

NAKED LIFE GROUP PTY LTD

# CROWD-SOURCED FUNDING OFFER DOCUMENT

Dated 20th June 2023

Offer of fully-paid ordinary shares in Naked Life Group Pty Ltd at AUD \$1.39 per share to raise a maximum of \$2,999,998.

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Naked Life Group Pty Ltd.

This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

## **Issuer**

Naked Life Group Pty Ltd ACN 637 710 046

## **Intermediary**

Birchal Financial Services Pty Ltd ACN 621 812 646 AFSL 502618



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

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## SECTION 1

# RISK WARNING

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

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship. Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

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

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

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

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





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## SECTION 2

# INFORMATION ABOUT THE COMPANY







## Hi, I'm David, Founder & CEO of The Naked Life Group.

Firstly, a huge thank you for taking the time to explore this opportunity. I'm excited to invite you to join me as not only co-owners but team members as we look to change the drinking culture of the world for the better.

This journey all started as a small sugar-free soft drink business in 2016, after my own unsatisfied experience through the substandard no sugar drinks of the time. With a belief that sugar-free should never mean compromising on taste, a value that still rings true today in our business, we created sodas, tonics and then Australia's first (and best) sugar-free, all natural icy poles - SugarFreezies.

But it was in 2019, when I started to reduce my alcohol intake and started drinking mid and low strength drinks so I could still drive, or avoid hangovers, that I realised there was a massive opportunity. I still wanted to have fun, be part of the party and have a drink in my hand but I quickly realised that good options were few and far between. Lemon, Lime & Bitters was most certainly not a good enough option.

At that point - the Australian Culture was also one where celebrations were intrinsically linked to alcohol, and the cultural movement and acceptability of non-alc options was not upon us - so there were a few obstacles that a non-alc brand had to overcome to be successful - so we started to investigate.

A quick look at the industry numbers and I was blown away. At that point - 19% of Australian's aren't drinking at all<sup>9</sup>, and with over a third of the population actively reducing their intake<sup>14</sup>, driven by the younger generations<sup>9</sup> - this was not just a fad. All signs were pointing towards a structural shift in Australia's relationship to Alcohol. Yet, if you didn't want to drink beer or wine, your NoLo (no or low alcohol) experience was pretty dire. There were no good options available - And so, Naked Life Spirits was born.

We decided that we wanted to help divorce celebrations from alcohol by giving customers an experience they could be proud of drinking, and one that kept them part of the party when they wanted to drink less. This has become our relentless pursuit - to ensure that consumers can get a great non-alc beverage at every social occasion they go to.

As a business, the Naked Life Group (**NLG**) - comprising of Naked Life Non-Alcoholic Spirits, Naked Life Lifestyle beverages (**Beverage Portfolio**) and The No Nasties Project - has always been built on innovation and a belief that nothing is impossible. "There is always a way" is core to our values, allowing us to work faster than the big guys and deliver quickly - it's this approach that allows us to change the market.

I'm privileged to lead a team of world class, passionate FMCG experts who are strapped in for the journey in divorcing celebrations from alcohol. Our team has a vast amount of experience in major companies and embraces challenging the status quo. Our mission is to provide better-for-you products at scale, without compromise on taste, giving real choice to the consumer and changing the face of mainstream food and beverages.

And it's the skills and passion above that has let us deliver what we have:

- Creating 17 new non-alcoholic RTDs and 7 premium bottled spirits options within 24 months
- Being the #1 non-alcoholic brand in grocery, selling more than the big guys such as Heineken, Gordons and Great Northern - not bad for a small startup!
- Collecting the gong for Australia's Fastest Growing Company from The AFR in 2022
- Creating a product that resonated so much with Aussie consumers that we were outselling international renowned competitors to the tune of 400% like for like product sales<sup>1</sup>
- Winning multiple gold medals for our beverages at world-renowned Spirits Competitions
- Being awarded the Non-Alcoholic producer of the year at the Melbourne International Spirits Comp
- Signing our first multi-year deals with amazing venues such as Optus Stadium and Melbourne Exhibition Centre
- And lastly the one we wear with the most pride, it's the ongoing feedback we receive from our tribe of customers who are so thankful that we've created an option that allows them to stay part of the party!

And this is just the beginning...

So why Crowd Sourced Funding Capital Raise? Two very clear and simple reasons.

One, change is made easier as a community and easier with a passionate one at that. We believe by giving our customers the chance to be investors and ensuring our investors are passionate ambassadors, we can create the infectious passion that powers awareness and change.

Secondly, at the outset, we wanted to take on the grocery market first. We felt that's where there was the ability to change the market the fastest - targeting early adopters, to then use this brand strength to open up new channels that are slower to adopt. Having reached a tipping point, as the #1 brand in the cocktail space in Australia<sup>4</sup>, it's time for phase 2.

We want to keep pushing hard, keeping the foot down on awareness activity, growing the market while broadening our distribution into Retail Liquor, on-premise, and strategic accounts while readying ourselves for the important international step. All of which takes investment now, so we can reap the rewards together in the future.

But I won't give anymore away! I hope you both enjoy reading about our traction and opportunity but also join us on our onward journey in giving consumers a better choice in their life.



David Andrew

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# DID YOU KNOW? WE WERE VOTED AUSTRALIAN NON-ALCOHOLIC PRODUCER OF THE YEAR IN 2022



- Melbourne International Spirits Competition





## 2.1 COMPANY DETAILS

This offer of shares is made by Naked Life Group Pty Ltd ACN 637 710 046 (Company).

Company Name	Naked Life Group Pty Ltd
ACN	637 710 046
Registered Date	3 December 2019
Registered Office	100 Spring Street N, PORT MELBOURNE VIC 3207
Principal Place of Business	231 Chapel Street, Revolver Lane, PRAHRAN VIC 3181
Directors	David John Walter Andrew Mark Dominic Vassarotti
Subsidiaries	<b>Inspi Beverages Pty Ltd [100% Owned]</b> ACN 095286267 <b>The No Nasties Icicle Project Pty Ltd [100% Owned]</b> ACN 626068488 <b>Inspi Holdings Pty Ltd [100% Owned]</b> ACN 627327940 <b>Naked Lifestyle Co. Pty Ltd [100% Owned]</b> ACN 668 544 054
Website	<a href="http://www.nakedlifespirits.com.au">www.nakedlifespirits.com.au</a> <a href="http://www.nakedlife.com.au">www.nakedlife.com.au</a> <a href="http://www.thenonastiesproject.com.au">www.thenonastiesproject.com.au</a> <a href="http://www.bettabobabubbletea.com.au">www.bettabobabubbletea.com.au</a>

## 2.2 OUR BUSINESS

### 2.2.1 ABOUT THE COMPANY

What started as an experiment in 2016 on the kitchen counter of our founder, David, to reduce sugar in his own diet, has now become a relentless mission for our team. Driven by an ethos that better-for-you can also mean better-tasting, the Naked Life Group (**NLG**), comprising of the Naked Life Beverage Portfolio (**Beverage Portfolio**) and its sister kids snacking business, The No Nasties Project, has been driving a healthier Australia through low and no-sugar options in people's favourite food and beverages.

Fast forward to today and the **Beverage Portfolio** alone has grown from \$0.4M in FY20 to \$10.5M YTD 31 March - as a result, NLG was recognised by The Australian Financial Review as Australia's #1 Fastest Growing Company of 2022.

#### OUR MISSION IS TO GIVE CHOICE BACK TO CONSUMERS

*Accelerating the adoption of better-for-you products for the mainstream*

#### OUR VISION IS TO BE THE WORLD'S BIGGEST & BEST NON-ALCOHOLIC BRAND

*Driving a better drinking culture through better choice and availability*

Since inception, the **NLG** has been built on creating on-trend, scaleable products for the growing better-for-you consumer. Working across categories and consumer moments, we have developed three key brands within our group, each holding true to the mission.

Naked Life Non-Alcoholic Spirits, the award-winning, #1 non-alcoholic cocktail in Australia. This is the flagship of our **Beverage Portfolio** and the core driver of our group's focus and growth plans. Naked Life Lifestyle Beverages, the second part to the Beverage Portfolio, is a range of better for you refreshing soft drinks, iced teas, and functional beverages. The No Nasties Project, our better-for-you kids snacking range, consisting of low or no sugar icy poles, cereals, cookies and spread.

All brands with availability in major grocers and select independents Australia-wide. And as an investor, you'll own all three of these brands.



**NAKED LIFE**  
NON-ALCOHOLIC SPIRITS

**Non-Alcoholic. Low in Calories. Sugar-Free.**



**NAKED LIFE**

BETTER-FOR-YOU  
ALTERNATIVES  
FOR AUSTRALIAN  
FAVOURITES

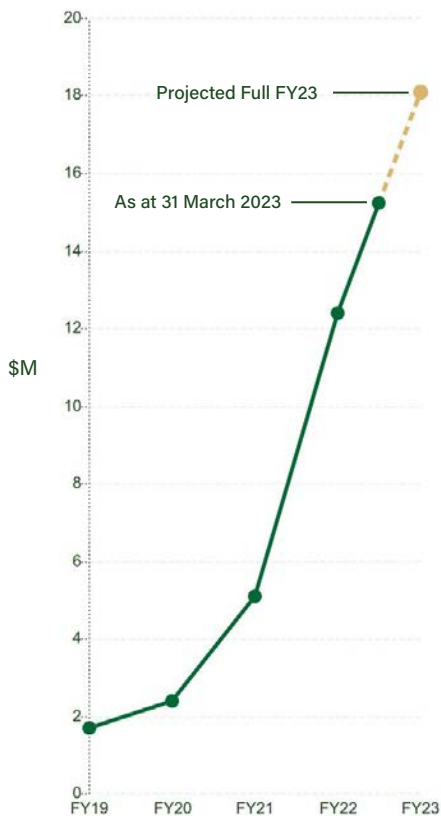


THE  
**NO NASTIES**  
PROJECT

Family focused  
Better-For-You  
treats & snacks

## 2.2.2 THE JOURNEY SO FAR HIGHLIGHTS

### NLG CONSOLIDATED ANNUAL REVENUE (FY19-FY23)



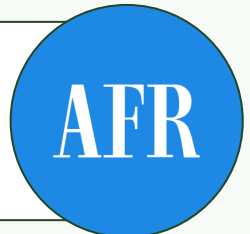
**VOTED #1 NON-ALC  
PRODUCER OF THE  
YEAR IN 2022**



**#1 SELLING NON-ALC  
COCKTAILS IN  
GROCERY<sup>3</sup>**



**AUSTRALIA'S #1  
FASTEST GROWING  
COMPANY IN 2022**



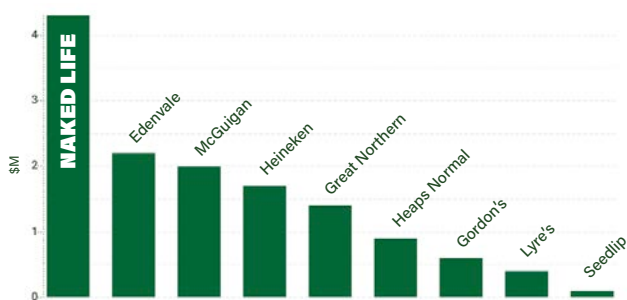
**MOST RECOGNISED  
NON-ALC BRAND  
IN MARKET<sup>4</sup>**



**5 MILLION CANS  
SOLD IN THE PAST 12  
MONTHS & GROWING<sup>3</sup>**

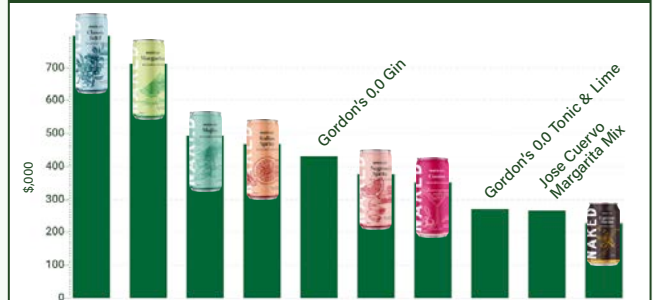


### OUTSELLING MAJOR BRAND COMPETITORS IN GROCERY (\$)



Source: Coles & Woolworths Scan Data QTR 13 weeks ending 31 Jan 2023

### 7 OF THE TOP 10 HIGHEST PERFORMING SPIRITS-BASED SKUS IN GROCERY (\$)



Source: Coles & Woolworths Scan Data QTR 13 weeks ending 31 Jan 2023



## FROM THE BEGINNING

The NLG journey has been a few years and a lot of hard work in the making - so let us get you up to speed.

Here are a few key milestones from over the years, highlighting pivotal moments that shaped us into what you see today:



**2016**



### NAKED LIFE IS BORN

Naked Life launches with a range of 3 sugar-free sodas, initially ranged in a handful of Melbourne independent grocers, cafes and restaurants.

**2017**



### SUGAR-FREE TONICS

Naked Life brings sugar-free tonic waters to market in two classic styles, Indian & Botanical Tonic. Ranged in Dan Murphy's nationwide.

**2018**



### THE NO NASTIES PROJECT

The No Nasties Project launches with a range of Australia's first sugar-free icy-poles, supported by national ranging in Woolworth's supermarkets.

**2019**



### SUGAR-FREE ICED TEAS

Naked Life continues innovating, launching a range of 4 iconic sugar-free iced tea flavours that achieve great success in the P&C channel.

**2020**



### NON-ALC COCKTAILS

The Naked Life Non-Alcoholic Spirits brand launches with an initial portfolio of 11 RTDs ranged nationally in Woolworth's supermarkets.

## 2020 CONTINUED

**CRACKING THE MAJORS**

Coles jumps on board the better-for-you train, ranging us nationally where we quickly become the #1 brand in Coles' spirits portfolio<sup>3</sup>.

## 2021

**BOTTLED SPIRITS**

As part of Naked Life's continued innovation drive, a range of 7 premium bottled spirits are launched to target the on and off-premise channels.

**TURBO-CHARGE GROWTH**

Following strong sales results, Woolworth's & Coles get serious about non-alc, increasing ranging of our RTDs to over 1500 stores.

**REDUCED SUGAR SNACKS**

The No Nasties Project expands to include a reduced-sugar snacking range of cereals, cookies and chocolate spread in major grocers.

## 2022

**EXPLORING EXPORT**

Naked Life dips its toes into the export market by establishing deals with local distributors and retailers in New Zealand, Singapore & the US.

**LIFESTYLE BRAND EXPANDS**

Naked Life expands its better-for-you portfolio with a range of nootropics and reduced sugar bubble tea, ranged in Woolworth's front fridges.



**2022 CONTINUED****OPTUS STADIUM**

Naked Life signs a multi-year exclusive deal with OPTUS stadium, becoming the first premium non-alc offering in a major events venue.

**2023****AUSTRALIA'S FASTEST GROWING COMPANY**

Naked Life Beverage Portfolio is awarded the #1 Fastest Growing Company in Australia by The AFR.

**BIRCHAL CAPITAL RAISE**

Naked Life launches a crowd-funding campaign, giving Australians the chance to invest in Australia's #1 selling non-alcoholic cocktail brand<sup>1</sup>.

**LIFESTYLE RE-BRAND**

To align with the overall growth strategy across the lifestyle beverage portfolio, Naked Life begins a re-brand of their soda and iced tea ranges.



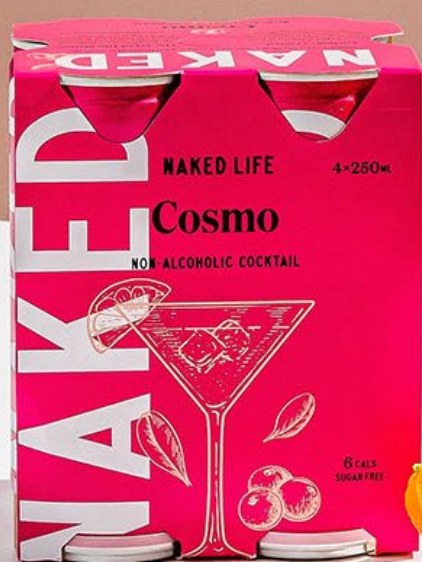


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**DID YOU KNOW?**

# **NAKED LIFE WAS AUSTRALIA'S FASTEST GROWING COMPANY IN 2022**

- The Australian Financial Review's Fast 100 List



## 2.2.3 OUR PRODUCTS

Our #1 is creating the best tasting products that give an authentic experience. Our success to date has been due to our ability to develop better-for-you products that don't taste like they're better for you.

**Naked Life Non-Alcoholic Spirits** is our flagship range in our portfolio. We have developed 17 RTD cocktails that account for the top 10 most ordered spirit-based drinks in Australia so that everyone has the opportunity to find their favourite beverage - without the alcohol.

Our focus when developing these drinks is to ensure:

**They need to be sipped with restraint.** Alcoholic beverages are complex and provide an experience where you can sip and savour the experience. They are not a soft drink that you simply gulp down. We utilise tartness, tannins, savoury notes and other extracts that ensure the experience is one to be savoured.

**They need complexity.** Alcoholic beverages by nature are complex and a simple flavoured sparkling water

won't cut it. Utilising distilled botanicals and the best ingredients from around the world has allowed us to maintain this complexity.

**They need to grow on you.** We need to create a curiosity around the drink, with the consumer liking it more and more with each sip - not straight out of the gates. Similar to when you tried your first wine or beer, it grows on you.

**They need to be familiar.** We need to have people wanting to enjoy what they were going without - and they need it to feel like their favourite drink. We painstakingly recreate each beverage, not simply as a recreation but to highlight the key elements of the drink you know and love.





# NAKED LIFE

## NON-ALCOHOLIC SPIRITS



### OUR PRODUCT

Our award-winning range of non-alc cocktails are crafted with botanicals using the age-old process of distillation. Unique in flavour, unmistakable in taste.

### BETTER-FOR-YOU

Our entire range of non-alcoholic cocktails are low or no sugar, free from artificial colours & flavours and low in calories - with less than 10 calories per can.

### OUR AWARDS

Thanks to our crafted authenticity and complexity in flavour, our non-alcoholic cocktails have won multiple awards across Europe, The United States and Australia.

### OUR NPD PIPELINE

As the market leader, our NPD program shapes the category. Our product team has a pipeline of extensions & strategic cross-category NPD launching FY24.



AVAILABLE AT OVER 3000 OUTLETS & GROWING



coles



Dan Murphy's



SANS DRINKS



**The positive change in our drinking culture wouldn't be possible without our loyal community. We have a growing fanbase of almost 30,000 followers across our platforms who are loving the experience of Naked Life Non-Alcoholic Spirits.**

★★★★★



"I couldn't believe how much this tasted like a real G&T. Felt like I needed a blood alcohol test afterwards as I'm sure it's the real thing."

★★★★★



"If this was served to me in a margarita glass, I'd believe it was the real deal. I can't fault the taste and got the tequila tingle on my first sip!"

★★★★★



"Having tried many, many alcohol-free G&Ts I can confidently say this is the BEST of the pack. Unlike many others this one is also sugar free."

★★★★★



"Absolutely loved the packaging and it tasted great. Felt like I wasn't missing out on the party despite being alcohol free for the night."

★★★★★



"I love this Italian spritz! Its so full of flavour and is my new go to. It tastes just like an Aperol Spritz. Serve it in a wine glass and it's like having one..."

★★★★★



"Very pleasantly surprised just how nice this drink is. It has the overtones of whisky minus the alcohol and is low calorie to boot."

*Sourced from active live online reviews.*



## NAKED LIFE

Our **Naked Life Lifestyle Beverages** are naked from artificial colours and flavours, low in sugar and calories - crafted to help you feel, do and be a little better one sip at the time. The portfolio currently consists of a range of sugar-free sodas, iced teas, sparkling nootropics and low sugar bubble teas - available nationally in major grocers, independents, P&C and Foodservice venues.



Sugar-Free Sodas



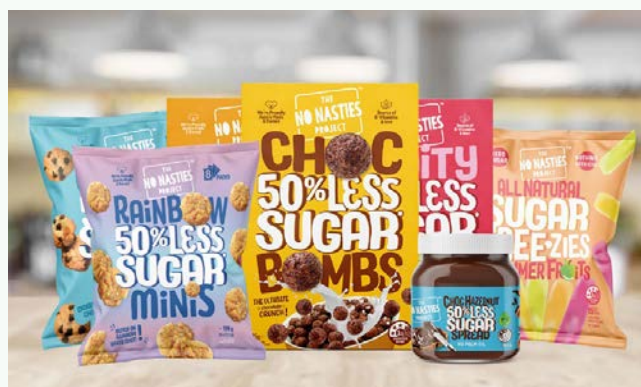
Sugar-Free Iced Teas



No Added Sugar Nootropics



50% Less Sugar Bubble Tea



## THE NO NASTIES PROJECT

The **No Nasties Project** is on a crusade, taking on the big guys to accelerate the mainstream access and adoption of new better-for-you options that taste great and are accessible to all. The portfolio currently consists of a range of sugar-free icy-poles, low-sugar cereals, cookies and a choc-hazelnut spread that are available in major grocers and select independents Australia-wide.



50% Less Sugar Cereals



Sugar-Free Icy Poles



50% Less Sugar Cookies



50% Less Sugar Spreads

## 2.2.4 INDUSTRY OVERVIEW

There is a structural shift going on in the beverage industry.

The NoLo industry has been in consistent and high growth globally, delivering a CAGR of 5% over the past four years, breaking AUD \$14.7B in 2022. Incredibly, the industry is predicted to increase its rate of growth to 7% CAGR through to 2026.<sup>5</sup>

The Australian market is a big player and is making waves. The total retail value in Australia across liquor retail & grocery was valued at \$152M last year, having grown 72% in 2022<sup>9</sup> and driven by the positive loop of consumers finally having some options, the availability of non-alc across all channels, and the changing stigma towards having a non-alc option. You're no longer looked at strangely if you're not drinking.

The occurrence of NoLo options has begun to be considered standard practice within urban areas, with Australia's largest hospitality group, ALH, seeing 130% growth in the past 12 months<sup>7</sup> - and it's just the beginning, as day by day more places are putting non-alc options on their menus to meet the demand. This represents a massive opportunity for NLG.

### CONSUMER CHANGE: The Drive Behind the Growth

The growth of the non-alc industry is accelerating, with several key drivers in consumer change continuing to strengthen.

We are experiencing a structural shift globally in consumers' attitude towards and consumption of alcohol. We are at an all time low in history for discretionary alcohol consumption, as people actively reduce, often with health, diet and better choices driving the shift. On average, 19% of the community choose long term abstinence [>12 months] with a larger population<sup>9</sup>, 1 in 3 Aussies engaging in frequent

### GROWING NOLO INDUSTRY

**\$14.7<sup>5</sup>B**

Current global non-alc and low-alc market value.

**\$152<sup>9</sup>M**

Australian grocery and liquor store non-alc market.

**72%<sup>9</sup>**

Growth in Retail Liquor & Grocery non-alc volume.

**130%<sup>7</sup>**

Increase in non-alc purchases in Australia's largest pub group, ALH.

### DRIVEN BY STRUCTURAL SHIFT IN CONSUMER HABITS

**71%<sup>10</sup>**

Of Australian's intend to increase their NoLo consumption.

**19%<sup>9</sup>**

Of Australian's have gone 12 months or more without alcohol.

**2X<sup>9</sup>**

Younger Australians (<45) are twice as likely to consume NoLo.



sober periods or simply reducing alcohol, including large cohorts such as expecting families.<sup>8</sup>

This is a structural shift that is here to stay with 18-44 year olds 2 times as likely to consume NoLo compared with those aged over 45<sup>9</sup>, and 71% of these indicating a planned increase in their consumption in the coming year.<sup>10</sup> This increasing reduction in alcohol consumption in the new generation sends the clearest message that this is an accelerating, not decreasing category.

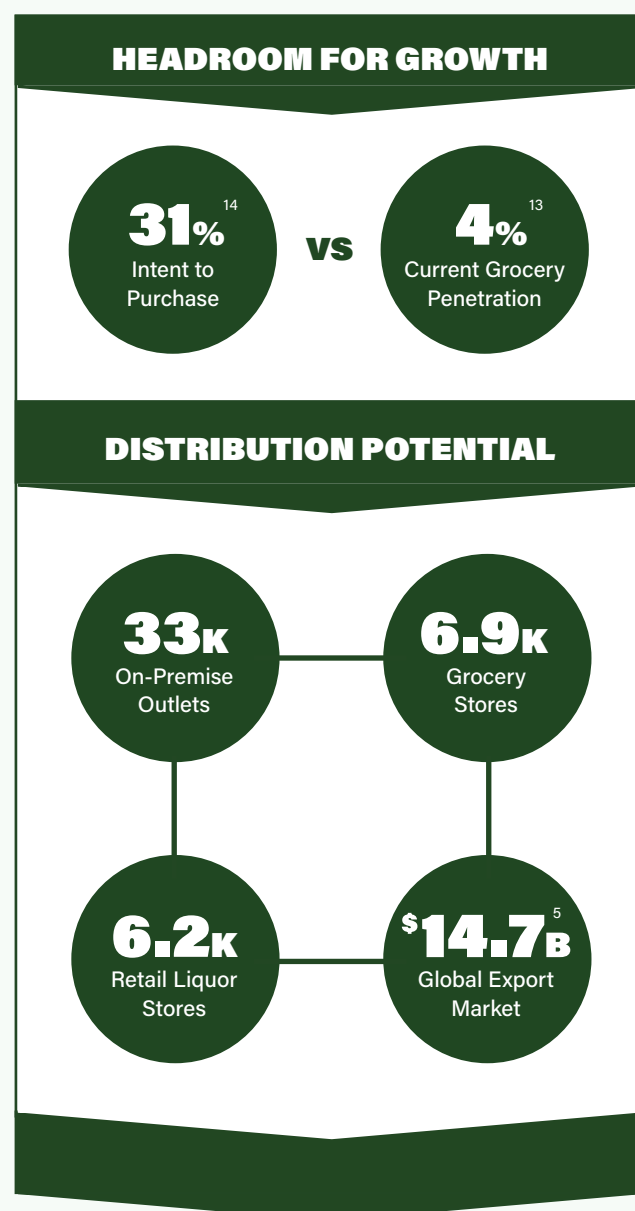
Increasingly, these cohorts are looking to actively reduce their sugar intake, with 51% listing it as a constant purchase consideration.<sup>11</sup> As such, The NoLo movement complements the health-orientated lifestyle of many Australians, with NLG perfectly positioned to win in this growing market.

### TIP OF THE NOLO ICEBERG

Yet, with all the growth of the past 3 years - the market is still under represented in many of the key channels, including grocery, despite it seeing an increase of 122% in 2022.<sup>9</sup> This shows that there is clear headroom and opportunistic growth for the right market players.

The leading domestic non-alcoholic grocery chain, Woolworth's, shows that penetration of the category (which is inclusive of non-alc beer, wine and spirits) only stands at 4%,<sup>13</sup> compared with data suggesting that 31% of people will be purchasing non-alcoholic products in 2024 and beyond.<sup>14</sup> This nearly eight fold difference in current penetration versus forecast penetration outlines the growth opportunity available in the most developed non-alc channel.

Grocery is certainly not the only area of growth, with growth in the penetration of non-alc within the 33,000+ on-premise venues within Australia another major growth area.



Major changes are underway on the menus of major on-premise venues over the next 24 months as consumer demand is forcing this change. The growing expectation for venues is to provide a NoLo solution that is comparable to the alcohol option as an everyday option as the lemon lime and bitters just doesn't cut it any more with consumers.

## MARKET ACTIVITY

The market remains active with a growing non-alcoholic market resulting in active M&A and capital raising conditions.

Global brands Seedlip and Lyres have shown incredible growth globally and resulted in significant investment round valuations and in Seedlips case, a majority sale to Diageo. Other non-alcoholic spirits investment, licensee rights or acquisition deals include Ritual (Diageo)<sup>12</sup>, Atypique (Dr Pepper)<sup>6</sup>, Ceder & Curious AF (Pernod Ricard)<sup>16-17</sup> and Fluere (Lucas Bols)<sup>15</sup> in recent times as the growing space encouraging larger business to buy the ready made solutions.



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**DID YOU KNOW?**

**OUR COCKTAILS  
OUTSELL MAJOR  
COMPETITORS  
BY 400%<sup>3</sup>**





## 2.3 BUSINESS & REVENUE MODEL

### INNOVATION DRIVEN BUSINESS MODEL

Naked Life Group is an innovation driven sales and marketing business, creating unique products for customer needs in emerging, long-term growth markets. We work closely with selectively chosen partners in manufacturing and formulation to create our products, to then sell directly or indirectly to the customer (outlets, consumers).



### STRONG SUPPLIER RELATIONSHIPS

At our core, our primary function is to identify and assess an opportunity, and from this design the best tasting products to meet the gap. Our business model then works closely with partners along the value chain to ensure each partner can focus on their strengths, while driving an overall better value chain as a whole.

#### INGREDIENTS

We source our ingredients from a variety of market-leading suppliers both locally and overseas, driven by sourcing the best quality ingredients for the opportunity. We then manage our raw ingredients procurement in-house, ensuring close control of a critical part of the value chain and flexibility in production partners.

#### PRODUCTION

By developing and owning our own recipes, along with procurement, we de-risk potential manufacturing supply issues by working with a variety of contract manufacturers. Inversely, it also allows us to rapidly onboard new contract manufacturing partners when

there is a need to scale, both locally & internationally. This agility allows us to quickly identify and remedy potential supply chain challenges and ensure we respond accordingly.

#### SALES

We focus on partnership models with our major customers and distributors. We work collaboratively, 12-18 months out from any new product ranging decisions, to identify new consumer trends and opportunities. By utilising our supply partner network, we then ensure they are aligned early, allowing us to continually innovate with key suppliers, and provide innovation into the customers faster than multinational corporations are capable of.

## OUR KEY DIFFERENTIATORS



### INNOVATION

Our innovation model is dual driven - customer forward and trends back. We continually look to identify trend-based opportunities, assessing them for commercial viability before launching as new products. Conversely, we work incredibly closely with customers to take advantage of shifts in strategy that our key customers have, providing them with the agility they need and new products they want before others.



### PRODUCT DEVELOPMENT

Having the best tasting product is critical and ensuring we own our own IP and recipes is core to that. We have a world-leading team of product innovators that allows us to develop products in-house. This gives us the flexibility to utilise flavours and ingredients from anywhere in the world, trial and reformulate recipes and concepts and adapt recipes for different markets or customer opportunities - all rapidly and effectively.



### AGILE SUPPLY CHAIN

Agility drives our product development and is also critical to ensuring we stay innovative. Most large companies will take over 18 months from concept to market ready. Our in-house capabilities and external partner management allows us to assess a concept and develop a product from idea to market ready in under 3 months. This agility allows us to continually take advantage of opportunities and customer needs.



## OUR KEY SUPPLY CHAIN STREAMS

### DIRECT TO MAJOR RETAILERS



A large portion of our revenue comes from selling our products directly to major retailers, which minimises costs via single multi-pallet shipment agreements, direct to their respective distribution centres (DC). This includes Australia's two grocery chains, Coles and Woolworth's, supplying over 1,800 stores directly.

### CHANNEL SPECIFIC DISTRIBUTORS



Channel specific distributors service fragmented markets, where volume size and direct-to-store sales becomes inefficient for a brand. These include specialists in independent grocery, P&C and retail liquor, allowing our partners to manage the multitude of small retailers on our behalf. We have over 10 distribution partners across Australia - a high growth area.

### DIRECT TO CONSUMERS



Direct to consumer covers our own websites but also marketplace partners and specialist online resellers. Currently an under-developed channel for NLG with current investment for growth, including newly aligned third party logistics (3PL) eCommerce specialist partner.

## INTELLECTUAL PROPERTY

All intellectual property relating to Naked Life, The No Nasties Project or associated activities are owned by Naked Life Group Pty Ltd or the IP holding subsidiary Inspi Holdings Pty Ltd.

**Licensed IP:** The No Nasties Project is an approved partner & licensee of the Disney Corporation, allowing immediate NPD opportunities across categories.



## 2.4 BUSINESS STRATEGY

The Naked Life Group has formed a dominant position in the non-alcoholic cocktail space, through strong product, brand & distribution pillars - positioning ourselves to capitalise on ongoing market growth with strategic investments.



**PREMIUM  
BRAND**



**SUITE OF  
PRODUCTS**



**DISTRIBUTOR  
RELATIONSHIPS**



**INNOVATION  
PIPELINE**

Our future growth is driven by focusing our resources and investment from this raise in the non-alcoholic beverage market, both locally and internationally, over the next 24 months given the size of the opportunity, value chain of the industry and relative immaturity of the market.

### FUTURE STRATEGIC PILLARS

We have identified 4 key priorities across our Naked Life beverage portfolio which will ensure we continue to lead the non-alc industry growth, lock in our #1 position in the market as the industry continues its rapid growth, and capture the significant headroom in the market:

#### DOMESTICALLY

#### INTERNATIONALLY

##### 1. GROW CONSUMER PENETRATION

Grocery Consumer Penetration is 4%<sup>13</sup> vs. population considering non-alc at 31%<sup>14</sup>. Further Grocery Distribution opportunity: 4K outlets.

##### 2. LIQUOR & ON-PREMISE

Distribution Opportunity: 6,200 Liquor Stores and over 33,000 On-Premise Venues.

##### 3. NEW PRODUCT DEVELOPMENT

Incremental revenue via new packaging, flavour and category formats aligned to emerging customer needs.

##### 4. EXPORT MARKET READINESS

A global non-alc market worth \$14.7B and growing at 7% CAGR<sup>5</sup>.

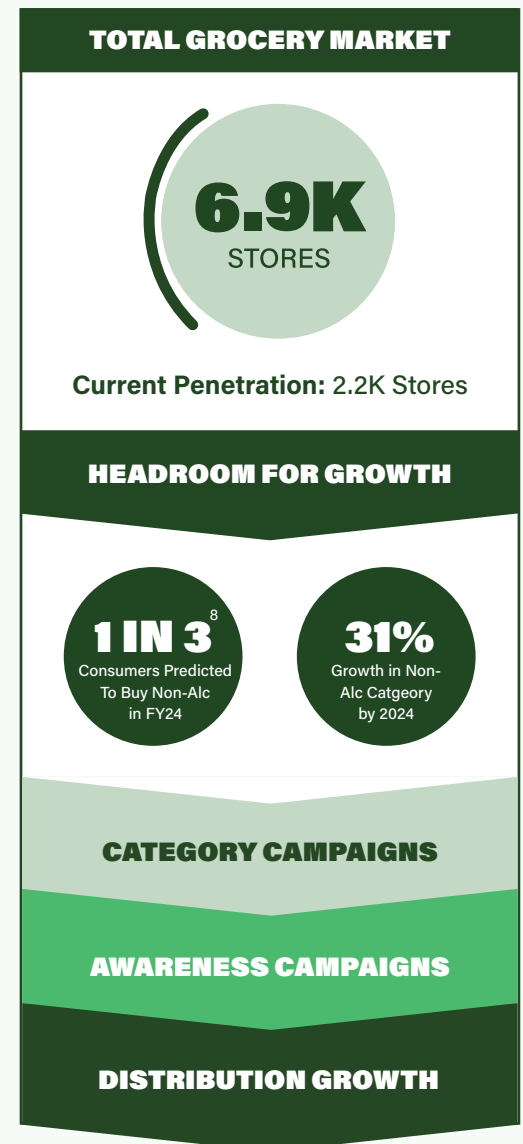
## 1. GROW CONSUMER PENETRATION

There is a significant growth opportunity in increasing awareness and education of those who are looking to reduce their alcohol intake - taking advantage of our strong distribution footprint in grocery.

Naked Life consumer penetration (people purchasing the product) statistics show only 1.5% penetration<sup>13</sup>, compared to a predicted 31% market looking for non-alcoholic alternatives<sup>14</sup>, showing significant head room in the coming year. Combine this with research showing 71% of current drinkers are looking to increase their non-alc intake<sup>10</sup>, then grocery has huge headroom for Naked Life with a forecast +30% growth in the category.<sup>14</sup>

To bridge this gap, funds will be channeled into:

- Driving frequency of purchase with existing consumers, through education on how non-alc can fit into their lives. This will be achieved through instore trade marketing with a cross category & non-category focus - utilising shopper data through Quantum and iRI.
- Converting the significant number of consumers who are seeking to reduce their alcohol intake, or the 'sober curious' through our first above-the-line marketing campaign(s), targeting specific consumer groups during peak entertainment periods as a means of bringing new consumers into the category.
- Driving distribution gains in Grocery outside of Coles and Woolworths to reach the further 4000 or so grocery stores that we aren't yet in.



## RECENT SUCCESS

We have had limited PR campaigns, however, achieved national news and print media exposure for our 'Remember December' campaign - aimed at reducing the embarrassing moments during the December Festive period at the office work party. In Grocery we have been the sub-category lead for Christmas, Easter & Dry July campaigns, achieving multi-located products across Coles and Woolworth's during these key periods to drive sales. Planning for this years Spring Entertainment / Sober October activations are in discussions with both major retailers and include a supporting media campaign.

## 2. INCREASED DISTRIBUTION IN LIQUOR, ON-PREMISE AND KEY ACCOUNTS

There are significant distribution gains to be achieved by focusing on these channels from both a volume and branding perspective. Naked Life is only currently in an estimated 650 venues, and so leveraging our #1 position to drive distribution in these channels is a core focus in the coming 24 months and is expected to return large gains.

Increased distribution (and volume) will be achieved via three key channels, which have been slightly slower on the NOLO uptake but have started accelerating in recent months:

- **Liquor Retail** (6,200 stores) is currently controlling 61% of NoLo sales and providing an important brand awareness function for the sober curious, the consumer purchasing both alcohol and non-alc options, and the consumer on the way to events and functions.
- **Hospitality** (33,000 venues) venues, where consumption can be both combined with food or part of an occasion, and historically, only alcoholic options or soft drinks were available.
- **Key Entertainment Accounts** (200 accounts), targeting groups and venues such as sporting stadiums, exhibition centres, cinemas, theatres, airlines and more.

Distribution will be driven through investment in:

- Growing the team, both internal sales but national distributor partners, to focus on Liquor and On-Premise
- Providing agile product options for specialist channels, offering bespoke support to strategic brand and volume partners
- Significant investment in trade marketing and co-ops with multisite operators

### RETAIL LIQUOR

**6.2K**  
STORES

Current Penetration: 250 Stores

### ON-PREMISE/HOSPITALITY

**33K**  
STORES

Current Penetration: 400 Stores

### STRATEGIC ACCOUNTS

**200**  
ACCOUNTS

Current Penetration: 20 Accounts

## RECENT SUCCESS

Leveraging our #1 position has allowed some early traction such as ranging in First Choice and Dan Murphy's, winning ranging with prominent hotel groups and hospitality groups as well a number of multi-site liquor operators. Since focusing on this strategy (and with limited resources), in the past 6 months we've had great traction, signing multi-year deals with venues such as Optus Stadium (60,000 seats), Melbourne Exhibition Centre and Village Cinemas. We have many more in the pipeline that we are excited to share when they land.



### 3. NEW PRODUCT & PORTFOLIO DEVELOPMENT

Innovation is part of the company's DNA. Naked Life has successfully launched over 50 SKU's over the past few years, and has a strong pipeline in place within category and across category. Naked Life Group is laser focused on the development and refinement of the best tasting non-alcoholic alternatives.

As the category leader, the importance for maintaining the innovation program takes even more importance as the industry is maturing and customer needs and wants are ever changing.

New Product Development investment will be focused on:

- Partnering with major customers through early consultation to ensure customer alignment
- Co-development with major grocers and on-premise venues to meet desired gaps in their portfolios
- Delivering NPD pipeline of 30+ products to broaden our reach in the Non-Alch category and reach new customer segments to ensure incremental growth and not cannibalisation

#### PROVEN INNOVATION

##### AUSTRALIAN FIRSTS

**Sugar-Free Non-Alcoholic RTD Cocktails** in Major Grocery

**Sugar-Free & Preservative Free Icy Poles** in Major Grocery

**Reduced-Sugar Cookies & Cereals** in Major Grocery main aisles

**Sugar-Free Tonics** in Dan Murphy's

#### WITH AGILITY & SCALE

**50+**

New SKUs  
launched in  
3 years

**30+**

New SKUs in  
Pipeline for  
FY24+

### RECENT SUCCESS

Most recently, we have delivered 2 new SKU's for Woolworth's in the non-alcoholic category FY24 range reviews - a Pink Paloma and Passion Martini. On top of this, we are set to deliver 5 newly formulated and formatted Soda and Iced Tea products, ready for a national summer launch at the end of 2023. Interestingly, we recently created an 'in the air' formulation on request, specifically crafted for the differing needs of the aviation industry to enable us to open up new channels - which has had a very positive reception.



## 4. EXPORT MARKET READINESS

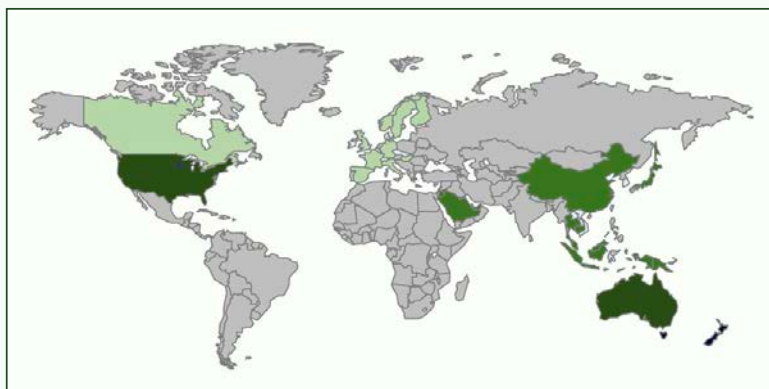
With a global NoLo market of \$14.7B and growing, we are in a strong position to leverage Naked Life's #1 market-leading brand and products into new geographies to replicate the success achieved in Australia. There has been large amounts of interest from major distributors in similar markets, who see the value in partnering in a distribution or license model to roll out across their local region.

Our strategy is a low-capital approach to mitigate the risks often seen by over-aggressive, capital-heavy international expansion.

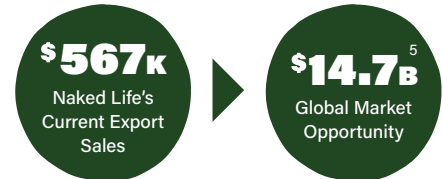
For each of our key markets we follow the same process:

- Leverage our #1 position to partner with well established, on the ground distributors with a limited number of SKUs, focusing on quick distribution wins in high reputation retailers. Marketing activation plans, are co-developed and co-funded with the local distribution partner to ensure local market relevance, and maximise the chance of local ROI.
- Once market viability has been tested and early adopter penetration has proven successful, we will grow the number of SKUs in market, and invest in market activation with the partner to drive volume and distribution growth.

Our current market testing has since been successful, with sales of \$567,000 YTD across a limited number of countries in FY23, whilst signing a number of distribution agreements with partners across Asia and The Middle East.



### THE OPPORTUNITY



### RECENT SUCCESS

Currently we have signed distributor agreements in Singapore, Malaysia New Zealand, Brunei, Fiji and New Caledonia - with new agreements signed with export partners in Indonesia, the Middle East & North Africa.

We are also in advanced discussions with partners in South Korea, Japan, Hong Kong and China with expected sign off in H1 FY24.

The US has been identified as Naked Life's primary international target market and we are in discussions with major distributor groups, which includes finalising plans with KeHe - the US's largest distributor of natural products with over 30,000 retail locations - which is a critical start to being able to deliver nationally to the US Market.

- Supplied / Agreements in Place
- In Advanced Discussions
- Identified Target Regions

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**WE'VE JUST SCRATCHED  
THE SURFACE OF THE  
NON-ALC MARKET AND  
WITH SO MUCH HEADROOM  
TO CAPTURE, NOW IS THE  
TIME TO SCALE.**





## 2.5 OUR TEAM

### 2.5.1 DIRECTORS & SENIOR MANAGERS

The key to our success has been and continues to be our world-class team, who have proven time and time again that we can develop the best tasting better-for-you beverages in market. Our people are our key competitive advantage.



**David Andrew**

*Managing Director & Founder*

David is a natural innovator and disruptor with an innate ability to see gaps in the market and bring them to life. As a company director, David is experienced in delivering innovation at scale, and has been critical to maintaining our position at the forefront of innovation in Food & Beverage.



**Mark Vassarotti**

*Chairperson & Director*

As a company director, Mark leans on his background in high-level consulting and successful start-up entries and exits to provide invaluable knowledge across all functions of the business. He has a keen interest in identifying, luring and nurturing talent to achieve team success.



**Matthew Kowal**

*Chief Marketing Officer*

With over 10 years experience at Red Bull & Monster Energy as well as CEO of successful start-up PERKii Probiotics, Matt provides invaluable leadership across our overall operations, with a particular focus on the delivery of our multi-functional marketing campaigns across the portfolio.



**Garry Chamberlain**

*Financial Controller*

As a member of CPA Australia, Garry is across all things finance, leading his team in preparing monthly management accounts, managing Company cash flow and preparing budgets, as well as analysing performance to make recommendations in improving our overall financial results.



**Jocasta Patterson**

*National Sales Manager*

Jo drives sales and profitability across our key grocery and liquor customers. She is the master of maximising opportunities within both existing and new customer groups thanks to her excellence & experience in strategic planning and stakeholder management.



**Carl Ryan**

*National Sales Manager*

Carl manages our aggressive growth strategies across the P&C, Foodservice and Export channels - nurturing new and existing business, whilst exploring overseas markets and acquiring distributors to grow Naked Life's business internationally.



**Melanie Hetherington**

*Head of Product*

Mel leads our busy product team, managing timelines and budgets for the end-to-end delivery of briefing, costing, design, scoping and execution of all products into our various markets, whilst ensuring that our products are compliant and high quality.

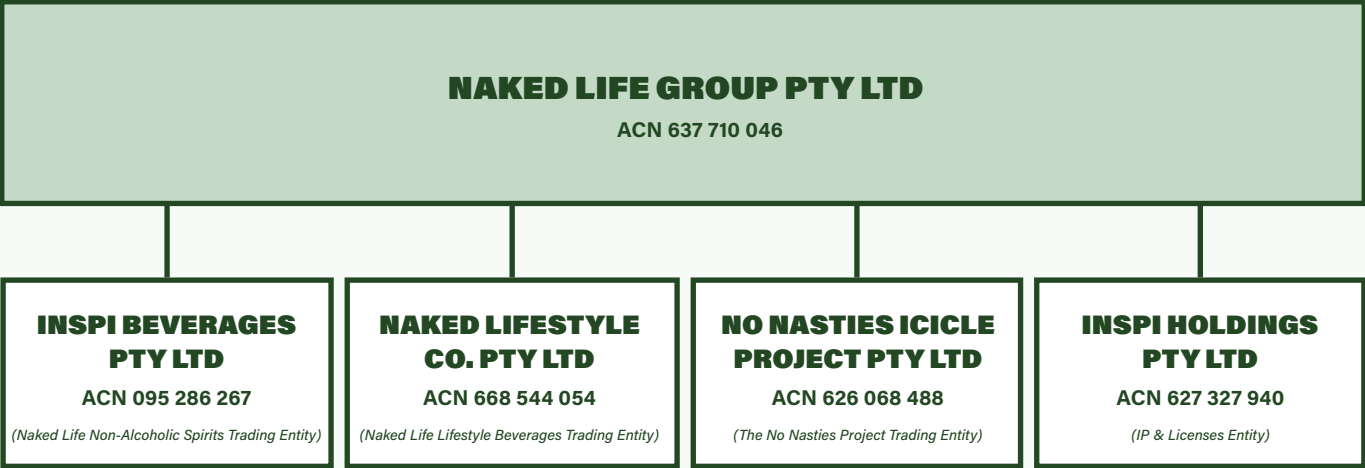


**Sian Billington**

*Head of Innovation*

Sian is the brains behind our ever expanding pipeline of innovation including all things research and sourcing - managing our contract manufacturers as well as internal stakeholders to enable end to end new product development. She is the master problem solver.

2.5.2  
GROUP STRUCTURE



## 2.6 CAPITAL STRUCTURE

### 2.6.1 ISSUED CAPITAL (BEFORE & AFTER THE OFFER)

As at the date of this Offer Document, the Company has 23,914,744 ordinary shares. The majority of shares are held by the Company's founder.

The Company also has the authority to issue up to 5% of the Company's issued share capital under the Company's Employee Share Option Plan.

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

Shareholder	Share Type	Shares	Options
<b>DAVID JOHN WALTER ANDREW</b> <i>Founder</i>	Ordinary	17,481,947 73%	nil
<b>AUSUK NO NASTIES HOLDING PTY LTD</b> <i>Company</i>	Ordinary	6,032,733 25%	nil
<b>LESS THAN 5% HOLDINGS</b> <i>3 Stakeholders</i>	Ordinary	400,064 2%	nil
<b>ESOP SHARES</b> <i>Issued &amp; Allocated</i>	Ordinary	nil	435,099 34%
<b>ESOP SHARES</b> <i>Unallocated</i>	Ordinary	nil	823,571 66%
<b>Total</b>		<b>23,914,744</b> 100%	<b>1,258,670</b> 100%



Table 2 below sets out the issued capital of the Company after the Offer.

Shares	Minimum Subscription	Maximum Subscription
<b>EXISTING ORDINARY SHARES</b>	<b>23,914,744</b> 91%	<b>23,914,744</b> 86%
<b>ESOP SHARES</b> <i>(Allocated &amp; Unallocated)</i>	<b>1,309,775</b> 5%	<b>1,394,948</b> 5%
<b>CONVERTIBLE NOTE SHARES</b>	<b>431,544</b> 2%	<b>431,544</b> 2%
<b>OFFER SHARES</b>	<b>539,568</b> 2%	<b>2,158,272</b> 7%
<b>Total Shares</b>	<b>26,195,631</b> 100%	<b>27,899,508</b> 100%

As part of the Company's Con Note with the existing shareholders (AUSUK Holdings) and the CSF Offer, the Company will issue an additional 431,544 ordinary shares, paid at a discount of 16.7%. ESOP shares will also vary with the total funds raised, such that the total pool will comprise 5% of the fully diluted share capital post closing.

## 2.6.2

### RIGHTS & LIABILITIES ASSOCIATED WITH SECURITIES

An investor subscribing for shares is bound by the Constitution (available on the Intermediary's platform). Set out below is a brief summary of the rights and liabilities associated with the Company's securities. For further information, including relating to restrictions on transfer and drag along and tag along rights, please refer to the Constitution.

#### Share capital

As at the date of this Offer, the only class of shares on issue are Ordinary Shares.

#### Ordinary Shares

The shares issued pursuant to this Offer Document will be fully paid Ordinary Shares. All Ordinary Shares have

the same voting rights and the same rights to receive dividends. The Constitution (available on the Intermediary's platform) sets out the details of each of the rights and liabilities associated with Ordinary Shares.

#### Shareholders Agreement

The shareholders of Naked Life Group Pty Ltd (ACN 637 710 046) were previously bound by a shareholders agreement dated 3 March 2020 (Pre-Existing SHA). The Pre-Existing SHA was terminated by written agreement of all shareholders on 14 June 2023. Accordingly, the rights and obligations of Company, the directors and the shareholders (and each party as and between one another) are governed by the Constitution.

### Director's discretion to refuse to register share transfers

Under the Constitution, the Board may from time-to-time refuse to register a transfer of shares. Details of the Board's power to do so are set out in clause 13.15 of the Constitution. This includes the power to refuse any proposed transfers that do not comply with the terms of the Constitution (see clause 13.15(a)(v)).

Additionally, if a sale or disposal would result in the Company having to issue a disclosure document or a product disclosure statement under Chapter 6D or Chapter 7 respectively of the Corporations Act, the sale may only occur in accordance with clause 12.5 of the Replacement Constitution.

### Employee Share Option Plan (ESOP)

The Company has implemented an employee share option plan (ESOP) to attract, retain and incentivise key employees. The maximum number of options that can be issued under the existing ESOP is 5% of the share capital of the Company. As at the date of this CSF Offer Document, the Company has issued and allocated a total of 435,099 options under the Company's existing ESOP, of which 238,329 options have vested and have been exercised by existing participants (i.e. employees) in the ESOP. 823,571 options under the ESOP remain unallocated.

### Other rights

A more detailed description of the rights and liabilities associated with the shares is set out in Section 3.3 below. A copy of the Constitution is available on the Intermediary's platform.



### 2.6.3 SOURCES OF FINANCING

To date, Naked Life Group has been able to finance growth investment through strategic use of debt facilities (institutional loans, private loans and trade and invoice facilities), equity funding of \$1.346M, grants and a cumulative total of \$40M in revenue.

#### Equity

To date, the Company has raised approximately \$1,346,000 total equity raised to date from professional investors. See Section 2.6.1 for further information on this.

#### Founder Loans & Debt Funding

To date, the founding shareholder has loaned funds of \$252,392 total value of founder loans in total to the Company along with the following outstanding 3rd Party loans:

Asset Loans	Balance <small>as of 31 March 2023</small>	Facility Value	Type	Lender	Interest	Repayment <small>(Monthly)</small>
Timelio	\$3,534,333	\$4,000,000	Trade Finance	Timelio	14.5%-16.0%	Variable
Timelio	\$429,497	\$5,000,000	Invoice Finance	Timelio	12.5%-13.5%	Variable
AMEX	\$85,895	\$150,000	Credit Card	AMEX	-	\$85,895
Business Recovery Loan	\$950,850	\$1,000,000	Loan	NAB	7.45%	\$10,101
3rd Party Private Loan	\$241,577	\$390,000	Term	Private	10.0%	\$4,500
David Andrew Loan	\$252,392	\$252,392	Director	Director	10.0%	\$0
Mark Vassarotti Loan	\$115,000	\$115,000	Director	Director	10.0%	\$0
Judo Bank	\$135,597	\$332,640	Equipment	Judo Bank	7.24%	\$6,624
Quest Finance	\$124,786	\$137,274	Equipment	Quest Finance	10.0%	\$2,902

*The director loans will not be repaid with the funds raised under the Offer.*

#### Convertible notes

The Company has issued a convertible note to current investors. The convertible note will convert to ordinary shares on Qualified Financing, which is when the Company raises over \$749,999.

#### Grant funding

The Company has received approximately \$479,140 in Federal and State Government grants for the purposes of Jobkeeper (COVID), Employee Training and various Research & Development.



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**OVER 5 MILLION  
CANS SOLD IN THE  
LAST 12 MONTHS  
AND COUNTING** <sup>3</sup>



## 2.7 KEY RISKS FACING THE BUSINESS

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

Risk	Description
<b>Cash Flow Risk</b>	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.
<b>Funding Risk</b>	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.
<b>Competition Risk</b>	The Company operates in a highly competitive market, with several known competitors domestically and internationally, and moderate barriers to entry that could give rise to new and unknown competitors. There is a risk that existing competitors as well as new competitors, will have greater access to capital, economies of scale, resources and distribution compared to the Company. 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.
<b>Insolvency Risk</b>	The Company is not yet profitable. The Company is seeking to obtain further funding to achieve its objectives. There is no guarantee that funding will be available on favourable terms or that the Company will receive any level of funding at all.

**Key Person Risk**

As an early-stage business, the Company 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 the Company's ability to continue its operations or achieve its business objectives as the case may be.

**Brand Risk**

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.

**Outsourcing Risk**

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

**Supply Chain Risk**

Disruption to the Company's supply chain could affect the Company's ability to produce inventory at commercially acceptable cost, and in a timely manner, which would have a direct impact on the Company's revenue and profitability.

**Manufacturer  
& Third-Party Risk**

The Company relies on third-party providers to facilitate manufacturing, shipping and other critical components of its business model. If the cost of such services increases or availability of such services diminishes, the Company's profitability will be negatively impacted in the short term while it transitions to alternative arrangements.

**Recruiting Risk**

Attracting, training and retaining staff with a high skill level and plenty of experience can be difficult. The Company may fail to attract key personnel that are critical to the Company's growth and performance. Any delay in recruiting key personnel (or any failure to hire), may have a significant adverse impact on the management of the Company, and may, in turn, have adverse impacts on financial performance.

**Legal & Regulatory  
Risk**

The Company operates in a new, currently undefined industry [Non-Alcoholic] adjacent to a highly regulated industry [Liquor]. Regulatory change in Australia or in other countries where the Company operates may have a material adverse effect on the Company's operations.

**Ability To Scale**

If costs to achieve the Company's targeted revenue growth are more than estimated, the profitability of the company may be reduced and/or the company may have insufficient cash reserves to achieve its planned product rollout.



**Brand Relevance**

Consumer tastes and preferences change. What is popular and fashionable today may not be popular and fashionable tomorrow. If the Company's brand loses popularity, this could affect the Company's future prospects and longevity.

**Decline In Popularity**

The No Lo industry is growing at a rate that may become unsustainable in the future which means that some businesses will fail.

**Cost of Customer Acquisition**

The Company operates in the beverage industry which is a highly competitive market. Competitive pressures may increase the cost of acquisition for each order. A significant increase in the cost of acquisition will substantially impact profitability.

**Dilution Risk**

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







## 2.8 FINANCIAL INFORMATION

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

Financial information for the 9 months ended 31 March 2023 have also been included. The information has been prepared on a consistent basis based on management accounts, and accordingly may be subject to change.

## MILESTONES & INVESTING FOR GROWTH

The Naked Life Group's focus over the past 5 years has been to develop a portfolio business that can deliver better-for-you food and beverage revenue lines, that we can scale into market changing businesses.

With the launch of Naked Life Non-Alcoholic Spirits, with its strong industry dynamics, rapid revenue growth, strong margins and our market strength, the management team of NLG has now strategically shifted its focus moving forward to the beverage portfolio.

**89%**

BEVERAGE PORTFOLIO  
REV CONTRIBUTION  
FY21 - YTD FY23

**78%**

BEVERAGE PORTFOLIO  
GM CONTRIBUTION  
FY21 - YTD FY23

Over the past 24 months, NLG has moved from a phase of high investment in new product launches (30+ new SKUs) in FY22 and Q1FY23, through to a scaling focus in FY23 and FY24.

### ONE OFF LAUNCH PHASE SIGNIFICANT COST AREAS

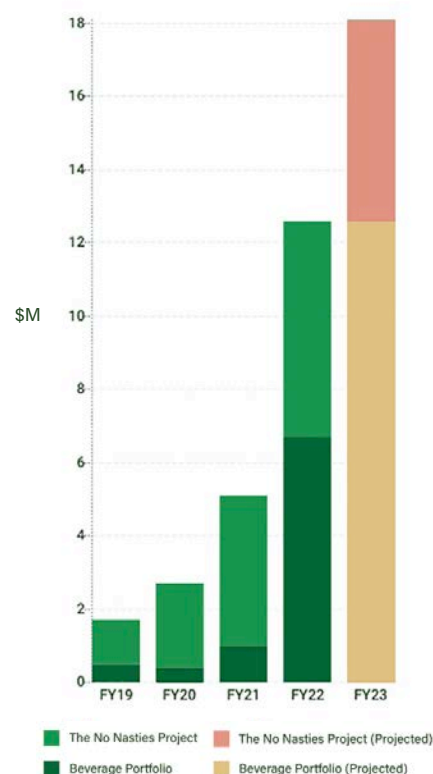
**Product Development:** Liquid development, quality testing, packaging design & development, other one-off and fixed costs.

**Launch & Activation:** Higher than normal field marketing, product promotions and major sampling.

**Negative Clearance Activity:** clearance sales and sampling for the No Nasties Project due to COVID driven overstocks.

**Write-Offs:** NPD manufacturing challenges (unsuccessful research and development) and separate inventory overstocks caused by COVID & supply chain driven market forces.

### NLG CONSOLIDATED ANNUAL REVENUE SPLIT (FY19-FY23)



### BEVERAGE PORTFOLIO DRIVING BUSINESS GROWTH

**309%**  
CAGR  
FY20-22

**594%**  
GROWTH  
FY20-21

**\$145k**  
6 MONTHS  
TO 31/3/23  
EBITDA

**88%**  
GROWTH  
YTD FY23

This is most evident in the large historical investment levels in the P&L and BS, with the Beverage Portfolio delivering operating (EBITDA) profits of \$144,674 over the recent quarters OCT22 - MAR23.

Management estimates FY23 full year revenue for NLG to be \$18M, driven by \$12.4M in revenue from the Beverages portfolio, up from \$6.5M in revenue from FY22.

## SETTING UP FOR SCALE IN FY22

FY22 was the Scale Up year for Naked Life beverages and The No Nasties Project offering. Launching over 30 new SKUs between AUG21 - JUL22, large investments were required in scaling our in-house product team, significant product setup costs and strong marketing activation. Combined with strong negative market forces from COVID and the Ukraine conflict, including an extreme rise in international shipping costs and delays, causing a knock on effect to local supply chain cost, the size of the impact on one-off or fixed costs was a large cause for inflated costs.

Included were significant one-off investments of an entire re-brand for The No Nasties Project and format evolution for our Naked Life Non-Alcoholic Cocktails from glass to can, on top of the NPD establishment costs.

The FY22 result was a doubling of revenue for NLG from \$5.1M to \$12.4M, with our beverage portfolio growing six fold, driving 76% of NLG revenue growth, on strong distribution gains within grocery for the Naked Life Cocktail portfolio.

## PATHWAY TO PROFITABILITY IN FY23

FY23 has again seen revenue growth of \$3.9M (YTD 31 March) for the Beverage Portfolio, through growth in grocery, increasing Woolworth's market share and more than doubling the Coles range and distribution points.

The No Nasties Project is forecast to deliver a total FY23 revenue on par with FY22. Faced with increasing manufacturing and logistics headwinds, rising inflationary pressures and reducing gross margins in an already competitive market, management has focused The No Nasties Project on ensuring a positive position based on minimal overheads or change, while focusing on scaling the beverage portfolio.

Q1 FY23 saw a continued spend in launch and activation costs to allow the scaling of the portfolio across summer

Q2 and Q3. Simultaneously, we have streamlined the Beverage Portfolio to ensure the future focus is on the winning SKUs and NPD, with the most recent two complete quarters for this arm of the business delivering our first (EBITDA) operating profit.

## FY24 & BEYOND

FY24 will see an improvement of the fixed operating costs and one off expenses in relation to revenue. Product development will become less intensive in scale, becoming more strategic and periodic, including product renovation and format extensions. The associated activation costs, focused on our established categories (vs creating new categories) will decrease vs revenue. Allowing room to invest in broader awareness, including above the line marketing and partnerships while leveraging growing distribution channels and customers.

NLG has a laser focus on the opportunity moving forward, the core scaling of Naked Life Non-Alcoholic Spirits and its revenue stream, to maximise potential exit opportunities that may present.

These key areas (grocery headroom, new sales channels and international partnerships) form the basis for the primary funding investment as we move from the product launch phase to the market scale phase. This combined with business scaling capabilities that support our innovation and supply capabilities, such as a new inventory and supply chain system to enable improved visibility of our procurement, supply chain and financial systems and an experienced CFO/COO.

Our current investors continue to be supportive, providing scaling facilities in the form of a convertible note (\$500,000), which will be converted at this raise of equity, reflecting their views on the strength of this opportunity.

This raise will enable us to strengthen the balance sheet and utilise positive debt financing instruments to drive headroom to continue scaling at the expected accelerated rate.

## 2.8.1 BALANCE SHEET

### MANAGEMENT COMMENTARY

As discussed in 2.6.3, NLG has been fortunate to be able to scale on limited equity funding (\$1.36M to date) through leveraging private and institutional debt facilities to underpin the growth investment and working capital.

The NCL, Bank Loan and 3rd Party Loans include the majority of these loan facilities, including NAB Business loan, Asset Finance, and private 3rd party loans.

The combined Director Loans are long term loans with payback over the following 3 years at 10% rates.

Our Trade Finance facility is a key part of our working capital and growth, with a limit of \$4M with the current capital raise augmenting this for future growth.

Details of all loans are in the asset loans table in 2.6.3 Sources of financing.

Our retained losses over the past 3 years of investment in team, product and activation are expected to be recouped over the coming product scaling years and path to profitability, contributing to an estimated \$580,000 tax savings.

	FY 2023 As at 31 March 2023	FY 2022 As at 30 June 2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	\$613,287	\$1,050,827
Receivables	\$2,487,163	\$2,495,212
Inventory	\$3,315,657	\$4,938,535
Prepayments	\$147,531	\$19,377
Timelio Fees	\$92,204	\$69,311
<b>Total Current Assets</b>	<b>\$6,655,842</b>	<b>\$8,573,262</b>
<b>Non-Current Assets</b>		
Fixed Assets	\$379,960	\$444,135
Other Non-Current Assets	\$29,195	\$13,083
<b>Total Non-Current Assets</b>	<b>\$409,155</b>	<b>\$457,217</b>
<b>Intangible Assets</b>		
Goodwill	\$2,552,727	\$2,552,727
Trademarks	\$1,557	\$1,557
<b>Total Intangible Assets</b>	<b>\$2,554,285</b>	<b>\$2,554,285</b>
<b>Total Assets</b>	<b>\$9,619,281</b>	<b>\$11,584,764</b>
<b>Current Liabilities</b>		
Credit Card & Overdrafts	\$85,895	\$210,018
Payables	\$3,032,538	\$4,503,290
ATO Compliance	\$23,967	(\$228,658)
Payroll Compliance	\$207,344	\$223,496
Finance Liabilities (CL)	\$102,254	\$114,239
Other Current Liabilities	\$18,399	\$45,600
Timelio Finances	\$3,963,632	\$3,763,851
<b>Total Current Liabilities</b>	<b>\$7,434,227</b>	<b>\$8,631,836</b>
<b>Non-Current Liabilities</b>		
3rd Party Loans	\$241,577	\$274,283
Bank Loan	\$859,602	\$903,111
Finance Liabilities (NCL)	\$119,572	\$197,002
Director Loans	\$352,420	\$311,839
<b>Total Non-Current Liabilities</b>	<b>\$1,573,172</b>	<b>\$1,686,234</b>
<b>Total Liabilities</b>	<b>\$9,007,399</b>	<b>\$10,318,070</b>
<b>Net Assets</b>	<b>\$611,882</b>	<b>\$1,266,694</b>
<b>Equity</b>		
Issued Capital	\$3,931,180	\$3,931,180
Convertible Note	\$500,000	
Retained Earnings (Cumulative)	(\$3,819,298)	(\$2,664,362)
<b>Total Equity</b>	<b>\$611,882</b>	<b>\$1,266,818</b>



## 2.8.2

## PROFIT &amp; LOSS STATEMENT

## MANAGEMENT COMMENTARY

## FY22

NLG Revenue in FY22 grew strongly to 12.4M, an increase of 7.3M (143%) driven primarily by the beverage portfolio's \$5.7M (594% increase) versus The No Nasties Project of \$1.6M (41% increase).

NLG gross margins [GM] of 27% driven by strong beverage portfolio GM 42% (excl of promotions) but restricted by The No Nasties Project's GM (<20%), heavily impacted by significant market impacts (increased co-manufacturing, logistics, shipping cost & COVID surplus product clearance).

NLG expenses as a % of revenue were higher than benchmark, caused by investment in Human Capital (\$2.1M), Non-Operating Expenses for NPD (\$0.55M) and a high 12.5% of revenue spent on sales and marketing, but all crucial in setting the business for scale after an initial product activation period.

## FY23

The Beverage Portfolio growth of 59% YTD Mar 31 vs FY22, has been the driving factor for NLG revenue in Q1-Q3, fueled by grocery expansion (Coles & Woolworths and new major accounts).

The No Nasties Project faced co-manufacturing challenges which led to periods of out of stock in the portfolio, dampening sales significantly. It is forecast to finish FY23 at a similar revenue to FY22.

NLG Operating Expenses and One-Off costs had significant investment in Q1 FY23, as launch investment continued. As such Q1FY23 accounted for the majority (\$0.52M) of the \$0.53M

For the 9 months  
ended 31 March 2023

FY 2022  
01 July 21 - 30 June 22

## Sales

Naked Life	\$10,521,398	\$6,658,446
The No Nasties Project	\$4,532,633	\$5,743,198
Total Sales	\$15,054,031	\$12,401,645

## Cost of Sales

COGS	\$9,058,603	\$7,268,386
Vendor Deals	\$1,581,112	\$1,698,487
Total Cost of Sales	\$10,639,715	\$8,966,873

<b>Gross Profit</b>	<b>\$4,414,316</b>	<b>\$3,434,772</b>
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## Operating Expenses

Administration Expenses	\$369,119	\$370,428
Human Capital Expenses	\$1,925,839	\$2,132,901
Sales & Marketing Expenses	\$1,445,472	\$1,535,247
Operation & Supply Expenses	\$1,125,389	\$744,455
Travelling Expenses	\$78,374	\$36,758
Total Operating Expenses	\$4,944,193	\$4,819,789

<b>Net Operating Profit/(Loss)</b>	<b>(\$529,877)</b>	<b>(\$1,385,018)</b>
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## Non-Operating Income &amp; Expenses

Non-Operating Income	\$124,960	\$66,875
Non-Operating Expenses	(\$307,852)	(\$518,458)
Interest Expenses	(\$442,166)	(\$111,349)
Total Non-Operating Income & Expenses	(\$625,059)	(\$562,933)

<b>Net Profit/(Loss) Before Tax</b>	<b>(\$1,154,936)</b>	<b>(\$1,947,950)</b>
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<b>Net Profit/(Loss) After Tax</b>	<b>(\$1,154,936)</b>	<b>(\$1,947,950)</b>
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YTD 31st Mar Net-Operating Loss.

Q2-Q3 delivered NLG total Net-Operating Loss of \$10,829, showing a moderation in operating expenses, with the Beverage Portfolio, delivering an EBITDA of \$144,674 illustrating the strength of the previous investment period.

Our Interest expense (\$442K YTD Mar 31) was significantly higher than benchmark, due to large ingredients and packaging inventory incurred during launch period and to offset global supply constraints. With a significant inventory decrease since July22 (\$4.9M to \$3.5M), management expects a +30% reduction in FY24 pre-tax Interest Expenses.

**2.8.3****CASH FLOW STATEMENT**

**For the 9 months  
ended 31 March 2023**

**FY 2022**  
01 July 2021 - 30 June 2022

Trading Activities		
Cash Received	\$15,035,972	\$10,851,752
Cash Paid	(\$15,014,514)	(\$14,432,293)
Accounts		
Interest Paid	(\$442,166)	(\$98,665)
Tax Liability	\$344,768	\$153,616
<b>Total Accounts</b>	<b>(\$97,399)</b>	<b>(\$252,281)</b>
<b>Total Cash Flows from Operating Activities</b>	<b>(\$75,941)</b>	<b>(\$3,832,822)</b>
Cash Flow from Investing Activities		
Proceeds from sale/(acquisition) of Property Plant and Equipment	(\$19,816)	(\$28,844)
Movements in Other Non-Current Assets	-	\$296
<b>Total Cash Flows from Investing Activities</b>	<b>(\$19,816)</b>	<b>(\$28,548)</b>
<b>Free Cash Flow</b>	<b>(\$346,410)</b>	<b>(\$3,762,705)</b>
Cash Flow from Financing Activities		
Proceeds from/(Repayment of) Borrowings	(\$342,365)	\$3,192,599
Proceeds from/(Repayment of) Equity	-	\$1,345,000
Movements in other equity and other non-current liabilities	\$582	\$25,783
<b>Total Cash Flows from Financing Activities</b>	<b>(\$341,783)</b>	<b>\$4,563,382</b>
Summary		
<b>Opening Balance</b>	<b>\$1,049,827</b>	<b>\$347,815</b>
<b>Movement</b>	<b>(\$437,540)</b>	<b>\$702,012</b>
<b>Closing Balance</b>	<b>\$613,287</b>	<b>\$1,049,827</b>

**2.8.4****STATEMENT OF CHANGES IN EQUITY**

	Equity	Retained Earnings	Total Owners Equity
<b>Balance as of 30 June 2021</b>	<b>\$1,202</b>	<b>(\$716,412)</b>	<b>(\$715,210)</b>
Proceeds from share issuance	\$3,929,978	-	\$3,929,978
Loss for the period	-	(\$1,947,950)	(\$1,947,950)
<b>Balances as of 30 June 2022</b>	<b>\$3,931,180</b>	<b>(\$2,664,362)</b>	<b>\$1,266,818</b>
Convertible Note	500,000	0	500,000
Loss for the period	-	(\$1,154,936)	(\$1,154,936)
<b>Balances as of 31 March 2023</b>	<b>\$4,431,180</b>	<b>(\$3,819,298)</b>	<b>\$611,882</b>







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## SECTION 3

# INFORMATION ABOUT THE OFFER





## 3.1 TERMS OF THE OFFER

The Company is offering up to 2,158,272 shares at an issue price of AUD \$1.39 per share to raise up to \$2,999,998. The key terms and conditions of the Offer are set out below.

Shares	Fully-Paid Ordinary Shares
Price	AUD \$1.39 per Share
Minimum Subscription	\$749,999.00
Maximum Subscription	\$2,999,998.00
Opening Date	20 June 2023
Closing Date	06 July 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](http://www.birchal.com).*

*The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money. Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.*

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

## 3.2 USE OF FUNDS

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

Intended Use	Minimum Subscription	Maximum Subscription
<b>Growth Activities</b>		
- Domestic General Marketing Activity		
- New Channel Trade Investment	\$168,000	\$1,416,000
- Export Logistics and Commercial Partnerships		
<b>Working Capital</b>		
- NPD Process, Packaging & Ingredient Procurement	\$533,000	\$1,400,000
- Extra Staffing Wages		
- Inventory Management via Trade & Invoice Facility		
<b>Offer Costs</b>	\$48,999	\$183,998
<b>Total</b>	<b>\$749,999</b>	<b>\$2,999,998</b>

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

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 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 12 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 on export readiness for 12 months and continue to focus our cash resources on grocery headroom, new channel expansion and a more streamlined NPD pipeline.

As a scaling business, the board and management will always consider further strategic investment opportunities that will allow it to continue or accelerate our growth.

## 3.3 RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the shares issued pursuant to this Offer will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue. The rights associated with the shares are set out in the Constitution. These rights are described below. A copy of the Constitution is available on the Intermediary's platform.

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### Election and removal of directors

The Company must have at least two directors and no more than five directors (unless otherwise determined in accordance with the Constitution). Pursuant to clause 25.5 of the Constitution, shareholders and/or existing directors may vote to elect and remove some of the directors of the Company (provided certain consents have been obtained).

In addition to the above, the following shareholders have special powers to appoint and remove directors of the Company:

- Pursuant to clause 25.3, the Founder Shareholder (being, at the date of this Offer Document, the shareholder associated with David Andrew) may appoint two directors if they hold 30% or more of the equity or 1 director where they hold between 10% and 30% of the equity; and
- Pursuant to clause 25.2, each Major Member (being each shareholder, other than a Founder Shareholder, that holds at least 17.5% of the issued equity in the Company).

### Decision making

Under the Constitution, the directors of the Company have significant decision-making power with respect to the business of the Company. In many cases where decisions are reserved for resolution by the directors of the Company under the Constitution, shareholders will not have the opportunity or ability to vote.

1. those that require an Ordinary Resolution (as described in the Constitution) of Directors;

2. those that require a Special Resolution (as described in the Constitution) of Directors;

3. those that require an Ordinary Resolution (as described in the Constitution) of shareholders; and

4. those that require a Special Resolution (as described in the Constitution) of shareholders.

### Board observers

Under clause 25.4 of the Constitution certain members have the power to appoint and remove a person from the role of Observer (as described in the Constitution). An Observer will have the right to attend each meeting of directors but is not entitled to vote.

Under clause 25.8 of the Constitution, the Board also has powers to nominate Observers who may attend meetings of directors but not vote.

### Founder rights

In addition to the above decision categories, some decisions also require Founder Shareholder involvement. The Founder Shareholder effectively has a veto right over these matters. This veto right and all other special rights (including director appointment rights and attendance rights at shareholder and board

meetings) fall away if the Founder Shareholder holds less than 10% of the Issued Equity (as described in the Constitution).

### **General meetings and notices**

Clause 22.1 of the Constitution sets out when and how general meetings may be called.

- Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.
- Shareholders may requisition the holding of a general meeting in accordance with the Corporations Act 2001.

Shareholders must be given notice of any meetings in the manner contemplated by clause 22.2.

### **Shareholder voting**

In respect of any shareholder decision, each shareholder has one vote on a show of hands and, on a poll, one vote for each fully paid share held. As discussed below, shareholders will not be entitled to vote on some important decisions of the Company (for example, those matters which are reserved for resolution by the board of directors of the Company).

### **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 (e.g. 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).

### **Restrictions on Sales**

Any CSF Shares acquired under the Offer must not be onsold 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 Constitution also outlines certain rules and processes pursuant to which you may dispose of your Shares.

### **Pre-emptive rights on sale of shares**

Except in the case of Permitted Transfers (as described in the Constitution) and other permissible disposals (such as pursuant to a drag along, tag along event or the minor parcel transfer process), shareholders wishing to sell shares must first offer those shares to Eligible Members (as defined in the Constitution) before those shares can be sold to third parties.

Additionally, if a sale or disposal would result in the Company having to issue a disclosure document or a product disclosure statement under Chapter 6D or Chapter 7 respectively of the Act, the sale may only occur in accordance with clause 12.5.

### **Minor parcel transfer process**

Where a proposed sale is in respect of a parcel of shares which equates to less than 0.5% of the total number of shares on issue in the Company at the relevant time, the Board may offer the relevant shares to any existing shareholder or third party in a manner and at a time as the Board determines, in its discretion. Pursuant to clause 13.5(a) of the Constitution, the Board has discretion to delay offering the share parcel or aggregate share parcels belonging to multiple shareholders.

### **Defaulting shareholders**

If an Event of Default (as that term is defined in the Constitution) occurs, the defaulting shareholder may be required to sell its shares in accordance with the process set out in clause 18 of the Constitution.



A discount of 20% will apply to a forced sale triggered by the occurrence of most but not all Events of Default.

**Drag along**

Pursuant to clause 15 of the Constitution, where shareholders holding more than 60% of the Shares in the Company (Majority Sellers) receive an offer from a third party to acquire all of the issued shares in the Company, those Majority Sellers may require all other shareholders of the Company to sell their Shares to that third party (or to another Eligible Member, if the Board implements an Alternate Offer Process, pursuant to clause 15.3).

**Tag along**

Similarly, where transfer proposed by a shareholder (or group of shareholder) would result in a third party acquiring at least 60% of the issued Share capital in the Company, then shareholders (other than those who intend to sell to that third party) will have the right to tag along pursuant to clause 14 of the Constitution.

**Pre-emptive rights on issue of shares**

Shares may only be issued by the Company in accordance the Constitution. This means that, except in respect of certain Excluded Issues (as described in the Constitution), where the Company wishes to issue new shares, the Company must follow the procedure set out in clause 5 of the Constitution, including by offering each Eligible Member (as defined in the Constitution) the right to acquire the new shares.

**ESOP**

Pursuant to clause 26.3 of the Constitution, the Board has discretion to establish one or more employee share option plans (each an ESOP) which allow the Board to issue shares or options representing up to a maximum of 5% of the fully diluted share capital of the Company at any time. The Board by Special Resolution (as defined in the Constitution) has the power to increase this allocation to 10% with any further increases requiring a shareholder resolution.

**Shares in lieu of payment**

Pursuant to clause 26.4 of the Constitution, the Directors of the Company are empowered to, in lieu of payment, issue shares equating to up to 2% of the share capital of the Company to service providers. Any such decision requires a Special Resolution (as described in the Constitution) of Directors.

**Competition Restriction**

Clause 34 of the Constitution sets out a range of Restricted Activities (as described in the Constitution) which must not be undertaken by shareholders. These include obligations not to compete with the company, not to solicit customers of the Company and not to interfere with the relationships between the Company and its employees, contractors, suppliers or customers. Shareholders who hold less than 1% of the share capital of the Company or who are Professional Investors (as described in the Replacement Constitution) will not be subject to the non-compete. All other shareholders are subject to the Competition Restriction (subject to certain exceptions specified in clause 34.8 of the Constitution). A full description of the Competition Restriction and other Restricted Activities is set out in clause 34 of the Constitution.

**IPO and Escrow**

Pursuant to clause 19.3 of the Constitution, if an IPO of the Company is approved, shareholders may be restricted from selling their shares within a certain period of time after the IPO as part of an escrow / lock-up arrangement.

**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 will be distributed to shareholders after secured and unsecured creditors of the Company. If the Company issues preference shares (i.e. shares with preferential rights) in the future, holders of such preference shares may rank ahead of ordinary shareholders in a distribution of assets on winding up.

## 3.4 WHAT CAN I DO WITH MY SHARES?

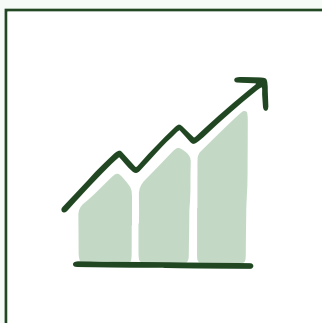
Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

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 ASX)**



**A Private Equity  
Investment In  
The Company**



**A Share Buy  
Back By The  
Company**

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



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## 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

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### 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 Company's share registry website at the following address: [cakeequity.com.au](http://cakeequity.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 share registry website at the following address [cakeequity.com.au](https://cakeequity.com.au) and via the Intermediary's platform.



# GLOSSARY

<b>Beverage Portfolio</b>	<b>Beverage Portfolio</b> means Naked Life Non-Alcoholic Spirits and Naked Life Lifestyle Brands, managed through subsidiary Inspi Beverages Pty Ltd.
<b>Company</b>	<b>Company</b> means Naked Life Group Pty Ltd ACN 637 710 046.
<b>CAGR</b>	<b>CAGR</b> is an abbreviation for the term Compounding Annual Growth Rate.
<b>EBITDA</b>	<b>EBITDA</b> is an abbreviation for the term Earnings Before Interest, Taxes, Depreciation & Amortization.
<b>NLG</b>	<b>NLG</b> means Naked Life Group Pty Ltd ACN 637 710 046 and its subsidiaries.
<b>Cooling-Off Period</b>	<b>Cooling-Off Period</b> 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.
<b>CSF</b>	<b>CSF</b> means crowd-sourced funding under Part 6D.3A of the Corporations Act.
<b>Intermediary</b>	<b>Intermediary</b> means Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618
<b>Maximum Subscription</b>	<b>Maximum Subscription</b> means the amount specified in this CSF offer document as the maximum amount sought to be raised by the offer.
<b>Minimum Subscription</b>	<b>Minimum Subscription</b> means the amount specified in this CSF offer document as the minimum amount sought to be raised by the offer.
<b>Offer</b>	<b>Offer</b> means an offer of fully-paid ordinary shares by the Company under this CSF offer document.
<b>Retail Investor</b>	<b>Retail Investor</b> has the meaning given to the term “retail client” under the Corporations Act.
<b>YTD</b>	<b>YTD</b> is an abbreviation for the term Year To Date.
<b>RTD</b>	<b>RTD</b> is an abbreviation for the term Ready To Drink.



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