52 | \$ 8,779.36 | \$ 4,908.38 | \$ 2,252.66 |
| Freight | \$2,392.49 | \$ 4,992.51 | \$ 7,154.71 | \$ 2,505.54 |
| General Expenses | \$792.28 | \$ 21,641.98 | \$ 9,538.65 | \$ 10,700.74 |
| Insurance | \$630.40 | \$ 6,251.41 | \$ 4,149.59 | \$ 149.91 |
| Government Fees | \$1,045.70 | \$9344.15 | \$2,762.43 | \$6,275.32 |
| Office Expenses | \$1,946.95 | \$15,436.92 | \$18,210.72 | \$3,622.12 |
| Motor Vehicle Expenses | \$987.50 | \$15,601.17 | \$12,096.28 | \$5,251.40 |
| Rent | \$14,751.86 | \$ 38,684.16 | \$ 24,850.12 | \$ 34,578.74 |
| Repairs & Maintenance | \$2,529.50 | \$ 22,671.34 | \$ 13,175.82 | \$ 4,350.62 |
| Staff Amenities | \$621.61 | \$ 3,047.66 | \$ 1,030.52 | \$ 252.32 |
| Stall Fees - Markets | \$107.73 | \$2,521.60 | \$0.00 | \$0.00 |
| Subscriptions | \$1,146.41 | \$5,164.88 | \$4,559.98 | \$9,460.61 |
| Telephone & Internet | \$392.27 | \$2,089.17 | \$2,250.11 | \$1,520.97 |
| Wages & Salaries | \$58,031.03 | \$ 168,617.86 | \$ 38,287.88 | \$ 24,682.18 |
| Total Operating Expenses | \$111,267.98 | \$381,379.35 | \$164,979.96 | \$115,708.30 |
| NET PROFIT | \$23,680.61 | \$ -70428.59 | \$ 60,161.54 | -\$ 2,094.58 |

2.9.2.1 Profit and Loss**Brew Still Pty Ltd****(Head Company)**

| INCOME | For the 3 months ended 30 September 2021 | For the 12 months ended 30 June 2021 |
|---------------------------------|--|--------------------------------------|
| Sales | \$0.00 | \$0.00 |
| Total Income | \$0.00 | \$0.00 |
| | | |
| COST OF SALES | | |
| Stock | \$0.00 | \$0.00 |
| Total Cost of Sales | \$0.00 | \$0.00 |
| Gross Profit | \$0.00 | \$0.00 |
| | | |
| OPERATING EXPENSES | | |
| Accounting & Legal Fees | \$207.00 | \$1427.00 |
| Total Operating Expenses | \$207.00 | \$1427.00 |
| NET PROFIT | \$-207.00 | \$-1427.00 |

2.9.2.2 Profit and Loss**Easy Street Collective Pty Ltd****(Pokolbin)**

| INCOME | For the 3 months ended 30 September 2021 | For the 12 months ended 30 June 2021 |
|---------------------------------|--|--------------------------------------|
| Sales | \$0.00 | \$0.00 |
| Total Income | \$0.00 | \$0.00 |
| | | |
| COST OF SALES | | |
| Stock | \$0.00 | \$0.00 |
| Total Cost of Sales | \$0.00 | \$0.00 |
| Gross Profit | \$0.00 | \$0.00 |
| | | |
| OPERATING EXPENSES | | |
| Accounting & Legal Fees | \$207.00 | \$414.00 |
| Government Fees | \$0.00 | \$1225.25 |
| Utilities | \$285.25 | \$0.00 |
| Rent | \$0.00 | \$15833.33 |
| Total Operating Expenses | \$492.25 | \$17472.58 |
| NET PROFIT | \$-492.25 | \$-17472.58 |

2.9.2.3 Profit and Loss**Distillers Guild Pty Ltd****(Warners Bay)**

| INCOME | For the 3 months ended 30 September 2021 | For the 12 months ended 30 June 2021 |
|---------------------------------|--|--------------------------------------|
| Sales | \$0.00 | \$0.00 |
| Total Income | \$0.00 | \$0.00 |
| | | |
| COST OF SALES | | |
| Stock | \$0.00 | \$0.00 |
| Total Cost of Sales | \$0.00 | \$0.00 |
| Gross Profit | \$0.00 | \$0.00 |
| | | |
| OPERATING EXPENSES | | |
| Accounting & Legal Fees | \$242.73 | \$534.00 |
| Government Fees | \$0.00 | \$2681.81 |
| General Expenses | \$0.00 | \$2750.00 |
| Rent | \$4,560.00 | \$9120.00 |
| Total Operating Expenses | \$4,802.73 | \$15085.81 |
| NET PROFIT | \$-4,802.73 | \$-15085.81 |

2.9.2.4 Profit and Loss - Phoenix Brewhouse Pty Ltd (Shortland)

| INCOME | For the 3 months ended 30 September 2021 | For the 12 months ended 30 June 2021 | For the 12 months ended 30 June 2020 | For the 12 months ended 30 June 2019 |
|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Sales - Whisky Program | \$4618.18 | \$6,481.72 | \$3,369.37 | \$44,308.35 |
| Sales - Denatured Spirit / Sanitiser | \$1,254.55 | \$6,341.74 | \$109,040.55 | \$0.00 |
| Sales - Markets/Tradefairs | \$386.37 | \$107,157.01 | \$44,107.82 | \$2,166.12 |
| Sales - Online | \$17,754.69 | \$18,713.18 | \$73,767.79 | \$28,084.24 |
| Sales - Retail | \$19,363.63 | \$16,705.56 | \$7,501.35 | \$122.73 |
| Sales - Bar | \$0.00 | \$774.09 | -\$40.91 | \$140,122.84 |
| Sales - Wholesale | \$116,706.94 | \$196,570.21 | \$75,536.04 | \$6,089.69 |
| Sales - Contract Distilling | \$0.00 | \$ 30,155.29 | \$ 7,867.01 | \$ 28,409.05 |
| Total Income | \$160,084.36 | \$382,898.80 | \$321,149.02 | \$249,303.02 |
| <hr/> | | | | |
| COST OF SALES | | | | |
| Stock - Beer, Wine & Spirits | \$1,855.15 | \$4,316.21 | \$10,631.80 | \$49,817.80 |
| Stock - Bottles, Caps & Labels | \$16,205.50 | \$37,950.05 | \$23,330.94 | \$15,278.79 |
| Stock - Merchandise | \$937.30 | \$0.00 | \$2,434.69 | \$4,265.17 |
| Stock - Packaging | \$15.42 | \$5,216.75 | \$16,854.79 | \$50,193.82 |
| Stock - Raw Materials | \$6,121.75 | \$ 24,465.03 | \$ 42,755.30 | \$ 16,133.72 |
| Total Cost of Sales | \$25,135.12 | \$71,948.04 | \$96,007.52 | \$135,689.30 |
| Gross Profit | \$134,949.24 | \$ 310,950.76 | \$ 225,141.50 | \$ 113,613.72 |
| <hr/> | | | | |
| OPERATING EXPENSES | | | | |
| Marketing | \$9,022.56 | \$34,525.88 | \$3,114.20 | \$1,720.78 |
| Bank Fees | \$221.87 | \$ 2,878.37 | \$ 3,497.86 | \$ 3,197.76 |
| Barrel Buyback Program | \$3,095.99 | \$8,953.08 | \$6,852.28 | \$0.00 |
| Cleaning | \$587.22 | \$ 3,708.16 | \$ 1,131.25 | \$ 1,168.80 |
| Accounting & Legal Fees | \$158.90 | \$3,665.33 | \$2,108.09 | \$2,030.54 |
| Consumables | \$133.86 | \$429.36 | \$1,030.99 | \$886.13 |
| Utilities | \$11,730.52 | \$ 8,779.36 | \$ 4,908.38 | \$ 2,252.66 |
| Freight | \$2,392.49 | \$ 4,992.51 | \$ 7,154.71 | \$ 2,505.54 |
| General Expenses | \$792.28 | \$ 21,641.98 | \$ 9,538.65 | \$ 10,700.74 |
| Insurance | \$630.40 | \$ 6,251.41 | \$ 4,149.59 | \$ 149.91 |
| Government Fees | \$1,045.70 | \$5,437.09 | \$2,762.43 | \$6,275.32 |
| Office Expenses | \$1,946.95 | \$15,436.92 | \$18,210.72 | \$3,622.12 |
| Motor Vehicle Expenses | \$987.50 | \$15,601.17 | \$12,096.28 | \$5,251.40 |
| Rent | \$10,191.86 | \$13,730.83 | \$24,850.12 | \$34,578.74 |
| Repairs & Maintenance | \$2,529.50 | \$ 22,671.34 | \$ 13,175.82 | \$ 4,350.62 |
| Staff Amenities | \$621.61 | \$ 3,047.66 | \$ 1,030.52 | \$ 252.32 |
| Stall Fees - Markets | \$107.73 | \$2,521.60 | \$0.00 | \$0.00 |
| Subscriptions | \$1,146.41 | \$5,164.88 | \$4,559.98 | \$9,460.61 |
| Telephone & Internet | \$392.27 | \$2,089.17 | \$2,250.11 | \$1,520.97 |
| Wages & Salaries | \$58,031.03 | \$ 168,617.86 | \$ 38,287.88 | \$ 24,682.18 |
| Total Operating Expenses | \$105,766.65 | \$350,143.96 | \$164,979.96 | \$115,708.30 |
| NET PROFIT | \$29,182.59 | -\$ 39193.20 | \$ 60,161.54 | -\$ 2,094.58 |

2.9.3.1 Statement of Cash Flow

Brew Still Pty Ltd Group - Consolidated

| FOR THE 12 MONTHS ENDED 30 JUNE 2021 | |
|---|------------------|
| Operating Activities | |
| Profit / Loss - Brew Still Pty Ltd | \$-1,427 |
| Profit / Loss - Phoenix Brewhouse Pty Ltd | \$-66,029 |
| Profit / Loss - Easy Street Collective Pty Ltd | \$-17,472 |
| Profit / Loss - Distillers Guild Pty Ltd | \$-15,085 |
| Net adjustment for non-cash income and expenses | \$58,227 |
| Net Cash from Operating Activities | \$-41,786 |
| Investing Activities | |
| Cash from Investments | \$0 |
| Net Cash from Investment Activities | \$0 |
| Investing Activities | |
| Loan - Lucas Cattell | \$86,500 |
| Net Cash from Investment Activities | \$86,500 |
| Net Change in Cash | \$44,714 |

2.9.3.2 Statement of Cash Flow - Brew Still Pty Ltd

| FOR THE 12 MONTHS ENDED 30 JUNE 2021 | |
|---|-----------------|
| Operating Activities | |
| Profit / Loss - Brew Still Pty Ltd | \$-1,427 |
| Net adjustment for non-cash income and expenses | \$0 |
| Net Cash from Operating Activities | \$-1,427 |
| Investing Activities | |
| Cash from Investments | \$0 |
| Net Cash from Investment Activities | \$0 |
| Investing Activities | |
| Loan - Lucas Cattell | \$86,500 |
| Net Cash from Investment Activities | \$86,500 |
| Net Change in Cash | \$85,073 |



2.9.3.3 Statement of Cash Flow

The Phoenix Brewhouse Pty Ltd

| FOR THE 12 MONTHS ENDED 30 JUNE 2021 | |
|---|-----------------|
| Operating Activities | |
| Profit / Loss - Phoenix Brewhouse Pty Ltd | \$-66,029 |
| Net adjustment for non-cash income and expenses | \$58,227 |
| Net Cash from Operating Activities | \$-7,802 |
| Investing Activities | |
| Cash from Investments | \$0 |
| Net Cash from Investment Activities | \$0 |
| Investing Activities | |
| Loan - Lucas Cattell | \$0 |
| Net Cash from Investment Activities | \$0 |
| Net Change in Cash | \$-7,802 |

2.9.3.4 Statement of Cash Flow

Easy Street Collective Pty Ltd

| FOR THE 12 MONTHS ENDED 30 JUNE 2021 | |
|---|------------------|
| Operating Activities | |
| Profit / Loss - Easy Street Collective Pty Ltd | \$-17,472 |
| Net adjustment for non-cash income and expenses | \$0 |
| Net Cash from Operating Activities | \$-17,472 |
| Investing Activities | |
| Cash from Investments | \$0 |
| Net Cash from Investment Activities | \$0 |
| Investing Activities | |
| Loan - Lucas Cattell | \$0 |
| Net Cash from Investment Activities | \$0 |
| Net Change in Cash | \$-17,472 |

2.9.3.4 Statement of Cash Flow

Distillers Guild Pty Ltd

| FOR THE 12 MONTHS ENDED 30 JUNE 2021 | |
|---|------------------|
| Operating Activities | |
| Profit / Loss - Distillers Guild Pty Ltd | \$-15,085 |
| Net adjustment for non-cash income and expenses | \$0 |
| Net Cash from Operating Activities | \$-15,085 |
| Investing Activities | |
| Cash from Investments | \$0 |
| Net Cash from Investment Activities | \$0 |
| Investing Activities | |
| Loan - Lucas Cattell | \$0 |
| Net Cash from Investment Activities | \$0 |
| Net Change in Cash | \$-15,085 |

2.9.4.1 Statement of Change in Equity - Consolidated

The following table is a consolidated statement for the Brew Still Pty Ltd group, which consists of The Phoenix Brewhouse Pty Ltd, Easy Street Collective Pty Ltd and Distillers Guild Pty Ltd

| | FOR THE 12 MONTHS ENDED 30 JUNE 2021 | FOR THE 12 MONTHS ENDED 30 JUNE 2021 | FOR THE 12 MONTHS ENDED 30 JUNE 2021 |
|---------------------|---|---|---|
| Current Earnings | \$-73,179 | \$60,161 | \$-2,095 |
| Retained Earnings | \$-34,223 | \$-94,384 | \$-92,289 |
| Investment Capital | \$133,859 | \$70,509 | \$14,864 |
| TOTAL EQUITY | \$26,457 | \$36,286 | \$-79,520 |

2.9.4.2 Statement of Change in Equity - Brew Still Pty Ltd

| | FOR THE 12 MONTHS ENDED 30 JUNE 2021 |
|---------------------|---|
| Current Earnings | \$-1,427 |
| Retained Earnings | \$0 |
| Investment Capital | \$63,350 |
| TOTAL EQUITY | \$61,923 |

2.9.4.2 Statement of Change in Equity - The Phoenix Brewhouse Pty Ltd

| | FOR THE 12 MONTHS ENDED 30 JUNE 2021 | FOR THE 12 MONTHS ENDED 30 JUNE 2021 | FOR THE 12 MONTHS ENDED 30 JUNE 2021 |
|---------------------|---|---|---|
| Current Earnings | \$-39,193 | \$60,161 | \$-2,095 |
| Retained Earnings | \$-34,223 | \$-94,384 | \$-92,289 |
| Investment Capital | \$70,509 | \$70,509 | \$14,864 |
| TOTAL EQUITY | \$-2,907 | \$36,286 | \$-79,520 |

2.9.4.2 Statement of Change in Equity - Easy Street Collective Pty Ltd

| | FOR THE 12 MONTHS ENDED 30 JUNE 2021 |
|---------------------|---|
| Current Earnings | \$-17,473 |
| Retained Earnings | \$0 |
| Investment Capital | \$0 |
| TOTAL EQUITY | \$-17,473 |

2.9.4.2 Statement of Change in Equity - Distillers Guild Pty Ltd

| | FOR THE 12 MONTHS ENDED 30 JUNE 2021 |
|---------------------|---|
| Current Earnings | \$-15,086 |
| Retained Earnings | \$0 |
| Investment Capital | \$0 |
| TOTAL EQUITY | \$-15,086 |

2.9.5 Management comments on historical performance and outlook

Covid lockdowns in 2020 and 2021 have taken a significant toll on all aspects of the business, due to limited access to regular retail sales (local markets etc) but due to the nature of our team, including our industry experience and desire to succeed, we have been able to adapt and overcome the hurdles.

With the opening of retail sites including cellar doors, bar, restaurant and additional online sales options, we predict significant and consistent growth and consider the state of our business to be very strong.

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 Brew Still Pty Ltd and has not been validated by an independent third party

2.10 Legal or disciplinary actions against the Company

No disclosable matters



3.1 Terms of the Offer

Brew Still Pty Ltd is offering up to 400,000 shares at an issue price of \$3.30 per share to raise up to \$1,320,000. The key terms and conditions of the Offer are set out below.

| TERM | DETAILS |
|----------------------|----------------------------|
| Shares | Fully-paid ordinary shares |
| Price | \$3.30 per share |
| Minimum Subscription | \$330,000.00 |
| Maximum Subscription | \$1,320,000.00 |
| Minimum parcel size | \$66.00 |
| Opening date | Tuesday, 5 October 2021 |
| Closing date | Thursday, 21 October 2021 |

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

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

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

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

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

3.2 Use of funds

The funds will primarily be used primarily for:

- The purchase, delivery, installation and commissioning of a six vessel 1,000 litre brewing system, with 15 fermenters and related cooling and heating systems, plus 1,500 can per hour canning system.
- Installation of four new alcohol stills and upgrade our existing three alcohol stills, across all three sites, increasing production capacity.
- Increase marketing expenditure to 8% per annum of investment and on-going sales.
- Buy increased quantities of raw materials and additional products and services as required, to ensure efficient production and customer service, but also increase income earning potential.

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

| Intended use | 2021/2022 Financial Year Minimum Subscription | % | 2021/2022 Financial Year Maximum Subscription | % |
|----------------------------------|---|---------------|---|---------------|
| Brewery Equipment | \$250,000 | 75.76% | \$750,000 | 56.82% |
| Cellar Doors – Shortland | \$0 | - | \$10,000 | 0.75% |
| Cellar Door – Warners Bay | \$0 | - | \$30,000 | 2.27% |
| Cellar Door – Pokolbin | \$12,000 | 3.64% | \$48,000 | 3.64% |
| Regulatory Approvals | \$7,500 | 2.27% | \$7,500 | 0.57% |
| Sales & Marketing | \$20,000 | 6.06% | \$105,600 | 8% |
| Stock & Raw Materials | \$12,900 | 3.91% | \$215,500 | 16.33% |
| Working Capital | \$5,000 | 1.52% | \$71,400 | 5.41% |
| Offer & Legal Costs | \$22,600 | 6.85% | \$82,000 | 6.21% |
| Total | \$330,000 | | \$1,320,000 | |

The Offer costs includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs. Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 18–24 months. If only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12–18 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime. Until additional funding is obtained, we will scale back the purchase of equipment and stock and continue to focus our cash resources on existing cash flow avenues.

3.3 Rights Associated with Shares

Immediately after issue, the shares 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 share 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 10% 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 and 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.

3.3.6 Restrictions on sale and transfer

Restrictions On Sale Or Transfer Under The Corporations Act And Constitution

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

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

Drag Along

Pursuant to the constitution, where members holding more than 55% of the shares in the company receive an offer from a third party to acquire all of the issued shares in the company, those members may require all other members of the company to sell their shares to that third party.

Tag Along

Similarly, where parties holding at least 55% of the issued share capital in the company intend to sell all of their shares to a third party, then any members (other than those who intend to sell) will have the right to tag along pursuant to the constitution.

Director's Discretion To Refuse To Register A Transfer Of Shares

Under the constitution, the directors may from time to time refuse to register a transfer of shares. The details of the directors power to do so are set out in the constitution. Where the directors determine to do so, the directors must notify the person who deposited the instrument of transfer within five business days from the date the instrument of transfer was delivered to the company by the member.

3.3.7 Pre-emptive rights on issue of shares

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

3.4 What can I do with my shares?

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

These include, but are not limited to:

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

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

3.6 Investor Rewards

In addition to receiving dividends as a shareholder of Brew Still Pty Ltd, there is also a range of rewards are being offered for investors.

These include:

- Branded T-Shirt
- Branded Cap
- Mixed packs of spirits (50ml each, 375ml or 700ml)
- Limited edition shareholder only offers
- Discounts
- Free shipping
- Free shareholder function tickets

The table below sets out the investor rewards based on the amount invested.



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.

4.3.1 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 will distribute the annual report to all shareholders, by 30 August, on an annual basis. The report will be sent via email, unless otherwise requested by the shareholder.





4.3.4 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).

4.3.5 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 email on a quarterly basis.

GLOSSARY

Company means Brew Still Pty Ltd ACN 643581766

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

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

Intermediary means Birchal Financial Services Pty Ltd AFSL 502618

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

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

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

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

Any questions, feel free to email
invest@newcastledistillery.com.au

