



BENEFICIAL Beer Co

CROWD-SOURCED FUNDING OFFER DOCUMENT

Dated 14th November 2023

Offer of fully-paid ordinary shares in Beneficial Beer Co Pty Limited at \$1.00 per share to raise a maximum of \$800,000

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

Issuer

Beneficial Beer Co Pty Limited ACN 650 655 388

Intermediary

Birchal Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

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



TABLE OF CONTENTS

Section 1: Risk warning	3
Section 2: Information about the Company	4
Letter from the founders	5
2.1 Company details	7
2.2 Our business	8
2.3 Business and revenue model	17
2.4 Business strategy	21
2.5 Our team	23
2.6 Capital structure	27
2.7 Key risks facing the business	31
2.8 Financial information	33
Section 3: Information about the Offer	40
3.1 Terms of the Offer	41
3.2 Use of funds	42
3.3 Rights associated with the shares	43
3.4 What can I do with my shares?	45
3.5 Early stage innovation company	45
Section 4: Information about investor rights	46
4.1 Cooling-off rights	47
4.2 Communication facility for the Offer	48
4.3 Proprietary company corporate governance obligations	49
4.4 Company updates	49
Glossary	50



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.

SECTION

2

**INFORMATION
ABOUT
THE COMPANY.**



LETTER FROM THE FOUNDERS.

We're excited to introduce ourselves and extend an invitation to all of you considering joining us on this journey.

It all Started with a Personal Mission

In January 2020, our founder, Dave Jackson, took on the One Year No Beer Challenge with a friend. This personal challenge was born out of a need to change his relationship with alcohol after facing a series of personal losses.

The challenge was tough, but it inspired Dave to turn it into a passion and set himself the goal to become Australia's fastest selling range of premium non-alcoholic beers, that taste like real beer.

Dave teamed up with his Internationally Awarded Advertising Creative Strategist friend, Matt Johnson, and they embarked on a journey to develop a brand, and brew their first non-alcoholic Beer.

Amidst the challenges of the COVID-19 pandemic, they realised they couldn't make it happen in Sydney's Inner West, so Dave decided to take matters into his own hands, moved his family to QLD and went back to school, enrolling in Australia's only onsite brewery course at TAFE Qld.

After graduating, Dave and Matt knew they needed the expertise of a renowned brewer. With over 40 years experience, including 20 years at Tooheys and 10 years with Bluetongue Brewery, Bruce Peachey came on board as Head Brewer and Co-Founder.

Non-alcoholic Beer That Tastes Like Beer

Our mission is simple: brew non-alcoholic Aussie classic beers that taste just like the real deal, making non-alcoholic choices more accessible wherever you are.



LETTER FROM THE FOUNDERS.

An Extraordinary Opportunity

We haven't yet focused on driving revenue, but we've spent 2 years designing and building the foundations needed for success:

- Superior multi-award-winning beer **recipes**
- Outstanding **brands** and branding strategy
- Digital and point of sale **marketing** techniques
- **Relationships** with many wholesale and retail stockists
- National retail stockists recently added - **Aldi, Liquorland, First Choice and Vintage Cellars**
- Growing a **digital database** of end customers
- **Quality manufacturing** partners
- Motivated and enthusiastic **team and founders**
- Almost **\$850k seed equity raised** before this offering

Our team is a powerhouse of expertise spanning brewing, advertising, marketing, finance and sales.

In the past few months we have engaged 8 national sales reps ready to roll out and grow revenue and market share, once the capital is raised.

We're in an industry that's experiencing unprecedented growth and we're hugely proud that in just 18 months, every beer we've brewed has won an award and our Stone Cold Lager is the most awarded non-alcoholic lager in Australia.

Source: "Stone Cold Lager has won silver and bronze awards across Sydney Royal Beer and Cider show, Aus Indies, Royal QLD awards and Royal Melbourne International Beer Awards. "IWSR Global no & low alcohol research

Our Accelerating Growth

- Our sales team have delivered a 10% increase in venues in a single month, and we are seeing this accelerate
- Our first deliveries went to Paramount, NSW & VIC sheds, Australia's largest family-owned liquor wholesaler
- Negotiations progressed with a large scale NSW distribution centre to give us access to thousands of independent venues and bottleshops
- E-commerce sales, via our website and Dan Murphy's Marketplace, show organic month-on-month growth

Join Our Journey

We now have the demand and growth drivers required to pursue revenue. We have brilliant products. We are ready.

This offer is for raising the capital needed to fund immediate revenue growth now that the components for success are in place.

We're truly excited about the future of Beneficial Beer Co.

When you invest in us, you're not just investing in a company – you're investing in a vision and a commitment to exceptional taste. Together we can redefine the world of non-alcoholic beverages.

Feel free to reach out to us with any questions or to discuss this exciting opportunity further. We can't wait to welcome you on board and share in the success of Beneficial Beer Co.

Cheers to a brighter, non-alcoholic future!

The Founders

Dave, Matt, and Bruce.

2.1 COMPANY DETAILS

This offer of shares is made by Beneficial Beer Co Pty Limited ACN 650 655 388 (“BBCo” or “the Company”).

Company name	Beneficial Beer Co Pty Limited
ACN	650 655 388
Date of incorporation	01-06-2021
Registered office	Lincoln Partners, Level 1 , 120 Sussex Street , Sydney NSW 2000
Principal place of business	Suite 305 , 50 Holt Street , Surry Hills, NSW 2010
Directors	David Jackson & Adrian Bunter
Website	https://beneficialbeer.com.au/



2.2 OUR BUSINESS

Beneficial Beer Co (BBCo) is a multi-award-winning, Australian non-alcoholic beer company.

Brewed for Human Kind under solar power, and using innovative cold filtration techniques that ensure our beers are full-flavoured, we're dedicated to being 'Beneficial' by name and by nature.

Founded to answer a **personal need** and to inspire others that there is a **better way to drink**, we're on a mission to brew non-alcoholic Aussie classic beers, that taste like beer and ensure non-alc choices are more accessible, no matter where you are.

Our brews are created by legendary Australian brewer Bruce Peachey, using **techniques that preserve the flavours and aromas you expect from a beer**, and the brand is backed by a powerhouse of expertise spanning brewing, advertising, marketing, finance and sales.

We're operating in an **industry that's experiencing unprecedented growth**, where there's a huge opportunity to capitalise on sober-curious and mindful drinking trends, addressing the consumer demand for better tasting non-alc choices.

In just 18 months of trade, we've brewed over **75,000 litres of beer**, have already **featured nationally in almost 400 Aldi Stores**, exported to **New Zealand** and having been given approval by Coles Liquor Group to hand sell into stores with discretionary space through a CLG Range Exception agreement we've **started rolling out into Liquorland stores with Stone Cold Lager and Wagon Drivers Pale Ale**.

Having launched 3 core range beers and 2 limited releases, our dedication to creating non-alc beers that taste like beer, has also led to **each of our beers winning awards for taste**.



VISION AND MISSION

Our vision is to be the fastest selling premium mainstream non-alc craft brewery, that's beneficial by name and by nature.

With a mission to brew non-alc Aussie classic beers, that taste like beer.



Our vision to be **Beneficial by Name and by Nature**, doesn't stop at supporting people to drink better. Brewing is a high intensity production process, so we've partnered with a contract brewing facility located on the New South

Wales Central Coast, powered by a **solar energy capacity of 300 kilowatts**



serving as the primary energy source for the daytime brewing operations.

This sustainable energy supply is harnessed to operate the brewery, facilitating the continuous maintenance of a hot water reservoir, maintaining a temperature exceeding 60 degrees Celsius at all times. Furthermore, this energy source also powers the tunnel pasteurisers, contributing to the **natural preservation** of our beer products.



THE BBCO JOURNEY SO FAR

MAR 2022

Launched test in **Newcastle**, with select independent retailers and selling online with key partners and our own online. Establishing proof of concept and feedback from retailers and consumers covering taste, beer style and branding.

FEB 2022

First brew of **STONE COLD LAGER**, de-alced and canned with first production run on 3rd March 22.

AUG 2022

Launched **STONE COLD LAGER** into NSW.

OCT 2022

Third improved brew of **STONE COLD LAGER**.

NOV 2022

Exported to **New Zealand**.

MAR 2023

A trial brew of **WAGON DRIVERS PALE ALE** was successful. Launch Pale Ale mid-March.

Direct approach in late March from **Coles Liquor** for a National trial in 8-20 First Choice Liquor Market bottle shops. Trial launch imminent.

APRIL 2023

Full packaging redesign completed and move from PakTech to 4 pack boxes for retail for maximum shelf stand out.

MAY 2023

DAVE'S DRUNKENLESS DARK ALE brewed as a winter launch beer for GABS Festival 2023.

Our **newly designed packaging won Bronze Design Awards** this year in the prestigious Australian International Beer Awards.

JULY 2023

National Aldi Special Buy Exclusive launch of Lowdown Lager Special Series.

AUG 2023

Won **three Silver Medals** at the Royal Sydney Beer & Cider show for each beer variety. **Aldi Lowdown** was entered into INDIE's and won Silver with our Pale Ale and our Lager received a Bronze.

SEP 2023

First Sip Group appointed as our first QLD sales agent, adding another NSW Agent to the team and their MD running National Retail Accounts for us. This will bolster the sales team and give better East Coast coverage with a VIC Agent starting in October 2023.

OCT 2023

Started rolling out into **Liquorland stores**.

ADDITIONAL OCTOBER PROGRESS TO DATE

Secured national distribution with **Paramount Liquor**, the largest independent wholesaler supplying to bar, clubs, restaurants.



Rolling out into **Coles Liquor**, Liquorland stores via a Range Exception Agreement where we handsell into an agreed 23 stores.



Started rolling out into **First Choice Liquor** after being approached by Coles Liquor to take part in their Non-Alc expansion



Trademarks for the masthead name, logo, smiley schooner, our core range brands, the Aldi Special Series Lowdown lager, are now registered.



First Sip Group expanded to provide sales agents in Victoria, covering on-premise venues, and off-premise independent bottle shops



2.2.3



PRODUCTS & SERVICES

We re-invent Aussie classic beers to look, feel and taste like beer, so that you don't have to compromise when choosing not to drink.

CORE RANGE

DAVE'S DRUNKENLESS DARK ALE

Like old, but new, our Dark Ale brew is a traditional all-malt Australian-style ale. Robust yet smooth, this beer has a rich malty taste, indulgent roasted coffee aromas and subtle chocolate notes. Our Dark Ale is a nod to our founder, who was always a bit of a dark horse when he'd had a few, but our delicious dark ale will allow you to be drunkenless.



WAGON DRIVERS PALE ALE

The ultimate Aussie Classic reinvented, Wagon Drivers is mouthwateringly tropical and delivering citrus notes in spades, you'll discover classic cues of pine and grapefruit. Our Pale Ale is so balanced with bitterness and caramel sweetness, that you'll not only be on the wagon, but you'll take control of the reins and be the driver too.

STONE COLD LAGER

The first of our beers, our non-alcoholic lager is refreshingly clean with a pillowy white foam. The classic floral, spicy and slightly herbal well-balanced finish, will have you fooled that it's not a full alcohol beer. So when a softie's not your thing and a beer is on your mind, have a full-flavoured Stone Cold Lager.





CHAIRMAN'S LAGER

As part of our ongoing quest to brew the best tasting beers that reimagine the classics in everything we do, wherever you are, whenever you'd like, we created a Limited Release lager called Chairman's. The first in our Corporate Series of beers, offering full flavoured non-alc beer to businesses, corporate events and office fridges.

LIMITED RELEASES

LOWDOWN LAGER

Recently winning a silver award at the Indies Beer Awards, our limited release clean and well balanced Lowdown Lager Special Series, was created exclusively for Aldi and launched nationally across all of their licensed stores, as one of their first non-alc beers.



AWARDS

Every brew we've produced has won an award and our Stone Cold Lager is the most awarded non-alc lager in Australia



Australian International Beer Awards

May 2022

Bronze - Stone Cold Lager

Independent Brewers Association

August 2022

Bronze - Stone Cold Lager

Drink Easy

October 2022

Category Finalist - Stone Cold Lager

Royal QLD Awards

February 2023

Bronze - Stone Cold Lager

Australian International Beer Awards

May 2023

Bronze - 4 pack packaging design

Bronze - can packaging design

Bronze - Stone Cold Lager

Bronze - Wagon Drivers Pale Ale

Sydney Royal Beer & Cider Awards

August 2023

Silver - Stone Cold Lager

Silver - Wagon Drivers Pale Ale

Silver - Dave's Drunkenless Dark Ale

Independent Brewers Association

September 2023

Silver - Aldi Lowdown Lager (Same beer was also used for Limited Release Chairman's Lager)

Silver - Wagon Drivers Pale Ale

Bronze - Stone Cold Lager

2.2.4 INDUSTRY OVERVIEW



Global no and low alc market is rapidly growing

- Global No/Low alcohol market grew to \$10 billion and a 3.5% volume share of the global beverage alcohol market in 2021*.
- The pace of growth of the no/low alcohol category is expected to Surpass that of the last 4 years with a forecast of CAGR +7% 2022-2026 with no-alcohol expected to account for over 90% of the forecast total category growth.
- Social element is critical, consumers not drinking need to feel like they belong in the social setting*
- It's not about giving up or /missing out for many consumers, instead it's about moderation, that enables them to have more freedom, clarity and adventure....increased time and clarity and be present**.

Zero Alcohol continues to grow in Australia

- A surge in zero-alcohol buyers grew the total Australian retail zero alc category to \$152 million in 2022***
- Australia saw 60% volume growth of non-alc beer, cider, wines, spirits and RTDs in 2022*
- Purchase penetration increased 6% during the last year, to 14%, but is not yet close to max penetration.***
- 31% of Australian adults are currently purchasing non-alc beverages, with 71% planning to increase their consumption of no & low alc drinks in the next 12 months*
- Millennials are the largest consumer group of no & low consumers in Australia accounting for 36%. With our target audience of 30-45 we're well placed to appeal to this growing audience.*

2.3 BUSINESS AND REVENUE MODEL

Beneficial Beer Co's business is made up of four main revenue streams.



Wholesale:
Bottleshops, pubs
and bars



Retail:
Including Aldi and
Coles Liquor Group



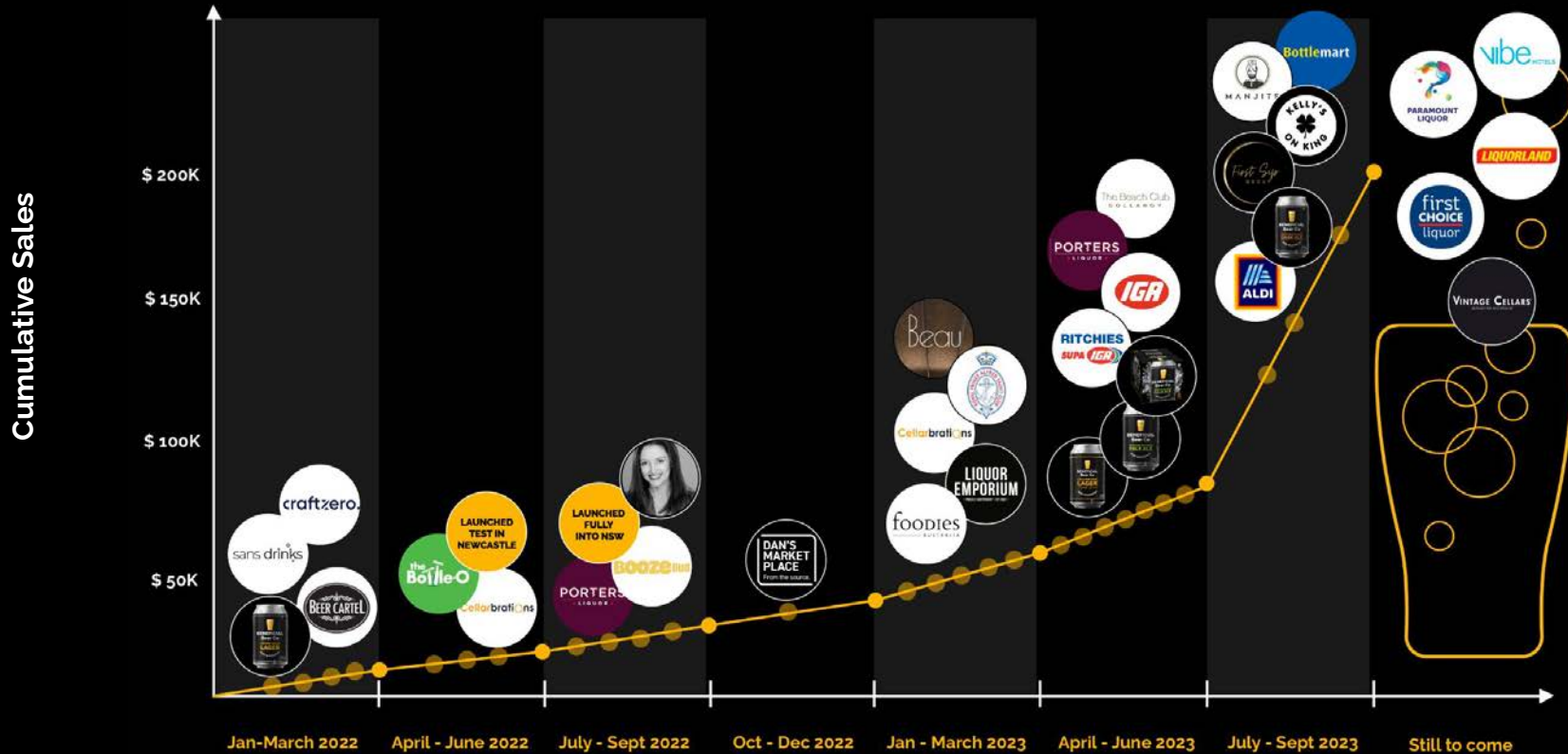
E-Commerce:
Both direct-to-consumer
and 3rd party
E-Commerce platforms



Export:
New Zealand

2.3 BUSINESS AND REVENUE MODEL

TRACTION TO DATE



Note: The above graph logos reflects in store and in venue availability timings. The sale of Lowdown Lager to Aldi was invoiced and delivered in late June 2023, and is accounted for in FY23 Trading Revenue of the 2.8.1 Profit and Loss Statement, but was only launched for sale by Aldi in July 2023 as part of Dry July.

2.3 BUSINESS AND REVENUE MODEL

BBCo is an early-stage beverage company with the following operating features:

- Develops and owns recipes under non-disclosure agreements for its products.
- Key asset is brand and branding strategy, and marketing techniques
- Trademarks and IP ownership across the range of products
- Wholesale customer and distribution relationships
- A growing database of end customers
- Manufacturing of the products are outsourced to a contract supplier, which enables us to scale quickly and retain the same methods of alcohol removal, preserving the taste and aromas of our beer.
- Logistics, packaging, delivery are also outsourced to multiple suppliers reducing risk.

BBCo generates revenues by sales of packaged beverage products to a wide range of wholesale customers who in turn operate retail operations, via our direct sales team and sales agencies.

These domestic and New Zealand wholesale customers include many independent liquor stores, bars and restaurants, and major distributors and retailers such as Aldi Australia, ALM, Coles Liquor, Liquorland, Paramount Liquor.

As such BBCo is a wholesale B2B operation, however, the Company does sell a minority proportion of its products directly to consumers (D2C) via the Company website with a growing list of monthly subscribers.



2.3 BUSINESS AND REVENUE MODEL

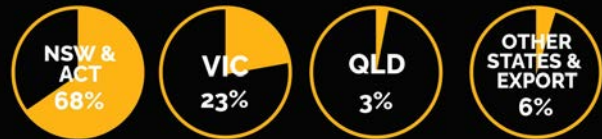
Key Revenue Splits



By pathway to market:



By geography:



Key Revenue Traction Metrics

BBCo measures sales traction via tracking key indicators including:

Sales volumes by carton

- Number of independent retailer customers
- Store footprint of major / national retail customers
- Online D2C sales volumes
- Social media engagement KPIs and database growth

Key Value Drivers

Key value drivers include the Company's:

- Superior multi-award-winning beer recipes
- Brands and branding strategy
- Digital and point of sale marketing techniques
- Relationships with wholesale customers
- Growing digital database of end customers
- Quality manufacturing partners
- Motivated and enthusiastic team and founders

2.4 BUSINESS STRATEGY



Expand

our sales team to be able to nurture existing customers and continue to accelerate our core range distribution base with national retailers, independents, and wholesalers.

Employ

a full-time marketing resource to drive awareness and trial, increase our presence at point of purchase, grow our fan base and community of drinkers.

Build

on our ecommerce platform.

Innovate

our product offering and develop and create additional innovative beers and pack formats in the range.

Increase

our exports to New Zealand and secure Singapore distribution.

2.4 BUSINESS STRATEGY

Key Mission

The Company's near-term priorities include:

- Maintaining the best in class non-alc beer brands - best taste, quality products
- Promoting the sober curious and non-alc drinking culture
- Creating an attractive and adventurous brand led by design and clever marketing
- Driving a cult following among the consumer cohort we are targeting
- Bringing back the Aussie classics – Traditional beer taste, but without the alcohol
- Become dominant in the non-alc space as a brand and company

Use of Funds

Please refer to Section 3.2 (Use of Funds).

BBCo intends to raise funds to expand the business, revenue profile and number of customers to reach sustainable profitability and provide a strong return on investment.

Categories for expenditure in the next 12 months include:

- Additional Marketing and clever branding strategies
- Hiring additional team members
- Funding inventory and forward production
- R&D for new products, new recipes



2.5

OUR TEAM



2.5.1 CORE TEAM

DAVID JACKSON – Founder & Managing Director



With over 28 years founding and mentoring successful start-ups across Australia, Asia and USA, David is a true business visionary, renowned for his energy, passion, drive, and ability to think outside the box. A mentor of both Sydney University's accelerator program and a mentor at UNSW University's entrepreneur program, his experience spans across brewing, technology, finance, talent search and management, PR, sales and revenue generation.

ADRIAN BUNTER – Director



A Chartered Accountant and Senior Associate of Finsia, with over 25 years working with both established and early-stage businesses, assisting them with transactions and growth strategies, ranging from mergers and acquisitions, to strategy development and execution. Adrian sits on the board of Beneficial Beer Co and advises on commercial, legal and financial requirements of the business.



**MATT JOHNSON –
Creative Strategist & Co-Founder**

Matt is a Creative Director with 25 years experience working on a vast number of the worlds biggest brands covering FMCG (Fast Moving Consumer Goods), alcohol, finance, automotive and airlines with clients including Diageo, Land Rover, Qantas and Reckitt. Matt's experience in the alcohol space, particularly beer, is key to shaping the brands image and marketing strategies, and guiding the creative direction of the brand.



**BRUCE PEACHEY –
Head Brewer & Co-Founder**

A Fellow of the Institute of Brewing and Distilling, Bruce is a qualified international brewer, mentor and respected beer judge in Australia and overseas. With over 40 years experience in brewing, production management and innovation, including 20 years with Tooheys (Part of the Lion Group), Bruce has previously developed and successfully launched brands like Bluetongue Beer and is a pivotal part of ensuring our beers, taste like beer.



**RYLEE MARTIN –
National Retail Accounts**

Rylee Martin is a highly experienced and accomplished liquor & beverage industry professional with over 10 years of experience in sales, marketing, and business development. She is the Founder and Managing Director of First Sip Group Pty Ltd, a consultancy firm that provides strategic advice and support to businesses in the drinks industry. Managing a sales team, Rylee is spearheading our sales and distribution strategy for Liquorland, independents and retail groups in Australia.



**YASMIN BAR –
Business Development Manager**

With a background in sales and business development, Yasmin joined the team as our first Sales Rep in NSW and has helped to build our independent retail stockists in NSW to over 150 in 12 months. Yasmin plays a key role in building and maintaining strong relationships with our customers, increasing brand visibility, negotiating sales terms, and driving driving demand to ensure we hit the brands sales targets.



**NIKKI ROMANS –
Head of Marketing**

With almost 25 years experience in sales and marketing, including over 20 years in the drinks industry in the UK and Australia, with organisations such as Molson Coors, Beverage Brands, Brothers Cider Company and Rekorderlig Cider, Nikki has worked with established brands looking to challenge the norm, entrepreneurs as well as young brands looking to accelerate growth. Nikki is highly experienced at building and leading marketing teams that have created multi-award winning brand marketing campaigns.

2.5.2 ADVISORS



DR BRANDON GIEN – DESIGN ADVISER

Founder and CEO of Good Design Australia and Chair of Australia's annual Good Design Awards. He's spent 25 years as an advocate for design to improve our social, economic, cultural and environmental quality of life at a national and international level.



BEN LOITERTON – COMMERCIAL ADVISER

Director, investor, adviser, investment banker and mentor to a long list of early stage startups, scale-ups and ASX listed companies. Ben has 30 years in the Sydney capital markets navigating deals, creating new companies, raising money, and guiding boards, founders and management teams.



MARK CURRY – PRODUCT INNOVATION ADVISER

Mark left his career as a lawyer to become a nutritionist and disrupt an unhealthy and artificial industry of "performance products". His product formulation experience includes performance drinks, alcoholic and non-alcoholic kombucha, protein, collagen and nootropics.



IVAN SZACKS – FINANCE ADVISER

Ivan is a talented and experienced advisor known for his exceptional skills in helping small companies achieve their visions through strategic planning, financial modeling, and budgeting. With a diverse background in proprietary trading, stockbroking, and corporate advisory in both the US and Australia, Ivan brings a wealth of expertise and insight to his clients.





BENEFICIAL
Beer Co

ORGANISATION CHART 2023



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 4,000,000 ordinary shares on issue. 59.4% of the shares are held by Beneficial Beers' founder.

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

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis.

Table 1: Issued capital of the Company before the Offer

Shareholder	Share Type	Shares
Merewether Enterprises P/L	Ordinary*	2,375,860 (59.4%)
Matt Johnson	Ordinary	287,391 (7.3%)
Other Shareholders holding <5%	Ordinary	1,336,749 (33.3%)
Total Shares		4,000,000 (100%)

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

Shares	Minimum Subscription	Maximum Subscription
Founder Shares	2,375,860 (56.57%)	2,375,860 (49.50%)
Existing Ordinary Shares	1,624,140 (38.67%)	1,624,140 (33.83%)
Offer Shares	200,000 (4.76%)	800,000 (16.67%)
Total Shares	4,200,000 (100%)	4,800,000 (100%)

*The Ordinary Shares held by Merewether Enterprises Pty Ltd will automatically convert into Founder Shares upon the issue of shares under the Offer. Refer to Section 2.6.2.

2.6.2 RIGHTS AND LIABILITIES ASSOCIATED WITH SECURITIES

On 15 September 2023, the Company agreed to adopt a new Constitution which will automatically come into effect on the first issue of shares under this Offer. A copy of the Company's new Constitution, in the form which will apply to all shareholders from the date of the first issue of shares under this document, is available on the Intermediary's platform.

This section sets out a summary of the rights and liabilities associated with the securities in the Company as they will apply under the new Constitution.

The shares offered under this Offer are ordinary shares. On the first issue of shares under this CSF offer, the Company will have two classes of shares on issue:

- Ordinary shares
- Founder shares

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 as each other ordinary share and each Founder share.
- Rights to receive notice of and attend general meetings of the Company
- Restrictions on the sale or transfer of shares, including special provisions applying to an Exit Event.
- The same rights on a wind-up of the Company as each other ordinary share and each Founder share

A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3 below.

Founder shares

Upon the issue of shares under this offer, the shares held by the Company's Founder will become Founder shares. The rights and liabilities associated with the Founder shares are set out in the Company's constitution, including:

- The same voting rights, rights to receive dividends and rights on winding up as ordinary shares
- Rights to receive notice of and attend general meetings of the Company
- The right to appoint one Founder director, who may chair Board and Company meetings

Exclusion from the standard restriction on the sale or transfer of shares

If the Founder shares are transferred to a person who is not related to the Founder, the Founder shares automatically convert to ordinary shares and lose their special rights.

Other provisions in the Constitution

The Board has the power to refuse a transfer of shares to a third party. The Constitution includes a concept of a "Board Special Decision". The Board cannot make a decision regarding a Board Special Decision matter unless the Founder director approves the decision. These decisions include:

- Appointing senior employees
- Issuing new securities
- Declaring dividends
- Major capital expenditures
- Substantial borrowings

The Constitution includes a concept of an "Extraordinary Resolution", which is a special resolution that is approved by the holder of the Founder shares. For an Exit Event to proceed, it must be approved by an Extraordinary Resolution.

Termination of Shareholders Agreement

As at the date of this Offer document, the Company has a shareholders agreement in place between the existing shareholders in the Company. This shareholders agreement will terminate automatically upon the first issue of shares under this Offer. As such, other than the Constitution, from the first issue of shares under this Offer, there will be no shareholders agreement or other agreement between the existing shareholders of the Company.

2.6.3 SOURCES OF FINANCING, INCLUDING DEBT FINANCING AND OTHER FINANCING

To date, the Company has raised \$848,699 in 3 equity capital funding rounds by way of the issue of fully paid ordinary shares:

1. In May 2021 the Company raised seed equity capital of \$274,999 at a price of \$149.70 per share, pre share split* (Equivalent to \$0.5209 per share post share split) which was a post-money valuation of \$1,771,999; and
2. Between April and July 2022, the Company raised a second round of equity capital totalling \$382,200 at a price of \$500 per share, pre share split* (Equivalent to \$1,7398 per share post share split), which was a post-money valuation of \$6,300,700.
3. Between May and August 2023 the Company raised a third round of equity capital totalling \$191,500 at a price of \$500 per share, pre share split*, which was a post-money valuation of \$6,749,015. The investors between May and August 2023 have been issued additional share for no additional consideration that results in an effective post share split, share price of \$1.00 per share (The same price as this offer), which resulted in an effective post-money valuation of \$4,000,000.

The Company does not have any debt facilities.

*On 9 November the company undertook a share split such that each existing share was subdivided into 287,3908 shares (With any resultant part shares rounded up or down to the nearest whole share), which resulted in an increase in the total number of shares on issue, but no change to the ownership percentage or each individual shareholder.



2.7

KEY RISKS FACING THE BUSINESS



KEY RISKS FACING THE BUSINESS

Risk	Description
Cash flow risk	BBCo's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.
Funding risk	<p>BBCo 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.</p> <p>BBCo may also need to raise additional funds in the future from investors or third parties. There is no assurance that the BBCo will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. BBCo value may be materially affected if the required additional funding is not available.</p>
Competition risk	<p>There is a risk that competition in the market could impact on our revenues and profitability.</p> <p>BBCo operates in a highly competitive market, with several known competitors existing and emerging. If we are unable to successfully compete with existing and new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.</p>
Insolvency risk	BBCo is not yet profitable, and is seeking to obtain further funding to achieve its objectives. There is no guarantee that funding will be available on favourable terms or that BBCo will receive any level of funding at all.
Key person risk	As an early stage business, BBCo is 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 BBCo ability to continue its operations or achieve its business objectives as the case may be.

2.8



**FINANCIAL
INFORMATION**

2.8 FINANCIAL INFORMATION

Below are the financial statements of the Company for the financial year ended 30 June 2023 and 30 June 2022, which have been prepared in accordance with the Accounting Standards.

2.8.1 PROFIT & LOSS STATEMENT

BENEFICIAL BEER CO. PTY LTD

Detailed Profit & Loss Statement for the year ended 30 June 2023

Income	2023 \$	2022 \$
Trading Profit		
Trading Account		
Trading Revenue	153,951	13,802
Cost of Sales	(118,196)	(986)
Total Trading Account	35,756	12,816
Total Trading Profit	35,756	12,816
Total Income	35,756	12,816
Other Income		
Other Income	1,768	538
Total Other Income	1,768	538
Total Income	37,524	13,353
Expenses		
Advertising and Sales	246,019	55,480
Team Costs	62,180	39,000
Professional Services	14,893	11,257
Rent & Occupancy	17,354	-
Travel and Accommodation	9,898	11,248
Other Expenses	26,495	6,246
Depreciation and Amortisation	2,997	-
Total expenses	379,836	123,231
Profit / (Loss) before Taxation	(342,312)	(109,877)
Net Profit After Tax	(342,312)	(109,877)
Net Profit After Dividends	(342,312)	(109,877)

2.8.2 BALANCE SHEET

BENEFICIAL BEER CO. PTY LTD
Balance Sheet as at 30 June 2023

Assets	2023 \$	2022 \$
Current Assets		
Cash & Cash Equivalents	59,786	459,160
Receivables	115,739	11,450
Inventory	194,024	13,223
Other Current Assets	15,000	-
Total Current Assets	384,549	483,833
Non-Current Assets		
Intangibles	6,794	3,733
Total Non-Current Assets	6,794	3,733
Total Assets	391,343	487,566
Liabilities		
Trade and Other Payables	16,301	8,912
Share application funds received	-	335,000
Total Current Liabilities	16,301	343,912
Total Liabilities	16,301	343,912
Net Assets	375,042	143,654
Equity		
Share Capital	848,799	275,099
Retained Earnings	(473,757)	(131,445)
Total Equity	375,042	143,654

2.8.3 CASH FLOW STATEMENT

BENEFICIAL BEER CO. PTY LTD
Cash Flow Statement for the year ended 30 June 2023

	2023 \$	2022 \$
Operating Activities		
Receipts from customers	73,772	8,789
Payments to suppliers and employees	(731,533)	(153,077)
Cash payments from GST	37,958	7,882
Net Cash Flows from Operating Activities	(619,803)	(136,406)
Investing Activities		
Payments for property, plant and equipment	(3,271)	(907)
Net Cash Flows from Investing Activities	(3,271)	(907)
Financing Activities		
Repayment of short-term loans	-	(281)
Proceeds from issue of shares	223,700	335,000
Net Cash Flows from Financing Activities	223,700	334,719
Net Cash Flows	(399,374)	197,406
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	459,160	261,754
Net change in cash for period	(399,374)	197,406
Cash and cash equivalents at end of period	59,786	459,160

2.8.4 STATEMENT OF CHANGES IN EQUITY

BENEFICIAL BEER CO. PTY LTD
Statement of changes in equity as at 30 June 2023

	Issued Capital	Retained Profits	Total Equity
Opening 1 July 2021	275,099	(21,568)	253,531
Profit (Loss)	-	(109,877)	(109,877)
Increase (Decrease) in Equity	-	-	-
Closing 30 June 2022	275,099	(131,445)	143,654
Opening 1 July 2022	275,099	(131,445)	143,654
Profit (Loss)	-	(342,312)	(342,312)
Increase (Decrease) in Equity	573,700	-	573,700
Closing 30 June 2022	848,799	(473,757)	375,042

2.8.5 MANAGEMENT COMMENTARY ON HISTORICAL PERFORMANCE

Historical Performance:

We take pride in recounting our historical performance as we transition from a fledgling start-up enterprise, to an expanding scale-up organisation. Despite facing challenges posed by COVID-19 lockdowns in late 2021, we managed to achieve a number of significant milestones. Commencing with an initial capital infusion of \$275,000 from family and friends, we were able to inaugurate the company and secure the invaluable co-founder and Head Brewer, Bruce Peachey. This marked the genesis of our business in July 2021.

Notably, we encountered delays in our inaugural production run due to state border closures in September 2021. Consequently, we had to postpone the process until January 2022. However, our inaugural brew, which required no prior trials, was met with resounding success. It entered the market immediately and went on to earn a Bronze medal at the esteemed Australian International Beer Awards and Bronze again at the Independent Brewers Awards in 2022.

Our initial focus was on creating a great tasting core range of non-alc beers, that tasted like real beer and that our test markets enjoyed and showed re-purchase habits. We needed to ensure that we had good quality products before trying to sell them.

In March 2022, we initiated a soft launch in the Newcastle (NSW) market, as well as through a number of specialist online non-alcoholic platforms. This endeavor yielded positive validation, enabling us to strategise a broader expansion into the Sydney market later that year, in August 2022, when we secured our first Sales representative to commence approaching retailers.

In financial year 2022 the business commenced those initial sales and our relentless pursuit of these milestones resulted in remarkable product achievements, most notably achieving maiden sales revenue. This was primarily driven by our initial independent off-premise outlets. This performance serves as a testament to the dedication and unwavering efforts of our team, as they laid the essential groundwork for our future growth. We gradually expanded in financial year 2023 with further product innovation, to make sure we had several products to sell to customers, and continued to build an initial cohort of retailers, upon which we could build from. We are now ready for an acceleration of growth with an expanded sales team.

Most recent performance:

The First Sip sales team commenced in September and expanded in October, and are driving growth with full East Coast coverage across on-premise venues, off-premise independent bottle shops and the Coles Liquor rollout to Liquorland and First Choice Liquor. The growth in venues has increased by 10% in the last month, and we are seeing this accelerate.

Our first delivery was sent in October to Paramount, which is Australia's largest family-owned independent liquor wholesaler servicing bars, pubs and restaurants. Our growing sales team is already out there ensuring we're available in more venues with the important summer and upcoming festivities months

Also, we are now in negotiations for entry into a large scale NSW distribution centre giving us access to Australia's largest wide-range wholesaler to the independent liquor trade. This can provide access to major independent retail banners, such as IGA Liquor, Cellarbrations, The Bottle-O, Bottlemart, Liquorstax, Foodworks, and more.

Our e-commerce sales continue to grow organically month on month, both directly and via the Dan Murphy's Marketplace.

2.8.5 MANAGEMENT COMMENTARY ON HISTORICAL PERFORMANCE

Outlook:

As we come to the end of calendar year 2023, we find ourselves presented with promising opportunities and a very optimistic outlook. Our sales figures have seen a substantial upsurge, with FY23 revenue of \$153,951, indicative of a good foundation. Looking ahead, we foresee a sustained momentum and expansion through the following strategic initiatives:

- 1. Production Growth:** In the fourth quarter of 2023, we are poised to scale our production to 3,400 cartons, further enhancing our revenue streams and fortifying our market presence.
- 2. Geographic Expansion:** Our expansion into new markets, including Queensland and Victoria, is on track, complemented by our ongoing growth in New South Wales and the Australian Capital Territory. This is supported by our recently expanded sales team. This expansion underscores our unwavering commitment to broadening our footprint.
- 3. Retail Partner Expansion:** A continued rollout in Liquorland, First Choice Liquor and Vintage Cellars across New South Wales, Victoria, and Queensland, featuring competitive wholesale pricing delivering a strong gross profit margin, represents a substantial growth opportunity. Success in these rollouts could pave the way for a nationwide expansion into broader Coles Supermarkets in the second quarter of 2024.

- 4. Improved Gross Margin:** Concurrently, we are actively pursuing access to the distribution centres of major partners, having just secured Paramount Liquor as a national distributor in October 2023. This strategic move is aimed to augment our gross profit margins, as we anticipate retaining a share of the savings associated with improvements in current freight and storage costs stemming from our direct-to-store model. Additionally, we are in the process of renegotiating our carton production price agreement with our contract brewing partner. This effort leverages anticipated volume growth and regular production schedules to reduce costs further. These developments underscore our commitment to sustainable growth and value creation for our shareholders, partners, and stakeholders.

2.8.5 MANAGEMENT COMMENTARY ON HISTORICAL PERFORMANCE

We remain resolute in our pursuit of excellence and eagerly anticipate an exciting future characterised by expansion and ultimately, profitability.

Utilising the proceeds generated through the Crowd-Sourced Funding (CSF) Offer, we intend to maintain our strategic focus on bolstering our sales team, advancing our research and development (R&D) efforts, and enhancing our marketing functions. This strategic allocation of resources aligns with our objective of expanding our market reach to encompass various Australian states. It is imperative to note that, as we embark on this pivotal journey of business expansion, we anticipate that short-term profitability may not be immediately attainable.

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 outlook. No representation or assurance is or can be given that the outlook 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.



SECTION

3

INFORMATION ABOUT THE OFFER



3.1 TERMS OF THE OFFER

The Company is offering up to 800,000 shares at an issue price of \$1.00 per share to raise up to \$800,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1.00 per share
Minimum Subscription	\$200,000
Maximum Subscription	\$800,000
Opening date	14th November 2023
Closing date	30th 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.



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 \$200,000	Maximum Subscription \$800,000
Marketing	\$80,200	\$304,200
R&D	\$10,000	\$35,000
Production	\$45,000	\$245,000
Staffing	\$50,000	\$165,000
Offer Costs	\$14,800 (6% of total funds raised plus \$2,800)	\$50,800 (6% of total funds raised plus \$2,800)
Total	\$200,000	\$800,000

- Marketing includes social media spend, merchandising, conducting sampling and tastings across our Independent and Coles Liquor Liquorland bottleshops
- R&D includes the development of new innovative products.
- Production includes the manufacture of products for sale.
- Staffing includes hiring new marketing and sales staff for on premise sales across the East Coast.

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 will require further funding to be able to carry out our intended activities over the next 18 months. 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 R&D expenses and continue to focus our cash resources on production and sales.

3.3 RIGHTS ASSOCIATED WITH SHARES

On 15 September 2023, the Company agreed to adopt a new Constitution which will automatically come into effect on the first issue of shares under this Offer. A copy of the Company's new Constitution, in the form which will apply to all shareholders from the date of the first issue of shares under this document, is available on the Intermediary's platform.

This section sets out a summary of the rights and liabilities associated with the securities in the Company as they will apply under the new Constitution.

The shares issued 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 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. Holders of fully-paid ordinary voting shares rank [ahead/behind] other classes of shares (if any).

3.3.6 RESTRICTIONS ON SALE AND TRANSFER

Pre-emptive rights on transfer

If a shareholder wishes to transfer their shares, they must give a notice to the Company, detailing the number of shares they wish to sell and the price per share. By giving the sale notice, the shareholder appoints the Company as its agent to dispose of the shares. The Company must provide the sale notice to all the other shareholders, offering them the right to purchase the sale shares. If the sale shares are not acquired by the other shareholders, the Company may elect to buy back those shares. Otherwise, the offering shareholder may sell shares not accepted by other shareholders to a third party.

This procedure does not apply where a shareholder wishes to transfer their shares to their related party.

This procedure does not apply to the holders of the Founder shares, but if the Founder shares are transferred to anyone other than a related party of the Founder shareholder, those shares automatically convert to ordinary shares.

Exit provisions

The Board may propose an Exit Event including an IPO, share sale, asset sale or another transaction which results in a change of control, provided that not more than 50% of the proposed consideration for the shares or assets may be in another entity's securities unless those securities are listed on a stock exchange. For an Exit Event to proceed, it must be approved by an Extraordinary Resolution of members, being a special resolution approved by the holders of the Founder shares. If an Exit Event is proceeding, all Shareholders must exercise all rights and do all things to enable the Exit Event to occur.

Escrow arrangements in an IPO

If an Exit Event is approved under the Constitution and that Exit Event involves an IPO, each shareholder agrees to enter into any required escrow arrangements as may be required by the rules of the relevant stock exchange.

Discretion to refuse to register a transfer of shares

The Board has the power to refuse to register 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.

Termination of Shareholders Agreement

As at the date of this Offer document, the Company has a shareholders agreement in place between the existing shareholders in the Company. This shareholders agreement will terminate automatically upon the first issue of shares under this Offer. As such, other than the Constitution, from the first issue of shares under this Offer, there will be no shareholders agreement or other agreement between the existing shareholders of the Company.

3.3.7 ISSUES OF FURTHER SHARES

The Board has power under the Constitution to issue additional shares or other securities in the Company on the terms, with the rights and at the times that the Board decides.

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.

3.5 EARLY STAGE INNOVATION COMPANY

From 1 July 2016, if you invest in a qualifying early stage innovation company (ESIC), you may be eligible for tax incentives. The incentives provide eligible investors, who purchase new shares, with:

- a non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments. This is capped at a maximum tax offset amount of \$200,000 for sophisticated investors and their affiliates and \$50,000 for retail investors and their affiliates.
- a modified capital gains tax (CGT) treatment, under which capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than ten years are exempt from CGT. Capital losses made or accrued on shares held less than ten years are also disregarded.

More information about the ESIC regime is available from the [ATO website here](#).

Based on an objective self-assessment with the assistance of advisors, the Company has assessed itself and believes that it meets the criteria as a qualifying ESIC for the purposes of this Offer. Investors who purchase new shares in qualifying ESICs may be eligible for certain early stage tax incentives.

The Company does not warrant or guarantee that it will qualify under relevant rules as an ESIC, and is not able to form a view or give investors tax advice as to whether they are eligible for any tax incentives. Neither the Company nor Birchal Financial Services Pty Ltd take any responsibility for investors that invest on the assumption that ESIC will apply to them or the Company. We recommend that investors seek independent tax advice about their investment.

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 website at the following address <https://beneficialbeer.com.au> (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 on the Company's website at the following address <https://beneficialbeer.com.au>, via the Company's share registry website at the following address <https://beneficialbeer.com.au> and via the Intermediary's platform.

GLOSSARY

Company means Beneficial Beer Co Pty Ltd ACN 650 655 388

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 Birchal 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



**CHEERS
AND THANKS
FOR YOUR
INTEREST**



**BENEFICIAL
Beer Co**

BREWED FOR HUMAN KIND

